

APPENDIX 5

Priority: Modern and Efficient Council
Sub-Priority: Procurement Strategy
Impact: Making our money go further through smart procurement

What we said we would do in 2013/14: -

1. Simplify, standardise and automate our local procurement arrangements both in professional practice and the use of technology.

Progress Status	Progress RAG	A	Outcome RAG	G
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Significant progress has been made in the standardisation of procurement processes and the implementation of an e-procurement solution which automates the purchase to pay (P2P) element of the procurement life cycle. The project is on target to complete the full implementation of the P2P system by March 2014. The original timescales have been delayed due to additional work to link the P2P solution with other core business systems that are used for procurement activities.

An additional e-sourcing solution is currently being implemented with a target date for implementation of January, 2014. This system will handle all tendering activities, contract and supplier management, select lists and includes a full contract register and e-auction facilities.

We have also participated in a national e-invoicing pilot which although successful we have decided not to proceed with at the moment pending completion of an options appraisal for an e-invoicing solution which will best meet our needs going forward.

Opportunities for joint development and support have been investigated with Wrexham and Denbighshire who are using the same e-procurement solution, we are currently working jointly with Denbighshire in the implementation of the e-sourcing solution.

To ensure full adoption of the new e-procurement systems the new set of Contract Procedure Rules (CPRs) due to be considered for adoption by County Council mandate the use of the P2P and e-Sourcing systems as they become available.

Achievement will be measured through:

- Process and cost efficiency targets being achieved

Achievement Measures	Lead Officer	2012/13 Baseline Data	2013/14 Target	2016/017 Aspirational Target	Current Outturn	Performance RAG	Outcome Performance Predictive RAG
Achievement of procurement process efficiencies	Head of ICT & Customer Services	£24,000	£102,000	£267,000	£161,000	G	G
Achievement of procurement cost efficiencies	Head of ICT & Customer Services	N/A	£2.23m	£2.673m	£450,000	G	G

Risk to be managed – Ensure the internal adoption of improved procurement practice and process.

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)				(L)	(I)	(LxI)
M	M	A	New CPR's will be in place from September, 2013 which mandates standard processes and use of systems.	L	M	G	The risk is actually completing the rollout of the new systems according to plan, which we are monitoring via strong project governance.	Head of ICT & Customer Services		L	L	G

2. Optimise procurement efficiencies through the use of regional procurement frameworks.

Progress Status	Progress RAG	A	Outcome RAG	G
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The North Wales Procurement partnership was dissolved in June 2013, staff from the partnership were transferred to some partner organisations and a Memorandum of Understanding was agreed to fund the staff on a regional basis and continue to work together to maximise collaborative procurement efficiencies. The responsibility for the on-going management of the regional work programme now sits with the North Wales Procurement Managers group with leadership from Denbighshire’s Head of Finance.

We are currently considering membership of The Wales Procurement Consortium which is made up of all local authorities in Wales except for North Wales. This membership will complement the National Procurement Service and enable the transition from the current NWPP contracts as they expire. Cabinet will be asked to consider WPC membership in September.

Achievement will be measured through:

- The scale of the use of regional procurement frameworks and the resulting efficiencies

Achievement Measures	Lead Officer	2012/13 Baseline Data	2013/14 Target	2016/17 Aspirational Target	Current Outturn	Performance RAG	Outcome Performance Predictive RAG
Achievement of efficiency savings achieved due to the use of regional procurement frameworks.	Head of ICT & Customer Services	£257,000	It is anticipated that we will maintain the same level of savings as a minimum. We are awaiting savings reports following the dissolution of the NWPP partnership and the work programme for the WPC once membership is confirmed.			N/A	N/A

Risk to be managed – Keep up the pace of collaboration to maximise procurement efficiencies through the use of the National Procurement Service and regional procurement frameworks (links to activities 2- 4).

