
OVERVIEW OF EFFICIENCY AND RESOURCES SCRUTINY COMMITTEE

1. Since the last meeting of the Council, the following are the main areas of work the Efficiency and Resources Scrutiny Committee has undertaken.

Work Programme

2. As part of our work programme report we discussed a number of requests from Members for additional items to be added to the previously approved work programme.
3. As detailed below, we had a presentation from a representative from the North East Purchasing Organisation (NEPO) and, as a follow on from that work, we have also agreed to receive a further presentation from the Assistant Director Law and Governance and the Head of Procurement and Principal Lawyer (Commercial) on how the Council procures its contracts and the processes and procedures followed. This will take place at our next meeting in July 2018.
4. Also included within our 2018/19 work programme will be a presentation from the Assistant Director Housing and Building Services on the Housing Business Plan and the Housing Revenue Account.
5. We are also interested in looking at the position statement in relation to Section 106 Agreements and the total value of live permissions or agreements. This information is reported six-monthly to the Planning Applications Committee so we will look at the information provided outside of the formal Scrutiny process and bring it back to Scrutiny if Members feel it necessary.

North East Purchasing Organisation

6. Nicola Shelley, Associate Director from the North East Procurement Organisation (NEPO), gave a presentation on the work it does with local authorities within the North East to procure goods and services in order to deliver savings, maximise efficiencies and promote best practice, thorough collaborative procurement.
7. The presentation covered the governance arrangements around the organisation and the collaborative procurement arrangements, together with the categories of procurement solutions available to Member Authorities and the benefits to those authorities and suppliers of using those procurement solutions. Only a proportion of Darlington's procurement is undertaken through a NEPO contract, some contracts and services are procured locally in accordance with Contract Procedure Rules. It depends on what is perceived to be the best option. In 2016/17 we used 34 out of the 67 procurement solutions that were available from NEPO.

8. NEPO is a not for profit organisation and is jointly funded by Member authority subscriptions. In 2016/17, Darlington's membership fee was £55,000, but we received £88,000 back from the rebate by using NEPO frameworks. The return on investment, based on use of collaborate procurement opportunities, calculated in accordance with Crown Commercial Services methodology, was £293,000 (inclusive of rebate). There are additional unmeasured benefits to Darlington in the use of the electronic procurement system (Pro Contract) as well as access to Darlington suppliers of public contract opportunities across the region which was £62.2 million for 2016/17 (inclusive of Darlington Borough Council spend).
9. In 2016/17, Darlington's total contracted spend through NEPO was £8.8 million with 34 procurement solutions used.

Performance Indicators Quarter 3 2017/18

10. We received an update on performance against those key performance indicators under the remit of our Scrutiny Committee for the period October to December 2017.
11. The indicators used are aligned with key priorities and the majority are used to monitor the Corporate Plan 2017/21.
12. We particularly discussed the indicator in relation to working days lost due to sickness absence, which is unlikely to meet the year-end target but is showing an improvement on the same quarter last year. The performance is disappointing in view of the on-going health and well-being initiatives which are taking place but we were reassured that process and procedures are in place and initiatives will continue to try to improve performance, with specific targeted work being undertaken in service areas with particularly high levels of absence.

Councillor Ian Haszeldine
Chair Efficiency and Resources Scrutiny Committee