

**TO: OVERVIEW AND SCRUTINY COMMISSION
13 MARCH 2008**

**PROCUREMENT UPDATE
(Borough Treasurer)**

1 INTRODUCTION

- 1.1 The Council spends in excess of £90m p.a. on the procurement of external goods and services. The recently approved revenue budget proposals contain annual savings of £370,000 (£200,000 in 2008/9 and a further £170,000 in 2009/10) to be generated through procurement.
- 1.2 Jo Alderson, Head of Procurement, will give the Commission a brief presentation outlining the achievements to date and proposed procurement activity in the future.

2 SUGGESTED ACTION

- 2.1 **The Commission are asked to note the continued progress being made by the procurement function.**

3 SUPPORTING INFORMATION

- 3.1 The current Comprehensive Spending Review (CSR07) requires three per cent a year to be saved by the public sector up to 2010/11 to release £30 billion to frontline services. Local councils have been assigned a target of £4.9 billion. A large proportion of these savings will be achieved by procurement. As outlined in Para. 1.1, the Council has incorporated significant procurement savings in its current budget proposals.
- 3.2 The vehicle for delivering the majority of these savings will be the Corporate Procurement Team, working with the Council's Strategic Procurement Group, together with the Berkshire Procurement and Shared Services Unit (BPSSU).
- 3.3 The previous Head of Procurement is currently seconded to the BPSSU with cover being provided by contract staff and some consultancy work.
- 3.4 Major contracts over the past 18 months have included photocopiers (MFDs), PVCU Windows & Doors, Metered Electricity, Building Materials and Stores Provision, Transport services and Buildings Cleaning.
- 3.5 Good progress is currently being made against the revenue budget savings of £200,000 for 2008/9. The main sources of saving are expected against the forthcoming energy and insurance contracts.

3.6 Other significant departmental projects recently or currently supported by the corporate procurement team include:

- Banking Services
- Berkshire Energy Procurement (TVPF)
- Civic Hub project
- Dementia Nursing Homes (BPSSU lead)
- Garth Hill College
- Independent Fostercare Agencies (Wokingham BC lead)
- Insurance Services
- Integrated Children's System (ICS) software
- Learning Disabilities Care Services
- Learning Platform software for schools
- Library Stock (CBC frameworks)
- Links (Reading BC lead)
- Private Healthcare

Background Papers

None

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