

<b>MEETING</b>	<b>Corporate Scrutiny Committee</b>
<b>DATE</b>	<b>13.11.14</b>
<b>SUBJECT</b>	<b>Scrutiny Investigation – Sustainable Procurement</b>
<b>PURPOSE OF THE REPORT</b>	<b>Respond to specific questions relating to the recommendations</b>
<b>CABINET MEMBER AUTHOR</b>	<b>Cllr John Wynn Jones/Geraint George</b>

## **1 BACKGROUND**

1.1 The 'Strengthening Business Resilience within the County and Retaining Local Economic Benefit' project is one of the Council's priorities – see Gwynedd Council's Strategic Plan 2013-17. The project aims to improve the Council's procurement performance and to contribute specifically to the aim of protecting and creating jobs for the people of Gwynedd and to enable more local businesses to be competitive and to survive.

1.2 The progress of the project was reported to members of the scrutiny investigation on 30/09/14 and it was noted that the priority in terms of improving procurement is to change from the current arrangements of procurement per department to procurement arrangements on the basis of expenditure categories. This is a major change that will require strengthening skills and arrangements and ensuring that the focus is on:-

- An understanding of and engagement with the supply market
- An understanding of the needs of services across the Council and plans to meet requirements
- Linkage between strategy, commissioning, tendering, contracting and contract management
- Attention to contract management and a continuous drive for value for money
- Specific attention to the skills development of staff
- Encourage and appreciate initiative in the field of procurement

## **Specific Questions**

1. *What is the Council's ambition for the sustainable procurement and policy development and are there simple and clear guidelines for staff to realise the ambition across the Council?*

The key outcomes are as follows:-

<b>Objectives</b>	<b>Outcomes</b>	<b>Performance Indicators</b>	<b>14/15</b>	<b>15/16/</b>	<b>16/17</b>
Increase the percentage of expenditure with Gwynedd businesses	Maintain and/or increase expenditure with Gwynedd businesses	% expenditure with Gwynedd businesses	↑	40-45%	40-45%
Safeguard jobs	Maintain jobs	Number of jobs safeguarded in businesses within the county as a result of the Council's Procurement activity	To be confirmed	To be confirmed	To be confirmed
Create new jobs	Increase jobs	Number of jobs created in businesses within the county as a result of the Council's Procurement activity	To be confirmed	To be confirmed	To be confirmed
Reduce cost of contracts to contribute to savings targets	Residents receiving the same or better service	Financial savings of procurement	£120,562	£120,562 *	£120,652*

\* To be confirmed

Relevant guidance and arrangements will be introduced as part of the change in our procurement structure.

- 2 *Are the procurement arrangements suitable to deliver the Council's ambition in the sustainable procurement field and is there a commitment to those arrangements at the highest level?*

The purpose of changing our arrangements is to strengthen our performance and ensure a clear link between ambition, policy and action. 'Keeping the Benefit Local' is one of the Council's priorities and confirms commitment at the highest level. The current Sustainable Procurement Policy and the sustainable procurement tools facilitate delivery of the Council's procurement ambitions.

In addition a member of the corporate procurement team supports services to deliver benefits on large building contracts.

- 3 *What arrangements are in place to share good practice and collaboration in the procurement field across the Council to ensure the best benefits?*

This is one of the objectives of the new 'Category Management' arrangements. The current arrangements need to be improved.

- 4 *Is there a comprehensive register of all the Council's tendering opportunities to ensure a better overview of the field?*

Yes. The Council's procurement programme is on our website with a specific officer responsible for ensuring that the information is as accurate as possible. For the register to be accurate there is a need for a commitment from the services to improve the preparation and sharing of information.

- 5 *What suitable and meaningful indicators have been developed to measure the financial impact of the Council's expenditure and the impact on Gwynedd residents?*

See response to question 1.

- 6 *Are there suitable training arrangements for staff involved with procurement to secure a full understanding of the commitment, active compliance and better identification of the opportunities available for the benefit of Gwynedd residents?*

A specific programme will be developed and delivered as part of the plan to change our current arrangements. The current training programme includes two courses on the Council's training matrix, namely, basic purchasing and contracts and advanced purchasing and contracts. The main objective of the courses is to improve understanding of the

procurement arrangements and also to highlight and provide an overview of the procurement policies.

- 7 *To what extent has the role of the Corporate Procurement Unit within the Council's procurement arrangements been defined more clearly to secure the best from the resource and to strengthen the Council's procurement arrangements?*

This will happen as we change our procurement arrangements.

- 8 *What is the evidence that the Council's current devolved arrangements are the most suitable arrangements to achieve the Council's ambition in the field?*

The Keeping the Benefit Local project will deliver the changes to our arrangements.

- 9 *What further consideration has been given to the use of the Welsh language within the Council's procurement arrangements in the context of the Awarding Public Service Contracts and the Welsh Language document and the inclusion of any recommendations in the new Procurement Strategy and the Sustainable Procurement Policy and arrangements developed to monitor compliance?*

The Procurement Strategy is currently being reviewed with the aim of it being published in mid-December. The strategy will highlight the Council's aims to improve procurement arrangements and performance based on category management arrangements.

We will be considering our language requirements as part of the process of developing and agreeing the strategy.