

Committee Name and Date of Committee Meeting

Audit Committee – 15 March 2022

Report Title

2022 Annual Procurement Update

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

This report seeks to provide an update to Audit Committee on some of the key activity delivered in the last 12 months by the Procurement team to ensure robust procurement activity is undertaken across the Council.

Recommendations

1. Audit Committee is asked to note the content of the report.

List of Appendices Included

None

Background Papers

1. [Financial & Procurement Procedure Rules](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

N/A

Council Approval Required

No

Exempt from the Press and Public

No

2022 Annual Procurement Update

1. Background

- 1.1 The Council procures a wide range of goods, works and services ranging from direct front line services through to back-office support. The Council's annual spend with third parties through procurement and commissioned activity is in excess of £300m.
- 1.2 Given this, it is imperative that the Council has robust procurement practices in place to ensure compliance, that value for money is being achieved, ethical practices are being applied and the contracts entered into are robust, deliver against the Council's key priorities and strategies and minimise risk wherever possible.
- 1.3 On 23 March 2021 an update on procurement activity was presented to Audit Committee. At this meeting, a request was made for an annual update. This report seeks to provide this update highlighting some of the activity delivered in the last 12 months by the Procurement team to ensure robust procurement activity is undertaken.

2. Key Issues

- 2.1 Procurement Procedure Rules provide the corporate framework that sets out the rules and expectations that all Officers must comply with when entering into arrangements with third-party suppliers to provide goods, works and services ranging from simple low value day-to-day commodities through to multi-million-pound construction projects.
- 2.2 In early 2021 work was undertaken to re-draft these Rules with the aim of making them easier to interpret and navigate, whilst embedding key principles around ethical practices and transparency at their core. In addition, the revised rules sought to embed a number of the operational procedures referred to in the last update to Audit Committee such as the requirement for a pre-procurement business case and tender evaluation report.
- 2.3 These revised rules were approved at Council on 29 September 2021 and were implemented with immediate effect.
- 2.4 Since their implementation, the key focus of activity for the Procurement Team has been to ensure Members and Officers within Service Areas are aware of the procedures, understand them and the reasons why the rules apply as well as building confidence and capacity in navigating them.
- 2.5 Since implementation of the FPPRs the Procurement team have been running training sessions of between 2 to 2.5 hours to embed this learning. The first session commenced 3 November 2021 for Members and then has since been followed for officers. As at 4 March 2022, 179 officers have been trained across the organisation, with a further 70 scheduled to receive training before the end March 2022.

- 2.6 It is likely that training will continue into the first quarter of 2022/23 with further refresher sessions to follow throughout the year.
- 2.7 In addition, the Procurement Team have been working with colleagues in HR & OD to raise awareness of procurement and the procedures that apply through new starter e-induction activity. The key message relating to procurement for new starters will be that as it is public money we are spending, irrespective of the amount of money there is a rule to follow and individuals need to ensure they know where to go for help and support.
- 2.8 Following on from the last update to Audit Committee, significant resource is currently being deployed to pull together forward procurement plans for publication on the Council's website to ensure compliance with the [National Procurement Policy Statement \(NPPS\)](#) requirements. At this point, the information being used to inform these plans are being taken from the detail contained on internal category plans.
- 2.9 All the activity referred to above plays an important part in progressing improvements relating to procurement across the Council. This activity also starts to put the organisation in a strong position to respond to and embed the changes brought about by Central Government reform [Transforming Public Procurement](#), which will bring procedural changes to those currently available in law along with further transparency requirements throughout the entire procurement cycle from the identification of need/pre procurement, through the actual procurement phase, and into the management of contractor performance and contract expiry.
- 2.10 Keeping abreast of this changing legislation will be a key focus for procurement over the coming 12 months, as expectations are the legislation will come into force in 2023, however 6 months notice will be granted to ensure authorities have time to amend internal policies, procedures and staff can be appropriately trained.

3. Options considered and recommended proposal

- 3.1 No options have been considered, as this is an update report on activity that has taken place, rather than recommended future proposals.

4. Consultation on proposal

- 4.1 Regular updates on procurement activity are raised and discussed at appropriate DLTs and at least one annual update report into SLT.

5. Timetable and Accountability for Implementing this Decision

- 5.1 This report is for Audit Committee information and noting, therefore it is not anticipated there will be a decision requiring implementation.

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

6.1 All associated procurement implications are detailed in the main body of the report.

6.2 There are no direct financial implications arising from this procurement update report. The costs associated with the operational activities of the procurement service are factored into the Councils budget.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

7.1 The work undertaken by the Corporate Procurement Team and the measures implemented as set out in this report, are consistent with relevant procurement Regulations and best practice in relation to procurement. This in turn lessens the likelihood of legal challenge in respect of procurement activity and contract management.

7.2 It will be necessary for the Council to keep abreast of the changes which are made to the Procurement legislation as referred to above, as part of the Government's "Transforming Public Procurement" proposals.

8. Human Resources Advice and Implications

8.1 HR & OD colleagues will continue to work with Procurement to review the staff engagement and learning activity to ensure they are effective in raising awareness.

9. Implications for Children and Young People and Vulnerable Adults

9.1 As an update report there are no direct implications for Children and Young People and Vulnerable Adults.

10. Equalities and Human Rights Advice and Implications

10.1 As an update report there are no direct implications aligned to Equalities and Human Rights.

11. Implications for CO₂ Emissions and Climate Change

11.1 As an update report there are no direct implications linked to CO₂ Emissions and Climate Change.

12. Implications for Partners

12.1 As an update report there are no direct implications arising for Partners.

13. Risks and Mitigation

- 13.1 Through the actions implemented as detailed in this report, and through FPPRs risks and appropriate mitigations are continuously considered at a corporate level and at project level.

Accountable Officer(s)

Graham Saxton, Assistant Director; Financial Services
Karen Middlebrook, Head of Procurement

Approvals obtained on behalf of:-

	Named Officer	Date
Chief Executive		Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Rob Mahon	04/03/22
Assistant Director of Legal Services (Monitoring Officer)	Stuart Fletcher	04/03/22
Assistant Director of Human Resources (if appropriate)	Lee Mann	04/03/22
Head of Human Resources (if appropriate)		Click here to enter a date.

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This report is published on the Council's [website](#).