

National Assembly for Wales
Public Accounts Committee: Public Procurement
Evidence from Cardiff Council - Steve Robinson, Head of Commissioning and Procurement

Thank you for your recent correspondence and invitation to attend the Public Accounts Committee on 5th February 2018. As requested please find below response from Cardiff Council:

1. The Welsh Government's leadership role for public procurement in Wales

i. The overall impact of the 2015 procurement policy statement;

The Wales Procurement Policy Statement (WPPS) 2015 predominantly captures approaches developed and adopted by the public sector in Wales over a number of years. The Statement provides a useful framework for guiding the development of procurement functions across Wales. The principles set out within the Statement are reflected in the Council's own Procurement Strategy (2017–2020) and our new Socially Responsible Procurement Policy.

The challenge for the Welsh Government is how they can best support the implementation of the Statement principles across Wales, without resorting to issuing statutory guidance. The Council remains committed to implementing the principles of the statement in a proportionate manner and welcomes that fact that they are not statutory.

A key challenge is the reduction of resources in corresponding level of support available from Value Wales and this will need to be addressed if public sector across Wales is to consistently apply the Principles. The Fitness Checks can play a role in drawing focus to the adoption of good practice but support will be needed especially for those organisations with limited procurement capacity.

ii. The planned 'Programme for Procurement':

Although the Programme for Procurement was shared in high-level terms at an NPS Delivery Group, my understanding is that this has been put on hold until the conclusion of the NPS / Value Wales review. There has been limited opportunity to input to discussions on direction so I await future opportunity.

iii. Actions that the Welsh Government is taking forward to review the fitness of individual public bodies' procurement arrangements

Although the Fitness Check programme had some weaknesses, on balance we found the process reflected the level of maturity within Cardiff and was useful to support our ongoing development. Cardiff Council found the fitness check process to be thorough and robust, with senior staff across the Council interviewed, significant documentation provided, and over 35 people completed the accompanying survey. As a result of the Fitness Check we were successful in receiving some funding from WG to undertake a review of our contract management arrangements across the organisation and this is informing part of our current improvement programme. We do feel however, that the results of the Fitness Check could have been used to better share best practice across the public sector in Wales.

We would be supportive of continuing to use fitness checks in the current format with self-assessment for the 'developing towards advanced authorities' coupled to some form of peer review /support. The continuation of the current fitness check process will enable organisations to benchmark their own performance. This would allow time for a more considered review of the alternative models and their relevance to Wales, including the LGA (England) Fitness Check, which is being championed by the WLGA.

iv. Actions that the Welsh Government is taking forward to promote e-procurement.

We welcome the investment and commitment shown by WG in promoting e-procurement. Sell2Wales has been a big success but adoption of other solutions and the recognition of existing investment by public sector organisations less so. Cardiff has invested significant resources in training staff to utilise PROACTIS our e-sourcing tool to run tendering processes. However, despite multiple requests from Cardiff and other PROACTIS users in Wales there has been reluctance to link Sell2Wales to PROACTIS, to enable seamless advertising of opportunities to the market. Integration between Sell2Wales and SQUID questions also needs to be improved.

WG and public sector organisations have also invested considerable resources in driving forward the Bassware marketplace to allow improved Business2Business (B2B) transacting. However, this has been with limited

success in Cardiff mainly due to a reluctance by suppliers, which in part is a result of limited take up by other public sector organisations.

v. Issues relating to access to the recruitment and retention of key procurement capability.

Generally, across Wales we have seen a loss of experienced procurement professionals from the public sector for a number of reasons including budgetary cuts and age profiles of senior managers. Due to the limited number of procurement professionals available, we have to accept we have a competitive local market in South Wales particularly with the establishment of the NPS and presence of Crown Commercial Services (CCS).

In Cardiff we have responded to this by looking for ways to retain posts and to identify and nurture new talent.

- Retain Posts – Facing budget cuts the Commissioning and Procurement service in Cardiff has established a Local Authority Trading Company (LATC) Atebion Solutions Ltd for the trading procurement and commercial services. This has allowed us to maintain current staffing levels and to plan future growth. It has also proved to be an attractive opportunity to potential applicants for posts.
- Nurture New Talent – In 2013 we secured funding to establish our own annual student placement programme, working closely with the University of South Wales, normally taking one to three university students who are studying procurement for a one-year placement. Although this requires an initial investment of staff time in developing the student(s) in the early months, three of these students have now secured permanent jobs within the Commissioning and Procurement Team. All staff receive ongoing training and support to enable them to become CIPS qualified; they get both the theory and varied practical experience.

Appendix 1 – Rewriting the Public Procurement Playbook is an article drafted for Bangor University and provides additional information on commissioning and procurement in Cardiff, the establishment of Atebion Solutions and the strategy for developing and nurturing staff.

2. The effectiveness of national governance arrangements, also in the context of the Cabinet Secretary for Finance and Local Government's recent statement (21 September 2017) and the Welsh Government's plans to merge the NPS Board and the National Procurement Board.

