

<b>SUBJECT:</b>	<b>PROCUREMENT – PERFORMANCE REVIEW</b>
<b>MEETING:</b>	<b>PERFORMANCE &amp; OVERVIEW SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>15<sup>th</sup> October 2024</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>ALL</b>

**1. PURPOSE:**

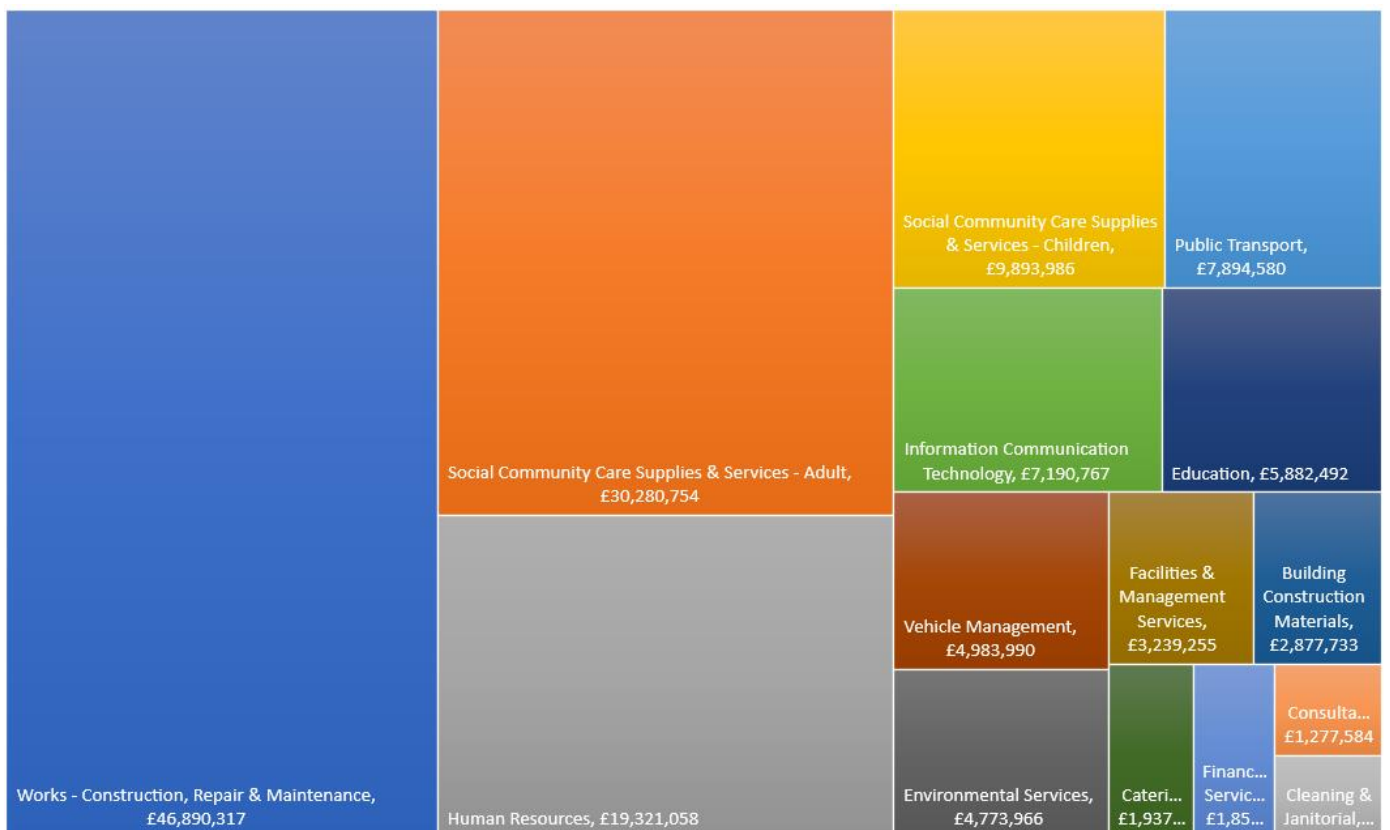
- 1.1 To provide context for the creation and expansion of the collaborative procurement partnership (Ardal).
- 1.2 To provide Committee with an update on progress since the endorsement of the Socially Responsible Procurement Strategy in June 2023.
- 1.3 To highlight key achievements and challenges faced in delivering the Strategy.
- 1.4 To identify key strategic priorities for the next 12 months.

