



City and County of Swansea

Minutes of the **Scrutiny Inquiry Panel - Procurement**

Remotely via Teams

Wednesday, 10 November 2021 at 10.00 am

Present: Councillor C A Holley (Chair) Presided

Councillor(s)

P Downing
L R Jones
H M Morris

Councillor(s)

T M White
J W Jones
M Sherwood

Councillor(s)

P K Jones
I E Mann

Other Attendees

David Hopkins
Elgan Richards

Cabinet Member - Delivery & Operations (Deputy Leader)
Business Wales

Officer(s)

Chris Williams
Michelle Roberts

Head of Commercial Services
Scrutiny Officer

Apologies for Absence

Councillor(s): B J Rowlands

1 Disclosures of Personal and Prejudicial Interest

None

2 Prohibition of Whipped Votes and Declaration of Party Whips

None

3 Minutes of Previous Meeting and responses to Panel questions

The minutes of the meeting on the 21 October 2020 were agreed and the response to following up questions received from the Social Services Directorate were accepted.

4 Public Questions

No public questions were received.

5 Business Wales

The Panel welcomed Elgan Richards from Business Wales to the meeting.

He was invited to the meeting to discuss the work they are doing to support small and medium-sized businesses who are considering tendering for public sector contracts.

- Business Wales (BW) are contracted by Welsh government to provide business support to small and medium size businesses. The only criteria for the accessing the support is the business needs to be classed as a Welsh micro-SME. This should include employing up to 250 staff and have up to a £55 million pound turnover.
- They do not only support businesses with tendering support but also support business planning, cash flow, funding and marketing and so on. They have a team of specialist advisors to do this.
- Elgan explained his role as a Tendering Advisor who assists the SME and micro companies to tender for public sector tenders and contracts. He explained that they run monthly webinars, these are all published on the Business Wales and Sell2Wales websites. They help businesses to register on the Sell2Wales portal so they can tender, ensure they have the right codes receive the relevant opportunities to tender. BW work with companies in supporting them with how to tender including what they need to have in place to meet the minimum requirements, helping with selection questionnaires and to use other portals like E Tender Wales. They have meetings with individual businesses if needed, where they will support them through the tendering process, helping them achieve their desired goal. He said he will also engage with some of his colleagues, particularly in the sustainability and the human resources team if there any specific questions around those aspects arise.
- They also offer early engagement sessions and meet the buyer events. So, if there is a large contract, they can help facilitate meet the buyer event for the potential contractors to engage the Council. And, in addition to this, BW provide advice in relation to the two pledges from Welsh Government: the green growth pledge and the equality pledge. They offer businesses a range of support to, for example, improve their efficiency and to decarbonise, also to help businesses take proactive steps to create a fully inclusive and diverse workforce. They advise clients to sign up for these pledges as well.
- There is no cap on the number of hours of support that businesses can receive from BW, and the support is fully funded through Welsh Government. They only need to be in Swansea, they do not necessarily have to bid for a contract with Swansea Council they could tender for a contract anywhere.
- *How do you get your clients? Do they simply get in touch with you or do you? Are you proactive in going out looking for them?* Reply: It can be frustrating at times because this support is fully funded. It's free for businesses but unfortunately some feel there will be getting better value for money by paying for an external consultant to come in rather than accessing the free support. We have a good relationship with the procurement officers, particularly in Swansea Council, and they signpost people on for example the tender documentation, guidance they provide and on Council website. We have an active marketing team who proactively advertise the service. We do also work with not only a number of business advisors and relationship managers but also banks and legal firms will signpost to BW.
- *You referred to advice on decarbonisation by particular applicants, could you tell us what are the kinds of concerns and problems that businesses approaching you*

might face, and what sort of information, guidance and response you give?

Reply: BW has at specialist Sustainability Advisors. These advisors assist businesses in ensuring that they have an environmental policy as part of the Wales is green growth pledge. They will help BW when selecting the key aspects of the pledge and in creating an action plan and some targets to achieve its goals.

