



cutting through complexity

Procurement Fitness Check for: Vale of Glamorgan

Output from the on-line survey and face-to-face
meetings

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 face-to-face interviews conducted on site at the authority with key procurement managers and stakeholders from across the authority.
- 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

Vale of Glamorgan Executive Summary

Overall Maturity Rating

Developing towards conforming

Organisational Context

- Vale of Glamorgan have a small central team and devolved commissioning and procurement activity within the Directorates. There are some experienced individuals in the Directorates and the organisation believes that the devolved structure works well for this Authority.
- The Authority works well with other larger Authorities to supplement the small central team and actively participates in collaborative initiatives whilst maintaining a focus on activities that will benefit the local economy and suppliers, such as the 'One Vale' Programme.
- The central team has recently begun reporting into the Business Improvement Manager and should see the benefits of additional data analytics and process analysis resources to support the delivery of more strategic advice to the Directorates moving forward.
- The organisation uses project management boards for large scale commissioning/procurement activities which allow for a broad range of experienced individuals to challenge forecast outcomes by such projects for Vale of Glamorgan.
- The small central team's role has been to provide specific advice on policy and regulations, to provide training and management information (MI) to Directorates in a reactive way rather than having the ability to participate in Directorate activities in a more proactive way.

Model Dimension

Recommended Actions

Procurement leadership & governance

- Continuation of design development and role definition for the central team under the recent move to the Business Improvement team.

Procurement strategy & objectives

- Set savings targets in conjunction with Directorates to drive savings focus across the organisation and define the central team's involvement in assisting to meet these targets, integrate into organisational procurement strategy with above aspects

Defining the supply need

- Development of 'Sourcing Plan' for individual commissioning activities to go to the central team prior to Directorates commencing procurement activity to ensure visibility across the organisation, also ability to leverage frameworks available.

Commodity/project strategies and collaborative procurement

- Development of forward work plans with Directorates and central team to assist in minimising ad hoc requests and allow the small central team to focus on value adding activities and market analysis to assist Directorates in a timely way.

Contract and supplier management

- Work with legal department and directorates to develop a commercial contract management strategy across the organisation to strengthen relationships with suppliers, not only from a delivery perspective but also commercially.

Key purchasing processes and systems

- Consideration of how e-procurement tools can be implemented within the Directorates to reduce the burden on central team and development of strategy and training to implement and embed across the organisation to assist automation.

People

- Development and implementation of a training program to key staff in Directorates updates of policy, guidance, lessons learned across Directorates and compliance requirements.

Performance management

- Continuation of MI initiatives currently being implemented. Embed across organisation and then develop more detailed analysis of spend by supplier and categories of spend generally.

Fitness Check – Procurement Maturity Assessment

Vale of Glamorgan Executive Summary

Model Dimension	Comparison	Welsh Gaps	UK Public Sector Gaps	Comments
Procurement leadership & governance		1	12	<ul style="list-style-type: none"> Opportunity to review strategy in line with recent organisational structure changes and plans
Procurement strategy & objectives		5	5	<ul style="list-style-type: none"> Currently reviewing initiatives and resources in the central team to maximise value
Defining the supply need		7	26	<ul style="list-style-type: none"> Devolved structure with experienced staff undertaking needs definition, engage central team as required
Commodity/project strategies and collaborative procurement		6	12	<ul style="list-style-type: none"> Currently not formally undertaking category management
Contract and supplier management		11	35	<ul style="list-style-type: none"> Area of opportunity to define contract management in line with alternate service delivery options being evaluated
Key purchasing processes and systems		3	37	<ul style="list-style-type: none"> Systems integrated and MI analysis in early stages
People		9		<ul style="list-style-type: none"> Plan in place to strengthen central team through more efficient use of resources
Performance management		6	21	<ul style="list-style-type: none"> Foundations of metrics available, use of people more efficiently will optimise benefits to Authority

● Vale of Glamorgan Average Maturity Grade
 ● Average of Welsh Authorities
 ● UK Public Sector Benchmark

