



City and County of Swansea

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

Remotely via Teams

Monday, 27 September 2021 at 10.00 am

Present: Councillor C A Holley (Chair) Presided

Councillor(s)

P Downing
L R Jones
B J Rowlands

Councillor(s)

I E Mann
M Sherwood

Councillor(s)

P K Jones
H M Morris
T M White

Other Attendees

David Hopkins
Robert Smith

Cabinet Member - Delivery & Operations (Deputy Leader)
Cabinet Member - Education Improvement, Learning & Skills

Officer(s)

Adam Hill
Brian Roles
Chris Williams

Deputy Chief Executive / Director of Resources
Head of Education Planning and Resources
Head of Commercial Services

Apologies for Absence

Councillor(s): E W Fitzgerald and J W Jones

1 Disclosures of Personal and Prejudicial Interest

None

2 Prohibition of Whipped Votes and Declaration of Party Whips

None

3 Public Questions

There were no public questions received.

4 Responses to follow up questions

Panel wished to satisfy themselves that the terms and conditions attached to planning permissions, particularly relating to the ecological impacts of developments, are being met. The Panel were satisfied that we have adequate arrangements in place to ensure that any conditions that we might attach are actually being made.

5 Procurement in the Education Directorate

Cllr Robert Smith and Brian Roles attended the Panel to present the report and answer questions. The full report was received and will form part of the evidence pack for the inquiry. Over and above this the following was noted from the discussion:

- Council works in partnership with schools and also Welsh Government to procure a significant amount of what is spent within the Education Directorate, as well as what we ourselves are responsible for.
- The most effective controls exist where there is an ownership of issues and ownership of the need for robust processes. It is not simply a matter of a policing role at the centre, there must be ownership in the understanding of the need for robust practices. For that reason the Directorate's robust overarching governance and assurance framework provides the essential foundation for robust procurement practice. These broad areas are subject to audit and scrutiny.
- It is really important to recognise the extent to which direct procurement is limited within the Education Directorate. Whilst there is a large overall budget as an education directorate, the lions share is delegated directly to schools.
- The most significant of the areas of procurement is home to school transport. These contracts are managed by the Place Directorate on behalf of Education. The Transportation team regularly tender those contracts to seek to ensure the most cost effective arrangements.
- Another significant budget area is the independent and out of county placement budgets and associated costs. We have a long term strategy to enhance the availability of that specialist provision within county and in so doing mitigate the scale of the costs from external placements.
- A third area are catering and cleaning supplies which we procure with the support of corporate teams.
- The next area is IT hardware and license costs to support schools and these costs are managed in partnership with corporate teams who again ensure value for money.
- In terms of capital, we have a very significant capital investment programme through our 21st century schools programme. Our tendering and contracts are delivered in accordance with corporate requirements through corporate building services.
- The Panel asked a question relating to home to school transport: Do we include in the discussions with transport companies any requirements about effective pollution management? Also how do we monitor and take account of their actual behaviours? For example ensuring that those who transport, when waiting ensure schools their engines are turned off to minimize pollution. The Place Directorate will be contacted with the question.
- The Wellbeing of Future Generations Act principles are embedded in the operation of the Directorate. In fact, the very nature of education provision in the planning for future education provision necessitates long term planning and this is clear in the 21st century schools programme, wider capital investment for schools and the planning of schools places. School building projects have particular focus on building efficiency. Potential linkages with the curriculum are made so we can

engage pupils and wider stakeholder group in the process of delivering a new build school.

- There is an aspiration for the next phase of projects to be net zero carbon in terms of the delivery and we are working on that with the most recent business case that has been submitted to the Welsh Government.
- The Panel asked if possible was possible for schools to be provided with costing examples or provided with catalogues so they have an idea of the cost of what they need to purchase. The Panel heard this has been discussed and schools have been asked for nominations for reps to be on a procurement working group to consider such issues and how best to provide advice and support to schools. Any gaps can be identified and common solutions can be created.
- The Directorate have Integrated Impact Assessment screening, which are completed for all capital projects, as well as the Wellbeing of Future Generations Act assessment.
- The service level agreements with schools are very important and are specifically reviewed each year as part of a very well established process through the school Budget Forum and its working groups. This is to ensure that service level agreements remain fit for purpose and provide the services that schools need. It ensure that they are transparent and are clearly costed, reflecting the true cost of delivering those services.
- In terms of capital projects, there is routine monitoring with any financial claims scrutinised and disputed if appropriate, any risks and issues are escalated. There is a well-established governance process for the whole QEd programme.
- In terms of the 21st century schools programme we are required to comply with a whole number of conditions that come with the funding that the Welsh Government provides and procurement needs to be undertaken via an approved Welsh Government framework. This is done working in conjunction with corporate building services.
- 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. It is a very difficult to balance this with the need for sufficient capacity to deliver on the size of schemes that we are talking about.
- Welsh Government have been discussing how we can in future can look at the distance that materials have travelled and the carbon impact as part of the evaluation of tenders
- If we are to move forward to a more localised procurement we must look at what needs to be changed to enable that. For example capacity building at provider level needs to happen.
- The issue of Governing bodies having a Procurement sub-committee or similar was raised by the Panel. The Panel were given reassurance that schools within their governing bodies do have subgroups that do focus on finance and premises matters.

6 Procurement in the Corporate Centre

Cllr David Hopkins, Adam Hill and Chris Williams attended the Panel to present the report and answer any questions. The following was noted over and above the written report provided:

- In relation to procuring locally, this has been one of the areas we are pushing but it is not just about buying local but it is about making sure that we work with local companies. We are part of Swansea major employer's forum and that enables us to encourage and allow businesses to understand what it is like and how they can best work with us also to show how they would apply including the processes that we go through. It is a priority for Swansea that we seek to maximise the spend in our local area and we consider that as part of our contract design.
- Some of the examples of environmentally focused procurement include: Green Fleet initiative and The More Homes Initiative of energy efficiency in housing, these show how our procurement activity translates into reality and tangible outcomes. The Council's pension fund was also mentioned and the recognition it has received for its best practice in the area by moving away from holdings relating to fossil fuels.
- Through our contract system we look to enforce core obligations of the public sector and the legal framework we operate in. One example is modern slavery, anybody with a conviction for anything related to that would not be a company we would deal with and we check all new suppliers.
- With regard to equalities duty all staff are trained in understanding the implication of the Act and adherence to the Act is integrated into the procurement process.
- The impacts of leaving the European Unions and impact of Covid was outlined including that it has been a perfect storm with COVID in terms of many businesses having stopped working for a fair length of time. Impacts have been felt more recently include: Cost and availability of building materials; some supplies are delayed in being received, things like plasterboard and the labour market are far more volatile. The same level of staff are not available.
- Social value is a key part of what we do. The Welsh Government has said it is going to follow the new UK rules on how to enhance social value in contracts, so in the next few months we should see the first draft of those new rules and these will be circulated to the Panel when they become available.
- It was highlighted that there are only 8.5 members within the commercial procurement team that supports place, social services, education and the corporate centre resources versus Welsh Government guidance of 26 members of staff. £260 million pounds is spent per year on suppliers and services, which will at some point go through the Commercial Services team, so further resourcing for this area is being considered at this time.

7 Inquiry Project Plan

The Panel reviewed the Project Plan.

The meeting ended at 11.45 am

Chair