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# Procurement Fitness Check for: Conwy

Output from the on-line survey and telephone  
interviews

January 2014



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# Fitness Check – Procurement Maturity Assessment

## Background and Approach

### Background

- In March 2012, the Minister for Finance commissioned a review into 'Maximising the Impact of Welsh Procurement Policy'. That review recommended the re-introduction of capability assessments or fitness checks, which the Minister subsequently confirmed would be re-introduced. This is also supported by the Public Service Leadership Group (PSLG) chaired by the Minister for Local Government and Communities.
- After a competitive tender, KPMG were appointed by Value Wales (within the Welsh Government) to deliver these capability assessments for all the Local Authorities in Wales.
- The objective of this work was to determine whether organisational procurement capability is adequate and also enable organisations to identify their strengths and areas for improvement. These assessments include actions for improvement which are to be presented to senior management at each Local authority and a copy is to be provided to Value Wales.
- Value Wales intends to provide on-going support for improvement through a 'Procurement Development Service' concept. This support will be linked to national improvement themes that this work identifies within Local Authorities across Wales.

### Approach

- Value Wales provided the, previously developed, Welsh Government Capability Model, which KPMG used to develop an on-line questionnaire to assess the Local Authorities capability against this model.
- Each local authority was invited to prepare a list of staff who would be asked to complete the on-line questionnaire confidentially. These staff were either directly or in-directly involved in procurement and the list was intended to cover procurement across the authority.
- KPMG analysed the responses and prepared an initial assessment of the authority's procurement capability (based on the Welsh Government's maturity model). This assessment was then tested and moderated in telephone interviews conducted with the authority with key procurement managers and stakeholders.
- The output of this analysis and these interviews is presented here in this report, together with KPMG's recommended actions for improvement.
- These actions for improvement recognise the activities that are already on-going and planned within the authority and are intended to support those activities and provide practical advice to support the improvements.

### Next Steps

- Once this report has been approved by the Head of Procurement and other senior stakeholders at the authority (if appropriate), it will be sent to Value Wales.
- A copy of the two-page executive summary (only) will be provided to the Minister.
- KPMG will also prepare an overall report that summarises the assessments across all the Authorities, identifies common themes for improvement and makes recommendations for Value Wales on how it can support the Authorities through its Procurement Development Service.

# Fitness Check – Procurement Maturity Assessment

## Conwy Executive Summary

### Overall Maturity Rating

### Developing Towards Conforming

### Organisational Context

- Conwy have a devolved structure for lower procurement spend and centralised procurement activity for any high value spend. There is a small central team who provide expertise and advice to Departments comprising of a Corporate Contracts Manager, 3x Procurement and Contracts Officers (1x part time) and 1x Procurement Assistant. There are a number of team vacancies with no plan to fill which impacts on the reach of the central team.
- There are pockets of good practice across the organisation and the central team has built strong informal relationships.
- The Authority has sought to drive more than just value for money products and service through by analysing the quality of what is being delivered to the Authority and the area and ensuring community benefits are in place or well considered for all contracts.
- A focus for the team is undertake supplier events with local communities to ensure they're ready for tenders that include local benefits

### Model Dimension

### Recommended Actions

Procurement leadership & governance

- Consideration should be given to splitting Head of Procurement post from Head of Audit role to raise the profile with the executive team and the wider organisation and to have a dedicated leader focused on the value procurement can add.

Procurement strategy & objectives

- There is opportunity to achieve consistency and greater strategic planning across the Authority in the procurement space through formalising pockets of good practice, particularly around strategic planning in Services and involving procurement.

Defining the supply need

- Due to limited resources in the central team and competing priorities across the Authority, an immediate prioritisation by senior leadership on organisational objectives would assist the central team and lead to more focused outcomes.

Commodity/project strategies and collaborative procurement

- Some services have challenged contracts to achieve savings, formalising this across the Departments through interaction with visibility of the Corporate Procurement Manager would ensure consistency and tracking is possible to feed into more strategic procurement planning across the organisation.

Contract and supplier management

- Prioritisation of focus areas or critical strategic contracts would allow for targeted contract management with involvement of the central team to drive commercial, supplier relationships complementing Departmental performance management of contracts.

Key purchasing processes and systems

- Ensure POs are linked to contracts (central contracts register should now be fully implemented) to assist in on / off contract spend monitoring, explain to key stakeholder the requirement and why this is occurring to influence behaviours.

People

- Consideration to level of authority within the central team. Require more proactive interaction between central team and Departments which could be facilitated through formal and informal knowledge sharing and networking groups/meetings.

Performance management

- Add 'procurement' as a standing agenda item at senior leadership team meetings, with specific performance reporting to drive better behaviours and report the value added by the central team.

