

Cabinet

Dorset County Council



Date of Meeting	18 July 2018
<u>Cabinet Member</u> Tony Ferrari – Cabinet Member for communities and resources <u>Lead Officer</u> Richard Bates – Chief Financial Officer	
Subject of Report	Procurement Strategy Refresh: 2018-2020
Executive Summary	<p>This report accompanies the refreshed procurement strategy document which expired at the end of March 2018.</p> <p>The refresh provides the opportunity to formalise the approach the Council has adopted in more recent years, of a business partnering approach rather than category management.</p> <p>The strategy sets out key, measurable objectives that the organisation will pursue in order to deliver the strategy and sets out how they support the four SHIP outcomes.</p> <p>The strategy is necessarily shorter-term than might otherwise be the aim as it will need to take the existing Dorset County Council through its final few months of business and support the new Dorset Council in its early stages whilst a member vision is developed and a further review of the procurement strategy is considered.</p>
Impact Assessment:	<p>Equalities Impact Assessment:</p> <p>An EQIA screening test has been carried out indicating that the strategy refresh does not impact negatively on any protected characteristics. A full EQIA is therefore not required.</p> <hr/> <p>Use of Evidence:</p> <p>This refresh reflects a gradual transition to a business partnering approach, rather than category management, which was not evident in the strategy up to this point. This reflects the County Council's preferred approach to support service delivery in front-line services.</p> <p>The strategy refresh reflects current best practice across Local Government, reflecting compliance with Public Contracts</p>

	<p>Regulations 2015, changes to arrangements for managing government contracts and develops and research into other Councils' strategy and policy arrangements.</p> <p>Budget: Whilst this refresh has no direct budgetary impact, it builds on our desire to achieve better value for money for the taxpayer, better services for citizens and improvements in relationships with suppliers, particularly local businesses which are key particularly important to improving Dorset's economic prosperity.</p> <p>Risk Assessment: Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: Medium Residual Risk Low</p> <p>Other Implications: A clear mandate for the refreshed strategy and accompanying contract management procedure guide are essential for the County Council to complete the transition of its contracts and supplier relationships into the new Dorset Council. The procurement and contracts workstream (overseen by the Dorset Area Finance Officers Group) is already working collaboratively and it is anticipated that these documents might prove helpful for colleagues currently in the District Councils to transition their own arrangements to the new Council. We are already sharing principles and practice.</p>
<p>Recommendation</p>	<p>The Cabinet is asked to consider the contents of this report and:</p> <ul style="list-style-type: none"> (i) set out any other matters that should be included in the strategy; (ii) agree the refreshed procurement strategy for Dorset County Council for the remainder of 2018/19, and to support procurement and contract management effectiveness for the new Dorset Council in 2019/20; (iii) support the revised contract management procedures and the development of contract management training.
<p>Reason for Recommendation</p>	<p>The documents set out key deliverables for the County Council in the transition to the new Dorset Council and underpin much of the future work plan around contract novation, discussion of arrangements with a Christchurch impact and the bringing-together of arrangements across the Dorset area into the new Council.</p>

Appendices	<ol style="list-style-type: none">1. Procurement Strategy2. Contract Management Procedure Guide
Background Papers	
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1. Background

- 1.1 The County Council's previous procurement strategy expired at the end of March 2018, so a refresh was required.
- 1.2 The refreshed strategy reflects much more closely the ways in which the team has changed its style and approach to support colleagues in the organisation through a business partnering approach rather than adhering strictly to a category management approach.

2. Becoming the new Dorset Council

- 2.1 The strategy underpins the work which the team must carry out in the transition to the new Dorset Council. The strategy also aims to be useful for the new authority, however it also recognises that Dorset Council Members may have a very different vision for Procurement so this document is intended only for the current Dorset County Council and the first year of the new Dorset Council where this is helpful and if it is an approach that is shared by colleagues in the District Councils.
- 2.2 If this approach is agreed by Cabinet, the Shadow Executive will also be consulted concerning continuing benefit for the new Dorset Council.
- 2.3 The draft documents have already been shared at officer level across the Dorset area. Clearly, we will need to harmonise our approaches wherever possible as we will want to deal with suppliers and contractual arrangements clearly and consistently, but regardless of any divergence after 1 April 2019, we will still need to agree principles, methods and procedures so it is hoped that these documents will be helpful in that respect.

3 Key features and aims of the strategy

- 3.1 The key aim of the strategy is to support the County Council's delivery of the key *safe, healthy, independent, prosperous* outcomes. This will be achieved by pursuing value for money through a compliant route to market for all of our contracted expenditure and engaging better with businesses from a social value perspective.
- 3.2 Appendix 1, the Procurement Strategy sets out the strategy, how this relates into performance objectives with key performance indicators which will support our corporate outcomes.

4 Key features and aims of the contract management procedures

- 4.1 For some time, we have acknowledged that we could do more to improve contract management across the authority. The timing of the Government's review of contract management guidance for Civil Servants has therefore been helpful in supporting this work, which is now set out in Appendix 2 – Contract Management Procedure Guide.
- 4.2 We will not stop at this document, however, a crucial part of our transition to the new authority will be to ensure we have good intelligence around all our contracts. The procedures therefore set out the collection of our data in a single, mandated source (Accord) and information around contracts with either a Christchurch impact or a consolidation impact for Dorset Council.
- 4.3 We have well-developed plans to share this information with managers in July and a set of principles around tracking contract management themes and issues is emerging.
- 4.4 Again, it is hoped that this document will be useful for the new Dorset Council as well as the County Council's own transitional arrangements so it's ambition is to be able to support the converging authorities through transition and into a single Council.

5 Timing and practical implementation

- 5.1 A number of key dates are approaching for the County Council's Procurement Team to make efficient and effective arrangements for contracts in transition to Dorset Council. The procurement and contract management workstream is in a similar position so approval is thereby sought for the strategy and contract management procedures so this work can continue and conclude satisfactorily.
- 5.2 The plan sets out a target date of 18th July for the Team to share with managers, initial contract data and principles for managing arrangements up to and beyond 1 April 2019. Consideration will also need to be given to the work of the budget disaggregation work as there will need to be a clear match of funding and contract responsibilities, wherever contract management responsibility sits between Dorset Council and Bournemouth, Christchurch and Poole Council.

6 Summary

- 6.1 We believe there is a logical flow through these documents, Procurement Strategy and the Contract Management Procedure Guide, interlinking essential components for a successful transition to an effective Procurement Team for Dorset Council.
- 6.2 Support for adoption of these documents is requested to underpin the direction of and emphasis for our work and to help us move through LGR with coherent strategy for both procurement and contract management.

Richard Bates
Chief Financial Officer
July 2018