



Dinas a Sir Abertawe

Hysbysiad o Gyfarfod

Fe'ch gwahoddir i gyfarfod

Panel Ymchwillad Craffu - Caffael

Lleoliad: O bell drwy Teams

Dyddiad: Dydd Llun, 27 Medi 2021

Amser: 10.00 am

Cynullydd: Y Cynghorydd Chris Holley OBE

Aelodaeth:

Cynghorwyr: P Downing, V M Evans, E W Fitzgerald, P K Jones, L R Jones, J W Jones, I E Mann, H M Morris, B J Rowlands, M Sherwood a/ac T M White

Agenda

Rhif y Dudalen.

- | | | |
|----------|--|----------------|
| 1 | Ymddiheuriadau am absenoldeb | |
| 2 | Declarations - Datgeliadau o fuddiannau personol a rhagfarnol
www.abertawe.gov.uk/DatgeliadauBuddiannau | |
| 3 | Gwahardd Pleidleisiau Chwip a Datgan Chwipiau'r Pleidiau | |
| 4 | Cwestiynau gan y Cyhoedd
Rhaid cyflwyno cwestiynau'n ysgrifenedig, cyn hanner dydd ar y diwrnod gwaith cyn y cyfarfod fan bellaf. Rhaid i gwestiynau ymwneud ag eitemau ar yr agenda | |
| 5 | Cofnodion ac ymatebion i gwestiynau dilynol | 1 |
| 6 | Caffael yn y Gyfarwyddiaeth Addysg
Gwahoddwyd Aelod y Cabinet a'r Cyfarwyddwr i fynd i'r cyfarfod i gyflwyno'r adroddiad ac ateb cwestiynau | 2 - 8 |
| 7 | Caffael yng Nghanolfan Gorfforaethol y Cyngor
Gwahoddwyd Aelod y Cabinet a'r Dirprwy Brif Gyfarwyddwr i fynd i'r cyfarfod gyflwyno'r adroddiad ac ateb cwestiynau | 9 - 18 |
| 8 | Cynllun Prosiect Ymholiad | 19 - 20 |

Cyfarfod nesaf: Dydd Mercher, 20 Hydref 2021 ar 10.00 am

Huw Evans

Huw Evans
Pennaeth Gwasanaethau Democrataidd
Date: 17/09/2021

Cyswllt: Michelle Roberts, Craffu

Agenda Item 5

RESPONSE TO PANEL QUESTION

Response to the further question to Place Directorate following meeting on 13 Sep:

Q: What is the role that the Planning Ecologist plays in the sustainability statements? The Panel understand that a Biodiversity Officer is involved but they feel that the Ecologist could be involved because they are able to assess whether the contractors are serious about the issues, are committed to taking them forward and they could also monitor that the commitments made have been taken forward.

A: *An ecologist would only need to play a limited role in the preparation of sustainability statements and only then for larger corporate contracts that would have an impact on the natural environment. This would be, for example, when advising whether an ecological assessment would be required and what type would be needed. This information would be one of a number of inputs from various disciplines to be coordinated by the sustainable development/green infrastructure advisor on the project. It would not need to be a planning ecologist that provides this advice, and in any event as the Council's Biodiversity Officer is a qualified ecologist this element would be covered off by their involvement.*

Any ecological assessment thus identified would need to be completed by the contractor's own appointed ecologist and would set out in a binding report the ecological requirements- protection, mitigation, etc to be undertaken as a prerequisite to, during and post completion of the project. Any assessment would need to meet competency standards set out by the ecologist's professional body so there would be no issues regarding the seriousness of matters to be addressed. Post completion monitoring would be for the service procuring the contract to follow up on and they would be responsible for buying in any ecological expertise necessary whether it be in-house from Planning Services or external. Furthermore, any major contract/development would most likely need planning permission so would be scrutinised by the Council's Planning Ecologist in any event as part of the planning application process.

