

<b>MEETING:</b>	<b>GENERAL OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>10 DECEMBER 2012</b>
<b>TITLE OF REPORT:</b>	<b>UPDATE TO THE OVERVIEW &amp; SCRUTINY TASK &amp; FINISH GROUP REPORT ON COUNCIL PROCUREMENT POLICY AND LOCAL BUSINESS AND LOCAL EMPLOYMENT</b>
<b>REPORT BY:</b>	<b>WAYNE WELSBY, HEAD OF COMMERCIAL SERVICES</b>

### **1. Classification**

Open

### **2. Key Decision**

This is not a key decision

### **3. Wards Affected**

County-wide

### **4. Purpose**

To note the updated task and finish report on council procurement policy and local business and local employment attached as appendix A and monitor progress against the Executive Action Plan.

### **5. Recommendation(s)**

**THAT:**

- (a) the report be noted.

### **6. Key Points Summary**

- The progress delivering the recommendations is covered in the Appendix
- Good progress has been made in key areas but the inability to recruit to category manager posts has hampered delivery of some objectives
- A review of the Proactis system has meant that a more accessible means of advertising tendering opportunities is being explored

## **7. Alternative Options**

7.1 There are no Alternative Options.

## **8. Reasons for Recommendations**

8.1 The executive response was brought to Overview & Scrutiny and approved.

8.2 It was agreed that six months on an updated position would be brought back to the Committee for noting.

## **9. Introduction and Background**

9.1 At the meeting of Overview & Scrutiny Committee on 19 March 2012 the Committee agreed the findings and recommendations to the Executive arising from the review of council procurement policy and local business and local employment (appendix A).

9.2 In developing its response the Executive took into consideration the current financial climate and future efficiency savings that face local government. It also took into account the impact that the Council has on the local economy through its procurement practices.

9.3 When Cabinet requested the review there was a need to understand how the rationale for setting fees and charges linked to service provision and how this fitted within the overall approach to budget policy. The move towards greater integration of fees and charges into the overall service delivery and budget process was indicated by Cabinet when it agreed draft charging and trading principles back in July. These principles required:

## **10. Key Considerations**

10.1 The recommendations of the task and finish group were that:

- a. That the council's partners should, if possible, use the council's Proactis system to advertise procurement opportunities and if this is not possible give a commitment to share information about local suppliers.
- b. That parish councils might find it helpful to draw on the database of suppliers held on the Proactis system and that arrangements to share data with them should continue to be explored.
- c. That the role of Contract Monitoring Officers (CMO) set out in the Constitution requires review and clarification to ensure that there is a clear understanding of the role the CMO is expected to fulfil across directorates
- d. That lists showing the contracts let and who is responsible for monitoring them should be maintained by each directorate and held in a central location available to the relevant director for inspection, with a formal review of the lists say every six months.
- e. That six monthly sample audits be undertaken, perhaps as part of the audit programme, to provide an independent, external assessment of the council's major contracts to verify whether or not the council's assessment of the value for money and performance of these contracts is correct, with a report subsequently submitted to the relevant Cabinet Member and the Chairman of the Overview and Scrutiny Committee.

- f. That a communication plan be developed to raise awareness of the Proactis system to try to ensure that all businesses who wish to register on the system are registered.
- g. That the council consider how to raise business awareness and provide training and support to businesses to help them to equip themselves with the necessary skills to achieve the necessary accreditations that the council's contracts generally require.
- h. That a plan be produced setting out how help will be provided to develop local capability and capacity to win contracts including encouraging the formation of local consortia or other means
- i. That Contract Standing Orders should be amended and it should be mandatory that all procurement must be undertaken via the Proactis system unless a waiver not to do so is approved by the Commercial Services.
- j. That compliance with the mandatory requirement that all procurement above a threshold of £10,000 must be undertaken via the Proactis system should be monitored and reviewed every quarter for one year and six monthly thereafter.
- k. That to support the embedding of the Proactis system across the organisation annual presentations be made to each Directorate Management Team by Commercial Services and two awareness sessions arranged per year for officers directly involved in the use of Proactis.
- l. That the council should be alert to any changes to EU procurement rules and benchmark its interpretation of these rules with peer authorities to ensure that any adverse effect on local firms is minimised
- m. That the council should review the accreditations required in its contracts for the supply of certain services to ensure that they are proportionate and not unnecessarily onerous
- n. That the council consider how to raise business awareness and provide training and support to businesses to help them to equip themselves with the necessary skills to achieve the necessary accreditations that the council's contracts generally require
- o. That a plan be produced setting out how help will be provided to develop local capability and capacity to win contracts including encouraging the formation of local consortia or other means
- p. That arrangements are put in place to measure the amount of work let locally that is sub-contracted locally to ensure a true picture of local spend is captured
- q. That if the current model under the Amey Contract is maintained the council should have two councillors on the Amey Wye Valley Board with full voting rights
- r. The Council reviews the benefits of joint venture companies to see if they are distorting the market and consequently did not represent value for money
- s. The potential for the Council's buying power to drive down costs be explored

- 10.2 The full implementation of the recommendations has been hampered by the inability to recruit to the new Commercial Services team. The appointment of a Head of Commercial Services has strengthened the capability of the council but lack of staff resources has delayed the implementation of some of the recommendations.
- 10.3 A review of the Proactis system is underway to ensure that a user friendly system is available better able to support involvement of local suppliers is in place.
- 10.4 The updated position is contained at Appendix A.

## **11. Equality and Human Rights**

11.1 Any decision to review council procurement policy charges will be subject to an Equality Impact Assessment. It is important that the council has due regard to the relevant part of the general duty under legislation covering the legislation equalities.

## **12. Financial Implications**

12.1 None arise as a direct response to the report.

## **13. Legal Implications**

13.1 There are no legal implications

## **14. Risk Management**

14.1 The proposed actions must be considered alongside progress within other relevant service areas to ensure a strategic and cohesive approach to future opportunities with regards to income and charging.

## **15. Consultees**

15.1 None identified but future changes to some charges will require consultation

## **16. Appendices**

16.1 Executive Response - Updated

16.2 Task & Finish Group Report on Procurement

## **17. Background Papers**

- None