

Report Reference Number: E/18/23

To: Executive
Date: 4 October 2018
Status: Non Key Decision
Ward(s) Affected: All
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Lead Executive Member: Cllr Cliff Lunn, Lead Executive Member for Finance and Resources
Lead Officer: Julie Slatter, Director of Corporate Services and Commissioning

Title: North Yorkshire Procurement Partnership Membership Renewal

Summary:

Selby District Council entered the North Yorkshire Procurement Partnership joint committee on 1st August 2009 with Rydale District and Scarborough Borough Councils. The purpose of the partnership was to build procurement capacity, aggregate demand and deliver procurement efficiencies. To date the partnership has delivered the core requirements, however the current and future requirements of Selby have changed from those in 2009 and internal capacity has been developed to meet the commissioning & procurement requirements as part of the organisational review in 2016. The allocation of resources from the partnership was subsequently reduced from 3 days to 1 day per week from April 2017, reflecting internal capacity building. The result of this is that Selby has enough capacity to deliver current and future procurement requirements beyond the expiry of the current agreement on 31st March 2019.

Recommendations:

- i. That the Executive approve the withdrawal of Selby District Council from the North Yorkshire Procurement Partnership Joint Committee from 31st March 2019 through a mechanism of not renewing membership upon expiry of the current agreement.

Reasons for recommendation

Organisational capacity has been developed as part of the organisational review to meet the Councils commissioning and procurement requirements from internal

resources. Support from NYPP has reduced from 3 days to 1 per week during the same period, reflecting the development of internal capacity. The current partnership agreement expires on 31st March 2019 and provides an opportunity to exit the arrangement on this date. Notification of the intention not to renew can be made at the partnership committee meeting mid October 2018 allowing time to agree an exit plan to mitigate any risks.

1. Introduction and background

- 1.1 The North Yorkshire Procurement Partnership Joint Committee was entered into from 1st August 2009 and initially consisted of Selby, Ryedale and Scarborough Councils. Scarborough Council also acted as the accountable body for the partnership, employed the partnership staff and provided the secretariat for the partnership.
- 1.2 The Partnerships primary tasks were to develop contract registers, forward procurement plans and conduct annual spend analysis to minimise off contract expenditure. Where possible the partnership was required to aggregate the demand of the three councils to achieve procurement efficiencies and provide a professional procurement service to ensure compliance with European and national procurement regulations.
- 1.3 The original resource allocation of the partnership was Scarborough 54.89%, Selby 26.68% and Ryedale 18.44% requiring an annual financial contribution from Selby of £35,000.
- 1.4 The organisational review in 2016 recognised the need to develop the organisations strategic commissioning capacity to support the delivery of the corporate plan. Internal capacity building has been ongoing since April 2016 and resulted in a reduction of support from NYPP from April 2017 from 26.68% to 19.835% producing a net saving of £11,000.
- 1.5 Dialogue with North Yorkshire County Council (NYCC) as part of the Better Together project has also been taking place to assess the merit or otherwise of aligning commissioning and procurement with NYCC. The dialogue has identified where common spend categories exist both organisations are using the same framework contracts so no further efficiencies would transpire from a formal joint working arrangement. However, it has been agreed an informal sharing of knowledge with NYCC and other District and Borough councils would be of benefit. NYCC agreed to set up and chair a County wide procurement group that meets quarterly and has been operating since 2017.
- 1.6 Dialogue with the NYPP manager has also been taking place to ensure the withdrawal of Selby from the partnership has a minimal impact on both partner Councils and any staff directly affected are kept fully informed.
- 1.7 Dialogue has also taken place with the NYPP manager about formally dissolving the current partnership upon expiry which would also allow for an

allocation of partnership reserves between all partners upon dissolution. In addition this would allow the remaining partners to form a new joint committee that meets their needs should this be their preferred option. Early indications are that dissolving the partnership is the preferred option that will be reported to the joint committee in October 2018.

3. Alternative Options Considered

- 3.1 A shared procurement service with NYCC has been explored but has been discounted as an option.

4. Implications

4.1 Legal Implications

Executive approval is required to withdraw from a joint committee and the timing of this decision allows sufficient notice to be served as required in the partnership agreement.

4.2 Financial Implications

The current annual NYPP charge of £24,000 (£12K general fund and £12K HRA) will be built into the budget savings from 19/20. In addition there will be a share of partnership reserves built up during membership upon withdrawal. Reserve balances as at April 2018 were £117,534

4.3 Policy and Risk Implications

The main risks of withdrawal from NYPP have been identified and are being managed to ensure a smooth transition.

4.4 Corporate Plan Implications

There proposals support the delivery of the corporate plan

4.5 Resource Implications

The current and future procurement requirements can be delivered within existing staffing resources.

4.6 Other Implications

N/A

4.7 Equalities Impact Assessment

N/A

5. Conclusion

- 5.1 Withdrawal from the NYPP is the next natural step for the commissioning and procurement service.

6. Background Documents

None

7. Appendices

None

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