

SUBJECT:	STRATEGIC PROCUREMENT – PERFORMANCE REVIEW
MEETING:	PERFORMANCE & OVERVIEW SCRUTINY COMMITTEE
DATE:	17th JANUARY 2023
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To provide Committee with an update on progress made since the Procurement Delegation Agreement came into force in August 2021.

2. RECOMMENDATIONS:

- 2.1 For Performance & Overview Scrutiny Committee to scrutinise progress and familiarise themselves with the direction of travel for the next 12 months.

3. BACKGROUND:

- 3.1 This report is being presented at a time of key challenges and opportunities for the Council to address, including our response to the impact of Covid-19 on our communities and businesses, climate emergency and inequality and poverty, whilst managing ongoing budgetary constraints at a time of increasing demand for services. The role of procurement remains pivotal in maximising these opportunities through our supply chains and managing the challenges faced by the Council and our communities.
- 3.2 Monmouthshire County Council spends in excess of £98 million a year procuring a diverse range of goods, services and works from over 2,800 suppliers and contractors.
- 3.3 The Council entered into a mutually beneficial Delegation Agreement with Cardiff Council in August 2021 for the discharge and provision of Monmouthshire County Council's procurement services. The additional resource has created capacity and capability to explore a number of key priorities for the short, medium and long term, which will be reflected upon later in this paper.

4. KEY ISSUES:

- 4.1 A key focus of our activity of the past few months has been the development of the Council's pending "Socially Responsible Procurement Strategy 2023-27" and accompanying Delivery Plan. This will act as the cornerstone for short, medium and long-term development of procurement practice across the Council and future performance reporting during the tenure of the strategy. A number of key stakeholders including the

Leader and Cabinet Member for Resources have been involved in its development to ensure corporate responsibility for its ownership and delivery.

- 4.2 The Strategy has already been scrutinised by this Committee and the Strategy and Delivery Plan are scheduled for consideration by Cabinet on 1st March 2023.
- 4.3 Recruitment and retention across the whole Cardiff Council procurement team has been a challenge, however a significant recruitment exercise was successfully undertaken November / December and the team has been restructured to allow the team to be better placed to provide support in line with experience to date and Monmouthshire Council's ongoing requirements.
- 4.4 The resourcing challenge has required the procurement team to prioritise contract delivery, but the team have coordinated, resourced and awarded 37 contracts between August 2021-December 2022, with a value of £17,173,615, with a further 20 either out to tender or being developed with a projected value of £16,689,000. 24 Request for Quotes have also been advised on with a value of £751,296.
- 4.5 The delivery of contract pipeline has highlighted a number of governance matters that need to be addressed including Health & Safety, Welsh Language Standards, Data Protection and Safeguarding. We are attempting to progress these matters with the relevant teams.
- 4.6 A procurement staff survey has recently been conducted to gauge the experiences of both Monmouthshire officers and the Cardiff Procurement Team to help us learn and continue to improve the service delivered. A summary of the survey feedback is contained in Appendix A. The feedback from the survey is being used to inform a number of changes and improvements in the way the Procurement Team is structured, the governance arrangements, procedures and systems, and the availability of education, guidance and training material which are reflected in Table 1 below.
- 4.7 Table One details the focus of activity (since attendance at Economy & Development Select Committee 9th December 2021) progress to date and next steps:

Table One: Progress to Date

Activity	What we said we would do	What we've achieved	Next Steps
Communications, staff education & training	<p>Further updates planned in the new year including elected Member consultation.</p> <p>Initial training to focus on Contract</p>	<ul style="list-style-type: none"> Regular engagement with SLT, Cabinet & Performance & Overview Committee to develop Socially Responsible Procurement Strategy 2023-2027. Regular engagement between operational 	<ul style="list-style-type: none"> Meeting agreed with Communications Team to launch strategy and to establish a communications plan (internal & external)

	<p>Procedure Rules delivered in association with Legal and Audit colleagues.</p>	<p>procurement team and key officers to develop relationships, establish priorities and assist in their delivery.</p> <ul style="list-style-type: none"> • Contract Procedure Rule (CPR) - Pre-Tender Report (PTR) & Contract Award Notice (CAN) guidance has been developed with support from devolved procurement officers. CPR Training provided to around 15 officers. • Relevant key staff have been part of the collaborative learning process with Cardiff Council. To date workshops have been delivered to identify the Councils third party spend Carbon baseline. Along with discussions to advance our thinking in areas such as Fair Work and safeguarding, whilst learning from the experiences of Cardiff with regards to Community Benefits and Social Value and how we can benefit 	<ul style="list-style-type: none"> • Refresh and communicate existing procurement intranet and web pages to ensure they are easier to navigate. • Dates have been agreed in January 2023 for the continued roll out of CPR training across the Council. • Develop additional staff training and communications in line with procurement questionnaire feedback exercise (see Appendix 1) • Continue to provide training and awareness sessions in areas that will support the delivery of the procurement strategy e.g. a Buying Responsibly Campaign / Policy that will challenge need for spend but also set out requirements around Carbon reduction, Community Benefits, Fair Work, Local supply provision etc
<p>Strategy and Policy</p>	<p>Continue development of strategy for</p>	<ul style="list-style-type: none"> • Socially Responsible Procurement Strategy 	<ul style="list-style-type: none"> • To continue to engage with

