

Appendix B

Comments regarding the Procurement Strategy in the Audit Commission's Use of Resources assessment

| <i>Audit Commission comments</i> | <i>Comments</i> | <i>Amendment to Procurement Strategy</i> |
|---|---|--|
| <p><u>Key finding and conclusion</u> In April 2009 the Council published an updated 'Procurement Strategy'. This document sets out the steps that officers must go through during a procurement exercise. It is therefore a procurement approach as it does not set out how procurement will assist the Council in achieving its strategic objectives.</p> <p><u>Area for improvement</u> The Council has not identified how it will use procurement to achieve its strategic objectives.</p> | <p>The procurement strategy does set out a priority for procurement exercises to support achievement of the strategic objectives of the Council (paragraphs 1.2.1, 1.5.2, 1.5.5 and 3.1.5 refer).</p> <p>The Audit Commission was asked to provide an exemplar strategy, which would be used to enhance the Council's procurement strategy.</p> | <p>The layout of the Procurement Strategy has been revised to make a separation between the role of procurement, sections</p> <ol style="list-style-type: none"> 1. Introduction; 2. Guiding principles; and 3. <i>Corporate aims and objectives</i>), <p>and the procurement process (section 4).</p> <p>In particular, the Council will look for opportunities to conduct procurement exercises in strategic ways to meet its Aims.</p> <p>In addition, managers responsible for leading procurement exercises will consider at the outset the Aims to which they will contribute; procurement documentation will incorporate this requirement.</p> <p>Procurement actions to support the Council's Aims and Approaches will be included in the Corporate Services service plan for 2010/11 and be monitored through the Performance and Development Review process; the key actions will be monitored and reported through CorVu.</p> |

| <i>Audit Commission comments</i> | <i>Comments</i> | <i>Amendment to Procurement Strategy</i> |
|--|---|--|
| <p data-bbox="185 266 539 295"><u>Key finding and conclusion</u></p> <p data-bbox="185 301 792 400">The Council is seeking to develop longer term approaches to providing services and a better understand of the supply market.</p> <p data-bbox="185 435 477 464"><u>Area for improvement</u></p> <p data-bbox="185 470 683 534">The Council needs to acquire a better understanding of the supply market.</p> | <p data-bbox="819 301 1420 400">Officers' understanding of supply markets with regard to the authority's principal areas of procurement is good.</p> <p data-bbox="819 435 1420 601">Where officers have a lesser understanding of the supply market for a particular procurement project, the supply market is investigated before drawing up the specification and inviting tenders (e.g. the planning IT system).</p> <p data-bbox="819 639 1420 767">It is therefore considered that this comment refers to understanding the supply market with regard to the commissioning of services, rather than to procurement.</p> | <p data-bbox="1447 301 1877 365">No amendment is required to the Procurement Strategy.</p> |

Comments on the draft Procurement Strategy from the Audit Commission's performance specialist

| Ref | Audit Commission comment | SCDC response |
|-------------------------|--|---|
| | I like the strategy. It is very comprehensive and probably fulfils 2 purposes as Strategy and Guidance. The down side of that is that its length might put some readers off, especially officers who need to read it and understand the strategic aims and their roles and responsibility in delivering them. However, I am reasonably sure that this will be covered off in training. | The format of the strategy has not changed materially from the previous version, on which managers and officers received comprehensive training and with which they will be familiar. The substantive changes made this time (e.g. identifying the Aims, Approaches and/or Actions that a procurement exercise relates to) will definitely be covered in training, as well as in documentation. |
| | I like the target section but the associated action plan is key in delivering your strategic objectives. It will be essential to ensure that all actions are picked up in the appropriate service plan. The important point is that there is a clear plan with clear accountabilities and a frame to monitor it. | Actions to deliver the Procurement Strategy are included in the Finance Project Team section of the Corporate Services service plan (paragraph 3.1.5) and also in Contract Regulations and procurement processes (paragraph 3.1.8). |
| Title page | What is the lifetime of this Strategy, what period does it cover, or is it a rolling strategy? | The strategy is reviewed annually – we have added 2010/11 under the heading. |
| 2. Guiding principles | Should there be something in here about meeting user needs? | Yes, wording added to 2.4. |
| 2.10 | Use of E-technology to reduce transaction costs? | Agreed – new point 2.11 added. |
| 4.2.2, 5th bullet point | And cost reduction? | Yes, wording added to the bullet point. |
| 4.5.3, 4th bullet point | Having regard to the needs of all users? | Agreed – new customer centric bullet point added. |
| 4.9 | I might amend the text in this way otherwise it is jargon that we might all understand but others might not. This is only a suggestion. | Agreed – heading amended. |

| Ref | Audit Commission comment | SCDC response |
|---|--|--|
| 6.1.2, 4th bullet point, 1st sub bullet point | I think this is a key component that is sometimes left out of contracts. So it is good to see it here. | Thank you. |
| Annex A, FP10 | Is this the same as FP4 above or something different. | Slightly different: FP4 measures procurement savings against the cost to the Council of the Procurement Officer's post; FP10 is about reporting this to the Planning Portfolio Holder. |
| Annex A, CA11 | Why is this "as necessary" when there is no "as necessary" for refuse and recycling? | We already know what procurement exercises are needed for refuse and recycling; we do not yet know what procurement requirements will be needed for housing. |