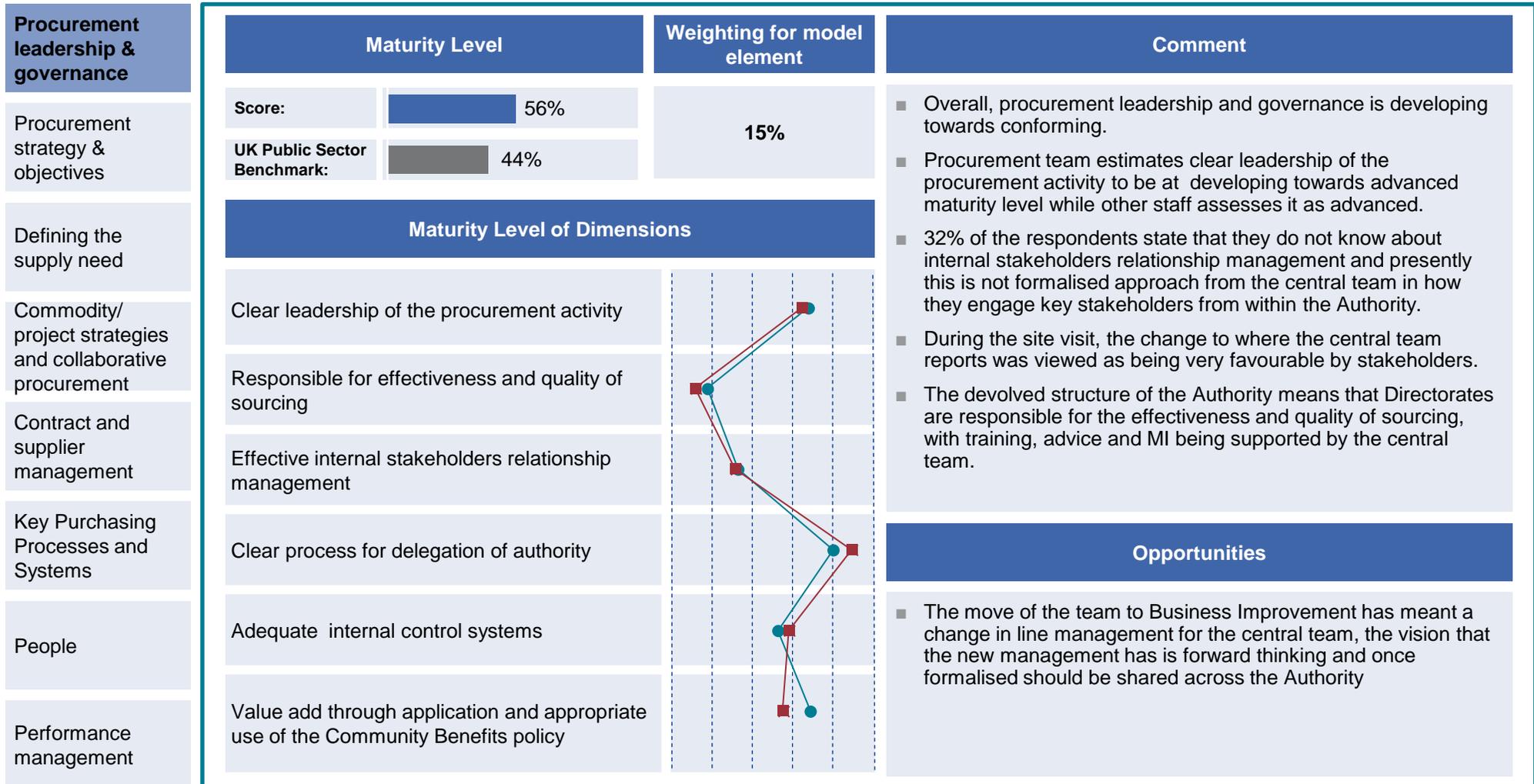
Benefits from implementing recommendations

- With the movement of the central procurement team into the Business Improvement hierarchy there is an opportunity to better understand the needs of internal stakeholders and the capacity/capability of the which will ultimately allow Vale of Glamorgan to optimise resources to achieve the outcomes the organisation needs such as the ability to drive savings and innovative commercial outcomes.

Overall recommendations

- Define the role of the team under the business improvement hierarchy and allocate resources to most value adding tasks
- Assess the needs of the Directorates service requirements by survey, additionally establish their training requirements
- Conduct training of Directorates in e-procurement tools, process and framework options at least annually
- Develop informal networks across the organisation to share knowledge, develop relationships and update key stakeholders