Agenda Item 6



Report of the Cabinet Member for Education Improvement, Learning and Skills

Procurement Scrutiny Performance Panel – 27 September 2021

Procurement within the Education Directorate

Purpose:	To brief the Scrutiny Panel on current procurement within the Directorate
Content:	A briefing on the nature and extent of current procurement within the Education Directorate as well as processes, developments and issues
Councillors are being asked to:	Consider the information provided and give views
Lead Councillor:	Cllr Robert Smith – Cabinet Member for Education Improvement, Learning and Skills
Lead Officer & Report Author:	Brian Roles – Head of Education Planning and Resources Tel: 01792 636357 E-mail: brian.roles@swansea.gov.uk

1. Background

- 1.1 The report will provide a briefing on the nature and extent of current procurement within the Education Directorate as well as processes, developments and issues, focussing particularly on the specific areas raised in advance by the Panel.
- 1.2 A robust overarching governance and assurance framework provides the firm basis for specific procurement needs and support. The key elements include:
 - 1.2.1 Clear Strategies, Objectives and Linkages through:
 - Corporate and other Statutory Plans
 - Business Planning / Operational Plans
 - 1.2.2 Robust Risk Management through:
 - Mapping, monitoring, mitigation and escalation
 - 1.2.3 Tight Internal Controls through:
 - Scheme of delegation
 - Standing Orders / Financial Regulations
 - Performance and Financial Monitoring
 - 1.2.4 Reassurance through:
 - Audit
 - Scrutiny

2. Current Arrangements

2.1 Direct procurement is limited within the Directorate with so much of the Portfolio budget delegated to schools. By far the most significant areas of spending within the non-delegated budget are the following:

- 2.1.1 Home to school transport for mainstream and pupils with additional learning needs – any contracts with transport operators and taxi firms are managed on the Directorate's behalf by the Transportation Team and regularly re-tendered to seek to ensure the most cost effective arrangements.
- 2.1.2 Independent and out of County placement and associated costs where specialist provision cannot be offered in any other way – as a Directorate we continue to implement a far reaching strategy to enhance the availability of specialist provision within the County and so mitigate the scale of costs from external placements.
- 2.1.3 Catering and cleaning supplies – procured with support of corporate teams although the current pandemic has at times necessitated flexibility to maintain the required supply of provisions to meet the changing national and local expectations of the service.
- 2.1.4 IT hardware and licence costs – particularly to support the SIMS and ONE systems for schools and managed in partnership with the support of corporate IT to seek to ensure value for money.
- 2.1.5 Other smaller areas of spending such as property related security/health and safety needs and agency costs through a corporate framework.
- 2.1.6 The Pupil Referral Unit whilst a Directorate provision is effectively a school in terms of its day to day management, but it is still required to follow corporate procurement processes.
- 2.1.7 The Directorate also works in partnership with teams across the Council to deliver a significant capital investment programme (21st century schools / QEd programme), and works are tendered, contracted and delivered in accordance with corporate requirements through Corporate Building Services. Some limited direct products and services are procured directly for example removal services.

2.2 Probity, competence, consistency of approach and alignment with the Councils strategies and Directorate objectives is ensured through a robust internal control framework. Key elements include:

- Clear roles and responsibilities
- Clear and effective authorisation processes
- Robust and complete policies and procedures
- Robust monitoring, reporting and review arrangements
- Timely identification and mitigation of control weaknesses
- Staff awareness of procedural rules
- Promotion of an anti-fraud culture

Compliance assurance is gained through:

- Performance and Budget Monitoring, with robust action, reporting and escalation

