



Resolved:

That an item be included in the work programme 2015-16 relating to the financial impact of the combined authority.

## 5 **Future Practice - Procurement Strategy Principles**

Andy Moran, Head of Procurement, provided a paper for pre-decision scrutiny to consider the principles on which the Procurement Strategy 2015-18 will be based.

The Head of Procurement presented the report and responded to councillors questions. The report covered the following:

- Procurement and contract management
- How the Council will work to the principles
- Procurement vision
- Consultation and approval programme
- Legal, financial, environmental and equality implications

The Head of Procurement outlined the definitions of commissioning, procurement and contract management and explained that the Council is clear on the categories of spend with third parties and how this offers value for money. He advised that in accordance with new EU guidance and UK Public Contracts Regulations the Council will listen to what customers and communities want and that where appropriate there will be customer and community involvement in the sourcing process.

He confirmed that there will be partnership working with public, private and voluntary sector organisations to develop a City Strategy approach to public services and that the performance of third parties will be actively managed and the realisation of benefits is monitored.

In response to questioning the Head of Procurement advised that the new procurement regulations require everything over £50,000 has to be advertised publically. He confirmed that this will open the doors to more local small and medium business enterprises (SMEs) and make information on the procurement process more widely available.

The Head of Procurement informed the Panel that contracts come in all shapes and sizes, some high value, some for small groups with specific needs. He advised that different approaches are needed for different contracts, for example often those affected and those working with the a specific group of people will know what they need and what they need the contract to deliver and in these cases they will be key players in the process.

In response to a further question about transparency the Head of Procurement confirmed that small local business and national companies equally can find information about contracts on the [Wolverhampton Contracts Portal](#) . He confirmed that all the information needed to put in a bid is in the same place and that once registered it will be the same process to apply for tenders each time. He further advised that when the contract is awarded the following will be disclosed to the public:

- The successful contractor
- What the contract is for

- The total value

This is available on the national Contracts Finder website in the same way it is currently available through a freedom of information request (FOI).

When asked what will be different about the new procurement procedure and how it links to business and enterprise the Head of Procurement advised that he had little knowledge of the previous operation however moving forward he advised that there is a Wolverhampton social value and procurement event planned for 23 April 2015. This will feed into the proposed procurement strategy and in relation to business and enterprise he is working with the City Board, Keren Jones and Jim Cunningham to develop the strategy.

In response to a question about how the bids will be assessed The Head of Procurement advised that this would depend on the service being out to tender and if there is social value. He explained that the tender documents will specify the service or particular product, and that this will not have fixed targets within quality and price, but that it will depend on quantity, quality and specialism of the service or product. He agreed that where appropriate local and social value will be factors in the tender documents.

A further question from the Panel asked how the assessment can be used to improve some of the issues to benefit the local community. The Head of Procurement advised that previously the regulations had been unclear however in the new regulations it is clear and we can do this.

In response to questions about helping local businesses when tendering for a contract the Head of Procurement advised that the Council has an open door for local suppliers to come and talk to the procurement team. He advised that the procurement team is undergoing change, the way forward is to talk to suppliers in advance of a tender being issued to engage with businesses and providers and to share contact details of the procurement team with them. Cllr Christopher Haynes indicated he wants local businesses to be able to compete for opportunities with other organisations, institutions and local authorities, in response the Head of Procurement advised that the procurement team are aware that they have to be proactive to work with businesses and other bodies not just 'turn the handle' of the procurement process but to go out and speak to businesses to find out what services and suppliers we have in Wolverhampton and to encourage inward investment where services and products are not available in the locality. He advised that the restructure of procurement will ensure that people in the procurement service will be talking to people and pro-actively know their market. He indicated that the council website procurement page is in need of improvement.

In response to questions about tendering the Head of Procurement advised that tender specifications can be shaped by the authority to request further information relating to:

- How will the service/ product supporting Council priorities
- How their service / product can contribute to social value

Councillors voiced concerns about barriers and restrictions for local small businesses relating to turnover and references, particularly relating to the due diligence tests

looking at company accounts. The Head of Procurement confirmed that under the new legislation the business cannot be disqualified if it has turnover more than 2 times the contract value. He did advise that there is a need to look at the credit score requirements for tendering as currently they are set at the same level for every contract. He indicated that if there is a lower risk the score could be adjusted all depending on the context of what the contract is.

Resolved:

1. The Panel welcomed the work being carried out and endorse the principles that will be the basis of the Procurement Strategy.
2. The Panel requested an update be included on the work programme for 2015-16 to include an update on training with examples of how this is working and An update in general of progress against the Procurement Strategy principles.
3. That the Future Practice – Procurement Strategy Principles has been considered as pre-decision scrutiny and will therefore not be available to call-in once the decision is made by the executive.

## 6 **Budget update and Review**

Claire Nye, Chief Accountant provided a paper that included all financial reports which had been presented to Cabinet and Cabinet (Resources) Panel since the last meeting of the Confident Capable Council Scrutiny Panel.

Councillors asked for a definition of 'Deprivation of Liberty Safeguarding' Claire Nye, Chief Accountant responded to the request and agreed to send a response to Councillors.

The Chief Accountant agreed to provide an updated breakdown of funds that come into the Council.

In response to a point raised relating to infographics as discussed at the previous meeting, the Chief Accountant advised that the re-drafted financial plan will include infographics and that the figures for breakdown of funds will be incorporated.

Resolved:

1. That the budget update and review be noted.
2. That the Panel note that infographics will be used to enhance the updated financial plan.

## 7 **Message from the Chair**

Cllr Rita Potter, Chair, thanked the Scrutiny Panel for their individual contributions and for the masses of work that had been considered this municipal year. She referred to several items that will be listed in the annual scrutiny report and that she felt that the Panel has really made a difference.

The Chair thanked Cllr Christopher Haynes for his support as an excellent Vice-Chair for the Panel.

The Chair thanked Scrutiny support officers Andrew Harvey and Deb Breedon for their support through the year and wished Andrew Harvey a successful career in the future.

Cllr Christopher Haynes, Vice Chair, thanked Cllr Rita Potter for her excellent chairing skills this year as the Chair of the Panel.

End of meeting 19:00