

APPENDIX 1

PROCUREMENT ACTIVITY UPDATE REPORT

AUDIT COMMITTEE

Activity Area	Report Ref.	Actions from Audit Committee 17.10.2022	Progress Update 12.01.2023	Target for Delivery
Spend Data	4.7	There needed to be more information around the controls in place to manage contracts, there was a gap of around £60 million that could not be identified as being on the systems.	Work has begun to better understand third party spend in relation to contracts - this is dependent on the Forward Plan work and development of the ERP systems.	Mar-23
Social Value	4.8	Members questioned how far procurement was supporting the Council's vision to be net zero carbon. This was part of the corporate priorities and was mentioned in the corporate strategy.	On going work is progressing regarding the development of a Climate Change Commercial Ask of Suppliers based on the work Suffolk CC have developed. This will incorporate changes to procurement documents, evaluation and scoring and also guidance for suppliers.	Mar-23
Social Value	4.8	Officers confirmed that there were questions around social value as part of the procurement process, however more work could be done to make this a mainstream focus. The important aspect was how this was articulated to try and encourage as many businesses and organisations to procure with the Council. There were examples from other local authorities, such as Suffolk County Council, where this had been made more attractive for the market and could be used as a base at Peterborough City Council.	The development of a Social Value Toolkit and Policy are near completion for consideration based on the Council's key Social Value aims and Objectives. This will go to CLT shortly for review before being shared with Audit Committee. In addition discussions are on-going with social value portal providers to assist with the evidenced	Jan-23
Social Value	4.8	The tendering process was not uniform and this was an area for improvement that officers were looking at.	Once the toolkit has been finalised and shared with Procurement Team Members and Commissioners - this will provide a sound basis for the evaluation and scoring of social value questions and provide consistency of approach across all tenders delivered by the Council. This will need time to implement once completed and approved.	Mar-23
Governance	4.7	There were several retrospective cases when it came to procurement, there was little that could be done in those circumstances. One of the issues was around the computer system that was used, this was being looked at so that all systems could be joined together and trigger potential issues before they arose.	The development of the ERP system has begun and the as is state has been mapped - the scoping of the to be state has begun and will be concluded later but upper most in our thinking is the urgent need to control purchase orders being raised to link to compliant contracts and to be able to track the spend on each contract. This will take some time to implement but the work regarding the Governance processes and use	Apr-23
Governance	4.4	Officers were in the process of having tighter controls around budget holder having to sign off contracts. There needed to be a process by which officers were held accountable if the rules had not been followed.	A regular report will be brought to CLT and then to the Audit Committee of the number, nature and value of exemptions requested that breach Contract Rules, to make Senior Leaders aware of these and allow them to take appropriate action.	Jan-23
Governance	4.3	The procurement function had been outsourced to SERCO for a number of years and agreement had recently been reached between SERCO and PCC to bring the service back in house. This should raise the profile and importance of the procurement service and ensure requests and compliance are taken more seriously moving forward. The limit for contracts that were allowed to be signed off before Director sign-off was now £25k and under which would allow officers to spend more time looking at contracts that were of larger value.	This has been a positive move and has afforded greater possibility for review of systems and processes and how procurement is managed and delivered which will deliver greater benefits in the future.	On-going

Governance	4.4	Some members could not see what the consequences were for those officers who had not followed procedure. The Audit Committee could take on the role of requesting officers or services attend meetings to explain why they had not followed the rules.	A regular report will be brought to CLT and then to the Audit Committee of the number, nature and value of exemptions requested that breach Contract Rules, to make Senior Leaders aware of these and allow them to take appropriate action.	Jan-23
Forward Plan	4.3	There were legal issues if officers denied a retrospective award of contract. It was important for the Council to become more proactive rather than reactive, this would provide a trigger for when contracts were due for renewal. There used to be an annual report which could be re-introduced. It was possible to introduce a forward plan that could be used as a trigger going forward.	The Procurement Team have re-introduced the Annual Procurement Plan and process. A draft plan has been drawn up and staff aligned with Directorates to discuss the plan for the coming year to 18 months and each Directorates priorities. Initial meetings have been arranged with Directorate DMTs to see if some procurements may be joined up to maximise efficiency and get the most work done with available resources.	Jan-23
Governance	4.6	There were two groups of exemptions one around child placements with considerable needs, this system covered being able to meet the needs of children with regards to transport. This was of used when there was no other alternative available. The other area was in relation to domiciliary care, which was difficult to manage, there were only certain providers who could provide the complex care needed. There was work being done around commissioning that would look at different strategies.	There have been developments in the thinking regarding Social Care Placements in other Authorities, in Cambridgeshire the Constitution has been amended to allow 3 routes to commission these services. The first two allow placements to be made via existing procured routes such as Block Contracts and or DPS arrangements. If those 2 arrangements were not successful - a direct award is allowed provided this is agreed by the relevant Executive Director and a record of all placements is kept evidencing why this route was necessary. This is being debated in PCC currently. In this way the balance of risk is better managed and that the greater risk is to not make said placements following a valid assessment of need.	Jan-23
Governance	4.4	More work needed to be done to find out why officers were not following the correct processes and procedures. In other organisations there were often sanctions which were imposed on those who had repeatedly not followed procedure.	A regular report will be brought to CLT and then to the Audit Committee of the number, nature and value of exemptions requested that breach Contract Rules, to make Senior Leaders aware of these and allow them to take appropriate action.	Jan-23
Audit	4.9	Internal Audit were commissioned to identify contracts to look at to see if processes had been followed. The team looked at what was being spent and captured this data. Members were informed that the team was currently slightly down on capacity, however when the team was back to full capacity procurement was an area that the team could investigate further.	Procurement are already working with Audit colleagues who will be provided access to reports, registers, reports and proprietary software to allow full access to records and processes to be better able to access and recommend mitigations of risks.	Jan-23
Governance	4.4	One possibility was to append to future reports areas that were given exceptions to be outside the procurement framework and to see who was signing these decisions off.	The details of the reports will be made available to Audit Committee members along with reports sent to CLT to provide full details for the reasons listed for exemption reports and details of breaches.	Jan-23
Governance	4.2	It was agreed that a further report would be brought back to the committee at a later date. There was further work around people and communities that needed to be presented so that the committee could better understand what the directorates needs were and allow the committee to hold people to account if they had not followed the correct procurement procedures.	A full report with accompanying appended reports and appendices will be made available for the March Audit Committee meeting.	Mar-23