



cutting through complexity

Procurement Fitness Check for: Blaenau Gwent

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

December 2013



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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

Blaenau Gwent Executive Summary

Overall Maturity Rating

Conforming

Organisational Context

- Blaenau Gwent have a relatively small central procurement unit (CPU) of 4 FTE who provide policy, strategy and technical advice to the Authority.
- Procurement activity is devolved and however the central team is the mandated lead on all EU threshold contracts and on repetitive and common spend items across the Authority.
- Blaenau Gwent have in recent years undertaken innovative and large scale construction projects, such as 'The Works', which has strengthened skills and experience in commercial terms, SME access, Community Benefits and project management.
- Community Benefits remains at the heart of all procurement activity for the Authority.
- Collaboration is also a strategic driver of behaviours across the Authority, with Blaenau Gwent being the lead authority for waste contracts with surrounding Authorities.
- At this point in time, there exists an opportunity to think more strategically about how to achieve best commercial and cost savings outcomes through category and commissioning strategies and organisational engagement.

Model Dimension

Recommended Actions

Procurement leadership & governance

- Implement quarterly Head of Service meetings between the Head of Procurement and Department leads to facilitate strategic planning and relationship management and assist with CPU forward planning

Procurement strategy & objectives

- Invest in 'Commissioning' acumen training and development, implement road show to demonstrate capability to departments to give CPU visibility of what is coming up – planning and early engagement, linked to procurement strategy

Defining the supply need

- Implement 'sourcing plan' across the authority for all spend to give visibility, transparency and the ability up front for the CPU to influence commercial direction and outcomes - allowing for proactive work planning

Commodity/project strategies and collaborative procurement

- Linked with Head of Service engagement, conduct a survey/feedback on Departments to see who/what is doing and then establish a work plan and some high level category planning across the organisation, supplier rationalisation

Contract and supplier management

- Formalise local SME access programs – sell good news stories and finalise transition of all contracts onto contract management system

Key purchasing processes and systems

- Continue to embed systems with Departments and increase end-user knowledge on quality inputs to drive quality outputs for more sophisticated data analysis which will ultimately drive better procurement outcomes

People

- Establish internal networks across Departments – knowledge sharing, relationships building, lessons learned, continue e-procurement/systems training for end-users in the Departments

Performance management

- Integrate spend analysis from systems data and offer value add to Departments to support cost savings and identification of better procurement options.

Fitness Check – Procurement Maturity Assessment

Blaenau Gwent Executive Summary

Model Dimension	Comparison	Welsh Gaps	UK Public Sector Gaps	Comments
Procurement leadership & governance		10	23	<ul style="list-style-type: none"> Central team is building momentum and profile across the organisation
Procurement strategy & objectives		30	20	<ul style="list-style-type: none"> Welsh Procurement Policy integrated into procedures and strategy
Defining the supply need		11	8	<ul style="list-style-type: none"> Departments set procurement plans within own departments, defining supply need independently
Commodity/project strategies and collaborative procurement		17	11	<ul style="list-style-type: none"> Not in place in Blaenau Gwent however being considered by external consultants for implementation
Contract and supplier management		30	6	<ul style="list-style-type: none"> Some Departments doing supplier management very well, opportunity to roll out across Authority
Key purchasing processes and systems		11	29	<ul style="list-style-type: none"> Use of Civica, Alito and Exchange Wales
People		10		<ul style="list-style-type: none"> Small central team, supplemented by incorporation of supply team resources
Performance management		1	14	<ul style="list-style-type: none"> Spikes Cavell data analysis used on historic spend, could gain greater visibility of actual spend

● Blaenau Gwent Average Maturity Grade
 ● Average of Welsh Authorities
 ● UK Public Sector Benchmark