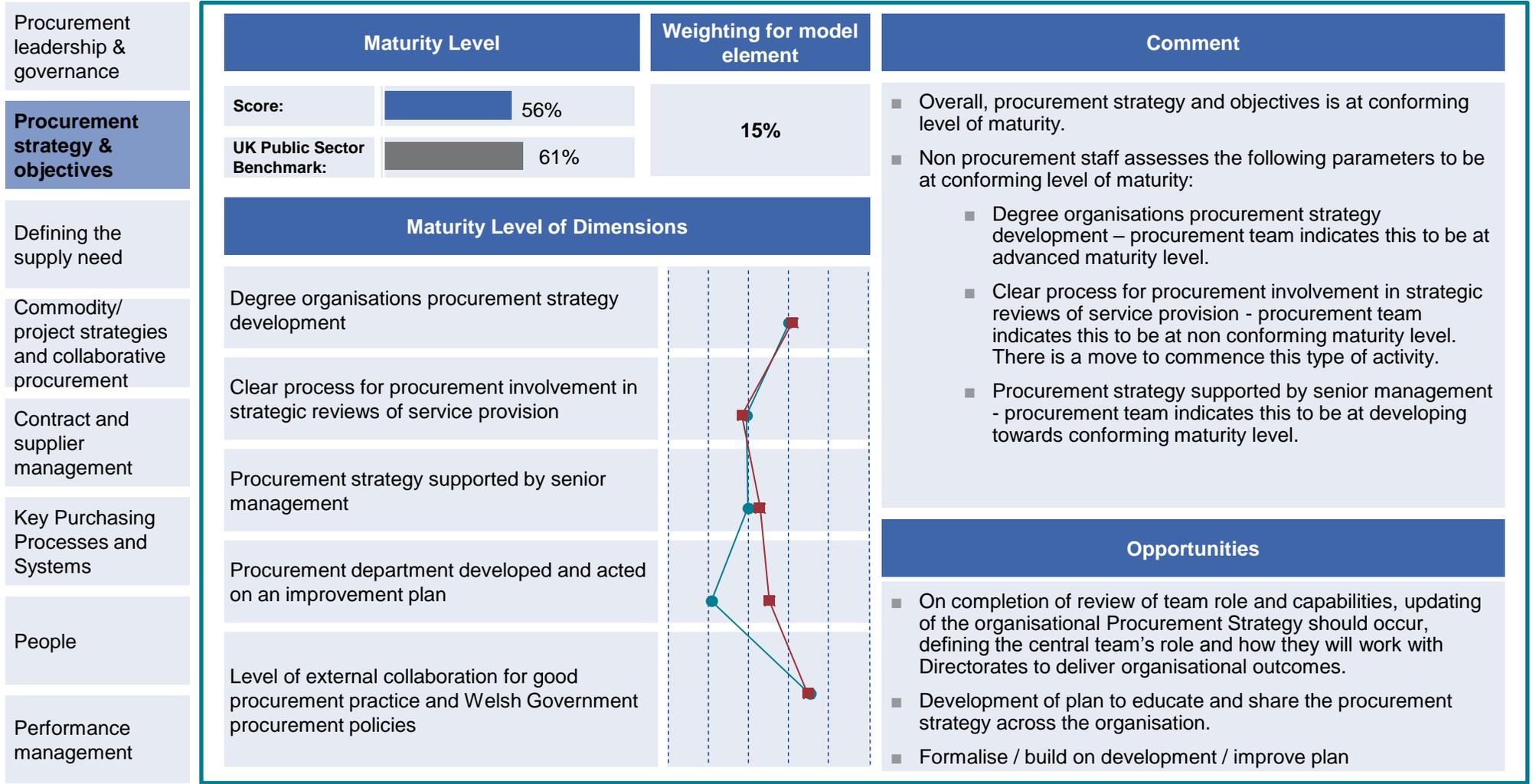
A detailed overview of the results per dimension KPMG found ...



