

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Performance & Scrutiny Overview Committee
2.	Date:	25th February 2011
3.	Title:	Procurement Strategy Action Plan Review
4.	Directorate:	Commissioning, Policy and Performance

5. Summary

5.1 Procurement Strategy

The purpose of the Procurement Strategy is to set out how the Council intends to procure its goods, works and services in order to support the Authority's overall aims and objectives over the life span of the Strategy. It outlines the Council's current position and clearly points to areas where we need to improve with a supporting action plan to deliver those areas. The action plan is managed by the Council's Procurement Panel.

In light of the recent restructuring in the Council, the action plan is in the process of being reviewed to ensure that actions are still relevant and limited resources are focused on the Council's priorities.

5.2 BVPI8

Former Best Value Performance Indicator 8 measures the payment of undisputed invoices within 30 days. Although this measure is no longer a national indicator, the Council values performance against the measure as it is important that we pay our suppliers promptly.

However in light of the recent restructures within the Council, this paper proposes that as the level of resources required to actively manage performance in this area are proportionately high, performance management could be scaled down.

6. Recommendations

That the proposals outlined in this paper are noted and agreed.

7. Proposals and Details

The Strategy action plan is set out in 9 themes in line with the Procurement Strategy:

- Supporting the Local Economy
- Engaging with the Voluntary and Community Sector
- Equality and Diversity
- Fairtrade and Trade Justice
- Environmentally Friendly Procurement
- Legal Procurement
- e-Procurement
- Achieving Value for Money
- Building Capacity

Full details of all actions and current status are attached at Appendix A. Only amber and red actions were reviewed.

7.1 Supporting the Local Economy

3 actions within this theme:

2 are complete

1 action to remain unchanged.

7.2 Engaging with the Voluntary and Community Sector

3 actions within this theme:

1 is complete

1 date to be reset

1 action to be deleted

7.3 Equality and Diversity

7 actions within this theme:

3 are complete

4 dates to be reset

7.4 Fairtrade and Trade Justice

3 actions within this theme:

2 are complete

1 action has moved to another working group and is to be monitored

7.5 Environmentally Friendly Procurement

11 actions within this theme:

8 are complete

2 actions to remain unchanged

1 to be deleted

7.6 Legal Procurement

3 actions within this theme:
2 are complete
1 date to be reset

7.7 e-Procurement

2 actions within this theme:
1 is complete
1 date to be reset

7.8 Achieving Value for Money

6 actions within this theme:
5 are complete
1 action to remain unchanged

7.9 Building Capacity

These actions relate to other actions already reviewed in the plan.

7.10 Overview

38 actions overall
24 complete
7 dates reset
4 unchanged
2 deleted
1 action moved to another group

7.11 BVPI8

The BVPI8 performance indicator (payment of invoices within 30 days) is no longer a national indicator. However, the Council has always monitored and managed performance in this area as it is seen as important that it pays its suppliers – particularly small, local suppliers – on a timely basis.

The indicator is currently actively managed by the procurement champions who look at monthly reports of late payments. Champions and their network of procurement buddies then look for the reasons behind payment delays, and seek to improve future performance through awareness raising, training, and problem solving.

Actively managing performance in this way has improved payment within 30 days from 91% to 94.69% over 5 years.

However, following the recent structure reviews, many champions advise that they have fewer buddies to help them with this work now and without this resource would struggle to maintain this level of performance management.

It is proposed that due to a reduction in resources we scale back the level of management for this indicator. The client team and RBT could monitor levels of performance to ensure there is no major slippage, and champions could either:

- Action quarterly reports
- Action half yearly reports
- Action reports if slippage drops below 91% over a period of 6 months

8. Finance

All costs for implementing the Corporate Procurement Strategy 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

If the actions in the above plan are not met the Corporate Procurement Strategy may not be fully implemented and embedded across the Council which could impact on the Council's ability to evidence value for money.

10. Policy and Performance Agenda Implications

Delivery of the Corporate Procurement Strategy
SME Friendly Concordat
LAA indicators around the Third Sector

11. Background Papers and Consultation

Corporate Procurement Strategy
National Procurement Strategy

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