



Report to: Council
Date of Meeting: 20 April 2006
Report from: Director of Resources
Title of Report: Procurement Strategy
Agenda Item Number: **7**

1. Purpose of report

1.1 The report seeks Council's approval of the Procurement Strategy.

2. Consultation

2.1 Chief Officers and Service Team Managers have been consulted on the draft Procurement Strategy.

3. Corporate Plan and Priorities

3.1 The Procurement Strategy supports the Council's corporate priority of 'Maximising Efficiencies'.

The development of a Procurement Strategy is included in the Council's Improvement and Recovery Plan with a target date of 31 May 2005.

4. Implications

4.1 Financial

There are no direct financial implications arising from the report, however, as the procurement action plan is progressed, there are expected to be financial implications for the authority. These will be monitored by Corporate Management Team and incorporated in the Medium Term Financial Strategy projections.

4.2 Other Services

The Procurement Strategy does have implications for other services and may lead to changes in current procurement systems, procedures and processes.

The progress of the Procurement Action Plan is dependent upon the involvement of other service teams.

4.3 Diversity

Equality and Diversity issues have been incorporated in the draft Procurement Strategy, in the Key Procurement Principles, key objectives and in the Procurement Action Plan.

4.4 Risk

The adoption of the Procurement Strategy ensures that the Council will meet the requirements of the National Procurement Strategy.

The Corporate Procurement Framework detailed in the Procurement Strategy includes Risk Management arrangements.

5. Background, Position Statement and Option Appraisal

5.1 At its meeting on 3 October 2005, the Executive considered proposed joint procurement arrangements with Derwentside District Council. Arrangements were agreed whereby the Corporate Procurement Manager of Derwentside District Council would operate as Head of Corporate Procurement for both Councils. The role of the Head of Corporate Procurement was established as being to:-

- lead corporate procurement strategy
- develop a strategic and co-ordinated approach to procurement at service team manager level
- develop Chester-le-Street's purchasing role into a Procurement role
- lead procurement and contact establishments for appropriate commodities and services
- advise and support the development of common procurement systems, procedures and processes in both authorities
- challenge current practices and provide innovative approaches to service delivery
- represent Chester le Street and Derwentside District Councils at sub-regional, regional and national forums
- identify and encourage efficiency opportunities across both authorities

5.2 The collaborative arrangement is fully supported by a Service Level Agreement which defines the roles and responsibilities of both authorities. The Agreement was signed on 3 January 2006.

5.3 The draft Procurement Strategy is set out in the Appendix to the report.

5.4 The Executive considered the Procurement Strategy at its meeting on 3 April 2006 and decided to recommend approval of this to Council, and to nominate the Lead Member of Finance as 'Procurement Champion'. The Executive noted that the timescales for the completion of the actions set out in the action plan will be agreed by Corporate Management Team, and agreed that this would be incorporated in the Executive's decision tracker.

6. Recommendations

6.1 The Council is requested to:-

- i) approve the Procurement Strategy; and
- ii) confirm the Lead Member for Finance as 'Procurement Champion'.

Background Papers:

Director of Resources - Report to Executive - 3 October 2005 -
"Proposed Joint Procurement Arrangements"

National Procurement Strategy for Local Government

Linda Chambers
Director of Resources
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Version 1.0

Contact Details:
Linda Chambers Tel: 0191 3872300
E-mail: lindachambers@
chester-le-street.gov.uk