



POLICY AND RESOURCES SCRUTINY COMMITTEE – 4TH MARCH 2014

SUBJECT: WELSH GOVERNMENT PROCUREMENT FITNESS CHECK

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to advise Members of the outcomes of the recent Welsh Government Procurement fitness check.

2. SUMMARY

- 2.1 As part of a Welsh Government initiative KPMG were commissioned to undertake a Capability Assessment on the Procurement activity within each Local Authority in Wales.
- 2.2 The intent of the assessment was to gauge organisational maturity in order to drive better commercial outcomes, identify process improvements and to potentially provide opportunities for cost savings to Local Authorities through its procurement activities.
- 2.3 A copy of the final report for Caerphilly is attached as **Appendix 1**. The reports compares the Authority strengths and weaknesses against other Local Authorities in England and Wales.

3. LINKS TO STRATEGY

- 3.1 The information within this report supports the following key strategic documents:
- Buying Smarter in Tougher Times, 2010
 - One Wales, a progressive agenda for Government of Wales
 - Making the Connections in Delivering better services for Wales
 - Better Value Wales, 2000
 - Wales Procurement Policy Statement 2012
 - Caerphilly County Borough Council Procurement Policy and Strategy 2013

4. THE REPORT

- 4.1 In December 2012, the Minister for Finance published the Wales Procurement Policy Statement, outlining that the Welsh Government would introduce and fund a programme of Procurement Fitness Checks for the Welsh public sector.

- 4.2 In July 2013 the Welsh Government awarded the contract to KPMG to undertake Procurement Fitness Checks across all Local Authorities in Wales. The purpose of the programme is to provide independent peer reviews across the Welsh public sector against the WG Procurement Capability Model.
- 4.3 The findings of the fitness check are summarized in the attached report **Appendix 1**.
- 4.4 Details of the report will be presented to Ministers of Welsh Government for future monitoring in relation to effectiveness of Procurement in Wales. The assessments have support from the WLGA.
- 4.5 The Procurement Fitness Checks started in September 2013. KPMG completed the assessment of the Authority's procurement activity in October 2013.
- 4.6 The Procurement fitness check comprised of an on line survey and a number of face to face interviews with Senior Officers and Members of the Authority. These included the Chief Executive, Acting Director of Corporate Service, Head of Legal Services and Cllr Keith Reynolds, Deputy Leader and Cabinet Member For Corporate Services.
- 4.7 Officers from within the Corporate Procurement team and Officers who undertake procurement within Housing and Engineering services were also part of the assessment.
- 4.8 Customers of the Corporate Procurement team from WHQS - Head of Programmes, Phil Davy and Head of Community & Leisure Services - Mark S Williams were also interviewed as part of the process.
- 4.9 The Authority was measured against 8 model dimensions within the over arching maturity model.
- 4.10 The Executive Summary which can be found on page 3 of **Appendix 1** concludes the overall Maturity rating for the Authority as – Developing towards advanced.
- 4.11 The Head of Procurement will work with KPMG and the appropriate Officers of the Council to develop an action plan to take forward the recommendations of the WG Procurement Fitness Check as detailed with **Appendix 1**.
- 4.12 Members will note from the attached report that the Authority is currently in advance of other Local Authorities within Wales, therefore, Officers will explore opportunities with KPMG on benchmarking the Authority further with English Authorities to ensure the Organisation strives to be classed as Advanced in it Procurement operations.

5. EQUALITIES IMPLICATIONS

- 5.1 This report is for information purposes, so the Council's EqIA process does not need to be applied.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications associated with the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no Personnel implications associated within the report.

8. CONSULTATIONS

- 8.1 Officers and Members have been consulted on the content of the report and views have been reflected within the report.

9. RECOMMENDATIONS

- 9.1 It is recommended that Members note the results of the WG Procurement Fitness Check.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To take forward the recommendations of the WG Procurement Fitness check and to ensure the Authority continues to use Procurement in order to drive better commercial outcomes, identify process improvements and to potentially provide opportunities for cost savings through its procurement activities.

11. STATUTORY POWER

- 11.1 Local Government Act 1972 and 2000.

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Background Papers:
Procurement fitness check files.

Appendices:
Appendix 1 – Procurement Fitness Check