

OVERVIEW AND SCRUTINY MANAGEMENT AND RESOURCES SELECT COMMITTEE

21ST JANUARY 2010

RAPID SCRUTINY: CORPORATE PROCUREMENT STRATEGY

Executive Summary

The Overview and Scrutiny Management and Resources Select Committee on the 24th September 2009 considered the Rapid Scrutiny report on the Corporate Procurement Strategy. As a result of the discussion, the Committee felt a further Rapid Scrutiny Exercise was necessary before the strategy is submitted to Cabinet in January.

The exercise to scrutinise the revised strategy took place on the 11th January and was attended by Councillor Carter, Councillor Deane, the Cabinet Member for Procurement and Corporate Procurement representatives. This report details the key points of discussion and the recommendations made.

Subsequent to the meeting the report was submitted to the Cabinet Member who has formally accepted these recommendations.

Proposal/Recommendation

To endorse the report and recommendations from the Corporate Procurement Strategy Rapid Scrutiny exercise.

Reason for Proposal

To update the committee on the outcome of the Rapid Scrutiny Exercise.

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Overview and Scrutiny Management and Resources Select Committee

Rapid Scrutiny Exercise: Corporate Procurement Strategy 11th January 2010

Purpose and Background

1. The Overview and Scrutiny Management and Resources Select Committee on the 24th September 2009 considered the report of the Rapid Scrutiny Exercise of the Corporate Procurement Strategy. As a result of the discussion the Committee felt a further Rapid Scrutiny Exercise was necessary before its submission to Cabinet in January.
2. This meeting was held on Monday 11th January 2010 and attended by the following:

Mr Nigel Carter	(Lead Councillor)
Mr Tony Deane	(Councillor)
Mr John Noeken	(Cabinet Member for Procurement)
Tony Brett	(Head of Procurement)
Mike Swabey	(Head of Procurement & Contract Management)
Ashley Matthews	(Scrutiny Officer)

Summary of Concluding Views

3. After considering the revised Procurement Strategy Scrutiny Members felt that that the current draft was much easier to read and better presented. The Cabinet Member and Officers commented that the last time this strategy was reviewed by Scrutiny it was both useful and aided them in refocusing the format. Acknowledgement was given by the Scrutiny Members to officers for the amount of work that they had contributed to the much improved draft document.
4. As the strategy is intended for both internal and external reading once it has been signed off by Cabinet it would be posted onto the internet for partners/stakeholders or companies to comment on. Once the final document is available it will be in hard copy and electronically. For ease of use it was felt that clear links to other websites and documents should be embedded within the document.
5. It was expressed that whilst the document is much improved, some wording would benefit from greater explanation and should be plain English. Scrutiny Members gave particular examples where more clarity could be given. These areas are within the Cabinet Members foreword where it mentions 'relevant social, economic and environment standards', in section B2.6 around 'Sustainable Action Plan', in D4 – SMEs and to change the title 'Fair Trade' to 'Fair Trading'.
6. Some of the examples provided were due to the current position of the organisation and are intentionally more aspirational. Officers explained that as many systems are still being integrated and a lot of information is still unknown it is difficult to provide detail and it would be added later as greater understanding is achieved.
7. Where savings were covered by the strategy, members asked if the £9million target is actually a realistic and achievable figure. It was explained that the figure is achievable and that has been echoed by directors across departments. Whilst the saving is aimed to be achieved as of 2010/11, work has already been taken by departments to make headway. In some cases they are now making savings of £15-20k per month. Through the use of corporate contracts, category management and SAP it will direct people to where they need

to buy from. If something falls outside of these categories, professional buyers will help to find the best solution that is value for money.