- Internal Audit Assurance
 - Senior Management Assurance Statements
 - Risk Management / Data Security
 - Programme and Project Assurance gained through robust governance of capital programme and detailed business cases rigorously scrutinised by WG with consistent positive feedback received
- 2.3 Paragraph 2.1 has shown the limited nature of the direct procurement undertaken within the Directorate. This is undertaken within each team with appropriate arrangements for the placing of orders and authorisation of transactions to ensure appropriate segregation of duties.
- 2.4 To seek to ensure cost effective and transparent procurement, officers follow Council processes, utilising corporate contracts and wherever possible frameworks, with robust scrutiny and challenge through PFM and service budget monitoring meetings and internal audit.
- 2.5 Officers follow and make use of locally agreed frameworks and available guidance from the corporate centre. Capital contracts make effective use of regional frameworks, and more recently the authority has signed up to the Welsh Government Strategic Partnering Agreement to enable it to deliver revenue funded 21st century schools / QEd programme projects.
- 2.6 The principles of the Wellbeing of Future Generations Act are embedded in the operation of the Directorate. Indeed long term planning, prevention, collaboration, involvement and integration is essential to strategic planning and transformation within Education provision. On all school building projects there is particular focus on building efficiency, recycling of furniture and materials, as well as potential linkages with the curriculum and engagement of pupils and wider stakeholder groups. The aspiration is for the next phase of projects to be net zero operational carbon and reduced embedded carbon with enhanced biodiversity. Work is about to commence to develop updated employers requirements for Swansea school projects to reflect this.
- 2.7 All capital projects were previously subject to an Equalities Impact Assessment screening and report as well as a Wellbeing of Future Generations Act assessments. This process has evolved and now an Integrated Impact Assessment screening and report provides this function. This an embedded process and commences at project inception. An example would be in relation to Parkland Primary.
- 2.8 Financial Training for Managers / Budget Holders includes:
- Swansea Council Financial Governance including – Financial Procedure Rules (which provide control framework for managing the Council’s financial affairs, enabling financial management within a system of delegated responsibility and accountability), Accounting Instructions & Contract Procedure Rules
 - As appropriate, corporate spending restrictions
 - Ordering and paying for goods and services – procurement bands

- Supply Agency Framework & waivers where in exceptional circumstances a competitive process cannot be followed (e.g. single supplier or emergency), hospitality considerations and workers status (IR35)
- 2.9 The same arrangements and controls would apply in relation to any joint procurement activities, should these be undertaken.
- 2.10 Costs of independent placements and other ongoing contracts are carefully monitored and reviewed as part of the Council's overarching strategy to further enhance the capacity of in-house specialist provision for pupils. Service Level Agreements (SLAs) are reviewed each year as part of a well-established process through the School Budget Forum and its working groups, in order to ensure that they remain 'fit for purpose'. Contracts for capital projects are subject to routine monitoring by the project team including the CDM Client representative, Clerks of Works and the Contract Manager and Quantity Surveyor. All financial claims are scrutinised and if required disputed. Risks and issues are escalated for review and decision within the established governance process.
- 2.11 The 21st century schools funding is subject to compliance with a number of conditions including that procurement should be undertaken via an approved Welsh Government Framework, such as SEWSCAP, South West Wales Regional Contractor Framework (SWWRFCF) or North Wales Schools and Public Buildings Contractor Framework or via a separate competitive OJEU tender process aligned with the principles of the Wales Procurement Policy Statement (WPPS). An Annual Statement of Expenditure is completed and submitted to the Welsh Government, this is supported by the information provided in the quarterly claim forms. All projects are subject to a 2.5% retention, which is withheld until receipt of a satisfactory closing report and associated documentation to Welsh Government. The closing report and documentation should be received within eighteen months of project completion. The 21st Century Schools / QEd Programme is also subject to Welsh Government gateway reviews.
- 2.12 It is not yet apparent what the specific impact of leaving the European Union is in relation to your procurement activities but there is concern regarding both catering provisions and construction contracts. In relation to capital projects the construction industry is experiencing supply chain issues, labour shortages and increased costs, which may be a consequence of leaving the European Union or the pandemic or a combination of both. This may account for limited tender returns and / or increased costs for capital projects.
- 2.13 A national change in policy / legislation may be needed and the Council could possibly seek to improve on its procurement practices by working with WG on regional frameworks. These need to ensure an appropriate balance between capacity to deliver and locality to help reduce embedded carbon cost (by appropriately balancing the carbon impact from the distance a commodity has travelled with VFM / cost). Projects that form part of the 21st Century Schools / QEd Programme, must also fall within the Welsh Government cost and size

standard. The cost standard is benchmarked against national building costs for schools.

2.14 As a Directorate, we also work closely with schools to seek to ensure procurement practice is consistent and correct procedures are being used. Training is provided and a factsheet to aid understanding of the procedure rules and tendering. Officers also work closely with other teams across the Council where appropriate to address issues that might be highlighted through internal audit.