# Fitness Check – Procurement Maturity Assessment

## Conwy Executive Summary

Model Dimension	Comparison	Welsh Gaps	UK Public Sector Gaps	Comments
Procurement leadership & governance		0	12	<ul style="list-style-type: none"> <li>Corporate Procurement team have limited capacity supporting departments. Strategic and executive support required.</li> </ul>
Procurement strategy & objectives		11	21	<ul style="list-style-type: none"> <li>Pockets of good practice across the organisation, central team need time to promote and educate</li> </ul>
Defining the supply need		0	19	<ul style="list-style-type: none"> <li>Completed by Departments, advice provided centrally as required/requested</li> </ul>
Commodity/project strategies and collaborative procurement		9	3	<ul style="list-style-type: none"> <li>Category management approach not in use in Conwy</li> </ul>
Contract and supplier management		4	20	<ul style="list-style-type: none"> <li>Central contracts register recently implemented must ensure Departments comply and complete</li> </ul>
Key purchasing processes and systems		14	54	<ul style="list-style-type: none"> <li>Need to link POs to contract references to allow on/off contract spend analysis to occur</li> </ul>
People		5		<ul style="list-style-type: none"> <li>Stretched capacity within the central team, need to share knowledge across Departments</li> </ul>
Performance management		5	20	<ul style="list-style-type: none"> <li>Performance reporting of central team 'wins' could increase the profile and value of the central team</li> </ul>

● Conwy Average Maturity Grade    
 ● Average of Welsh Authorities    
 ● UK Public Sector Benchmark

### Overall Recommendations

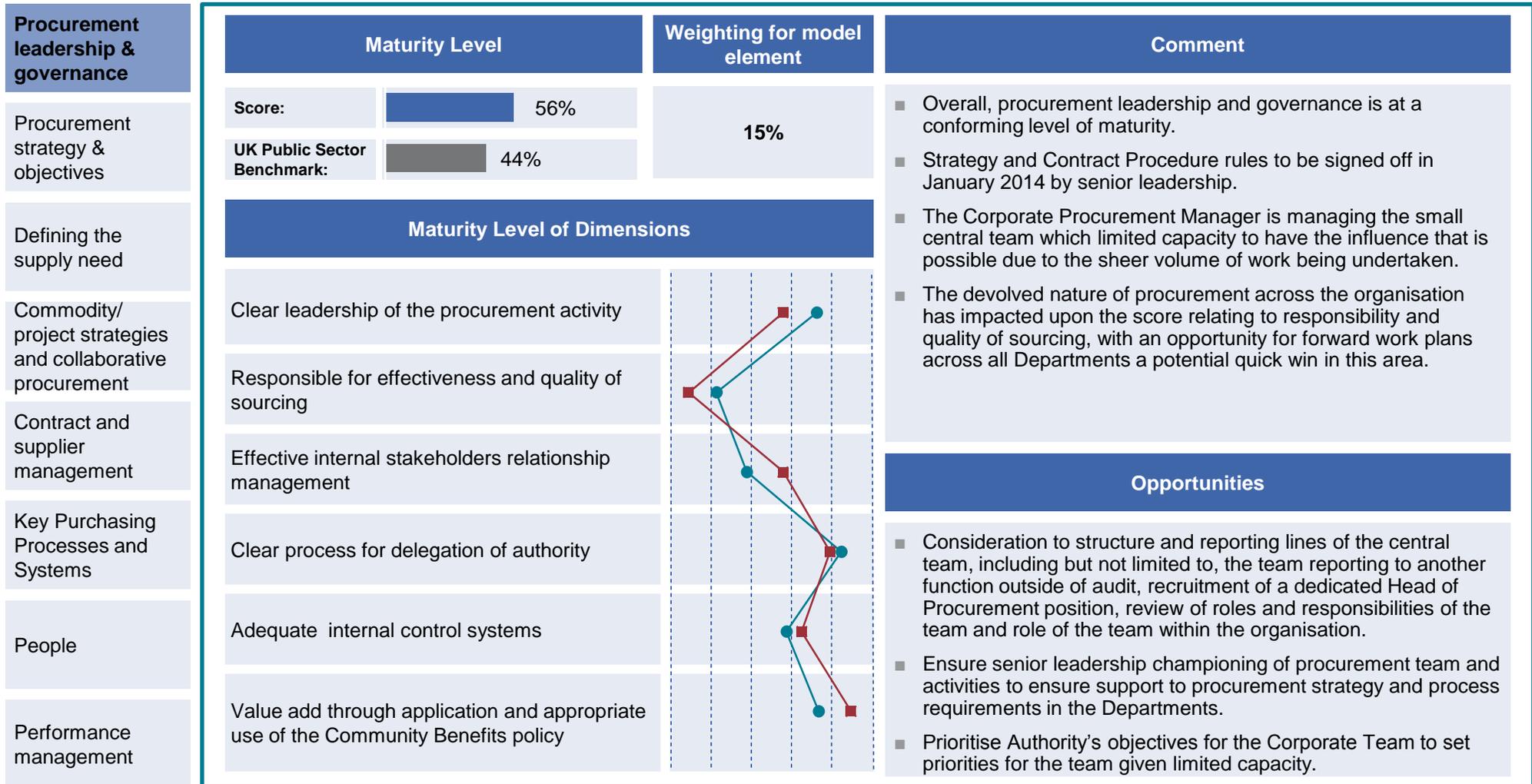
- A review of current staff capacity within the central team, aligned with a review of how the team could be used more strategically would benefit both the organisation in terms of targeted value add activities and outcomes; and the team, in terms of a more structured and prioritised approach to supporting Departments and organisational outcomes. Formalisation of Service/Commissioning strategies across the Authority with input up front would assist the central team in driving savings and commercial outcomes, aligned to the overarching Authority's strategy.

