

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

**4 November 2014**

<b>Review of Procurement Strategy Progress</b>
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**Report of the Head of Finance and Procurement**

This report is public

**Purpose of report**

This report summarises the Council's Procurement Strategy progress for the financial year 2014-15.

**1.0 Recommendations**

The meeting is recommended:

- 1.1 That the Committee note the progress made during 2014-15 in implementing the Council's Procurement Strategy.

**2.0 Introduction**

- 2.1 Cherwell District Council adopted its first formal Procurement Action Plan in 2007/08 and has refreshed it annually.
- 2.2 The purpose of the procurement strategy is to communicate clearly to stakeholders, operational managers, procurement specialists and suppliers in the private and voluntary sectors, the council's vision for the procurement of goods, services and works so that each may play a meaningful role in improving the procurement practices and delivering budget reductions at the council.
- 2.3 On 7 April 2014 the Executive approved the Joint Corporate Procurement Strategy and Action Plan 2014/15 which is attached at Appendix 1.

**3.0 Report Details**

- 3.1 The Procurement Team continue to work collaboratively with officers from Stratford-on-Avon District Council and have recently finalised an agreement for Washington House to provide occupational health services to all three Councils.
- 3.2 Since April 2014 The Procurement Team has provided advice to over 25 projects with an approximate total value of £11.7m.

3.3 The Procurement Team continue to seek to reduce the cost of these projects.

3.4 Examples of reductions achieved for CDC in the last six months include:

- A £10,000 reduction in Leisure consultants fees facilitated by a direct appointment rather than via a framework.
- A reduction of £25,000 in the cost of the refurbishment of the North Oxfordshire Academy athletics track.
- Securing a five year contract with Capita for the new financial management system that saved £15,000 capital and £71,000 revenue over the life of the contract.
- A commitment to provide procurement expertise to the Graven Hill project thus avoiding approximately £17,000 of external procurement consultants' fees.

3.5 The procurement strategy made a commitment to proactively prepare for the impact of the UK procurement regulations that were expected in 2014. A senior member of the Procurement team attended one of the first wave of training days run by Central Government and briefed the rest of the team. As the changes are finalised the team will ensure that they are reflected in the joint policies and procedures as well as standard documents used by the team.

3.6 Progress has been made in implementing all fourteen points of the Federation of Small Business' Small Business Friendly Procurement Charter. As an example the new Finance system will include flags that will enable the reporting requirements of the charter to be met with the minimum of administrative effort.

3.7 The procurement team continually seek to reduce the revenue expenditure in real terms by limiting annual increases to 1% below CPI. Examples of this include £1000 saving this financial year across the contracts for public toilet cleaning and public notices.

## **4.0 Conclusion and Reasons for Recommendations**

4.1 The shared procurement service continues to provide a valuable service to both Councils by ensuring compliance with Procurement regulations and providing value for money both in terms of cost avoidance and revenue expenditure reduction. The Budget Planning Committee is recommended to note the progress made in 2014/15.

## **5.0 Consultation**

5.1 None.

## **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. The cashable savings target 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

To prudently manage the Council's finances.

### Lead Councillor

Councillor Ken Attack, Lead Member for Financial Management.

### Document Information

Appendix No	Title
1	Joint Corporate Procurement Strategy and Action Plan 14/15
Background Papers	
None	
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