

SUBJECT:	STRATEGIC PROCUREMENT – SERVICE DELIVERY UPDATE
MEETING:	ECONOMY AND DEVELOPMENT SELECT COMMITTEE
DATE:	9TH DECEMBER 2021
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To provide an update to Committee following Executive Approval in July 2021, for the Council's entry into a mutually beneficial Delegation Agreement with Cardiff Council, for the discharge and provision of its strategic and operational procurement services.

2. RECOMMENDATIONS:

- 2.1 To scrutinise progress including the development of an associated training plan for Officers.

3. KEY ISSUES:

- 3.1 Following a commissioned review of the Council's Strategic Procurement Service, the Council recognised that it had limited capacity to influence behaviours relating to its £100m third party annual spend, particularly in determining how the spend supported the delivery of the Council's priorities i.e., Innovation; Economic, Social, Environmental and Cultural Well Being; Value for Money and Efficiency; Governance and Risk Management.

- 3.2 The review challenged the Council to determine what it wanted in order to:

- Spend more wisely;
- Improve procurement governance and subsequently reduce risk;
- Be at the forefront of some of the burgeoning national regulations changes such as Socio Economic Duty;
- Consider their next steps regarding the proposed 'Themes Outcomes and Measures' a framework to measure social value from procurement alongside;
- Increase the community benefits of Council contracts e.g., by creating local employment through apprenticeship opportunities, etc.

- 3.3 All of the above would have been difficult for the Council's existing team of two to deliver, so the Council agreed to enter into a mutually beneficial collaboration with Cardiff Council (CC) for three years, moving to a rolling contract, if successful. The Agreement stipulated that the Councils would collaborate in the discharge and provision of their procurement services which would be delivered by CC on behalf of both Councils.

3.4 In April 2021 a four-month transition arrangement was entered into, prior to the Agreement starting on the 1st of August 2021. Since August, the Council's team has integrated fully with the CC team albeit recruitment for dedicated resource still ongoing.

3.5 Table 1 below details the focus of activity, progress to date and next steps:

Activity	Progress	Next Steps
Communications	Introductory 'All staff' presentation at the Digital Cwtch and updates in Staff e-newsletter 'The Compass'	Further updates planned in the new year including elected Member consultation.
Council and Directorate Priorities	Discussions with and regular presentations to Senior Leadership Team (SLT) to understand key challenges and opportunities.	Regular touchpoints with SLT to continue.
Strategy and Policy	Drafting of new Procurement Strategy and Socially Responsible Procurement Policy commenced – draft key objectives endorsed by SLT (see paragraph 3.6 below for further detail).	Continue to development for initial consideration by SLT.
Governance Arrangements and Systems	Existing governance arrangements incl. controls have been reviewed (Contract Procedure Rules, Approval Processes and Documentation and Purchasing and Payment arrangements). Recommended changes presented to SLT and approved.	Develop and implement new arrangements including new e-procedures.
Spend Analysis	Undertaken initial analysis of 2020/21 Spend Data which has identified additional work to be completed in respect of contract register and forward plan which has commenced.	Review and update Contract Register and Contract Forward Plan.
Contract Pipeline and Operational Support	Initial priority tender activity agreed and being progressed subject to developing Contract Forward Plan. Advice, guidance, and support being provided as requested. Recruitment of dedicated resource progressing with one FTE appointed.	Continue to support delivery of priority activity and provision of advice and guidance. Complete recruitment of dedicated resource. Align delivery with developing governance arrangements, contract register and contract forward plan.
Staff Education and Training	Initial training to focus on Contract Procedure Rules delivered in association with Legal and Audit colleagues. Slight delay to allow new governance arrangements to be agreed and incorporated.	Finalise training material and deliver training.

3.6 As detailed in Table 1 above, the team have been working on the draft key objectives for the new Procurement Strategy and Socially Responsible Procurement Policy which are listed below for the Committee's information and consideration:

1. Making procurement spend more accessible to local small businesses and third sector;
2. Improving Fair Work practices adopted by suppliers;
3. Increasing community benefits delivered by suppliers;
4. Contributing to the Council's aim to be a Carbon-Neutral Council by 2030;
5. Securing value for money and managing demand;
6. Ensuring legal compliance and robust and transparent governance; and
7. Promoting innovative and best practice solutions.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

4.1 As this is an update on activity an Equality and Future Generations Evaluation is not required, however this report provides an opportunity for Members to scrutinise compliance with legal requirements and progress against key performance indicators.

5. OPTIONS APPRAISAL

5.1 An options appraisal is not relevant for this report.

6. REASONS:

6.1 The Council's current annual third party spend is £100m per year. This mutual delegation arrangement enables the Council to:

- Influence spend and procurement strategy & policy across the organisation;
- Improve Category management knowledge, especially in relation to Social Care;
- Gain insight into spend categorisation;
- Increase capacity to analyse data on key contracts and spend with key suppliers;
- Increase capacity to effectively contribute towards the strategic direction of the organisation;
- Engage with local suppliers to the benefit of the local economy.

7. RESOURCE IMPLICATIONS:

The total cost of the Agreement is £319k per annum for three years and equates to 0.3% of the Council's annual third party spend.

8. CONSULTEES:

Senior Leadership Team;
Enterprise DMT;
Economy and Development Select Committee

9. BACKGROUND PAPERS: n/a

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11. CONTACT DETAILS:

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