



*cutting through complexity*

# Procurement Fitness Check for: Caerphilly

Output from the on-line survey and face-to-face  
meetings

January 2014



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# Fitness Check – Procurement Maturity Assessment

## Caerphilly Executive Summary

### Overall Maturity Rating

**Developing towards advanced**

### Organisational Context

- Caerphilly have a mature central procurement team. They have embedded process across the organisation and deliver quality out comes for internal customers/stakeholders.
- There is currently a changing organisational culture which, we understand, will strengthen procurement compliance and governance over the coming months, as well as increase the profile of the procurement team across the organisation.
- A central focus area for procurement is economic development and support to local business, as well as maximising value for money in procurement and commissioning activities. This focus led to a recent Minister's visit in recognition of the MTCBC & CCBC collaboration for the River Link Project. This project included trainees from the Value Wales trainee programme and demonstrated Caerphilly's commitment to collaboration, procurement trainee development and social and economic regeneration.
- Caerphilly have received several awards for procurement excellence and are involved in various procurement collaborative initiatives with other Local Authorities. Caerphilly has participated in a number of Strategic Welsh Reviews demonstrating their engagement and commitment to collaboration.

### Model Dimension

### Recommended Actions

Procurement leadership & governance

- The next step for Caerphilly centralised procurement is to further increase internal relationships and develop stakeholder management plans and continue to raise the level of procurement understanding across the organisation.

Procurement strategy & objectives

- Reintegration of Procurement should be a standing agenda item on Senior Leadership Team meetings.

Defining the supply need

- Development of Directorate Plans (category strategies) with key stakeholders to ensure organisational objectives take account and advantage of procurement requirement as well as the service delivery perspective.

Commodity/project strategies and collaborative procurement

- Leveraging the Directorate plans, these strategies will need to drive strategic partnerships and consideration of alternate service delivery models and commercial arrangements as the next step in Caerphilly's maturity.

Contract and supplier management

- Aligned with the recommendation above, more strategic supplier relationships will develop from and be enhanced through greater attention to contract management – post award, from a Directorate and central team perspective.

Key purchasing processes and systems

- Ongoing performance monitoring of the outcomes of the P2P initiative by the central team, including providing feedback to key internal stakeholders on benefits realisation and improvements.

People









- Continuation of the informal mentoring and coaching in place currently within the central team. Internal relationships strengthened and informal networking / knowledge sharing activities outside of the central procurement team.

Performance management

- Customer and supplier feedback will be an organic product of strengthened relationships developed through greater contract management and internal relationship management.

