

**Report of: Assistant Director, Service Finance
on behalf of the Commissioning and Procurement Board**

Meeting of:	Date:	Ward(s):
Policy and Performance Scrutiny Committee	13 December 2018	All

Delete as appropriate:	Non-exempt
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**SUBJECT: Report of the Commissioning and Procurement Board
to the Policy and Performance Scrutiny Committee
(13 December 2018)****1. Synopsis**

- 1.1 This report is the annual report to the Policy and Performance Scrutiny Committee (the 'Committee') to enable the Committee to maintain an overview of the work of the Commissioning and Procurement Board (the 'Board').
- 1.2 The report forms part of the implementation of the agreed decisions of the Executive on 18 September 2014, following a year-long review of the Council's procurement process by the Committee.
- 1.3 The last such report was presented to the Committee on 8 March 2018. The scheduling of the Committee's meetings has meant this report has been brought forward , so this report represents approximately 8 months.

2. Recommendations

- 2.1 To note the work of the Board during 2018/19 (to date).
- 2.2 To note the actions of Strategic Procurement and the Board in following up the recommendations of the Committee.

3. Background

- 3.1 The Committee undertook a year-long review of procurement processes and key areas of Council spend. The Executive in response decided that the Board should provide the Committee with a report on its work.
- 3.2 The Committee has requested this report be provided annually. The report was expected to be brought to the Committee in April 2019, but the scheduling of the Committee has brought forward the report.
- 3.3 The Committee resolved at the meeting on 14 March 2018 that the future reports of the board should:
 - focus on the Voluntary Committee Sector (VCS) in a shorter format (see **Part A**);
 - provide an overview of procurement training (see **Part B**).

A short summary of the other work of the Board is also provided (see **Part C**).

PART A: VCS Organisations

3.4 Supplier Registration Days

As per commitments to the Committee, Strategic Procurement have continued to offer bi-monthly supplier registration days to assist potential providers to register on the Council's e-tendering system – the London Tenders Portal. In addition to the supplier registration days, training has been offered as covered in Part B of this report.

When the Council began providing supplier registration days, ten years ago, over 100 suppliers were visiting in a day, with three days offered per month. The numbers of suppliers seeking supplier registration assistance has reduced dramatically, with under 10 suppliers requesting such assistance in the last 12 month period.

The reductions in numbers can be explained as:

- Suppliers are generally more e-aware;
- Most suppliers are now set up;
- Mandating by government for e-tendering has altered trading;
- Improvements in the online set-up wizards.

Therefore, we plan to reduce the number of supplier registration days to three per year. Online guidance, email and telephone support is available to meet any intervening demand.

3.5 Working Together

The Council provides a dedicated helpline on 020 7527 8118 and generic email address procurement@islington.gov.uk to support enquiries about doing business with the Council.

Strategic Procurement have been working with other departments, particularly the Voluntary and Community Sector Development Team, Business Engagement and Employment Support and Economic Development. Recent work in this area has included supporting the review of the Council's social value framework and the associated Boards.

As part of standard practice, we encourage departmental commissioners to have 'meet the buyer', pre-market engagement, networking, sub-contracting/partnering and/or information events. The Council has established links with the VCS umbrella organisations, such as Voluntary Action Islington (VAI).

3.6 Providing Information in the Public Domain

The Council publishes contracts on the Council's website with an aggregate annual value of £5,000 or more. This helps to ensure the voluntary and community sector can see who our prime contractors are with whom they can build alliances, where they may be too small to contract directly and see when existing arrangements are next due to be available.

The Council has dedicated pages on Selling to the Council with guidance and support. A primary support document is the Tender Resource Pack. The Tender Resource Pack has recently been updated with the latest information and is being published online. In addition, the Tender Resource Pack now includes information in regards to the commitment the Council made in signing the Charter Against Modern Slavery.

The Council continues to advertise available larger contracts, clearly stating the Council welcomes bids from the VCS. The adverts are set with e-alerts for suppliers who have registered on the Council's e-tendering system, so they are aware of the opportunity.

3.7 Adopting Appropriate Processes

The Council was recently assessed on the Local Government Association National Procurement Strategy 2018 diagnostic, based on nationally recognised best practice. The Council's overall score distribution placed the Council at 'mature'. The diagnostic included an array of areas including commissioning with SMEs/VCSEs, governance with SMEs/VCSEs, market engagement, modern slavery, policy and scope with SMEs/VCSEs and market engagement.