■ Vale of Glamorgan Average Maturity Grade ● Average of Welsh Authorities

Procurement strategy and objectives

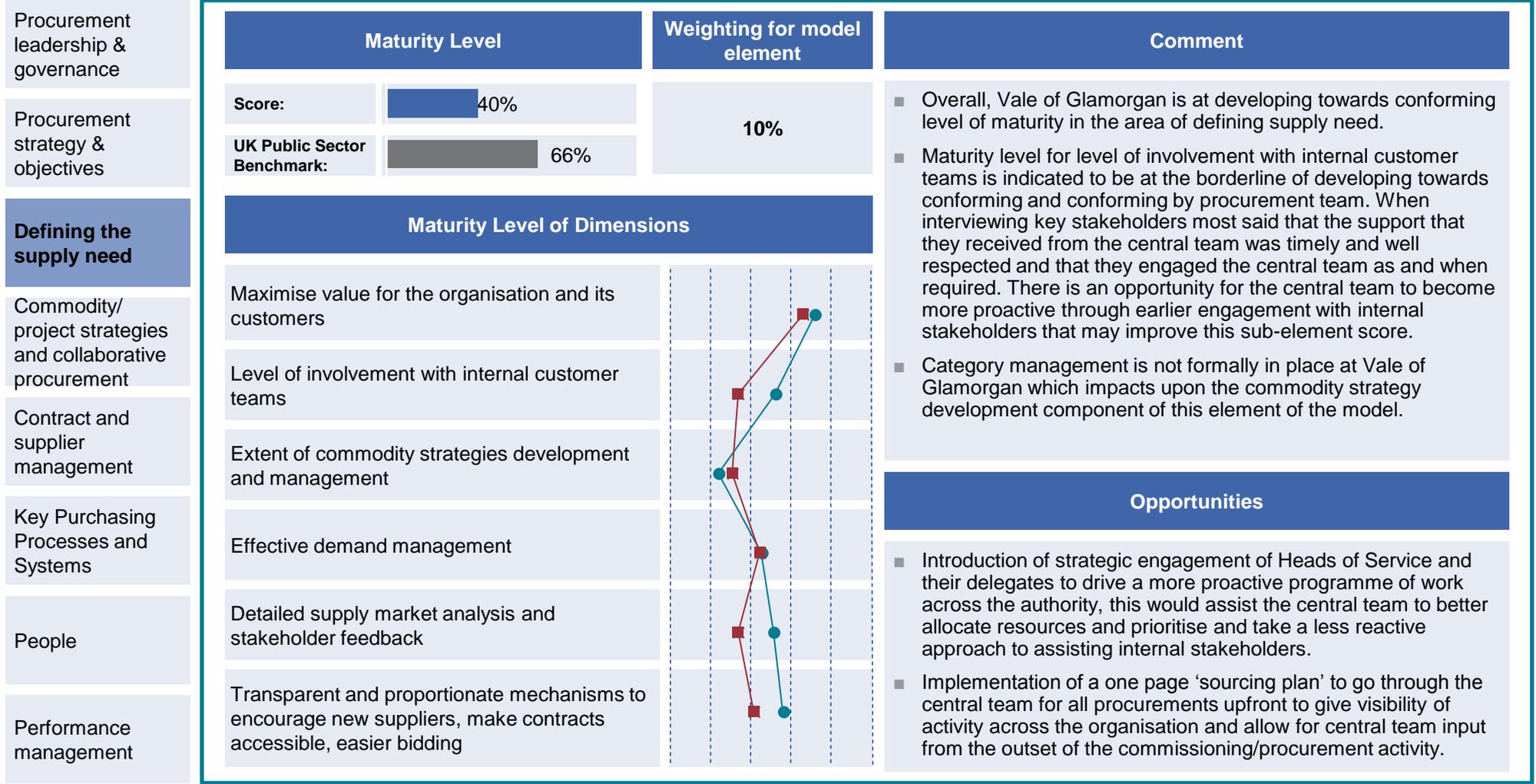
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Defining the supply need

