

**Cherwell District Council**  
**Budget Planning Committee**

**30 August 2017**

<b>Review of Procurement Strategy Progress</b>
--

**Report of Chief Finance Officer**

This report is public

**Purpose of report**

This report summarises the Council's Procurement Strategy progress for Quarter 1 of the financial year 2017-18.

**1.0 Recommendations**

The meeting is recommended:

- 1.1 That the Committee note the progress made during Quarter 1 2017-18 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 whilst maintaining or improving quality.
- 3.3 Examples of added value achieved by the shared Procurement Team for CDC Quarter
- 3.4 4 16/17 are shown in the table below.
- 3.5 The budget for running the Procurement Team for Cherwell District Council is £104,000 per annum.

<b>Project</b>	
<b>Cost savings</b>	Q1
Banking services (£18,000 over 4 years-starting q2 16/17)	£1,125
Early payment discount for Diesel (£500 over 1 year starting q2 16/17)	£125
Woodgreen leisure centre management (£938,000 over 18 years starting q2 16/17)	£13,000
Legal support (£10,000 over two years starting q3 16/17)	£1,250
On line legal database access (£9,000 over three years starting q3 16/17)	£750
Waste Management software (£7,621 over 4 years starting q4 16/17)	£476
Agency Staff (£230,000 over 2 years starting q4 16/17)	£28,750
Internal Audit (£35,887 over 3 years starting q1 17/18)	£2,990
Distribution of Cherwell Link (£15,663 over 3 years starting q1 17/18)	£1,305
Car Park Management Services (£2,789,691 over 5 years starting q1 17/18)	£139,484
HR & Payroll software (£115,500 over 4 years starting q1 17/18)	£7,218
<b>Sub total</b>	<b>£196,473</b>
<b>Process saving</b>	
<b>Sub total</b>	<b>£0</b>
<b>Under budget</b>	
<b>Sub total</b>	<b>£0</b>
<b>Bid differential</b>	
<b>Sub total</b>	<b>£0</b>
<b>Total</b>	<b>£196,473</b>

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

<b>Project</b>	<b>Comment</b>
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 added value whilst striving to improve quality and ensuring compliance with Procurement regulations. The Budget Planning Committee is recommended to note the progress made in Q1 2017/18.

## **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:

Paul Sutton, Chief Financial Officer 0300 003 0106  
paul.sutton@cherwellandsouthnorthants.gov.uk

### 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:

James Doble, Assistant Director – Transformational Governance, 01295 221587,  
james.doble@cherwellandsouthnorthants.gov.uk

## 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	
Report Author	Richard Stirling
Contact Information	01327 322113 richard.stirling@cherwellandsouthnorthants.gov.uk