# Fitness Check – Procurement Maturity Assessment

## Caerphilly Executive Summary

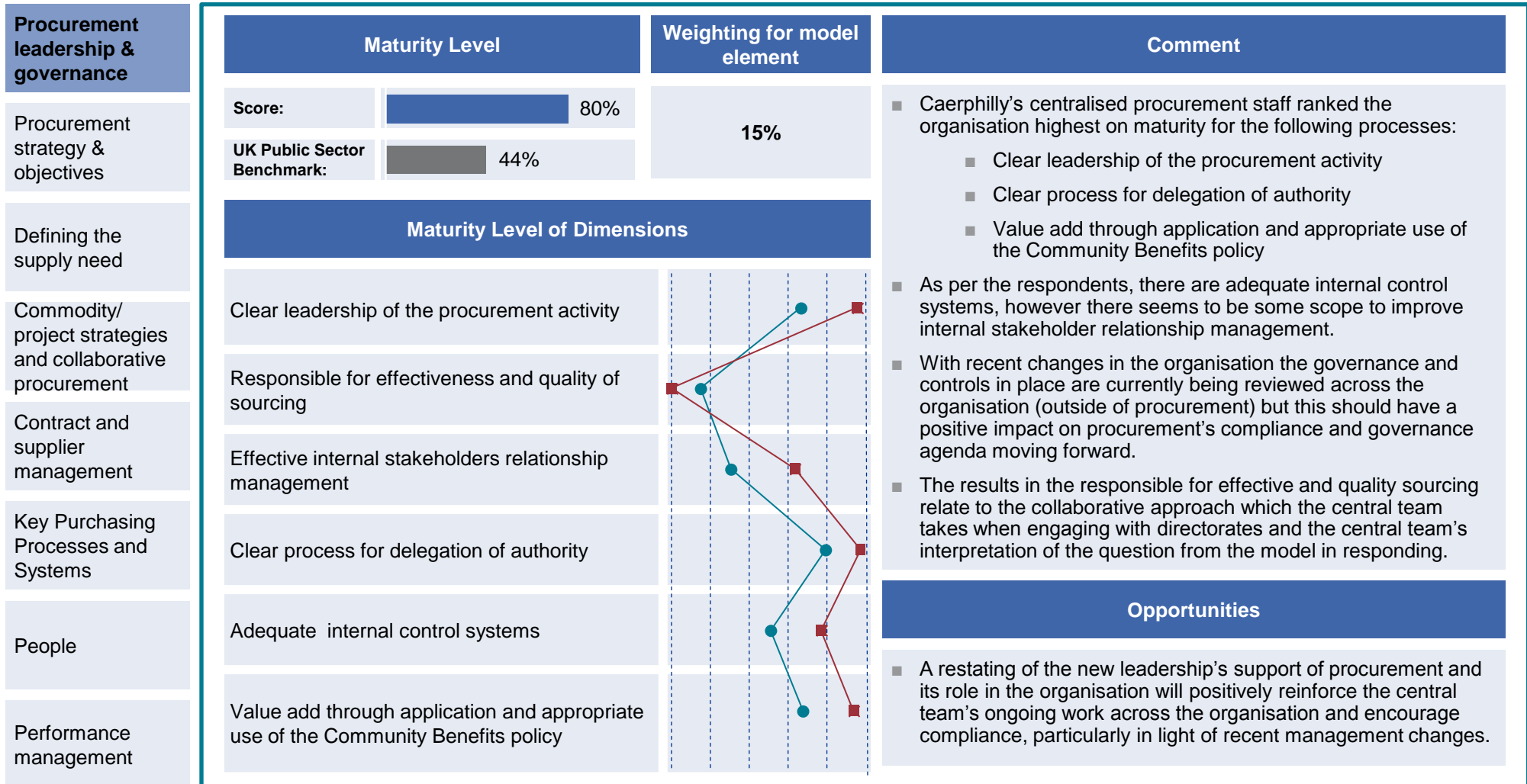
Model Dimensions	Comparison	Welsh Gaps	UK Public Sector Gaps	Comments
Procurement leadership & governance		23	36	<ul style="list-style-type: none"> <li>Central team that understands policy and guidance, implemented across all contracts</li> </ul>
Procurement strategy & objectives		13	3	<ul style="list-style-type: none"> <li>Strategy understood across organisation, updated strategy sign off 19 November 13</li> </ul>
Defining the supply need		26	7	<ul style="list-style-type: none"> <li>Working collaboratively with Directorates to define supply need pro-actively</li> </ul>
Commodity/project strategies and collaborative procurement		23	17	<ul style="list-style-type: none"> <li>Not following the traditional 'category management' however management in place</li> </ul>
Contract and supplier management		33	9	<ul style="list-style-type: none"> <li>Currently only conducted by Directorates, area of opportunity to enhance</li> </ul>
Key purchasing processes and systems		31	9	<ul style="list-style-type: none"> <li>Have had Proactus in place for many years, Procurement eSystems initiative implemented in February 2013</li> </ul>
People		23		<ul style="list-style-type: none"> <li>Cohesive team, opportunities to progress, development/mentoring system in place</li> </ul>
Performance management		29	14	<ul style="list-style-type: none"> <li>Systems reporting in place, opportunity aligned with Contract Management</li> </ul>

● Caerphilly Average maturity grade    
 ● Average of Welsh Authorities    
 ● UK Public Sector Benchmark

<b>Overall Recommendations</b>	<ul style="list-style-type: none"> <li>Caerphilly overall has a mature structure in place. The next steps for maturity relate to how to build upon those good foundations to drive more strategic and 'out of the box' solutions for the authority which will impact positively on savings initiatives and commercial outcomes. The key areas relate to internal relationship development to guide planning and strategic thinking and strategic relationship building with suppliers.</li> </ul>
<b>Likely benefits from implementing recommendations</b>	<ul style="list-style-type: none"> <li>The likely benefits for Caerphilly from implementing the recommendations relate to the potential in driving more commercially savvy and cost efficient contracts.</li> </ul>

