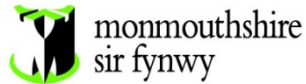


Public Document Pack



Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

County Hall
Rhadyr
Usk
NP15 1GA

Thursday, 5 July 2018

Notice of Reports Received following Publication of Agenda.

Economy and Development Select Committee

Friday, 13th July, 2018 at 10.00 am,
Council Chamber, County Hall, Usk

Attached are reports that the committee will consider as part of the original agenda but were submitted to democratic services following publication of the agenda.

Item No	Item	Pages
4.	Procurement Strategy	1 - 90
5.	Commercial Strategy	91 - 126

Paul Matthews
Chief Executive

This page is intentionally left blank



REPORT

SUBJECT: Procurement Strategy – Procuring for Public Value

MEETING: Economy and Development Select

DATE: 13th July 2018

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 The purpose of this report is to present for scrutiny the next iteration of the Council's Procurement Strategy and accompanying action plan. The Strategy builds upon workshop sessions undertaken with the Economy and Development Select Committee and the aims, aspirations and priorities for procurement, identified throughout the participative process.

2. RECOMMENDATIONS

- 2.1 That the Committee considers the draft Strategy and action plan; ensuring that based upon the knowledge and understanding developed through the Procurement workshops, the Strategy reflects the required direction of travel, prior to consideration by Council.

3. KEY ISSUES:

- 3.1 The Procurement Strategy is a key means through which the buying-in of goods, services and products, can create wider benefits and 'value added' to the Council's stated objectives. The Council invests c£109m annually in external procurement activity and leveraging this spend optimally can make a key contribution to 'sustainability and resilience'. There are two core aspects of the Council's procurement activity that relate to the main objectives of the Strategy and Action Plan:

- The way in which the Council invests its annual procurement spend in order to create efficiencies, benefits and added value in an internal sense; and,
- The way in which we leverage 'smart spend' in order to create optimal external economic and social benefits through cultivating local supply chains, creating jobs and developing new and existing business growth.

4. REASONS:

- 4.1** The Council invests a significant proportion of its budget in procuring goods and services. The potential to embed ‘smart state’ thinking in this process; ensuring maximization of value for money, is significant. Beyond the Council as ‘client’ however, there is a wider responsibility and opportunity to maximize the contribution of its spend in the local supply chain; bringing people together to respond to challenges in new and different ways and ensuring that both economic and social benefits are optimized. Beyond this, the Strategy has an ambition to strengthen and consolidate procurement, by bringing together all those responsible for procurement in order to ground the new approach in a cultural process and ensure that all procurers develop a collective sense of responsibility around sustainable procurement.

5.0 RESOURCE IMPLICATIONS:

- 5.1** The resource implications associated with the strategy and report are cost-neutral given improvements, developments and projects will be brought forward on a Return on Investment basis. Individual business cases seeking up-front investment outside of this, will require individual consideration. The creation of a Procurement network requires no additional support since the approach suggested, requires integration and better co-ordination and alignment of existing resources.

6. CONSULTEES:

Senior Leadership Team
Economy and Development Select Committee
Procurement leads from across the Council

7. BACKGROUND PAPERS:

Procuring for Public Value

8. FUTURE GENERATIONS IMPLICATIONS:

- a. The significant Future Generations impact identified in the assessment (Appendix 1) are summarised below for members’ consideration:
- i. The opportunity to self-determine and self-direct our own future through taking control of spending decisions and ensuring they are leveraged and optimised, will be critical to our continued relevance and viability;
 - ii. The opportunity to contribute to local economic growth and social cohesion through the way in which we target and develop supply chains and engage local communities in responding to the big challenges of the day – is a significant one. Enshrining the principles of transparency (for example, through open data) and collective responses to big challenges, will ensure we futureproof our processes and remain relevant to those to whom we are accountable; and,

- iii. The opportunity to be foresight focussed and understand future trends and developments is of critical importance. This will ensure that we move beyond responding to demand and begin to be able to anticipate future needs.
 - b. The actual impacts from this report's recommendations will be reviewed every 3 years and criteria for monitoring and review will include: Continuous assessment of the Procurement Strategy will be undertaken to ensure it is actively maximising the Council's contribution to the Wellbeing Goals.

AUTHOR:

Peter Davies – Chief Officer Resources

Debra Hill-Howells – Head of Landlord Services and Commercial

CONTACT DETAILS:

E-mail: peterdavies@monmouthshire.gov.uk

Phone: 07398 954828

E-mail: DebraHill-Howells@monmouthshire.gov.uk

Phone: 07775 851405

This page is intentionally left blank

Version Control

Title	Procuring for Public Value 2018 – 2022
Purpose	To set out a progressive vision for fit for future procurement across the Council
Owner	Senior Leadership Team
Approved by	
Date	07.07.18
Version Number	2.0
Status	Draft
Review Frequency	Annual
Next review date	
Consultation	

Procuring for Public Value 2018-22



Introduction

Procurement in Monmouthshire needs a higher profile and a progressive Policy Framework that beyond setting out the vision, strategy and means of delivery - demonstrates a better alignment with our wider strategic aims and objectives. With an annual spend on bought-in goods, services and works of over £109 million, Procurement is much more than financial task or an administrative action.

This is Monmouthshire's second procurement strategy and is set during a period of prolonged financial constraint, rapid social and technological change and economic uncertainty. It is therefore critical that this strategy and its supporting action plan are key enablers in assisting the Council and County, to develop better responses to the complex challenges upon us.

Procurement is the spending of public money to deliver value-for-money goods, services and works. In a Council setting this translates to how we commission services and products in areas such as Highways, Schools, Transport, Cleaning, Social Care and Professional Services. Beyond this 'direct' transactional process however, Procurement has a much broader and potentially transformational impact given the way money is spent has clear implications for the economy and the customers who use our services and live and work in the County.

The strategy will cover the period 2018 to 2022 (to align with the current political term) and will need to be flexible in order to respond to changes in the procurement landscape within the European Union (EU Transition) and Welsh public sector. Moreover, it will need to align to the enactment of wider social, economic and environmental objectives - at both a local and regional level. Interventions and actions around new house building, business development, job creation, energy resilience and connectivity and infrastructure improvements – all pose significant challenges and opportunities for Procurement. The role of this strategy is to ensure we develop new and better responses to the challenges and properly unlock the full value of the opportunities.

It is clear that in straitened and ever-more complex times, public procurers must play a more significant role in societal transformation and in solving economic and environmental problems. We cannot afford to allow traditional approaches to public procurement to stifle the kind of innovation that is now needed. Post departure from the European Union, what can be made and developed locally and through the curation of local supply networks, has the opportunity to create better public and new economic value. Circular economy principles must be writ large in this.

Our ambition is to create better outcomes for our people, economy and environment. This strategy commits us to taking the steps and implementing the changes that see

the Council optimally leveraging its reputation, brand and purchasing power to create the kind of outcomes that matter most to our residents and communities now, and in the future.

Our Foundation: Our Purpose and Values

Monmouthshire County Council has a clear purpose that aligns with our ambitions and vision for sustainable and value adding public procurement. We shape this in line with the goals and ambitions of our partners in other public services that are part of the Monmouthshire Public Service Board (PSB).

Monmouthshire County Council's Corporate Business Plan provides direction and sets out the things we will be working on for the next four years, taking us up to the end of the political term in 2022.

Purpose

Our Purpose is:

We want to help build sustainable and resilient communities that support the well-being of current and future generations.

This purpose is at the heart of everything we do to improve the economic, social, environmental and cultural well-being of Monmouthshire and we share this with our public service partners as part of the Public Service Board (PSB).

Within a Procurement context, we will look to embed "sustainable procurement" in all facets of the enclosed action plan.

Our Corporate Plan

Monmouthshire County Council's Corporate Business Plan 2017-2022 sets out the things we will be working on in the medium term. It provides direction and a sense of what will be important over the next four years. Many of the things we are doing are incredibly ambitious and are focused on the longer term future of our County. It is not enough to keep our County and Council going for now, we have to ensure it is continually growing for the future. Our role as public procurers is key in ensuring we do not just achieve against these objectives – but maximise the contributions we are able to make to them.

The aspiration and objectives set for Monmouthshire by the Public Service Board and Council are:

Purpose: Building Sustainable and Resilient Communities	
<i>PSB Well-being Objectives</i>	<i>MCC goals well-being Objectives</i>
Provide children and young people with the best possible start in life	The best possible start in life
Respond to the challenges associated with demographic change	Lifelong well-being
Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change	Maximise the potential of the natural and built environment
Develop opportunities for communities and businesses to be part of an economically thriving and well-connected county.	Thriving and well-connected county
	Future – focussed Council

Values

We can only achieve great things for our place through the people who live and work here, those on our payroll and those in Monmouthshire’s communities including the countless volunteers and groups that give this place a richness and vibrancy. Our values reflect who we are, how we do things and how we are shaping the future. We try our best to apply these in everything we do.

Openness. We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we’ll say so; if it will take a while to get the answer we’ll explain why; if we can’t answer immediately we’ll try to connect you to the people who can help – building trust and engagement is a key foundation.

Fairness. We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

Flexibility. We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

Teamwork. We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don’t see ourselves as the ‘fixers’ or problem-solvers, but we will leverage all of the ideas, assets and

resources available to make sure we do the things that most positively impact our people and places.

Procurement with Purpose

As public procurers we are in a unique position to move beyond just 'saving money' – to addressing social, economic and environmental issues. Optimal public procurement can improve lives and make Monmouthshire a more sustainable and resilient place. Procurement is a true business partner for the organisation and recent moves such as increased digitisation and automation provide the tools to demonstrate real transparency; acting in real time to demand changes and radical improvements. Utilising new capabilities, we have the opportunity to advance wider corporate and strategic goals and create value for customers and residents who want to know they receive services from a sustainable, responsible and good organisation.

There is power in purpose. It inspires us. It moves us. It enables us to reimagine what is possible and achieve great things. The aim of this strategy is to link purchases to purpose and drive more ethical and 'impact investing' behaviour right across the supply chain. Doing the right things, rather than the easy things becomes the goal. Focussing on the wider purpose – be it decarbonisation or moving people to a living wage – all of which can be made possible through good procurement – becomes the norm. Financial savings and efficiency become the bi-product and not the starting point.

Procurement with purpose in our organisation, will:

- Favour innovation through the procurement of sustainable goods and services
- Be an essential tool in stimulating new technologies or services solutions and in creating higher skill and higher value jobs
- Boost competitiveness of industry and SMEs
- Achieve more efficient, effective and value adding public services
- Support good growth and investing for impact


Wellbeing of Future Generations – sustainable development





There are various pieces of legislation that guide the deployment of procurement practices and procedures. It goes without saying that these will be adhered to given the importance of compliance and effective risk management. The most important piece of legislation, worthy of mention in this context however, is the Wellbeing of Future Generations Act Wales (2015). The Wellbeing of Future Generations Act places a requirement on public bodies to embed sustainable development principles in all of its practices. The act makes it a statutory requirement to look and plan ahead and in a nutshell, legitimises a more purpose-driven and innovation-focussed

approach to procurement. The chart below demonstrates how Purchasing for Purpose can make a contribution to maximising the ‘Five ways of working’ required under the Act.

Sustainable procurement underpins realisation of the seven Wellbeing Goals. Procurement has the vantage point of considering the whole system and ensuring money is spent in ways that deliver wider benefits and added value. A good example of how we embrace and embed such a mindset, is through application of **circular economy** principles (see outline of a Circular Economy below) . As the world’s population increases and economies rely progressively more on outside resources to meet their demands for energy, water and food, amongst other things, communities are under increasing pressure to source these resources and reduce waste emissions. Within the current production and consumption model, only a small share of waste produced is reused, recycled or traded as secondary materials. The vast majority goes to landfill or is incinerated. A circular economy is an alternative to this model. It aims to keep products and materials in the value chain for a longer period.

As an organisation, we pledge to transition to a circular economy model and beyond application to processes and products, we pledge to embed the principles in a cultural process and ensure they translate as readily to services, behaviours and process. Towards a more circular society.

Sustainable Development Principle	How have these principles driven the development of the policy
 <p>Balancing short term need with long term and planning for the future</p>	<p>Options appraisal processes and early upstream ‘needs analysis’ will consider the potential to balance the going v growing consideration. Are we making decisions today that will compromise where we need to be tomorrow? Is a short-term one-off saving the goal or is a more progressive long-term approach to delivering on wider societal and economic benefit the end game? The end of ‘jam today’. In procedural terms, external procurement considerations will be made on the basis of a “Whole Life Costing” philosophy where decisions move beyond awarding contracts on the basis of “ initial purchase price” to one of a more balanced sustainable procurement consideration where operating costs i.e. energy consumption and end of life decommissioning costs both financial and environmental are factored into the awarding of contracts.</p>

Sustainable Development Principle	How have these principles driven the development of the policy
 <p>Working together with other partners to deliver objectives</p> <p>Collaboration</p>	<p>Working with new suppliers, with communities and other key problem solvers, will be key to finding better answers to wicked questions and problems. We will use open data and open platforms to improve transparency and enable others to develop solutions to problems. Where relevant, we will seek to work with others to build the critical mass to scale and replicate great practice. We will work with City Deal partners across the public, private and community sectors to shape and participate in, a Public Services Testbed to test and trial solutions that offer better approaches to some of the most intractable societal, economic and environmental issues.</p>
 <p>Involving those with an interest and seeking their views</p> <p>Involvement</p>	<p>We will engage widely and do more than broadcast and consult. We will share our problems and our data and build the capacity in our organization, businesses and communities to solve complex problems. We will harness local social action and create the incentives and rewards to ensure people are recognized for the contributions they make. We will support great ideas into action and leverage our business support function to ensure there is support for 'start-up' businesses.</p>
 <p>Putting resources into preventing problems occurring or getting worse</p> <p>Prevention</p>	<p>The procurement function will be supported by a greater focus on foresight and future-gazing, understanding future trends and the 'art of the possible'. This will ensure we are more proactive in terms of predicting need, forecasting change and demand management.</p>
 <p>Considering impact on all wellbeing goals together and on other bodies</p> <p>Integration</p>	<p>We want to do business with people who share the same hopes, values and ambitions as us. We will do more than 'subscribe' to the Wellbeing Goals. We will seek to actively maximize our contribution to them, and that of our supply chains and all 'third party spend'. We will embrace the spirit and ethos of the Act in all that we do and ensure we do more to stimulate ethical supply chains. Being purpose driven and ensuring we 'invest for optimal impact' will ensure we aim high and don't accept conventional solutions</p>

OUTLINE OF A CIRCULAR ECONOMY

PRINCIPLE

1

Preserve and enhance natural capital by controlling finite stocks and balancing renewable resource flows
 ReSOLVE levers: regenerate, virtualise, exchange



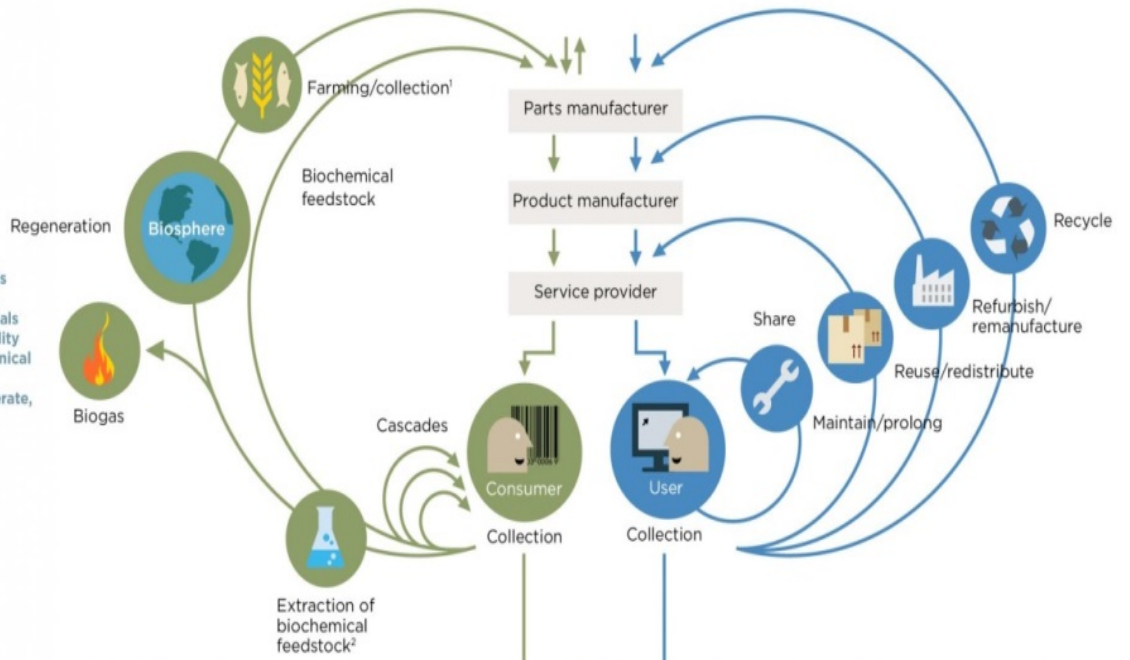
Renewables flow management

Stock management

PRINCIPLE

2

Optimise resource yields by circulating products, components and materials in use at the highest utility at all times in both technical and biological cycles
 ReSOLVE levers: regenerate, share, optimise, loop



PRINCIPLE

3

Foster system effectiveness by revealing and designing out negative externalities
 All ReSOLVE levers



1. Hunting and fishing
 2. Can take both post-harvest and post-consumer waste as an input
 Source: Ellen MacArthur Foundation, SUN, and McKinsey Center for Business and Environment; Drawing from Braungart & McDonough, Cradle to Cradle (C2C).

Progressive Procurement

There are significant shifts and changes afoot – nationally and internationally – that are relevant to our context and forward procurement strategy. This is important because it provides a setting against which our actions must amount to more than simple tactical activity and renegotiating high-cost contracts – to a broader and more strategic role within the organisation.

The shift we must enact is one that moves Procurement from an add-on function. Traditionally, the core business has decided which suppliers, products and contracts are to be engaged, with the ‘procurement team’ called on to help battle out contract terms and then hand back to the business to manage. We now need to see Procurement engage the business in a strategic conversation about how the supply chain can be optimised to deliver wider and optimal returns.

Evolutions in the wider world of Procurement provides some of the tools, levers and inspiration to make this leap.