2.15 A Procurement Guide for Schools provides basic guidance on best practice in order to ensure compliance with appropriate rules and procedures. This is currently under review for wider circulation in the autumn Term. Whilst the vast majority of schools continue to demonstrate effective financial management, schools procurement remains the most common area identified for improvement by Internal Audit. The Schools Procurement Guide is intended for use by both school governors and school staff, with the aim of providing basic guidance on best practice in order to ensure compliance with procurement best practice and rules by:

- Informing schools about the rules and procedures in place for procuring goods, works and services
- Raising awareness of the need to comply
- Identifying channels of support

The guide is split into the following 5 sections:

1. Introduction to Procurement
2. Procurement Process
3. Dispensations, Single Supplier Tender and Waiver
4. Contact Information
5. Frequently Asked Questions

2.16 Schools are encouraged to use council contracts wherever possible with the benefits of:

- agreed pricing
- possibly no need to seek further quotations
- acceptable terms and conditions of contract
- quality and safety checks will be built-in where needed (e.g. Health and Safety and DBS)
- safeguarding policies
- appropriate insurance cover
- supplier performance can be monitored and rectified by the Contract Manager
- equality and sustainability issues will have been considered

Otherwise schools need to satisfy themselves about all these matters.

2.17 There have also been developments in the Landlord's Consent process. The application form and guidance has been updated, and applications will also

now be subject to a more detailed conditional response. This should enable greater oversight of schools expenditure on buildings and provide improved assurance of compliance.

- 2.18 The overall picture is a positive one in terms of working in partnership with schools and the outcomes of audits. It remains the case that the most effective and robust controls generally exist where there is ownership of the issues and of the need for robust financial procedures by schools. As part of their monitoring procedures, the School Support Team request minutes of the Governing Body meetings in order to confirm that the audit report has been presented and discussed. Specifically, the Schools Annual Audit Report 20-21 notes that:

“... all of the schools audited remotely achieved a substantial or high level of assurance and all three thematic reviews received a substantial assurance rating. This continues to demonstrate the fact that the schools in question are being managed appropriately and were operating effectively”.

The report also recognises that:

“Considerable efforts have been made by the Authority in an attempt to improve schools awareness of their responsibilities when it comes to procuring goods and services and managing school funds effectively”.

“Periodic financial training continues to be provided to all Headteachers by the School Funding & Information Team, which clearly communicates the procedures that should be followed by schools in relation to ordering and procurement. In addition to this, the Team continues to offer newly appointed Headteachers a bespoke finance session and monitors attendance, reminding them to attend refresher sessions every three years.”

3. Summary of Key Points

- 3.1 The overarching governance and assurance framework provides a robust basis for specific procurement needs and support.
- 3.2 Schools benefit from support and challenge from Directorate in respect of procurement and the current review of the Guide will further embed this. Schools are encouraged to use council contracts wherever possible and there is now an enhanced landlord’s consent process.
- 3.3 Besides the updated Schools Procurement Guide 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. Officers continue to work with WG officials to explore the use of travel miles as an element of future contract decision making.
- 3.4 There are continuing capacity and resilience concerns within Directorate teams which is likely to limit further developments.

4. Legal implications

4.1 There are no legal implications associated with this report.

5. Finance Implications

5.1 There are no financial implications associated with this report.

6. Integrated Assessment Implications

6.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs

6.2 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

6.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

6.4 There is close and regular engagement with schools each year through the School Budget Forum and its sub and working groups which is particularly pertinent in respect of the area of procurement.

6.5 Given the nature of this report to the Procurement Scrutiny Performance Panel it has been agreed that an IIA screening is not required on this occasion.

Background papers: There are none.

Appendices: There are none.

Agenda Item 7

Report of the Director of Resources

Procurement Inquiry – 27th September 2021

Overview of Procurement - Resources Directorate

Purpose	This report provides an overview of procurement processes and activity within the Council's Resources Directorate as requested by the Panel
Councillors are being asked to	Consider the information given as part of the inquiry into procurement
Lead scrutiny Councillor	Councillor Chris Holley
Lead Cabinet Member	<ul style="list-style-type: none">• Cllr David Hopkins
Cabinet Member Impacted for Place directorate	<ul style="list-style-type: none">• Cllr Rob Stewart• Cllr David Hopkins• Cllr Andrea Lewis
Report Author	Chris Williams / Adam Hill

1.0 Introduction

- 1.1 This report provides an overview of the activity related to procurement within the Resources Directorate, with Finance – including our Audit function - and the Service Centre; Legal, Democratic Services and Business Intelligence; Human Resources; Communications incorporating both DesignPrint and Corporate, Health, Safety and Emergency Management, and Digital & Transformation Services being key components of the Directorate, in addition to Commercial Services' corporate procurement function.