Likely benefits from implementing recommendations

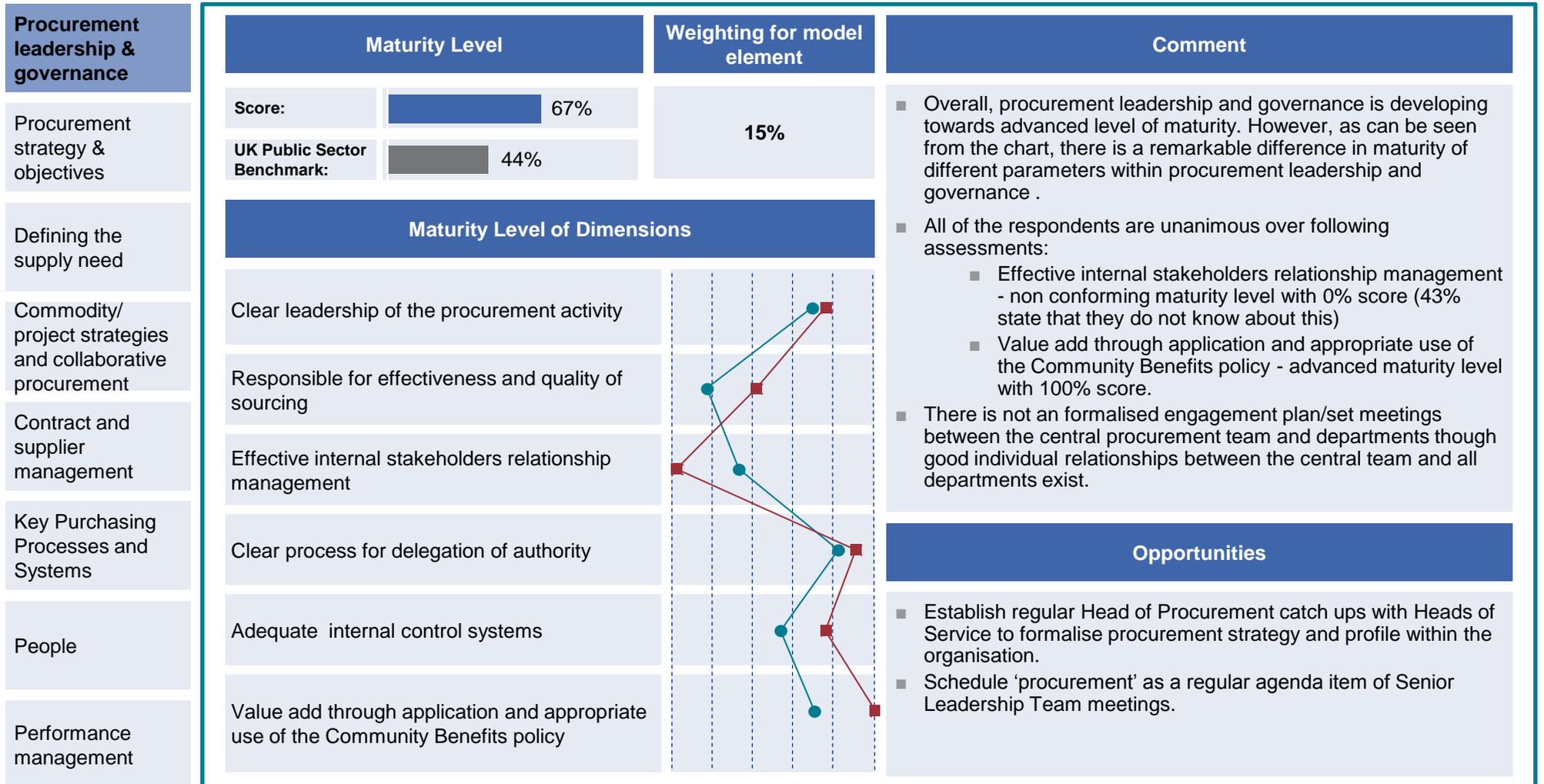
- Blaenau Gwent have a strong foundation through the central team and some very skilled and experienced individuals undertaking procurement activities in the Departments. The opportunity for the Authority is to leverage the skills and experience to drive more integrated and mature outcomes across the Authority by implementing the recommendations below.

Overall Recommendations

- Blaenau Gwent could achieve quick wins through a targeted change and communications strategy from the central team outlining role and benefits, the establishment of quarterly Head of Service meetings focusing on spend analytics and strategic planning, formalising local SME initiatives which are currently in place informally in some departments and driving internal collaboration across all Departments through formal and informal networking and knowledge sharing including 'commissioning' training for senior leadership and key stakeholders.