### Likely benefits from implementing recommendations

- A review of resource capacity within the corporate procurement team, as well as provision of prioritised organisational objectives would assist the central team in providing targeted support aligned to organisational objectives. This would allow stretched resources to be clear on where time and effort should be spent. Formalisation of category and/or service strategies across the organisation would assist in the future planning for the organisation, departments and corporate team and would contribute to cost savings.

# Procurement leadership & governance

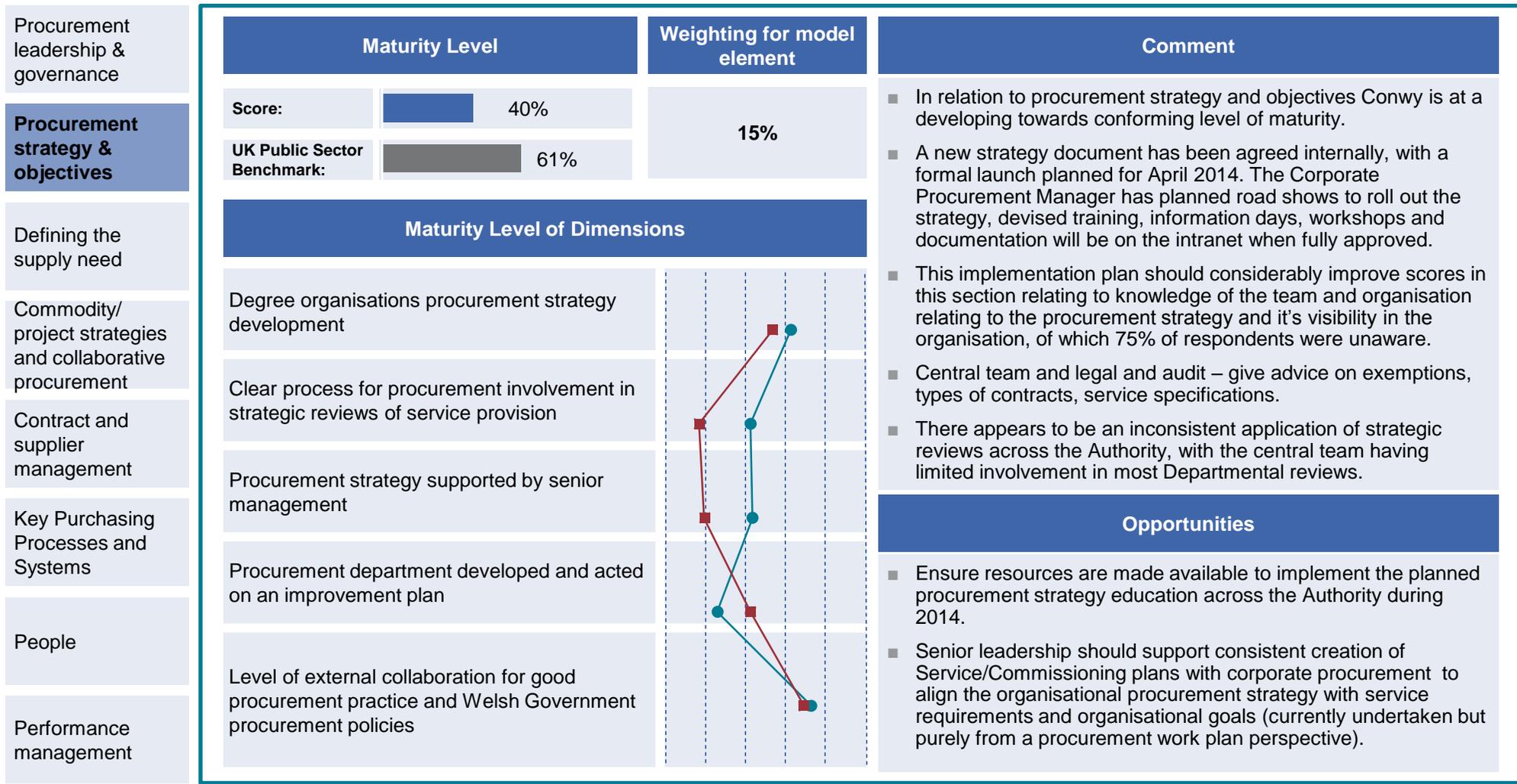
## A detailed overview of the results per dimension KPMG found ...