# Procurement leadership & governance

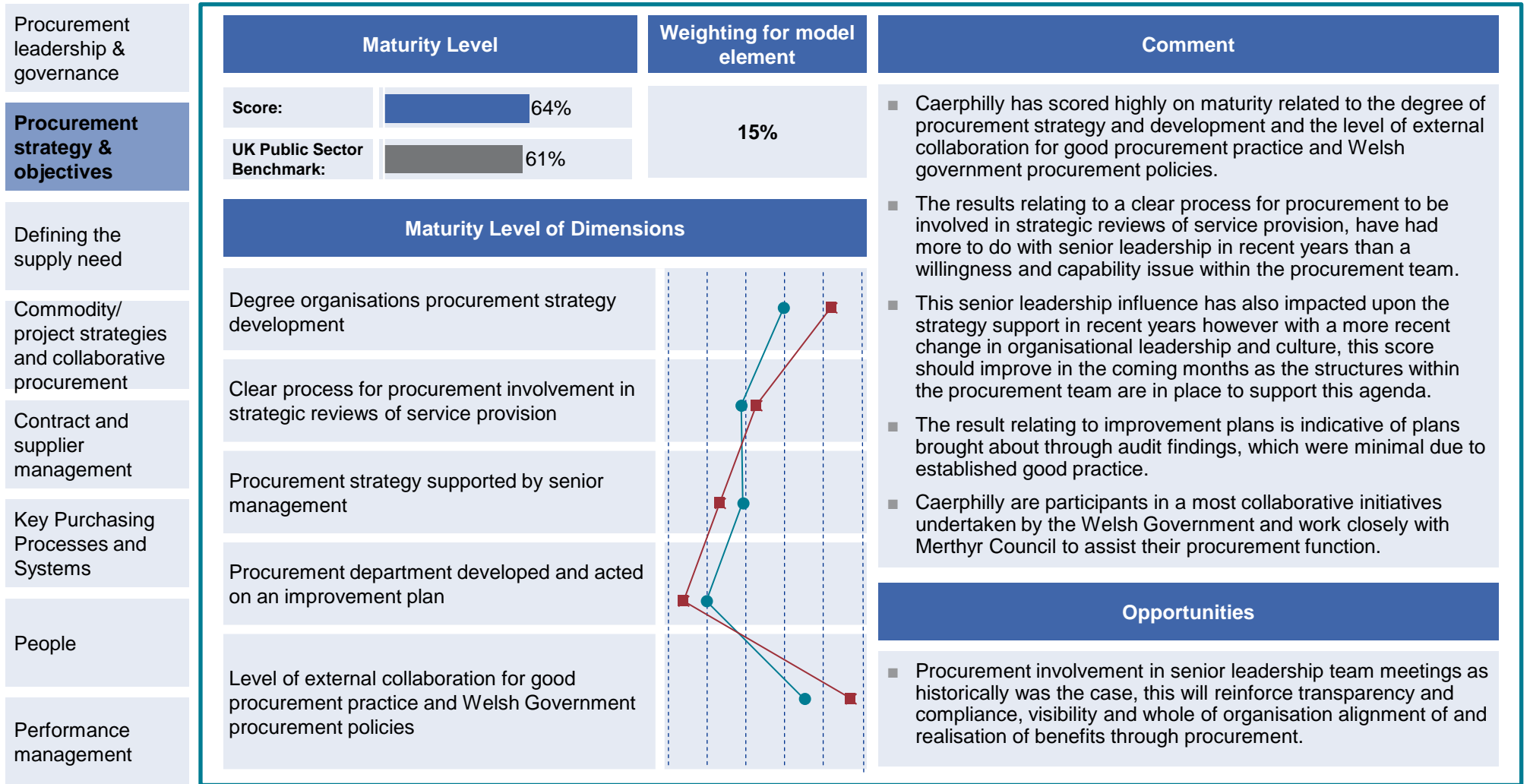
## A detailed overview of the results per dimension KPMG found ...



