

REPORT TO THE CABINET

14 July 2015

Cabinet Member: *Councillor Mandy Williams-Davies*

Subject: *Procurement Strategy 2015*

Contact officer: *Arwel Evans / Arwel Ellis Jones*

1. Decision sought

1.1 That the Cabinet adopts the Procurement Strategy 2015 on the basis of the recommendations to review as listed in paragraph 3.1 (a) to 3.1 (e).

2. Relevant considerations

2.1 There was a preceding Procurement Strategy for the period of 2008-2011. As a result of the 2013-17 Strategic Plan and the recommendations of the National Procurement Fitness Check there is a need to update the strategy to align with our current procurement objectives.

2.2 The Procurement Strategy 2015 was presented to the Corporate Scrutiny Committee on the 11th of June.

2.3 These are the main comments made by the Committee:

- a) *There needs to be explanation as to what is included in the £185m spend reported (That is doesn't include Council employment costs or the cost of delivering services internally).*
- b) *The Committee wished that the Councils measured 'local spend' equally.*
- c) *The Committee requested that they were updated with the progress of implementing the content of the Procurement Strategy.*

d) The Committee requested that greater emphasis is placed on the Welsh Language, and suggested that the order of the document was amended to bring the Welsh Language section to the front of the document.

e) The Committee acknowledged the significant scale of the transformation and that there is a need to train staff of the new arrangements. The Committee also suggested that Community Councils and Town Councils are made aware of the changes.

f) The Committee noted that there is a need to provide guidance to Community Councils and Town Councils because they could be taking over the running of some services.

3. Recommendations

3.1 We recommend to the Cabinet that the following amendments are made to the strategy:

a) There needs to be explanation as to what is included in the £185m spend reported (That is doesn't include Council employment costs or the cost of delivering services internally).

Include a footnote that explains the £185m reported 'Total external expenditure with suppliers and service providers from revenue, capital and grant funding. The sum does not include the cost of employing internal Council staff or any internal service provision. The sum is an analysis of all invoices processed by the Council within the relevant financial year'.

b) The Committee wished that the Councils measured 'local spend' equally.

There is no standard approach to measuring 'local spend' across Authorities in Wales. We have traditionally used the post code of suppliers as a reporting mechanism. We have found from contacting other Councils that they recalculate the local spend figures where they are aware that suppliers have a local branch or employ local people. We recommend that we report using the traditional method and the new method described ensuring that we compare subsequent years equally.

c) The Committee requested that they were updated with the progress of implementing the content of the Procurement Strategy.

We recommend that we update the Corporate Scrutiny Committee annually.

d) The Committee requested that a greater emphasis were placed on the Welsh Language, and suggested that the order of the document was amended to bring the Welsh Language section to the front of the document.

We recommend that the order of the paper is amended to bring the section forward to the front of the document.

e) The Committee acknowledged the significant scale of the transformation and that there is a need to train staff of the new arrangements. The Committee also suggested that Community Councils and Town Councils are made aware of the changes.

It was noted to the committee that the sum of £200,000 has been allocated to the Keeping the Benefit Local Project to transform procurement to a function based on the principles of category management. We recommend that a work stream is noted on the project plan to inform Community Councils and Town Councils of the changes.

f) The Committee noted that there is a need to provide guidance to Community Councils and Town Councils because they could be taking over the running of some services.

There is no intention to amend the strategy in response to this suggestion. Any Community Councils or Town Councils undertaking the provision or responsibility of delivering services will be responsible for ensuring procurement requirements are met. This needs to be clear in the case of any responsibilities being transferred.

Views of the statutory officers

Chief Executive:

“This revised strategy is one of importance as its implementation is of significance to two of the Council’s priorities being Keeping the Benefit

Local and ensuring Value for Money. The recommendation to move to procurement based on the principles of category management is one of exceptional importance to ensure the realisation of these two priorities to which I recommend to the Cabinet.”

Monitoring Officer:

“The proposed strategy sets the principles and operational organisation for the Council to procure goods, service and works. It sets an appropriate framework and objectives for this important field and I am content with the appropriateness of the strategy.”

Head of Finance:

“It will be a considerable challenge for the Council to make significant savings from reducing the cost of providing services whilst also ‘Keeping the Benefit Local’. However, I confirm that the Council has spent £185m on goods, services and works through external providers. Therefore, certainly there will be opportunities that require appropriate consideration in accordance with the Procurement Strategy.”