■ Conwy Average Maturity Grade ● Average of Welsh Authorities

# Procurement strategy and objectives

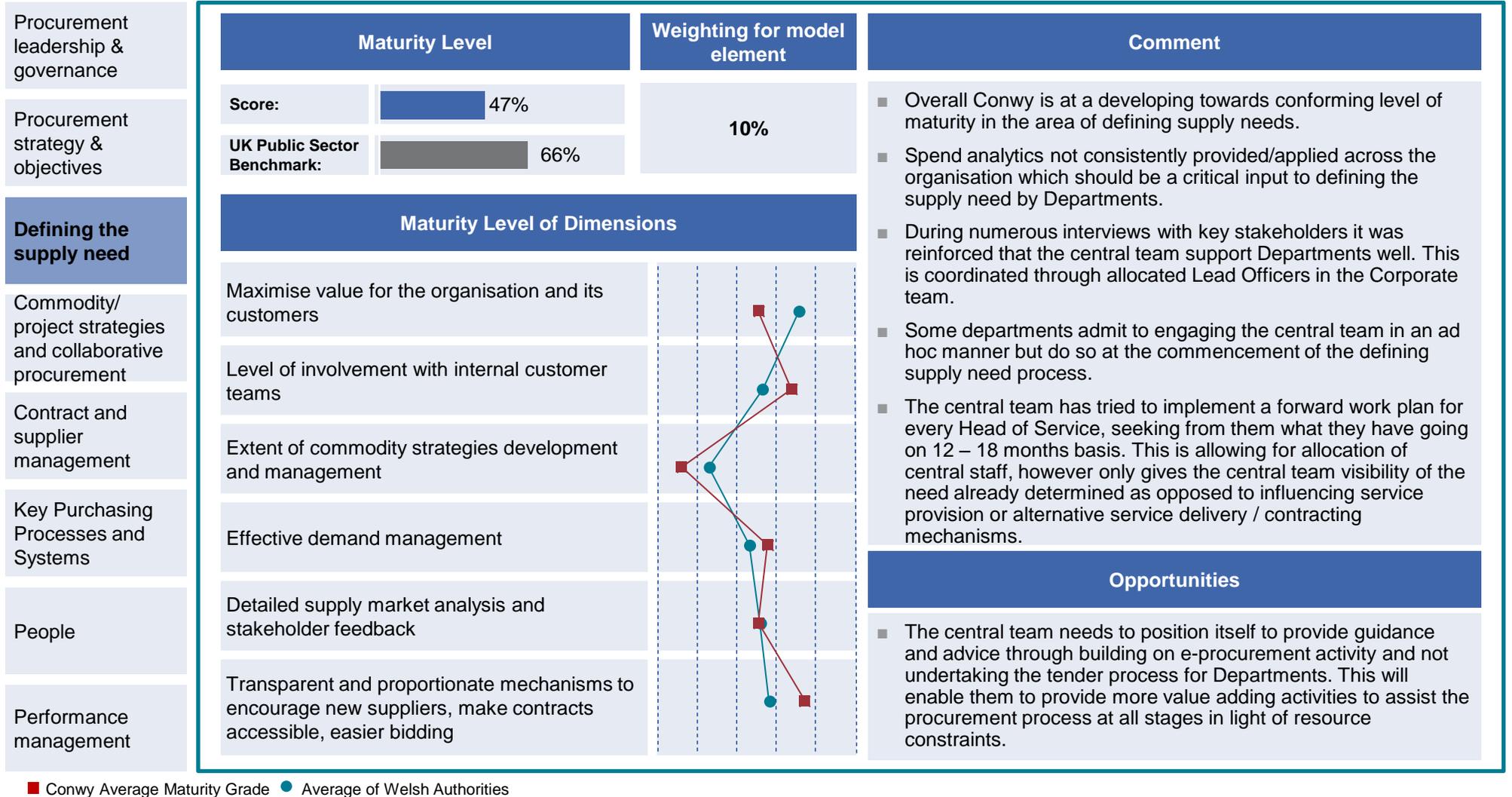
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# Defining the supply need

