

minutes



Meeting PROCUREMENT SELECT COMMITTEE

Date Monday, 30 October 2006 (commencing at 2.00 pm)

Membership

Persons absent are marked with 'A'

COUNCILLORS

John Knight (Chair)
Joe Lonergan MBE (Vice-Chair)

Kenneth Bullivant	A	Mark Spencer
Albert Haynes	A	Chris Winterton
Stan Heptinstall MBE		Yvonne Woodhead
A Helen Holt		

MINUTES

The minutes of the last meeting held on 18 September, having been circulated, were confirmed and signed by the Chair, subject to the inclusion of Councillor Knight in the list of members present.

MEMBERSHIP

The membership of the Select Committee, as set out above, was noted.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Holt and Winterton.

DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

None.

THREE YEAR PROCUREMENT BUSINESS PLAN

Richard Haynes of Deloitte gave a presentation to introduce the three year procurement business plan, a draft copy of which had been circulated with the agenda. He outlined the approach to preparing the plan, the concerns about current procurement practice, the benefits to be obtained from improvements, and the proposed ways of achieving these. The proposals included a procurement programme board, a "category manager" for each main category of spending, extended use of e-procurement, a strategic sourcing plan, and collaboration with other public organisations.

In reply to questions from Councillor Lonergan, Mr Haynes explained that the “lead supplier” mentioned in the business plan might be the procurement programme manager. He envisaged that the proposed structures would be in place for 9 to 12 months before requiring review. He saw procurement targets being set and monitored by the programme board, although more specific targets could be set by the category managers. He had confidence that with an active programme board and leadership, coupled with strong levels of compliance from departments, the potential savings would be realised.

Councillor Knight believed that there was a need for managers to manage properly, and for them to monitor results. Councillor Heptinstall asked about the poor performance so far. Mr Haynes replied that the Corporate Procurement Unit (CPU) had been set up to tackle this, but that the unit had not had much visibility, nor any enforcement role. The proposed category managers would be a step change, compared with the current practice where professionals from different backgrounds made procurement decisions.

Councillor Knight asked where accountability would ultimately rest. Mr Haynes referred to the programme board, while Richard Ratcliffe, Assistant Treasurer (Procurement and Trading) referred to the project sponsor. He offered to circulate a document prepared by Deloitte which outlined the various responsibilities in the proposals. He said he would welcome the involvement of councillors in the monitoring process. Councillor Knight believed that a Cabinet member should be accountable. He wondered how departments could be made to comply with procurement requirements, and whether this was a disciplinary matter. He felt there should be quarterly monitoring reports to Scrutiny.

Councillor Lonergan expressed concern about the plan’s conclusions on e-procurement. Mr Haynes replied that the current e-procurement project should end, and a new, simplified project be launched using the software already purchased. He believed that the authority had the skills to achieve this, but commitment was also required. Councillor Lonergan asked how the authority might overcome its risk averse tendencies, as identified in the plan. Mr Haynes stated that cost must become a more important factor in procurement decisions, and the quality requirements of contracts be tighter. He recommended that costs should form at least 50% of any procurement decision.

Councillor Heptinstall asked how quickly the proposed changes could be introduced. Mr Haynes referred to Leicestershire County Council’s Change Board, which received quarterly reports on procurement matters and other strategic plan targets.

Lynn Senior, Head of Scrutiny, drew attention to the recent local government white paper, which referred to procurement, the possibility of joint working with other public organisations, and efficiency gains.

It was agreed that the next meeting of the Select Committee be held at 2.00 pm on Monday, 27 November, and that the witnesses invited to that meeting include Councillor John Stocks, Arthur Deakin, Strategic Director, Resources, and a representative of Leicestershire County Council.

The meeting closed at 3.30 pm.

CHAIR