



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

Meeting of:	Date:	Ward(s):
Policy and Performance Scrutiny Committee	17 December 2019	All
Delete as appropriate:		Non-exempt

SUBJECT: Report of the Commissioning and Procurement Board to the Policy and Performance Scrutiny Committee (17 December 2019)

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 13 December 2018. Whilst this report was expected to represent work completed in 2019/20, the scheduling of the Committee's meetings has meant this report has been brought forward, thus provides an overview of work to date in the financial year, as opposed to the whole financial year.

2. Recommendations

- 2.1 To note the work of the Board during 2019/20 (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, covering the financial year. The report was expected to be brought to the Committee in April 2020, covering the work of 2019/20. 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

Strategic Procurement have continued to offer supplier registration days to assist potential providers to register on the Council's e-tendering system – the London Tenders Portal. As reported to the Committee in the last report, attendance has dropped from ten years ago. Ten years ago there were over 100 suppliers on average visiting in a day, with three days offered per month. In the last report we noted this had dropped to under 10 suppliers on average per session. We agreed with the Committee for 2019/20 this would be reduced to three sessions.

Supplier attendance in 2019/20 has dropped to an average of 1-2 suppliers for each of the three sessions, making them unsustainable to deliver. Indications are that these sessions are no longer required. Suppliers are generally more e-aware, mostly set up, familiar with government requirements for e-tendering and registration systems are far simpler. Member commitments to these sessions cease with the end of the current Procurement Strategy 2015/20 at the end of March 2020. In future it expected the online guidance with email and telephone support is sufficient to meet demand.

3.5 Working Together

The Council continues to provide 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 Inclusive Economy Team within Environment and Regeneration. Recent work in this area has focussed on improving social value with the Head of Inclusive Economy now sitting on the Board as the Council's Social Value Champion.

Aspirations set out in the Corporate Plan to have a place where everyone, no matter what their background, has the same opportunity to reach their potential and enjoy a good quality of life are fundamental to the considerations of the Board. The Board are clear on the need to delivering an inclusive economy, helping individuals into quality jobs and work to tackle the cost of living, supporting progressive policy making by members and looking at options to enable communities to create and retain wealth locally.

The Procurement Strategy 2020/25 has had early input from Executive Members in development at the Social Value Governance Group and input from the Board as a whole with a strong focus on Social Value. Wider aspects of Social Value are picked up appropriately in relevant areas such as planning commitments. The Council has had a series of workshops delivered internally on Social Value with management representation from across the Council and Manchester were invited to Islington to provide the benefit of their experience.

Cllr Hull (deputised by Cllr Shaikh) are committed to attending the Board to help drive the political ambition for Council spending and improving Social Value. The vision for the development of Social Value will be articulated in the forthcoming Procurement Strategy 2020/25 and be supported by operational guidance for officers. A combination of officer and member training sessions will also follow in the 2020/21 financial year.

Social Value will be an explicit award criterion in the future, considered on a case-by-case basis, but with a general expectation this will form a substantive part of award criteria. Specific asks on economic, social and environmental considerations will be included relevant to the subject matter of the tender being considered. The asks will also support the Council in its pledge for carbon mitigation and to become carbon neutral by 2030.

The challenge function of the Board in this regard will be enhanced and the expectation will be for proposed strategies to be brought earlier to allow the Board more opportunities to qualitatively improve content on areas such as Social Value. It is also expected that Corporate Directors and Executive Members will have greater involvement in driving Social Value within their portfolios.

Departmental commissioners continue to be encouraged to have 'meet the buyer', pre-market engagement, networking, sub-contracting/partnering and/or information events.

3.6 Providing Information in the Public Domain

Agreements with an aggregate annual value of £5,000 or more are published in the public domain. This transparency helps the voluntary and community sector to see who they can build alliances with when they may be too small to contract directly for all of a service. This is supplemented by Selling to the Council web pages, with downloadable Tender Resource Packs covering requirements and key Council commitments such as 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 is developing its new Procurement Strategy 2020/25, which is expected to go further than we have before with a Procurement Strategy. Consequently, it is hoped that the Council will continue to be seen as mature in nationally recognised best practice.