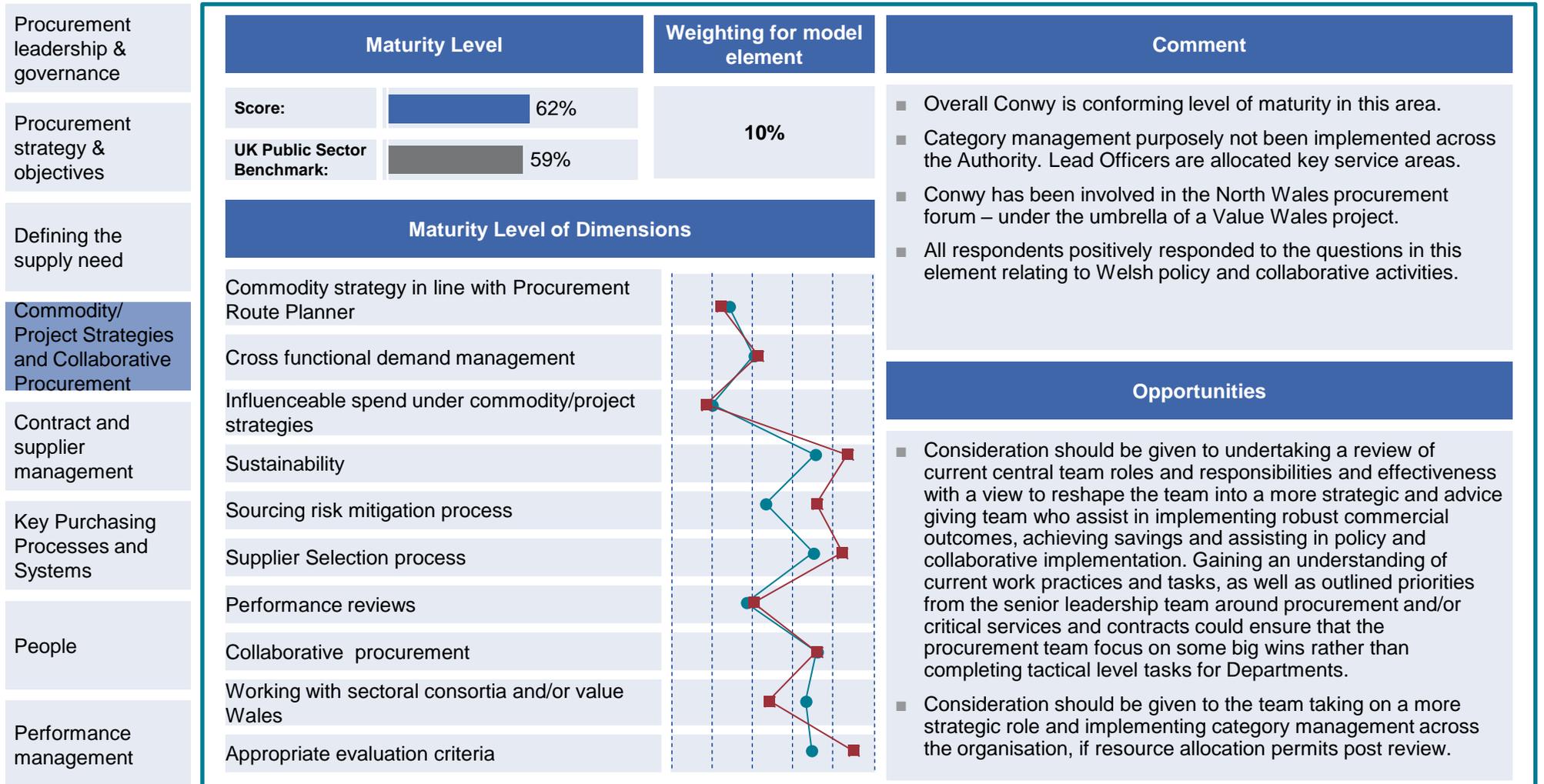
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# Commodity/ project strategies and collaborative procurement