Procurement leadership & governance

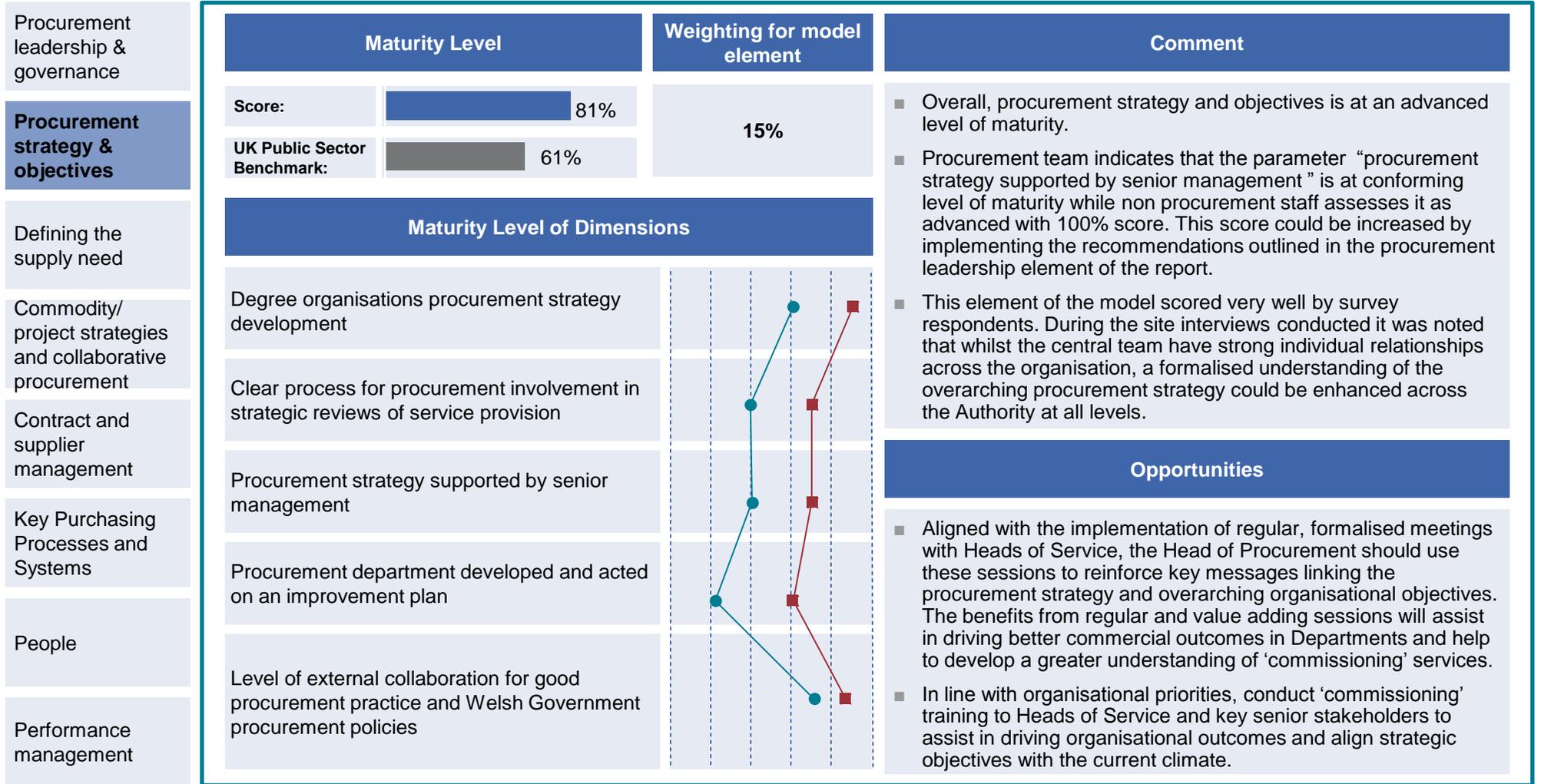
A detailed overview of the results per dimension KPMG found ...



