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To: All Members of the Cabinet

Dear Member,

Cabinet - Tuesday, 14th September, 2010

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

9. HARINGEY COUNCIL PROCUREMENT STRATEGY 2010-13 (PAGES 1 - 2)

(Report of the Director of Corporate Resources – To be introduced by the Cabinet Member for Finance and Sustainability): To report on the outcomes and achievements of the 2006/09 Procurement Strategy and agree a new Strategy for 2010/13.

Yours sincerely

Richard Burbidge
Principal Committee Co-Ordinator

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**HARINGEY PROCUREMENT STRATEGY 2010-2013 REPORT TO CABINET
ON 14th SEPTEMBER**

**RECOMMENDATIONS OF THE OVERVIEW & SCRUTINY COMMITTEE
HELD ON 6th SEPTEMBER 2010**

The Overview & Scrutiny Committee considered the Haringey Procurement Strategy 2010-2013 report prior to it being considered for approval by the Cabinet on 14th September 2010.

The recommendations of the Overview & Scrutiny Committee are set out below with the suggested response by the cabinet shown in italics:

1. The strategy should clearly set and, as far as possible, quantify the anticipated savings and the financial years in which they will be delivered.

Cabinet response

For 2010/11 the table at Appendix A will be annotated to show savings that are already in the Council budget. For subsequent years the savings will be factored into the Council budget as they are firmed up.

2. That there is likely to be a substantial increase in the formation of social enterprises and that L B Haringey lead capacity building should be explicitly encouraged in the Procurement Strategy.

Cabinet response

An explicit paragraph will be included on page 23 of the Strategy to recognise the important role played by social enterprises.

3. That the Procurement Strategy should encourage working with public sector partner agencies to explore the pooling of procurement in a more structured way.

Cabinet response

The Procurement Strategy at page 13 explains the many levels in which Haringey is actively working with other public sector bodies, but there is no single means through which this can be better structured due largely to the complexities and breadth of the goods and services procured e.g. Government leads and co-ordinates in 6 key areas (i.e. energy), the regional buying consortia lead in areas where aggregation of volume supplies can be leveraged (i.e. stationery) and then there are specialist procurement groups e.g. North London Waste Authority and Social Care network. Haringey Council is active in ALL appropriate collaborative arrangements either taking a lead role (i.e. establishing contracts with other boroughs) or accessing contracts awarded by other authorities; and the Procurement Strategy reflects our involvement.

4. To help drive prices down, web-based commodity pricing should be introduced in association with partner agencies.

Cabinet response

Price comparisons and benchmarking is undertaken regularly by procurement officers as methods of gauging value for money for the Council. This is often done for new procurement projects and to also test existing contracts from time to time, especially if existing contracts are being considered for extension. However, the publication of prices on a website can not only result in downward pressure but can also cause inflationary prices as those with lowest prices identify the margins by which they can increase prices. The Council therefore does not consider the publishing of commodity pricing on a web page to offer sufficient benefit and prefers to compare prices and conduct market analysis discretely to maintain a competitive market. The council will use reverse bid auctions where appropriate to procure commodities as to date these have successfully delivered savings.

5. Voluntary Sector and community organisations should be encouraged and supported to bid for contract services.

Cabinet response

Agreed, and this links into item 2 above.

6. Procurement should continually seek to encourage local businesses and suppliers to bid for contracts.

Cabinet response

Agreed, and this will be emphasised in a new paragraph entitled “Local Suppliers” in section 7 of the Procurement Strategy.

7. LB Haringey should take the lead on capacity building and training of existing and new SME's, Social Enterprises and the Voluntary Sector but should encourage other public sector bodies to engage and contribute to this process.

Cabinet response

Agreed. The Procurement Strategy does reflect the Council’s commitment to continue capacity building and training and Haringey has been successful in recent years in encouraging other public sector bodies to contribute to this process; namely the “Buying a Better London” project where Haringey produced best practice guides and trained officers in all London boroughs inc the Metropolitan Police and some NHS officers.

END