

APPENDIX 4

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 2014/15:

1. Optimise procurement efficiencies through the use of regional and national procurement collaborations.

| Progress Status | Progress RAG | G | Outcome RAG | G |
|---|--------------|---|-------------|---|
| <p>The Council continues to identify opportunities for regional procurement collaboration and the recent establishment of the joint procurement team with Denbighshire Council has resulted in more joint tendering.</p> <p>On a national level we are pursuing opportunities via the Welsh Purchasing Consortium which we joined last year. With regard to the National Procurement Service (NPS), due to their delays in tendering for a range of framework agreements, the estimated savings to be realised from the NPS work programme is likely to be delayed, however we should see contracts becoming available via the National Procurement Service later this year.</p> <p>Based on current projections, we are confident that the efficiency targets will be met.</p> <p>Achievement will be measured through:</p> <ul style="list-style-type: none"> • The scale of the use of the National Procurement Service and the resulting efficiencies <p>Achievement Milestones for strategy and action plans</p> <ul style="list-style-type: none"> • The scale of the use of regional procurement collaboration and the resulting efficiencies <p>Achievement will be measured through:</p> <ul style="list-style-type: none"> ▪ The scale of the use of the National Procurement Service and the resulting efficiencies. <p>Achievement Milestones for strategy and action plans</p> <ul style="list-style-type: none"> ▪ The scale of the use of regional procurement collaboration and the resulting efficiencies. | | | | |

| Achievement Measures | Lead Officer | 2013/14 Baseline Data | 2014/15 Target | 2016/17 Aspirational Target | Current Outturn | Performance RAG | Outcome Performance Predictive RAG |
|---|----------------------------|-----------------------|----------------|-----------------------------|-----------------|-----------------|------------------------------------|
| IPME4M3 - Achievement of efficiency savings achieved due to the use of National, Regional and Sectoral procurement frameworks | Chief Officer - Governance | £303,000 | £250,000 | £300,000 | £263,000 | G | G |

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

| | | | | |
|---|---------------------|----------|--------------------|----------|
| Progress Status | Progress RAG | G | Outcome RAG | G |
| <p>The Corporate Procurement Units of Flintshire and Denbighshire Councils have been merged on the 1st July 2014.</p> <p>Achievement will be measured through:</p> <ul style="list-style-type: none"> The merger of Flintshire and Denbighshire procurement teams to a single corporate procurement unit serving the two organisations. <p>Achievement Milestones for strategy and action plans:</p> <ul style="list-style-type: none"> The merger of Flintshire and Denbighshire procurement teams to a single corporate procurement unit serving the two organisations by 1 July 2014. | | | | |

3. 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 | G | Outcome RAG | G |
|--|--------------|---|-------------|---|
| <p>The inclusion of Community Benefits clauses is mandatory for projects above £2m as per our Contract Procedure Rules (CPR's). Relevant recent projects such as the Strategic Housing and Regeneration Programme (SHARP) have community benefits clauses incorporated into the tender and the contract.</p> <p>The number of projects procured above £2m is limited, due to a reduction in capital expenditure budgets; however there has been joint working between the Collaborative Procurement Service and Legal Services to develop new contract terms and conditions that will benefit local SME's such as sub-contractors to obtain fair payment within 30 days.</p> <p>Achievement will be measured through:</p> <ul style="list-style-type: none"> Increasing inclusion of community benefit clauses in contracts. <p>Achievement Milestones for strategy and action plans:</p> <ul style="list-style-type: none"> Establishing a wider range of community benefit clauses to be used when procuring services by October 2014. | | | | |

| Achievement Measures | Lead Officer | 2013/14 Baseline Data | 2014/15 Target | 2016/17 Aspirational Target | Current Outturn | Performance RAG | Outcome Performance RAG |
|---|----------------------------------|-----------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------|
| Percentage of applicable contracts which include community benefits clauses | Chief Officer - Governance | 100% | 100% | 100% | 100% | G | G |

Risk to be managed – Keep up the pace of collaboration to maximise procurement efficiencies through the use of the National Procurement Service and Welsh Procurement consortium frameworks.

| 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 | Target Date |
| (L) | (I) | (LxI) | | (L) | (I) | (LxI) | | | | (L) | (I) | (LxI) | |
| M | M | A | Use of Corporate frameworks is now mandatory as per the new CPR's. The use of Value Wales and Welsh Purchasing Consortium framework agreements continues in advance of National Procurement Service (NPS) arrangements coming on stream. The National Procurement Service is still finding its feet and the delivery of efficiencies is dependent on NPS implementation and work programme delivery. It's anticipated that there may be slippage in efficiencies delivered as a result of the NPS not yet operational. | M | M | A | <p>There are numerous collaborative tender processes currently being undertaken that will deliver the required efficiencies in the Q3/ Q4. The savings realised from these should cover any slippage from national arrangements.</p> <p>There has been more examples of the NPS now beginning to deliver on their work programme with the imminent award of their first batch of framework agreements. The award of such framework agreements will ensure that savings will now start emerging from NPS arrangements.</p> | Chief Officer - Governance | ↓ | L | M | G | Apr 15 |

Risks to be managed – Ensure the internal adoption of revised 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 | Target Date |
| (L) | (I) | (LxI) | | (L) | (I) | (LxI) | | | | (L) | (I) | (LxI) | |
| M | M | A | New Contract Procedure Rules (CPR's) are in place since October 2013 which mandates standard processes and use of systems. 300+ officers have received new CPR awareness training. | M | M | A | On-going monitoring of compliance with CPR's. Compliance checks to be undertaken by Corporate Procurement Unit and Internal Audit. The imminent rollout of the e-sourcing solution from March 2015 to service areas will ensure that CPR compliance will be strengthened. | Chief Officer - Governance | → | L | L | G | Apr 15 |

Risks 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 | Target Date |
| (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. 300+ CPR awareness training undertaken. | M | M | A | Training and awareness to be arranged for all relevant staff regarding community benefits. Training courses dates have now been agreed, which will take place during February and March 2015. | Chief Officer - Governance | ↓ | L | L | G | Apr 15 |