■ Blaenau Gwent Average Maturity Grade ● Average of Welsh Authorities

Procurement strategy and objectives

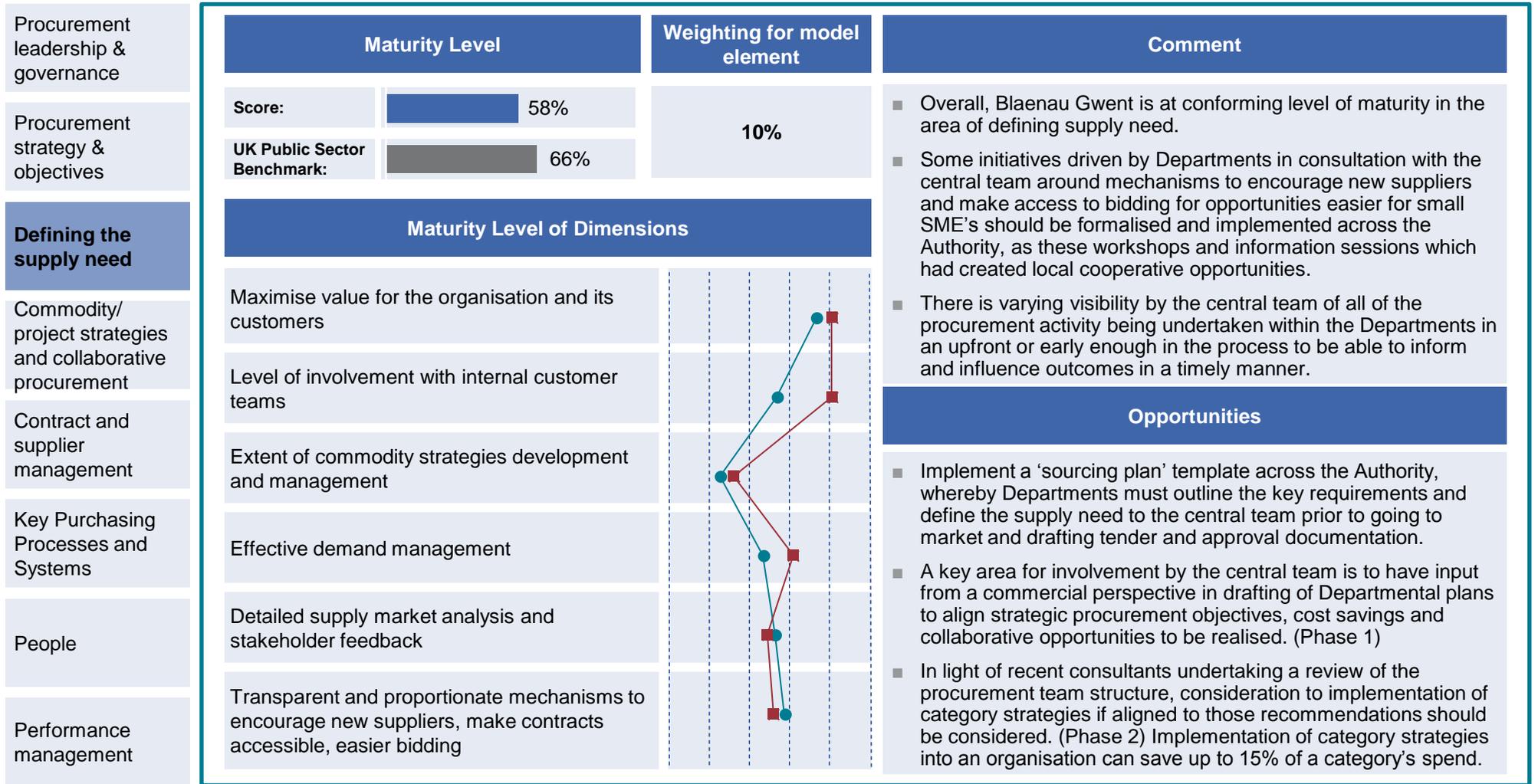
A detailed overview of the results per dimension KPMG found ...



