

**CABINET**  
**30 NOVEMBER 2021**

**PROCUREMENT PARTNERSHIP**

**Cabinet Member(s):** Cllr Andrew Moore - Cabinet Member for Finance  
**Responsible Officer:** Andrew Jarrett – Deputy Chief Executive (S151)

**Reason for Report:** To seek approval from Cabinet to enter into a long term partnership with Devon County Council to provide procurement advice and support to the Council.

**Recommendation:** Cabinet are recommended to approve entering into the long term procurement partnership with Devon County Council.

**Financial Implications:** Procurement is a critical element of service delivery, with strict regulations in place to ensure Value for Money is delivered. The Council spends multiple millions per year on goods, services and works. The cost of this partnership is within the current budget envelope.

**Budget and Policy Framework:** Procurement has a critical role to play in delivering strategic objectives, innovation and improving the overall quality of services delivered to the public.

**Legal Implications:** The Council must adhere to the EU Public Procurement Regulations for above threshold spend. Below threshold procurements will adhere to Public Procurement Notices and the Council's own financial regulations.

**Risk Assessment:** Without the support offered by this partnership the Council is at significant risk of failing to comply with regulations. An alternate solution would be required if this course of action is not supported.

**Equality Impact Assessment:** No implications arising from this report.

**Relationship to Corporate Plan:** Procurement has a critical role to play in delivering strategic objectives, innovation and improving the overall quality of services delivered to the public.

**Impact on Climate Change:** No direct implications arising from this report. However with the investment required, Procurement will be a key element in the delivery of climate change. This is done through utilising procurement templates and tools to ensure social value is at the heart of the procurement process.

**1.0 Introduction/Background**

1.1 The Council has a small in-house procurement team comprised of 2.81 FTE including a Procurement Manager, a Contracts Officer and a Procurement Officer. It provides advice and support to services in the delivery of procurement tenders and new contractual frameworks and ensures the organisation is compliant with the regulations.

- 1.2 In April 2021, the Procurement Manager left the organisation. The role of the Procurement Manager was to provide support and guidance to services on their procurement requirements and manage the team. The other roles, one of which was also new to the team during this calendar year and is still learning the role and service, are much more junior and provide more of the “mechanical” aspects of the service, i.e. to ensure compliance with the regulations and the Council’s strategy and policies, to provide administrative support for the issuing/running of electronic tenders, maintain the contracts register and database, train users on the corporate eProcurement system and undertake generic purchasing of supplies from agreed supplier catalogues. Therefore there is a void in the advisory knowledge and expertise held within the Council that needs to be filled.
- 1.3 Attempts to recruit failed to generate sufficient interest in the post of appropriately qualified people. The underlying reason for this failure to attract interest is considered to be the salary. Procurement has become a fairly well paid occupation given the specialisms required and the increasing importance in service delivery. The level of supply within the market is also a likely issue given the specialist nature of the post. Partner organisations have also had similar difficult experiences in trying to recruit.
- 1.4 Alongside the recruitment exercise, engagement with Local Government partner organisations was undertaken to understand whether there was capacity for them to support Mid Devon District Council. Two offers of support were received and assessed.
- 1.5 Since June 2021, Devon County Council (DCC) has provided interim reactive support and advice for services requiring to go to market for contractual support. This includes, but not limited to, procurement advice and guidance to services in undertaking procurements including contractual support. DCC have also been conducting a review of the guidance and processes in place to ensure that they understand our current working practices and are able to provide support within that framework. This has helped understand the current position, build relationships and develop a broader picture.
- 1.6 DCC also provide this level of procurement support for East Devon District Council, Dartmoor National Park and Exmoor National Park.

## 2.0 **Devon Procurement Services (DPS) – The Offer**

- 2.1 As stated, the in house team is small with now only 1.81 FTE at present who provide administrative support to the organisation. Since the Procurement Manager left, there is a shortage of procurement expertise within the organisation. This is not tenable in the longer term and a solution is required.
- 2.2 As part of the support that DCC have provided, DCC have developed their understanding of how MDDC operates and have built initial relationships with MDDC officers. This has enabled them to develop a longer term partnership procurement offer for MDDC to consider as an alternative to trying to recruit in an in-house Procurement Manager.

- 2.3 Devon Procurement Services (DPS) is the corporate procurement arm of Devon County Council (DCC) and is part of DCC's Corporate Services structure. The service comprises just over 35 procurement professionals arranged into six category teams. Each category team comprises a subset of procurement officers with their own market specialisms. The teams include:
- Procurement strategy, partnerships and ICT;
  - Property services – construction, maintenance and operations;
  - Corporate / 'Business' procurement team;
  - Highways, Infrastructure and waste management;
  - Adults services and Children's services;
  - Public Health.
- 2.4 This means that MDDC would have access to a raft of specialist procurement officers with experience in particular services as opposed to a single Procurement Manager that might have generic procurement experience, or potentially expertise in maybe one or two key areas.
- 2.5 Support is provided through a telephone/video helpline to MDDC offices on matters such as (but not limited to):
- Running compliant public sector procurements;
  - Procurement contract cradle to grave general advice & best practise;
  - Procurement routes to market, options review;
  - Procurement specialist areas support;
  - Procurement policy, regulation and legislation advice and support.
- 2.6 This is no different to how services would have been accessing support from the previous Procurement Manager, and is no different to how the service will operate in the future in a hybrid working Council.
- 2.7 Other aspects of the wider DPS partnership offer is:
- Quality assurance;
  - Route to market and framework advice;
  - Recognising and mitigating areas of procurement risk;
  - Public sector procurement legislation;
  - Case law;
  - Best practice;
  - Transforming public procurement;
  - A full suite of procurement templates that are updated regularly to ensure they remain compliant;
  - New UK procurement regulations. To develop new templates, train and enable officers on the new procurement regulations;
  - General procurement training;
  - Enable Social value considerations in procurement.
- 2.8 These elements would in theory be provided by an in-house procurement manager, but once again, the benefits of a substantial team outweigh the service a single person could offer and the associated risks of a single point of failure. The review and constant refresh of procurement legislation is, and will be, a significant piece of work over the coming months as the new Post Brexit