	initial consideration by SLT.	<p>has been approved by SLT and Select Committee, awaiting Cabinet endorsement March 2023.</p> <ul style="list-style-type: none"> • Work has been ongoing with relevant key officers across the Council to ensure corporate ownership of the delivery plan. 	relevant officers and working groups to enable progress against the delivery plan
Governance Arrangements and Systems	Develop and implement new arrangements including new e-procedures.	<ul style="list-style-type: none"> • Development of Pre-Tender Report (PTR) and Contract Award Report (CAR) has progressed although some technical issues have been encountered. • Development of PTR and delivery of contract pipeline has highlighted a number of governance matters that need to be addressed including Health & Safety, Welsh Language Standards, Data Protection and Safeguarding. We are attempting to progress these matters with the relevant teams. • Proactis Source-to-Contract system has been purchased and an implementation plan is currently being finalised. • Work is continuing to improve accuracy and completeness of Contract Forward Plan and Contract Register to improve resource planning and embedding key 	<ul style="list-style-type: none"> • Working towards an April 2023 launch of the PTR & CAR e forms, however a word version will be piloted from February 2023. • Roll out of Proactis software is projected for delivery by June 2023 • To continue to work with support services to tighten controls and guidance, so that officers and contractors understand the Councils expectations, with regards to Welsh Language, Health & Safety etc. • A review of the Contract Procedure Rules will be undertaken later in 2023 ahead of new Welsh and UK Procurement legislation.

		objectives into procurement cycle.	
Spend Analysis and Contract Register	Review and update Contract Register and Contract Forward Plan.	<ul style="list-style-type: none"> Initial Procurement PowerBI report has been developed and shared with SLT providing analysis of spend by Service Area, spend by category, alignment with contract register and analysis of supplier by location and size. 	<ul style="list-style-type: none"> Continue to improve accuracy and completeness of Contract Register and Contract Forward Plan data Improve uptake and use of report through regular communications.
Contract Pipeline and Operational Support	<p>Continue to support delivery of priority activity and provision of advice and guidance.</p> <p>Complete recruitment of procurement team</p> <p>Align delivery with developing governance arrangements, contract register and contract forward plan.</p>	<ul style="list-style-type: none"> Initial Contract Forward Plan developed which is allowing priority tender activity to be agreed. Advice, guidance and support being provided as requested. Between August 2021-December 2022, 37 contracts have been awarded with a value of £17,173,615, with a further 20 either out to tender or being developed with a projected value of £16,689,000. With 24 Request for Quotes being advised on with a value of £751,296. There have been some issues with regards to clarifying roles and responsibilities and differences in practice which were to be expected. A staff questionnaire has been issued and responses collated to highlight areas for improvement (Appendix A) 	<ul style="list-style-type: none"> Continue to support delivery of priority activity and provision of advice and guidance. Complete recruitment of procurement team. Align delivery with developing governance arrangements, contract register and contract forward plan. 66 procurements have been identified within the forward contracts programme for 2023 with a projected value of £28,000,000 with 25 being prioritised with a value of £17,916,655.

		<ul style="list-style-type: none"> Recruitment and retention across the whole team has been a challenge, however a significant recruitment exercise has been undertaken November / December and the procurement team has been restructured to allow us to be better placed to provide support in line with commitment. 	
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5. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

5.1 Not applicable as there are no changes to existing service delivery and policy.

6 OPTIONS APPRAISAL:

6.1 An options appraisal is not applicable for this report.

7 REASONS:

7.1 To provide timely, relevant information on the performance of the strategic and operational procurement function to ensure that progress is in line with expectation.

8 RESOURCE IMPLICATIONS:

There are no additional resource implications

9 CONSULTEES:

n/a

10 BACKGROUND PAPERS:

n/a

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Procurement Questionnaire & Responses – December 2022

Questions and answers from internal Monmouthshire County Council staff

1. Are you aware of the partnership arrangement between Monmouthshire and Cardiff for the delivery of the Council's procurement functions?

