

Crawley Borough Council

Report to Cabinet 25th November 2020

Expansion of Shared Procurement Service

Report of the Head of Corporate Finance, **FIN/509**

1. Purpose

- 1.1 The Shared Procurement Service has been operating since 2010, in 2018 Crawley Borough Council became the lead Authority and in 2019 Mole Valley District Council joined the service on a trial basis, the purpose of this report is to make that arrangement permanent.

2. Recommendations

- 2.1 To the Cabinet:

The Cabinet is recommended to:

- a) Approve that Crawley Borough Council provide procurement services on behalf of Mole Valley District Council from 1st December 2020.
- b) Agree to the cost sharing arrangements as set out in paragraph 6.3
- c) Agree to the provision of services under an Inter-Authority Agreement for a minimum period from 1st December 2020 to 31st March 2022 to align with the term of the existing Inter-Authority Agreement
- d) Agree to accept a delegation from Mole Valley District Council of their procurement functions under Section 101 of the Local Government Act 1972.
- e) Delegate authority to the Head of Corporate Finance to agree the terms of the Inter-Authority Agreement which reflects the principles outlined in the report.

3. Reasons for the Recommendations

- 3.1 The trial arrangement with Mole Valley DC ends on 1st December 2020 and therefore there is a need for Members to agree how procurement services will be provided in the future.

4. Background

- 4.1 The current shared procurement model was created in 2010 and has a proven track record in delivering a substantial programme of procurement processes delivering significant savings to each of the Councils, however, it has suffered with recruitment and retention issues in recent years. This is something that is evident across many local government professional services.
- 4.2 In recent years the procurement programme has grown with more and more officers across all three Councils seeking help and support on their procurement projects, this is largely due to more awareness about the risks of doing things wrong and a greater understanding of the benefits of what can be achieved through procurement when done effectively.
- 4.3 The growth can also be attributed to some of the Councils seeking new ways of generating income which often results in a procurement process, along with Councils being successful in securing grant funding for various projects which then generates a procurement process. There has also been a large volume of regeneration and construction projects such as Crawley's Town Hall and Town Centre redevelopment
- 4.4 In early 2019, the Council were approached by Mole Valley DC (MVDC) about the potential for them to join the shared procurement service with the priorities of creating greater capacity and stability of resources, developing staff skills and knowledge, making savings through collaboration and looking to make efficiencies by avoiding duplication.
- 4.5 The Joint Procurement Board, who Govern the shared service, agreed to expand the shared service arrangement to MVDC on a 12-month trial basis starting in December 2019, this recommendation was made in consultation with the Leader of the Council and a Significant Officer Decision Form was issued on 10th June 2019.
- 4.6 A full-time Procurement Officer from MVDC and an additional part-time Procurement Officer was appointed and seconded to the shared service. The trial has largely been successful, despite a national pandemic which has changed some of the priorities for the authorities. There are opportunities to procure collaboratively, for example MVDC and HDC undertook a joint Cash Collection tender and all authorities will shortly be working together on a Temporary Agency Staff contract.
- 4.7 Following a review of the trial the Joint Procurement Board recommended that the arrangement should be made permanent from 1st December 2020. If agreed, Crawley would provide procurement services to MVDC and their two Procurement Officer posts (vacant) would transfer to Crawley on 1st December 2020.
- 4.8 Mole Valley District Council will seek formal approval to enter into this Agreement through their Cabinet, this is scheduled for 24th November 2020.

5. Description of Issue to be resolved

- 5.1 Making a temporary arrangement permanent.
- 5.2 Allowing resilience within the procurement team and creating collaborative procurement opportunities.

6. Information & Analysis Supporting Recommendation

- 6.1 The proposed future arrangement would see MVDC delegate the provision of procurement services to Crawley Borough Council under a formal Inter-Authority Agreement. The Inter-Authority Agreement is being reviewed to ensure that any potential risks are shared, for example, redundancy, pensions, exceptional costs etc. Termination and liability will also be reviewed.
- 6.2 The delivery model and governance arrangements would remain as the current model with a senior officer from each of the authorities forming a Joint Procurement Board which oversees the work programme and monitors progress.
- 6.3 The Budget would continue to be calculated on the percentage split of the costs between each of the authorities. The new model would see Crawley and Horsham paying 25% of the costs, Mole Valley 27% and Mid Sussex 23%, with a view to moving towards an equal 25% split in 2022/23. MVDC would make payments to Crawley for the services on a quarterly basis as Horsham and Mid Sussex currently do.

7. Implications

- 7.1 As of 1st December there will be two vacant posts within MVDC. The recruitment process has started at MVDC for the part-time post, and is currently at interview stage, it would be the intention to notify any successful candidate that any offer and employment contract would be from Crawley. The full-time Procurement Officer post which becomes vacant on 30th November will be advertised and directly employed by Crawley on a permanent basis. The HR team has been consulted on this.
- 7.2 On a day to day basis little else will change under the arrangement. There will still be a requirement to have both Crawley and Horsham IT infrastructure and desk space in order to support these authorities effectively.

8. Background Papers

- 8.1 [Significant Officer Decision - 10th June 2019](#)

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