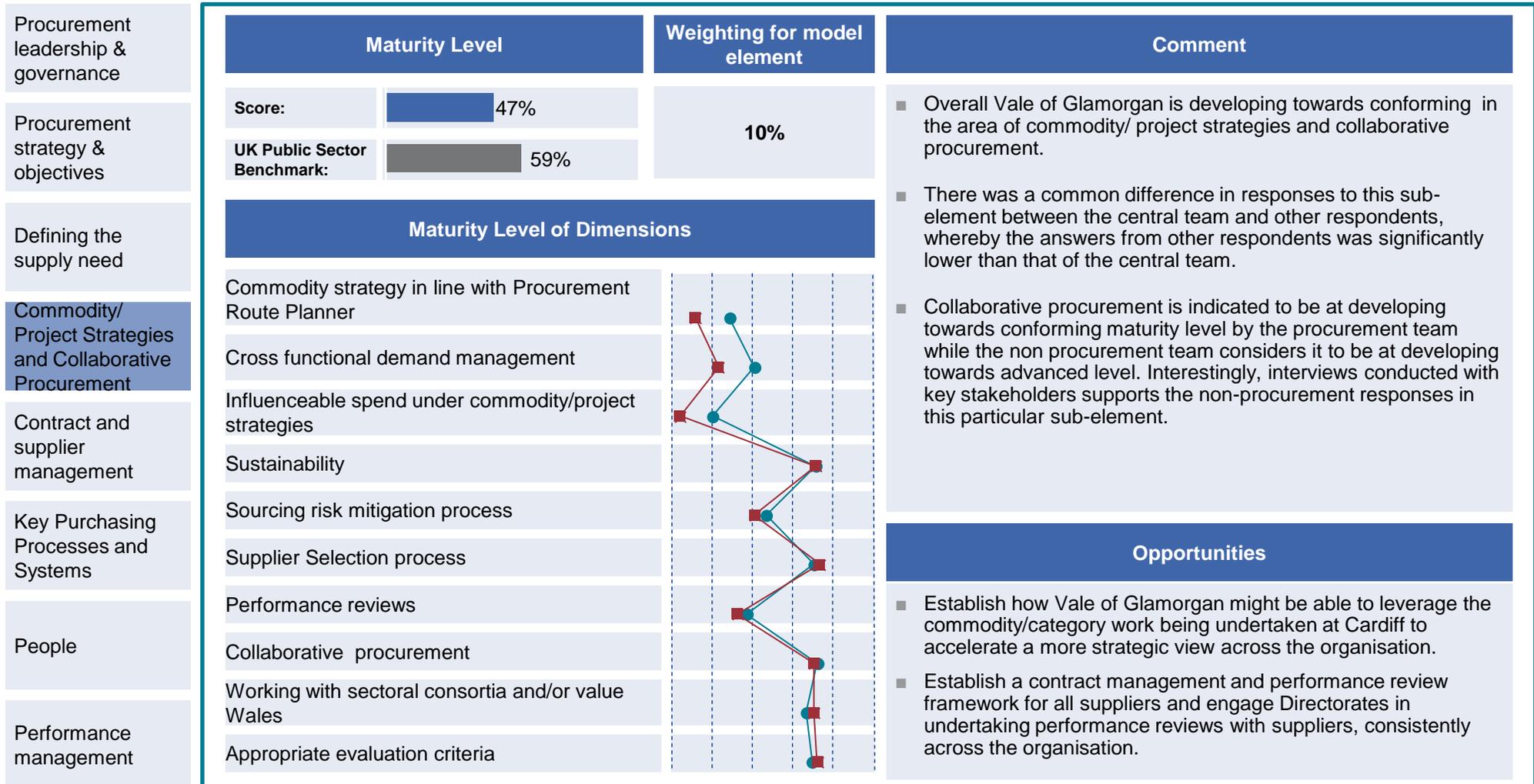
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Commodity/ project strategies and collaborative procurement

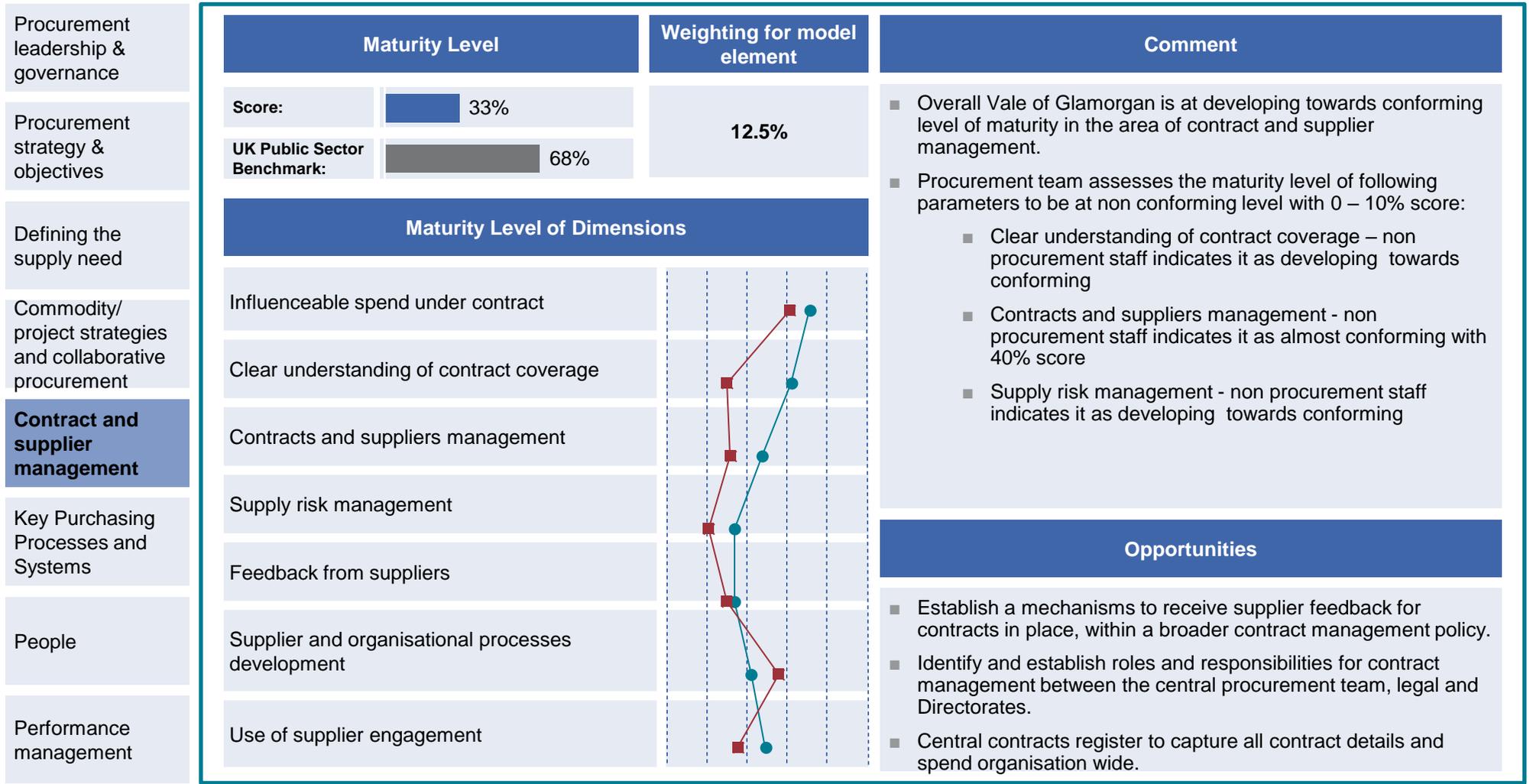
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Contract and supplier management

