



POLICY AND RESOURCES SCRUTINY COMMITTEE – 21ST JULY 2009

SUBJECT: PROPOSAL FOR TASK AND FINISH GROUP - LOCAL PROCUREMENT

REPORT BY: CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To outline a proposal for Policy and Resources Scrutiny Committee to establish a joint task and finish group with Newport City Council to review local procurement by Gwent NHS Trust.

2. SUMMARY

- 2.1 Scrutiny Committees can establish task and finish groups to review any issues within their terms of reference.
- 2.2 It is proposed to establish a joint task and finish group with Newport City Council to look at Gwent NHS Trust local procurement.

3. LINKS TO STRATEGY

- 3.1 The operation of scrutiny is required by the Local Government Act 2000 and subsequent Assembly legislation.

4. THE REPORT

- 4.1 Following the Beecham Review, the Welsh Assembly Government (WAG) set out its 'Making the Connections' agenda in order to encourage local authorities to collaborate and improve the focus of public service delivery. WAG have also announced plans to seek powers to widen the role of local authority scrutiny committees to include the scrutiny of all public sector organisations operating within its area, these should come into effect in 2010.
- 4.2 WAG have also announced the second year of its Scrutiny Development Fund. This fund invites local authorities to submit bids for projects to support the improvement of local scrutiny arrangements. If a project is approved WAG will provide 60% of the total project costs up to a maximum of £20,000, the local authority must fund the remaining 40%. All bids must be submitted by the 31 July 2009 with final awards announced by 28 August 2009 and projects completed by 31 August 2010.
- 4.3 It is proposed to take advantage of this funding opportunity and submit a joint bid with Newport City Council to the scrutiny development fund for a joint task and finish group. This will demonstrate our commitment to developing joint working arrangements with neighbouring local authorities.

4.4 In preparation for the proposed changes to scrutiny planned for 2010 and develop our working relationship with another public sector organisation, it is proposed that the subject of the task and finish group will be 'Gwent NHS Trust local procurement'. The project will give the Gwent NHS Trust a better understanding of their local procurement performance and future opportunities for increasing local procurement. It is hoped that the outcome of this project will also have benefits for other public sector organisations and could be used as a case study, particularly in the Gwent area.

4.5 The proposed terms of reference are set out below:

Introduction:

Local procurement of goods and services can provide purchasing organisations with cost and value benefits, strengthen local business and provide employment and development opportunities for local people.

Caerphilly County Borough Council and Newport City Council wish to work in partnership with Gwent NHS Trust to learn about the progress and benefits of the Trusts local procurement initiatives, document a case study of the benefits to the local economy and, if successful, look to encourage further use of local procurement strategies. The outcomes of this study will be of benefit to numerous public sector service providers within the Gwent area and beyond.

The review will be structured as follows:

1. Defining the term 'local'.
2. Measuring the progress made by Gwent NHS Trust in implementing the following action points contained in the NHS All Wales Procurement Strategy 2007-2010:
 - 'All procurement departments/ Welsh Health Supplies to communicate requirements to suppliers, especially local companies, to allow them the opportunity to work up innovative solutions'.
 - 'The NHS to support the development of suppliers to improve the delivery of all goods and services'.
3. Identifying targets set for local procurement by the Gwent NHS Trust, actions taken to achieve these targets and the total spent locally (using the defined term for 'local' above).
4. The benefits of local procurement for the wider local economy, and a LM3 evaluation of local expenditure by the Gwent NHS Trust.
5. The identification of further local procurement opportunities for the Gwent NHS Trust, and other public sector bodies.

4.6 The project management would be carried out by a group of 10 Members, 5 from each local authority. The main body of work will be carried out by an external expert who will be required to present their findings to this group at the end of each stage of the project. It is proposed that a representative from business community be invited to be included in the review group and the Gwent NHS Trust invited to all meetings.

5. FINANCIAL IMPLICATIONS

5.1 The financial implications are outlined in point 4.2.

6. PERSONNEL IMPLICATIONS

6.1 There are no personnel implications contained in this report.

7. CONSULTATIONS

7.1 There are no consultations responses that are not contained in this report.

8. RECOMMENDATIONS

8.1 To establish a joint Task and Finish Group with Newport City Council to look at Gwent NHS Trust local procurement subject to a successful bid to the Scrutiny Development Fund.

9. REASONS FOR THE RECOMMENDATIONS

9.1 To review local procurement by Gwent NHS Trust.

10. STATUTORY POWER

10.1 Section 21 of the Local Government Act 2000.

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