■ Caerphilly Average Maturity grade ● Average of Welsh Authorities

# Procurement strategy and objectives

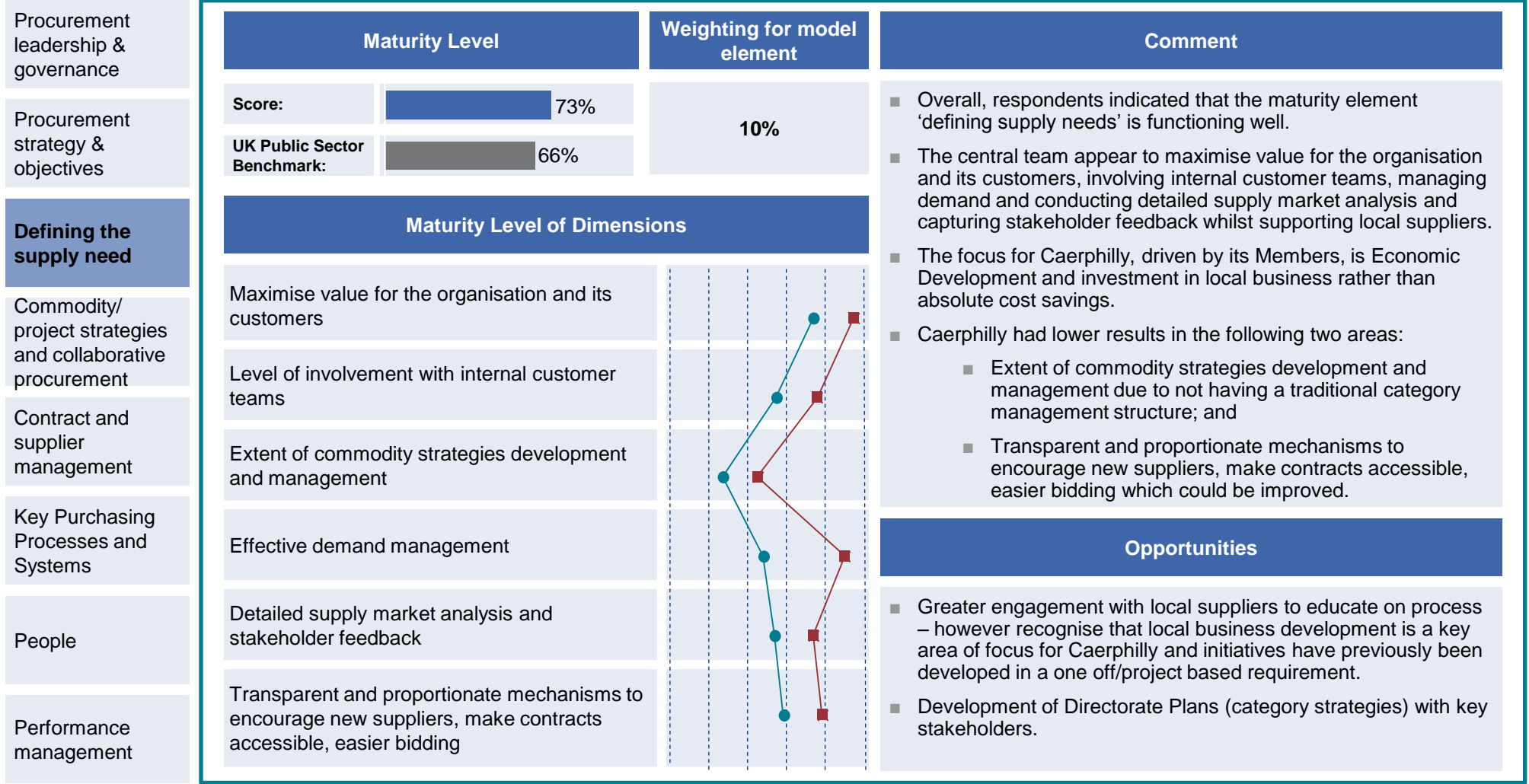
## A detailed overview of the results per dimension KPMG found ...



