

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBERS

1.	Meeting:	Cabinet
2.	Date:	3rd November 2010
3.	Title:	Requirement to Publish Spend > £500
4.	Directorate:	Financial Services

5. Summary

As part of its *open data agenda*, the Secretary of State for Communities and Local Government wrote to all local authorities in June 2010 committing them to publish items of spending over £500 including tenders, contracts and actual payments by January 2011. The government has also recently announced its intention to publish certain information on salaries by this date. This report does not consider this aspect of the open data agenda which is being considered by Strategic HR and RBT HR/Payroll.

A previous report to SLT indicated the intention of publishing the Council's actual payments greater than £500 using internal resources. Subsequent to that report, further regulatory guidance has been released and there has been an opportunity to meet with a specialist, external data analyst, Spikes Cavell whom currently provide the Council with data analyst services for the Procurement activity. This report looks at the potential business benefits and mitigation of adverse risks that could be achieved by using, Spikes Cavell, to process and publish our spend data via their 'Spot Light on Spend' website.

6. Recommendations

It is recommended that:-

- a) Cabinet note the contents of this report.
- b) Approve the publication of the Council's Contracts and actual payments over £500 using Spikes Cavell to process and publish our data via their 'spotlight on spend' website
- c) Agree that the Council should begin publishing data commencing in November 2010
- d) To agree that the Performance & Project officer (Transformation & Strategic Partnerships) works with RIEP to secure funding and works with directorates to populate the Contracts database.
- e) Agree the presentation of the report to PSOC.

7. Proposals and Details

The Government requires all Councils to publish contracts and actual payments above £500 by January, 2011. Previously, Cabinet agreed that the Council should begin publishing data commencing from November 2010 in the format outlined in **Appendix 1**. Since this point further guidance has been issued and publicised by the Local Government Group.

To now achieve the internal publication of actual payments data (on a monthly basis) would require directorates, working with Financial Services, to define and assign a supplier classification to approximately 16,500 existing supplier records as well as any new suppliers. In addition, for each report to be published there is a requirement to examine every payment record and redact any personal information to comply with Data Protection legislation. To meet these requirements will potentially absorb considerable internal resources while not sufficiently reducing the risk of non compliance with legislation

As a current user of the Spikes Cavell's "The Observatory", it was identified that they are able to act as a service provider to publish the contracts and actual spend over £500 on our behalf.

Spikes Cavell Ltd

Using semi-automated and industry classification standards, Spikes Cavell will manage the publication of our data through an intuitive and easy to use web application that is hosted by them which can be accessed by the general public through the Council's web site. The company is currently working with about 15 other local authorities to provide these services and the 'spotlightonspend' website has received positive feedback from the professional media.

Appendix 2 provides some example screen shots and a private and confidential link to the 'Spotlightonspend' website which provides an analysis of the Council's 2009/10 data. It should be noted that at this stage there has been no validation of the supplier classifications used to ensure they are relevant.

The potential business benefits of using Spikes Cavell to process and publish the Council's data are:-

<p>Compliance</p>	<ul style="list-style-type: none"> ▪ Spikes Cavell is the leading supplier of spend management solutions to the public sector and have many years experience of analysing procurement and spend data nationally and in Rotherham. ▪ The information is published to the Government Connect website. ▪ 100% compliance with all mandatory publishing requirements. ▪ Responsiveness to on-going central government compliance requirements with new enhancements being released every six weeks. ▪ Reduces the risk of the Council accidentally publishing sensitive or mis-classified spend due to the level of expert scrutiny the data will be subjected to ▪ The data is published on Spotlight on Spend, data.gov.uk and the raw data is available as a compliant machine readable download so as to meet the government's requirement for open standards. ▪ Minimises the risk to the Council of not being able to publish or publishing data that does not meet revised government guidance. It is likely that the open data agenda will continue to increase the volume/ requirements of data that will need to be published by local authorities
<p>Efficiency</p>	<ul style="list-style-type: none"> ▪ Better identification of opportunities for collaborative procurement ▪ Better identify further opportunities for corporate procurement ▪ Enhance insight into helping manage Council spend into the future ▪ Semi-automated processes and specialist data analysts are used to cleanse and classify our data using nationally recognised classification databases. ▪ Public access to a website which is quick and easy to navigate and it is expected to reduce the number of FOI requests due to the 'self service' approach.
<p>Comparison</p>	<ul style="list-style-type: none"> ▪ Regional partners considering using the system and so would provide a degree of regional consistency. So far 15 local authorities are using the facility ▪ The information is published on their Spot Light on Spend website used by other local authorities. ▪ The data is used to provide comparative metrics e.g. spend with SMEs, % Local spend, spend against other Council's.