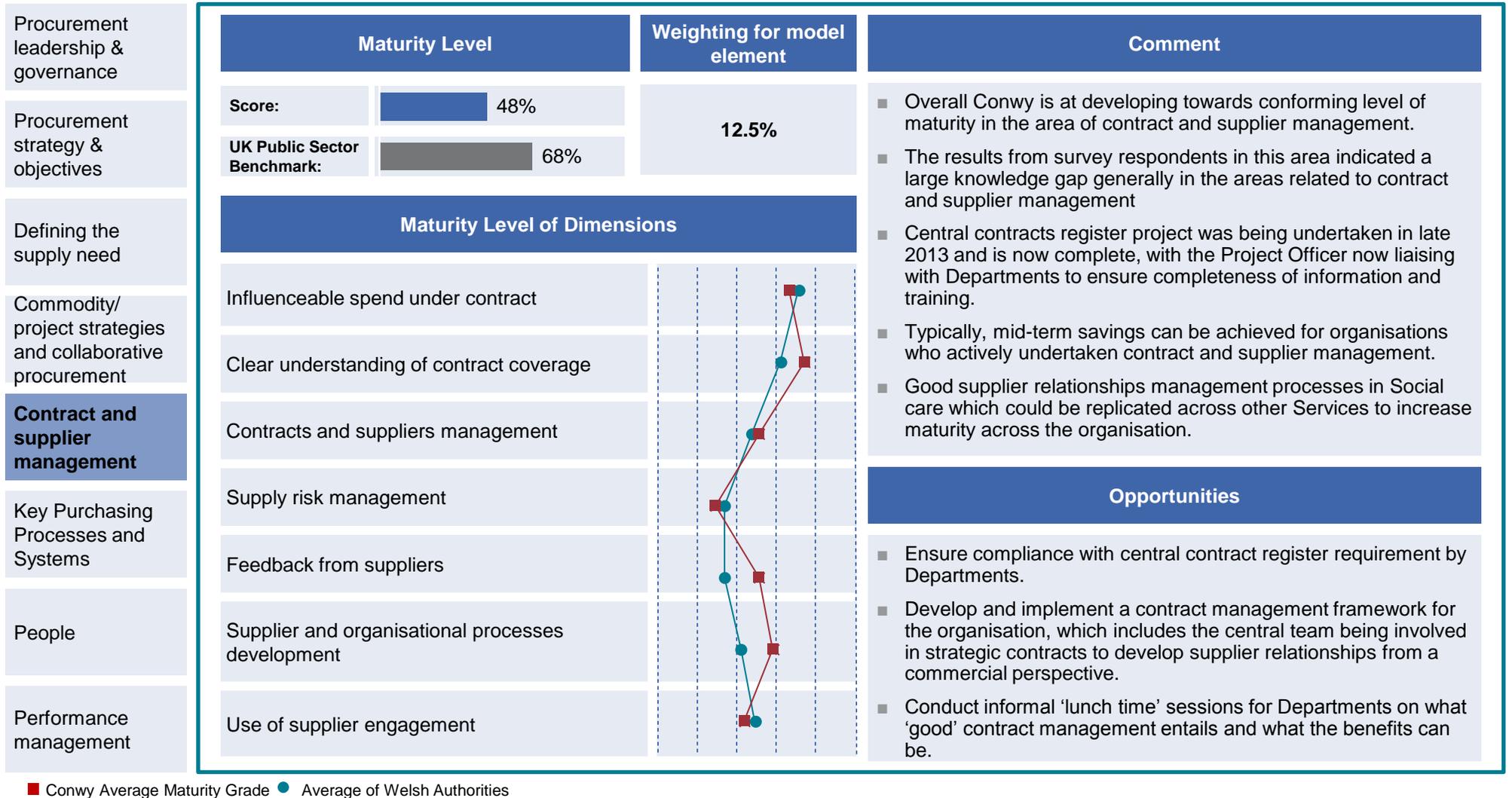
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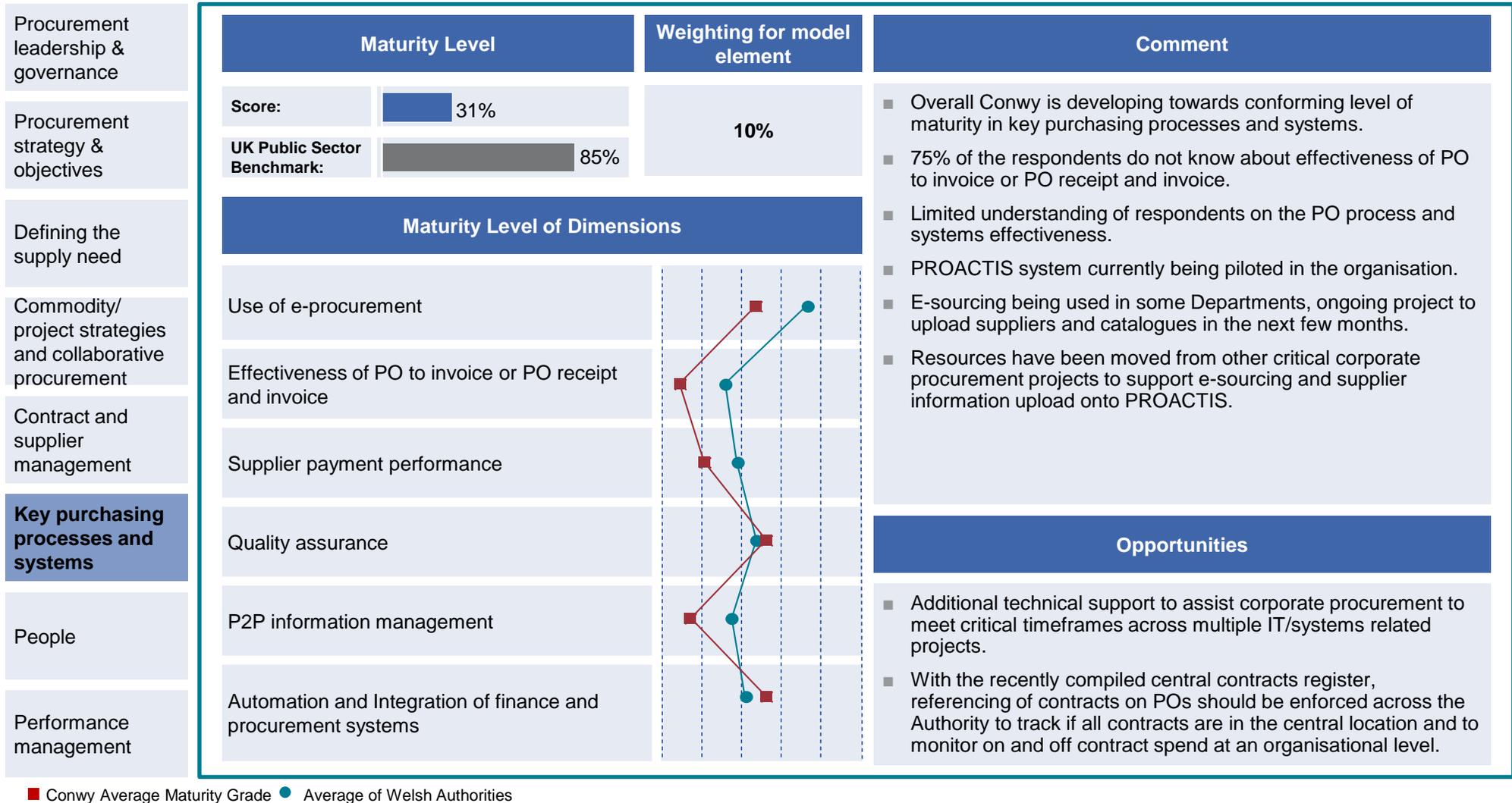
# Contract and supplier management

