

Community, Cultural, and Corporate Services Scrutiny Committee
Meeting to be held on Thursday, 26 September 2024

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Delivering better services;

Review of Procurement Service
(Appendix 'A')

Contact for further information:
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Brief Summary

The Community, Cultural and Corporate Services Scrutiny Committee requested a report considering a range of procurement matters that are set out in detail at Appendix 'A'.

Recommendation

The Community, Cultural and Corporate Services Scrutiny Committee is asked to consider formulating any recommendations to the Cabinet Member for Resources, HR and Property (Deputy Leader).

Detail

The Community, Cultural and Corporate Services Scrutiny Committee requested a report considering a range of procurement matters. These have been arranged into the following sections seeking to establish:

1. Summary information concerning the County Council's spend data, including performance concerning supplier locality and the approach taken to the delivery of social value.
2. The legislative framework in which procurement operates, the role of Procurement and services in the associated activity.
3. Assurance regarding governance, scrutiny and performance concerning procurement activity and the potential opportunities to enhance the same.



Lancashire County Council buys a broad range of goods, works and services to enable the delivery of an effective service for the people of Lancashire.

Local authorities in all regions of England are understood to be spending at least one-third of their procured budgets with local suppliers, reaching an average of 46% in 2021. For the purpose of the study from which these figures are taken, a broad definition of 'local supplier' was used, meaning a supplier based in the same 'region' (e.g. north-west) as the buyer.

Utilising the internal data available it is possible to conclude that the Council is somewhat consistent in achieving a 40-50% spend with suppliers that have a Lancashire address registered in Oracle Fusion.

Whilst this can be regarded as positive, there is more that can be achieved in terms of:

- Engaging local suppliers in respect of our procurement opportunities.
- Improving the quality and availability of contract and spend information.
- Developing social value benchmarking that will better analyse the public benefit achieved through the Council's procurement activity.

Procurement is undergoing a period of development during this financial year with the implementation of a new procurement operating model and the commencement of the Procurement Act 2023 in October 2024.

In 2023 a third-party consultancy undertook a procurement diagnostic concerning external spend, contract management and the procurement operating model. It is essential that procurement activity and outcomes continue to be reviewed and recommendations acted upon. Governance procedures will continue to be enhanced and approaches for performance benchmarking will be reviewed.

Appendices

Appendix 'A' is attached to this report. For clarification it is summarised below and referenced at relevant points within this report.

Appendix	Title
Appendix 'A'	<ol style="list-style-type: none">1. Summary information concerning the County Council's spend data, including performance concerning supplier locality and the approach taken to the delivery of social value.2. The legislative framework in which procurement operates, the role of Procurement and services in the associated activity.3. Assurance regarding governance, scrutiny and performance concerning procurement activity and the potential opportunities to enhance the same.



Consultations

N/A

Implications:

This item has the following implications, as indicated:

Legal

The legislative framework for procurement is considered within Appendix 'A'.

Financial

This report does not contain any new or additional financial implications.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