Strategic Procurement has adopted streamlined and straightforward processes insofar as possible. High value Procurement Strategies (business cases) continue to be challenged by the Board extensively, including matters related to social value in the supply chain. Timescales are considered for reasonableness, terminology is as plain-speaking as possible and standard documentation is utilised that is simple, proportionate, reasonable and relevant. The Board challenge spend, sustainability, management issues and contract packaging.

PART B: Procurement Training

- 3.8 The Supplier Workshop dates were transparently published on the Council's website:
https://www.islington.gov.uk/business/opportunities/selling_council

In 2017/18, the following 10 courses were delivered:

- Consortia Bidding Workshop x 3
(16 June, 6 October 2017 and 15 February 2018)
- Completing a SQ workshop x 4
(5 April, 21 July, 10 November 2017 and 22 March 2018)
- Completing an ITT Workshop x 3
(12 May, 25 August 2017, and 12 January 2017)

The feedback for training was entirely positive or very positive.

- 3.9 After ten years of training delivery, Strategic Procurement has now ensured that the waiting list of suppliers for training has been fully delivered.

A smaller programme of delivery of workshops was instigated for 2018/19 to meet the remaining demand for those suppliers who had requested training. These sessions were made up primarily of those suppliers who had been unable attend or needed to cancel previous sessions.

In 2018/19, the following 5 courses were delivered:

- Consortia Bidding Workshop x 2
(22 June and 16 November 2018)
- Completing a SQ workshop x 1
(3 August 2018)
- Completing an ITT Workshop x 2
(3 May and 4 October 2018)

The feedback for training has again been entirely positive or very positive.

- 3.10 The training programme will re-commence in 2019/20 when the trainer returns from maternity leave. By that point, it is expected that there should be sufficient suppliers back on the waiting list for the sessions once again to represent value for money. When training recommences in 2019/20, it is expected that 6 sessions will be delivered per year.

PART C: Short summary of the other work of the Board

3.11 The Board comprises a senior/chief officer from each Council department, specialist advisors on key areas and the Executive Member with the relevant portfolio. The Corporate Management Board (CMB) of the Council has instigated a review of the Board, led by the Interim Corporate Director of Housing and Adult Social Services, to decide how the Board should be shaped moving forward. It has been decided that the Board will start to commence more in-depth reviews of awarded contracts with effect from 2019/20.

3.12 The Committee asked the Board to review three matters, namely that:

- contractual terms require sub-contractors be paid within 30 days
- all persons employed in the provision of service delivery are paid (London) Living Wage
- risks of supplier failure are considered as part of the procurement process.

Public Contracts Regulation 2015, Regulation 113 requires the payment of undisputed invoices within 30 days by the Council, its contractors and its subcontractors and to have appropriate provisions for this. The Council has adopted such requirements.

The Council considers London Living Wage on all contracts as a matter of policy and it is adopted on all relevant contracts insofar as this is permitted by law. The main difficulties arise in social care, particularly where the Council is not the contracting party, such as in the case of spend through direct payments for social care service users.

The procurement process includes a number of risk and impact assessments to be completed on tendered contracts. The assessments include a financial assessment with evidenced analysed from provider submissions and third parties.

3.13 The Board have overseen the work of the Supply Chain Practitioners, the operational manager group which sits below the Board. In 2018/19 the Supply Chain Practitioners agenda items have focussed on Contract Management. Following the audit report, this was considered an area where there was a significant opportunity to develop and share best practice.

3.14 The Council's Procurement Strategy and Procurement Service Plan 2015 are in the final stages of being delivered. Nationally, the picture has moved with the new National Procurement Strategy. Overall, as shown earlier in this report, the Council has been assessed as 'mature' in using the Local Government Association diagnostic tool.

3.15 The Board continue to oversee key areas including:

- Proposals from national strategy or changes to Council procedures
- Communications to staff on key supply chain messages
- Publication of spend, contractual and transparency information

- Community Right to Challenge window (most recently 1 September 2018 until 31 October 2018), which closed without any successful challenge.

4. Implications

4.1 Financial implications:

This is an information report only on work undertaken and thus has no additional financial implications.

4.2 Legal Implications:

This is an information report only on work undertaken and thus has no specific legal implications.

4.3 Environmental Implications

This is an information report only on work undertaken and thus has no additional environmental implications.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed as this is an information report only on work undertaken and thus has no additional resident and/or equalities implications.

5. Reason for recommendations

- 5.1 This report updates the Committee on work undertaken by Board, focussing on the Committee's chosen areas.

Appendices

None.

Background papers:

None.

Final report clearance:

Signed by:

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November 2018

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