We are supportive of the change proposed but feel that there needs to be greater representation from senior procurement professionals. It is also important the role of Value Wales is redefined and resourced adequately if it is going to be effective in supporting the adoption of good and consistent procurement practice across the public sector in Wales.

3. The effectiveness and impact of collaborative procurement arrangements through the main Wales-based procurement consortia and public buying organisations, with a particular focus on the role and development of the National Procurement Service.

The introduction of the NPS has not brought any additional value to Cardiff Council, over and above that provided by the previous arrangements provided by the Welsh Purchasing Consortium (WPC) and Value Wales collaborative sourcing team. In fact the introduction of the NPS has in some organisations contributed to loss of posts resulted in a diminishing role and influence for some Procurement Teams. This is compounded by the loss of the WPC which provided a forum and structure that facilitated joint working, knowledge sharing and informal mentoring/network arrangements. As local authorities we need to explore how we can fill this undoubted void and ensure that knowledge is shared across the Welsh public sector and collaborative opportunities taken.

Appendix 1 - Rewriting the Public Procurement Playbook 2017 Conference Article for Bangor University

Steve Robinson ACMA, MSc, MCIPS – Head of Commissioning and Procurement, Cardiff Council and Managing Director of Atebion Solutions Ltd.

The well documented and seemingly incessant budgetary pressure squeezing the UK public sector tends to be top of every public sector manager's priority list. Most organisations recognise that effectively managed procurement can be key to delivering savings and greater value. However, if you talk to anybody working in UK public sector procurement some other common themes and challenges will very quickly emerge.

Most public sector organisations are experiencing a loss of experienced procurement staff who are not being replaced. This means that Procurement Teams are juggling ever increasing pressures and expectations from both their own organisations, and national policy makers, to not only deliver efficiency savings, but to deliver a wider range of policy objectives including community benefits / social value, as well as ensuring compliance EU Procurement Directives. If all this sound too familiar, then this short article provides a quick snapshot of how the City of Cardiff Council's Procurement Team has responded to these competing pressures.

In 2011 the Council strengthened the capability and capacity of corporate procurement resources through the creation of a new corporate Procurement Team. The Team developed, and successfully implemented, a category management approach across all of the Council's third-party spend, including traditionally hard to reach areas such as social care. The approach delivered and continues to deliver significant savings. The structure of the Team has enabled the Council to develop and 'grow' its own procurement staff by investing in training and mentoring to support staff development. This was both an investment in the future and a recognition of the difficulties of recruiting suitably qualified and experienced staff in a competitive local market. This strategy has enabled staff to progress their careers within the Team, with their achievements being recognised through the Procurement Team winning a number of Procurement Awards.

In 2014/15 in response to the Council's latest difficult budget settlement the Procurement team was given a three-year savings target which would equate to a reduction of eight to twelve posts. However, in line with the McClelland Report on

Welsh public procurement, the Council sought to buck the recent trend in Wales by recognising the importance of retaining the expertise. It was recognised that a new approach would therefore be required if the Council was to retain access to skilled and knowledgeable procurement staff within the proposed budget.

The approach was to create one of the first Local Authority Trading Company in Wales, Atebion Solutions Ltd, to deliver procurement and commercial services to both the private and public sectors across the UK. Although the budgetary challenge was the catalyst to developing a new procurement approach the level of support from Councillors and senior managers means that the level of ambition for the company has increased and is seen as a way of not only retaining staff but building the breadth of expertise and knowledge by recruiting additional staff. This includes establishing a graduate programme which will allow the Council to continue to 'grow' its own staff for the future. We believe that new opportunities exist in public sector procurement as organisations increasing focus on their key in house procurement competencies and look to bring in specialist procurement expertise as required to maximise their diminishing resources. Atebion Solutions hit the ground running in the summer of 2016 and is already providing a range of service to five English and Welsh local authorities. It continues to be a steep learning curve but Atebion Solutions has already exceeded its income target for year 1 and staff are thriving in this new environment.

All organisations are at a different place on their procurement journey but from our experiences there some general lessons and things that we think are key ingredients for procurement success. It's really not rocket science but our tips for success are to:

1. Get Executive support and ownership – demonstrate the added value to the organisation by having an effective procurement team
2. Get a seat at the top table for procurement
3. Be explicit around the role of procurement in delivering significant organisational savings – identify the opportunities and make the business case
4. Ensure that any savings belong and are owned by Directorates
5. Maximise the use of technology and smarter sourcing tools

6. Ensure that there is accurate spend data
7. Build trust by delivering on what was promised – deliver the savings
8. Establish robust governance and project management arrangements
9. Get early engagement with Directorates and ensure that this is maintained throughout the procurement process
10. Establish cross functional teams with the right technical and competence skills
11. Undertake a Procurement Fitness check
12. Collaborate with partners where it delivers clear procurement benefits and savings resulting from aggregation, consistency, reliability of contractors, ease of use and stability for users
13. Ensure that you have knowledgeable / skilled procurement staff and that you invest in their training and development
14. Don't rest on your laurels continue to look to learn from others
15. Bring in expertise where the skills don't currently exist in house