## A detailed overview of the results per dimension KPMG found ...



# Key purchasing processes and systems

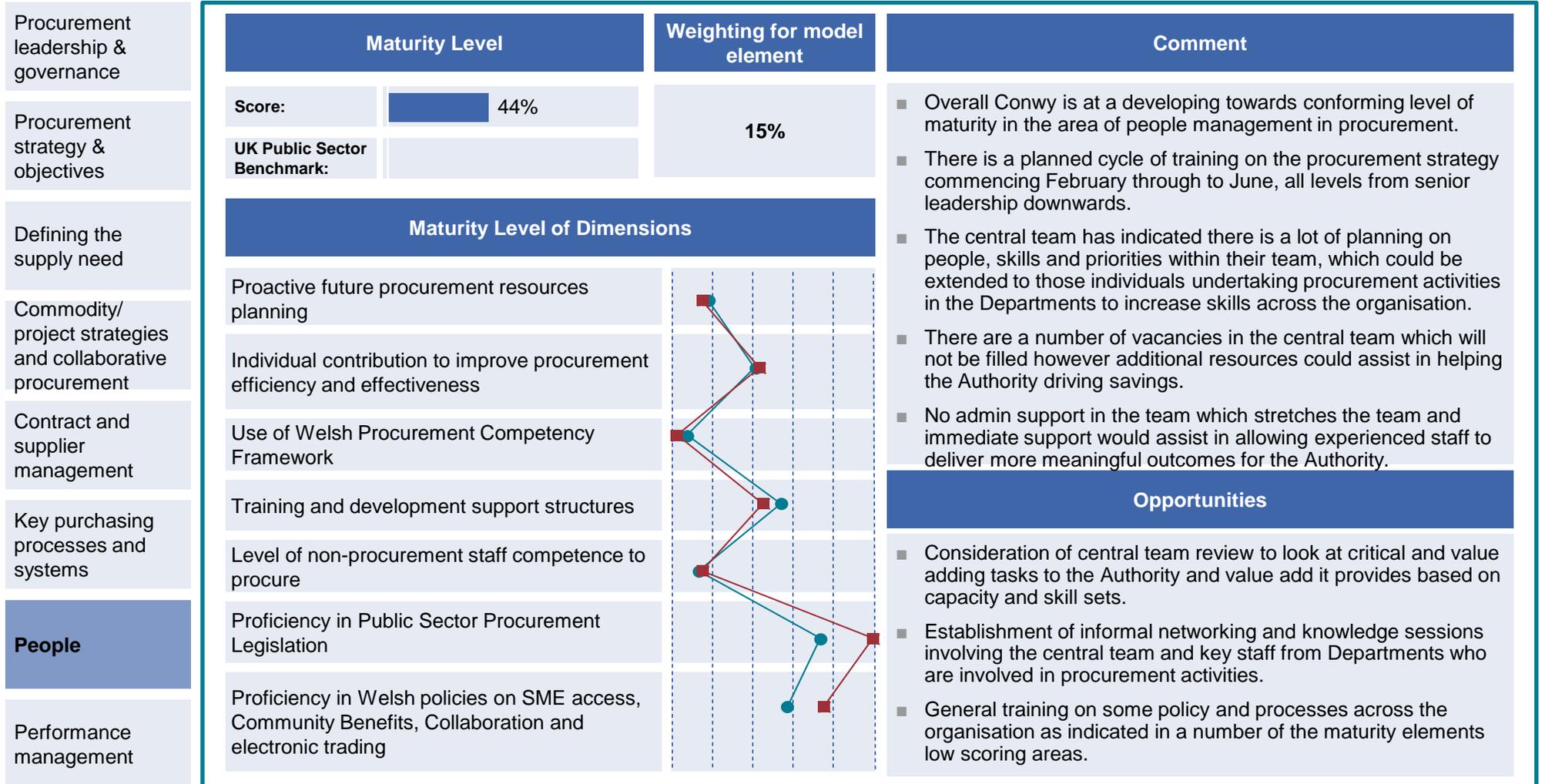
## A detailed overview of the results per dimension KPMG found ...