1. Changes to EU Procurement directives to favour innovation (2014)
2. A 2017 BSI for the Circular Economy
3. As part of the UK-wide Industrial Strategy, the UK Government is committed to meet the target of 2.4% of GDP invested in UK R&D by 2027. A strong link is made within the strategy to the role public procurement within this
4. An OECD longitudinal study measuring the linkages across public procurement and R&D
5. National Procurement Consortium under review – Wales Audit Office study found that the approach adopted has often failed to embed efficiencies and adopt wider ‘value added’ provisions

The new alternatives

It is important that in transitioning to a new and more progressive approach, we work to explore and adopt the range of new alternatives, particularly those that offer a better end and means than the conventional ‘beauty parade’ process.

These include:

- Under 1) above – new Innovation Partnerships
- Problem-led approaches to procurement
- Participation in the Small Business Research Initiative and adoption of the principles in core procurement budgets

- GovTech Challenges and open calls and competitions around specific procurement processes – operating on similar principles as the above. Refocussing procurement spend as innovative business finance

OECD (2017) research demonstrates that many countries and public bodies across Europe now routinely put part of their planned procurement spend aside to sponsor innovative approaches that improve the efficiency and quality of public services, whilst simultaneously addressing social and economic challenges.

New EU Procurement Directives 2014

New freedoms and flexibilities exist to enable procurement policy and activity to be developed in ways which maximise public value. Changes to the European Procurement Directive allow for a stronger legal base in relation to opening up new opportunities for public procurement, whilst still maintaining basic requirements of competition, transparency, equity and state aid. These include:

- Innovation Partnerships
- Competitive Procedures with Negotiation
- Refocussing of Competitive Dialogue

All of these are eligible in cases where contracts include an amount of design or innovation, or where technical specifications cannot be sufficiently defined. In responding to the need for greater flexibility, the focus is on pre-market consultation, pre-commercial procurement and life-cycle costing at award stage.

In executing this shift, it is important to recognise some of the barriers we currently face and ensuring that more work is done to ground a more progressive approach to Procurement in a cultural process. We must ensure the environment we create around this is:

- Not dominated solely by a compliance focus
- Incorporates relevant incentives
- Embraces a sophisticated approach to risk-responsibility-reward
- Understands opportunity cost
- Codifies a whole system and whole team approach
- Promotes wider awareness, knowledge and 'art of the possible' mindsets and strong knowledge of future developments and trends
- Sees Procurement feature as a major strategic undertaking – and not as a financial or administration task
- Aligned to wider policy objectives
- Focussed on overcoming the very real barriers to SME participation

The New Guiding Principles

The hallmarks of our new approach will place a stronger emphasis on purpose, public value and achieving the highest standards of sustainable development. Building the relevant institutional capacity and ensuring our extended supply chain subscribes to our values and high ambitions, will be critical to the success of this strategy.

We will commit to:

- **Starting early.** Forward planning needs to be formalised and a schedule of all new procurements and needs analyses must be developed. This will establish the early need for a product/ service or good and the expectation is that this will emanate from a robust Options Appraisal. This stage will necessarily involve market analysis and the introduction of Forward Commitment Procurement – or early notice to the market of the intention to spend
- **Knowing the market.** Where is the supply chain knowledge? This must extend beyond traditional ‘category management’ and knowledge of existing markets and players. Who are the new providers/ who are the innovators and the experts breaking new ground? Where are the specialists and how can they help us engage in detailed research, pre-procurement market engagement and relevant and timely advice from professionals?
- **Risk assessing** – examining the risk associated with doing something and with not doing something – opportunity cost analysis. Are we being fair in how we apportion risk-responsibility-reward? Is ‘suppliers take all risk’ hampering progress? Many companies are employee owned and insurance thresholds will not cover ‘unlimited liability’ expectations
- **Establishing a multi-disciplinary steering group** – conventional wisdom in the public sector often sees us make a beeline for the ‘thematic’ or professional experts in that area only. Embracing the principles of behavioural science and psychology is important. Introducing new and different perspectives, especially those of users is critical and will help avoid the ‘this is the way its always been done’ predicament.
- **Stay strong on competition** – testing different solutions and drawing from the widest supply base must continue to feature in our approach. Generating publicity, undertaking supplier events and challenge-led approaches to assess what the market can offer will all be important elements of our framework.
- **Using new flexible procedures** - is an innovation Partnership more fitting for the end we seek? Are there opportunities to introduce more competitive

procedures that involve negotiation? What about opportunities for shared R&D?
does the process suit the outcome that is sought?

- **Not overspecifying** - this can stifle innovation. Specifying performance requirements is necessary, for example – % target for carbon reduction – as is allowing variants. However caution must be urged in not being overly prescriptive in order to afford the supplier maximum flexibility in helping solve the problem in a sustainable and enduring way.
- **Make information freely available** – our default position wherever possible, will be to adhere to Open Data principles.
- **Agree up front Intellectual Property Strategy** - agreeing the strategy for IP sharing and ownership upfront is a crucial move. This extends to good contracts provision ensuring all contractual documents are clear, straightforward and understood by both parties.

Engagement

The most important aspect of engagement for public procurers is to be open and transparent. Leveraging and building a strong relationship with internal customers is as critical as growing and maintaining links with the external supply base. Good stakeholder management will lead to proactive engagement for sourcing and as part of the evaluation framework for this strategy, metrics will be established to measure the 'customer experience'. It is important to understand that the role of a procurement professional in this context is one of an enabler and not a policy enforcer; understanding the business need and backdrop; adding value to discussions and clearly understanding and having the ability to, translate priorities.

As part of this commitment to meaningful, relevant, timely and continuous engagement, we will:

- Undertake targeted supplier engagement. A good and recent example is the Talk Transport Days which succeeded in significantly expanding the potential supplier base for the new 'Dynamic Purchasing System' procurement process for Home to School Transport.
- Issue clear guidance. We will be clear in our expectations and standards without being overly prescriptive. If a better or different solution exists to the one we are seeking – then we will be open to exploration and new ideas.
- Offer financial support for competition and challenge-led approaches – replicating the success of initiatives such as SBRI and the GovTech Challenge fund
- More public events to explore challenges and events and optimising use of Community Portals such as Monmouthshire Made Open to engage citizens, residents and service users in developing new solutions and services that are aligned to need and expectations. We want our procurement to be genuinely driven by the demands of the public and customers.
- Open and ongoing discussion. We want meaningful and ongoing discussion with suppliers and internal customers. Procurement is a process which requires honing and iteration.
- Sharing information on future trends, new developments and supporting internal customers and external suppliers to think about the 'art of the possible' and anticipate future demand and the need for new and better solutions.

A Clear Strategy for Innovation and Scale

Embedding an innovation-rich approach will require a clear framework. Beyond the initial options assessment and appraisal of needs, there will be wider opportunities to engage experts, service users and professionals through steering groups that have a mandate to challenge. The business case process will need to make an important differentiation between procurement of innovation and innovative procurement. Both elements are important – but not interchangeable. Neither are they mutually exclusive. There are however key differences to be aware of to ensure we derive optimal outcomes from our strategic procurement activity. They are:

- *Innovative Operational Procurement* – this means carrying out procurement tasks and responsibilities in an innovative manner. For example using new tools and systems from sourcing optimisation to crowdsourcing.
- *Innovation in Procurement Strategy* – this refers more to strategic innovation around the procurement function and how it is delivered. How innovatively can we position our procurement function and what are the ways in which it could be delivered differently?
- *Buying innovative goods and services* – buying innovative or groundbreaking new and / or early stage goods and services. This is a lot more challenging – but has greater potential for value-adding than more linear and well defined practices.
- *Encouraging innovation from the wider supply-base* – this is the holy grail of procurement and embodies the principle that in all procurement exercises and processes, suppliers and providers should be encouraged to put forward innovative ideas for how they might most optimally deliver.

The above categorisation helps us to think about our goals more closely and constructively and decide, which combination of innovative procurement principles will best suit the job at hand.

Once an innovation approach and mindset is embedded, the effects should be catalytic. When public procurers secure critical mass or arrive at the tipping point for diffusion, potential exists to shift demand to new technologies, services and processes. In some sectors the ‘pull’ demand from the public services sector is recognised as the most important tool in creating new markets. This appeal and potential needs to be leveraged, especially in ‘ripe’ markets such social care and infrastructure. Our role in shaping the Public Services testbed within the Cardiff Capital Region City Deal will offer an important opportunity for best practice sharing, and delivering on scale and replication.

Resourcing and Practicalities

The existing procurement function is small and under-developed. Additional investment needs consideration on a Return on Investment basis. In order to enact the shift to more strategic, sustainable and value-focussed procurement, structures and systems will also need to evolve to allow the new approach to bed in – within the ‘Procurement function’ and right across the business.

There are some early moves which will pave the way:

- Business case development for additional investment based on a ‘payback’ model for re-packaging 5 high cost existing contracts
- Centralise and strengthen the procurement offer through connecting and integrating all those officers carrying procurement designations across the Council into one team. This needn’t be a physical move, nor a physically situated team - but more of a network development that sees better alignment and co-ordination of the relevant skills and expertise
- Promote the professionalization of procurement
- Invest in training and development for internal and external customers
- Introduce formal Gateway Review processes to ensure end – to – end processes are overseen and accountability is in-built, visible and able to be evaluated
- Convene multi-disciplinary teams around the early ‘needs assessment’ stage of a new or prospective procurement
- Invest in development of behavioural change and behavioural science knowledge and techniques in order to affect and alter patterns of behaviour and achieve shared aims on the need for more purposeful procurement
- Establish ‘centres of competence’ throughout the organisation that can offer specialist advice and input. For example, significant competency is being developed in data telematics and data analysis in our Fleet function.
- Identify and promote great practice
- Source more opportunities for innovative pilots through GovTech challenge prizes and increased engagement with SBRI programmes

The benefits

The benefits of adopting this new strategic approach apply to the organisation, suppliers and most important of all – customers and end users. Such benefits and the overall effectiveness of the strategy will be regularly evaluated and measured through the accompanying Action Plan.

Benefits to the organisation can expect to see as a result, will include but are not limited to:

- Development of new solutions to complex challenges and problems. An understanding that ‘same old’ and ‘off the shelf’ are no longer enough
- New suppliers and services which, are crucial to improving public value
- Cost savings, efficiencies and effectiveness benefits
- Improved customer experience
- Development of new knowledge and know-how
- Access to new investment and funds
- Embracing the spirit and ethos of the Wellbeing of Future Generations Act
- Application of value-adding ‘Circular Economy’ principles
- Reputational enhancement and gains
- Potential commercial gains through profit share, IP share and JV arrangements

Benefits to the supply base will include, but are not limited to:

- Access to valuable public service customers
- Apply research and see it commercialised
- Improved understanding of public services and societal challenges
- Increased exposure and opening up of new networks
- Development of expertise
- Access to new investment

Benefits to customers and society will include, but are not limited to:

- Better public services and infrastructure
- Skilled jobs and new start-ups
- Tackling grand challenges
- Smarter use of tax payer’s money

- Knowledge-transfer
- International competitiveness
- New industries are born and take shape that create more local opportunities
- Improvements to quality of life

Action Plan – Procuring for Public Value

Organisational Outcome – Culture				
Action	Expected Impact of the Action	MCC Objective & Strategic plan contributed to	Performance Indicator/milestone	Officer Responsible & Timescale
Enhancing procurement capability and capacity across the Council to deliver "what matters" for Monmouthshire.	<p>Create additional internal capacity to make better informed procurement decisions.</p> <p>Dedicated procurement resource from the inception of the perceived need to drive a culture of whole life cost philosophy.</p> <p>To steer procurement solutions that have a positive impact on local and regional supply chains.</p> <p>The ability to embed and deliver the Councils Well Being principles.</p> <p>Greater potential to drive aggregation and achieve economies of scale both Nationally, Regionally and Locally.</p> <p>Dedicated resource to manage those contracts with the most opportunity, highest costs and highest complexities.</p>	<p>MCC Well Being Objectives:</p> <p>Future Focused Council</p> <p>Thriving and well connected county.</p> <p>Lifelong well-being</p> <p>MTFP</p> <p>PSB Well Being Objectives:</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p> <p>Protect and enhance the resilience of our natural environment whilst mitigating and adapting</p>	<p>Milestone: To seek approval and budget to enhance skills base.</p> <p>PI. Number of FTE Procurement professionals that form distributed network across the organisations</p> <p>Percentage and value of procurements awarded Nationally, Regionally & Locally.</p>	Debra Hill Howells - Scott James; James Woodcock – April 2019

		to the impact of climate change.		
To consider the development of local-regional procurement apprenticeship schemes via "Evolve", the Greater Gwent Local Councils and the University of South Wales.	Secure learning opportunities in a market with limited supply. To increase the transfer of procurement knowledge across the Council. Provide Monmouthshire with procurement resilience. To create jobs and growth which in turn helps to support a more prosperous and Healthier County and Country.	MCC Well Being Objectives: Future Focused Council The best possible start in life. Thriving and well connected county. Lifelong well-being PSB Well Being Objectives: Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.	Milestone: To agree who the key stakeholders should be and to gain their support. To gain local and regional approval via appropriate governance processes. PI. Number of current apprenticeships approved.	Debra Hill Howells - Scott James – John McConnachie – April 2019
To embed a culture where procurement business cases are approved before any further resources are committed.	To challenge the perceived procurement need – demand. To ascertain the best procurement solution for the approved need.	MCC Well Being Objectives: Future Focused Council	Milestone: To seek agreement of the Business Case process. PI. Number of business cases approved & rejected.	Scott James - October 2018

		Thriving and well connected county. MTFP		
To Engage at regular intervals with Economy and Development Select Committee to discuss current topical procurement issues and embed outcomes into future procurement action plans.	Elected Members to have confidence that their requirements are being debated and embedded within procurement action plans. Elected Members are aware of the competing pressures that impact on every day service delivery.	MCC Well Being Objectives: Future Focused Council Thriving and well connected county. MTFP PSB Well Being Objectives: Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.	PI: Number of E&D Procurement Workshops per annum.	Debra Hill Howells- Rob O'Dwyer - Scott James - Ongoing
To re write the Councils Contract Procedure Rules.	Contracts will be awarded in compliance with EU and UK legislation. To ensure value for money and full transparency is obtained on all external spend.	MCC Well Being Objectives: Future Focused Council Thriving and well connected county.		Scott James – Dec 2018

	<p>Standardised tendering thresholds across Gwent provide consistency for regional supply chains.</p>	<p>Internal Audit Procurement Review.</p> <p>PSB Well Being Objectives:</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p>		
<p>To work with Value Wales to enhance the Councils procurement maturity across all facets via the WG " Programme for Procurement"</p>	<p>The procurement function to benefit from regular and revolutionary new learning.</p> <p>The assurance that external support is available when new innovative procurement situations are being explored.</p>	<p>MCC Well Being Objectives:</p> <p>Future Focused Council</p> <p>Thriving and well connected county.</p> <p>MTFP</p> <p>PSB Well Being Objectives:</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p>	<p>Milestone: National Procurement Service Review is concluded and recommendations implemented.</p>	<p>Scott James – April 2019</p>

Organisational Outcome - Economic				
Action	Expected Impact of the Action	MCC Objective & Strategic plan contributed to	<i>Performance Indicator/milestone</i>	Officer Responsible & Timescale
To challenge "demand" for external expenditure.	The Council has more money to spend on its priorities.	MCC Well Being Objectives: Future Focused Council MTFP	PI. Amount of savings generated by "pulling demand"	Debra Hill Howells – Scott James - Ongoing
Targeted Continual Professional Development (CPD) in partnership with Value Wales.	Procurement personnel with up to date skills. Greater awareness on how to conduct pre market engagement to ensure optimal returns. Understanding how best to reach a commercial consensus (pain – gain) whilst still allowing contractors to be incentivised for developing innovation. Greater awareness of circular economy procurement principles around, reduce, reuse, recycle and recover will aid the delivery of the well being objectives through our contractual arrangements.	MCC Well Being Objectives: Future Focused Council Thriving and well connected county. Lifelong well-being MTFP PSB Well Being Objectives: Protect and enhance the resilience of our natural environment whilst mitigating and adapting	Milestone: To promote the requirement for ongoing CPD with Value Wales as part of the "Programme for Procurement" initiative. PI. Number of staff who have attended procurement CPD training. Number of outcome based specifications issued.	Scott James October 2018

	<p>Providing technical leads and procurement personnel with the appropriate skills to drive innovation through outcome based specifications.</p> <p>To develop greater negotiating skills in a drive to develop an innovative, empowered commercial culture.</p>	<p>to the impact of climate change.</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p>		
<p>Develop a stronger commissioning voice within the National Procurement Service, and to engage only in collaborations where it represents value to the Council.</p>	<p>To generate a cash saving to the Council.</p> <p>To allow internal resource to focus on local and regional priorities where cash savings are not the end goal.</p>	<p>MCC Well Being Objectives:</p> <p>Future Focused Council</p> <p>Thriving and well connected county.</p> <p>MTFP</p>	<p>Milestone: To continue to examine the role out of NPS frameworks on a case by case and value for money basis.</p> <p>PI. Number of collaborative frameworks used and savings identified.</p>	<p>Scott James - ongoing</p>
<p>To drive greater alignment between Procurement, technical officers and Economic Development to promote our future needs through tailored "meet the buyer events"</p>	<p>To increase the level of competition both locally and regionally which in turn should generate cash savings and drive local innovative solutions.</p> <p>To better understand what innovations exist within markets and benefit from this knowledge.</p> <p>To promote Monmouthshire as a place to do business.</p>	<p>MCC Well Being Objectives:</p> <p>Future Focused Council</p> <p>Thriving and well connected county.</p> <p>Lifelong well-being</p>	<p>Milestone: To continue to promote the importance of early market engagement between potential suppliers and devolved technical lead officers.</p> <p>PI. Number of meet the buyer events held.</p>	<p>Cath Fallon – Scott James & relevant devolved procurement lead officers. – April 2019</p>

		<p>Maximise the potential of the natural and built environment.</p> <p>PSB Well Being Objectives:</p> <p>Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change.</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p>		
<p>To better understand where the supply voids exist and look to bolster supply chain resilience.</p>	<p>An Economy & Enterprise Strategy that compliments the procurement function to actively promote local supply chain opportunities.</p> <p>To develop a more prosperous, resilient and healthier County and Country.</p>	<p>MCC Well Being Objectives:</p> <p>Future Focused Council</p> <p>Thriving and well connected county.</p> <p>Lifelong well-being</p> <p>Maximise the potential of the natural and built environment.</p>	<p>Milestone: To better understand Management Information relating to tier one supply chain voids both locally, regionally and nationally and to build appropriate strategies to encourage growth.</p> <p>PI. Percentage of contract opportunities that were competed for by Monmouthshire, Gwent, Welsh suppliers.</p>	<p>Scott James – Cath Fallon – April 2020</p>

