

20 April 2016

Our Ref: e18859

Re: Request for information under the Freedom of Information Act 2000

Your request for information which was received on 22 March 2016 has been considered.

Please find our response below.

Your request:

Please send me:

- 1. Information on any reviews carried out and any procurement procedures, processes and systems and any changes and improvements you have put in place to ensure best value is achieved for all goods and services since the launch of the National Procurement Strategy for Local Government in July 2014.*
- 2. Information on the effectiveness and any savings achieved as a result of the reviews carried out and changes implemented as detailed in the above bullet point, including in which specific areas and departments, the amounts saved in figures and as a percentage of overall budget, since the launch of the National Procurement Strategy for Local Government in July 2014.*
- 3. Information on the number of full and part-time employees you have in procurement roles now, and the number of full and part-time employees that were in procurement roles on 1 July 2014.*
- 4. Information on any fraud incidents relating to council employees, council services and services procured externally that have come to light since the launch of the National Procurement Strategy for Local Government in July 2014.*

Our response:

1-3) With regard to your first paragraph I would advise that our procurement processes, procedures and systems have not undergone any significant changes since the introduction of the National Procurement Strategy apart from ensuring we meet all necessary changes to the new procurement legislation, the transparency agenda and associated requirements.

We underwent a significant procurement governance revamp of our procurement processes in late 2011, early 2012. Key areas are:

A more through category management approach entailing a new procurement model to manage spend more accurately across the Council through the Category Cycle. This includes:

- A robust tollgate governance process
- Tollgate 0: (identify needs / analyse market) and prepare a business strategy for each procurement above OJEU threshold (procurement working with the commissioners).
- Tollgate 1: Procurement Strategy (Market engagement / Options Appraisal / Service Design and Specification / Commercials / Documentation / Risk Assessment / Proposals for Contract Monitoring / Benchmarking etc.
- Tollgate 2: Approval by relevant Governance after evaluation.
- Tollgate 3: Contract Management review post contract start (6 months)

Governance

The above Tollgate process is used for key procurements with project team, project management, project Board (chief officers) managing the actual commissioning and procurement process. Approvals are required by both the chief officers of the relevant Directorate Management Team then overseen (and further approved) by our Strategic Procurement Board also made up of Chief Officers, Category Managers, Finance, Legal, Head of Procurement and Director of Finance.

For lower value procurements (which can still go to SPB as necessary) but are primarily approved by the relevant Service Assistant Director and Head of Procurement. All waivers (from our Council wide embedded Contract Standing Orders), variation orders and extensions go via this process (SPB). High value procurements and everything above a total value of £500k have to be approved by Cabinet (deemed as key decisions).

Value for Money

Each procurement is evaluated on a case by case basis but there is a much stronger tendency to evaluate on a 80% price element but with minimum quality criteria needing to be reached to ensure compliancy to the specification. Outcome and/or Output based approaches are also used primarily in Social Care. All procurements are evaluated on Optimisation of Best Value.

Savings

The procurement spend by the London Borough of Richmond is approximately £90m per annum although of course procurements value varies year on year. Effectiveness of savings is transparent as the budgets are reduced after each procurement by the value of the budget saving. Procurement savings can be higher of course (value added / cost avoidance) and these are incorporated in the Tollgate 2 reports (award). It is not possible to provide detailed savings by area and department from procurement only as this information would take longer to gather and exceed the cost of FOI compliance. Please see Appendix 1 for further details.

In early 2012 the procurement team increased in numbers to support the new commissioning/procurement focus of the Council and has not changed much since and was not impacted by the National Procurement Strategy for Local Government in 2014. We currently have a Head of Procurement and three Category Managers with 8 Category Specialists reporting into them – we also have a small buying team for process work and low value procurements of 3 staff.

It is worth noting that Richmond is aligning with the London Borough of Wandsworth via a Shared Staffing Arrangement so the two procurement teams will merge and procurements will be conducted jointly wherever possible to drive efficiencies and value for money.

4) I can confirm that there have been no relevant incidents of procurement fraud since 2014.

Kind regards

Data Protection & Information Officer

Appendix 1

Costs Refusal

12 - Exemption where the cost of compliance exceeds appropriate limit

(1)Section 1(1) does not oblige a public authority to comply with a request for information if the authority estimates that the cost of complying with the request would exceed the appropriate limit."

The appropriate limit has been set at £450 and may include working hours of any person acting on our behalf at a rate of £25 per hour. This equates to 18 hours to locate and extract the relevant information.

We are unable to differentiate procurement savings from other savings without considerable analysis. We consider this would exceed the appropriate limit.

In accordance with the Freedom of Information Act 2000 this letter acts as a partial Refusal Notice

You have the right of appeal against the decision. If you wish to appeal please set out in writing your grounds of appeal and send to:

Corporate Complaints and Access to Information Manager
Community Engagement and Accountability Team
Adult and Community Services
3rd Floor Civic Centre
44 York Street
Twickenham
TW1 3BZ

E-mail: foi@richmond.gov.uk

If you are dissatisfied with the outcome of the internal appeal you may appeal further to the Information Commissioner's Office at:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF
fax: 01625 524 510
DX 20819
www.ico.org.uk