

## **CABINET – 15TH OCTOBER 2020**

### **Report of the Scrutiny Commission**

#### **ITEM 10      CHANGES TO THE PROCUREMENT SERVICE**

##### Purpose of Report

To consider the comments and recommendations of the Scrutiny Commission in relation to the Changes to the Procurement Service report.

##### Recommendation of the Scrutiny Commission

That the Cabinet be informed that the Commission welcomes and supports the recommendations set out in the report of the Strategic Director of Commercial Development, Assets and Leisure.

##### Reason

The Commission, having carefully considered and asked questions on the report felt the Cabinet should approve the recommendation set out.

##### Meeting Discussion

- i. The enhanced procurement service proposed in the SLA would see an improved delivery experience for projects undertaken. The reputation of Nottingham City Council was positive in terms of service delivery and their commercial nature was proactive. The service delivery team at Nottingham City Council was large and accomplished and had the capacity to provide valuable and efficient procurement to the Council.
- ii. Prior to entering into the SLA, Legal Services at the Council would advise and assist in the development of a Memorandum of Understanding. This would provide an interim measure to ensure both Local Authorities involved were informed of the intent and would guide the working relationship established during the preparation of the SLA. It was recognised that the proposed SLA was robust, and the Memorandum of Understanding would be a temporary solution to ethical and governance principals, meaning that any potential issues or time delays in establishing the SLA were avoided.
- iii. The Council had explored at a high level alternative procurement options before identifying the most appropriate method of delivering a quality procurement service which was the best value for money. This included an extensive review of partnership working and a localised area review.
- iv. It was anticipated that entering into the proposed SLA would deliver residual savings of £15,000 annually, although there was potential for further savings and cost avoidance through the arrangements. It was necessary for the Council

to ensure the relevant expertise and professionalism was involved in the procurement process to ensure savings were determined and delivered.

- v. There were existing contracts with large external organisations maintained by the Council and the future procurement of these services would be time consuming and labour intensive. The balance between potential establishment savings and the level of resource that the Council currently had was an indication that the SLA with Nottingham City Council was appropriate.
- vi. The proposed arrangements would be suitable for all procurement services that the Council would require. This included procurement processes of goods and services at all levels of spend.
- vii. The Council was confident that there was protection in place and that the arrangements were fair, balanced and mutually beneficial. In the event that the arrangements were not of the standard required by the Council and the service did not meet the key performance indicators then the Council would have the option to terminate the arrangement. The SLA would include a three-year minimum term, after which the Council could terminate after providing 12 month's notice.
- viii. It would not be financially viable for the Council to establish their own outsourced procurement facility as this would incur a significant cost. The provision at Nottingham City Council was established, experienced and convenient.
- ix. There was a moderate risk that Council employees did not engage with the service provided by Nottingham City Council and this was based upon previous experience of partnership working arrangements. The proposed arrangements would involve adopting new contract procedure rules and new working methods and service users would be required to accept and comply with these.
- x. The existing Senior Procurement Officer at Charnwood Borough Council would remain in post and provide liaison with the partner authority. This would be on a basis which reflected the needs of the service. There would also be an Officer allocated to support the requirements of the Council by Nottingham City Council.

#### Policy Justification and Previous Decisions

Scrutiny Commission Procedure Rule 11.12 sets out the procedure by which a report of a Scrutiny Committee should be considered by Cabinet.

#### Implementation Timetable including Future Decisions and Scrutiny

The information on this in the Cabinet report is not affected by the recommendation of the Scrutiny Commission.

#### Report Implications

The following implications have been identified for this report.

*Financial Implications*

There are no further financial implications associated with the recommendation of the Scrutiny Commission.

*Risk Management*

There are no specific risks associated with the recommendations of the Scrutiny Commission.

Key Decision:	Yes
Background Paper:	Scrutiny Commission Minute 64 2020/21, 12th October 2020
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