

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Performance & Scrutiny Overview Committee
2.	Date:	25th February 2011
3.	Title:	Procurement Local Performance Indicators
4.	Directorate:	Commissioning, Policy & Performance

5. Summary

A set of local indicators were developed in 2007 in order to measure the Council's procurement function in terms of delivery of the Procurement Strategy and day-to-day management of the procurement function. The suite of indicators was updated in 2009 to ensure effective monitoring.

This report sets out details of the indicators, targets and performance for quarter three of the financial year 2010-11.

6. Recommendations

- **That current performance is noted.**

7. Proposals and Details

7.1 *Current Performance*

Rotherham's Corporate Procurement Strategy was developed in line with the National Procurement Strategy and as such many of the actions contained within our Strategy fall from the National Strategy. The suite of indicators developed reflect key issues within the Strategy and are detailed at appendix A together with current performance.

Performance against LPIs is reported to Procurement Panel, PSOC and Achieving Board on a quarterly basis; performance against procurement savings continues to be undertaken on an ongoing basis at Procurement Champions' meetings.

Of the 12 indicators, full details of which are attached at Appendix A:

- 5 are status green with performance on or above target
- 2 are status red with performance below target
- 2 are for annual monitoring with information given quarterly for monitoring purposes.
- 2 are for information only with no targets
- 1 has not yet been reported

7.2 *Red Indicators*

LPI 1 Local Spend

Performance information for the current financial year relates to spend during the year 2009-10 due to time lags involved in collating data following year end. Performance reported during the year 2009-10 achieved 25.41% against a target of 35%. This year a significant improvement is being reported with performance achieving 32.8%. Whilst this is below target and the indicator is still rated as status red, the work undertaken around local spend is clearly showing an improved direction of travel.

During the current year, two performance clinics have been held to look at how performance against this indicator can be improved, resulting in a working group to take actions forwards. Part of the discussions at the clinics have been around the definition of local and as a result additional information is attached at Appendix B showing a tiered approach to reporting spend.

LPI 2 SME Spend

Performance against this indicator has achieved 37.52% against a target of 56% and previous year's performance of 39.60%. As with LPI 1 performance information for the current financial year relates to spend during the year 2009-10.

The target of 56% for this indicator was set in 2006 and based on the sub-regional average at that time. The next available sub-regional average was in 2007 and showed a revised sub-regional average of 43%. Sub-regional information is no longer available in the previous format, but a wider regional project is looking to develop this information.

Work is ongoing to improve performance against this target, including strengthening links with the Chamber of Commerce and Federation of Small Businesses.

7.3 *Issues*

LPI 5 2 of RMBC's top 50 suppliers to be audited annually for equality & diversity and environmental issues

The reasons for conducting equality and diversity audits on key suppliers every year are:

- To ensure key suppliers are carrying out their equality and diversity duties as per their policies
- To promote the importance of equality and diversity issues throughout the supply chain
- To work with our suppliers to agree any remedial action that may be required and ensure it is carried out to an action plan
- To ensure that the Council's reputation for working with compliant suppliers remains unblemished

To date no supplier audits have been undertaken for equality and diversity issues due to a lack of resource. Discussions with colleagues in the Community Engagement & Cohesion Team have resulted in this being rescheduled as a priority for 2011/12.

During the current year one supplier has been audited for environmental purposes; it is not anticipated that a second supplier will be audited due to lack of resource.

LPI 10 Overall % of excavated materials diverted away from landfill

This indicator relates to one supplier only, Ringway, and was originally requested by them in order to demonstrate their commitment to sustainability. Due to budget reductions there has been very little work for Ringway during the quarter and it is anticipated that there will be little prior to the end of the contract in July 2011. It is therefore recommended that continuing to collect this data is not a good use of current resource.

8. Finance

All costs for developing the suite of indicators are currently being absorbed within existing budgets though some unbudgeted costs may arise and funding sources may need to be identified.

9. Risks and Uncertainties

Performance against these LPIs will reflect how the Corporate Procurement Strategy is being implemented and embedded across the Council which could impact on the Council's ability to evidence value for money and provide evidence for future assessments.

10. Policy and Performance Agenda Implications

Delivery of the Corporate Procurement Strategy
SME Friendly Concordat

11. Background Papers and Consultation

Corporate Procurement Strategy
National Procurement Strategy

12. Contact Name

Sarah McCall ex 54529
Sarah.mccall@rotherham.gov.uk