Publishing of Supplementary information

Authorities are also expected to publish new contract & procurement information from January 2011. In discussions with Spikes Cavell, the company has recently developed a Contracts module to meet the recent guidance. The module would:

- provide a method of capturing all the Council's contracts (the Council does not have a central contracts register)
- improve metrics reporting e.g. comparison of contract and maverick spend.
- Provide a means to identify and performance manage spend that should have but does not have a contract in place.
- Support and encourage further collaborative procurement on a regional basis.

As a Procurement performance tool, it is anticipated that the Transformation & Strategic Partnerships Team will implement and own the module and work with directorates to capture and then maintain all relevant contract information.

8. Finance

The annual cost of working with Spikes Cavell would be £8,310 for the provision of the Contracts Module and the provision of monthly spend data (>£500) that will be published on the website. It is understood that the Y&H RIEP is now expected to provide funding to Local Authorities to undertake such spend analysis using Spikes Cavell. The company has confirmed that a refund or credit for any sum paid prior to funding being received would be returned to the council.

9. Risks and Uncertainties

The use of Spikes Cavell in processing and publishing contract and spend data will help to mitigate the risk that the Council does not fully meet the evolving open data agenda and publicises data that breaches data protection legislation.

10. Policy and Performance Agenda Implications

The publication of Council data via the Spotlight on spend website could provide the Council with an opportunity to contribute to the governments open data agenda and ensure compliance.

11. Background Papers and Consultation

Letter from the Rt Hon Eric Pickles MP, Local Transparency, 4th June 2010
Report to SLT – 28th June 2010

Local Spending Data guidance, posted 10th September 2010
<http://data.gov.uk/blog/local-spending-data-guidance>

Local Transparency – A Practitioners Guide to publishing Local Spending Data,
posted 1st October 2010 <http://lgtransparency.readandcomment.com/>

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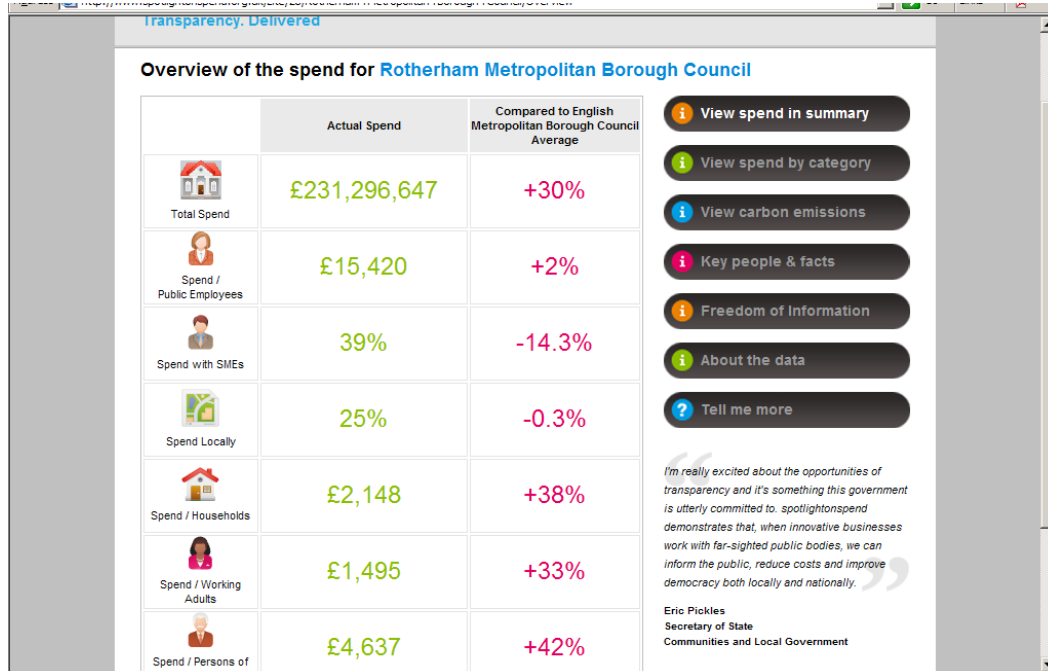
Appendix 1

