

AGENDA ITEM 10

FALKIRK COUNCIL

Subject: **NATIONAL PROCUREMENT – SCOTLAND EXCEL
PARTICIPATION**
Meeting: **FALKIRK COUNCIL**
Date: **6 October 2010**
Author: **DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES**

1. INTRODUCTION

- 1.1 On 9th March 2010, Members of the Policy and Resources Committee resolved that Falkirk Council become a member of Scotland Excel, the Local Government Centre of Expertise for procurement.
- 1.2 The purpose of this report is to now request Members to delegate appropriate procurement authority to Scotland Excel's Joint Committee and to appoint one Member to that Joint Committee.

2. BACKGROUND - SCOTLAND EXCEL

- 2.1 The Review of Public Procurement in Scotland recommended the establishment of Procurement Centres of Expertise, across the public sector. The Scottish Government Procurement Directorate undertakes the role of National Centre of Expertise. In April 2008, Scotland Excel was formally launched as the Local Government Procurement Centre of Expertise. Renfrewshire Council is the lead authority and employs the necessary staff.
- 2.2 Members of the Policy and Resources Committee have considered three previous reports in connection with participation in Scotland Excel (Policy and Resources Committee – April 2008, March 2009 and March 2010). Following consideration, Members agreed not to join in both 2008/09 and 2009/10 but on 9 March 2010 resolved to commit fully to Scotland Excel in Year 3 (2010/11)

3. DELEGATION TO SCOTLAND EXCEL

- 3.1 Scotland Excel is a Joint Committee constituted under section 57 of the Local Government (Scotland) Act 1973. Pursuant to the terms and conditions of Scotland Excel each member authority must delegate to the Joint Committee its powers to regulate the provision of its general purchasing functions, including the negotiation, tendering and completion of contracts for the provision of supplies and services and the carrying out of works.
- 3.2 Council is therefore invited to delegate its powers to regulate these functions to the Joint Committee of Scotland Excel until such time as the Council is no longer a member of Scotland Excel. It should be noted that member authorities must give at least one year's written notice of their intention to withdraw from Scotland Excel.

- 3.3 It is important to note that delegation is without prejudice to the Council retaining the right to exercise these powers in its own right. In terms of Scotland Excel's terms and conditions, member authorities may arrange to contract independently where:
- it represents best value to do so;
 - where the supplies, services and works available via Scotland Excel are not of an appropriate specification or quality to meet the requirements of the Council; or
 - where the supplies, services and works available via Scotland Excel are not available or not available within a timescale deemed reasonable by the Council.
- 3.4 It is recommended that, for the sake of clarity and business efficiency, Council delegates to the Director of Corporate and Neighbourhood Services, as Chair of the Council's Procurement Board, the authority to determine which contracts should be procured through Scotland Excel, and which should be procured directly by the Council. The Council's Central Purchasing Unit will provide the necessary support and advice to Services to ensure the Council utilises the full range of Scotland Excel contracts, to deliver best value for the Council. Council officers will also actively engage with Scotland Excel through their User Intelligence Groups to ensure that contract specifications, supplier performance and new collaborative opportunities fully meet Council requirements and policy objectives.
- 3.5 Regular updates will be provided on the impacts and benefits of Scotland Excel participation to Members through Best Value Forum and Policy and Resources Committee as appropriate. In addition, under the Council's Contract Standing Orders, as a Council approved buying consortium, all Scotland Excel contracts will also be reported to Members through the Council's Information Bulletin.
- 3.6 It should be noted that the vast majority of Council expenditure will still be procured and managed by the Council.

4. GOVERNANCE OF SCOTLAND EXCEL

- 4.1 A Joint Committee has been established for the purpose of regulating the joint discharge of Scotland's Excels functions by its member authorities. The Joint Committee has its own procedural standing orders, financial regulations, scheme of delegations and standing orders relating to contracts.
- 4.2 The Joint Committee is responsible for:
- the making of governance arrangements for the joint committee and any sub-committees;
 - the approval of the annual budget and any review or amendment of the budget;
 - approval of the overall procurement strategy;
 - the approval of the business plan; and
 - consideration of the annual report on the performance of Scotland Excel.
- 4.3 Each member authority must appoint one of its elected members to be its representative on the Joint Committee (with each member authority with a population in excess of

200,000 being entitled to also appoint a second representative.) Council is therefore invited to appoint a Member to the joint committee.

- 4.4 Members should note that responsibility for the overall supervision, and for the monitoring of the performance of the director and staff, of Scotland Excel in delivering its annual business plan objectives lies with the Chief Executive Officers Management Group. This comprises 6 chief executives (or their nominees) from the member authorities. The Chief Executive of Renfrewshire Council as lead authority is a standing member, with the remaining 5 members being appointed by the joint committee.

5. RECOMMENDATION

It is recommended that Members:

- 5.1 **Delegate to the Joint Committee of Scotland Excel the Council's powers to regulate the provision of general purchasing functions on behalf of the Council, until such time as the Council is no longer a member of Scotland Excel;**
- 5.2 **Delegate responsibility to the Director of Corporate and Neighbourhood Services to determine which contracts are procured through Scotland Excel, in line with Council policies; and**
- 5.3 **Appoint a Member to the Joint Committee of Scotland Excel.**

DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

Date: 16 June 2010

Ref: AAC1010

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BACKGROUND PAPERS

1. Scotland Excel Joint Committee – Procedural Standing Orders
2. Scotland Excel Joint Committee – Financial Regulations
3. Scotland Excel Joint Committee – Scheme of Delegations
4. Scotland Excel Joint Committee – Standing Orders relating to Contracts

Any person wishing to inspect the background papers should contact David McGhee extension 0788