2.0 A brief outline of the Directorate's procurement activities

- 2.1 The Resources Directorate provides a wide and varied range of services and support to departments across the Council, which in turn contribute to and support the Council's corporate priorities and which entail periodic procurement activity although it should be noted that the Directorate normally supports (through its commercial, legal and financial advice) procurement across the Council rather than being the direct delivery body for the Council's procurement activity.

The Resources Directorate plays a key role in the Council's spending architecture particularly it is responsible for both design and adherence to the Council's Contract Procedure Rules and the Financial Procedure Rules – the formal sets of rules, set out in the Council's Constitution,

that provide high-quality assurance frameworks for the use of public funds with our suppliers and service providers, and which provide both Members and Officers with a clear guidance for this area (and this role was covered in detail in the paper on procurement provided by Commercial Services for the Panel for its inquiry).

2.2 The following provides a summary of the range of procurement activities that are undertaken in the Directorate -

2.2.1 Legal, Democratic Services and Business Intelligence

- IT packages, software and equipment, legal case management
- services related to legal and coroner cases
- counsel, experts, health boards services and funeral directors

2.2.2 Finance and the Service Centre

- banking for the authority
- cash handling systems and services
- specialist IT systems to support payment and collection
- electronic payment terminals
- leasing of capital assets
- insurance cover for the authority
- pension fund administration and actuarial services (paid for by the pension fund)

2.2.3 Human Resources

- Learning support software
- provision of the cycle to work scheme
- external investigation services relating to HR

2.2.4 Communications

- Medical services and specialist equipment related to health and safety function
- print materials, equipment and external printing services as appropriate

2.2.5 Digital and Transformation Services

- IT systems including the core enterprise resource planning system and associated technical expertise (this a major on-going project as the Council moves to a cloud architecture)
- telephony, telecom, Wi-Fi services and robotic process automation (to free-up staff from easily automated processes)
- software e.g. our e-contract solution and anti-virus security

The above list whilst comprehensive is not exhaustive.

3.0 Ensuring probity, competence, consistency of approach and alignment with the Councils strategies and objectives in the Directorate

- 3.1 There is a combination of funding sources derived from capital sources and revenue funding, and each have their own processes for approval and alignment with the Council's strategies and Objectives.
- 3.2 Capital sources would be set out in the appropriate FPR7 reports as required under the council's financial procedure rules and these reports set out the alignment and implications and policy context.
- 3.3 Revenue funding sources are generally built into the council's annual budget approve by Council under each service area. Any variances would be reported via the usual Performance and financial reporting and or additional FPR reports.
- 3.4 The Housing Revenue Account is a ring-fenced account reported and monitoring separately.
- 3.5 Grant funding sources have their own approval process link which set out why the grant is needed and any subsequent implications.
- 3.6 Examples of policy alignment through procurement include:
- 3.7 Our Digital strategy and infrastructure programme supports the Council agile-working policy enabling Officers to work flexibly, and which has been invaluable in responding to the challenges of operating during the ongoing pandemic. Our cycle-to-work programme, led by HR, supports the Council's green agenda by providing a cost effective means for employees to purchase bicycles. Democratic transparency, for example, is supported by the use of the modern.gov software platform, which supports publication of Council decisions.
- 3.8 In terms of procurement routes this can be, as appropriate, both frameworks – such as those used to obtain additional legal expertise - or through bespoke tender activity, and this would include too the use of regional or national frameworks such as Crown Commercial agreements for technology services, or separate “sell2 wales” adverts.
- 3.9 Selection is by a robust process to ensure that the contractors are aligned with the Council's requirements. Supplier Suitability Questionnaires and a range of Quality questions are included in the tender process to ensure that contractors are aligned to the Council's requirements.
- 3.10 Close links with the Authority's Procurement section maintain consistency of approach and regular team meetings, feedback and lessons learnt sessions ensure that there is consistency of approach and that both issues and good practice are shared.