- Chris Williams told the Panel that in terms of finding clients, the Council refer people to Business Wales when companies express any doubts or interest in learning more about certain aspects of tendering, sign-posting them to the support that Elgan outlined and we have this referral mechanism displayed in our literature, and he noted that the Panel has previously touched on this in a meeting when reviewing our 'supplier guide', and in there it clearly has the contact details for Business Support and Elgan's team, so we are constantly reinforcing that.
- *From your perspective Elgin what can we as a Council do differently?*
With regard to potential ways to improve Elgan said:
 - A bit more emphasis on early engagement would be beneficial. Swansea does tend to be a bit more SME friendly compared to some other local authorities. Do you really appreciate how difficult it is to tender, for example creating a Sell2Wales profile, added a tender, reading through and understanding the tender pack and completing all the questions in the selection questionnaire. Many also need to invest in and maintain the minimum requirement and quality standards like ISO. The average strike rates in tenders tends to be 20%, so can be 1 in 5. It is a confidence knock as well, so if they miss out, they might think twice before re tendering the next time that opportunity comes live in maybe two- or three-years times.
 - Keeping track on how many suppliers express an interest in tendering and how many then go on to actually tender.
 - Have a list of frameworks on the website which is updated. Also have a projects page on the website for large projects that not only publishes the tier 1 providers but also shows who the tiers 2 and 3 are, so smaller providers in the supply chain can contact the tier 2 or 3 to become part of this.
 - Creating a new role as a supplier champion. Caerphilly Council has appointed a supplier champion to specifically to go out and about in their region and to link suppliers and particular projects also helping small supplier in becoming an approved supplier in those areas.
 - Offering grants for things like obtaining ISO 9000 and environment management standards etc
- Chris Williams pointed out that tendering documents are detailed, but there is good reason for it. If for an example we have someone going to do electrical work in, say in a school, then that is a very different proposition then if you have somebody coming in your house to do a quick bit of work. If they are working in a school environment, we must make sure the contractor is insured and they have the right qualifications etc, e.g., they would need to be a qualified electrician, and that is why our document's questions and checks are set to ensure the work is done to good quality and to ensure safety standards. We need to be sure suppliers have the right experience, certifications, and knowledge to carry out that work. It is very important we have a robust system in place.
- Chris Williams also noted that he had previously worked in the private sector and

had personal experience of using government tendering portals. He acknowledged that a supplier would need to spend time registering on the portal, but once registered a supplier has access to all public sector opportunities (so would not need to search multiple government databases) and alerts can be tailored to specific business areas, saving the suppliers time in searching for relevant business opportunities. Chris Williams also noted for the Panel's information that the Council had received zero formal complaints on its procurement activity in recent years.

6 Procurement Performance Data, Comparison Data and Stakeholder Survey Results

The Head of Commercial Services attended the Panel to present a report outlining performance data, comparison data and survey results relating to procurement. The report covered (the full report will form part of the evidence pack for the inquiry):

- Welsh Government Data reporting systems
- Data derived from meet the buyer events
- Contract management
- Other relevant data and policy documents

The following issues/questions were raised by the Panel:

- *Is social value something that being protected and supported through our current processes? Should a local company with the high levels of social value for us after under Council objects have some advantage in the tender processes over and above just cost?* Reply: It is important that we keep looking at how we design and develop our contracts. If there is something we have not asked, something we haven't considered, we can certainly investigate that further. We do use a clear process of putting out a specification (and that specification will include social value considerations, e.g., for solar panels or electric vehicles), and we expect suppliers to comply with that specification, responses received are considered and then tender is awarded accordingly in an open and transparent way.
- *If a contractor we are using, subcontracts some works are we told about it?* Reply: Yes, they would need to tell us of subcontractors and assure us that the right standards are in place.
- *If we make variations to a contract, with the value of the contract or say the date needs extending, what do we do? What sort of involvement do you have?* Reply. There are strict processes in relation to contract variations. Chris Williams noted that he signs off on contract variations. There are many legitimate reasons. There could be a delay for some emergency construction work for example.
- *Do we produce a register of companies we call on and how often do we update that register?* Reply: We do not have one single register of companies. We may work for example with a group of companies on a framework contract. For example, if we looked at the home to school transport then there are some 30 local companies registered who could provide such a service and new suppliers are invited to join on a regular basis. In general terms we refresh the supplier list every three to five years (as we retender our agreements).

7 Research - Social and Local Procurement

The Panel discussed the desk-based research report that showed a selection of different procurement practices that are taking place in relation to social and local procurement practice.

Five examples were included:

- Preston Model
- Cardiff Council's Socially Responsible Procurement Policy
- Hywel Dda University Health Board
- Community Wealth Building in Leeds
- Harrow: Making refurbishment better

All are very different but with the common purpose of improving local procurement. It was emphasised that these are just a few examples and that there are many more to be seen across the United Kingdom.

The Panel heard from Chris Williams that the Preston model is something that is very familiar to Swansea Council, and we have worked with their allied partner the Centre for Local Economic Strategies. He highlighted that their model originally looked at a combined spending of £750 million, of which when they started their process only had £25 million remaining in their local area. So, they were starting from a different, much lower, base of local supplier involvement - Swansea Council spends some £260 million a year and we are looking at £100 million staying in our area. We have been looking at local supplier development and social value for a long time. Also, Swansea does all the aspects mentioned in the Cardiff socially responsible policy.

Cllr Holley noted that he was pleased to see that other Councils are adopting the Beyond Bricks and Mortar approach that was adopted in Swansea many years ago, so others are following Swansea's best practice in this area.

8 Inquiry Project Plan

The Panel accepted the project plan.

The meeting ended at 11.35 am

Chair