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# Defining the supply need

## A detailed overview of the results per dimension KPMG found ...

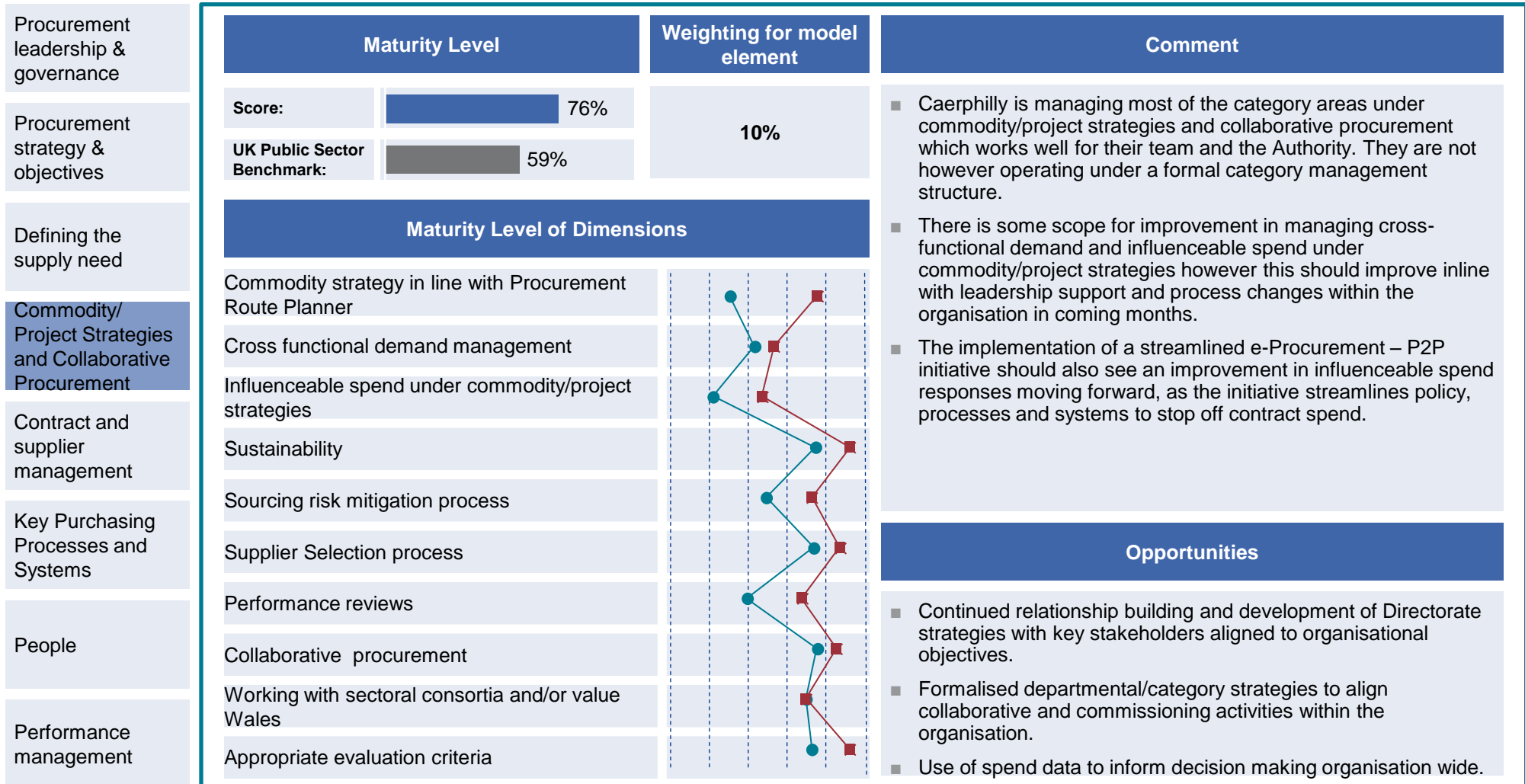