■ Blaenau Gwent Average Maturity Grade ● Average of Welsh Authorities

Defining the supply need

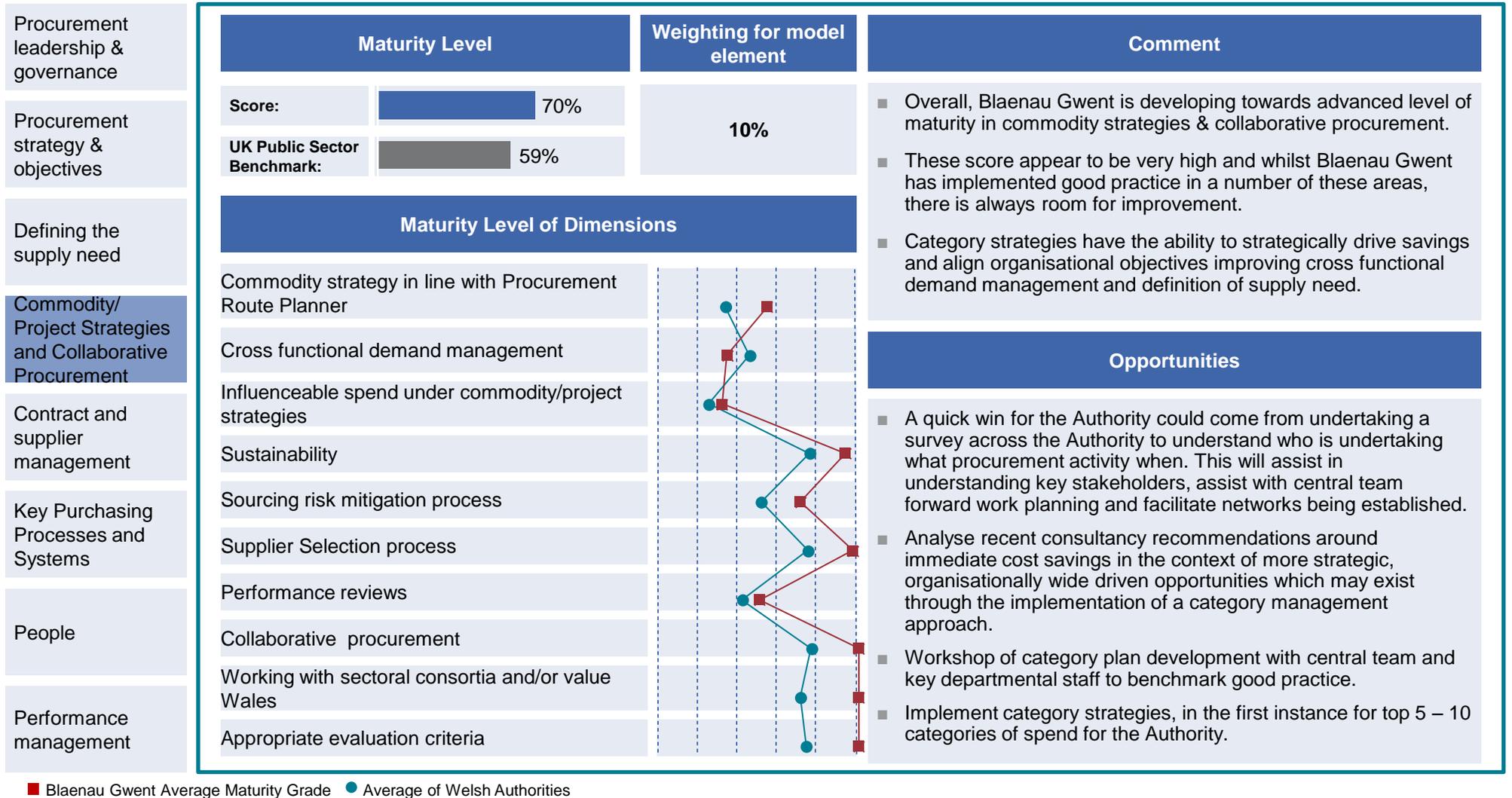
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■ Blaenau Gwent Average Maturity Grade ● Average of Welsh Authorities

