

Birmingham City Council

Audit Committee

26 April 2022



Subject: To provide Audit Committee with an update on the review of the Council's Procurement Governance Arrangements.

Report of: Assistant Director - Procurement

Report author: Steve Sandercock, Assistant Director, Procurement

Does the report contain confidential or exempt information? ☐ Yes ☒ No

If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential : N/A

1 Executive Summary

- 1.1 Members are reminded that following discussion at Audit Committee on 19 October 2021 there was an action to provide a report to Audit Committee on the findings of the *"root and branch review on procurement, commissioning and assurances"*.
- 1.2 This report looks to provide members with an update on activities carried out.

2 Background

- 2.1 At the start of the municipal year the Resources Overview and Scrutiny Committee identified several issues with procurement and contract management arrangements, particularly in relation to the timeliness of decisions and adherence to regulations and governance requirements.
- 2.2 With this in mind a Overview and Scrutiny Committee set up a Task and Finish Group, consisting of Councillor Mohammed Aikhlaq (Chair), Councillor Barbara Dring, Councillor Meirion Jenkins, Councillor Majid Mahmood, and Councillor Paul Tilsley, was set up to review and examine the commercial governance process to ensure, moving forward, it is robust, fit for purpose, is complied with, and delivers value for money. The terms of reference for the Task and Finish Group are set out in full at Appendix 2.

- 2.3 The Task and Finish Group held a series of meetings between October 2021 and February 2022 culminating in a full report to Overview and Scrutiny on the 23 March 2022. The report was based on evidence gathering for the Task and Finish Group from April 2021 to February 2022 and included input from officers, who provided clarity on the current rules, and legal requirements, governing financial, procurement and contract matters.
- 2.4 In addition, benchmarking data from Core Cities, other local authorities and West Midlands partners was considered along with information from suppliers as gathered from a survey. The Task Group also considered information in relation to the Green Paper on Transforming Public Procurement and Planned Public Sector Procurement Regulations.
- 2.5 Findings from the Task Group's evidence gathering, together with recommendations, have been set out in full at Appendix 1.
- 2.6 It should be noted that while most recommendations achieved support from each of the 5 Task Group Members, this was not possible for all recommendations.
- 2.7 Appendix 1 highlights where consensus wasn't possible and provides information to explain why some of the recommendations were not supported by the Conservative Group. Further information is also provided via the letter, attached at Appendix 3, from Councillor Meirion Jenkins, who was the Conservative representative on the Task Group.
- 2.8 In line with the findings of Overview and Scrutiny Committee work is now ongoing to make the necessary updates within the Council's Procurement Governance Arrangements. This will form part of a further report to Full Council in May / June 2022 for full consideration as part of the new Council administration Constitutional updates.

3 Options Considered and Recommended Proposals

- 3.1 Members are asked to note the work of Overview and Scrutiny Committee and the recommendations as agreed and set out in Appendix 1.

4 Appendices

- 4.1 Appendix 1 – Information Pack (Evidence, Findings and Recommendations)
- 4.2 Appendix 2 – Terms of Reference
- 4.3 Appendix 3 – Letter from Councillor Meirion Jenkins