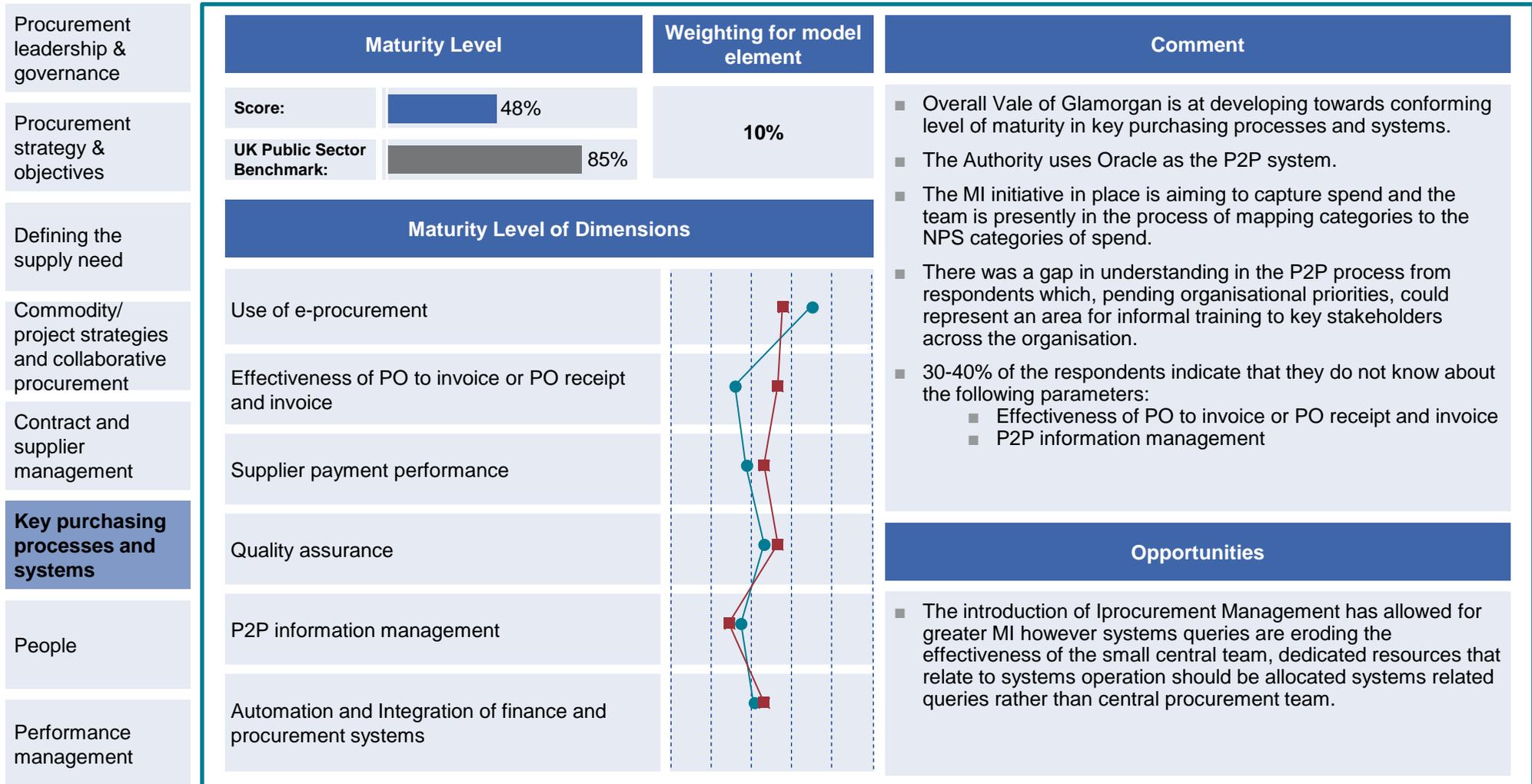
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Key purchasing processes and systems