95% of responses said that they were aware of the partnership.

2. Are you aware that Torfaen Council's procurement function is also coordinated via Cardiff Council?

67% stated that they were aware of the partnership between Cardiff & Torfaen Councils.

3. Do you know what is expected of you before engaging with the procurement function?

57% were aware of the expectations that the procurement function placed on them before making contact.

4. Do you understand what support and guidance will be offered via the operational procurement teams within Cardiff?

57% of responses indicated that they weren't entirely sure, as to what support and guidance would be offered from the operational procurement teams.

5. For those of you that have used the service, can you tell us what you like or have benefited from?

The majority of returns were complimentary about the support and timely advice that the procurement function provided.

Whilst other officers provided the following additional benefits:

- Having conversations with people who understood the world of Social Care was brilliant.
- They understood the nuances of the procurement rules of social care services. It really helped me feel more confident in ensuring the services being provided are the right ones and that continuity of service will remain for those directly receiving social care.
- Procurement is a tricky world to navigate if you don't understand it, you could be offering contracts in the way you thought was permissible but without the detailed advice you could be doing things incorrectly.
- Collaborative arrangement with Cardiff and Monmouthshire on Telematics, has resulted in savings for MCC.
- The bespoke category management model that Cardiff operate with is brilliant as the focused advice that they provide is very helpful.

- We are in the process of leading on a collaborative framework tender across a number of local Councils, we have found officers from Cardiff very supportive.
- We were walked through all of the steps necessary when undertaking a call off from a framework. i.e. providing copies of relevant documents, assistance in uploading to relevant procurement portals and assisting with the evaluation and award of tender.

6. What isn't working so well? What would you like us to change?

- You don't know what you don't know – navigating through procurement and legal is often complex. Do we have reference documents that are easy to read that walk us through the procurement process?
- The Accounts Payable (AP) team spend a lot of time setting up and managing suppliers. Is this a result of anyone across the Council having the authority to place an order with any supplier, without first checking whether a preferred supplier exists?
- A repository of standard procurement templates that we can locate and utilise without involving the procurement team.
- A greater degree on handholding when utilising new frameworks.
- A more comprehensive list of frameworks that we could utilise and guidance on how to use them.
- Need guidance as to what is expected of us before we make contact with the procurement team.

7. Are you aware of the expectations that the Council's Community and Corporate Plan places on the role of procurement?

29% of responses said that they were aware of the expectations placed on the procurement function within the Community and Corporate Plan

8. Are you aware of the draft Socially Responsible Procurement Strategy and the pivotal role that officers will play in its delivery?

24% of responses were fully or in part aware of the role that officers are required to play in the delivery of the strategy.

9. If you are not aware of the Socially Responsible Procurement Strategy, how best could we communicate its vision and intentions with you?

- Hold on- line workshops Q&A sessions/information sharing with practical examples of how we can all play our part and record them.
- Easy read guides

Questions and answers from Cardiff Council procurement team

10. From an operational procurement perspective what positive changes have you experienced since the partnership with MCC in August 2021?

- Investment in expenditure data cleansing and re-classification provides for greater clarity and understanding of spend. Whether by category or location.
- The agreement to standardise the Council's e sourcing and contract management software (July 2022) with both Cardiff & Torfaen Councils will ensure greater visibility and compliance of spend due to Cardiff Council's familiarity with the system.
- Ability to share ideas, thoughts and resources to enhance procurement effectiveness i.e. baselining of carbon, Community benefits, development of e form for Pre Tender Reporting etc.
- Ability to look for synergies and opportunities for collaboration across all three council's to create better economies of scale.
- Standardising key messages and supporting templates i.e. forward work plan and contracts register, to ensure that staff are aware of where their resources are required and when.
- Ongoing resource committed to infrastructure changes to ensure more robust governance and value for money outcomes i.e. Contract Procedure Rule and Pre Tender Report training.

11. What challenges have you experienced?

- Guidance exists for undertaking procurements up to the value of £75,000, however significant amounts of queries are still being received which takes resources away from higher value, more complex procurement needs.
- Ensuring that all officers involved within the procurement process deliver against the timetable that has been agreed to ensure that this doesn't have a knock-on effect on future procurement commitments.
- MCC officers are not always aware of what is expected of them before they liaise with the operational procurement teams.
- A greater understanding of what the Council's requirements are in relation to health & safety and Welsh Language Standards would help speed up the tendering process.
- MCC officers are not always aware of the supply chain markets in which they procure as there is little evidence of routine contract management reviews.
- Evidence to suggest that local suppliers require support and tailored business advice if they wish to become part of the Councils supply chain.