

Committee: Cabinet

Agenda Item

Date: 16 February 2017

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Title: Procurement Strategy 2017/18

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Item for decision

Summary

1. The Council's Procurement Strategy is refreshed every year and the proposed strategy for 2016/17 is presented with this report.
2. The Strategy shows how the Council's procurement activity contributes to the Corporate Plan priorities relating to sound financial management, high quality and low tax. A work plan is set out and is dominated by major housing contracts.
3. One of the key reasons for updating the Procurement Strategy is to provide ongoing assurance to the external auditor that the Council has a sound approach to procurement. This is taken into account as part of the external auditor's statutory 'value for money' opinion.
4. The Strategy includes looking back on 2016/17 and noting the progress made and variations on the previous years Strategy as presented to Members on 26 May 2016.
5. Members who undertook the recent Audit Committee Self-Assessment exercise identified a need to understand more about the council's procurement arrangements and this information is also included in the current Strategy.
6. A procurement progress update is presented to the Performance and Audit Committee half yearly.

Recommendations

7. The Cabinet is recommended to approve the Procurement Strategy as attached to this report.

Financial Implications

8. There are no direct financial implications arising from the recommendation. The Strategy is designed to minimise the risk of challenge by unsuccessful tenderers. The Strategy acknowledges the role of Procurement in reducing the organisation's running costs. No specific savings targets have been built into the Medium Term Financial Strategy in order to avoid being seen to prejudice "best value" outcomes and to preserve the objectivity of the procurement process.

Background Papers

None

Impact

Communication/Consultation	None
Community Safety	No specific implications
Equalities	An EQIA is included with the main report
Health and Safety	No specific implications
Human Rights/Legal Implications	No specific implications
Sustainability	No specific implications
Ward-specific impacts	No specific implications
Workforce/Workplace	No specific implications

Achievements in 2016/17

The Procurement Team has achieved a high value of savings in the retendering of contracts, the main contract savings are listed below;

- Servicing and Repair of Housing Stock Heating and Hot Water Systems - £1.523m over a 5 year contract.
- Water Monitoring and Treatment for the control of Legionella – £0.272m over a 4 year contract.

The continued work programme on the purchase ordering system (E-Buy) has seen a 32% increase in orders being raised on the system in 2016/17, this now gives a total of 68% of all orders raised electronically.

The purchase ordering system is a more efficient and streamlined process of ordering and paying suppliers, reducing the administration time and resources required.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Actions in the Procurement Strategy are not implemented Urgent and/or unplanned contracts not in the work plans	2 (the Procurement Manager has the capacity to take these issues forward)	3 (the Council will be unable to demonstrate progress)	The actions have been built into work plans and there is flexibility to manage non planned work within reason. This will be monitored through the Council's performance management framework.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.