- 3.11 Ongoing liaison with the Commercial Services' Procurement Team for advice and use of the information, templates and tools available online via Staff-Net are utilised on a regular basis.
- 3.12 Dedicated buyers following all Procurement Rules, liaising with Procurement where necessary. All staff are aware of the process for raising or amending purchase orders. Suitable approval limits are in place based on contract value.
- 3.13 All projects are subject to both internal and external audit requirements.
- 3.14 The Directorate also contributes to the proper management of public funds by providing review of spend decisions for example:
- Digital Services with Commercial support the cross-check of any departmental IT spend to make sure it conforms to corporate standards and does not duplicate any existing provision:
 - Communications apply a similar role to any print or marketing activity to ensure synergy with corporate goals
 - Commercial Services assess spend requests against existing corporate arrangements to ensure coherence and best value
 - The approve process has been praised by WRAP Cymru for example as it also allows us to control environmental impact in the use of our resources

4.0 Responsibility for procurement, authorisation of transactions, separation of responsibilities for ordering and receiving goods / services and the capacity to contract

- 4.1 All directorate procurement activity is carried out against the framework of the requirements of the Council's Contract Procedure Rules, which dictate procedures and responsibilities relating to the procurement of goods and services. Engagement with procurement, finance and legal services takes place in line with these requirements or when advice is required.
- 4.2 Limits for officers are set out in the council constitution and/or formal delegation for which detailed records are kept in line with corporate requirements.
- 4.3 Separation of duties is a formal part of the Oracle ordering system, so one individual would never be in a position to order on their own. Even the smallest p-card transactions require authorisation and checking. In-team procedures are fully documented for each project.
- 4.4 Staff are aware that only senior management can enter into contracts as detailed within Council's constitution / contract procedure rules.

5.0 Cost effective and transparent procurement

- 5.1 The most important and broadly accepted principle underlying a modern procurement system is that it should be carried out in a fair and transparent manner, with open competition, and be subject to examination and review.
- 5.2 The Council employs a robust set of Contract Procurement Rules designed to enable cost effective and transparent procurement.
- 5.3 The setting up of frameworks, rather than utilising open tendering gives the opportunity to speed up processes and to achieve long term cost savings.
- 5.4 Where there is no suitable framework in place, a robust procurement exercise is carried out via Sell2Wales taking into account cost, quality and contractor suitability. Tenders received are compared against budget and similar schemes to ensure cost effectiveness
- 5.5 All tenderers are notified of the outcome and offered feedback on their tenders to engender a culture of continuous improvement
- 5.6 All decisions are noted and filed for future reference in line with the Council's document retention policy. Team involvement / discussion in process takes place where applicable including engagement of Procurement for advice/ support.

6.0 Ensuring that the Directorate is procuring locally, ethically and that procurement activities align with the Wellbeing of Future Generations Act

- 6.1 The directorate supports the corporate well-being goals through its mainstream support activity and as noted above there are a number of policy goals and related activity e.g. green transport /cycle to work which contribute to such goals, however the majority of major Council spend takes place within other directorates (social services, education and place), and the Panel will have reviewed such Directorates' responses for this area, which are supported by our corporate teams in the Resources Directorate, for example through our corporate procurement team, Finance Service and our Legal and Democratic Service.
- 6.2 Our pension fund selects providers based on consideration of ethical, environmental and social governance commitments for example, but it is important to note that we have a legal duty to deliver value for pension scheme members and this can lead to a balancing act regard to investment types, however we are committed to a significant divestment of holdings related to fossil fuels.
- 6.3 Where the Council seeks to make any changes in its activity an *integrated impact assessment* is undertaken and this will provide a

detailed analysis of our decision-making against the Well-Being of Future Generations Act, supported by the Resources Directorate.

6.4 Council procurement terms and conditions ensure that suppliers note their conformance to our obligations in respect of :

- Modern Slavery
- Equal Opportunities
- The Welsh Language
- Safeguarding

Tendering contractors are also required to address compliance with the above requirements within their tender submissions.

