

## **FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:** CORPORATE RESOURCES OVERVIEW & SCRUTINY  
COMMITTEE  
**DATE:** THURSDAY, 12 SEPTEMBER, 2013  
**REPORT BY:** HEAD OF ICT AND CUSTOMER SERVICES  
**SUBJECT:** PROCUREMENT AS A FLINTSHIRE FUTURES  
WORKSTREAM

### **1.00 PURPOSE OF REPORT**

1.01 To provide an update on the Procurement Workstream within the Flintshire Futures Programme.

### **2.00 BACKGROUND**

2.01 The Council has developed the Flintshire Futures Programme as a corporate programme for modernising the organisation and to make best use of its resources and secure efficiencies. Within this programme are a number of workstreams Procurement being one.

2.02 This report provides information on progress made on the various projects within the Procurement Workstream.

2.03 Procurement is an in-year priority within the Council's Improvement Plan under the Modern and Efficient Council priority, and the in-year actions identified on the Improvement Plan will be addressed in the main by the projects within the Flintshire Futures Procurement Workstream.

### **3.00 CONSIDERATIONS**

3.01 The Flintshire Futures procurement workstream has 3 primary goals

- To simplify, standardise and where possible automate all procurement processes to deliver efficiencies
- To improve professional procurement practice
- To maximise opportunities for collaboration

3.02 Alongside these goals we have set challenging efficiency targets in terms of reduced spend and process efficiencies.

3.03 As a Council we spend over £150 million on goods and services per year. Buying better can deliver substantial savings.

- 3.04 Where possible we need to ensure we buy as one Council, not as individual services; a single Flintshire contract as a minimum, or even better in partnership with others.
- 3.05 We need to make buying goods and services simple and streamlined with easy to use electronic systems. To facilitate this we have implemented an electronic purchase to pay system. The system is in use within all Directorates with over 400 enrolled users. Since it was first introduced in Corporate Services in December 2011 we have processed almost 12,000 orders with a total value of £32 million, we have also processed 12,500 invoices via the system.
- 3.06 We are currently in the process of implementing an electronic sourcing system which will automate the remaining elements of the procurement process in relation to tendering, supplier management, contract management and the select list. This system is planned to be in use from February 2014.
- 3.07 To support standardisation, ensure use of the e-procurement systems, improve procurement practice and spend control a new set of Contract Procedure Rules have been developed and will be considered for adoption by County Council later this month.
- 3.08 Alongside the introduction of new systems we have been identifying procurement training needs and are currently developing a staff training programme with the aim of improving procurement knowledge and skills across the Council.
- 3.09 Collaboration is a major element of the Flintshire Futures workstream. By working jointly with other public sector organisations we can aggregate our spend and influence the market to reduce prices and deliver savings.
- 3.10 We are currently considering membership of the Welsh Procurement Consortium (WPC) following the dissolution of the North Wales Procurement Partnership (NWPP) earlier this year. The WPC is made up of 16 Welsh Councils, supported by the WLGA and the 6 North Wales Councils have been invited to become members.
- 3.11 The WPC was established in 2009 and individual members have on average made £185,000 of savings per annum by using the WPC contracts. They have proactively encouraged and used the Welsh market place with 73% of suppliers based in Wales.
- 3.12 We have already committed to be a member of the new Welsh National Procurement Service (NPS) established by the Welsh Government and obviously we would want to avoid duplication with the WPC activities. The NPS accounts for only 20% of procurement spend mainly commodity items, the WPC have recognised this and will be focussing on categories of spend not covered by the NPS.

- 3.13 For the past 18 months, management support for the Flintshire Central Procurement Unit has been provided on a part time basis by the Denbighshire Strategic Procurement Manager. During this time it has become increasingly apparent there is not only a common procurement agenda but also a clear duplication of effort across various procurement initiatives and activities within both councils.
- 3.14 There are clear opportunities to leverage the current joint procurement resources by joining together the Flintshire and Denbighshire procurement units, since both councils have a limited procurement capacity and capability.
- 3.15 To build on the progress to date on procurement and deliver our plans for the future it is proposed, subject to a full business case, that we formally merge both corporate procurement units.
- 3.16 In conjunction with Denbighshire and Gwynedd we have made a bid to the Welsh Government Regional Collaboration Fund to pump prime the joint arrangements and at the same time look at how we can introduce improved category management across the North Wales region where we have joint specialist teams responsible for categories of spend with associated savings targets.
- 3.17 Category Management can radically improve professional procurement practice and deliver major efficiencies if implemented correctly and resourced appropriately. The principle is for a defined category of spend to be allocated to a category manager with an associated savings target. It requires organisational discipline and compliance to maximise savings and ensure compliance with CPRs and procurement legislation.
- 3.18 The Flintshire Futures Procurement workstream has achieved its savings targets for 2013/14 of £2 ml on an on-going basis. However we have major budget challenges ahead and therefore will be setting increased targets for future years as part of our Medium Term Financial Plan.

#### **4.00 RECOMMENDATIONS**

- 4.01 That Members note the report and progress made to date by the workstream.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 See 3.18 above.

#### **6.00 ANTI POVERTY IMPACT**

- 6.01 None.

**7.00 ENVIRONMENTAL IMPACT**

7.01 None.

**8.00 EQUALITIES IMPACT**

8.01 None.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None directly from this report.

**10.00 CONSULTATION REQUIRED**

10.01 On-going consultation with staff regarding the collaborative proposals.

**11.00 CONSULTATION UNDERTAKEN**

11.01 Discussions have taken place with staff regarding the collaborative proposals.

**12.00 APPENDICES**

12.01 None.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

**Contact Officer:** Chris Gurst  
**Telephone:** 01352 702800  
**Email:** [chris.guest@flintshire.gov.uk](mailto:chris.guest@flintshire.gov.uk)