



Councillor P Samuels  
Deputy Mayor of Saltash 2019/20  
12 Lower Fore Street  
SALTASH  
Cornwall  
PL126JX

**Your ref:**  
**My ref:** RR/ylj  
**Date:** 20 August 2019

Dear Cllr Samuels

Thank you for your letter dated 6<sup>th</sup> August 2019.

As the new Head of Commercial Services I have been asked to address the content of your letter. The Council spends circa £650m per year with over 5500 suppliers. The exemptions are reflective of a large complex supply chain across many different areas of provision. The exemption position had worsened during 2017.18 as a result of children's residential and SEN placements being included. Previously the Council has been on a South West framework which was due to be replaced. Unfortunately the new arrangements did not provide the Council with value for money. There is currently an active recommissioning process underway due to be completed in April 2020. This will significantly reduce the exemptions.

The Council through its commercial services function is proactively managing down the number of exemptions as the current performance can be improved. This 'work in train' will ensure that approximately £50m of exempted third party spend will be competed and on a compliant footing by April 2020. In addition to this there is work the Council is undertaking to tighten up the categorisation and recording of exemptions so that we clearly understand the basis as not all exemptions are negative.

You will be aware that we will return to the Audit Committee in 6 months' time with a progress update which will demonstrate the impact of the actions we are taking. I hope that in the meantime, this provides you with the assurances you required.

Continued overleaf/

Yours sincerely  
Dhywgh hwi yn hwir

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cc – Cllr Hilary Frank, Chairman of Cornwall Council  
Melanie O'Sullivan, Service Director (Assurance) and Monitoring Officer