procurement regulations are announced by Government (due later spring 2022).

- 2.9 The proposal excludes certain elements of the process, such as providing legal advice and providing on the ground support for the mechanical elements of the tendering process. This is no different to having an in-house Procurement Manager; legal advice should only be sought from the Council's legal department, and the mechanical aspects are already covered by the rest of the in-house team.
- 2.10 The proposed partnership is to run until 31 March 2027, although there is an option for a break by mutual consent included. The annual cost is more than covered by the salary saving made against the Procurement Manager Post.
- 2.11 The full proposal can be found in Appendix 1.
- 2.12 The partnership offering will be much more forward looking. Engagement with services will be from the outset as a coherent procurement plan is pulled together to ensure that all known requirements are captured, diarised and planned in plenty of time to ensure the process is smooth and controlled.
- 2.13 The requirement to run the procurement which includes, but not limited to, drafting the specification, evaluating bids and managing the resulting contract will remain with the service, who after all have the expertise in that area. DPS will provide an enabling service which supports, guides and advises on the best route to market and how to ensure that the specifications are effective (i.e. that the supplier could be held to account). The in-house procurement team will ensure that the tender is added to the advised electronic portal and all documentation is completed appropriately to ensure compliance.
- 2.14 It must be remembered that failure to comply with regulations leaves the Council open to challenge and potential significant additional cost.

### **3.0 New Principal Accountant and Procurement Manager Role**

- 3.1 Since the previous post holder left, the management of the team has fallen to the Corporate Manager for Financial Services. Therefore a new enhanced role is proposed that will take on the line management responsibility for the in-house team. This post will straddle Finance and Procurement and therefore it is envisaged that it will be filled internally within the Finance Team. The cost of the enhanced role will also be covered by the saving arising from the Procurement Management post.
- 3.2 In addition, the role will play a crucial part in the contract management of the new partnership arrangement ensuring that the partnership develops and provides the level of support and guidance the organisation requires. It will act as the conduit between services and DPS if any significant issues arise and ensure that they are resolved in an effective and timely way.
- 3.3 The post will not provide advice and guidance to services on their procurement requirements; this element of the previous manager's role will be undertaken from Devon Procurement Services (DPS). As stated, there should

be significant benefits in this arrangement through the scale of the team and the individual specialisms they have, as opposed to a single person.

#### 4.0 **Other Options**

- 4.1 The option to recruit a new like-for-like Corporate Procurement Manager is still there. However, the last experience strongly indicated that our offer is not attractive to the market, probably due to both the salary and simply the buoyancy in that market. Therefore, it is likely significant additional costs would be incurred to attract a suitable candidate through advertising and salary enhancements.
- 4.2 An alternative option would be to undertake a similar partnership option to that which DPS could provide but through a different partner. Options previously explored showed that the DPS offer was significantly enhanced due to the scale of their operation. This option is therefore not considered particularly viable or attractive.
- 4.3 A new potential alternative option is for a Devon District Procurement Shared Service. Initial conversations have taken place and this may emerge in the fullness of time as a viable option. However, this is unlikely to be formed quickly and is likely to be possible from April 2023 at the earliest. This clearly leaves a significant period of time where MDDC is without suitable expertise in the organisation. This knowledge gap could be filled by DPS, although it is unlikely they will be keen to do anything other than reactive support given the limited timeframe of the requirement. A temporary manager could be brought in, but as we failed to attract to a permanent position it is unlikely that we could fill a limited time position. Therefore significant additional cost would be required to cover through agency or to attract someone appropriately qualified/experienced.

#### 5.0 **Conclusion**

- 5.1 It is recommended that MDDC join the DPS partnership for the reasons set out above.
- 5.2 Conversations can continue in the background around a possible District Procurement solution, but at present this is unlikely to be viable for some time and is not likely to be a match for the scale of the DPS partnership.

#### **Contact for more information:**

Andrew Jarrett,  
Deputy Chief Executive (S151)  
01884 23(4242)  
[ajarrett@middevon.gov.uk](mailto:ajarrett@middevon.gov.uk)

Paul Deal  
Corporate Manager for Financial Services  
[pdeal@middevon.gov.uk](mailto:pdeal@middevon.gov.uk)

Circulation of the Report: Cllr Andrew Moore, Cabinet, Leadership Team