8. Balancing the needs of the business and value for money with the commitment to those covered within the Diversity and Equality section was considered a potential area of conflict. It was accepted that through transparency there should be no issue. By adopting the Strategy it provides a much greater opportunity for SMEs and local firms to tender with the authority. Although guarantee of a contract cannot be given to only Wiltshire firms. Officers explained that if the wording is correct in this high level document it can be used lower down when evaluating tenders.
9. The move to Category management has been the biggest achievement over the last nine months. It was expressed that this has been greatly aided by the better links with departments and the work of the Corporate Procurement Unit (CPU). Corporate commitment and management buy in has been key. Some issues over that period has been the perception that CPU is a blocker and not helpful. Work for the future is to change the perception that CPU is an enabler.
10. As it will be mandatory for all purchasing to be done through Category Management compliance would be through SAP. Through reporting the use of contracts can be monitored. There is some seasonality to some contracts which would be taken into consideration when evaluating compliance. It was discussed that enforcement would be through a number of ways including leadership and training.
11. Scrutiny Members felt Area Boards could be utilised to increase sustained leadership from Councillors and approach the local community at the same time. It was discussed that Councillors may have missed seminars on Procurement or have been more focussed on other issues. It was accepted that for most procurement may not be as high a priority in comparison to highway or leisure related issues.
12. It was suggested that a roadshow for Area Boards might increase interest if it was targeted in the right way and covered the right subjects. Considering the current obligations of the CPU it was felt that a pilot utilising the Devizes Area Board could be carried out and if successful a full program rolled out later in 2010.
13. To compliment the strategy a programme of training is being compiled and will be available in March 2010. This will be targeted depending on the level of procurement activity the individual carries out. To develop this programme, best practice from departmental procurement training is being used to shape what the requirements are. In addition to a training programme, regular communication through a bulletin is sent to anyone involvement with procurement updating them on recent developments. It was requested that Scrutiny members would like to see the draft version of training programme and an example bulletin.
14. Scrutiny Members felt that the targets at the back of the strategy were useful in identifying timescales and each step which must be taken. It was suggested that a project management tool, such as a gant chart, would be of use with the management of this project and provide as a visual representation. Where these targets are attached to specific elements of the strategy members would like to see the target attached to that section for ease of understanding.
15. Members thanked Officers and the Cabinet Member for attending the meeting and asked that a further meeting is arranged for June or July to monitor the progress. Before that the Councillors would like to receive a copy of the revised Strategy for information before it is published for consultation on the internet.

Recommendations

16. Scrutiny Members thanked Councillor Noeken and Corporate Procurement Unit Representatives for attending the meeting and supplying reports. The amount of work that has gone into redrafting the strategy was acknowledged and it was commented that it was in a much easier to follow to format.
17. The following recommendations on behalf of the Overview and Scrutiny Management and Resources Select Committee:
 - a. As the document is to be made available electronically on the internet, web addresses should be embedded within the document for ease of use.
 - b. The wording of the foreword should be reviewed to ensure greater clarity where discussing 'relevant social, economic and environmental standards.
 - c. Wording should be reviewed to make it simpler, providing greater clarity. Particular attention should be given to section B2.6 where the Sustainable Action Plan is discussed, and D4 – SMEs.
 - d. Under the section titled 'Fair Trade' to amend it to be 'Fair Trading'.
 - e. Consider using Area Boards to approach Councillors and local businesses with the aim of providing information and increasing publicity or buy in.
 - f. In addition to the list of targets listed under Section E, a gant chart or other Project Management Tool should be included for ease in understanding progress.
 - g. For ease of reading, a clearer definition of timescales could be provided within the body of the document under each stage and objective.
 - h. A copy of the training timetable is to be supplied with the documentation as soon as it is available as training is key to the success of the revised Corporate Procurement Strategy.
 - i. A copy of a recent bulletin which is sent to targeted staff will be sent to Councillor Deane and Carter for information.
 - j. A revised copy of the strategy will be sent to Rapid Scrutiny Members before it is published for consultation.
 - k. Another Rapid Scrutiny Exercise to review progress and training of this strategy should be carried out in June or July 2010.