

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

**27 February 2017**

<b>Review of Procurement Strategy Progress</b>
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**Report of Executive Director – Finance and Governance**

This report is public

**Purpose of report**

This report summarises the Council's Procurement Strategy progress for Q3 of the financial year 2017-18.

**1.0 Recommendations**

- 1.1 That the Committee notes the progress made during Q3 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 possible, challenge rogue spend, 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.
- 2.2 Should Officers breach public procurement legislation then unsuccessful bidders may be able to sue the Council for damages at the value of the contract.

**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 also provide procurement support to other Council owned companies such as CSN Resources Ltd and Crown House Banbury Ltd
- 3.3 The team work closely with other service areas, including one Senior Procurement Officer working on a part time secondment with the transformation team. This secondment has now ended and the Officer is on another part time secondment to Crown House Banbury Ltd.
- 3.4 The team are currently working alongside the project team for Castle Quay 2 and will be involved in the procurement requirements of all phases of programme.

- 3.5 The team administer and monitor purchase card payments and challenge user's spend where appropriate.
- 3.6 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.
- 3.7 Examples of added value achieved by the shared Procurement Team for CDC Q3 17/18 are shown in the table below.
- 3.8 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	
<b>Cost savings</b>				
Banking services (£18,000 over 4 years-starting q2 16/17)	£1,125	£1,125	£1,125	
Early payment discount for Diesel (£500 over 1 year starting q2 16/17)	£125	£125		
Woodgreen leisure centre management (£938,000 over 18 years starting q2 16/17)	£13,000	£13,000	£13,000	
Legal support (£10,000 over two years starting q3 16/17)	£1,250	£1,250	£1,250	
On line legal database access (£9,000 over three years starting q3 16/17)	£750	£750	£750	
Waste Management software (£7,621 over 4 years starting q4 16/17)	£476	£476	£476	
Agency Staff (£230,000 over 2 years starting q4 16/17)	£28,750	£28,750	£28,750	

Internal Audit (£35,887 over 3 years starting q1 17/18)	£2,990	£2,990	£2,990	
Distribution of Cherwell Link (£15,663 over 3 years starting q1 17/18)	£1,305	£1,305	£1,305	
Car Park Management Services (£461,000 over 5 years starting q1 17/18)	£23,050	£23,050	£23,050	
HR & Payroll software (£115,500 over 4 years starting q1 17/18)	£7,218	£7,218	£7,218	
Wider Area Network supply for both councils (£232,960 over 5 years starting q2 17/18)		£11,648	£11,648	
External Data centre (£137,000 over 5 years starting q2 17/18)		£6,850	£6,850	
Installation of Xmas lights (£1500 over 2 years starting q2 17/18)		£187	£187	
Data Centre Hardware Maintenance Support for new servers (£42,076 over 5 years starting q3 17/18)			£2,103	
<b>Sub total</b>	<b>£80,039</b>	<b>£98,724</b>	<b>£100,702</b>	<b><u>£279,465</u></b>

	Q1	Q2	Q3	
<b>Process saving</b>				
Wide area network		£3,000		
<b>Sub total</b>	<b>£0</b>	<b>£3,000</b>	<b>£0</b>	<b>£0</b>
<b>Under budget</b>				
Temp- Community Safety Officer			£1,500	
<b>Sub total</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Bid differential</b>				
<b>Sub total</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Total</b>	<b>£80,039</b>	<b>£101,724</b>	<b>£102,202</b>	<b><u>£283,965</u></b>

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

<b>Project</b>	<b>Comment</b>
External printing	Currently finalising contracts
Corporate Insurance	Currently out to market
Water dispensers	Working with FM to rationalise existing estate prior to competitive process.
Dry Waste Recycling contract	Currently finalising contracts
Eco Business Centre	Completed construction and moving on to procure an operator
Franklins House	Advised on fit out of the building
Occupational Health	Conducting market engagement
Landscape Maintenance	Currently finalising contracts
Mobile polling stations for elections	Currently finalising contracts
Castle Quay 2	Scoping out requirements
Banbury Crown House Ltd	Support Council company procurement requirements

## **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 Q3 2017/18.

## **5.0 Consultation**

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

- Assistant Director - Law & Governance
- Executive Director – Finance and Governance
- The Resources Portfolio Holder

## **6.0 Alternative Options and Reasons for Rejection**

- 6.1 This report is for information only, members may ask for further information if required.

## **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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