■ Caerphilly Average Maturity grade ● Average of Welsh Authorities



# Commodity/ project strategies and collaborative procurement

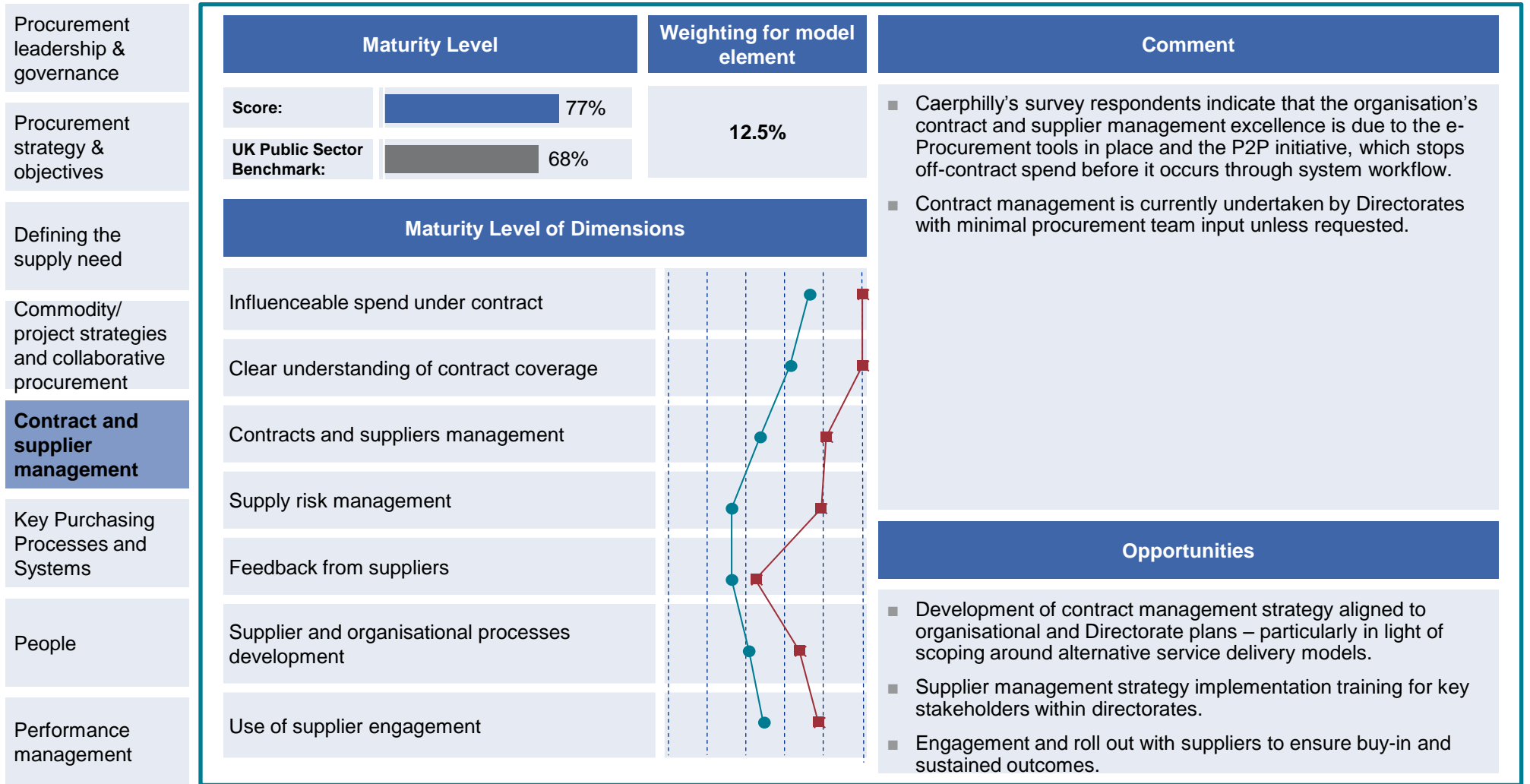
## A detailed overview of the results per dimension KPMG found ...