6.5 Our SSQ (Supplier Suitability Questionnaire) covers such items as Fair Trade and Modern Slavery. All SSQ questions sanctioned/checked by Central Procurement. The council may also holds “meet the buyer” events to encourage local engagement on main contracts and for subcontracts.

6.6 Suppliers from within Swansea and Wales include those for:

Medical services, legal services and occupation health are often sourced in our area, but for example in financial services and IT these markets may operate on a UK basis.

7.0 Ensuring the Directorate’s procurement activities comply with the general Equalities Duty (as specified in Equality Act 2010 – Public Sector Equality Duty for Wales 2011)

7.1 Taking equality into account at an early stage in the procurement process can help to ensure that goods and services procured are fit for purpose, and are able to contribute to cost reductions in the long run. The Equality Act 2010 requires purchasers to ensure that they do not unlawfully discriminate in the provision of goods or services.

7.2 Reference to, and required compliance with, The Equality Act 2010 is embedded in all the department’s tender documentation and frameworks

7.3 Procurement briefs are designed around corporate templates that ensure specific coverage of these points, which are also followed through into the design or works.

7.4 For larger projects project leaders link in with the Access to Services Team for support and advice and if necessary engage with the local access forum and/ or their representatives. IIAs are also actioned for projects requiring Cabinet sign off (please see paragraph 6.3).

8.0 Staff Training provision on procurement matters

- 8.1 A robust staff training and development programme will ensure that all staff have a consistent experience and background knowledge. A training programme leads to the strengthening of those skills that each employee needs to improve, whilst a development programme will bring employees to a higher level, so that they are all working at a similar skillset.
- 8.2 Staff have received Framework 'User' training from the Framework Manager with further training from Procurement Team scheduled at regular intervals, together with circulation of CPR & other procurement-specific updates/amendments as and when available
- 8.3 Initial 'new starter' training is provided on CPRs and other Procurement processes, with regular updates as and when requirements change. Staff members can also refer to the Procurement Guide for Council Staff. Peer to Peer mentoring on CPRs and procedures for tendering, evaluation and award ensures that experience and knowledge is shared across the team with support for the Council's procurement team available as required.
- 8.4 Senior managers who undertake procurement are fully conversant with CPRs and assessed for issues as part of the regular Senior Management Review Process. If there are any general queries, advice is sought from Procurement.
- 8.5 Regular audits play an important part in ensuring procurement is conducted effectively are conducted throughout the Directorate and any feedback in recommendations are followed through to ensure any improvements on matters including training are delivered

9.0 Ensuring compliance of joint procurement activities

- 9.1 Where any joint procurement activity occurs that then the lead public body will quality assure the procurement process and then our internal services will also sign-off an the agreement before Council Officers proceed, so for example in the case of the Welsh print services framework for the lead body is the Welsh Government who would run the procurement exercise apply the relevant law (the UK Public Contract Regulations).
- 9.2 The Authority is also able to enter into direct agreements with other Authorities, and these would be subject to appropriate internal due diligence via our Legal Services.
- 9.3 Service Level Agreements are used to map and manage agreements with other parties, for example we work with the NHS to obtain health board services.

10.0 Monitoring procurement activity especially ongoing contracts or service level agreements and enforcement of requirements

- 10.1 In order to drive Continuous Improvement it is of paramount importance that procurement activities are monitored and performance controlled by the recording of data, measuring performance against expectation, making any necessary changes or amendments and reporting on the outcomes.
- 10.2 Procurement activity and performance is monitored regularly via regular meetings and tracked against project programme to ensure targets are delivered/milestones achieved.
- 10.3 Regular checking of the “contract register”, contact with the corporate procurement section and running reports on supplier spends assist in the monitoring of procurement activity.
- 10.4 Where the procurement method is via a framework, a Framework Manager will be appointed to monitor the ongoing spend against that particular framework. Both the Framework and the call off contract contain legally binding terms and conditions outlining both the contractor/supplier’s and the client’s obligations. Failure to adhere to those obligations could lead to damages being imposed against the contractor/supplier for non-performance or breach and ultimately being removed from the framework or termination of employment under the call off contract
- 10.5 Most companies are keen to work with the Council and want to maintain a good working relationship.
- 10.6 The system in place of producing requisitions for the Buyers to order the goods /services ensures probity.
- 10.7 As an example of this approach, for our MFD contract (Council printing, copying and scanning devices) a quarterly service review includes receiving and analysing a service update, focus on specific strands of activity e.g the print room (large-scale printing) and education issues, a review / discussion re any proposed changes, and then agreeing detail and actions for the next performance review meeting.