		<p>PSB Well Being Objectives:</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p>	<p>Number of contracts awarded where the sub contracting opportunities where awarded within Monmouthshire, Gwent or Wales.</p>	
<p>To be better informed about the Cardiff Capital Region City Deal and its procurement pipeline.</p>	<p>To align in a timely manner to bespoke " Meet the Buyer" events to inform markets of potential main and sub contractor opportunities.</p>	<p>MCC Well Being Objectives:</p> <p>Future Focused Council</p> <p>Thriving and well connected county.</p> <p>Lifelong well-being</p> <p>Maximise the potential of the natural and built environment.</p> <p>PSB Well Being Objectives:</p> <p>Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change.</p>	<p>Milestone: Local Councils to have sufficient notification of the CCR City Deal Procurement pipeline to ensure local, regional and national markets are geared up to become part of the solution.</p> <p>Public Service Boards that align their priorities to promote collaboration within Procurement and Economic Development to enhance the resilience and future well being of our supply chains.</p>	<p>Scott James – CCR Heads of Procurement – August 2019</p>

		Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.		
To promote the use of electronic procurement across the council.	<p>To standardise the Councils procurement processes to make it easier and more accessible to do business with.</p> <p>An e procurement solution that is end to end i.e. procurements advertised electronically, orders sent, invoices received payments made and contract management captured electronically.</p> <p>To initiate more Dynamic Purchasing System (DPS) arrangements so as not to restrict competition for the duration of the agreement.</p> <p>To develop a Purchase card strategy for the Council to alleviate cash flow problems for suppliers, whilst the Council benefits from cash rebates.</p>	<p>MCC Well Being Objectives:</p> <p>Thriving and well connected county.</p> <p>Future focused council</p> <p>PSB Well Being Objectives:</p> <p>Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change.</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p>	<p>Milestone: In line with Public Contract Regulations 2015, all above OJEU tendering processes are fully electronic by 2018.</p> <p>We know need to ensure that we manage the roll out of electronic contract management to all above OJEU procurement awards.</p>	<p>Scott James – Relevant devolved procurement contract managers - Ongoing</p>

Organisational Outcome - Social

Action	Expected Impact of the Action	MCC Objective & Strategic plan contributed to	Performance Indicator/milestone	Officer Responsible & Timescale
To work in collaboration with other responsible stakeholders across the Council to adopt the Code of Practice – Ethical Employment in Supply Chains.	To work with the Council's suppliers to promote good employment practices, which empower and reward workers, which help to improve the quality of life of people here in Wales and further afield.	MCC Well Being Objectives: Thriving and well connected county. Lifelong well-being. Future focused council	Milestone: To develop a proportionate action plan that needs to be approved by Council to eradicate unlawful and unethical employment practices within our supply chains PI. Number and name of officers involved in procurement and the recruitment and deployment of workers who have undertaken training on modern slavery and ethical employment practices.	Matthew Gatehouse, Rob O'dwyer, Sally Thomas, Jon McConnahie, Scott James – November 2018
To consider the potential for a suite of community benefits to be delivered as part of the award criteria when contracting out.	Recognition within the Council that embedding community benefits within contracts has a positive impact on the people we serve.	MCC Well Being Objectives: Thriving and well connected county. Lifelong well-being. Future focused council PSB Well Being Objectives:	Milestone: To work in association with Value Wales and other procurement networks to understand where Community Benefits can be achieved outside of traditional construction based procurements. PI. Number and variety of community benefits achieved through	Scott James – Cath Fallon October 2018

		Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.	embedding within contracts.	
To meet with the Councils primary food providers to discuss the potential for utilising Monmouthshire based suppliers within their supply chain.	To keep resources within the local economy whilst building resilient food chains for the future. To contribute to the delivery of a sustainable, low carbon food solution.	<p>MCC Well Being Objectives:</p> <p>The best possible start in life.</p> <p>Maximise the potential of the natural and built environment.</p> <p>Thriving and well connected county.</p> <p>Lifelong well-being.</p> <p>Future focused council</p> <p>PSB Well Being Objectives:</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p>	Milestones: To meet with all interested stakeholders to start to scope what is achievable whilst gaining by in and timelines.	Peter Davies -Scott James - Welsh Government - Incumbent tier one food producers. September 2018

		<p>Provide Children and young people with the best possible start in life.</p> <p>Respond to the challenges associated with demographic change.</p> <p>Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change.</p>		
Organisational Outcome - Environmental				
Action	Expected Impact of the Action	MCC Objective & Strategic plan contributed to	<i>Performance Indicator/milestone</i>	Officer Responsible & Timescale
To actively embed the principles of the Well-being of Future Generations (Wales) Act 2015 within the Council's procurement requirements.	Sustainable Procurement will be a consideration at the outset of the perceived procurement need. Ensuring that all subsequent outcomes are not developed at the detriment of future generations or to the environment.	<p>MCC Well Being Objectives:</p> <p>The best possible start in life.</p> <p>Maximise the potential of the natural and built environment.</p>	<p>PI. Environment – Number of instances of landfill avoidance.</p> <p>Number of instances where the product was recycled.</p> <p>Social – Number of individuals that received Targeted Recruitment and Training (TRT)</p>	Scott James – Hazel Clatworthy - Ongoing

		<p>Thriving and well connected county.</p> <p>Lifelong well-being.</p> <p>Future focused council</p> <p>PSB Well Being Objectives:</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p> <p>Provide Children and young people with the best possible start in life.</p> <p>Respond to the challenges associated with demographic change.</p> <p>Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change.</p>	<p>Community – Number of Community Projects identified and achieved.</p> <p>Economy – Number of sub contracting opportunities provided.</p> <p>Economy – Percentage of suppliers paid promptly and fairly.</p>	
--	--	---	--	--

<p>Where practical to embed "Circular Economy" principles as standard questions within procurement Business Case documents.</p>	<p>To challenge technical officers ideas by asking "what is actually needed?", does it require a purchase of a product or can it be provided as a service? Engage with suppliers and wider market to identify circular solutions. To move away from traditional linear procurement approach of "make, use, dispose"</p>	<p>MCC Well Being Objectives:</p> <p>The best possible start in life.</p> <p>Maximise the potential of the natural and built environment.</p> <p>Thriving and well connected county.</p> <p>Lifelong well-being.</p> <p>Future focused council</p> <p>PSB Well Being Objectives:</p> <p>Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change. Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p>	<p>Milestone: For WG and Councils to actively pursue embedding Circular Economy principles in those tender documents that lend themselves towards these principles.</p>	<p>Scott James - Ongoing</p>
---	---	--	---	------------------------------

<p>To meet with the Councils primary food providers to discuss the potential for reducing single use plastics within the supply chain.</p>	<p>Sustainable development within procurement activities will help improve the environment, build stronger communities and enhance the Well Being of Monmouthshire.</p>	<p>MCC Well Being Objectives:</p> <p>The best possible start in life.</p> <p>Maximise the potential of the natural and built environment.</p> <p>Thriving and well connected county.</p> <p>Lifelong well-being.</p> <p>Future focused council</p> <p>PSB Well Being Objectives:</p> <p>Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change.</p> <p>Develop opportunities for communities and businesses to be part of an economically thriving and well connected county.</p>	<p>PI. Reduction in single use plastics being consumed.</p>	<p>Scott James – Hazel Clatworthy – Pauline Batty - Ongoing</p>
--	---	---	---	---

How we will Evaluate Progress

This section sets out how we will evaluate our progress to ensure transparency and accountability as part of our governance arrangements.

The delivery of this strategy and supporting action plan will be embedded and managed through the the Strategic Procurement Units Service Improvement Plan, with each action being reviewed on a quarterly basis.

For each corresponding procurement where there is a requirement to test the market via an open tender process a "commodity – procurement strategy" will be initiated, this will require all responsible officers with a procurement need to answer a series of questions to safeguard the Council that appropriate transparency and accountability are in evidence before we " go to market".

All actions will be aligned with the Procurement Policy framework and other legislative acts where the procurement process can add value, including Wales Procurement Policy Statement, Programme for Procurement, Well-being of future generations Act and Code of Practice – Ethical Employment in Supply Chains.

Performance Indicators

Indicator	Actual 2016/17	Actual 2017/18	Target 2018/19	Comment
Savings from influencable procurement spend	40,000	50,000	330,000	
Amount of cash savings generated via purchase card rebate.	N/A	N/A	TBC	New indicator, to assess the income streams being returned from the roll out of purchase cards.
Amount of expenditure awarded directly to Monmouthshire based businesses	N/A	£7,449,741	TBC	This target will only include expenditure that has been made following the award of contract, it will not include indirect spend via sub contracting opportunities.
Amount of expenditure awarded directly to suppliers within an " NP" post code.	N/A	£26,900,050	TBC	This target will only include expenditure that has been made following the award of contract, it will not include indirect spend via sub contracting opportunities.
Number of collaborative contracts used	40	58	30	This figure will be dependent on the Councils requirements and whether suitable contracts already exist.
Number of none construction Contracts where Community Benefits have been included	N/A	N/A	TBC	New indicator, traditionally CB the domain of Construction based contracts.
Engagement with social enterprises, including supported factories	N/A	N/A	TBC	New indicator, to assess the impact of these considerations.
Number of tenders where outcome based specifications have been used	N/A	N/A	TBC	New indicator, to better understand where innovation can thrive and to build on these experiences.
Number and commodity areas of tenders where circular procurement requirements have been documented within specifications – award criteria	N/A	N/A	TBC	New indicator, to measure the impact of where circular economy principles demonstrate the biggest returns.

Risks

There are risks attached to the delivery of this plan and good governance will ensure these risks are understood, managed and communicated. The Council has an established risk management policy that sets out the Council's policy and approach to strategic risk management. The risks related to the delivery of this plan have been identified, assessed and mitigating actions established.

Risk	Reason why identified	Risk Level (Pre – mitigation)				Planned Mitigation & timescales	Residual Risk Level (Post – mitigation)			
		Year	Likelihood	Impact	Risk Level		Year	Likelihood	Impact	Risk Level
Lack of capacity within the procurement function will hamper the influence that can be exerted, which in turn will impact on the cost, quality and innovation of the procured solution. FSC 41	Only two MCIPS qualified officers within the Council. No contingency planning evident within the procurement function. WG Procurement Fitness Health Check recommends 1 FTE for every £10,000,000 of third party spend.	18/19	Possible	Major	Medium	The Strategic Procurement Unit will look to build in additional capacity, where this is cost neutral.	18/19	unlikely	Major	Low
		19/20					19/20			
		20/21					20/21			
The identification of future procurement opportunities and associated Business Cases are not integral within our existing Contract Procedure Rules.	No electronic workflow exists to capture future large scale procurement needs. Need to develop solution within Contract Procedure Rules so that the procurement function are alerted in advance of resource being required.	18/19	Possible	Major	Medium	To develop an electronic workflow solution for both advanced forecasting and the development of Business Case approval within the new iteration of the Councils Contract Procedure Rules – December 2018.	18/19	unlikely	Major	Low
		19/20					19/20			
		20/21					20/21			

<p>No existing Corporate procurement training provision has been identified.</p>	<p>Due to the current financial austerity measures no procurement training programme exists within Wales.</p> <p>A programme of extensive procurement training provision was delivered to the Corporate Procurement Network in 2015, this needs to be followed up with some timely and topical refresher training i.e. Commercialisation, Developing Circular Economy Procurement and Well Being outcomes through the procurement process.</p>	<p>18/19 19/20 20/21</p>	<p>Possible</p>	<p>Major</p>	<p>Medium</p>	<p>To agitate Value Wales via the pending “Programme for Procurement” to resource and procure the required training provision to progress the Councils and the Welsh Public Sectors procurement maturity – January 2019</p>	<p>18/19 19/20 20/21</p>	<p>unlikely</p>	<p>Major</p>	<p>Low</p>
<p>The current suite of electronic procurement platforms are procured and resourced by WG. This funding will cease from January 2019</p>	<p>WG via Value Wales are actively consulting with representative users across the Country to develop a solution.</p>	<p>18/19 19/20 20/21</p>	<p>Possible</p>	<p>Major</p>	<p>High</p>	<p>Await recommendations from Value Wales (Summer 2018) on the future of the electronic procurement service.</p> <p>Identify budget pressure for the procurement of the required services and procure regionally.</p>	<p>18/19 19/20 20/21</p>	<p>unlikely</p>	<p>Major</p>	<p>Low</p>
<p>Insufficient dedicated personel are involved in robust and proportionate Contract and Project Management.</p>	<p>Documented evidence exists of areas where better Project and Contract Management would have helped rationalise our stock and reduced costs.</p>	<p>18/19 19/20 20/21</p>	<p>Possible</p>	<p>Major</p>	<p>High</p>	<p>As part of the Procurement Business Case there will be an expectation that devolved procurement personnel are able to predict whether Project Management is integral to the pending success of their</p>	<p>18/19 19/20 20/21</p>	<p>unlikely</p>	<p>Major</p>	<p>Low</p>

						procurement. There will also be an expectation that Contract Managers are identified at the earliest possible stage to drive the documented solutions that have been agreed.				
--	--	--	--	--	--	--	--	--	--	--



Appendix 1

Wales Procurement Policy Statement 2015

Wales Procurement Policy Statement

In December 2012 I launched the Wales Procurement Policy Statement (WPPS) setting out the principles by which I expect public sector procurement to be delivered in Wales. In the 2 years since the launch we have seen the profile of procurement rise significantly and a wider understanding that, when used effectively, procurement can be a strategic tool to deliver economic benefit to the people of Wales. Having secured agreement to legislative powers in respect of procurement for Wales this is a timely opportunity to review and strengthen the WPPS to support delivery of better public services in Wales, deliver increased job and training opportunities and support the economy.

Delivery of the first programme of Procurement Fitness Checks tells us that progress has been made since the publication of John McClelland's review 'Maximising the Impact of Welsh Procurement Policy'. The Fitness Check reports, published on the Procurement Route Planner at <http://prp.gov.wales/fitnesschecks2014/>, have provided organisations with a clear benchmark which they can use to move forward with the support of Welsh Government.

Key policies like Community Benefits continue to play an important role in the delivery of wider Government objectives. Results from the projects measured to date show they are clearly contributing to our tackling poverty agenda and now supporting delivery of our LIFT programme. Introduction of our advice notes on Blacklisting and Employment Practices in Procurement is helping drive ethical behaviour and ensure the public sector in Wales is good place to do business.

We have seen procurement capability across Wales grow with the introduction of 28 new procurement officers trained through the Home Grown Talent Project and over 600 public sector officers benefitting from procurement related training.

Since its launch in 2013, the National Procurement Service (NPS) has seen 73 Welsh public sector organisations make a 5 year commitment to use the contracts and frameworks that will bring together the procurement of common and repetitive spend across the Wales. With stretching targets to deliver up to £25m in savings once fully operational, I am pleased to see good progress is already being made.

But it is clear we are only at the early stages of this journey there is much more we can do. I have welcomed the introduction of the new EU Public Procurement Directive and I am determined that Wales will maximise the opportunities that this offers. Many of the new provisions serve to strengthen existing Welsh Government policy and we must now see this policy put into practice across Wales. To this end I would expect to see procurement treated with the respect it deserves, with organisations acknowledging the economic benefit it delivers, and recognising procurement at Board level.

We have seen expenditure won by Wales based suppliers rise from 35% in 2004 to 55% in recent years and I am sure that there is potential for this to increase even further in the future. This suggests that the application of tools like SQuID and guidance on joint bidding are helping more local businesses to access and win work. The new Directive provides an opportunity to break down more barriers for business and develop practices that continue to standardise and simplify processes and encourage Third sector organisations, including cooperatives and mutuals to engage with us.

The recent passing of the Well-being of Future Generations (Wales) Act (2015) gives us a new opportunity to advance the principles of public procurement in Wales, building on the good work since 2012. Putting this into practice in the public service means we must continue to look toward our future generations and deliver more sustainable outcomes from our procurements so that our expenditure can help achieve the seven well-being goals for Wales set out in the Act.

The Procurement Board has the responsibility for monitoring adoption of the WPPS and overseeing how the £5.5bn spent annually through procurement delivers for Wales. I will continue to monitor progress closely and introduce regulation to enable the Welsh public sector to utilise our progressive policy agenda to the best effect.

Jane Hutt, AM
Minister for Finance and Government Business

9th June 2015

Definition of Procurement

This policy adopts the Sustainable Procurement Task Force¹ definition of procurement: “*the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment*”.

The Principles of Welsh Public Procurement Policy

In carrying out procurement activity the public sector in Wales are required to adopt the following policy principles:

1. **Strategic** - Procurement should be recognised and managed as a strategic corporate function that organises and understands expenditure; influencing early planning and service design and involved in decision making to support delivery of overarching objectives.

How will this be achieved?

<p>Welsh Government will:</p> <ul style="list-style-type: none">• set out a ‘maturity model’, against which development of procurement can be measured across the Welsh public sector. □ Facilitate a Procurement Fitness Check Programme, to include a self assessment model for eligible organisations• Provide a standard template against which public bodies will report the outcome and progress against action plans.• Provide access to policy, advice and resources which enable public bodies to improve procurement outcomes.	<p>The Welsh public sector will:</p> <ul style="list-style-type: none">• measure themselves against the maturity model, by undertaking an annual Procurement Fitness Check and reporting the recommendations and action plan progress to Welsh Government.
---	---

¹ Procuring the Future, 2006

2. **Professionally resourced** – procurement expenditure should be subject to an appropriate level of professional involvement and influence, adopting the initial benchmark of a minimum of one procurement professional per £10m of expenditure across the wider public sector.

How will this be achieved?

<p>Welsh Government will:</p> <ul style="list-style-type: none"> • promote adoption of a procurement competency framework setting out qualifications, experience and expertise that will support a structured procurement career. • provide routes to training and development, including those which enable public bodies to cultivate professional procurement and commercial expertise. • Drive forward the shared services programme, enabling public bodies to utilise resources to best effect. 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • ensure adequate skills and resources are in place to carry out effective procurement and contract management. • where gaps are identified within organisations, consider opportunities to share expertise across organisational boundaries • have a procurement training strategy which addresses resource and skills gaps and share this with Welsh Government to support future skills development strategy. • Incentivise procurement officers to maintain their continuous professional development and maintain their CIPS License to Practice, including CIPS Ethics Module
---	--

3. **Economic, Social and Environmental Impact** - Value for Money should be considered as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society, the economy, and the environment, both now and in the future.

