

Committee: Performance Select Committee

Agenda Item

Date: 2 February 2010

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Title: Procurement & Asset Management update

Author: Stephen Joyce, Chief Finance Officer

Item for information

Summary

1. This report updates the Committee on two important aspects of the Council's corporate arrangements, Procurement and Asset Management.

Procurement

2. The Service Level Agreement with the Essex Procurement Hub has been renewed, which takes us to March 2012. The SLA has been augmented by a new provision that the Hub will draft the Council's Procurement Strategy and Contract Standing Orders and carry out annual reviews and updates.
3. A new Procurement Strategy has been developed and was submitted to the Finance & Administration Committee on 28 January for approval. The action plan in the draft strategy is attached for Members' information.
4. A 'relaunch' of the procurement function is being planned, to promote the Procurement Hub's services to spending officers and to give clear guidance and direction. It is anticipated that this will take place in February or March.
5. New Contract Standing Orders are in the process of being drafted and will be submitted to the Finance & Administration Committee in March.
6. The Council has registered with the Improvement East Procurement Hub, which provides access to a database of framework contracts.
7. Arrangements have been made to perform a supplier spend analysis by the end of the financial year.
8. Work is progressing to implement more efficient electronic purchasing and payment methods with some improvements expected from April.

Asset Management

9. With support from Essex County Council, a new Asset Management Plan is in preparation and will be submitted to the Finance & Administration Committee on 9 February.
10. A new Capital Officer Working Group has begun meeting to provide a corporate overview of the Capital Programme and Asset Management.
11. Community assets have been transferred to Saffron Walden Town Council.

12. The Council lacks the capacity to make significant further progress. Provision has been made in the draft 2010/11 budget to obtain some support and options are being investigated.

Recommendations

13. To note this report.

Background Papers

14. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

[Draft Procurement Strategy](#)

Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Finance	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Actions in the Procurement Strategy are not implemented	2 (dependency on external support)	3 (the Council will be unable to demonstrate progress)	The actions have been built into workplans and contacts made with external advisers who can support the process.
Actions in the Asset Management Plan are not implemented	3 (no internal capacity and external support arrangements have not yet been secured)	3 (the Council will be unable to demonstrate progress)	Options for accessing asset management support to be investigated.

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.

Draft Procurement Action Plan 2010/11

Subject to approval by Finance & Administration Committee on 28 January

	Action	Outcome	Lead Officer	Target Date
1	Relaunch procurement service and ensure there is clear direction to spending officers	Clarity about how the Procurement Hub can help spending officers Greater use of Marketplace system and framework contracts	Chief Finance Officer Senior Procurement Consultant (with support of SMB)	March 2010
2	Adopt new Contract Standing Orders	Contract Standing Orders reflect modern procurement methods and the current business needs of the Council	Chief Finance Officer Senior Procurement Consultant	March 2010
3	Conduct a spend analysis	Areas where contracts can be introduced are identified and action plan agreed to implement. Procurement savings target can be quantified Areas of 'maverick' spend identified and action taken via spending officers to address	Senior Procurement Consultant	March 2010
4	Compile contracts register	Improved forward planning of contracts renewal. Scope identified to make greater use of framework contracts and/or partnership working.	Senior Procurement Consultant	September 2010

	Action	Outcome	Lead Officer	Target Date
5	Create procurement section on the Council's website	Upcoming contracts advertised on website Guide for suppliers on how to deal with the Council is published	Chief Finance Officer	July 2010
6	Instigate half-yearly meeting for staff using the Marketplace ordering system.	Improved staff satisfaction with the ordering system	Senior Procurement Consultant	September 2010
7	Implement electronic invoice module within Marketplace	Efficiencies achieved. Reduction in paper invoices received by the Council.	Chief Finance Officer	April 2010
8	Implement interface between Marketplace and Finance General Ledger systems.	Efficiencies achieved. Improved performance in payment of invoices.	Chief Finance Officer	April 2010
9	Implement purchasing cards for lower value transactions	Faster payment of suppliers Reduced process costs	Chief Finance Officer	December 2010