

Scrutiny Review: Procurement

For Overview and Scrutiny Committee on Monday 24 January 2022

Summary

Lead Member: Councillor Thomson – Chairman of the Overview and Scrutiny Committee

Lead Director: Lee Colyer – Director of Finance, Policy and Development

Head of Service: Jane Clarke – Head of Policy and Governance

Report Author: Mark O’Callaghan – Scrutiny and Engagement Officer

Classification: Public document (non-exempt)

Wards Affected: All

Approval Timetable	Date
Overview and Scrutiny Committee	24 January 2022

Recommendations

Officer recommendations:

1. That the Committee consider the report and presentation and determine next steps, which may include one of the options set out in section 2 of the report.

1. Introduction and Background

- 1.1 Under the Overview and Scrutiny Committee's terms of reference set out in Part 3 of the Council's Constitution. The Committee's purpose is, in summary, to a) hold the executive to account and b) to contribute to the delivery of efficient and effective services that meet the needs and aspirations of local residents.
- 1.2 Amongst several specified functions, the Committee has a duty to:
- 8.4.2.2 Review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
 - 8.4.2.3 Question members of the Cabinet and/or Committees and Chief Officers from the Council about their decisions and performance, whether generally in comparison with services plans and targets over a period of time, or in relation to particular decisions, initiatives or projects.
- 1.3 The Committee, at a previous meeting, scheduled a review of the Council's Procurement function which, in the first fact-finding instance, will take the form of a presentation by the relevant Head of Service.

Themes of Interest

- 1.4 The original aim for the review was to understand:
- an overview of how procurement is undertaken at the Council.
 - the remit and responsibilities of the procurement team.
 - the structure of the procurement team and its partnership arrangements.
 - accountability, reporting lines and decision-making.
- 1.5 In addition, the Committee identified the following specific lines of enquiry it wished to address, these were expressed in the form of questions.

Is the Council:

1. receiving professional and strategic advice on all procurement matters, including (but not limited to) product/service specifications, supplier sourcing and procedures?
2. ensuring compliance with the Council's Rules on all procurement activity undertaken, and ensuring the principles of openness, transparency, equal treatment and proportionality are followed?

3. ensuring legal requirements of relevant legislation are adhered to at all times?
 4. ensuring that value for money is achieved and purchasing power is optimised between quality and cost?
 5. assessing the procurement requirement and obtaining commercial advice on the most cost effective, compliant and appropriate route to market?
 6. developing a forward work plan for all planned and forthcoming procurement activity?
 7. undertaking spend analysis to ensure maximum buying power is achieved?
 8. supporting local economies by the inclusion of economic, environmental, social and cultural clauses in all contracts (where appropriate) and improving access for SME and the voluntary sector?
- 1.6 The above aims and questions were shared with the relevant officers on 16 and 20 December 2021, respectively.

2. Options

- 2.1 Having considered the presentation and related discussion, the Committee will need to decide what, if anything it wishes to do next. Options include, but are not limited to:
- 2.2 **No further action** – The Committee may decide it is satisfied with the reviewed service area and take no further action on this matter.
- 2.3 **Request a further report** – unresolved matters or existing matters which require further clarification may be addressed by requesting further details, either in writing to the members of the Committee or at a future meeting.
- 2.4 **New lines of enquiry** – The Committee may wish to identify further lines of enquiry and seek evidence from alternative sources.
- 2.5 **Instruct a Task and Finish Group** – If outstanding matters or new lines of enquiry would be more involved than a single report or a further session at a meeting, the Committee may form a Task and Finish Group (TFG). The terms of reference for a TFG should be clearly defined.
- 2.6 **Make recommendations** – Recommendations may be made to Cabinet but must be evidence based and costed. This would be achieved – usually following further investigations – by commissioning a report setting out the evidence collected, the recommendations made and the cross-cutting implications of such a proposal. Such a report would be prepared and brought to a future meeting of the Committee for approval prior to being referred to Cabinet.

3. Preferred Option and Reason

- 3.1 This is a matter for the members of this Committee to decide and no recommendation is provided in this report. The Committee should have regard to the Council's available resources and prioritisation of its own work.

4. Consultation on Options

- 4.1 No public consultation has taken place on this matter but all documents referred to and including this report are publicly available. The public are encouraged to comment on any matter under consideration by the Committee.

5. Implementation

- 5.1 The decision of the Committee will be communicated to relevant persons and published through the minutes.

6. Appendices and Background Documents

Appendices:

- None

Exempt appendices (if any):

- None

Background Papers:

- None

7. Cross Cutting Issues

A. Legal (including the Human Rights Act)

The Local Government Act 2000 (as amended by the Localism Act 2011) gives the Committee the power to undertake the review outlined in this report. The proposed review is also consistent with the Council's Constitution.

There are no direct legal implications arising from this report, but further reports may be required depending on the option(s) adopted by the Committee and legal input will be provided at the appropriate time in respect of any such reports.

There are no consequences arising from this report that adversely affect or interfere with individuals' rights and freedoms as set out in the Human Rights Act 1998.

Claudette Valmond, Interim Head of Legal Partnership, 14 January 2022B.

B. Finance and Other Resources

There are no direct financial implications as a result of the options within this report. There is no specific budget for the Committee. However, the Committee is resourced to undertake a maximum of two concurrent Task and Finish Groups. If a TFG was established this would reduce the available resource to other areas. Any specific recommendations of the Committee or any TFG would be subject to separate consideration of any financial implications.

Mark O'Callaghan, Scrutiny and Engagement Officer, 6 January 2022.

C. Other implications (Staffing, Risk Management, Environment and Sustainability, Community Safety, Equalities, Data Protection, Health and Safety, Health and Wellbeing)

There are no direct, significant implications as a result of the options within this report. Any specific recommendations of the Committee or any TFG would be subject to separate consideration of any cross-cutting implications.

Mark O'Callaghan, Scrutiny and Engagement Officer, 6 January 2022.