FINANCE COMMITTEE CALL FOR EVIDENCE

PROCUREMENT REFORM (SCOTLAND) BILL: FINANCIAL MEMORANDUM

SUBMISSION FROM WEST DUNBARTONSHIRE COUNCIL

Consultation
Did you take part in the Scottish Government consultation exercise which preceded the Bill and, if so, did you comment on the financial assumptions made?
1. WDC responded and commented where there was a query on the cost and where asked to comment of benefits/costs. However, detailed financial assumptions were not published by Scottish Government at that stage.

Do you believe your comments on the financial assumptions have been accurately reflected in the FM?
2. Although, detailed financial assumptions were not published with the consultation papers in 2012, WDC made a number of comments on cost. The area that does not appear to be reflected, which we commented on, is around the cost to suppliers in implementing community benefits, sustainability etc. This may have increase the cost to Local Authorities to enter into 3rd party contracts.

Did you have sufficient time to contribute to the consultation?
3. Yes.

Costs
If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the FM? If not, please provide details.
4. WDC has concerns in 4 particular cost areas:
   - Strategic and operational administration costs, particularly with the new requirement for an annual strategy and annual reporting.
   - Administration costs to embed new requirements to be considered and tracking of benefits resulting benefits.
   - 3rd party supplier’s costs may increase as suppliers add in community benefits and sustainability requirements.
   - Unknown costs associated with any new "guidance" that Scottish Government may issue.

Do you consider that the estimated costs and savings set out in the FM and over the timescales for which they are projected are reasonable and accurate?
5. No. The costs mainly focus on Scottish Government requirements and don’t account for the costs for Local Authorities or third party suppliers. See response to question 4 for further details.
If relevant, are you content that your organisation can meet any financial costs it is expected to incur as a result of the Bill? If not, how do you think these costs should be met?
6. No. These costs should be met by the Scottish Government.

Does the FM accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?
7. No and there are many unknowns with the plans for guidance and sub legislation.

Wider Issues
Do you believe that the FM reasonably captures the costs associated with the Bill? If not, which other costs might be incurred and by whom?
8. WDC has concerns in 4 particular cost areas:
   • Strategic and operational administration costs, particularly with the new requirement for an annual strategy and annual reporting.
   • Administration costs to embed new requirements to be considered and tracking of benefits resulting benefits.
   • Costs of training and implementation of national IT systems and processes.
   • 3rd party supplier’s costs may increase as suppliers add in community benefits and sustainability requirements.
   • Unknown costs associated with any new "guidance" that Scottish Government may issue.

Do you believe that there might be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?
9. Yes. However, until the subordinate legislation is known, these costs cannot be quantified.