

BRIEFING PAPER

SUBJECT: SUB £100K PROGRAMME UPDATE
DATE: 14 AUGUST 2014
RECIPIENT: OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

THIS IS NOT A DECISION PAPER

SUMMARY:

The Council is centralising spend activities below £100,000 and introducing a single operating model using Capita in order to drive greater value through smarter procurement driving savings, delivering sustainability, visibility, better operating processes and greater flexibility.

Capita will process all PO's above £1,000 and manage all spend from £0 to £100,000. Spend below £1000 will be controlled through grouping spend together, putting contracts in place and by using Procurement Cards (P-cards). Capita will manage these aspects on our behalf and will analysis the P-card data.

Phased rollout of the service commenced on 1st April 2014 and will be completed council-wide by the end of the year. Savings of £1.6m are guaranteed over the 5 year contract to ensure that the solution is cost neutral to the Council.

Savings target of £6m over the 5 year contract period are target of which £3.7m will come from General Revenue Fund (GRF).

BACKGROUND and BRIEFING DETAILS:

1. The sub-£100k service is following a phased roll-out programme:
 - The City Services Team were first to go live on the 1st April 2014 as a pilot
 - All of Environment and Economy Directorate on the 14th July 2014.
 - Corporate Services are scheduled to go live at the end of September 2014
 - The People's Directorate are scheduled to go live in November 2014

As the Roll-Out is phased the savings will ramp up towards the end of the first Financial Year as all spend comes under management of the sub-£100k team.

Consultation & Communications

2. To effectively manage the change to the sub-£100k buying, PO processes and procedures, a structured communications and stakeholder engagement plan has been implemented. While communication has gone out Council-wide a number of specific actions have been taken for the areas to which the service has been rolled out:
 - DMT briefings;
 - 1-2-1 sessions with Divisions clarifying process and opportunities to enable savings;
 - User groups;
 - Regular post implementation surgeries;
 - Supplier engagement and on boarding of suppliers to the Quotation portal
 - Direct engagement by sub-£100k team members with stakeholders

Resource and Policy Implications