**2. RECOMMENDATIONS:**

- 2.1 That the committee examine this report to scrutinise the Council's procurement performance from June 2023 to September 2024, see Appendix 1.
- 2.2 To note the key achievements and challenges faced and priorities for the year ahead with the delivery of the strategy

**3. BACKGROUND:**

- 3.1 Monmouthshire County Council spends (2023-24) in excess of £152 million a year procuring a diverse range of goods, services and works from over 2,754 suppliers and contractors. The diagram below shows spend for the Top 15 spend categories.



3.2 The Council entered into a mutually beneficial Delegation Agreement with Cardiff Council in August 2021 for the discharge and provision of Monmouthshire County Council’s procurement services. This was followed by a similar delegation by Torfaen County Borough Council in August 2022 and the Vale of Glamorgan in April 2023.

3.3 The collaborative procurement partnership (Ardal) has a combined annual third party spend of circa £1.3 billion and employs 40 FTE’s who provide advice, guidance and support across the four authorities and manage a number of collaborative frameworks. The service operates five category teams covering Social Care & Community Services, Corporate & Transport, Professional Services & ICT, Buildings & Estates and Highways, Waste & Parks. In addition, the service has a strategy and development team that is responsible for leading on the development and implementation of procurement strategy and policy, procedures, processes, guidance and training, data analytics and supporting technology as well as leading the partnerships pioneering social value programme.

3.4 The Council’s agreed contribution to the partnership is as follows:

- Head of Procurement 0.2 FTE
- Strategic Procurement Manager 1 FTE (MCC employee)
- Senior Category Manager 0.2 FTE
- Category Manager 0.6 FTE
- Senior Category Specialist 3.0 FTE
- Strategy & Development Team 1.0 FTE

3.5 In June 2023 Cabinet endorsed the “Socially Responsible Procurement Strategy 2023-2028”, which aligns with the Community & Corporate Plan 2022-2028 and included an operational delivery plan which helped establish a number of key strategic priorities for the procurement function and the Council as a whole:

- Contributing to reducing the Council’s carbon emissions to Net Zero by 2030.
- Making procurement spend more accessible to local small businesses and the third sector.
- Improving Fair Work, Equity and Safeguarding practices adopted by suppliers.
- Increasing equitable community benefits and social value delivered by suppliers.
- Securing value for money and managing demand.
- Ensuring legal compliance and robust and transparent governance.
- Promoting innovative and best practice solutions.

#### **4 KEY ISSUES-CHALLENGES:**

- 4.1 Since COVID, the team, like most procurement teams across Wales and wider UK, have faced significant recruitment and retention challenges, with the service carrying a number of vacancies. This has been reflected in reduced annual charges.
- 4.2 The work of the team has also been affected by the need to prioritise preparation to adopt two new key pieces of legislation, the Procurement Act 2023, and the Social Partnership and Public Procurement (SRPP) Act 2023, and the challenges of aligning policy, procedures, and practice across the four Local Authority partners.
- 4.3 Although the implementation date for the Procurement Act has been pushed back from October 2024 to February 2025, the Ardal partnership was on track to deliver the key changes needed to deliver the new legislative requirements, including the development of a set of Ardal Contract Procedure Rules and updating supporting policies, procedures and guidance. The work we have progressed to develop our Socially Responsible Procurement Policy will not only ensure that we are prepared for the SRPP Act implementation in 2025 but is also informing Welsh Government in the development of the statutory guidance.
- 4.4 The work plan to support the implementation of the new legislation has also been planned and managed to address inconsistencies in governance, policy, procedures, processes and systems across the four partners. It has always been acknowledged that the optimisation of the Ardal partnership will be achieved through alignment and consistency.
- 4.5 However, despite these challenges the team have made good progress delivering against the Socially Responsible Procurement Strategy (2023 -2028) and its Delivery Plan, as demonstrated in the Key Achievements summary (see 5 below) and Delivery Plan update in Appendix 1, although it is acknowledged that progress has not been at the pace we would have wanted.

