

## CAIRNGORMS NATIONAL PARK AUTHORITY

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### FOR INFORMATION

**Title: UPDATE ON PROCUREMENT POLICY DEVELOPMENT**

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#### **Purpose**

The purpose of this paper is to update the Audit Committee on procurement policy development between Cairngorms and Loch Lomond and The Trossachs National Park Authorities.

#### **Recommendation**

The Committee is requested to consider the information contained in the paper and to:

- a) Note the proposed Joint Procurement Strategy between the two National Park Authorities.
- b) Note the proposed Action Plan on procurement contained in Annex 1.
- c) Note the progress in Procurement Capability Assessments over the past 3 years and draft target for 2011/12 in Annex 2.

#### **Executive Summary**

The Park Authority is charged with obtaining value for money in its procurement activities. It is measured by an annual Procurement Capability Assessment to establish its status against best practice in procurement.

The recent Scottish Government strategic review of National Parks also called for more collaborative working between Scotland's two National Park Authorities.

Cairngorms and Loch Lomond and The Trossachs National Park Authorities have been developing a joint approach to procurement over the last two years.

A post of Joint National Park Authority Procurement Manager has been created to take this process forward into the future.

This paper provides information on the current and future development of procurement policy.

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## PROCUREMENT POLICY DEVELOPMENT – FOR INFORMATION

### Background

1. The Park Authority is charged with obtaining value for money in its procurement activities and develops policies to deliver this with regard to the availability of resources within the organisation.
2. The Park Authority's status against procurement best practice is evaluated each year through Scottish Government's Procurement Capability Assessment. There is a challenge in maintaining a procurement function that is more than fit for purpose given the Park Authorities resources.
3. The Strategic Review of National Parks completed in 2010 recommended more collaborative working between Scotland's National Park Authorities to maximise the use of limited resources.

### Overview

4. Cairngorms and Loch Lomond and The Trossachs National Park Authorities have been actively developing closer services and have created the post of Joint Procurement Manager to take development of a Joint Procurement Strategy forward.
5. The Joint Procurement Manager has responsibility for:
  - a) Developing a Joint Procurement Strategy and Policy on Sustainable Procurement.
  - b) Generating savings in procurement through efficiencies and the optimisation collaborative contracts.
  - c) Providing support and guidance for procurement activities in both Park Authorities.
  - d) Co-ordinating Procurement Capability Assessments for each Park Authority and ensure that capability is fit for purpose.
6. Collaborative contracts have already been let and are generating efficiencies in areas such as Internal Audit and Legal Services.
7. Best practice in governance encourages board involvement in the oversight of procurement strategy and policy. The Park Authority's Procurement Capability Assessment performance for 2009-10 was reported to the Audit Committee in Audit Scotland's Report on the 2010-11 Annual Audit.
8. Developments in procurement strategy and policy will be reported annually to the Audit Committee where it has an impact on Procurement Capability status.

### Joint Procurement Strategy Action Plan

9. The Joint Procurement Strategy Action Plan is attached at Annex I to this paper.

10. The intention of the action plan is to draw procurement policy, guidance and support together between the two Park Authorities.
11. In terms of governance, the plan aims to bring a Joint Procurement Strategy and Joint Policy on Sustainability in Procurement to Audit Committee for approval in March 2012.

### **Procurement Capability Assessment**

12. The Park Authority's performance in the Procurement Capability Assessment (PCA) over the last 3 years is summarised in Annex 2.
13. PCA results show an upward trend with draft results for 2010-11 scoring at 55% or 'Improved Performance' status.
14. Following a review of possible improvements through joint procurement working, indicative targets for the 2011-12 PCA have been set at 70%. A higher target is deemed to be unrealistic given both Park Authorities resources, systems and procurement requirements.
15. In terms of Joint PCAs, the Procurement Manager will co-ordinate 2 separate assessments for 2011-12 with a single Joint PCA targeted for 2012-13.
16. Scores of over 50% in the PCA allow assessments to be undertaken once every 2 years but the plan is to continue with annual assessments over the next 2 years as joint systems bed in.

### **Conclusions**

17. This paper updates the Audit Committee on current developments in procurement strategy between the two National Park Authorities.
18. The aim of the joint procurement work is to maximise performance in procurement best value for each of the Park Authorities through the most effective use of resources and expertise.
19. The effectiveness of joint procurement working will be reported to Audit Committee through the Procurement Capability Assessment, initially on an annual basis.
20. The target outcome for Joint Procurement Capability is to achieve scores at the upper end of the 'Improved Performance' sector (towards 75%). Scores of above 75% or 'Superior Performance' are deemed to be beyond the practical reach of the Park Authorities given spend, procurement type and available resources and are not therefore considered as targets.

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