

GETTING MORE OUT OF OUR SPENDING

Proposal 5: Value for Money Procurement – Phase 2 **Portfolio Lead: Commissioning Resources and Governance with Others**

1. Summary of Proposal

- 1.1 This proposal seeks to reduce spending on a recurrent basis across a range of services. We will optimise the value and outcomes expected of suppliers and providers we commission through the continuation of developed contract management processes, re-procuring some goods and services and renegotiating contract terms and prices.

2. Proposal

- 2.1 Working closely with STAR Procurement, the new Sourcing, Provider Engagement, Negotiation and Delivery (SPEND) team will undertake targeted reviews of spend and budget across all categories of procurement and will ensure an emphasis upon social value is at the heart of the review of our procurement processes.
- 2.2 These reviews will identify savings by:
- Improving management of ‘on and off’ contract spend across all services through targeted training and support, rigorously applying contract procedure rules, enforcing new financial controls and the use of new data and procurement tools;
 - Identifying opportunities to renew and unify contracts, or renegotiate prices to reduce spend;
 - Identifying where spend can be better directed through existing frameworks, or (in partnership with others) commissioning new frameworks where necessary to deliver better value for money; and
 - Reviewing and reducing budgets that can be controlled and /or where past spend analysis highlights opportunities for recurrent reductions.

3. Scope

- 3.1 The initial scope for this review includes:
- All budgets and spend across the Council that we are able to influence
- 3.2 The initial scope for this proposal does not include

- Care management budgets within Children and Adult Social Care and expenditure with TLC.

3.3 The financial scope for this review is set out below:

| Saving | <2019/20> Cash Limit Budget £000 | Full year Saving £000 | Revised Cash Limit £000 |
|--|---|--------------------------------------|--|
| 1-3% of non-staffing expenditure budgets across the Council achieving efficiencies via improved procurement. | Varied | (750) | Varied |

4. Key Timescales

| Milestone description | Date expected | Output at milestone |
|--|----------------------|---|
| Influence-able spend and budget analysis completed. | September 2019 | Opportunities for reduction identified. |
| Procurement pipeline established for 2020/21. | December 2019 | Procurement expectations and routes to market identified. |
| Final proposal presented to Cabinet | December 2019 | Approved by Cabinet |
| Budget re-alignment and reductions completed following Cabinet approval. | April 2020 | Budget Reductions identified. |

5. Consultation and Engagement

| Stakeholders | Engagement Method | Engagement Period |
|---------------------|--|--------------------------|
| STAR Procurement | Discussions | September 2019 |
| Council Services | Ongoing liaison over procurement changes | Ongoing |

5.1 Elected Councillors will be involved throughout all stages of Consultation and Engagement, both at Scrutiny Committee and in other settings.

5.2 Additional consultation will be carried out with other stakeholders following the completion of the review if appropriate.

6. Interdependencies and constraints

- 6.1 Will link to STAR business objectives and establishment of enhanced Strategic Commissioning within the Council.

7. Risks

| Description of risk | Action |
|--|---|
| Spending reductions in scope of this cross cutting plan might be inadvertently considered in scope of other proposals. | Controls established between STAR and Finance colleagues to mitigate likelihood. |
| Procurement achieves cost avoidance rather than savings. | Recognition that cost avoidance is equally valuable, but does not contribute to the overall target. |

8. Equality Impact Assessment

Equality Impact Assessment

Value for Money Procurement- Phase 2

Date: August 2019

Stage: Draft

Stage 1: Do you need to complete an Equality Impact Assessment (EIA)?

This will be determined following the completion of the review.

Stage 2a: Further data and consultation

Stage 2: What do you know?

The protected characteristics under the Equality Act 2010 are as follows:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

Analysis will be required following the completion of the review to determine if any protected characteristics will be affected by the proposal.

To be completed following the completion of the review and any necessary consultation.

Stage 3: Results and Measures

To be completed following the completion of the review and any necessary consultation.

Stage 4: Decision Stage

To be completed following the completion of the review and any necessary consultation.