

# OVERVIEW AND SCRUTINY PANEL

2 JULY 2012 - 2.30PM



**PRESENT:** Councillor Jolley (Chairman), Councillor Chambers (Vice-Chairman), Councillors Booth, Cornwell, Hodgson, Miscandlon, Scrimshaw, Stebbing and Sutton.

**APOLOGIES:** Councillors Mrs Bucknor and Peachey

**ALSO IN ATTENDANCE:** Councillors Butcher and Clark

**OFFICERS IN ATTENDANCE:** Jane Bailey, Rob Bridge, Anna Goodall, Alvin Harrison and Mark Saunders

## OS6/12      PREVIOUS MINUTES

The minutes of the meeting of 23 May 2012 were confirmed and signed subject to the following amendment (additions underlined):

- Minute number OS5/12, bullet point 8.

A sentence has been added after the first sentence: Councillor Booth stated that we need to look carefully at the complex rules that are in place, and take everything into account when we are looking to buy or appoint locally. A key consideration is sustainability which will support contracts with local providers.

**\* FOR INFORMATION OF THE COUNCIL \***

## OS7/12      PROCUREMENT REVIEW

Councillor Clark presented the Procurement Review to the panel, providing members with an updated Procurement Strategy and Code of Procurement for discussion and comment.

Members asked questions, made comments and received responses as follows:

1. Councillor Miscandlon stated that he was concerned previously over the rules and regulations that govern local suppliers, and is pleased that this has been addressed and that this is easier now for local businesses to tender;
2. Councillor Booth stated that 2.1 of the Procurement Strategy refers to the Corporate Objectives and lists them, he asked if they need to be listed there or if a reference to them can be added. Rob Bridge confirmed that a reference to the Corporate Objectives can be added. The panel agreed; **ACTION: ROB BRIDGE**
3. Councillor Booth stated that with regards to 2.3.5 of the report, if the service changes from the agreed service, we need to ensure that we are getting the same value for money;
4. Councillor Booth asked if the acronym RIEP used in 3.8.1 of the report was correct. Rob Bridge stated that the partnership has been renamed but are still commonly known as RIEP, he agreed to amend this; **ACTION: ROB BRIDGE**

5. Councillor Booth suggested that with regards to 4.2.2 of the Procurement Strategy, we should add 'working with Parish and Town Councils'. Rob Bridge agreed; **ACTION: ROB BRIDGE**
6. Councillor Cornwell asked what is the paperwork used for, do we send it out. Rob Bridge stated that we do not send it out, but would if someone asked for it. The Procurement Strategy document shows that we are thinking through how we spend money;
7. Councillor Cornwell stated that point 2.3 in the Code of Procurement document refers to section 16, this should read section 12. Rob Bridge agreed; **ACTION: ROB BRIDGE**
8. Councillor Cornwell asked for more information on the Procurement Card. Rob Bridge stated that a Procurement Card is a credit card held by a very limited number of officers. In some cases certain purchases are better value when this card is used, but effectively they are used in an emergency only. Strict limits and controls are set on their use;
9. Councillor Cornwell stated that 3.1 (Procurement Value Calculation) of the Code of Procurement states that 'on no account should any requirement be split in an attempt to avoid using proper procedure under this code', and asked how do we monitor this. Rob Bridge stated that Alvin Harrison and Shaun Beales fully support people with regards to procurement in the organisation. They make sure that they are aware what is being planned throughout the year, and analyse and monitor spending very carefully;
10. Councillor Cornwell asked in respect of second hand purchases and purchases from auctions, how is this managed, do you agree a bidding ceiling beforehand. Alvin Harrison stated that we rarely purchase secondhand goods or goods at an auction, but confirmed that a bidding limit would be set when purchasing at auction;
11. Councillor Cornwell stated that with regards to 3.4 of the Procurement Code, there is an implication that we will always try to add services or products together. This may result in getting better value for money, but you may lose quality control, it is difficult to compare services when you have only one company servicing that contract. Rob Bridge stated that we are ensuring that we get the best possible contract and value for money, we make an appropriate decision on what should be included, but we will not always get that right. The most key point is price;
12. Councillor Cornwell asked when do members get involved in that discussion. Rob Bridge stated that the Portfolio Holder responsible for that service area would be involved in looking at what we are planning to do with regards to contracts, and can get involved at that stage letting us know what they want to see for that service area. Rob Bridge stated that members can look at the performance of contractors when looking at the progress of corporate priorities on the Overview and Scrutiny Panel Future Work Programme;
13. Councillor Booth asked why officers are not permitted to purchase from internet bidding sites. Rob Bridge stated that we do not want officers using eBay or other internet bidding sites, there are risks around buying from these sites;
14. Councillor Booth asked are there not the same risks at normal auctions. Alvin Harrison stated that there are always risks, but there is a big difference purchasing at a physical auction where you have sight of a product;
15. Councillor Booth asked that with regards to the levels set out at 4.3 of the Code of Procurement, have we had any issues with these levels in the past. Rob Bridge stated that we have had no issues with these levels and feels that they are appropriate. Members agreed that the levels should remain the same;
16. Councillor Cornwell stated that 4.5 of the Code of Procurement states that catalogue prices are acceptable and 4.8 refers to Government catalogues, as the use of manufacturer catalogues are not acceptable perhaps 4.5 should be clarified. Rob Bridge agreed to clarify 4.5; **ACTION: ROB BRIDGE**
17. Councillor Cornwell asked with regard to 4.6.1 - Open Procedure, who is responsible. Rob Bridge stated that he was unsure, but would clarify that following the meeting, and add this information to the final document; **ACTION: ROB BRIDGE**

