



PROCUREMENT

Corporate Procurement Strategy Review - North East Derbyshire District Council

Summary

Why should the council decide to review procurement? Well, the existing strategy was produced in 2001, and, as such, was out of date. There were several other developments that the council needed to take into account, these included the National Procurement Strategy, e-Government Initiative, CPA, and the Gershon Efficiency Review.

The Audit Commission also recommended a timescale for a review of support arrangements and a member was appointed as lead for the revision of the council's corporate objectives and priorities.

The council's Scrutiny committee adopted a two phased approach, firstly to set the guiding principles to enable the Procurement Working Party to produce a draft strategy, and secondly to review the draft strategy to ensure that those principles were followed.

Scrutiny process

The review process began with an initial meeting, which was held to project plan the review. At first the committee, including the chair, were overawed by the complexity and scope of the subject and soon realised that they would need help before embarking on it. This help took the form of capacity building through informal briefings with appropriate officers such as the scrutiny officers and the chair and vice chair.

Full committee pre-meetings were scheduled and a variety of background reading material was examined:

- The National Procurement Strategy
- The existing procurement strategy
- The IDeA Members' Guide to Procurement
- The Centre for Public Scrutiny Briefing Paper 'Scrutinising Strategic Procurement'.

A group of members attended a training seminar, entitled 'Realising the Potential of Scrutiny', organised by the Centre for Public Scrutiny; this included a session that highlighted how scrutiny could contribute constructively to strategic procurement decision-making. The group reported back to the Scrutiny committee on the key issues. Despite all of the above, specialist advice was required on the more technical aspects of the review. Their search for an appropriate external technical adviser led to the co-opting of J. Leney, from Bolsover District Council, as a non-voting member of the committee. The council also appointed a Member Champion for procurement who was invited to attend future meetings in an advisory capacity.

Internal investigations

The review method involved a number of internal investigations and a working group interviewed the Chief Executive and Directors. A questionnaire was sent to all staff involved in procurement and there was a presentation on the VAT implications of procurement.

External investigations

There were also external investigations involving an electronic survey of the council's neighbouring local authorities and audit family. The Vice Chair visited the Derbyshire County Council Procurement Officer, for the purposes of consultation and further research, and reported back to the committee. The Committee also considered the Southampton City Council Scrutiny Review of Procurement and the Vale Royal, Macclesfield and Warrington 'Enable' Project.

When looking at 'doing business electronically' they considered the Office of Government Commerce e-Procurement Framework Project and the Derbyshire Partnership Forum 'Shared e-Tendering Facility'. They then looked at some of the probable implications of the Gershon Review for their future strategy.

The Scrutiny Committee concluded that they had a number of different options:

- Departments could continue to work in isolation but with an overarching corporate strategy

- The council could establish a dedicated team with audited staff, comprising existing officers with additional training or new specialist staff if the required skills were not available within the authority
- The council could enter into a partnership arrangement with other councils
- The council could target neighbouring councils in Bolsover and Chesterfield for partnership working.

The committee originally aimed to complete Phase One by the end of June 2004, however the complexity and fluidity of the subject resulted in this being delayed until mid-August, the review, therefore, took seven months and involved seven formal meetings.

In conducting Phase One, it soon became apparent that, in the light of CPA, e-Government targets and the Gershon review, fundamental changes in the council's delivery of procurement would be necessary and that this would involve key decisions by the Executive.

The committee made recommendations upon the following issues:

- Adoption of a corporate approach to procurement, centralisation of procurement operations by the establishment of a dedicated procurement unit to deliver and monitor procurement activity, development of a new corporate procurement strategy, including an action plan of targets, milestones, and a timetable for implementation which links to corporate objectives and priorities
- Development and electronic delivery, of a corporate procurement manual, to include all relevant corporate procedures, policies and strategies, standing orders, financial regulations and guidance for suppliers
- Enhance the role and membership of the council's procurement working party to ensure that it has the necessary skills, knowledge and expertise to drive forward the fundamental changes required
- Investigate opportunities for partnership working
- e-Procurement, in accordance with e-government targets.

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