

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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What we did in 2013/14 –

- The Purchase-to-Pay solution has now been fully rolled-out to all Directorates and Service Areas with exception of schools and transactions involving job costing solutions.
- Standard processes now in place across the Council for order and invoice processing.
- A new e-sourcing system procured, project scoped and project plan developed.
- New Contract Procedure Rules adopted, with over 350 staff trained.
- Introduction of spend control measures using P2P system with limited category management, budget and cost centre validation.
- Officer group established to challenge and reduce spend for commodity items such as stationery and furniture – “Back to Basics” programme.

What went well –

- Process efficiencies target exceeded by £9,000 and significant improvement on 2012/13 performance.
- Successful completion of P2P project with the system in use in all services excluding schools and those where integration is required with job costing systems used to raise orders.
- Significant programme of training undertaken with all employees involved in procurement activities trained in new Contract Procedure Rules.
- Back to basics programme secured £74,000 of efficiencies.

What did not go so well

- A slight shortfall of £125,000 against a procurement cost efficiency target of £1.723 million.
- Delays in launching e-sourcing project due to project management difficulties.

Achievement will be measured through:

- Process and cost efficiency targets being achieved.
- Implementation of e-sourcing system by December, 2014.

Achievement Measures	Lead Officer	2012/13 Baseline Data	2013/14 Target	2016/017 Aspirational Target	Year End Outturn	Performance RAG	Trend
Achievement of procurement process efficiencies.	Head of ICT & Customer Services	£24,000	£102,000	£267,000	£111,000	G	Improved
Achievement of procurement cost efficiencies (<i>see commentary above regarding target and outturn</i>).	Head of ICT & Customer Services	N/A	£1.723m	£2.673m	£1.598m	A	N/A

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	L	G	On-going monitoring of CPRs to ensure full alignment with external legislation and best practice. Compliance checks by Procurement Unit and Internal Audit.	Head of ICT & Customer Services	↔	L	L	G

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

Progress Status	Progress RAG	G	Outcome RAG	G
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What we did in 2013/14

- Dissolved the North Wales Procurement Partnership, established transition arrangements and MOU to ensure continuity and management of transitional projects.
- Joined the Welsh Purchasing Consortium in November, 2013, comprising of 19 Welsh Local authorities.
- Regional 21st Century Schools framework in place.

What went well

- Continued to secure savings from use of regional contracts such as School Transport.
- Target of £250,000 comfortably exceeded.

What did not go so well

- No North Wales work programme following dissolution of NWPP may have resulted in missed opportunities for further regional arrangements.

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	Year End Outturn	Performance RAG	Trend
Achievement of efficiency savings achieved due to the use of regional procurement frameworks.	Head of ICT & Customer Services	£257,000	£250,000	£300,000	£303,000	G	Improved

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	<p>MOU signed to ensure continuity and management of residual NWPP contracts.</p> <p>Membership of WPC agreed along with Denbighshire and Wrexham.</p> <p>NPS recruitment of category managers still in progress.</p>	L	M	G	Play active role in WPC and in North Wales to ensure opportunities for procurement efficiencies from regional and national procurement arrangements are maximised.	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	A	Outcome RAG	A
What we did in 2013/14				
<ul style="list-style-type: none"> Benefits tracking arrangements in place to track NPS contract use and related efficiencies when contracts are live, likely to be later in 2014. 				
What went well				
<ul style="list-style-type: none"> NPS launched in November 2013. Recruitment of staff partly completed. 				
What did not go so well				
<ul style="list-style-type: none"> Delays in implementation of NPS and development of work programme. 				
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. 				
Plans and milestones to be developed once NPS is fully established and work programme agreed.				

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	Use of Value Wales and GPS contract continues in advance of NPS contract coming on stream. Delays in NPS establishment and work programme.	M	M	A	Dependent on NPS implementation and work programme.	Head of ICT & Customer Services	↑	M	M	A

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

Progress Status

Progress RAG

A

Outcome RAG

G

What we did in 2013/14

- Full business case developed and agreed by Flintshire and Denbighshire Cabinets.
- Operating model, structure and resourcing agreed.
- Employees involved full in project; development of business case and design of new service.
- Project funding secured via regional collaboration fund.

What went well

- Business case developed with full involvement and support of procurement teams from both Councils.
- Hosting arrangements agreed for new joint arrangements.
- Agreement of business case by Flintshire and Denbighshire senior management and cabinets.
- Complex and sensitive project delivered on time and within budget.

What did not go so well

- Original target date of January, 2014 not achieved, implementation now planned for July, 2014.

Achievement will be measured through:

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

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	<p>Development of full business case for agreement by both cabinets. Senior management and staff engaged and supportive of new arrangements. Project team in place.</p> <p>Business case agreed and detailed plans agreed and being implemented, employees fully engaged in process.</p>	L	L	G	New arrangements to go live on 1 st July, on-going monitoring of performance and effectiveness via new Management Board and associated governance arrangements.	Head of ICT & Customer Services	↓	L	L	G

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	A	Outcome RAG	A
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What we did in 2013/14

- New Contract Procedure Rules developed and adopted which incorporates the mandatory inclusion of community benefits for contracts greater than £2 million.
- Procurement checklist developed to ensure SME implications and supply chain management considerations are included in all procurements. To be fully implemented as part of e-sourcing system.

What went well

- The new regional 21st Century Schools framework has incorporated community and supply chain benefits, which can be incorporated in all related projects going forward.
- Adoption of new CPRs which mandate inclusion of community benefits.

What did not go so well

- Need to raise awareness and knowledge regarding community benefits and supply chain considerations amongst employees involved in procurement across organisation.

Achievement will be measured through:

- The increasing inclusion of community benefits clauses in contracts.

Achievement Measures	Lead Officer	2012/13 Baseline Data	2013/14 Target	2016/17 Aspirational Target	Year End Outturn	Performance RAG	Trend
Number / Percentage of applicable contracts which include community benefits clauses.	Head of ICT & Customer Services	1 Contract	100%	100%	100%	G	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. Inclusion of CPRs mandated in all contracts greater than £2 million.	M	M	A	Training and awareness to be arranged for all relevant staff regarding community benefits.	Head of ICT & Customer Services	↓	L	L	G