

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 20 OCTOBER 2015

Title of report	PROCUREMENT STRATEGY
Key Decision	a) Financial No b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Chief Executive 01530 454500 christine.fisher@nwleicestershire.gov.uk Head of Finance 01530 454520 ray.bowmer@nwleicestershire.gov.uk
Purpose of report	To approve the updated Procurement Strategy.
Reason for Decision	To formally approve an updated Procurement Strategy which is in line with the Public Contracts Regulations 2015 and the National Procurement Strategy for Local Government. .
Council Priorities	Value for Money Business and Jobs Homes and Communities
Implications:	
Financial/Staff	The adoption of the strategy has no financial or staffing implications in itself.
Link to relevant CAT	Not Applicable
Risk Management	Each procurement activity is subject to a risk assessment.
Equalities Impact Screening	Not Applicable
Human Rights	None
Transformational Government	Delivering procurement in a sustainable way, considering the environmental and social impacts and benefits.

Comments of Head of Paid Service	Report is satisfactory
Comments of Section 151 Officer	Report is satisfactory
Comments of Deputy Monitoring Officer	Report is satisfactory
Consultees	Procurement Gateway Board Corporate Leadership Team The Social Value Portal (Government sponsored service to promote social value strategies including procurement) Policy Development Group
Background papers	The Public Contracts Regulations 2015 Local Government Association – National Procurement Strategy for Local Government in England 2014 Local Transparency Code 2015 Draft minutes – Policy Development Group – 30 September 2015
Recommendations	THAT CABINET: 1. APPROVES THE PROCUREMENT STRATEGY TAKING INTO ACCOUNT COMMENTS FROM THE POLICY DEVELOPMENT GROUP; AND 2. DELEGATES AUTHORITY TO THE HEAD OF FINANCE, IN CONSULTATION WITH THE CORPORATE PORTFOLIO HOLDER, TO MAKE ANY MINOR AND CONSEQUENTIAL AMENDMENTS TO THE PROCUREMENT STRATEGY RESULTING FROM CHANGES IN LEGISLATION AND PRACTICAL CIRCUMSTANCES (E.G. RESTRUCTURES).

1.0 BACKGROUND

- 1.1 The current Procurement Strategy was developed in 2007, since that time changes have taken place in relation to public sector procurement. Most recently, the Local Government Association updated the National Procurement Strategy for Local Government in 2014 and the Public Contracts Regulations 2015 came into force in February 2015, implementing the European Public Procurement Directive 2014.

2.0 AIM OF THE STRATEGY

- 2.1 The current Procurement Strategy has been revised and is attached to this report at Appendix A. The document sets out a three year strategy in line with the National Procurement Strategy to define how the Council's spend with external suppliers will be managed to achieve maximum effectiveness.
- 2.2 The Council faces a number of key procurement challenges over the next three years:
- delivering quality services with reduced budgetary funding and resource;
 - implementing the newly revised Public Contracts Regulations 2015 and meeting the standards laid out in the National Procurement Strategy for Local Government 2014;
 - increasing analytical activity in the collation, analysis and dissemination of data to meet the recommendations of the Local Transparency Code 2015 and responding to Freedom of Information requests;
 - ensuring that staff are equipped with the right skills-base, knowledge and aptitude to maintain a corporate perspective and follow good procurement practice;
 - meeting government's expectations in how the Council's procurement activity can be used to increase the social value, foster local enterprise, support local business and promote local prosperity (Public Services (Social Value) Act 2012).

The Strategy includes an action plan of how the Council can meet these challenges.

3.0 POLICY DEVELOPMENT GROUP

- 3.1 The draft revised Procurement Strategy was considered by the Policy Development Group on the 30 September 2015 for members to provide any comments it may have for consideration by Cabinet.
- 3.2 The Policy Development Group provided the following comments for the Cabinet to consider:

Councillor T Eynon commented that it was an excellent document but she did have concerns regarding the reference to the monitoring of small and medium enterprises as the conversation she has had with these organisations indicate that they are not supported. She commented that it would be helpful to see more information, figures and costs with the small and medium enterprises. The Financial Services Team Manager replied that this information could be made available as it was something that was monitored internally.

Councillor A C Saffell commented that the suppliers listed had to be of a certain size and have a particular turnover figure to be used by the Council. This raised concerns as from his personal experience as a Parish Councillor, suppliers used by the Council were much more costly than a more local source. He felt that the smaller, local businesses often lost out. Councillor N Smith concurred. The Head of Finance responded that there were a number of reasons why the Council has particular suppliers on the list, including European regulations which a lot of the smaller organisations did not meet. However, small local suppliers could be used on occasion if there was a strong business case to do so.

In response to a question from Councillor J Coxon, the Financial Services Team Manager explained that there were events planned for the near future to encourage local businesses to bid for contracts as part of the Buy Local Scheme and those that have already registered for the scheme would be invited to attend in due course.

In response to a question from Councillor S McKendrick, the Financial Services Team Manager explained that when larger businesses bid for contracts they were asked how they would contribute to the local area. The Director of Housing added that sometimes local businesses did not want to undertake the larger contracts, even though they are encouraged to do so.

RESOLVED THAT:

The comments provided by the Committee be considered by Cabinet when it meets on 20 October to discuss the Procurement Strategy.