4.6 In particular, good progress has been made on several enabling activities which has put Ardal in a good position to make real progress over the next 12 months. This includes the development of the Ardal Socially Responsible Procurement Policy, Ardal Contract Procedure Rules and supporting policies and procedures that will reflect the requirements of the new Procurement Legislation and the strengthening of governance arrangements, including the development of a Contract Register and Contract Forward Plan.

## 5. KEY ACHIEVEMENTS:

5.1 The table below provides a summary of progress made against the procurement objectives which is reflected upon in more detail within Appendix 1:

Strategic Objective	Key progress
Contributing to reducing the Council's carbon emissions to Net Zero by 2030.	<ul style="list-style-type: none"> <li>• Developed and published Climate Change and Carbon Reduction Guidance to staff.</li> <li>• Carbon footprint data available to SLT &amp; Service Areas.</li> <li>• Scoped and secured funding for three carbon pilot workshops.</li> </ul>
Making procurement spend more accessible to local small businesses and third sector.	<ul style="list-style-type: none"> <li>• Draft Socially Responsible Procurement Policy has been developed. Awaiting further WG steer before seeking endorsement.</li> <li>• Contract Procedure Rules have clauses inbuilt to reflect the Council's ambition to support local business.</li> </ul>
Improving Fair Work, Equity and Safeguarding practices adopted by suppliers.	<ul style="list-style-type: none"> <li>• Cynnal Cymru have recently started discussions with the Council regarding the Real Living Wage and working towards accreditation.</li> <li>• Modern Slavery Statement (MSS) has been developed and is awaiting endorsement.</li> <li>• Fair Work question sets has been embedded within all tender pre-selection questionnaires</li> </ul>
Increasing equitable community benefits and social value delivered by suppliers	<ul style="list-style-type: none"> <li>• A new data software platform (Thrive) is being used for the measurement and reporting of Social Value. The Council's Green Waste procurement will be used later this year as a pilot to drive equitable social value outcomes.</li> <li>• Re appointment of dedicated Ardal Social Value Lead to help coordinate and deliver social value.</li> <li>• Ongoing development of draft Socially Responsible Procurement Policy.</li> </ul>
Securing value for money and managing demand	<ul style="list-style-type: none"> <li>• Buying Responsibly Guidance developed and communicated out to all devolved procurement staff</li> <li>• A new and revised Contract Forward Plan has been developed to mirror the requirements of the Procurement Act 2023.</li> </ul>
Ensuring Legal compliance and robust and	<ul style="list-style-type: none"> <li>• Strengthened governance is being progressed via the introduction of new Contract Procedure Rules which will</li> </ul>

transparent governance	<p>align with the pending Procurement Act &amp; Socially Responsible Procurement Wales Act</p> <ul style="list-style-type: none"> <li>• Pre-Tender and Contract Award Reports have been introduced to enhance internal governance and align expectation with the Council's strategy ambitions. Within the past year 30 PTR &amp; CAR have been issued with a value of £64M</li> </ul>
Promoting innovative and best practice solutions	<ul style="list-style-type: none"> <li>• The production and communication of Buying Responsibly Guidance helps to identify the processes that need to be adhered to in the promotion of best practice and innovation.</li> <li>• The standardised approach to and communication of timely Contract Forward Plans (Pipelines) and Contracts Registers will better inform supply chains of the procurement and Commissioning opportunities that exist across the Council</li> </ul>

