

Report to	Corporate Governance Committee
Date of meeting	22 January 2020
Lead Member / Officer	Julian Thompson Hill
Report author	Helen Makin Legal and Procurement Operations Manager
Title	Annual Review Collaborative Procurement Service

1. What is the report about?

The Council has a collaborative procurement service (Service) with Flintshire County Council. Denbighshire County Council acts as the host authority and provides the service to Flintshire County Council. The Service has been in place since 2014 and Cabinet agreed to renew the Service Level Agreement (SLA) last year for a further 3 years.

2. What is the reason for making this report?

The SLA includes an obligation for the Service to produce an annual report on activity and performance against targets which are derived from the Procurement Strategy.

3. What are the Recommendations?

- 3.1 That the Committee note the annual performance report, and endorses the proposed actions to improve performance (where required).
- 3.2 That the Committee considers whether the annual performance report should be submitted to a relevant scrutiny committee, such as Partnerships or Performance, for further consideration.

4. Report details

- 4.1 The Council entered into a collaborative service arrangement in 2014 with Flintshire County Council for the delivery of procurement advice. The Council is the host body and employs the team who deliver the Service. Cabinet agreed to renew that arrangement last year for a further 3 years.
- 4.2 There is a SLA governing how the Service is delivered. The SLA established a Procurement Joint Management Board (PJMB) consisting of senior officers and the Cabinet Member from each Council. The PJMB holds the Service to account, monitors performance and resolves issues relating to the delivery of the Service.
- 4.3 The SLA also requires the Service to report annually on its performance. The report for 2018/2019 is attached. The SLA states that the Councils will split the costs based on their share of the combined overall spend of both Councils. The spend will vary from year to year depending on capital projects but the Council broadly spends 45% and so its share of the running costs is 45%.
- 4.4 The report covers all aspects of the service such as budget and structure, as well as performance against its Key Performance Indicators (KPIs).
- 4.3 The Service has recently reviewed its KPIs, keeping some and replacing others. The retained KPIs have an existing benchmark and so are measured against targets. The new KPIs do not yet have a benchmark so the Service is recording performance (from which targets will be set). The full performance tables are at Appendix 3 of the Annual Report.
- 4.4 The trends to note are that over 60% of procurements for quarters 1 to 3 of 2019 have delivered savings on the existing budget. There is still improvement to be made on the number of collaborative procurements, with only an average of 13 % of procurements being carried out collaboratively. There is consistency of spend with suppliers within Wales and Denbighshire. The number of contracts including community benefits dipped in quarter 3. It is anticipated that with the Community Benefits Hub and the appointment of a Community Benefits Manager, there will be an increase in the number and type of Community Benefits delivered by contracts.

5. How does the decision contribute to the Corporate Priorities?

The procurement activities of the Council contribute to each Corporate Priority in the Corporate Plan.

6. What will it cost and how will it affect other services?

The budget for 2019-20 is £430,403. The cost is split 55% to Flintshire and 45% to Denbighshire. The contribution from the Council is £193,681.

7. What are the main conclusions of the Well-being Impact Assessment?

Not relevant

8. What consultations have been carried out with Scrutiny and others?

Not relevant

9. Chief Finance Officer Statement

Not relevant

10. What risks are there and is there anything we can do to reduce them?

The Internal Audit report made recommendations for the improvement of the Collaborative Procurement Unit and gave it a low assurance rating. After implementation of management actions, the ratings has increased to medium assurance level. The actions relating to the review of the Procurement Strategy and the review of the Contract Procedure Rules have not yet been closed but have started to be implemented. The Procurement Strategy is going to Senior Leadership Team on 16 January 2020. The consultation about the revised Contract Procedure Rules will start in February or March 2020.

11. Power to make the decision

Section 9 Local Government (Wales) Measure 2009 (express power to collaborate with another local authority)

Section 111 Local Government Act 1972 (power to undertake any act to facilitate, or which is conducive or incidental to, the discharge of any of their functions);

Section 112 Local Government Act 1972 (appoint such officers as they think necessary for the proper discharge by the authority of the authority's functions);

Section 113 Local Government Act 1972 (placing staff of a local authority at the disposal of another local authority)

Section 3(1) Local Government Act 1999 (general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised)

Section 13 Table 4 (m) of the Council's Constitution delegates to Cabinet the power to foster and maintain positive relations with partner organisations.

