



**Report of the Convener of the
Procurement Scrutiny Inquiry Panel – 24 November 2021**

Procurement Scrutiny Inquiry

FINDINGS REPORT

Purpose	The purpose of this report is to help the Panel to develop its conclusions and recommendations resulting from the scrutiny inquiry into Procurement.
Content	This report provides a summary of the evidence from the review. The report also includes some themes for discussion by the Panel, which have been drawn up based the Terms of Reference.
Councillors are being asked to	To consider these findings and discuss possible conclusions and recommendations.
Lead Councillor(s)	Councillor Chris Holley, Convener of the Panel
Report Author	Michelle Roberts, Scrutiny Officer

1.0 Introduction

The Inquiry into Procurement commenced on the 24 June 2021 and evidence has been gathered from several sources over following months. The Panel will now start the process of concluding their inquiry and agreeing recommendations that will be presented to Cabinet.

2.0 Findings and Emerging Conclusions

This report highlights some of the key themes to consider based on the Terms of Reference for the Inquiry and forms the basis for writing the final report.

The final report when written will answer the inquiry key question by using the findings from the inquiry to draw conclusions.

The Panel are asked to discuss their thoughts on the issues below and raise anything that they wish to add so that the Scrutiny Officer can gather views. The Scrutiny Officer will then write the final report based upon this and by referencing it to the evidence gathered as detailed in the pack attached.

The conclusions should answer the Inquiry Key Question, which is - *How can Swansea Council ensure it procures locally, ethically and greenly while being cost effective and transparent in its practices?*

The Panel believe this can be done by...

2.1 Ensuring procurement is built into the Councils Recovery Plan and is clearly aligned to the Council's key objectives moving forward

Issues to consider based on evidence gathered:

- Do you feel procurement is fully built into the Councils recovery plan?
- Is procurement aligned to the Councils key corporate objectives?

2.2 Ensuring Legislation is adhered to and the policy and practice used locally is clear, effective, transparent and consistently applied

Issues to consider based on evidence gathered:

- Are we adhering to legislation/Welsh Government guidance and other advisory information?
- Are we ensuring transparency, sustainability and good probity?
- Are there effective and efficient systems, practices and processes in place to ensure effective procurement practice?
- Are these processes being consistently applied across the Council?

2.3 Ensuring the council gets quality as well as value for money on its contracts in order to get the best spend from the public purse

Issues to consider based on evidence gathered:

- Do you believe the council's processes ensure quality as well as value for money? (For example, price/cost and quality ratio, different products services require different quality ratio, social/ethical considerations...)

2.4 Considering how leaving the European Union will affect Procurement in Swansea

Issues to consider based on evidence gathered:

- Is Brexit effecting/influencing our procurement activities and what are the impacts of this?

2.5 Building upon and embedding our positive Social and Local procurement practice

Issues to consider based on evidence gathered:

- Do you feel there is an effective vision, aims and objectives in relation to social/local procurement?
- Are we maximising spend in the local economy? Is it having an impact? (some examples include Beyond Bricks and Mortar and splitting of contracts into smaller parts)
- What do you feel should be would be the way forward?

2.6 Ensuring we and those who contract with us meet the general Equalities Duty

Issues to consider based on evidence gathered:

- Do we, and those we procure with/from, meet the general Equalities Duty (as specified in Equality Act 2010 (Public Sector Equality Duty Wales))?
- How do we ensure this is the case (IIA's, monitoring etc.)?

2.7 **Building upon and embedding our Environmental and Ethical practice**

Issues to consider based on evidence gathered:

- Do you feel we have a clear vision, aims and objectives in relating to environmental and ethical practice?
- Are we considering future generations and our impact on climate change in our procurement practices?
- How do you feel we can we improve in this area?

2.8 **Considering our joint procurement activities and how we work with others**

Issues to consider based on evidence gathered:

- Is the Council working with others to improve the economies of scale and availability of products/services?
- Do we co-produced when appropriate?
- How do we ensure that Contractors understand our processes and procedures and feel confident to tender?
- Who do we work with, why, what do our stakeholders think about us? Are perceptions and reality aligned i.e., building service costing? How can we improve this?

2.8 **Making sure we are monitoring and measuring success and continually improving what we do**

Issues to consider based on evidence gathered:

- Does the Council measure how it is meeting its aims and key objectives with for example local, environment and ethical practice?
- Does the Council monitor and enforce requirements effectively and consistently?
- What does the performance data say about procurement?
- Do we carry out satisfaction survey with contractors/stakeholders?
- Do we review not only our contracts but our systems and processes so that we can continually improve?
- Do we consider/share good and alternative practice?
- Do we work with other local authorities, networks and other organisation to improve procurement more widely nationally?

3.0 **Some recommendations/issue areas highlighted:**

Please note: These are suggestions made at different points in the inquiry and there may be overlaps at this early stage. They have been listed in full so

that the Panel can see and consider all the aspects raised.