Diagnostic capabilities annually should allow the Council to view its position with other boroughs on a number of areas including leadership and engagement, working with partners and strategic suppliers and achievement of community benefits including social value; local, small and medium sized enterprises (SMEs) and micro business engagement; and enabling voluntary, community and social enterprise (VCSE) engagement.

Process are regularly reviewed by Strategic Procurement to see where they can be streamlined and high value procurement strategies (business cases) continue to be challenged by the Board. The drivers are to be fair, act with reasonable time, be plain-speaking, use standard documentation, whilst being proportionate, reasonable and relevant in all commissioned activity.

PART B: Procurement Training

3.8 External Supplier Workshops

It was reported to the Committee that the training programme will re-commence in 2019/20 when the trainer returns from maternity leave. We ambitiously hoped to still deliver six (6) training sessions before the end of financial year 2019/20. The trainer has at time of writing just returned.

There has been insufficient interest in the dates in the immediate run up to Christmas to justify running the sessions before the new calendar year. It is therefore proposed the training sessions will recommence in quarter 4 of 2019/20 instead in the new calendar year. The training will be advertised on the Council's website as usual.

3.9 Internal Officer Workshops

To supplement supplier workshops, the Committee should note that a number of internal officer workshops have taken place. These have been primarily focussed on building and improving contract management skills. These sessions will also be reported to Audit Committee, who noted the need as part of the Corporate Risk Register.

These training sessions have included:

- Outcome-Based Specification Writing and Pricing – a one day courses delivered twice so far by Barony Consulting.

- Understanding Commercialisation and Commercial intelligence – a one day course delivered twice so far again by Barony Consulting.
- Contract Management – a one day course delivered by Partnership Media Group Limited T/A ModernGov Understanding
- Introduction to Contract Management and Supplier Relationship Management – Half Day Course – a half day course delivered six times by Naturally IQ Limited

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

- 3.10 The Board comprises a senior/chief officer from each Council department, specialist advisors on key areas and the Executive Member with the relevant portfolio.
- 3.11 The Board have overseen the work of the Supply Chain Practitioners Group, the operational officer group which sits below the Board. The Supply Chain Practitioners Group agenda have continued to focus on Contract Management. Following the audit report, this was considered an area where there was a significant opportunity to develop and share best practice. The work of the Supply Chain Practitioners Group has resulted in guidance and templates as follows:

- Contract Management Guidance (updated)
- Decommissioning Guidance (updated)
- Contract Management Plan (new)
- Contract Continuous Development Plan (new)
- Contract Due Diligence Letter (new)
- Supplier Meeting Agenda (new)
- Poor Performance Letter (new)
- Contract Extension Letter (updated)
- Contract Amendment (new)
- Existing Contractor Re-tender (updated)

All of the guidance and forms are on the internal intranet in the Procurement Toolkit.

- 3.12 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 2019 until 31 October 2019), which closed without any successful challenge.

3.13 The Executive approved a consultation on adopting a Corporate Insourcing Policy 19 September 2019. The policy sought to adopt a consistent approach, assuring delivery of services in-house is the Council's default approach, with a mechanism for appropriate challenge and proper consideration of social value. The policy will be supported by operational guidance for council officers, which shall be updated from time-to-time, under the guidance of the Board. The duty to consult was required by the Best Value legislation. Specified groups - local taxpayers, local ratepayers, service users, and persons appearing to have an interest in the area – had the right to express their views. The consultation was run through the Council's online consultation portal with results considered by the Board and the responsible Executive Member. The outcome was 90% in favour of the approach.

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 and contribution to achieving a net zero carbon Islington by 2030:

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

4.4 Resident Impact Assessment:

Please retain this standard paragraph and add relevant text about specific impacts and mitigation below:

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:

Steve Key,
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