

# MIDDLESBROUGH COUNCIL

AGENDA ITEM 6

## OVERVIEW AND SCRUTINY BOARD

9 DECEMBER 2014

<p><b>LOCAL GOVERNMENT ASSOCIATION NATIONAL PROCUREMENT STRATEGY</b></p>
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### PURPOSE OF THE REPORT

1. To present information on the above subject and to seek the Overview and Scrutiny Board's (OSB) views on the matter.

### RECOMMENDATION

2. That the Overview and Scrutiny Board considers the position in respect of this issue and determines how it wishes to proceed with the topic.

### BACKGROUND

3. The Chair of OSB has identified this subject as a possible issue for scrutiny following its recent consideration at a North East Purchasing Organisation (NEPO) meeting.
4. Local authorities in England are being encouraged to improve the way they commission public services and manage suppliers via the Local Government Association's (LGA's) National Procurement Strategy (NPS). The strategy aims to help local government get better value from the £38 billion spent nationally every year with suppliers.
5. The NPS encourages all councils in England to engage with the delivery of outcomes in four key areas: making savings; supporting local economies; leadership; and modernising procurement. The strategy indicates that councils need to use their spending power "wisely and strategically" and that authorities should "aggregate spend through effective collaboration, or by sharing services on common goods and services, without compromising the need for social value".

6. The Chair of OSB has highlighted the issue of supporting local economies - and thereby maximising economic, social and environmental benefits - as being of particular importance and has indicated that this is an issue that the board may wish to explore.
7. A recent NEPO report included information on this aspect of the NPS, as follows:

***Theme B - Supporting Local Economies***

*Councils need to maximise the economic, social and environmental benefits to communities from every pound that is spent, and we believe that spend with SMEs and VCSEs can make a very significant contribution to local economic growth. This includes Social Value Act duties. Councils can do more to remove barriers faced by SME's and VCSE's bidding for council contracts such as by:*

- *Inclusion of economic, environmental and social value criteria in all contracts - Councils should be reducing waste by making sustainable choices when procuring products and services – helping them to cut costs, and meet their social, economic and environmental objectives; and*
- *Improving access for SME's and VCSE's Councils should ensure a wide range of suppliers are encouraged to do business with them through use of portals to advertise tender opportunities.*

*Barriers to doing business with the council should be removed without compromising due process. SME's and VCSE's are encouraged to identify potential 'partners' with whom to form consortia to bid for council contracts. Councils should identify forward spend wherever possible and use this data to inform pre-market engagement and supplier planning.*

8. Arrangements have been made for Claire Walker, the Council's Strategic Commissioning and Procurement Officer, to attend the OSB meeting so that the subject can be further discussed. Information will be provided at the meeting on the current position in Middlesbrough.

**BACKGROUND PAPERS**

9. The following background papers were used in the preparation of this report:
  - Report from Association of North East Councils (ANEC) Collaborative Procurement Sub-Committee - 8 October 2014.

**Contact Officer:**

Alan Crawford  
Scrutiny Support Officer  
Legal & Democratic Services  
Tel: 01642 729707 (direct line)  
e-mail: alan\_crawford@middlesbrough.gov.uk