- 3.1 Advise schools to have a sub-committee or standing agenda item on their finance committee for procurement (27 July)
- 3.2 Investigate whether green and ethical matters should and can be included in the audit process both locally and nationally (27 July)
- 3.3 Continue the work to address the areas of non-compliance in Social Services.
- 3.4 Creation of a working group for education procurement matters which includes representatives from schools to help improve consistency in adherence to policy, to look at improving ways of working with building services etc. To help identify gaps and find common solutions (27 Sept)
- 3.5 Addressing the perception issue in relation to costs of works from building services, ensuring understanding of like for like quotes etc. (27 Sept)
- 3.6 Build upon ways to increase local/social procurement (raised in all meetings)

Departments have recognised that there are some areas of development. Some of which could translate for the Panel into possible recommendation, these are listed below:

Place - 16 Aug 21

- 3.7 The Council has developed a robust and detailed set of Contract Procedure Rules for use in its procurement activities. However, there is always an opportunity for further self-evaluation and improvement by learning lessons from current best practice and peer organisations.
- 3.8 Consideration should be given to a formal upfront procurement approval process, perhaps conducted on an annual basis to facilitate the bulk sign-off of regular programme activity.
- 3.9 Increase the level of training for new starters and make it a mandatory module. Ensure that regular updates are provided as necessary and when updates are made to policies or documentation.
- 3.10 Continue the review of documentation and contact design to further encourage SMEs to tender for Council works.
- 3.11 Expand the number of 'Open Days' to encourage local firms to tender for Council works and to encourage supplier feedback.
- 3.12 Whilst the Council seeks to give sufficient weight to biodiversity, natural environment and culture and health considerations, further consider how this approach can be expanded in line with social value principles and in line with the current Council pilot programme reviewing this matter.

Social Services - 13 Sep 2021

- 3.13 The Council has developed a robust and detailed set of Contract Procedure Rules for use in its procurement activities. However, there is always an opportunity for further integration and improvement by learning lessons from current best practice.
- 3.14 Commissioning teams within the Directorate were not created or resourced to procure in the way that is currently required
- 3.15 Continued regular training around procurement and TUPE combined with greater experience will lead to procurement that is more effective. Timeliness may depend on the team's capacity to complete the commissioning processes undertaken to inform procurement activity.
- 3.16 These commissioning processes are often disrupted by the need to address immediate operational pressures. Improving commissioning processes will lead to timelier re-procurement.
- 3.17 Developing a better understanding of social value and adapting procurement practices to do more to promote social value organisations could help to achieve objectives under s16 SSWBA and WBFGA.
- 3.18 Designing contract specifications which are outcomes focussed where possible is an ongoing challenge.
- 3.19 Maximising opportunities to involve service users and citizens in the procurement process will lead to more collaborative, co-produced services.

Corporate Centre - 27 Sep 2021

- 3.20 In terms of key issues for development, the Directorate is considering expanding the level of training and support for staff and is currently working with the Education Director to for example target schools and develop a capacity building programme.
- 3.21 Policy relating to procurement is in a period of significant change with a reform of the UK Public Contract Regulations having been signalled that may allow more flexibility for the Council to consider, for example, enhanced social value criteria. The Commercial Services area is currently supporting a pilot programme into this matter and this is a key area for further development (including further support for local businesses), so the **Council will continue to expand its focus on this area** and report on the outcome of the pilot in due course. Value criteria have expanded from the traditional price / quality matrix to adding issues of sustainability and or local suppliers and other local impact, and this work will be further supported and developed.
- 3.22 The Council are members of the Swansea Major Employers Forum which brings together the DVLA, the Swansea Bay University NHS Board and our Universities, and we have agreed to a joint forum that would engage with businesses across the city to explain 'how to do business' with us as part of

our response to the pandemic, and **we are planning an on-line/ video-based activity this autumn**, based on the Council's supplier guide, considered a model of good practice – [Selling to the council: a guide for suppliers - Swansea](#).

- 3.23 The recently introduced e-contract system has been very well received and resulted in a paper saving of some 23,000 pages in one year – **we are seeking further innovation in this area**, with research on-going with the Welsh Government, and that progress will likely dovetail with the proposed procurement rules reform.

Education – 27 Sep 2021

- 3.24 Schools benefit from support and challenge from Directorate in respect of procurement and the **review of the Schools Procurement Guide will further embed this**. Besides this and the enhanced Landlord's Consent process (particularly in relation to major capital projects), the most significant need / opportunity would be involving schools in Oracle developments so they can benefit from the enhanced functionality of the system.
- 3.25 Officers continue to work with WG officials to explore the use of travel miles as an element of future contract decision making.
- 3.26 There are continuing capacity and resilience concerns within Directorate teams which is likely to limit further developments.
- 3.27 There needs to be national change and/or revision to national policy if we are to further develop our procurement practices and regional frameworks to be flexible enough to truly procure locally.