



meeting	PROCUREMENT SELECT COMMITTEE	
date	18 September 2006	agenda item number

Joint report of the Chair of the Procurement Select Committee and the Head of Scrutiny

Procurement Select Committee – Scope of Review

Purpose of the report

1. This report provides:
 - an introduction to the scope of the review set by the Overview and Scrutiny Committee
 - information about a presentation which will be given at this Select Committee meeting by Richard Ratcliffe, Assistant Treasurer Trading, Resources Department, which has been requested to “set the scene” for this scrutiny review , by providing background information on the development of the Council’s new 3 year procurement business plan.
 - an opportunity for Members to develop a detailed scope and a programme of work for this Select Committee.

Background

2. The Overview and Scrutiny Committee at its meeting on 12 July 2006 commissioned a Procurement Select Committee to address the following question: **Will the County Council maximise value for money through its procurement processes by implementing the new 3 year procurement business plan?**
3. The Overview and Scrutiny Committee set the scope of this review, which is attached at Appendix 1 of this report, and includes:
 - How the review links to strategic priorities
 - How the review links to community concern
 - What outcomes the review should seek
 - Specific areas that the review should consider
 - Suggested evidence, witnesses, and public involvement

4. The Overview and Scrutiny Committee also agreed that Deloitte, the Council's preferred partner in developing the 3 year business plan, should be asked to present information on their work during the course of this scrutiny review. It is suggested that this presentation is given at the Procurement Select Committee's second meeting, when the business plan will also be available to be presented to the Select Committee.
- 5 The Procurement Select Committee is expected to provide a final report by January 2007. The lead officer to this Select Committee is Lynn Senior, Head of Scrutiny.

Detailed scope

- 6 The Select Committee may wish to expand on the areas of review set by the Overview and Scrutiny Committee. To facilitate Members' discussion, Richard Ratcliffe has been asked to give a presentation to this first Select Committee meeting on the background to the development of the new procurement business plan.
- 7 In addition to the scope agreed by the Overview and Scrutiny Committee the Select Committee may wish to consider the following detailed scoping questions:

Who should Members request evidence from at future meetings?

The scope identifies some potential witnesses that the Select Committee may wish to invite or add to. Members may wish to consider whether written evidence or attendance would be preferred. Members may wish to seek additional information based on the initial presentation to this Select Committee by Richard Ratcliffe.

When will the Topic Select Committee meet to consider this scrutiny review?

Members are requested to set a suggested programme of meetings for this Topic Select Committee, in order to gather evidence and agree a final report. It is suggested that a presentation by Deloitte forms the basis of the second meeting of this Select Committee, when the 3 year procurement business plan will also be available to be presented to the Select Committee. An initial work programme template is attached as Appendix 2 to this report.

Does the review require any visits?

How could the review involve the public?

Presentation by Richard Ratcliffe – background to the development of the 3 year procurement business plan

8. The presentation slides are attached as Appendix 3 to this report. The presentation will cover the following areas;

Background to the Project

- Pressure to save cash
- Need to adhere to National / European Union Regulations for spending public money
- Environmental / Equality / Sustainability Issues
- Collaboration within and across Authorities
- Key Statistics for Nottinghamshire County Council

Procurement Business Plan

- Establishment of a three step process
- Step 1: Comprehensive Spend Analysis for the Authority - i.e. know where we are starting from
- Step 2: Selection of an external Partner to help us generate the Business Plan
- Step 3: Generate the Case for Change

Key Outputs from the Spend Analysis

- Key Categories
- Supplier analysis
- Facts / Figures / threshold points

Deloittes Work

- Interpretation of the statistical information
- Clarification of process / procurement in practice
- Workshops with Departmental teams
- Visioning work with CMB – Corporate Management Board – members

Preparation of a three year plan

- Procurement Board
- Category Management approach
- Role of CPU – Corporate Procurement Unit
- Projected savings

Key issues and next steps

Recommendations

9. It is recommended that;

the Procurement Select Committee consider, and ask questions on, the initial information provided in the presentation to the Select Committee, and then agree a detailed scope and work programme for the Select Committee.

Councillor John Knight
Chair of the Procurement Select Committee

Lynn Senior
Head of Scrutiny

Background papers: nil.