

# Performance, Finance and Customer Focus Overview and Scrutiny Committee



Date of meeting:	22 January 2020
Title of Report:	<b>Transfer of PCC Procurement Service to Delt Shared Services Ltd</b>
Lead Member:	Councillor Chris Penberthy (Cabinet Member for Housing and Co-operative Development)
Lead Strategic Director:	Andrew Hardingham (Service Director for Finance)
Author:	Melanie Haymes
Contact Email:	melanie.haymes@plymouth.gov.uk
Your Reference:	MH 22.1.20
Key Decision:	Yes
Confidentiality:	Part I - Official

## Purpose of Report

To consider and approve the transfer of the Procurement Service within PCC to Delt Shared Services Ltd in line with previously approved cabinet paper entitled Strategic Options for Corporate Support Services, in accordance with the Teckal exemption guidelines.

## Recommendations and Reasons

Reasons for transfer include greater efficiencies, improved resilience, growth and enhanced service delivery through a central Procurement hub.

The Performance, Finance and Customer Focus Overview and Scrutiny Committee are asked to recommend to Cabinet –

- The Procurement Service transfers to Delt, with staff transferring under TUPE arrangements with effect from 1 April 2020.
- All Procurement Service work is channelled through Delt allowing for greater efficiencies and growth through a central hub and the potential for greater retention and stability in the workforce through a broader range of procurement categories
- A Gain share arrangement is put in place whereby both PCC and Delt are motivated to drive down the cost of spend through a share in savings generated. The finer details of the gain share arrangement are to be worked up in partnership with Delt.
- The client function to remain within PCC Finance department with KPI's to be agreed in partnership with Delt.

## Alternative options considered and rejected

Option 1: No nothing and keep the service in house – Concerns around the sustainability of this option due to prior difficulties encountered in recruiting and retaining staff, impacting the ability of the team to deliver an effective service to PCC and reducing the ability of the team to work strategically to deliver savings across the Council.

Option 2: Transfer the service to a third party organisation, resulting in PCC entering into a buy back arrangement. This goes against the pledge made to buy locally and it has the potential to remove jobs from the city. It was also agreed by Cabinet in 2017 that this was not the route the Council wished to take for future back office service delivery.

## Relevance to the Corporate Plan and/or the Plymouth Plan

Our Co-operative vision will be supported through working with Delt (our partner) to serve the best interests of the city through providing quality jobs, valuable skills and economic growth that benefits both the people and the City.

## Implications for the Medium Term Financial Plan and Resource Implications:

It is anticipated that savings will be generated through the procurement of goods and services which will contribute to saving pressures that are faced by the Council. The finer detail of ongoing targets are yet to be finalised but there is an expectation of a return in the first year of £0.05m.

## Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations

## Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

No other implications

## Appendices

*\*Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Business Case for the transfer PCC Procurement Service to Delt Shared Services Ltd							

**Background papers:**

\*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

**Sign off:**

Fin	pl.19.2 0.202	Leg	MS/33 990	Mon Off	N/A	HR	KB100 120	Assets	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: Andrew Hardingham (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 10/01/2020											
Cabinet Member approval: Councillor Penberthy (Cabinet Member for Housing and Co-operative Development)											
Date approved: 10/01/2020											