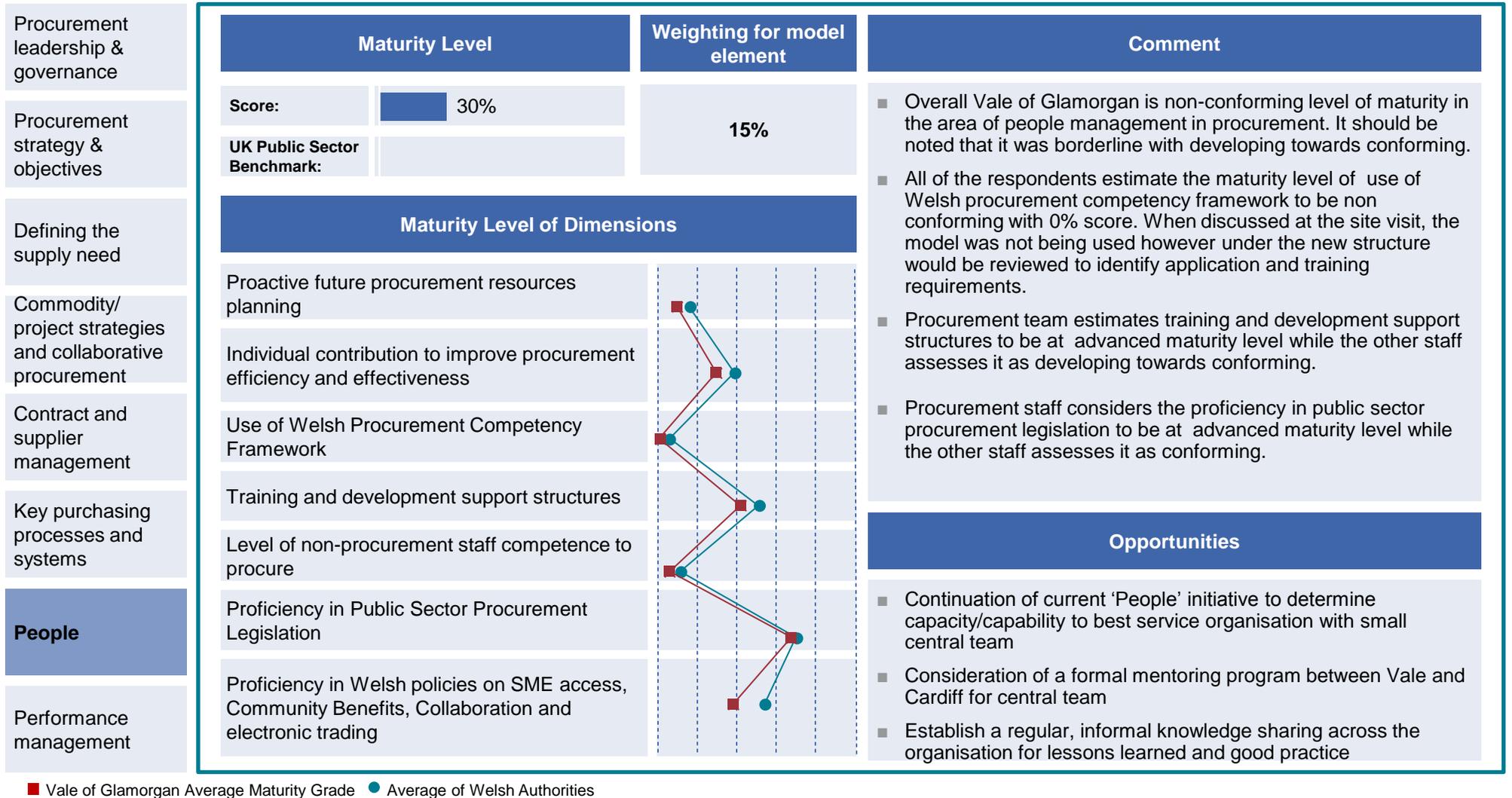
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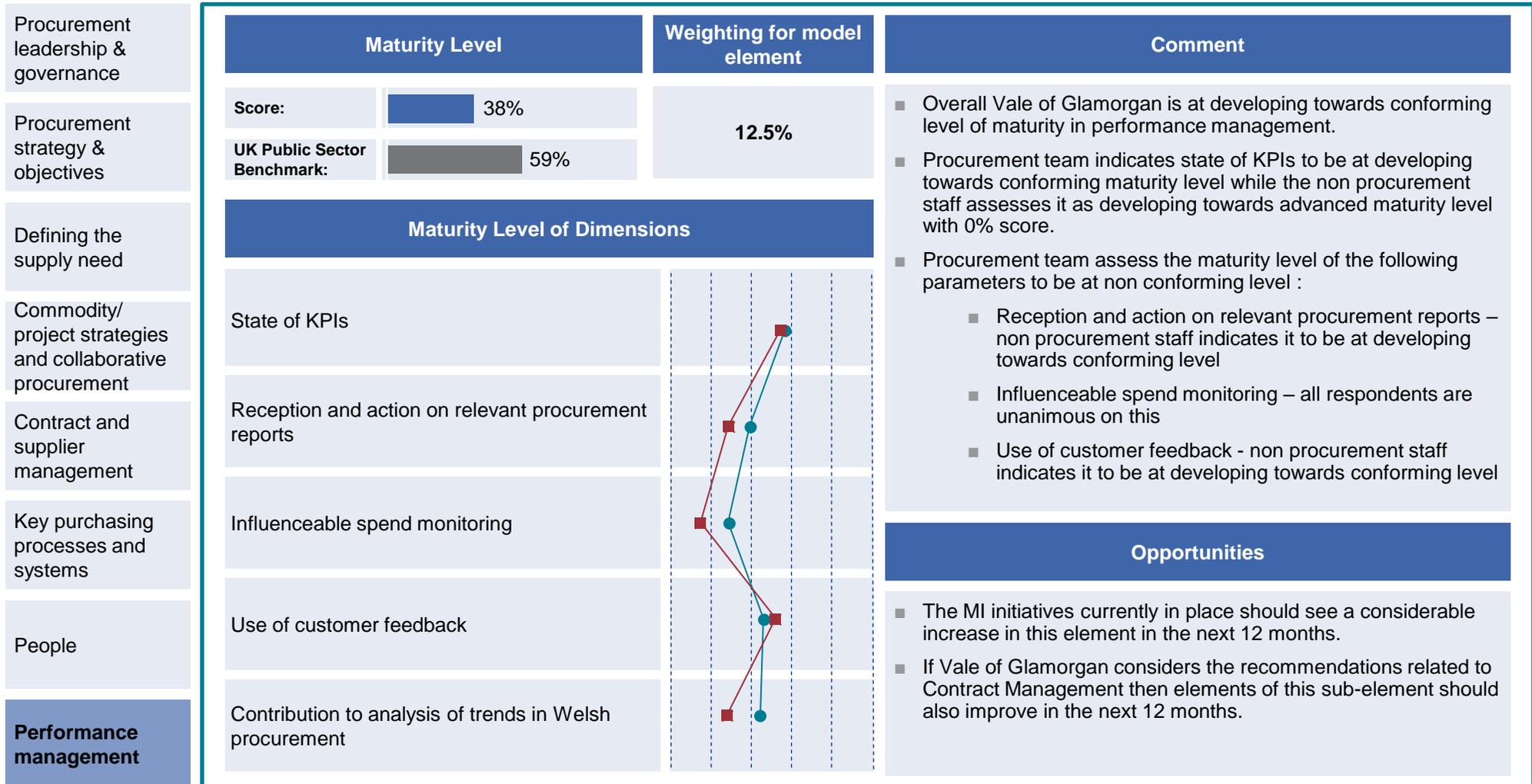
People

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



■ Vale of Glamorgan Average Maturity Grade ● Average of Welsh Authorities

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



■ Vale of Glamorgan Average Maturity Grade ● Average of Welsh Authorities

Fitness Check – Procurement Maturity Assessment

Profile of respondents

Qualification	Number of respondents
Degree (or equivalent)	16%
Masters	0%
MBA	3%
CIPS	3%
MCIPS	5%
Other	13%
Total	11

Contract Value responsibility	Number of respondents
Between £0 -£500K	5
Between £500K - £10m	4
Greater than £10m	2
Total	11

Years Experience	Number of respondents
0-5	2
5-10	0
10-15	2
15-20	0
20-25	2
25-30	3
More than 30	2
Total	11



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