Proposed Format of Data Published by RMBC

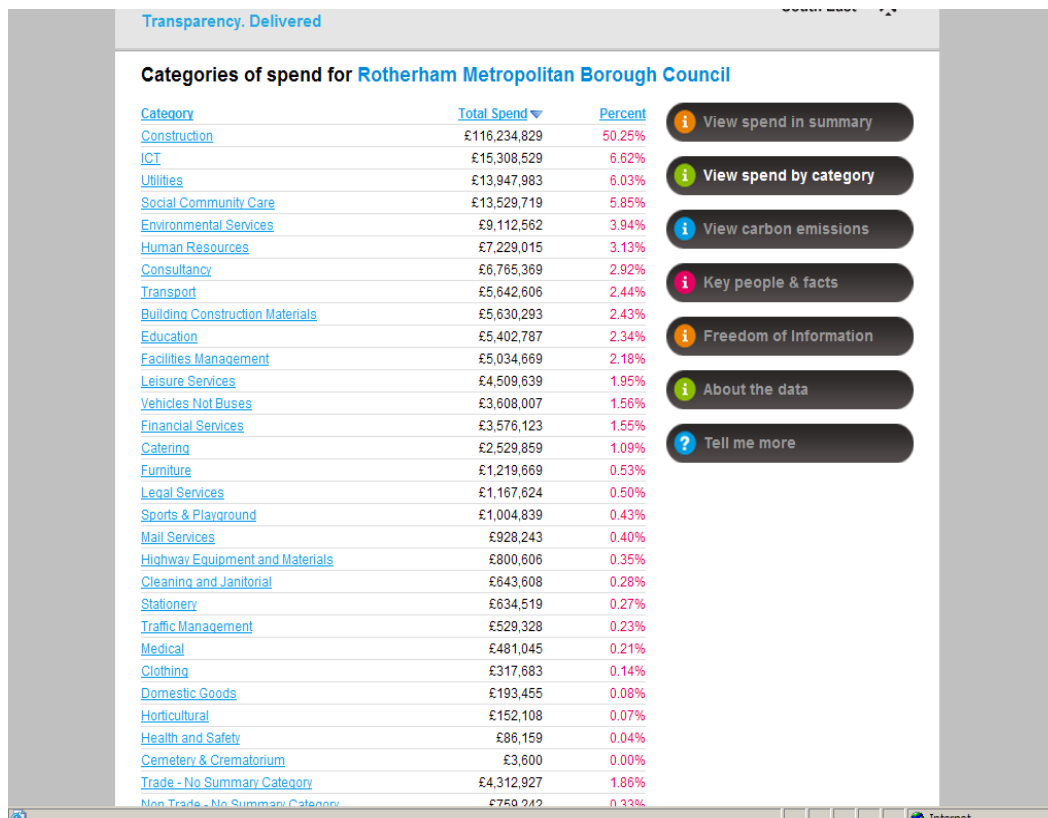
Directorate	Supplier Name	Invoice Description	Trans Gross Amount£	Tran Date	Document Reference
CYPS	FOSTER CARE ASSOCIATES LTD	Foster Care	7371.80	01/06/2010	0000259362
CYPS	QUANTUM CARE (UK) LTD	Foster Care	17733.00	01/06/2010	WD115
CYPS	WOODSETTS PRIMARY SCHOOL (RMBC)	TITANS COMMUNITY FOUNDATION	1000.00	01/06/2010	00280151
CEX/FIN	HARROGATE BOROUGH COUNCIL	Q4 0910 RIEP CLAIM 3003	7924.23	01/06/2010	00280807
CYPS	WINTERHILL SCHOOL (RMBC)	ESF 14-16 BROKERAGE	1514.53	01/06/2010	00280861
CYPS	WHISTON WORRYGOOSE J&I SCHOOL (RMBC)	FEDERATION FUNDING	75550.62	01/06/2010	00280184
CYPS	WALES PRIMARY SCHOOL (RMBC)	EXTENDED SERVICES	623.59	01/06/2010	00280315/1
CYPS	DINNINGTON COMPREHENSIVE (RMBC)	ESF 14-16 BROKERAGE FUND	2278.76	01/06/2010	00280911
CYPS	WALKER & CO	BILLY WILD	500.00	01/06/2010	00280912
CYPS	OAKWOOD TECHNOLOGY COLLEGE (RMBC)	ESF BROKERAGE FUND FOR MARCH 10	7517.15	01/06/2010	00280942
CEX/FIN	ROTHERSAVE CREDIT UNION LTD	PAYROLL	7819.48	01/06/2010	PD12687
CEX/FIN	YORKSHIRE WATER	YW NET AMOUNT COLLECTED 010610	17946.79	01/06/2010	YWPAYMENTS010610
ADULTS	SANCTUARY HOUSING ASSOCIATION	Soc. Services Invoice	2271.36	02/06/2010	spliv-1314 1