Commodity/ project strategies and collaborative procurement

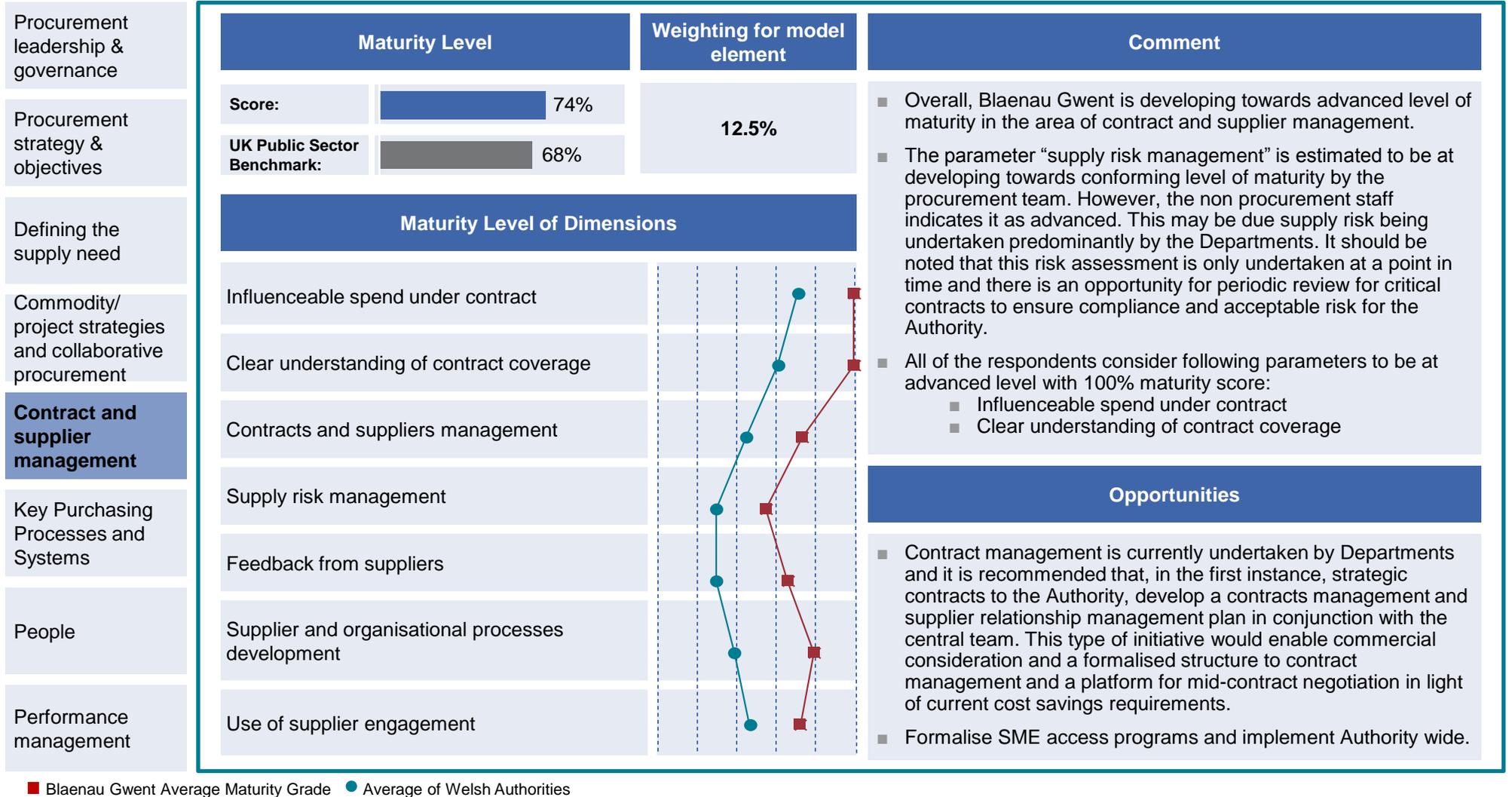
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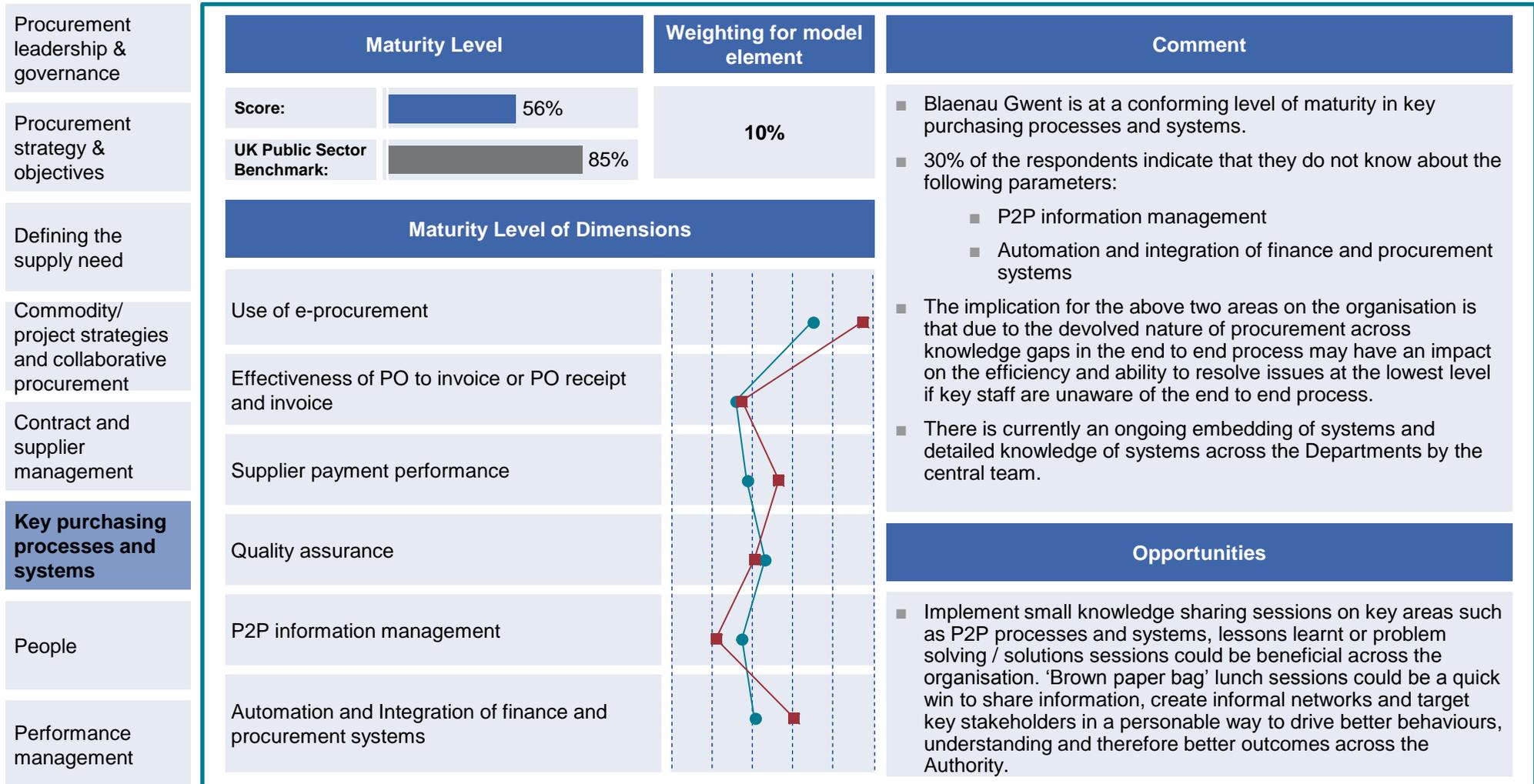
Contract and supplier management

