

CHESHIRE EAST COUNCIL

CABINET

Date of meeting: 24 March 2009
Report of: Borough Treasurer & Head of Assets
Title: Corporate Procurement Strategy

1.0 Purpose of Report

- 1.1 To consider the Corporate Procurement Strategy for 2009 – 2012 that sets the direction for procurement within the Council and establishes a framework for individuals and Directorates to operate in and be measured against.

2.0 Decision Required

- 2.1 To endorse the Corporate Procurement Strategy to enable it to progress to publication and commence its implementation.

3.0 Financial Implications for Transition Costs

- 3.1 There are no implications for transitional costs

4.0 Financial Implications 2009/10 and beyond

- 4.1 The Corporate Procurement Strategy will make a significant contribution to the target of 3% net cash releasing value for money gains set as part of the CSR07.

5.0 Legal Implications

- 5.1 There are no specific legal implications related to the issues raised in this report, however as Public sector body procurement is subject to the Public contracts regulations 2006 and the EU procurement Directives.

6.0 Risk Assessment

- 6.1 A fragmented approach to procurement conducted outside of a structured framework will restrict the ability of Cheshire East Council to achieve value for money and achieve its efficiency targets In addition there would be a negative impact upon the Comprehensive Area Assessment.

7.0 Background and Options

- 7.1 The Corporate Procurement Strategy sets out the procurement direction for the Council and how it will support the Council vision to 'work together to improve community life'.
- 7.2 The Gershon review and the National Procurement Strategy place an obligation on the Council to achieve continuous year on year efficiency improvements and savings targets highlighted in CSR07 through smarter procurement practices, increased collaboration and partnerships with other public sector, private and 3rd sector organisations. The strategy outlines how procurement will contribute to these targets.
- 7.3 The strategy aims to ensure that the latest procurement methodology and techniques are adopted throughout the Council through the establishment of a clear framework in which all procurement activity will take place and be measured against.

8 Structure of Procurement

- 8.1 Cheshire East will adopt a devolved structure of procurement with each service responsible for leading their own procurement activity to meet their specific needs.
- 8.2 A strategic Category management approach will be adopted where procurement will be based upon achieving desired outcomes. The Strategy will detail a targeted approach to those areas where the need is greatest and where the opportunities for efficiencies and savings are greatest to ensure the release of resources.
- 8.3 The Strategy will detail a commissioning led approach to procurement that will challenge the need and ensure that the needs of the users or business need are predominant in the procurement cycle.
- 8.4 Cheshire East Council proposes to adopt a lead role in the Cheshire and Warrington Sub Regional Procurement Hub. Benefits will include economies of scale, collaboration, increasing capacity and the targeted use of expertise. This will raise the profile of procurement and avail collaborative opportunities throughout the sub region, regionally and nationally.
- 8.5 The Corporate Procurement strategy details the approach to the following:
 - E-Procurement
 - Sustainable Procurement
 - Local Procurement
 - 3rd Sector procurement
 - Equality and Diversity

All of which will be embraced to release efficiency savings and achieve the balance of economical, environmental and social considerations in the procurement activity.

8.6 Milestones for development of the strategy

March 2009	Draft Strategy to Cabinet to agree content
April 2009	Add graphics and illustrations and publish on Web
April 2009	Produce printed version
July 2009	Development of Procurement plan, Action plan and Efficiency plan
March 2010	Review of Strategy and achievements; update.

9.0 Overview of Day One, Year One and Term One Issues

- 9.1 The procurement strategy will provide a framework for procurement principles on Day one. The strategy will be implemented during year one and will be reviewed as the Corporate Plan develops.

10.0 Reasons for Recommendation

- 10.1 It is important for the new Council to set out its Corporate Procurement strategy for 2009 – 2012, to link with the Council's Corporate Plan and key strategies and to provide a clear framework in which all procurement activity will take place and be measured against.

For further information:

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