■ Conwy Average Maturity Grade ● Average of Welsh Authorities

# People

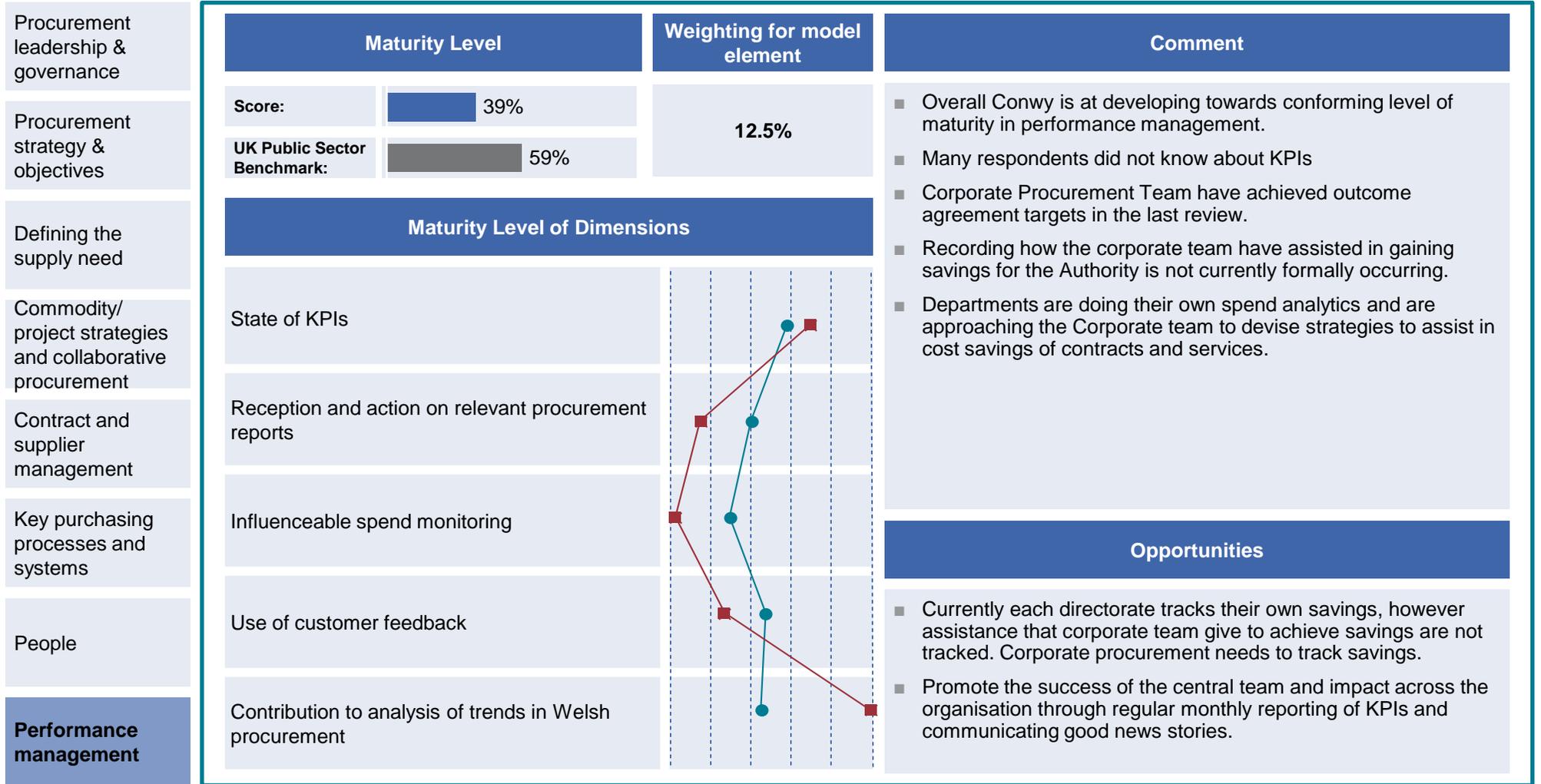
## A detailed overview of the results per dimension KPMG found ...



■ Conwy Average Maturity Grade ● Average of Welsh Authorities

# Performance management

## A detailed overview of the results per dimension KPMG found ...



■ Conwy Average Maturity Grade ● Average of Welsh Authorities

# Fitness Check – Procurement Maturity Assessment

## Profile of respondents

Position	Number of respondents
<b>Total</b>	<b>4</b>

Years Experience	Number of respondents
1-10	3
11-20	0
21-30	0
More than 30	1
<b>Total</b>	<b>4</b>

Contract Value responsibility	Number of respondents
Between £0 -£500K	2
Between £500K - £10m	2
Greater than £10m	0
<b>Total</b>	<b>4</b>

Qualification	Number of respondents
Degree (or equivalent)	25%
Masters	0%
MBA	0%
CIPS	50%
MCIPS	0%
Other	50%
<b>Total</b>	<b>4</b>



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