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



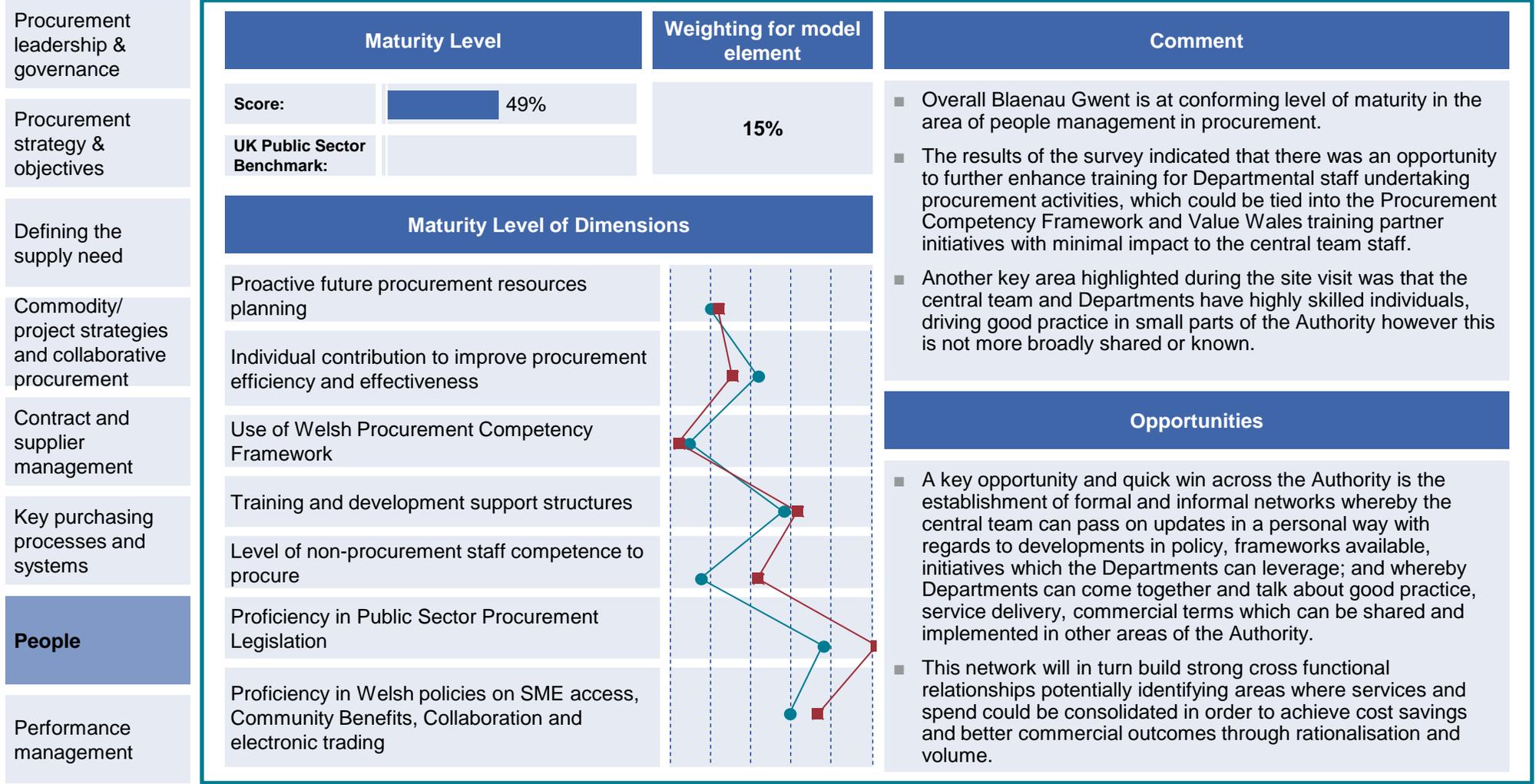
Key purchasing processes and systems

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



■ Blaenau Gwent Average Maturity Grade ● Average of Welsh Authorities

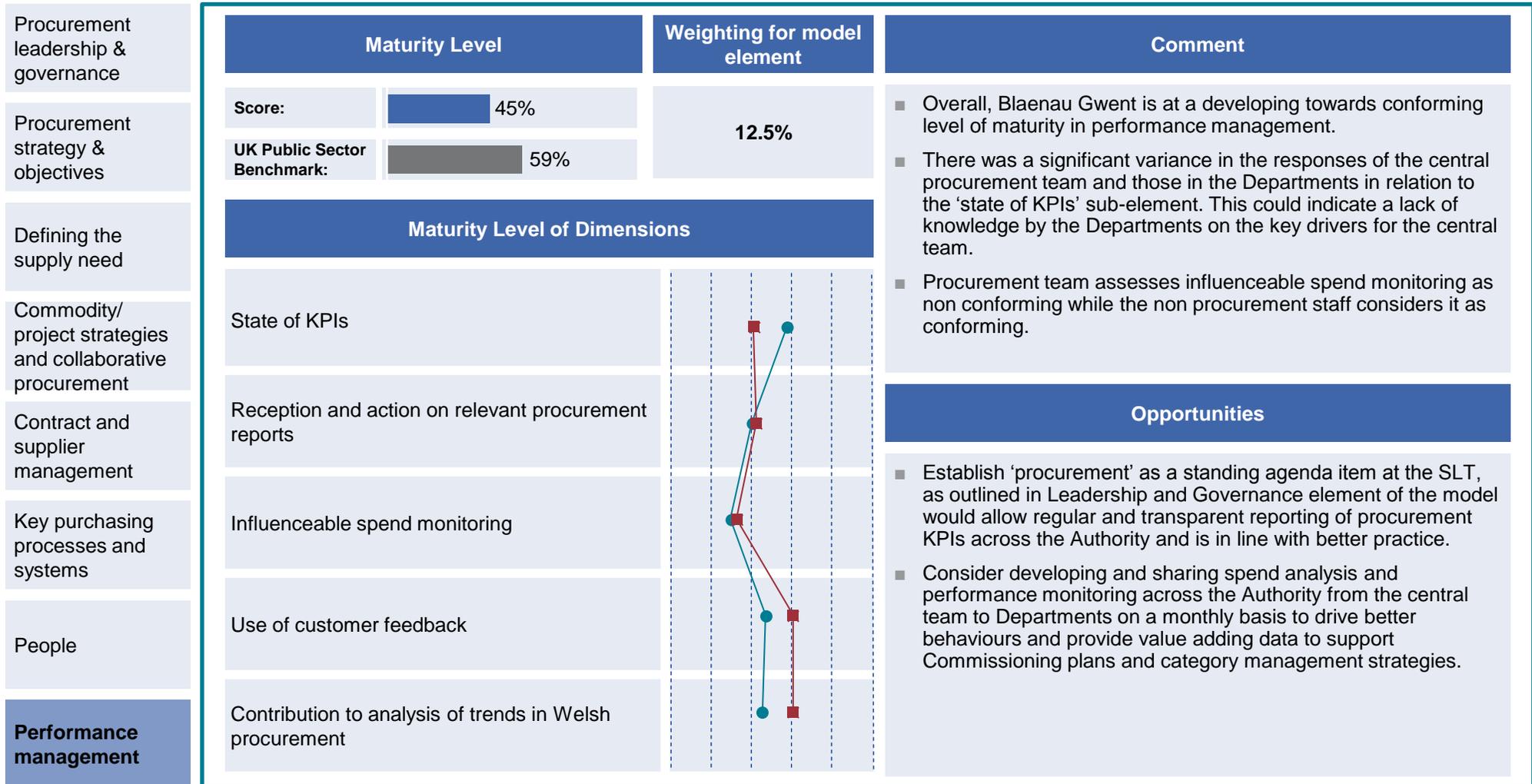
A detailed overview of the results per dimension KPMG found ...



■ Blaenau Gwent Average Maturity Grade ● Average of Welsh Authorities

Performance management

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



■ Blaenau Gwent Average Maturity Grade ● Average of Welsh Authorities

Fitness Check – Procurement Maturity Assessment

Profile of respondents

Years Experience	Number of respondents
10-15	2
15-20	0
20-25	2
25-30	1
Total	5

Contract Value responsibility	Number of respondents
Between £0 -£500K	0
Between £500K - £10m	2
Greater than £10m	3
Total	5

Qualification	Number of respondents
Degree (or equivalent)	60%
Masters	0%
MBA	0%
CIPS	60%
MCIPS	20%
Other	40%
Total	5



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