

## **Budget and Performance Panel**

### **Procurement Strategy Update 23 February 2010**

### **Report of Procurement Manager**

#### **PURPOSE OF REPORT**

To seek the Panel's views regarding the new draft Corporate Procurement Strategy, prior to it being submitted for approval.

**This report is public**

#### **RECOMMENDATIONS**

- 1. That Budget and Performance Panel consider the attached draft Corporate Procurement Strategy and make recommendations as appropriate.**

#### **1 Introduction**

- 1.1** The Council's first procurement strategy was approved in January 2003, following a detailed review of corporate procurement in 2002. This strategy was superseded in 2005 by a strategy encompassing the National Procurement Strategy, which was launched in 2003. It set out the policies and practices the Council intended to follow, given that the authority spent an estimated £35 million each year on the acquisition of goods, works and services. This new strategy describes how the Council will organise its procurement practices in order to manage expenditure as effectively as possible. The draft strategy sets out a number of actions to further develop the Council's procurement policies and practices and to establish a programme for continuous improvement.
- 1.2** In due course the draft will be submitted for approval by the Cabinet Member with responsibility for Finance. To allow pre-scrutiny of the proposals, however, it was agreed that the new strategy would be considered first by Budget and Performance Panel.

## 2 Details

2.1 The strategy has been completely revised to reflect the advances made to date by the authority on procurement issues. The strategy sets out new elements or other developments that are a priority for the Council. It:

- details how the authority will work with others within the region and purchasing organisations to realise efficiencies;
- states the importance of Procurement Principles, standards, Policy and Procedures that currently exist, for example The Sustainable Procurement Policy, Whole Life Costing and Lancaster's Approach to Project Management;
- details the responsibilities of stakeholders, including Council members, Chief Officers and Council staff;
- identifies the monitoring and reporting arrangements to be put in place;
- expands the need to increase the amount of business the authority does electronically, by introducing new elements to the procurement cycle that facilitate current or new software.

2.2 The procurement discipline within the authority and within local and central government is still evolving but it is felt that is now recognised as a major contributor to the authority, in helping it to meet its objectives.

2.3 The draft strategy also provides for flexibility, allowing the Council to respond to the rapidly changing environment surrounding public sector procurement, taking into account Lancaster's experiences and those of others and to integrate improvements into our processes and systems.

## 3 Conclusion

3.0 Much work has been done within the procurement discipline through out the authority and adoption of the Procurement Strategy will help achieve modern and efficient procurement functionality within Lancaster City Council, contributing to the Council priorities and service delivery.

### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

The strategy and its future development will provide a framework within which procurement can support aspects such as sustainability and the achievement of other impacts on a clearer and more consistent basis.

### **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising. That said, the strategy should help the authority achieve greater value for money in future. Any aspects of the strategy that require investment would be appraised accordingly first (this includes electronic / systems developments, etc).

**LEGAL IMPLICATIONS**

The strategy is in line with relevant procurement law, particularly EU law.  
Legal Services have been consulted and have no observations to make on this report.

**S151 and MONITORING OFFICER'S COMMENTS**

The s151 Officer and Monitoring Officer have been consulted and have no comments to add.

**BACKGROUND PAPERS**

None.

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