18. Councillor Cornwell asked that with regard to 13.2a and 13.2d can officers give an example of these fixed prices, Rob Bridge stated that the exemptions have not changed, we do not use them often, but there are times when exemptions are appropriate. He agreed to check the exemptions, and clarify them in the final document; **ACTION: ROB BRIDGE**
19. Councillor Cornwell stated that 13.3 is looking at valid reasons to bypass quote or tender procedures, and asked when this would be implemented. Rob Bridge stated that this is included in the code, but hopefully will not need to be used. The Chief Finance Officer might suspend the process if there was a major emergency and we would not have time to tender out, or if we were purchasing through a local authority consortium where another organisation has already been through their procurement process;
20. Councillor Miscandlon asked what safeguards are in place if we let another authority lead the procurement process. Rob Bridge stated that if we were joining in on another joint procurement project we would have a robust overview of their procurement process. Alvin Harrison stated that if we were not satisfied with the processes in place then we would not join;
21. Councillor Booth stated that with regard to 13.3 you could just decide to purchase something bypassing the tender process, it might not be better value, this is not clear in the document. Rob Bridge agreed to look at the wording so that this is clarified; **ACTION: ROB BRIDGE**
22. Councillor Cornwell stated that 14.1 refers to paragraph 14.2g which is not in the document. Rob Bridge agreed to look into and amend in the final document; **ACTION: ROB BRIDGE**
23. Councillor Jolley thanked the officers present for attending the meeting today and for being honest and open. He asked that members questions are answered promptly. Rob Bridge stated that we will make the necessary changes to the document as discussed today, send it to Member Services to be circulated to the Corporate Governance Committee and the Overview and Scrutiny Panel. Following agreement at the Corporate Governance Committee Meeting next week this document will go to the full Council meeting on the 26 July 2012. The panel agreed. Rob Bridge thanked the panel stating that they have made very helpful comments throughout the process. He thanked Mark Saunders and Alvin Harrison for the work that they have contributed to complete this review.

**The Overview and Scrutiny Panel agreed the updated Procurement Strategy and Code of Procurement subject to the amendments discussed at the meeting.**

## **OS8/12      OVERVIEW AND SCRUTINY ANNUAL REPORT**

Anna Goodall presented the draft Overview and Scrutiny Annual Report, informing members that the Annual Report reflects what has been undertaken and achieved by the Overview and Scrutiny Panel during 2011/12 and takes a forward look to the programme of work and challenges for the Panel in 2012/13.

Members asked questions, made comments and received responses as follows:

1. Councillor Jolley stated that sometimes this is a frustrating job, especially when you are looking at decisions that were made some time ago, but, as a panel we are understanding the role more, and are moving forward with our programme of work;
2. Councillor Cornwell suggested that an additional point should be placed under the heading of 'Links to Other Overview and Scrutiny Committees'. He stated that he has been part of a working group looking at the development and changes in the Health Service, working on a way forward and looking at how the processes will work in the future. Anna Goodall agreed to add this to the final report; **ACTION: ANNA GOODALL**

**The Overview and Scrutiny Panel agreed the Annual Report for submission to full Council on 26 July 2012 subject to the addition under the heading of 'Links to other Overview and Scrutiny Committees' discussed at the meeting.**

**OS9/12      FUTURE WORK PROGRAMME**

Members considered the Future Work Programme 2012/2013 for the Overview and Scrutiny Panel.

Members asked questions, made comments and received responses as follows:

1. Councillor Yeulett to be added to the members to be invited for the meeting scheduled to take place on Monday 22 April 2013;
2. Anna Goodall confirmed that she is looking into how we might break up the item - Progress of Corporate Priority - Streets Ahead; **ACTION: ANNA GOODALL**
3. Anna Goodall confirmed that she will look into the addition of IT on the Future Work Programme; **ACTION: ANNA GOODALL**

**Members agreed the Future Work Programme 2012/13 for the Overview and Scrutiny Panel subject to the amendments discussed.**

3.30pm

Chairman