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# Contract and supplier management

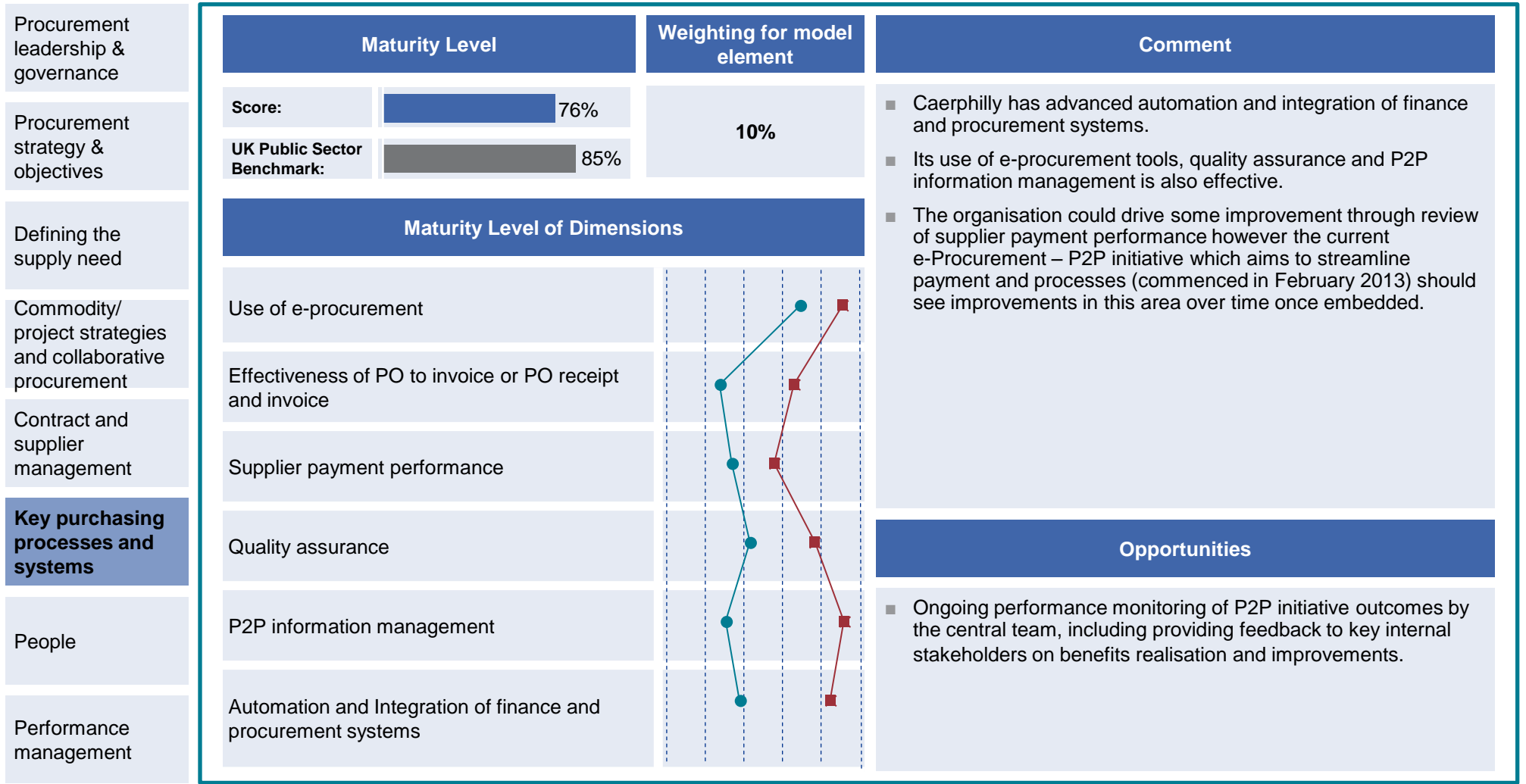
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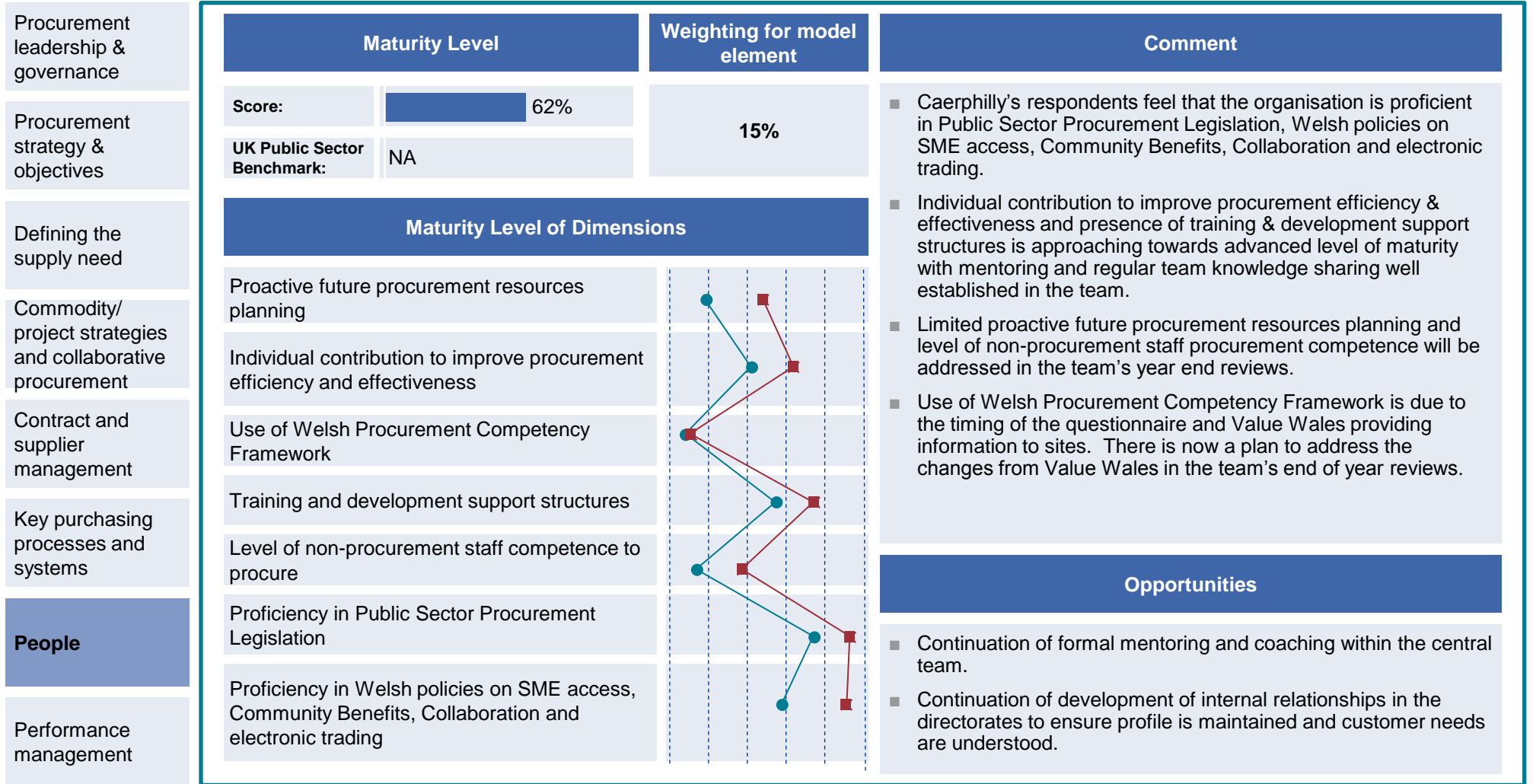
# Key purchasing processes and systems

