

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Planning Portfolio Holder

2 March 2010

AUTHOR/S: Executive Director (Corporate Services)

PROCUREMENT STRATEGY

Purpose

1. The purpose of this report is for the Planning Portfolio Holder to agree an updated Procurement Strategy.
2. This not a key decision but it has been brought to the Planning Portfolio Holder as procurement and efficiency are included in the services covered by the portfolio holder. It was first published in the February 2010 Forward Plan

Background

3. Cabinet approved a Strategy for the Procurement of Goods and Services in January 2004. The strategy was revised and updated in March 2009 to take account of events since it was approved and increased expectations of the outcomes from procurement activities, and renamed the Procurement Strategy.
4. It is recognised good practice to review strategies, annually where possible.

Considerations

5. The Procurement Strategy has been subject of the following independent reviews:
 - (a) a Quality Assurance Meeting considered an Equalities Impact Assessment (EQIA) of the strategy;
 - (b) the Audit Commission commented on the strategy in the Use of Resources assessment;
 - (c) the Council's internal auditors, RSM Tenon, made recommendations following a review of procurement.
6. Consequent to paragraph 5. (c), the following procurement performance indicators (PIs) have been considered for inclusion in the Procurement Strategy:
 - (a) the National Audit Office's procurement VFM (Value For Money) measures;
 - (b) procurement PI's included in:
 - (i) the Finance & Support Services' service plan for 2009/10;
 - (ii) the proposed Corporate Services' service plan for 2010/11.
7. These factors have been taken into account as outlined in the following Appendices:
 - (a) the Quality Assurance Meeting's comments on the EQIA (**Appendix A**);
 - (b) the Audit Commission's comments in the Use of Resources assessment (**Appendix B**);
 - (c) RSM Tenon's recommendations from the procurement review (**Appendix C**);
 - (d) the National Audit Office's procurement VFM measures (**Appendix D**);
 - (e) procurement PI's included in service plans (**Appendix E**).
8. The resulting proposed updated Procurement Strategy is attached as **Appendix F**.

Options

9. The Planning Portfolio Holder could agree to adopt the proposed updated Procurement Strategy. ***This is the recommended option.***
10. Alternatively, the Planning Portfolio Holder could suggest changes to the proposed updated Procurement Strategy.

Implications

11. Financial	There are no direct financial implications resulting from this report.
Legal	There are no legal implications resulting from this report. EU and UK procurement legislation has been taken into account in preparing the proposed updated Procurement Strategy.
Staffing	There are no staffing implications resulting from this report.
Risk Management	There are no direct risk management implications resulting from this report. The Procurement Strategy, together with the Council's Contract Regulations, should ensure that the Council obtains the goods and services it requires at best value for money, in compliance with procurement legislation.
Equal Opportunities	An Equality Impact Assessment (EQIA) was conducted in January 2009 on the then draft Procurement Strategy. The impact was assessed as positive as the strategy not only does not disadvantage any equality groups, but also actively promotes equality and diversity by encouraging suppliers and contractors to consider their equality policies and practices and expecting them to meet the Council's own standards and policies. Comments from the Quality Assurance Meeting have been taken into account in preparing this proposed updated Procurement Strategy (and see paragraph 12 below). Both the Procurement Strategy and Contract Regulations incorporate equality and diversity considerations, together with a checklist for contracting officers to follow.

Consultations

12. A response was made to the Council's Equality & Diversity Officer regarding the comments made by the Quality Assurance Meeting on the Equalities Impact Assessment (EQIA). This response and the Equality & Diversity Officer's feedback on it are included in Appendix A. In providing his feedback, the Equality & Diversity Officer said, "I was particularly impressed with the EQIA that has been produced, especially as it was completed before I joined the Council and at a time when EQIAs were not imbedded in the policy-making process."
13. The draft Procurement Strategy was provided to the Audit Commission's performance specialist on Use of Resources. His comments and the Council's responses have been added to Appendix B and the Procurement Strategy has been updated to take the comments into account where appropriate.
14. The draft Procurement Strategy was considered by Senior Management Team at its meeting on 17 February 2010 and endorsed subject to some comments:

- (a) more Customer Service and Safeguarding Children references in the body of the strategy – all service areas have been asked to include actions to address these matters in their 2010/11 improvement plans; accordingly, actions have been included in the Finance Project Team’s improvement plan; addenda to the strategy will be produced as these actions are implemented;
- (b) include more Aims, Approaches and/or Actions (AAA’s) as having procurement implications/applications – the AAA’s included in the strategy have direct procurement implications/applications; however, wording has been added about procurement supporting service managers who lead delivery of other AAA’s;
- (c) more specific actions that will enable the authority to use procurement as a tool to achieve corporate objectives – actions have been included regarding procurement aspects of the refuse and recycling service review (new Council Action 3) and the housing service review and restructure (new Council Action 11); paragraph 3.1.2 states that the authority will look for opportunities to conduct procurement exercises in strategic ways to meet the Council’s Aims.

Effect on Strategic Aims

15.	<p>Commitment to being a listening council, providing first class services accessible to all.</p> <p>Effective procurement enables the Council to deliver high quality services by:</p> <ul style="list-style-type: none"> • Achieving value for money to maximise resources available for Council objectives and service priorities; • Supporting policy objectives, for example through sustainable purchasing and local purchasing; • Engaging quality suppliers of goods and services; • Implementing efficient procurement processes that release officers for other tasks related to service delivery and improvement. <p>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</p> <p>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</p> <p>Commitment to assisting provision for local jobs for all.</p> <p>Commitment to providing a voice for rural life.</p>
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Conclusions/Summary

- 16. The Council's Procurement Strategy has been reviewed in accordance with recognised good practice. The resulting proposed updated Procurement Strategy incorporates comments from independent reviews and advice and guidance from consultees, as appropriate.

Recommendations

- 17. The portfolio holder is recommended to adopt the proposed updated Procurement Strategy.

Background Papers: the following background papers were used in the preparation of this report: None unpublished

Contact Officer: John Garnham – Finance Project Officer - Telephone: (01954) 713101 and Sean Missin – Procurement Officer - Telephone: (01954) 713378