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)	
M	M	A	MOU signed to ensure continuity and management of residual NWPP contracts.	M	M	A	Consideration of membership of WPC to access their contracts, NPS due to come on stream from November for national frameworks for repetitive spend.	Head of ICT & Customer Services		L	M	G

3. Using the new Welsh National Procurement Service effectively to maximise the benefits for the organisation.

Progress Status	Progress RAG	G	Outcome RAG	G
NPS due to commence operations from November 2013, commitment already been given for membership alongside 50 plus public sector organisations in Wales. Until contracts come on stream unable to report on performance in terms of savings achieved.				
Achievement will be measured through:				
<ul style="list-style-type: none"> The scale of the use of the National Procurement Service and the resulting efficiencies 				
Achievement Milestones for strategy and action plans: (Lead Officer – Head of ICT & Customer Services)				
<ul style="list-style-type: none"> Establish mechanism to collect and report the volume of goods and services procured through the National Procurement Service – June 2014 Establish mechanism to collect and report the achievement of efficiency savings achieved due to the use of national procurement frameworks– June 2014 				

Risk to be managed – Keep up the pace of collaboration to maximise procurement efficiencies through the use of the National Procurement Service and regional procurement frameworks (links to activities 2- 4).

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(Lxl)		(L)	(I)	(Lxl)				(L)	(I)	(Lxl)
M	M	A	Use of Value Wales and GPS contract continues in advance of NPS contract coming on stream	M	M	A	Consideration of membership of WPC to access their contracts. NPS due to come on stream from November for national frameworks for repetitive spend.	Head of ICT & Customer Services		L	M	G

4. Implement proposals for a joint Flintshire and Denbighshire corporate procurement unit.

Progress Status	Progress RAG	R	Outcome RAG	A
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Draft structures and business case has been developed, on-going senior management discussion with Denbighshire regarding management arrangements, location, lead responsibilities. Full business case should be complete by October, 2013 for consideration by Cabinet with a target date of January, 2014 for the new arrangements to be in place. In the meantime considerable amount of joint work taking in place, including shared management, development of CPRs and other policies, system development and support.

Achievement will be measured through:

- The merger of Flintshire and Denbighshire procurement teams to a single corporate procurement unit serving the 2 organisations

Achievement Milestones for strategy and action plans: (Lead Officer – Head of ICT & Customer Services)

Creation of a single corporate procurement unit for Flintshire and Denbighshire County Councils – January 2014

Risk to be managed – delays in agreeing and implementing new joint arrangements.

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)				(L)	(I)	(LxI)
H	H	R	Development of full business case for agreement by both cabinets. Senior management and staff engaged and supportive of new arrangements. Project team in place.	M	M	A	Full engagement with all stakeholders will continue. Due to seek cabinet approval at both Councils in October, 2013	Head of ICT & Customer Services		M	M	A

5. Develop an improved corporate approach to community benefits and supply chain management to benefit the organisation, local communities and the local economy

Progress Status	Progress RAG	R	Outcome RAG	A
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To date the use of Community Benefits clauses within procurement activities has been limited in Flintshire. The Cabinet and Welsh Government both see the use of Community Benefits as a way of addressing both local and national priorities.

Achievement will be measured through:

- The increasing inclusion of community benefits clauses in contracts

Achievement Milestones for strategy and action plans: (Lead Officer – Head of ICT & Customer Services)
Establishment of criteria and identification of applicable contracts to include community benefit clauses – January 2014

Achievement Measures	Lead Officer	2012/13 Baseline Data	2013/14 Target	2016/17 Aspirational Target	Current Outturn	Performance RAG	Outcome Performance Predictive RAG
Number / Percentage of applicable contracts which include community benefits clauses.	Head of ICT & Customer Services	1 Contract	Tend to be included in large construction projects (£2m plus) but can be included in general goods and services contracts. Currently applied in Shotton school project and being considered for major projects going forward. Further work to be undertaken to establish criteria and applicable contracts.			N/A	N/A

Risk to be managed – Having the creativity to apply community benefit clauses within contracts.

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)	
H	M	R	Identify opportunities for including Community Benefit clauses in applicable contracts.	M	M	A	Measurement of impact and outcomes of community benefits clauses	Head of ICT & Customer Services		M	L	G