

Cherwell District Council
Budget Planning Committee

25 July 2017

Review of Procurement Strategy Progress

Report of Chief Finance Officer

This report is public

Purpose of report

This report summarises the Council's Procurement Strategy progress for Quarter 4 of the financial year 2016-17.

1.0 Recommendations

The meeting is recommended:

- 1.1 That the Committee note the progress made during Quarter 4 2016-17 in implementing the Council's Procurement Strategy.

2.0 Introduction

- 2.1 The shared procurement team is used to ensure we drive down costs wherever we can, improve the procurement process so it is as streamlined as possible (these are known as process savings) and ensure the regulatory minefield of procurement legislation is adhered to in order to protect the interests of the Council.

3.0 Report Details

- 3.1 The procurement team continue to sell procurement support to the Graven Hill Development Company, advising on procurement projects with a total spend of circa £40m.
- 3.2 The Procurement Team continue to deliver best value for the Council and aggressively seek to reduce the whole life cost of projects.
- 3.3 Examples of added value achieved by the shared Procurement Team for CDC Quarter 4 16/17 are shown in the table below.
- 3.4 The budget for running the Procurement Team for Cherwell District Council is £104,000 per annum.

Project	Procurement added value				Cumulative Total
	Q1	Q2	Q3	Q4	
Cost savings					
Satisfaction survey	£21,000				
Banking services (£18,000 over 4 years)		£1,125	£1,125	£1,125	
Early payment discount for Diesel (£500 over 1 year)		£125	£125	£125	
Woodgreen leisure centre management (£938,000 over 18 years)		£13,000	£13,000	£13,000	
Legal support (£10,000 over two years)			£1,250	£1,250	
On line legal database access (£9,000 over three years)			£750	£750	
Waste Management software (£7,621 over 4 years)				£476	
Agency Staff (£230,000 over 2 years)				£28,750	
Sub total	£21,000	£14,250	£16,250	£45,476	£96,976
Process saving					
Contract payment schedule correction	£1,000				
Internal audit contract extension		£6,000			
Choice based letting software leasing			£6,000		
ICT support			£3,000		
Staff benefit service			£3,000		
PAT testing			£3,000		
Waste Management software				£3,000	
Agency Staff				£3,000	
Sub total	£1,000	£6,000	£15,000	£6,000	£28,000
Under budget					
Sub total		£0			
Bid differential					
Bicester sports	£7,500				

facilities review					
Bicester master plan consultancy	£10,000				
Retender of Kingsmere sports pavilion works	£600,000				
Commercial health check consultancy			£8,700		
Commercial training			£7,740		
Sub total	£617,500	£0	£16,440	£0	£633,940
Total	£639,500	£20,250	£47,690	£51,476	£758,916

3.5 The list below is a sample of current procurement activity:

Project	Comment
Advertising services	Finalising reports to recommend appointment of supplier to consult with officers responsible for drafting and placing advertising with view to reduce requirement and cost per cm.
External printing	Currently analysing requirement and evaluating options.
Insurance	Currently reviewing cover and excess details prior to competitive market engagement.
Wide Area Network design and provide	Currently evaluating returns from competitive process.
Dry waste recycling	Early market engagement to shape project.
Payment kiosk maintenance	Considering longer term opportunity with additional kiosk for SNC.

4.0 Conclusion and Reasons for Recommendations

4.1 The shared procurement service continues to provide a valuable service to both Councils by delivering value for money both in terms of cost savings, cost avoidance and back end savings. The service also strives to ensure compliance with Procurement regulations. The Budget Planning Committee is recommended to note the progress made in Quarter 4 2016/17.

5.0 Consultation

The work of the Procurement Team is scrutinised by the Procurement Steering Group that comprises:

- The Monitoring Officer
- The Section 151 Officer
- The Resources Portfolio Holder

6.0 Alternative Options and Reasons for Rejection

6.1 No reasonable alternatives.

7.0 Implications

Financial and Resource Implications

7.1 There are no adverse financial effects on the Council by implementing the procurement strategy. Cashable savings will assist in protecting Council services and managing funding reductions.

Comments checked by:

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Legal Implications

7.2 Legal work closely with procurement to ensure that our processes are compliant and not open to challenge. The monitoring officer also plays a key role as part of the Procurement Steering Group.

Comments checked by:

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

Sound budgets and customer focused council

Lead Councillor

Not applicable.

Document Information

Background Papers	
None	
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