11.0 External auditing of Directorate’s procurement activity

- 11.1 Whenever funding is provided to the Council by external organisations for particular schemes or projects, there is an expectation that the funding will be used for the purposes provided. The audit process ensures that those requirements are met and that the procedures used within the procurement process are robust.
- 11.2 Our procurement activity is regularly audited by the Council’s in-house audit team.

11.3 Where projects receive external funding from Welsh Government or EU funding sources they are routinely audited before during and after. More so with EU funded schemes, but good practice is followed on all schemes, and Corporate Procedure Rules are always followed to ensure future compliance checks can be met. Compliance with funder's practices which may be externally audited is therefore necessary.

12.0 The effect of leaving the European Union on the Directorate's procurement activities

12.1 Some issues have been encountered with regard to the availability of IT equipment (e.g. laptops), but at this time there has been limited impact to the Directorate although as Panel members will be aware there has been an impact on the Council in general, but there are also other issues impacting at the same time including the pandemic's impact on supply chains, which are being monitored by an internal group on this matter convened by the Leader.

13.0 Improving on the Councils procurement practices

13.1 The Council has developed a robust and detailed set of Contract Procedure Rules for use in its procurement activities and these provide a solid base for procurement activity. There is always an opportunity for further self-evaluation and improvement by learning lessons from current best practice and peer organisations and in this regard the Council actively takes part in relevant fora to share innovation including in the WLGA's national procurement network, which includes representation from both the Future Generations Commissioner's office and Welsh Government.

13.2 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](#).

13.3 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 for example to specially target schools and develop a capacity building programme.

13.4 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 (noted below).

- 13.5 Policy relating to procurement is 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.
- 13.6 As noted in earlier papers the Council's combined procurement programme is substantial – Swansea has for example one of the largest capital programmes in Wales - and from a corporate perspective the Directorate will ensure adequate support is provided to all staff and projects across the Council to ensure their successful outcome for the benefit of the residents of Swansea.

Agenda Item 8

Project Plan - Inquiry into Procurement

Date/Venue	Evidence Gathering Activity	
Procurement Pre-Inquiry Scrutiny Working Group 24 Oct 19 and Revisited 24 Jun 21	Overview of subject area with key officers and Lead Cabinet Member for Procurement. <ul style="list-style-type: none"> • Provide an overview of the structure and make-up of the service, the legal frameworks we work under and the key influencers. • Provide the Procurement Strategy for Swansea • Outline Procurement Framework and probity, legislative and policy influences (national, local and Europe) 	
Evidence gathering - Internal		
Session 1 27 Jul 21	Internal Audit	
Session 2 16 Aug 21	Place	Departmental perspectives/procurement activities: <ul style="list-style-type: none"> • Positive social/local procurement activities • Environmental, ethical and sustainable procurement • Case studies • Consistency in following practice/procedures • Monitoring and enforcing SLAs/contract terms • Joint Procurement activities • Specific legislative/policy influences
Session 3 13 Sep 21	Social Services (including commissioning aspects)	
Session 4 27 Sep 21	Education Corporate centre	
Consultation activities - External		
Session 5 20 Oct 21	Talk to others - local businesses and stakeholders – roundtable meeting remotely	
Session 6 10 Nov 21	<ul style="list-style-type: none"> • Business Wales – training for small businesses • Submissions received from call for evidence • Social and local procurement ...look at practice elsewhere including Cardiff and Preston's socially responsible procurement info. • Any useful survey or comparison data readily available 	
TBC	<ul style="list-style-type: none"> • Attend procurement/buyer meeting/event - tbc 	
Concluding Inquiry		
Meeting 7 24 Nov 21	Findings report and discussion	
Meeting 8 31 Jan 22	Draft Final Report (informal meeting)	
Meeting 9 15 Feb 22	Final Report agreed by Panel (then submitted to Scrutiny Programme Committee on 15 Jul 21 and Cabinet on 21 Apr 21)	