## A detailed overview of the results per dimension KPMG found ...



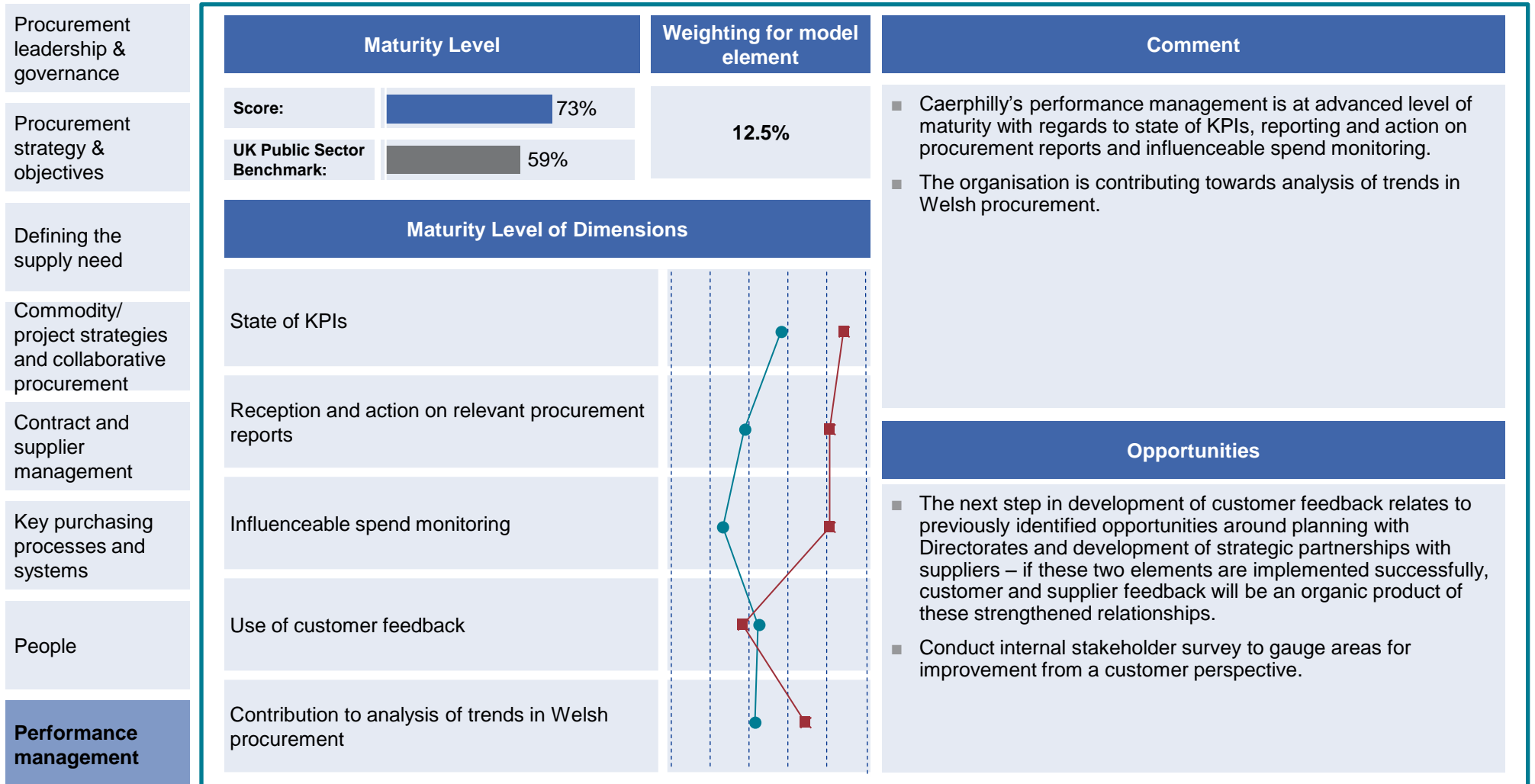
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# Fitness Check – Procurement Maturity Assessment

## Profile of respondents

Number of respondents
<b>13</b>

Contract Value responsibility	Number of respondents
Between £0 -£500K	1
Between £500K - £10m	7
Greater than £10m	5
<b>Total</b>	<b>13</b>

Qualification	Number of respondents
Degree (or equivalent)	23%
Masters	31%
MBA	0%
CIPS	15%
MCIPS	69%
Other	15%
<b>Total</b>	<b>13</b>

Years Experience	Number of respondents
Less than 10	6
10 - 20	3
20 - 30	3
Greater than 30	1
<b>Total</b>	<b>13</b>



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