How will this be achieved?

<p>Welsh Government will:</p> <ul style="list-style-type: none"> • <i>Maximise the opportunities presented by the revised EU Procurement Directive to drive economic, social and environmental impact</i> • provide leadership, guidance and tools on procurement best practice. • Issue updated policy guidance on ethical procurement issues including but not limited to <ul style="list-style-type: none"> ▪ the opportunity to reserve contracts for suppliers with a 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • Provide leadership on procurement best practice • use a whole life costing approach to procurement decisions, taking account of the long-term impact. • Be pro active in managing suppliers, considering the whole supply chain • Identify areas of expenditure which can be reserved for suppliers with a workforce of 30% or more disadvantaged workers
--	--

<p>workforce of 30% or more disadvantaged workers</p> <ul style="list-style-type: none"> ▪ the opportunity to reserve contracts for suppliers with a social ethos e.g. Co operatives and Mutuals at first tender. ▪ Impact of the Modern Slavery Act on supply chain management Provide intelligence on the make up of the Welsh Economy to support development of procurement strategies that support Welsh economic growth 	<p>Identify areas of expenditure which can be reserved for suppliers with a social ethos e.g. Co operatives and Mutuals at first tender. Apply the Sustainability Risk Assessment to all procurements above £25,000</p>
--	---

4. **Community Benefits** – delivery of social, economic and environmental benefit through effective application of Community Benefits policy must be an integral consideration in procurement.

How will this be achieved?

<p>Welsh Government will:</p> <ul style="list-style-type: none"> • provide Community Benefits policy; strengthening support available on the ground and challenging the application 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • appoint a community benefits champion for their organisation and advise Welsh Government • apply a Community Benefits approach to all public sector procurements • apply the Measurement Tool to all such contracts over £1m, as a minimum • Provide justification for all contracts valued above £1m where the approach has not been used
---	---

5. **Open, accessible competition** – public bodies should adopt risk based, proportionate approaches to procurement to ensure that contract opportunities are open to all and smaller, local suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain. .

How will this be achieved?

<p>Welsh Government will:</p> <ul style="list-style-type: none"> • provide www.sell2wales.co.uk, including the SQuID common question set. • Provide Leadership, guidance & tools on best practice procurement approaches • Improve information on forward programmes by maintaining publication of the Wales Infrastructure Investment Plan. 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • amend standing orders to require advertisement of all contracts over £25k on www.sell2wales.gov.uk. • proactively publish their forward contract programmes on their website • Use appropriate 'lotting' strategies. • apply the SQuID approach as standard to supplier selection. • Publish contract award notices on www.sell2wales.gov.uk • Ensure procurements are available and accessible to all including collaborative bids (i.e. consortia) • Promote fair payment terms throughout the supply chain
--	---

6. **Simplified Standard Processes** – procurement processes should be open and transparent and based on standard approaches and use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers.

How will this be achieved?

<p>Welsh Government will:</p> <ul style="list-style-type: none"> • develop and promote simplified approaches to procurement based upon the adoption of common systems and processes, including the Welsh eprocurement service, that reduce the cost of doing business. • Provide a centrally funded 2 year change programme to accelerate e trading 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • adopt and embed common procurement approaches. • Make best use of available eprocurement tools • measure themselves against the eProcurement Maturity model and eProcurement Organisational Benefits model as part of the annual procurement
--	--

<ul style="list-style-type: none"> • Provide structured support to public bodies to undertake business change management to support effective utilisation of e-procurement • Provide a single point of contact for supplier feedback 	<p>fitness check process</p> <ul style="list-style-type: none"> • Encourage supplier feedback on ease of process and channel through to Welsh Government • Pay all correct invoices on time Use Project Bank Accounts where appropriate • Adopt a 'no purchase order no payment' policy for all procurement activity
--	---

7. **Collaboration** – areas of common expenditure should be addressed collectively using standardised approaches and specifications managed by the National Procurement Service (NPS) to reduce duplication, to get the best response from the market, to embed the principles of this Policy Statement for the benefit of Wales; and to share resources and expertise.

How will this be achieved?

<p>Welsh Government will:</p> <ul style="list-style-type: none"> • deliver collaborative contracts and frameworks through National Procurement Service to the value of 2.2bn over the next 2 years. • Support collaboration and the wider shared services agenda. 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • participate in the National Procurement Service for the benefit of Wales and their individual organisation. • Consider opportunities for further collaborative procurement initiatives • monitor and report on engagement with NPS and other collaborative initiatives
--	--

8. **Supplier Engagement and Innovation** – dialogue with suppliers should be improved to help get the best response from the market place, to inform and educate suppliers, and to deliver optimum value for money.

How will this be achieved?

<p>Welsh Government will:</p> <ul style="list-style-type: none"> • Provide clear policy direction on procurement best practice in support of public bodies in Wales adopting 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • publish a single electronic point of contact for supply chain dialogue/feedback/ queries
--	--

<p>approaches to procurement that are informed and influenced by feedback from the supply chain. Provide business support to suppliers through the Business Wales service</p>	<ul style="list-style-type: none"> • ensure de-briefing provides adequate tender feedback. • use outcome based specifications where appropriate to encourage business innovation. • use pre market engagement where appropriate • Regularly publish contract award notices • consider opportunities for using new innovation partnership provision of the Public Contract Regulations • ensure regular contract performance management reviews are conducted and use these to encourage two-way dialogue
---	--

9. **Policy Development and Implementation** – deployment of policy which supports the achievement of the seven well-being goals for Wales as set out in the Well-being of Future Generations (Wales) Act (2015)

<p>Welsh Government will:</p> <ul style="list-style-type: none"> • consult with social partners and other relevant stakeholders on matters which may be influenced through public procurement policy. • Utilise the general designation on procurement to issue procurement guidance in the form of regulatory requirements for the Welsh public sector 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • Deploy the procurement guidance issued in all relevant contracts.
--	---

10. **Measurement and Impact** – in accordance with good management practice, procurement performance and outcomes should be monitored to support continuous improvement, and examples of good and poor practice openly shared.

How will this be achieved?

Welsh Government will:

- provide a standard framework of procurement measures that are proportionate and demonstrate engagement with the WPPS.
- Collate information and report to the Minister for Finance & Government Business and Procurement Board for consideration in future policy development implementation.

The Welsh public sector will:

- Complete an annual return to Welsh Government of procurement outcomes, achieved through procurement.



MEASURES

Principle 10 of the WPPS commits the Welsh Government and the Welsh public sector to work collaboratively in the preparation and delivery of an annual return to measure adoption of the WPPS in Procurement activity across Wales. Table 1 identifies the scope of measurement.

Table 1

Theme	WPPS Principle Link	Policy Link	Adoption Metrics
Resource & capability	1, 2, 7, 9	<ul style="list-style-type: none"> - Welsh public sector Procurement Maturity Matrix - Procurement Training 	<ul style="list-style-type: none"> <input type="checkbox"/> Procurement fitness check level <input type="checkbox"/> Level of professional procurement intervention <input type="checkbox"/> Evidence of commitment to continuous professional development
Economic Impact	3, 4, 5, 6, 7, 8, 9, 10	<ul style="list-style-type: none"> - Sustainability Tools - E procurement service - Community Benefits - Joint Bidding Guide - Ethical Procurement Advice Notes - Supplier Qualification Information Database (SQuID) 	<ul style="list-style-type: none"> <input type="checkbox"/> Savings from influencable procurement spend <input type="checkbox"/> Engagement with Welsh Business <input type="checkbox"/> Delivery of Community Benefits <input type="checkbox"/> Engagement with collaborative contracts and service provision <input type="checkbox"/> Adoption of e procurement systems <input type="checkbox"/> Adoption of low value advertising <input type="checkbox"/> Publication of contract award notices <input type="checkbox"/> Adoption of a proportionate, risk based approach <input type="checkbox"/> Use of the SRA

Social Impact	3, 4, 8, 9, 10	<ul style="list-style-type: none"> - Sustainability Tools - Sell2Wales - Community Benefits - Wales Infrastructure Investment Plan - Joint Bidding Guide - Ethical Procurement Advice Notes 	<ul style="list-style-type: none"> <input type="checkbox"/> Engagement with ethical procurement policies <input type="checkbox"/> Engagement with Welsh Business <input type="checkbox"/> Delivery of Community Benefits <input type="checkbox"/> Engagement with social enterprises, including supported factories <input type="checkbox"/> Use of the SRA
Environmental Impact	3, 4, 8, 9	<ul style="list-style-type: none"> - Sustainability Tools - E procurement service - Sell2Wales - Community Benefits 	<ul style="list-style-type: none"> <input type="checkbox"/> Environmental impact of influencable procurement spend <input type="checkbox"/> Delivery of Community Benefits <input type="checkbox"/> Adoption of e procurement systems <input type="checkbox"/> Use of the SRA

Appendix 2

Code of Practice – Ethical Employment in Supply Chains



Llywodraeth Cymru
Welsh Government

Code of Practice

Ethical Employment in Supply Chains



Ministerial Foreword

“The Welsh public sector spends around £6bn every year on goods, services and works involving international supply chains. A huge range of goods, works and services are purchased by every part of the public sector but the uniting factor is that people are involved in each stage of these supply chains.

It is therefore vital that, at every stage, there are good employment practices for the millions of employees. Good employment practices, which empower and reward workers, help to improve the quality of life of people here in Wales and further afield and, in turn, result in better quality goods and services. Poor – and even unethical – practices, such as the unfair use of zero hours contracts, can lead to poor morale, high staff turnover and, in some cases, can be dangerous and exploitative.

Although slavery was outlawed many years ago, and is illegal throughout the world, it is an endemic problem in some industries and in some parts of the world. Indeed, cases of people being held in conditions of modern slavery are discovered within the UK. We must do more to ensure these practices cannot take place in Wales and in our public sector supply chains around the world.

We have produced this *Code of Practice on Ethical Employment in Supply Chains* to ensure all public sector organisations are taking action to eradicate unlawful and unethical employment practices and to ensure all workers at every stage of the supply chain are treated fairly. The 12 commitments in this code of practice are aimed at public, private and third sector organisations and the

accompanying guides include advice and tools for putting each commitment into practice.

I hope as many organisations as possible sign up to the code of practice, which will ensure we contribute to the wellbeing of our people living and working in Wales and those involved in our supply chains across the world.”



Mark Drakeford

Mark Drakeford AM
Cabinet Secretary for
Finance and Local
Government

This Code of Practice has been established by the Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations in receipt of public funds.

Evidence illustrates that unethical employment practices are taking place in supply chains throughout Wales and beyond.

This Code is designed to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU, and international laws. The Code covers the following employment issues:

- Modern Slavery and human rights abuses
- Blacklisting
- False self-employment
- Unfair use of umbrella schemes and zero hours contracts
and
- Paying the Living Wage

Further information on each of these issues can be found in the Code of Practice Toolkit www.gov.wales/code-of-practice

In signing up to the Code, organisations will agree to comply with 12 commitments designed to eliminate modern slavery and support ethical employment practices.

The Welsh Government expects all public sector organisations, businesses and third sector organisations in receipt of public sector funding to sign up to this Code of Practice. Other organisations operating in Wales from any sector are encouraged to adopt the Code.

Action taken in relation to the 12 commitments contained within the Code should be appropriate and proportionate, in line with the size and influence of each organisation and the level of risk of labour exploitation within its supply chain.

The Code of Practice should be read in conjunction with the Toolkit which contains practical guidance, example text and templates to help address each of the subjects covered, and policy advice for public sector organisations.



Our organisation will:

1. Produce a written policy on ethical employment within our own organisation and our supply chains. Once produced we will communicate the policy throughout our organisation and we will review it annually and monitor its effectiveness. As part of this we will:
 - 1.1. Appoint an Anti-Slavery and Ethical Employment Champion.
2. Produce a written policy on whistle-blowing to empower staff to raise suspicions of unlawful and unethical employment practices, and which places a responsibility on staff to report criminal activity taking place within our own organisation and our supply chains. Once produced we will communicate the policy throughout our organisation. We will review the policy annually and monitor its effectiveness We will also:
 - 2.1. Provide a mechanism for people outside our organisation to raise suspicions of unlawful and unethical employment practices.
3. Ensure that those involved in buying/procurement and the recruitment and deployment of workers, receive training on modern slavery and ethical employment practices, and keep a record of those that have been trained.
4. Ensure that employment practices are considered as part of the procurement process. We will:
 - 4.1. Include a copy of our Policy on ethical employment (Commitment 1) in all procurement documentation.
 - 4.2. Include appropriate questions on ethical employment in tenders and assess the responses provided.
 - 4.3. Incorporate, where appropriate, elements of the Code as conditions of contract.
 - 4.4. Ask bidders to explain the impact that low costs may have on their workers each time an abnormally low quote or tender is received.
5. Ensure that the way in which we work with our suppliers does not contribute to the use of illegal or unethical employment practices within the supply chain. We will:
 - 5.1. Ensure that undue cost and time pressures are not applied to any of our suppliers if this is likely to result in unethical treatment of workers.
 - 5.2. Ensure that our suppliers are paid on time – within 30 days of receipt of a valid invoice.
6. Expect our suppliers to sign up to this Code of Practice to help ensure that ethical employment practices are carried out throughout the supply chain.
7. Assess our expenditure to identify and address issues of modern slavery, human rights abuses and unethical employment practice. We will:
 - 7.1. Carry out regular reviews of expenditure and undertake a risk assessment on the findings, to identify products and/or services where there is a risk of modern slavery and/or illegal or unethical employment practices within the UK and overseas.
 - 7.2. Investigate any supplier identified as high risk, by direct engagement with workers wherever possible.
 - 7.3. Work with our suppliers to rectify any issues of illegal or unethical employment practice.
 - 7.4. Monitor the employment practices of our high risk suppliers, making this a standard agenda item for all contract management meetings/reviews.

8. Ensure that false self-employment is not undertaken and that umbrella schemes and zero hours contracts are not used unfairly or as a means to:
- 8.1. Avoid, or facilitate avoidance of, the payment of tax and National Insurance contributions and the relevant minimum wages.
 - 8.2. Unduly disadvantage workers in terms of pay and employment rights, job security and career opportunities.
 - 8.3. Avoid Health and Safety responsibilities.
9. Ensure that workers are free to join a Trade Union or collective agreement and to undertake any related activity and raise worker concerns without risk of discrimination. We will:
- 9.1. Not make use of blacklists/prohibited lists.
 - 9.2. Ensure that our suppliers do not make use of blacklists/prohibited lists.
 - 9.3. Not contract with any supplier that has made use of a blacklist/prohibited list and failed to take steps to put matters right.
 - 9.4. Expect our suppliers to ensure that Trade Union representatives can access members and contracted workers.
10. Consider paying all staff the Living Wage Foundation's Living Wage as a minimum and encourage our suppliers to do the same. We will:
- 10.1. Consider paying at least the Living Wage Foundation's Living Wage to all our staff in the UK.
 - 10.2. Consider becoming an accredited Living Wage Employer.
 - 10.3. Encourage our suppliers based overseas to pay a fair wage to all staff, and to ensure that staff
- working in the UK are paid at least the minimum wage.
11. Produce an annual written statement outlining the steps taken during the financial year, and plans for future actions, to ensure that slavery and human trafficking are not taking place in any part of our organisation and its supply chains. We will:
- 11.1. Ensure that the statement is signed off at senior management/board level.
 - 11.2. Publish the statement on our website. If this is not possible, we will provide a copy to anyone within 30 days of a request being made.
- All organisations signing up to this Code are expected to produce and publish this annual written statement – for commercial organisations with a turnover of £36m or more, this also fulfils the requirements of Section 54 of the Modern Slavery Act 2015.*
- We encourage all organisations to publish their statements on the Transparency in Supply Chains (TISC) register www.tiscreport.org free of charge for all public and small organisations. In exchange, they can make use of the Wales AntiSlavery Logo.*
- For Public sector to whom the Code of Practice on Workforce Matters (2014) applies:**
12. Ensure all those undertaking work on an outsourced contract are treated fairly and equally. We will:
- 12.1. Ensure that public sector staff who are transferred as part of a public service which is outsourced to a third party retain their terms and conditions of employment.
 - 12.2. Ensure that other staff working on an outsourced public service are employed on terms and conditions that are comparable to the transferred public sector staff.

Implementing the Code of Practice:

The “ Code of Practice – Ethical Employment in Supply Chains” has been established to help ensure workers in public sector supply chains in Wales are employed in a fair and ethical way.

The scope of the Code of Practice covers procurement, supplier selection, tendering, contract management and supplier management.

Who can sign up to the Code?

Organisation type	
Welsh public bodies whose functions are wholly or mainly Welsh devolved: <ul style="list-style-type: none"> • Welsh Government • National Procurement Service • Welsh Government Sponsored Bodies • NHS Wales • Local Government • Emergency Services (excluding Police) 	Are expected to sign up to the Code
Higher and Further Education Institutions	Are expected to sign up to the Code
Third sector organisations in receipt of Welsh public funds through grants, contracts or any other means	Are expected to sign up to the Code
Businesses involved in Welsh public sector supply chains	Are expected to sign up to the Code
Other public bodies based in Wales	Are encouraged to sign up to the Code
Other businesses based in Wales	Are encouraged to sign up to the Code



How to sign up

To notify us that you are signing up to the Code, simply send an email to vwpolicy@wales.gsi.gov.uk using the subject line 'Code of Practice' and include the following information:

- Your name
- Your role
- Your email address
- Your organisation's name
- Your organisation's contact details – address & telephone number

Code of Practice Toolkit

This Code is accompanied by a Toolkit made up of a series of Guides and Procurement Advice Notes along with document templates, example tender questions, and example contract conditions. These provide practical advice and guidance to help you when implementing the Code.

The following Guides are available to download at www.gov.wales/code-of-practice

- Guide to tackling modern slavery and human rights abuses
- Guide to tackling unethical employment practices
- Guide to tackling Blacklisting
- Guide to implementing the Living Wage through procurement
- Example Questions, Conditions and Policies

The following Procurement Advice Notes (PANs), aimed at public sector procurers, also form part of the Toolkit:

- Employment Practices on Publicly Funded Projects
- Blacklisting in the Construction Industry
- Revised Code of Practice on Workforce Matters.

Other policy commitments, particularly for the public sector, such as those produced by

Workforce Partnership Council, should be applied. Where relevant these are referenced in the Guides.

How to implement the Code

In your own organisation:

The Welsh Government appreciates that the commitments within the Code are wide-ranging. You should be able to take action on the majority of the commitments quickly, particularly those that relate to your contracting activity, but some will take time to implement in full. Once you have signed up to the Code, we recommend you take the following steps:

- Carry out an assessment to identify the commitments with which you already comply.