## 6. KEY PRIORITIES:

6.1 The following priorities have been identified for delivery over the next 12 months:

Strategic Objective - Enabler	Action	Target Date
People	<ul style="list-style-type: none"> <li>• Continuing to invest in new entrants through Student Placement programme and recruitment.</li> <li>• Improve awareness, understanding and education of staff across Directorates and Service areas to embed policy into practice</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> </ul>
Process	<ul style="list-style-type: none"> <li>• To support partnership optimisation, to agree and embed aligned governance, procedures and processes across the four partners where appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>• April – May 2025</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• Explore opportunities to utilise available technology to enhance automation within the procurement process.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing with Digital Forms to be piloted from late 2024</li> </ul>
Data	<ul style="list-style-type: none"> <li>• Raise awareness and Improve use of Procurement PowerBI reports to challenge and improve quality of data through tutorial sessions.</li> </ul>	<ul style="list-style-type: none"> <li>• December 2024</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop broader data analytics reports to support wider policy implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>
Culture	<ul style="list-style-type: none"> <li>• Providing more Knowledge Drop interactive sections to embed policy and to drive change.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing from February 2025</li> </ul>
Contributing to reducing the Council's carbon emissions to Net Zero by 2030	<ul style="list-style-type: none"> <li>• Continue to promote carbon footprint data through Ardal's procurement Power BI reporting dashboard.</li> <li>• Develop and launch Climate Change and Carbon Reduction Knowledge Drop updates to improve awareness and understanding</li> <li>• Facilitate carbon reduction pilot workshops in association with WRAP Cymru and reflect on effectiveness.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• March 2025</li> <li>• November 2024 to February 2025</li> </ul>
Increasing equitable community benefits and social value delivered by suppliers.	<ul style="list-style-type: none"> <li>• Continue to identify opportunities to embed Social Value through reviewing the Councils Contract Forward Plan.</li> <li>• To review the potential for developing a Council owned Social Value Working Group.</li> <li>• Continue to draft, consult, finalise and seek approval of Socially Responsible Procurement Policy (SRPP)</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• March 2025</li> <li>• March 2025</li> </ul>
Improving Fair Work, Equity and Safeguarding practices adopted by suppliers.	<ul style="list-style-type: none"> <li>• Modern Slavery Statement will have been completed and taken through the Whole Authority Safeguarding Group before being tabled at SLT for approval.</li> <li>• Real Living Wage Accreditation will be reviewed with the support of Ardal procurement personnel.</li> <li>• Socially Responsible Procurement Policy (SRPP) will work to promote the Council's requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• January 2025</li> <li>• March 2025</li> <li>• March 2025</li> </ul>
Making procurement spend more accessible to local small businesses and third sector.	<ul style="list-style-type: none"> <li>• Socially Responsible Procurement Policy (SRPP) will highlight WG Well-Being Outcomes and the importance of supporting our local economy.</li> <li>• Work to update the Selling to the Council Guide will continue to support small and local businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• March 2025</li> <li>• May 2025</li> </ul>

Securing value for money and managing demand.	<ul style="list-style-type: none"> <li>Continue to promote Power BI spend and compliance data to SLT and Directorates.</li> <li>Continue to review and refine governance and procedures to promote value for money outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>December 2024</li> <li>March 2025</li> </ul>
Ensuring legal compliance and robust and transparent governance	<ul style="list-style-type: none"> <li>Continue to work with Legal, Internal Audit and Procurement to reach consensus on standardised Contract Procedure Rules.</li> <li>Update and republish Buying Responsibly guidance ahead of Procurement Act go-live</li> <li>Introduce new Contract Forward Plan to capture new legal requirements going forward and to monitor, review and publish.</li> </ul>	<ul style="list-style-type: none"> <li>December 2024</li> <li>March 2025</li> <li>February 2025</li> </ul>
Promoting innovative and best practice solutions.	<ul style="list-style-type: none"> <li>Review and update Buying Responsibly Guidance.</li> </ul>	<ul style="list-style-type: none"> <li>May 2025</li> </ul>

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

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

**8. OPTIONS APPRAISAL:**

8.1 An options appraisal is not applicable for this report.

**9. REASONS:**

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

**10. RESOURCE IMPLICATIONS:**

There are no additional resource implications

**11. BACKGROUND PAPERS:**

<https://www.monmouthshire.gov.uk/app/uploads/2024/06/Socially-Responsible-Procurement-Strategy-2023-28-Final.docx>

**12. AUTHOR(s):**

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