

Bolsover District Council

Meeting of the Employment and Personnel Committee on 3rd July 2024

Review of Procurement Services

Report of the Director of Governance and Legal Services & Monitoring Officer

Classification	This report is Public
Report By	Jim Fieldsend, Director of Governance and Legal Services & Monitoring Officer

PURPOSE/SUMMARY OF REPORT

To seek approval to make changes to Procurement Services.

REPORT DETAILS

1. Background

- 1.1 The Director of Governance and Legal Services & Monitoring Officer is undertaking a review of Procurement Services. Currently the service is joint with North East Derbyshire District Council, providing a service to both Councils. The service also provides work for Gedling Borough Council and Amber Valley District Council on fixed term contracts bringing in an income of £42,000 per annum. This income currently reduces the cost of the service for both Councils.
- 1.2 There are four members of staff within the service, all of which work part time. The two senior members of staff are at or close to, retirement age, so it is important to consider succession planning. It should also be noted that the external client Councils may not renew their contracts once the Procurement Manager retires.
- 1.3 New procurement legislation, the Procurement Regulations 2024, will come into force in October 2024. This places additional requirements on local authorities and their procurement teams, and it is important to ensure that the Council is ready for the new challenge.
- 1.4 In addition, there is likely to be an increased demand for procurement services as a result of the £15m regeneration funding awarded to the Council. However, due to existing demands the Procurement Services team are likely to struggle to meet the new demands of the Council and new regulations, as they are currently established.

2. Details of Proposal or Information

- 2.1 The proposal is to end the shared service arrangement for procurement services with North East Derbyshire District Council and create a small Bolsover focussed team. This team would concentrate on Bolsover District Council and Dragonfly Management (Bolsover) Limited procurements as well as providing a service to Dragonfly Development Limited where required.
- 2.2 It has already been agreed between Bolsover and North East Derbyshire that 3 members of staff are to transfer to North East Derbyshire District Council, with the Procurement Assistant (0.5 FTE) remaining with Bolsover. Under the arrangement proposed in this report, those members of staff would stay with their employer Council. In addition, the contracts with Gedling Borough Council and Amber Valley District Council would novate to North East Derbyshire District Council together with the income.
- 2.3 Within the Bolsover team it will be necessary to create a new senior procurement position to work with the Procurement Assistant (Grade 5). This will be equivalent to the current Procurement Manager role (Grade 10).
- 2.4 This report seeks approval for the creation of a smaller Procurement team which will focus on Bolsover and Dragonfly matters. Subject to capacity, the team could make enquiries to provide services to external bodies such as parish councils however, the priority should always be on the Council and its wholly owned companies.

3. Reasons for Recommendation

- 3.1 Due to (i) the likely increase in demand for procurement services as a result of the regeneration funding; (ii) the added responsibilities that the new regulation will bring; and (iii) the need to consider succession planning, now appears to be an opportune time to review and change the procurement team. Whereas previously as a shared service it has been beneficial to the Council in terms of efficiencies, officers feel that a dedicated procurement team is likely to be in the best interests of the Council.

4 Alternative Options and Reasons for Rejection

- 4.1 To continue with the shared service arrangements. Current circumstance outlined in section 3.1 mean that this is a good time to undertake a review of the existing arrangements

RECOMMENDATION(S)

1. To agree to the end of the shared service for Procurement and the creation of a dedicated team providing procurement services to the Council and its companies;
2. That the Committee recommend to Council that the Procurement budget be increased to fund the new post.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

IMPLICATIONS:

Finance and Risk: Yes No

Details: An increased budget of £54,684 is required to fund 1 FTE grade 10 post and a 0.5 FTE grade 5 post.

If the Council continues with the shared service there is a risk that the external contracts would end and the income would be lost.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details: Procurement requirements can be complex and so it is important that the Council employs qualified and competent procurement professionals.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details: n/a

Staffing: Yes No

Details: The Council's policies and procedures will be followed for recruitment to this post.

On behalf of the Head of Paid Service

DECISION INFORMATION

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i></p>	No

<p>District Wards Significantly Affected</p>	<p>(please state which wards or state All if all wards are affected) n/a</p>
<p>Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input checked="" type="checkbox"/></p>	<p>Details:</p>

<p>Links to Council Ambition: Customers, Economy, and Environment.</p>
<p>Providing excellent services</p>

DOCUMENT INFORMATION	
Appendix No	Title

<p>Background Papers</p>
<p><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).</i></p>