For the remaining commitments:

- Prioritise the commitments according to your own organisation's impacts and situation.
- Develop an Action Plan, detailing the activities you will be undertaking to implement each commitment.
- Assign timescales to each of the actions within your Action Plan.

If you are a small organisation you may need longer to implement the Code fully. We suggest you begin with those commitments which you feel have most relevance to your organisation and work on others over time. Alternatively you may also wish to take more focussed action against each of the commitments. For example, for Commitment 7 'Assess our expenditure to identify and address issues of modern slavery and unethical employment practice' – you could begin by only assessing suppliers who supply a particular type of commodity, or only those suppliers involved in supplying your core product or service.

In your Supply Chain(s):

A number of the commitments within the Code relate to ethical practices within your supply chains. An effective way to achieve

this is to expect your suppliers to sign up to the Code.



Reporting requirements

For Welsh public sector bodies only:

Welsh public sector organisations will be asked to report on their status in relation to sign-up and implementation of the Code providing information on:

- The number of staff involved in procurement who have undertaken training on modern slavery and ethical employment practices (as both a number & percentage); and
- The number of suppliers who have signed up to the Code of Practice as a result of action taken by the organisation.

We will also ask for copies of your Code of Practice Action Plan (which should form part of your annual Written Statement).

Issues relating to ethical employment practices on publicly funded projects which are raised through the Supplier Feedback Service will be reported.

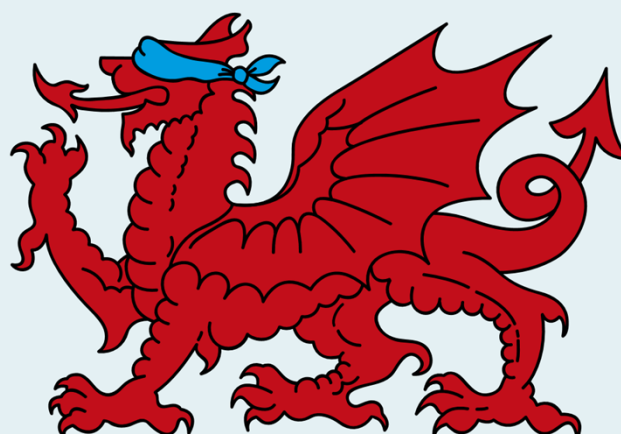
For all organisations:

Through Commitment 11 of the Code each organisation agrees to produce and publish an annual written statement outlining the steps taken in relation to modern slavery. You will only be able to continue to use the Wales anti-slavery logo if you continue to produce your annual statement and commit to carrying out the actions contained in it.

Supporting information

Practical advice and guidance on implementing the Code are contained within the Code of Practice Toolkit: www.gov.wales/code-of-practice

Say **NO**
to Slavery

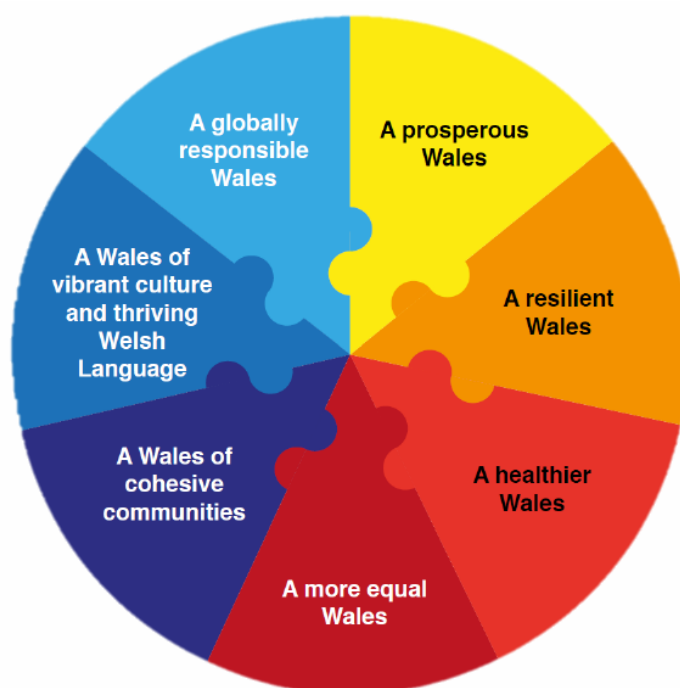


Modern Slavery Helpline: **0800 0121700**

Appendix 3 - National Policy Context

The Well-Being of Future Generations Act

The Well-being of Future Generations Act is the fundamental legislation that requires us to carry out sustainable development, this should ensure that present needs are met without compromising future generations in meeting their own needs. When carrying out sustainable development, we have to publish well-being objectives which are designed to maximise our contribution to achieving each of the seven national wellbeing goals and take all reasonable steps to meet the objectives. The seven wellbeing goals are shown in the diagram below while our own well-being goals are incorporated within this plan. The contribution our plan makes towards the seven national objectives has been assessed and is shown in this plan.



In planning our services and taking action to meet our well-being objectives we must consider, but also demonstrate that we have applied, the following sustainable governance principles in our decision-making:

- Balancing short term needs with long term needs.
- Using an integrated approach, balancing social, economic and environmental needs.
- Involving others and considering their views.
- Working in collaboration with others.
- Putting resources into preventing problems

The Act also puts a well-being duty on specified public bodies to act jointly via Public Service Boards (PSB) to improve the economic, social, environmental and cultural well-being of their area by contributing to the achievement of the well-being goals.

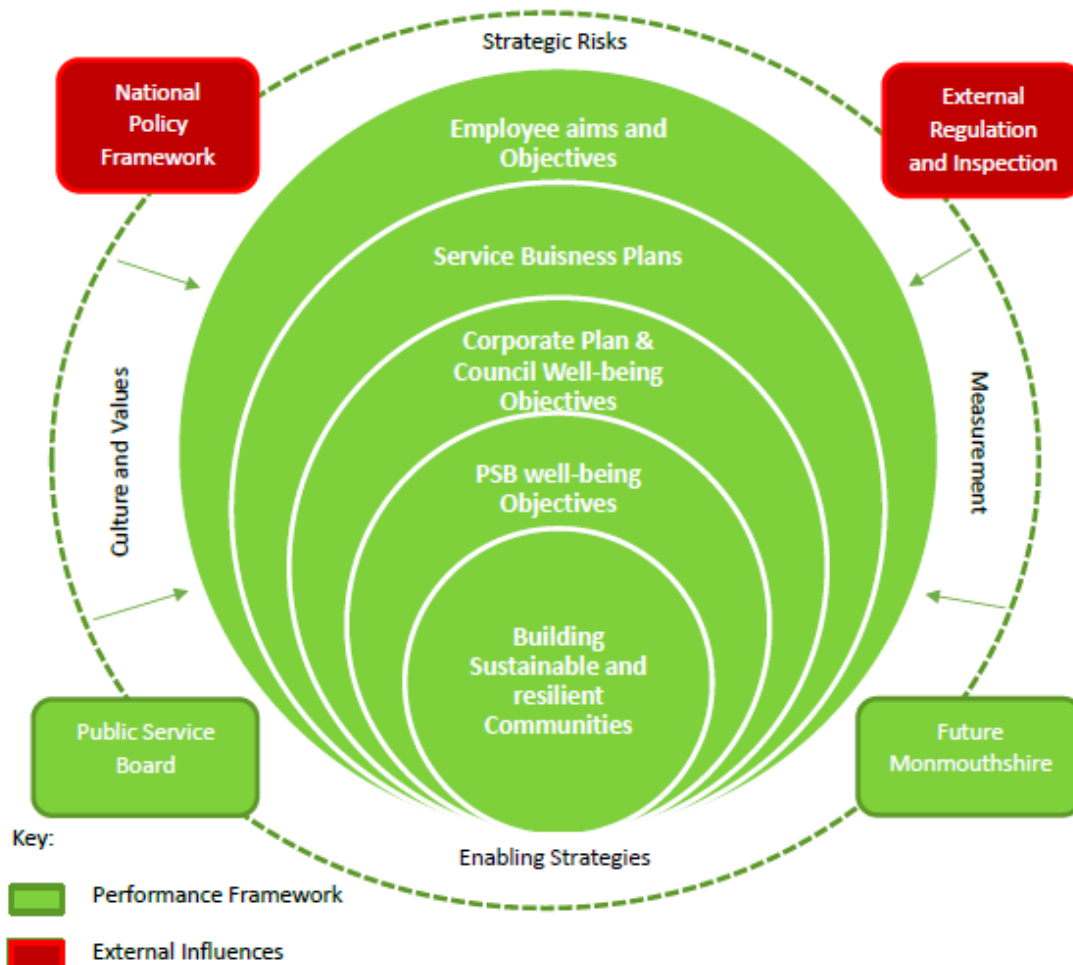
Appendix 4 – Local Policy context

Our Improvement Framework is supported by a range of plans as part of our Policy Framework that guide our actions to improve services.

Performance Management Framework

Our performance management framework; illustrates the interdependencies and how the policies, plans and programmes it contains, should be mutually reinforcing. In simple terms, our performance management framework is integral to the adoption and application of our plan because it makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes.

Building sustainable and resilient communities is the unifying purpose of the diverse range of services for which we are responsible. We are a partner in the Public Service Board, which is responsible for setting well-being objectives for the county. The council's own well-being objectives are set by the Council based on the same well-being assessment as the PSB objectives and, form the backbone of our Five Organisational Goals in the corporate plan. Each of our teams has a business plan that aligns to these objectives. We have a range of performance measures that we use to keep track of our progress. Our risk management policy enables us to manage strategic risks to our delivery. Our employee aims and objectives show how the contributions that individual colleagues make to these objectives and delivering our vision in accordance with our values.



Our 'enabling strategies' support the delivery of our objectives. Our work is also informed and guided by national policy and external regulation and inspection.

Level	Policy Framework	
Vision	<p>The Public Service Board Well-Being Plan</p> <p>Monmouthshire's Public Service Board has produced a well-being plan which sets four objectives they will work on to improve well-being in the County now and in the future</p>	
Plan	<p>Corporate Plan including Council well-being objectives</p> <p>Set out the direction for the Council in the next 5 years the resources required to deliver it and articulates the council's well-being objectives for carrying out sustainable development and maximise the contribution to achieving the wellbeing goals</p>	
Strategy	<p>Asset Management Plan</p> <p>Describes how we manage our land and property portfolio</p>	<p>Financial Plan</p> <p>Sets out the financial challenges we face & how we will meet these challenges</p>
	<p>People Strategy</p> <p>The strategy connects people to purpose to improve performance and deliver better outcomes</p>	<p>Digital and Customer Strategy</p> <p>The steps we will take to develop our digital offer in our services and communities</p>
	<p>Local Development Plan</p> <p>Our proposals and policies for future development and use of land</p>	<p>Economy and Enterprise Strategy</p> <p>Our proposals for increasing competitiveness, innovation and productivity.</p>
	<p>Corporate Procurement Strategy</p> <p>Our proposals for delivering value for money, innovative and legally compliant contractual arrangements.</p>	
Delivery	<p>Service business plans</p> <p>Each service has a plan that evaluates performance, plans actions for the year ahead, includes metrics to monitor performance and manages risks.</p>	<p>Employee Aims and Objectives</p> <p>Employee appraisals enable individuals and teams to outline the values and performance that is relevant in their role and connects them to the purpose of the organisation.</p>
Evaluation & Risks	<p>Evaluation</p> <p>Evaluates performance, plans & metrics to monitor performance.</p>	<p>Strategic Risk Assessment</p> <p>Identifies, manages and monitors the Council's Strategic risks.</p>

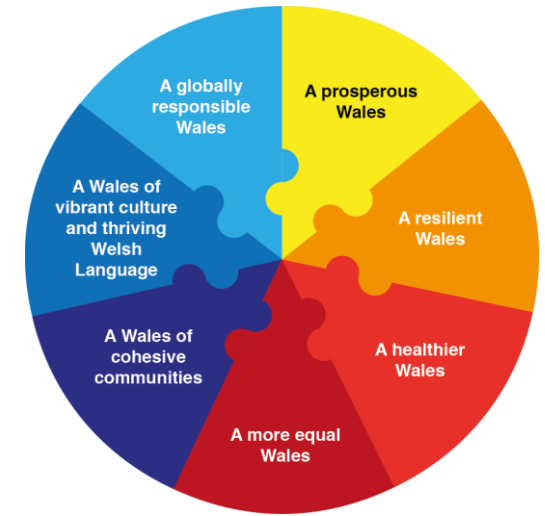
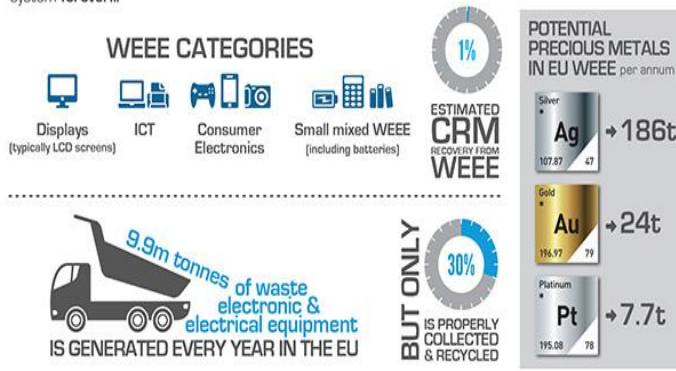
Future Monmouthshire

The *Future Monmouthshire* programme is about ensuring the council remains relevant and viable for the next generation, while continuing to meet the day-to-day needs of residents, visitors and businesses. Future Monmouthshire and its interventions are built around our design principles. Future Monmouthshire has also focussed in on a number of significant future trends, such as the future of work, the utility of automated systems and machine learning, forward-looking land-use and house building and alternative models of service delivery. We have nine design principles that link to longer-term goals which help guide our work.

This page is intentionally left blank

THE PROBLEM

Huge quantities of waste electronic and electrical equipment (WEEE) are disposed of each year in the European Union. Although certain valuable materials are recovered in the recycling of waste electronic equipment (e.g. aluminium, copper), many "critical raw materials" (CRM) are not, and are lost from the system forever...



Procuring for Public Value

A Strategy for Responsible Procurement

Peter Davies, Chief Officer Resources

Page 73



Procurement in Monmouthshire....

- Needs a Policy Framework setting out:
 - Vision
 - Strategy
 - Means of Delivery



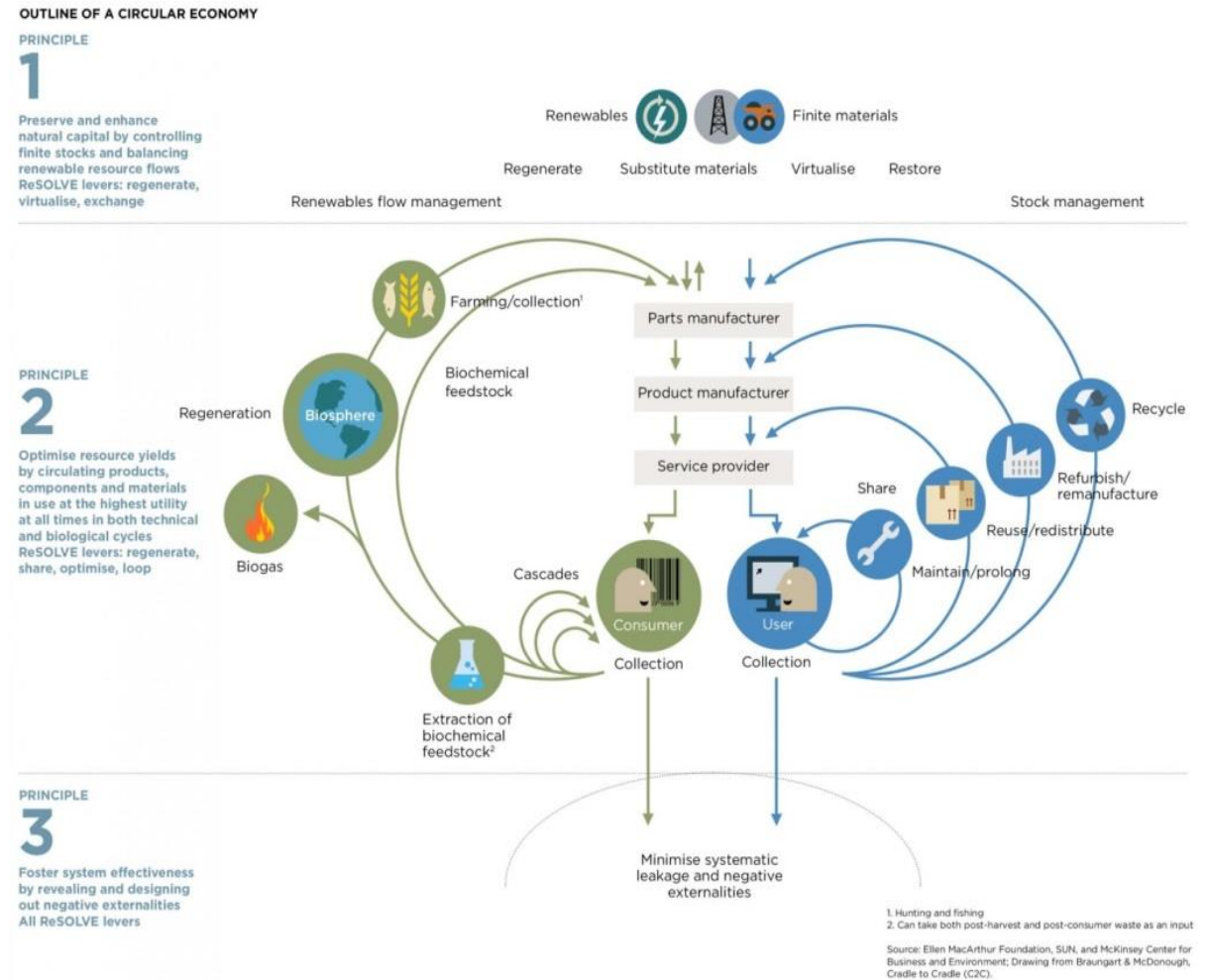
Public Procurement....