Spotlight on Spend - RMBC 2009/10 data

Overall view showing total spend & possible metrics:



Highest category level



Spend with individual suppliers:

spotlightonspend
Transparency. Delivered

Supported by
Improvement and Efficiency
South East

Suppliers in the category of **Telecommunication Services** who supply **Rotherham Metropolitan Borough Council**

Supplier	Total Spend	Percent
RBT (Connect) Ltd	£9,806,697	87.71%
British Telecommunications PLC	£723,068	6.47%
Virgin Media Ltd	£533,469	4.77%
Yhcc Telecom	£38,587	0.35%
Lloyds Business Communications	£20,696	0.19%
NT Independent Networks Ltd	£11,218	0.10%
Cable & Wireless Uk Ltd	£11,000	0.10%
Transglobal Uk Ltd	£9,129	0.08%
1ST Call Communications Ltd	£6,467	0.06%
Astracasting Ltd (F)	£6,280	0.06%
Redstone Communications Limited	£3,540	0.03%
Saturn Telecom	£3,520	0.03%
Truancy Call Limited	£2,462	0.02%
Excel Telecom Ltd (F)	£2,462	0.02%
Azzurri Communications Ltd	£1,342	0.01%
VTL (UK) Ltd	£1,171	0.01%
£11,181,108		

View spend in summary
View spend by category
View carbon emissions
Key people & facts
Freedom of Information
About the data
Tell me more

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Link to trial of RMBC published data:

<http://www.spotlightonspend.org.uk/Lite/28/Rotherham+Metropolitan+Borough+Council>

It should be noted that the data held on this site is for demonstration purposes only to give a flavour of what is possible. Please be aware that the data records are not in the public domain as it hosted on a test site and has only been subject to a 'light touch' of data scrutiny.