
PROCUREMENT REVIEW GROUP

Matter for Consideration

1. To update Members on the visits undertaken by Members of this Scrutiny Committee to various authorities who had received Beacon Status for Procurement.

Background Information

2. In December, 2002, the report on the Corporate Assessment of the Council identified a number of weaknesses in the Council's approach to procurement, which the Council sought to address. In addition, there had also been several developments, which necessitated a review, and revision of the existing procurement strategy, such as the increased emphasis the Government has placed on procurement through the Byatt report, CPA, implementing E-Government and the National Procurement Strategy.
3. A revised draft strategy was therefore developed and approved by Council in September 2004, and, it was at this stage, that Members of this Scrutiny Committee first became involved in Procurement by assisting the Officers in developing the Strategy.
4. The implementation of the Procurement Strategy became a major project within the Leading Edge Programme and this Scrutiny Committee regularly monitored the progress made against the Procurement Strategy Action Plan.

Information and Analysis

5. In June 2006, Members considered how they could best assist the Officers with the work they were undertaking in relation to the development of procurement within the Authority and agreed to re-convene the Task and Finish Review Group to become actively involved in the work being undertaken.
6. At an initial meeting of the Task and Finish Review Group, the Procurement Advisor advised the Members of the work which needed to be undertaken to engender the change required to meet the more exacting demands of the CPA, 'the Harder Test', contribute to the Council's Efficiency targets as set by Gershon and to introduce robust contract management. The Council needs to raise the profile of procurement and its role within the Organisation to ensure understanding of the significant contribution procurement can make to the delivery of Council services. It was suggested, at this meeting, that Members of the Resources Scrutiny Committee undertake visits to a number of authorities that have been awarded Beacon Status for Delivering Quality Services through Procurement in 2006/07 to seek information on Best Practice. The Authorities visited were Wakefield, Liverpool and Leeds and notes from Leeds and Liverpool are appended to this report (**Appendix 1**). In addition to these visits, the Chair, the Assistant Chief Executive and the Procurement Advisor also visited Rotherham (**Appendix 2**).
7. All of the visits undertaken were extremely beneficial and worthwhile, not only to the work the Scrutiny Committee is doing in relation to efficiency gains, but also to the work it is

undertaking in relation to the Pedestrian Heart contract and some best practice can be drawn from each of the authorities.

Legal Implications

8. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

9. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Conclusion

10. Following its investigations, the Review Group conclude that: -

- a review of this Council's Contract Procedure Rules be undertaken;
- a Corporate approach to procurement is needed
- Officers investigate the feasibility of developing dedicated areas within each department for transactional purchasing;
- Officers investigate the cost effectiveness of working with outside partners to deliver procurement;
- improved invoice payment through electronic means be investigated;
- that appropriate legal advice be included in all future Contracts;
- development of the Council's website to encourage supplier/customer engagement;
- enhancement of voluntary and community sector engagement;
- staff and member training, competency framework;
- a review of the Council's Tendering Process be undertaken with a view to streamlining the process and the possible establishment of a Management Board;
- the development of a risk log for all contracts;
- schools be encouraged to 'buy-in' to the Council's Procurement process;
- training sessions be arranged with NEPO to gain a better understanding of its role;
- Project Management should be implemented for procurement;
- lessons learnt from the Pedestrian Heart review and the comments made in the report be incorporated into any future Procurement Strategy;
- supplier open days be developed to promote and encourage partnership working within procurement;
- advice and information be sought from the Central Procurement Officers in relation to departmental procurement;
- clear guidelines be established on Members' roles within the procurement process;
- support be given to the business community on matters relating to the procurement rules and when and how they apply and give advice as and when circumstances dictate;
- the themes, content and spirit of the community strategy be embraced within the procurement process; and
- Regular feedback is given to Cabinet Member and Scrutiny Chairs.

Recommendations

11. That it be recommended to Cabinet that: -

- (a) the Council's Procurement Strategy be reviewed and an Action Plan, incorporating all the points raised in paragraph 10 above be developed;
- (b) the monitoring of the Action Plan be undertaken by this Scrutiny Committee.

Paul Wildsmith
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Background Papers

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