-Is the spending of public money to deliver goods, services and works
- Highways, schools, transport, cleaning, care contracts and professional services are just some examples
- Way money is spent, has clear implications for the economy, as well as for the Council as procurer and the customers and residents using our services



The problem

- In straitened and ever more complex times, public procurers must play a more significant role in societal transformation and in solving economic and environmental problems
- Big issue is that traditional public procurement often stifles the kind of innovation now needed
- Post-Brexit, what can be uniquely made and developed locally, will create better public & new economic value
- ‘Circular economy’ principles must be writ large in this



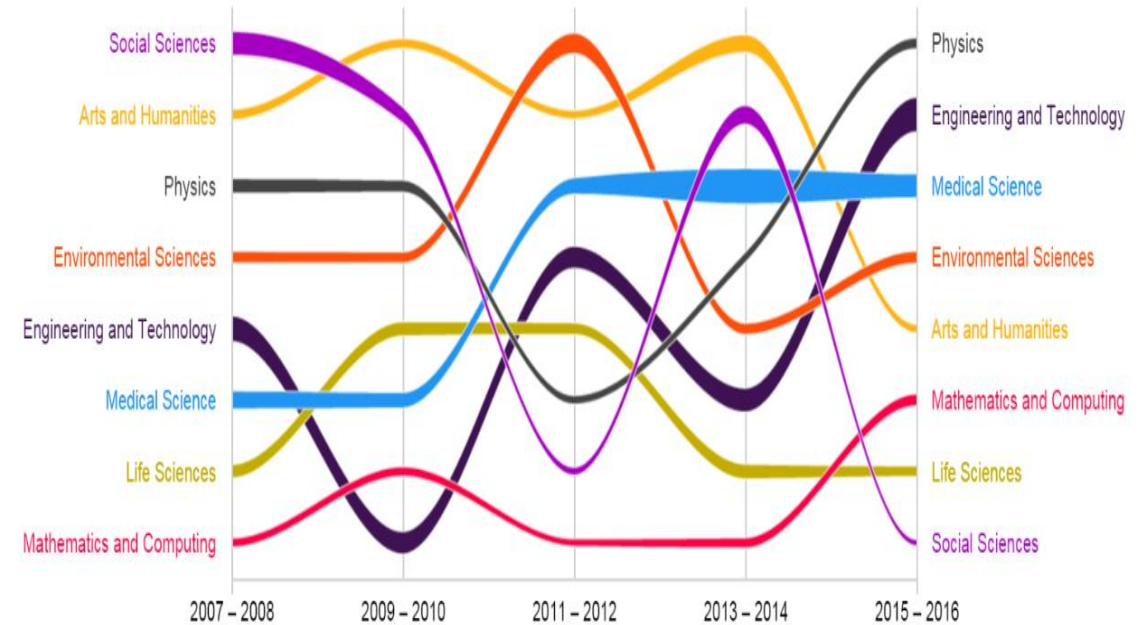
The opportunity

- 'Favouring' innovation = public procurement of sustainable goods and services
- Essential tool in simulating new technologies or service solutions and creating better jobs
- Boost to competitiveness of industry and SMEs
- More efficient and effective public services
- Better outcomes for those who need and use our services
- GOOD growth. Investing for impact



Progress

- Progress in wider world...
- Changes to EU Procurement directives to favour innovation (2014)
- WFG Wales 2015 & BSI for Circular Economy
- As part of Industrial Strategy, UK Govt committed to meet target of 2.4% GDP invested in UK R&D by 2027. Strong link with public procurement
- OECD study measuring link across public procurement and R&D
- National Procurement Consortium under review



The new alternatives

- Important we explore alternatives available to 'beauty parade'
- Innovation Partnerships
- 'problem-led' procurement
- Small Business Research Initiative
- GovTech (we have a live project)
- Pre-commercial procurement (R&D)
- Some organisations now put part of their procurement spend aside for innovative approaches that improve efficiency & quality of public services, while also addressing social and economic challenges.



2014 New EU Procurement Directives

- Stronger legal basis targeted at opening up new opportunities for public procurement, whilst maintaining basic requirements of competition, transparency, equity and state aid
 - Introduced Innovation Partnerships
 - Competitive Procedures with Negotiation
 - Competitive dialogue also refocussed
- All of these are eligible for contracts which include an amount of design or innovation, or where technical specifications cannot be sufficiently defined
- Responds to need for greater flexibility in choice of procedure to meet needs
- Focus on pre-market consultation, pre-commercial procurement & life-cycle costing at award stage



What are our barriers currently?

- Compliance dominated
- Lack of incentives & risk aversion
- No codified 'team' approach
- Problems of awareness, knowledge and what's out there/ what's coming
- Procurement treated as a financial or administration task
- Procurement not aligned to broader policy objectives
- Barriers created to SMEs being more involved as direct providers



Guiding Principles for our Strategy (1)

- Start early – forward planning. Establish need (options appraisal). Analyse market and introduce Forward Commitment Procurement – early notice to market of spend
- Know the market – where is the supply chain knowledge? Must be beyond traditional ‘category management’ and beyond knowledge of existing markets. Who are new market players? Where are specialists? Detailed research, pre-procurement market engagement & advice from professionals
- Risk assessment – are we being fair in apportioning risk, responsibility & reward? Is ‘supplier takes all risk’ hampering process?



Guiding Principles for our Strategy (2)

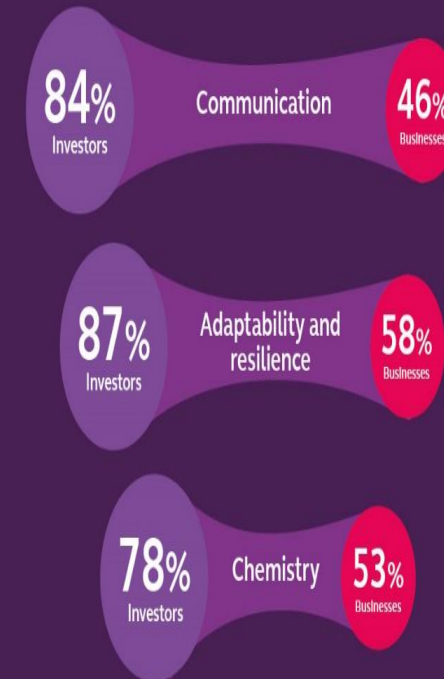
- Steering group – multi-disciplinary approach. Art of the possible?
- Competition stays strong – publicity, supplier events and challenge-led approaches to assess what market can offer
- Use of new more flexible procedures – is an Innovation Partnership the right tool? Or competitive procedures including negotiation?
- Don't over-specify – stifles innovation – specify performance requirements instead e.g. co2 reduction. Allow variants
- Make information freely available, use open data wherever possible
- Agree IP Strategy
- Good contracts are key



Engagement

- Targeted supplier engagement
- Issue clear guidance
- Financial support for competitions – like SBRI and GovTech
- Public events
- Openness and ongoing discussion
- Procurement will be driven by demands of public customers
- Can we help suppliers to anticipate demand and need for new, better solutions?
- Must still commit to competition and getting best value

What businesses underestimate when looking for investment



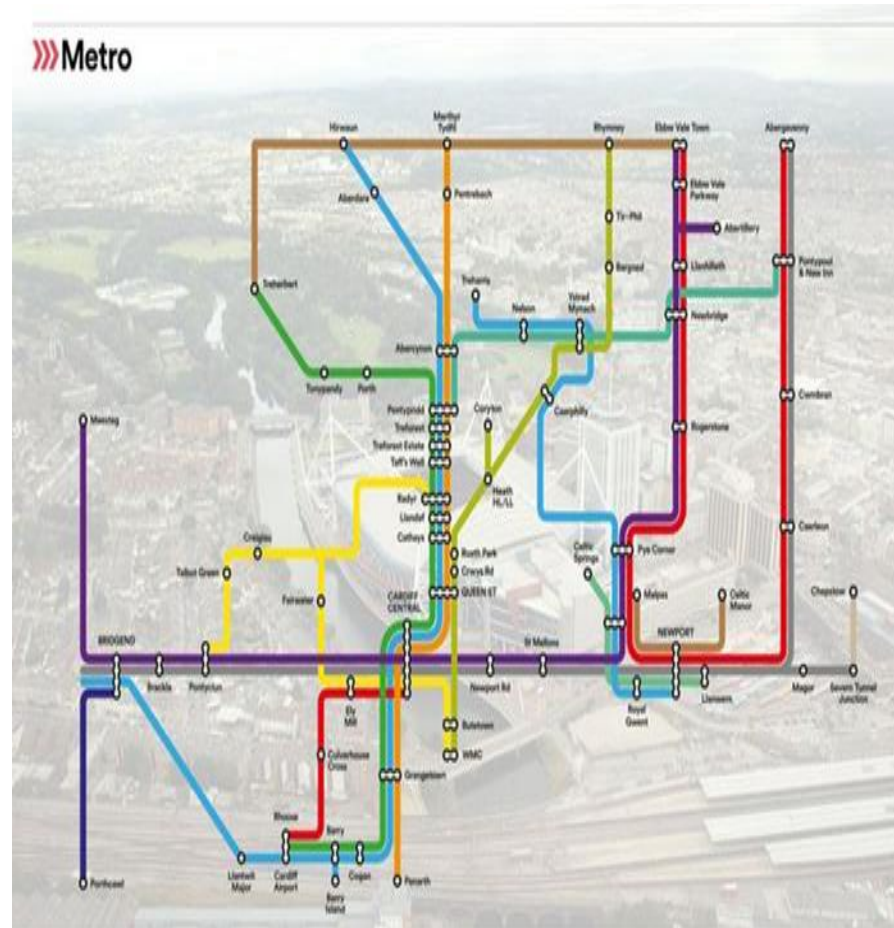
Clear Strategy for Innovation

- Clear needs assessment
- Establish thematic steering group
- Establish a business case
- Engage suppliers
- Legal considerations
- Whole-life costs
- Risks and financial support



And a wider strategy for scale

- This approach should be catalytic. When procurers have critical mass they can help shift demand to new technologies, services and processes
- In some sectors, 'pull' demand from the public sector is recognised as the most important tool in developing new markets
- Chief examples are in the social care and infrastructure markets
- Public Services Testbed in CCR



Resourcing and Practicalities

- Investment needs consideration on a ROI basis
- Centralise & strengthen procurement through bringing together all those with 'procurement' designations in Council
- Promote the 'professionalization' of procurement
- Multi-disciplinary teams
- Targets and behavioural change
- Establish centres of competence through the organization
- Identify the great practice



Benefits - Council

- New solutions needed to complex problems – ‘off the shelf’ no longer enough
- New suppliers and services are crucial to better public value
- Cost savings
- Customer experience
- Development of new knowledge and know-how
- Access to new investment
- Embraces WFG and circular economy
- Reputational gains
- Potential commercial gains through JVs and shared IP etc

Long term



The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.

Prevention



How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.

Integration



Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.

Collaboration



Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.

Involvement



The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

Benefits - Suppliers

- Access to valuable public service customers
- Apply research and see it commercialised
- Understanding big public service challenges
- Exposure and networks
- Develop expertise
- Access new investment



Benefits – Customers & Society

- Better public services & infrastructure
- Skilled jobs and new start-ups
- Tackling grand challenges
- Smarter use of tax payer's money
- Knowledge transfer
- International competitiveness
- New industries take shape
- Improvements to quality of life





REPORT

SUBJECT:	Commercial Strategy
MEETING:	Economy and Development Select
DATE:	13th July 2018
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

- 1.1 The purpose of this report is to present for scrutiny the Council's first Commercial Strategy and accompanying action plan. The strategy builds upon aspects of the Procurement, Digital and Asset Strategies and is a key means through which the Council can play a role in the self-determination of its future viability and sustainability.

2. RECOMMENDATIONS

- 2.1 That the Committee considers the draft Strategy and action plan ahead of subsequent consideration by Council and based on its wider reflections and links across the strategic framework; advises on the fitness for future purpose of the Strategy ahead of decision.

3. KEY ISSUES:

- 3.1 The Commercial Strategy is an important means through which the Council can self-direct its own economic future and ensure services, functions and wider activity has an outlook broader than 'survive' – and a real aspiration to 'thrive'. Our Corporate Business Plan sets out a clear direction for the Council up to 2022 and one of its main ambitions is to grow a 'future focussed' Council. The Commercial Strategy makes a key and direct contribution to this aim, as well as working to provide a stronger means through which all services and functions can be sustained and supported in the long-term. Specifically, it seeks to:
- Augment income generation – making money by providing 'charged for' services that generates revenues for reinvestment;
 - Develop an approach to commercialising assets – adoption of an asset investment policy that creates an asset opportunity portfolio, maximising capital receipts and exploring wider commercial opportunities

- Create a commercial culture and ethos – ingraining the kind of business discipline that will enable the Council to deliver social impact

4. REASONS:

- 4.1 There is a need to create the conditions for the Council to operate with sufficient flexibility and freedoms to generate income, identify and galvanize opportunity and widen the options through which to reinvest in its ongoing sustainability and viability. This strategy creates the framework through which to consolidate and strengthen the Council’s existing commercial activity, providing a framework with defined objectives for wide-ranging commercial activity across key areas of the Council’s operation.

5. RESOURCE IMPLICATIONS:

- 5.1 The Council has already approved a £50m borrowing facility for asset acquisitions to support this approach. The creation of a commercial team requires no additional support since the approach suggested, requires integration and better co-ordination and alignment of existing resources. Any further or additional financial support will be sought and brought forward on an exceptional business case basis.

6. CONSULTEES:

Senior Leadership Team
 Economy and Development Select Committee
 Commercial officers and managers across the Council

7. BACKGROUND PAPERS:

Commercial Strategy – 2018-22

8. FUTURE GENERATIONS IMPLICATIONS:

- a. The significant Future Generations impact identified in the assessment (Appendix 1) are summarised below for members’ consideration:
- i. The opportunity to self-direct our own economic fortunes through understanding, exploring and delivering options for commercial activity and revenues that sustain and support services;
 - ii. The opportunity to understand future opportunities and develop our own approved pipeline of schemes and projects. This will require an understanding of the ‘risk and reward’ ratio associated with each project and area of potential; and,
 - iii. The opportunity to create a commercial culture and ethos which will enable the Council to run services on a more stable and sound footing – thus, creating a more hopeful outlook for current and future generations.

- b. The actual impacts from this report's recommendations will be reviewed every 3 years and criteria for monitoring and review will include: Continuous assessment of the Commercial Strategy will be undertaken to ensure it is actively maximising the Council's contribution to the Wellbeing Goals.

AUTHOR:

Peter Davies – Chief Officer Resources

Debra Hill-Howells – Head of Landlord Services and Commercial

CONTACT DETAILS:

E-mail: peterdavies@monmouthshire.gov.uk

Phone: 07398 954828

E-mail: DebraHill-Howells@monmouthshire.gov.uk

Phone: 07775 851405

This page is intentionally left blank

Insert Cover report

Version Control

Title	Commercial Strategy
Purpose	To develop a commercial approach that contributes towards meeting the future financial challenges facing the Council
Owner	Peter Davies
Approved by	
Date	5 th July 2018
Version Number	1.0
Status	Draft
Review Frequency	Annually
Next review date	01.04.19
Consultation	SLT; E&D Select

Contents

Contents	3
Introduction/foreword	4
Heading Level 1	4
Our Foundation: Purpose and Values	5
Action Plan	9
How we will Evaluate Progress	10
Performance Indicators.....	11
Risks	12
Appendix - National Policy Context.....	13
Appendix – Local Policy context	15

Commercial Strategy – Monmouthshire County Council

Background

- 1.1 The ongoing and future financial challenges facing the Council, resulting from reduced Welsh Government funding and other pressures, whilst presenting increased risks also opens up opportunities arising from the need to be more effective and efficient, more resourceful and more entrepreneurial.
- 1.2 Monmouthshire County Council acknowledges the challenges that it faces, but also views the current funding picture as an opportunity to affect fundamental changes to who we do business, with improvements to services we deliver as a result.
- 1.3 The Council has a clear purpose to "*help build sustainable and resilient communities that support the well-being of current and future generations.*" In order for the Council to fulfil its purpose the Council also needs to be sustainable and resilient.
- 1.4 Aligned to this the Corporate Plan sets a clear direction for the Council up to 2022. One of the five goals and policy priorities set out in the Plan is that of a 'future focused Council'. The development of this Commercial Strategy is one means, but not the only means, by which the Council delivers a sustainable and resilient organisation and relevant, viable and valued public services.
- 1.5 There are a number of further priorities and commitments within the Corporate Plan that the Commercial Strategy will support and talks directly to:
 - Enabling the Council to provide good sustainable local services whilst delivering an excellent customer experience across all channels
 - Producing 'green and clean' energy
 - The Council unlocking the economic value of its spending power
 - The Council providing more opportunities for local living, working and leisure

- The Council maximises economic potential both through its Economy and Enterprise Strategy and the Cardiff Capital Region City Deal
- 1.6 To increase and expand the Council's commercial vision it will require a Commercial Team to be established through existing roles that have significant commercial focus within the Council being mobilised. Some of these roles will be closely aligned to those roles that are responsible for procurement and commissioning and that will similarly be mobilised as a consequence of the Procurement Strategy being adopted. Other roles
- 1.7 For those Council service areas that have not previously looked at opportunities a more commercial approach can offer, particularly to improve and expand services, there will be active challenge under the new strategy to explore these opportunities.
- 1.8 In some areas of the Council commercial activity is nothing new. In these areas we will look to further optimise and develop commercial activity within these services to enhance this already successful provision.
- 1.9 This strategy will look to consolidate the Council's existing commercial activity and provide a framework, with defined objectives, for new commercial projects and for the delivery of future commercial activity.

What Commercialism means to the Council

- 2.1 Commercialism is a broad subject and can apply to many different areas. It can be difficult to precisely define what commercialism means for councils. Commercialism means different things to different people, and is being implemented in different ways all over the country. This is a good thing and local government is enjoying a flowering of diverse approaches to problems as well as more freedom to act than previously. There is not, and there shouldn't be, one right approach to commercialism, nor just one useful definition.
- 2.2 The strategy looks to formalise the Council's commercial activity through three main work streams. These work streams, which will help to realise the commercial ambition set out in the strategy are:
- Income Generation – Making money by providing a service which can be charged for, generating revenue that can be reinvested into Council services.

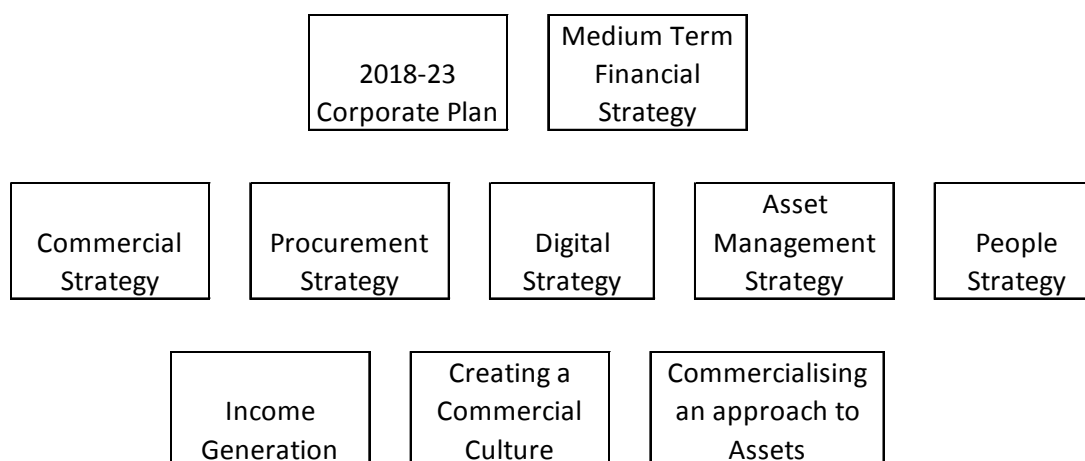
- Commercialising an approach to Assets – through the adoption of an asset investment policy, delivery of the County Farms strategy, optimizing returns from our existing investment properties, maximising capital receipts and exploring other commercial opportunities.
- Creating a Commercial Culture – behaving in a more business-like way and ensuring staff are equipped with the right training and skills to enable us to adopt some of the positive culture and behaviours that are associated with commercial organisations.

2.3 The success of the delivery these work streams and the strategy overall will be measured by a series of key deliverables and performance indicators. These specific, measurable and attainable goals are both financial and operational, and include desired outcomes such as meeting financial targets, officer engagement and public perception.

2.4 The delivery of these work streams will be supported by the introduction of a commercial framework. This will be used to evaluate existing commercial services and projects and new ideas to ensure the right things are done in the right way and at the right time.

Strategic Links

3.1 The hierarchy, interdependence and delivery of the Commercial strategy is shown below:



3.2 The Corporate Plan

The Corporate Plan was adopted by Full Council on 15th February 2018. As outlined above this sets out the vision and priorities for the duration of the

recently elected Conservative administration. The key vision of the Council remains sustainable and resilient communities. The themes and vision are inter-dependent and underpin all of the supporting strategic documents. In addition to supporting a main goal of the plan to be a 'future focussed Council' the Commercial Strategy looks to support the delivery of a number of the commitments in the Corporate Plan, as set out in 1.5 above.

3.2 Medium Term Financial Strategy

Since 2008 the Medium Term Financial Plan (MTFP) has been focussed on managing the reduction in both revenue and capital resources, whilst still maximising opportunities to deliver the Council's priorities. The Commercial Strategy provides the Council with the opportunity to adopt revenue generation approaches to offset the impact of Welsh Government funding reductions and other financial pressures and allows the Council to have more control over its future ambitions.

The adoption of an investment and growth approach with adequate controls and risk accountability will enable us to increase revenue streams, target strategic growth in the residential and employment sectors and capitalise on our unique geographical location as a border county situated within the Capital City Region. The Commercial Strategy provides the framework within which the asset investment policy will operate.

Additional capital projects identified will need to be funded through borrowing with the requirement that revenue savings have to be realised to service the debt. This approach was adopted for the development of the Council's solar farm where the business case was tested on its ability to generate a net income stream over and above the borrowing the costs.

The Asset Investment policy proposes a similar approach, where prudential borrowing will be incurred to acquire assets. The cost of borrowing will be paid back through the rental stream generated from the acquired asset. In addition investment assets will be expected to generate an annual net return of 7%, which will be determined by combining the net rental income and capital value appreciation.

3.3 Procurement Strategy

Procurement is the spending of public money to deliver value-for-money goods, services and works. The need for a commercially focused approach runs through the Council's procurement strategy and the skills and aptitudes needed in a commercial environment (e.g. negotiation skills) are complementary to those needed in a progressive procurement policy framework. So closely

aligned are they that there will be natural synergies between the Procurement and Commercial teams being established.

3.4 Digital Strategy

The focus of the strategy on building a digitally enabled workforce complements and supplements our own intentions to develop a more commercially focused culture.

Developing and redesigning services with a commercial focus will require us to invest in automation to enable us to compete in the commercial world. A focus on enhancing digital customer services, makes it easy for people to access facilities and services, increasing their effectiveness and efficiency.

Improving the digital maturity of the Council supports a commercial environment where evidence based decisions need to be made in a fast paced competitive market. Value is added to our buildings by equipping them with modern digital facilities in order to reap the benefits of increased rental income as well as sales valuations.

3.5 People Strategy

This focuses on equipping staff with the resources and skills to enable officers to perform their duties as effectively as possible. Through a targeted approach we will look to ensure that staff are equipped with the right training, skills and behaviours to behave in a more business-like way.

Having an empowered workforce who are prepared to take business-like decisions, manage risk and seize new opportunities will improve the services we deliver to customers. An empowered and engaged workforce enhances the Council's ability to attract and retain top talent.

3.6 Asset Management Strategy

Given the need to drive income generation to offset the wider financial challenges faced by the Council, the use of the property portfolio will increasingly need to be seen through a commercial lens. A new asset investment policy intends for potential acquisitions to be judged on their revenue generation, potential capital appreciation and if within Monmouthshire economic development opportunities.

The Commercial Strategy will also support the wider aims of the Asset Management Strategy in the delivery of the County Farms strategy, optimizing

returns from our existing investment properties, maximising capital receipts and exploring other commercial opportunities.

3.7 Local Development Plan

The Capital City Region provides a strategic oversight to spatial planning within the geographical region. This will be taken forward as a Regional Spatial Plan and work has commenced on its development. In the interim the Council has its own adopted Local Development Plan (LDP) which sets the context for local development opportunities, which is now being reviewed. Given the rich ecological and environmental landscapes that support our farming and tourism sectors, development has largely been confined to the existing urban settlements. The impact of this is that sites are generally expensive to deliver due to large abnormal and environmental constraints which has resulted in the Council being unable to meet its 5 year housing land supply targets for the last 2 years.

Welsh government undertook a review of the agricultural land grading in 2017, which has increased the land in Monmouthshire classified as grade 1, 2 and 3, which will potentially further restrict the land availability for development and the impact on our urban settlements.

The government's announcement that the Severn Bridge Tolls will be removed at the end of 2018 has already created an acceleration in demand in residential properties in the South East of the County with a resulting uplift in house prices in Severnside and Chepstow.

A review of the LDP has been commenced as a result of the shortage in availability of housing land which will also have regard to the short and medium term impacts of the changing economic landscape which does present significant growth opportunities.

As a major landowner in the south east of the County, the commercial strategy seeks to support the Asset Management strategy in capitalising on these opportunities through a commercial approach to development and property ownership.

Key aims and objectives of the Strategy

- 4.1 The overarching aim of this strategy is to deliver a financial return which contributes to the Council's efficiencies and additional income targets, helping to safeguarding and develop frontline services that the Council currently provides.

- 4.2 Given the scale of current and future financial challenges it is considered that doing nothing is not an option. The delivery of the strategy looks to make a notable contribution to the development of a sustainable financial plan over the medium term.
- 4.3 The successful delivery of the Commercial Strategy will mitigate some of the savings that the Council will have to make. We will look to carefully manage and mitigate and control any risks associated with the implementation of the strategy. Funding is required for the successful implementation of this strategy however it is expected that this will be either be on a self-financing basis, an invest to save basis or through a refocusing or repurposing of existing resources.
- 4.4 It is important to note that the benefits of pursuing a commercial strategy are not purely financial. Becoming a commercially focused organisation means putting the customer at the heart of everything we do. We will actively encourage creative thinking to develop more effective ways to deliver or commission our services. Our Social Welfare Strategy talks to our need to have a social conscience in everything that we do. Sustainable development principles will play heavily into our strategy to an approach to wellbeing and to future generations.
- 4.5 We will empower and encourage our staff to take business-like decisions, manage risk and seize new opportunities. This will help to improve the quality and speed of decision making, thereby improving the services we deliver to customers. An empowered workforce means more engagement, higher customer satisfaction, increased productivity and also better business intelligence. The result of this is that the Council's ability to attract and retain top talent is enhanced.
- 4.6 Through growing the commercial activity of the Council we are looking to benefit the communities of Monmouthshire, ensuring that wealth generated in Monmouthshire stays in Monmouthshire. In turn this will help to attract businesses, professionals and entrepreneurs to the area. It is anticipated that increased prosperity within the borough will positively affect the household income of residents, helping to reduce the barriers to social inclusion.
- 4.7 The key aims of the strategy as represented in the Corporate Plan are broken down as follows:

Short Term Goals (2018/19)	Medium Term Goals (2019/20-2020/21)	Long Term Goals (2021 Onwards)
General		

Commercial Strategy to be approved by Council	Continue to develop commercial and investment opportunities to impact annual targets	To optimise commercial and investment opportunities across the Authority
Income Generation		
Commercial Framework approved by Council	Continue to develop commercial opportunities in line with this strategy	
Identify top three commercial opportunities:		
Business cases to be developed around high priority existing and potential income generating services in line with commercial framework	Develop business cases for other commercial initiative and opportunities	
Further specific objectives based on top three initiatives:		
Develop marketing plan to use for top three priorities to achieve greater market share	Continue to promote existing services whilst bringing online new income generating services	Increased awareness throughout the County and wider region of the services the Council can provide
Determine the right commercial delivery models for the Council, whether trading, collaboration, insourcing or optimising operational services.	Continue to develop and explore commercial opportunities	Establish successful delivery models that contributes profits annually to be reinvested in Council Services
Commercialising an approach to Assets		
Acquisition of investment assets in line with asset investment policy	Further acquisition of investment assets in line with asset investment policy	
Explore the potential of undertaking our own development or construction of Council assets		
Assessing the business need for the creation of a Council owned arm's length trading company to undertake commercial development and trade services		
Development of Council sites and delivery of LDP strategic sites	Promoting Council owned assets within the LDP review	
Identifying self-build and affordable housing		

opportunities on Council owned land		
Implement re-fit programme to reduce energy costs and carbon footprint	Increasing renewable energy generation where financially viable, including maximising the value generated through the provision of battery storage or the trading of energy to third parties	
Creating a Commercial Culture		
Review current cultural state and develop plan on how to achieve desired future cultural state	Implement plan using organisational change model to align resources to achieving common goals	Council to have adopted appropriate positive culture aspects and behaviours associated with commercial organisations
Establish a Commercial Team within the Council to provide advice and support to actively deliver the strategy		
Develop a targeted immersive training programme to equip staff with the appropriate commercial skills	Continued rollout of training and ongoing monitoring and evaluation	
Complete service reviews to assess if current delivery models used are most effective and cost-efficient	Review services periodically to ensure assertions in service reviews are still applicable	To become a commercially focused organisation with a national reputation for high quality services

How we will deliver the strategy

Commercialising an approach to Assets

- 5.1 Business cases that concern asset acquisitions or investments will be taken by the Investment Committee in line with the Council's Asset Investment Policy.
- 5.2 Other commercial opportunities identified as part of the Asset Management Strategy will be monitored and evaluated in accordance with the action plan and performance framework outlined and attached to the strategy.

Income Generation

- 5.3 The Council is already exploring a number of commercial opportunities. Where new opportunities are developed, their merits will be assessed and a robust business case brought forward to the Chief Officer for Resources and Head of

Landlord Services and Commercial for initial approval. Depending on the level of investment required, the approved business case will be taken to either Cabinet or Full council before a decision is made to go ahead.

- 5.4 Where services are already trading commercially we will look to generate additional income by improving their effectiveness and promoting the service further through sales and marketing.
- 5.5 Packages of services will be developed following initial review and provide a pilot for new ways of operating commercially. These areas will contain many of the existing service areas that have the greatest commercial potential and will be grouped into two packages to aid communication and cross selling opportunities. One package will be for trade customers and one for domestic customers (i.e. residents).
- 5.6 The strategy will be delivery through a high level delivery plan which will look to formalise and set defined objectives for commercial activities already being carried out.
- 5.7 The development of a commercial framework will also look to create a culture and coherent structure which allows new commercial ideas to develop and commercial projects to be implemented, giving them every chance of becoming successful commercial ventures. The stages of the Commercial Framework are as follows:



The role of the Commercial Team within the Council

6.1 As the Council is looking to operate more commercially it is vital that adequate resources are in place to support service managers to do so. The role of the Commercial Team is as follows:

- To develop and maintain the Commercial Framework which provides the basis for all of the Council's commercial revenue activities

- Have project oversight and where necessary responsibility for managing delivery of commercial projects
- Provide advice to service managers on the development of commercial opportunities
- To assist with the commercial business plan writing and financial modelling
- To hold the commercial projects register
- To provide analysis of the performance and impact of projects and the contribution towards efficiencies and additional income targets
- To provide recommendations and advice to Cabinet on the approval of commercial business plans
- Highlight any potential commercial conflicts of interest to Cabinet for direction
- To implement KPIs and measure success of commercial projects

How we will develop existing income generating services

- 7.1 The Council will look to enhance existing income generating services by providing commercial support in areas such as sales, marketing and business development to ensure that we are able to maximise market share within the Council in that particular service area.
- 7.2 The decision on whether to charge or trade would need to be reviewed should the service achieve market saturation within the County or an opportunity to trade outside of the County was presented which could be potentially be beneficial for the Council. The model for business growth within a public sector environment as follows:

Internal Services

- 7.3 This involves providing a service that Council already provides (e.g. trade waste) and marketing it towards an existing customer (i.e. Monmouthshire businesses) in order to achieve business growth.
- 7.4 This is the least risky growth strategy as the Council already has processes in place to provide this service. It is however targeted towards a limited market and could result in market saturation.

Other Public Sector

- 7.5 This involves providing the service to other public sector organisations outside the County boundary. Advice received confirms that whilst the General Power of

Competence is not in place in Wales, the Authority would be able to use its Wellbeing powers to trade in the same way any business would within the County.

- 7.6 The Council can, in some circumstances, carry out work outside of the County without the need for a trading vehicle on behalf of other public sector organisations. This is only the case where a shared service arrangement has been entered into or the Council has been appointed as an agent to carry out the work by the neighbouring authority.

Direct to Public

- 7.7 This involves trading either through existing council structures or through a Local Authority Trading Company (LATC) to provide a service to the residents of Monmouthshire. There are various reasons why Councils look to deliver services through an LATC such as being able to compete in a wider area or to make them more efficient. This does however increase the level of risk as it involves an entirely new way of operating. An LATC is only legally required if significant profits will be made and before then other internal structures maybe quicker and easier to get off the ground.

Trading with Private Sector

- 7.8 Trading through existing council structures or a LATC in the open market is another option.
- 7.9 Any new commercial proposals will be backed up by robust business cases to allow the Council to reduce or mitigate any risks and ensure there is every possibility of success in all commercial ventures.

How we will develop new ideas

- 8.1 When potential commercial opportunities are identified a proposal will be put to the Chief Officer for Resource and Head of Landlord Services and Commercial. From this initial idea, the Council will use the Commercial Framework to assess the idea and, if appropriate, prepare for action.

How we will manage risks

- 9.1 The Council is launching a new way of doing business which, it is anticipated, has scope to be misinterpreted with consequent damage to corporate reputation. The Commercial Team will work with the Communications Team will develop a plan to mitigate this risk which:

- Informs our citizens about this strategy, and why it is being implemented.
- Informs the elected members, officers and key partners about this strategy and why it is being implemented.
- Sets out criteria which can be applied during the planning of a particular commercial project in order to measure the impact on the perception of the Council.
- Includes a communications strategy to highlight any commercial successes to promote achievements both internally and externally.
- Includes a communications strategy to deal with any commercial failures or sudden interest in the Commercialisation Strategy from the press or any other interested party.

How we will develop new ideas

- 10.1 Risk management is embedded in all of the decision making processes within the Council. Effective risk management requires an informed understanding of relevant risks, an assessment of their relative priority and rigorous approach to monitoring and controlling them. All risks associated with any commercial activity will be managed and monitored by the Commercial Team.
- 10.2 A key part of the Council's Risk Management Framework is the Strategic Risk Register which contains all risks that may have an impact on core services and both strategic and operational objectives. The Commercial Team will keep under review the aggregate level of commercial risk and if appropriate will recommend that is added to the Strategic Risk Register.
- 10.3 In any commercial venture there will always be an inherent element of risk. The presence of risk is not always entirely negative as it can be a driver of innovation and a motivator to staff.
- 10.4 Given the potential risks involved it would be easy to take a risk adverse approach, however this approach would hinder potentially highly beneficial opportunities or innovation. We will look to identify risks early in the strategic planning phase and implement approaches to mitigate or manage these risks where possible.

Our Foundation: Purpose and Values

Monmouthshire County Council has a clear purpose. We shape this in line with the goals and ambitions of our partners in other public services that are part of the Monmouthshire Public Service Board (PSB). Monmouthshire County Council's Corporate Business Plan provides direction and sets out the things we will be working on for the next four years, taking us up to the end of the political term in 2022.

Purpose

Our Purpose is:

We want to help build sustainable and resilient communities that support the well-being of current and future generations.

This purpose is at the heart of everything we do to improve the economic, social, environmental and cultural well-being of Monmouthshire and we share this with our public service partners as part of the Public Service Board. We will consider sustainable development in how we plan and deliver the action set in this plan

Our Corporate Plan

Monmouthshire County Council's Corporate Business Plan sets out the things we will be working on in the medium term. The plan sets out our five Organisational Goals (also our well-being objectives) supported by the 22 commitments to action we will make and the ways in which they will be measured in the run-up to 2022. This plan has been developed aligned to the direction set in the Corporate Plan. The Plan is underpinned by a clear policy framework that sets out in more detail our work to enable the delivery of the plan (see appendix). The aspiration and objectives set for Monmouthshire by the PSB and Council are:

Purpose	Building Sustainable and Resilient Communities	
PSB aspiration is to:	Reduce inequalities between communities and within communities Support and protect vulnerable people Consider our impact on the environment	
PSB Well-being Objectives	<i>People / Citizens</i>	<i>Place / Communities</i>
	Provide children and young people with the best possible start in life	Protect and enhance the resilience of our natural environment whilst mitigating and adapting to the impact of climate change
	Respond to the challenges associated with demographic change	Develop opportunities for communities and businesses to be part of an economically thriving and well-connected county.
MCC well-being Objectives	The best possible start in life	Maximise the potential of the natural and built environment
	Lifelong well-being	Thriving and well-connected county
Future-focused Council		

Values

We can only achieve great things for our place through the people who live and work here, those on our payroll and those in Monmouthshire's communities including the countless volunteers and groups that give this place a richness and vibrancy. Our values reflect who we are, how we do things and how we are shaping the future. We try our best to apply these in everything we do.

Openness. We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

Fairness. We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

Flexibility. We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

Teamwork. We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will leverage all of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

Applying the Well-being of Future Generations Act

The Well-being of Future Generations Act is the fundamental legislation that requires us to out sustainable development, more information on the Act is in the appendix. We have applied the 5 ways of working set out in the act when developing our plan, the extent we have incorporated these is set out below:

Sustainable Development Principle	How have these principles driven the development of the policy
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>Business cases around commercial opportunities will need to be sustainable and cater for both the short and long term. Savings and returns brought about through successful implementation of the strategy will assist in enabling the Authority to meet current and future financial challenges and fulfill its stated purpose of helping to build sustainable and resilient communities.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>Taking a commercial approach involves identifying the right delivery model for services and the Council. The Council will work with other partners, public sector or otherwise to understand the most effective, efficient and sustainable model of delivery.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Successful delivery of the strategy will involve nurturing a commercial culture within the organization. This will require active and ongoing engagement with staff and targeted training and support. Understanding customer needs is a critical aspect of the commercial framework and having a commercial proposition to take to the market.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Taking a commercial approach to services will enhance their ability to remain viable, legitimate and sustainable. Seizing on market opportunities in the County supports the local economy and in helping to build sustainable and resilient communities. This is particularly prevalent where investments generate a social or economic return beyond any financial return.</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>All decisions and policies will have regard to the well-being principles and the need to avoid short term decisions that have long-term implications.</p>

We have also tried to maximise our contribution to achieving each of the seven national wellbeing goals. The contribution our local objectives make towards the seven national objectives has been assessed and is shown in the table below:

	Contribution to Well-being Goals						
	Prosperous Wales	Resilient Wales	Healthier Wales	More equal Wales	Wales of cohesive communities	vibrant culture and thriving Welsh Language	Globally responsible Wales
Income Generation	✓	✓					
Commercialising an approach to assets - Using assets to provide economic, financial and regenerative opportunities	✓	✓	✓	✓	✓		✓
Creating commercial culture ^a	✓	✓	✓	✓			✓

Action Plan

This action plan summarises current and planned activity that allows the aims and objectives of the strategy to be advanced. Further actions will invariably develop as progress is made and further insight is captured on opportunities to be progressed. The process will therefore be iterative and the updated action plan will be incorporated into the Landlord Services and Commercial Business Plan.

Action	Expected Impact of the Action	MCC Objective & Strategic plan contributed to	Performance Indicator/milestone	Officer Responsible & Timescale
Commercial Strategy and Framework to be approved by Council	Member endorsement of strategic intent and framework	Future-focussed Council Corporate Plan MTFP Asset Management Strategy LDP	Council approval	Peter Davies Chief Officer, Resources, July 2018
Develop business cases around at least three commercial opportunities	Generate net return and saving to the Council	Future-focussed Council Corporate Plan MTFP	Business cases finalised and considered for approval	Debra Hill-Howells Head of Landlord Services and Commercial, March 2019
Develop marketing plan for commercial services	Achieve greater market share and penetration	Future-focussed Council Corporate Plan MTFP	Production of marketing plan	Debra Hill-Howells Head of Landlord Services and Commercial Abigail Barton Head of Communications and Engagement

Action	Expected Impact of the Action	MCC Objective & Strategic plan contributed to	Performance Indicator/milestone	Officer Responsible & Timescale
				March 2019
Determine a framework and approach for selecting the right commercial delivery models for the Council	Provides a framework that allows informed decisions to be made for the future sustainable model of service delivery	Future-focussed Council Corporate Plan MTFP	Production of framework	Peter Davies Chief Officer Resources Debra Hill-Howells Head of Landlord Services and Commercial Dec 2018
Implementation of re-fit programme to undertake improvement works to mechanical and electrical infrastructure within operational assets	Reduced energy costs and carbon footprint and improved working environments, enhanced asset life	Future Focussed Council MTFP Asset Management Strategy	<ul style="list-style-type: none"> Identifying scope of works Tender invite Implementation of projects and drawdown of loan funding 	Ian Hoccom Energy Officer Sept 2019
Acquisition of Investment Assets	Net revenue benefit, capital appreciation and economic and regeneration opportunities	Maximise the potential of the natural and built environment Future Focussed Council MTFP Asset Management Strategy Corporate Plan	£30,000 net income target 2018/19	Peter Davies Chief Officer Resources Debra Hill-Howells Head of Landlord Services and Commercial Ongoing

Action	Expected Impact of the Action	MCC Objective & Strategic plan contributed to	Performance Indicator/milestone	Officer Responsible & Timescale
Development of Council sites by Landlord Services	Maximising capital receipts and potential revenue generation opportunities.	Maximise the potential of the natural and built environment Future Focussed Council MTFP Asset Management Strategy Corporate Plan	<ul style="list-style-type: none"> • Business case for individual sites – requirement to fund development to secure revenue or capital receipts • Develop programme timescales, resource requirements, financial and social value • Confirm operating model 	Ben Winstanley Estates Manager, Ongoing
Establish a Commercial Team with the Council	Dedicated resources and focus that allows the strategy to be advanced	Future-focussed Council Corporate Plan		Peter Davies Chief Officer Resources Debra Hill-Howells Head of Landlord Services and Commercial Ongoing
Develop a targeted immersive commercial training programme	Equips staff with the appropriate commercial skills	Future-focussed Council Corporate Plan	<ul style="list-style-type: none"> • Design a fit for purpose training programme and evaluation framework; 	Debra Hill-Howells Head of Landlord Services and Commercial John McConnachie

Action	Expected Impact of the Action	MCC Objective & Strategic plan contributed to	<i>Performance Indicator/milestone</i>	Officer Responsible & Timescale
			<ul style="list-style-type: none"> Identify relevant staff that will benefit from the training Deliver a rolling training programme 	Corporate Training Lead March 2019 and ongoing

How we will Evaluate Progress

This section sets out how we will evaluate our progress to ensure transparency and accountability as part of our governance arrangements.

Specific actions and performance targets will be embedded within the Landlord Services and Commercial Business Plan which will be reviewed on a quarterly basis. Largely quantitative data will measure performance of property portfolios against income targets, void rate and arrears.

Income generation targets form a key indicator of success for identified commercial opportunities as do levels of savings brought about by adopting a more commercial approach to service delivery.

The number of relevant staff who have benefitted from targeted commercial training and applied it to their work will also be a key measure that allows us to evaluate progress.

Additional targets will be developed and monitored as commercial opportunities and projects are approved.

Performance Indicators

Indicator	Actual 2016/17	Actual 2017/18	Target	Comment
Net annual savings from commercial proposals developed	N/A	N/A	£100,000	Targeted savings to feed into 19/20 budget process
Number of commercial opportunities advanced	N/A	N/A	3	
No of relevant staff provided commercial training	N/A	N/A	50	
Commercial Property Income	£427,497	£209,731	£245,000	
Void rates Industrial Units	12%	2%	5%	
Void commercial units	4%	12%	10%	
Industrial arrears (%of total yearly income target)	10.5%	4%	5%	
Commercial arrears (% of total yearly income target)	0%	1.8%	3%	
County Farm arrears (% of total yearly income)	10.5%	4.7%	8%	

Risks

There are risks attached to the delivery of this plan and good governance will ensure these risks are understood, managed and communicated. The Council has an established risk management policy that sets out the Council's policy and approach to strategic risk management. The risks related to the delivery of this plan have been identified, assessed and mitigating actions established.

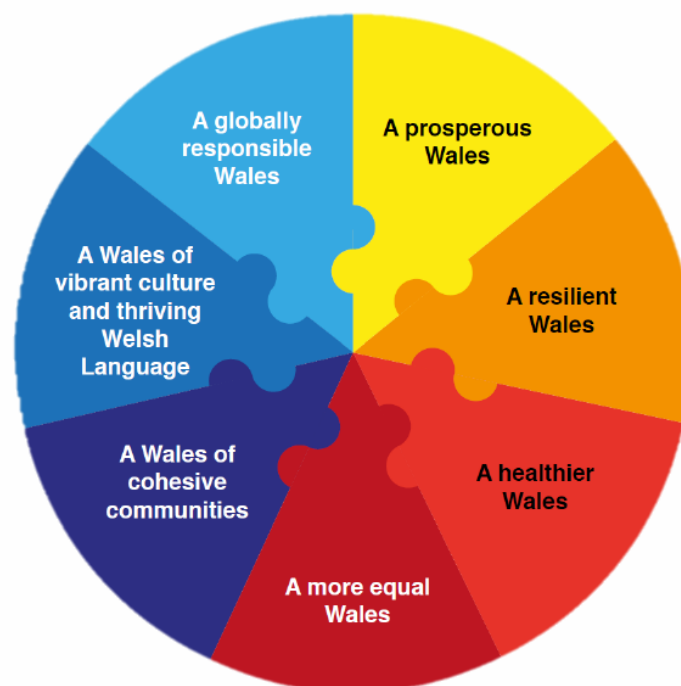
Risk	Reason why identified	Risk Level (Pre – mitigation)				Planned Mitigation & timescales	Residual Risk Level (Post – mitigation)			
		Year	Likelihood	Impact	Risk Level		Year	Likelihood	Impact	Risk Level
Lack of capacity prevents identification of opportunities or delays the delivery of projects, resulting in lost revenue.	The commercial team has not been established and advancing the strategy will draw on already constrained resources and capacity from within the Council.	18/19 19/20 20/21	Possible	Medium	Medium	The commercial team will look to draw on existing skills, roles and expertise from across the Authority. Additional capacity will be built in, where this is cost neutral and an evidenced need exists. If unable to recruit or the need is short term, external expertise will be procured	18/19 19/20 20/21	Possible	Low	Low
Unable to deliver the targeted revenue savings	Lack of understanding or engagement from service managers in identifying potential commercial opportunities.	18/19 19/20 20/21	Probable	Major	High	Dedicated support and advice from the Commercial Team established will assist in identifying opportunities. Targeted training for relevant staff will equip and skills staff and teams to develop a more commercial approach and identify savings and income generation opportunities.	18/19 19/20 20/21	Possible	Major	Medium

<p>The Asset Investment Policy creates additional financial burden due to changes in market value, poor tenant performance, voids and falling rent rolls</p>	<p>Acquiring assets for income streams is a new venture for the authority and will inevitably increase risks due to the illiquidity of property, cyclical and changing property market and exposure to the commercial marketplace</p>	<p>18/19 19/20 20/21</p>	<p>Possible</p>	<p>Major</p>	<p>High</p>	<p>External expertise has been commissioned to assist in the preparation of the policy, operating framework and the identification of suitable assets.</p> <p>We would seek to acquire a blended portfolio based on use and location to mitigate risks, however they can never be fully eliminated.</p>	<p>18/19 19/20 20/21</p>	<p>Possible</p>	<p>Major</p>	<p>Medium</p>
--	---	----------------------------------	-----------------	--------------	-------------	---	----------------------------------	-----------------	--------------	---------------

Appendix - National Policy Context

The Well-Being of Future Generations Act

The Well-being of Future Generations Act is the fundamental legislation that requires us to carry out sustainable development, this should ensure that present needs are met without compromising future generations in meeting their own needs. When carrying out sustainable development, we have to publish well-being objectives which are designed to maximise our contribution to achieving each of the seven national wellbeing goals and take all reasonable steps to meet the objectives. The seven wellbeing goals are shown in the diagram below while our own well-being goals are incorporated within this plan. The contribution our plan makes towards the seven national objectives has been assessed and is shown in this plan.



In planning our services and taking action to meet our well-being objectives we must consider, but also demonstrate that we have applied, the following sustainable governance principles in our decision-making:

- Balancing short term needs with long term needs.
- Using an integrated approach, balancing social, economic and environmental needs.
- Involving others and considering their views.
- Working in collaboration with others.
- Putting resources into preventing problems

The Act also puts a well-being duty on specified public bodies to act jointly via Public Service Boards (PSB) to improve the economic, social, environmental and cultural well-being of their area by contributing to the achievement of the well-being goals.

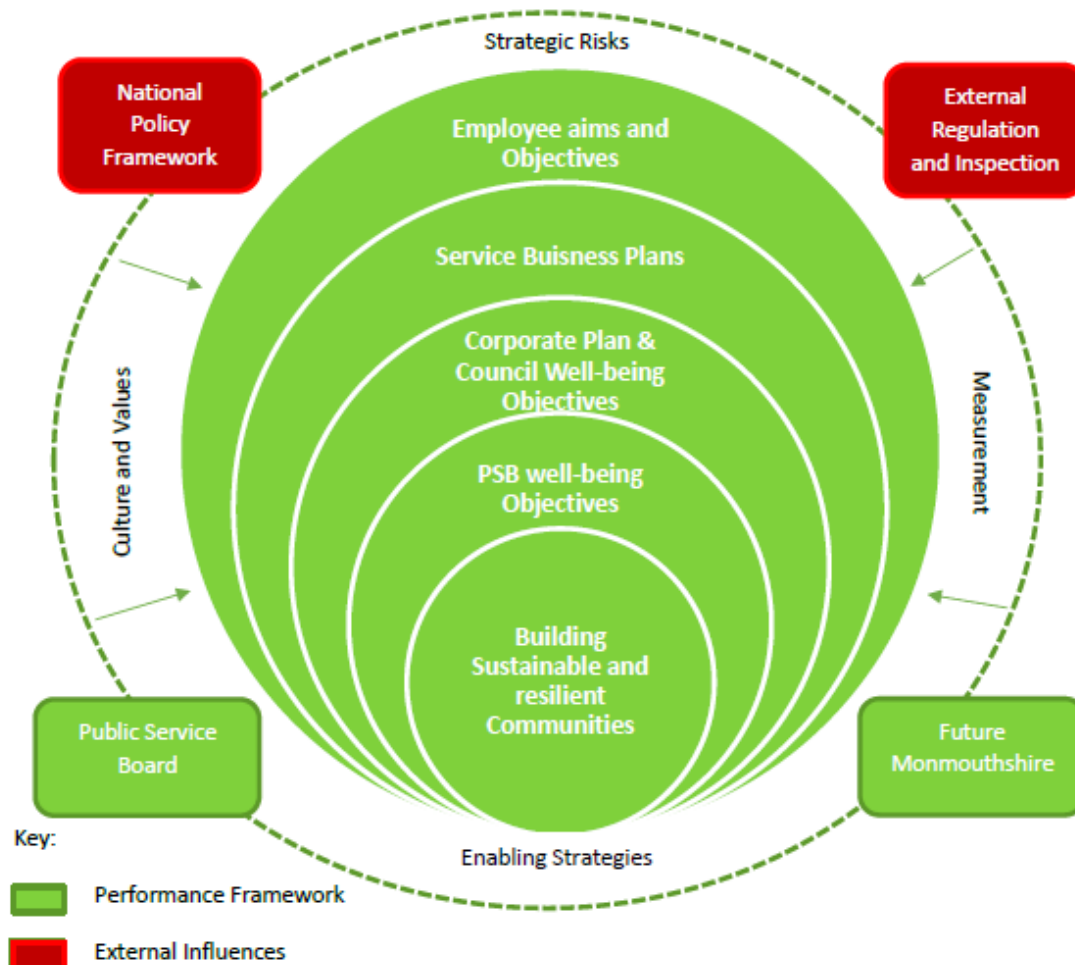
Appendix – Local Policy context

Our Improvement Framework is supported by a range of plans as part of our Policy Framework that guide our actions to improve services.

Performance Management Framework

Our performance management framework; illustrates the interdependencies and how the policies, plans and programmes it contains, should be mutually reinforcing. In simple terms, our performance management framework is integral to the adoption and application of our plan because it makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes.

Building sustainable and resilient communities is the unifying purpose of the diverse range of services for which we are responsible. We are a partner in the Public Service Board, which is responsible for setting well-being objectives for the county. The council's own well-being objectives are set by the Council based on the same well-being assessment as the PSB objectives and, form the backbone of our Five Organisational Goals in the corporate plan. Each of our teams has a business plan that aligns to these objectives. We have a range of performance measures that we use to keep track of our progress. Our risk management policy enables us to manage strategic risks to our delivery. Our employee aims and objectives show how the contributions that individual colleagues make to these objectives and delivering our vision in accordance with our values.



Our 'enabling strategies' support the delivery of our objectives. Our work is also informed and guided by national policy and external regulation and inspection.

Level	Policy Framework	
Vision	<p>The Public Service Board Well-Being Plan</p> <p>The Public Service Board will produce a local well-being plan in 2018</p>	
Plan	<p>Corporate Plan including Council well-being objectives</p> <p>Set out the direction for the Council in the next 5 years the resources required to deliver it and articulates the council's well-being objectives for carrying out sustainable development and maximise the contribution to achieving the wellbeing goals</p>	
Strategy	<p>Asset Management Plan</p> <p>Describes how we manage our land and property portfolio</p>	<p>Financial Plan</p> <p>Sets out the financial challenges we face & how we will meet these challenges</p>
	<p>People Strategy</p> <p>The strategy connects people to purpose to improve performance and deliver better outcomes</p>	<p>Digital and Customer Strategy</p> <p>The steps we will take to develop our digital offer in our services and communities</p>
	<p>Local Development Plan</p> <p>Our proposals and policies for future development and use of land</p>	<p>Economy and Enterprise Strategy</p> <p>Our proposals for increasing competitiveness, innovation and productivity.</p>
Delivery	<p>Service business plans</p> <p>Each service has a plan that evaluates performance, plans actions for the year ahead, includes metrics to monitor performance and manages risks.</p>	<p>Employee Aims and Objectives</p> <p>Employee appraisals enable individuals and teams to outline the values and performance that is relevant in their role and connects them to the purpose of the organisation.</p>
Evaluation & Risks	<p>Evaluation</p> <p>Evaluates performance, plans & metrics to monitor performance.</p>	<p>Strategic Risk Assessment</p> <p>Identifies, manages and monitors the Council's Strategic risks.</p>

Future Monmouthshire

The *Future Monmouthshire* programme is about ensuring the council remains relevant and viable for the next generation, while continuing to meet the day-to-day needs of residents, visitors and businesses. Future Monmouthshire and its interventions are built around our design principles. Future Monmouthshire has also focussed in on a number of significant future trends, such as the future of work, the utility of automated systems and machine learning, forward-looking land-use and house building and alternative models of service delivery. We have nine design principles that link to longer-term goals which help guide our work.