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# Procurement Fitness Check for: Gwynedd

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 telephone interviews conducted with the authority's 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

## Gwynedd Executive Summary

### Overall Maturity Rating

**Developing towards conforming**

### Organisational Context

- Gwynedd has a small central procurement team with devolved procurement activity across the Authority.
- In recent months the Head of Procurement took a post within another organisation and this post is currently filled in a temporary capacity. As a priority, recruitment of an experienced and qualified individual on a permanent basis should occur.
- There are current six FTE in the central team, with a seconded FTE working on e-procurement activities.
- At the time of the Maturity Assessment an internal review into the Procurement function - 'keeping the benefits local' of the Authority was also occurring, with recommendations from this review due in April 2014.
- Senior leadership have recognised that cost savings generally require a greater focus across the organisation. Strategic planning is underway to look at how commissioning strategies across the organisation will best achieve the organisation's objectives and requirements.

### Model Dimension

### Recommended Actions

Procurement leadership & governance

- Immediate need to fill the Head of Procurement position on a permanent basis and corporate re-affirm procurements role and contribution within the organisation.

Procurement strategy & objectives

- Integrate the 'commissioning' model into the organisational procurement strategy. This strategy must be updated in the near future, as well.

Defining the supply need

- Formalise SME access programs to prepare the local market for upcoming opportunities. Develop a 'sourcing plan' that gives the central team visibility of procurement activity across the Authority and an opportunity to influence it.

Commodity/project strategies and collaborative procurement

- Taking account of the internal procurement review, consider implementing category management across the Authority to drive savings across categories of spend, which typically can achieve 15% savings.

Contract and supplier management

- Create contract management plan and train both central and Departmental staff in good practice contract management techniques. This will support the commissioning vision of developing strategic partnerships with suppliers.

Key purchasing processes and systems

- Consider linking e-sourcing and finance systems for smoother transition between systems and better data capture, with an added benefit of optimal resource efficiency .

People

- Implement a formal mentoring and coaching programme both within the central procurement team and across the departments. Informal knowledge sharing should also be implemented across the Authority to drive better practice.

Performance management

- Utilise the research and data analysis department to identify continuous savings opportunities and coordinate demand management across the Authority, increase reporting from quarterly to monthly to drive behaviours.

# Fitness Check – Procurement Maturity Assessment

## Gwynedd Executive Summary

Model Dimension	Comparison	Welsh Gaps	UK Public Sector Gaps	Comments
Procurement leadership & governance		16	3	Currently a vacancy in the Head of Procurement position which is critical to team and outcomes
Procurement strategy & objectives		21	31	Requirement to raise profile of the central team, promote strategy and engage Departments
Defining the supply need		22	41	Undertaken by Departments with support to local business and SME a key driver
Commodity/project strategies and collaborative procurement		14	20	Not currently implemented in the Authority
Contract and supplier management		15	39	Identified as an opportunity by the Authority as an area which could be improved
Key purchasing processes and systems		8	48	P2P system integrated and well known
People		6		Need strong leadership in the central team to and need to build networks across the Authority
Performance management		4	19	Research and data team provide detailed analysis for the Authority

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

### Likely benefits of implementing recommendations

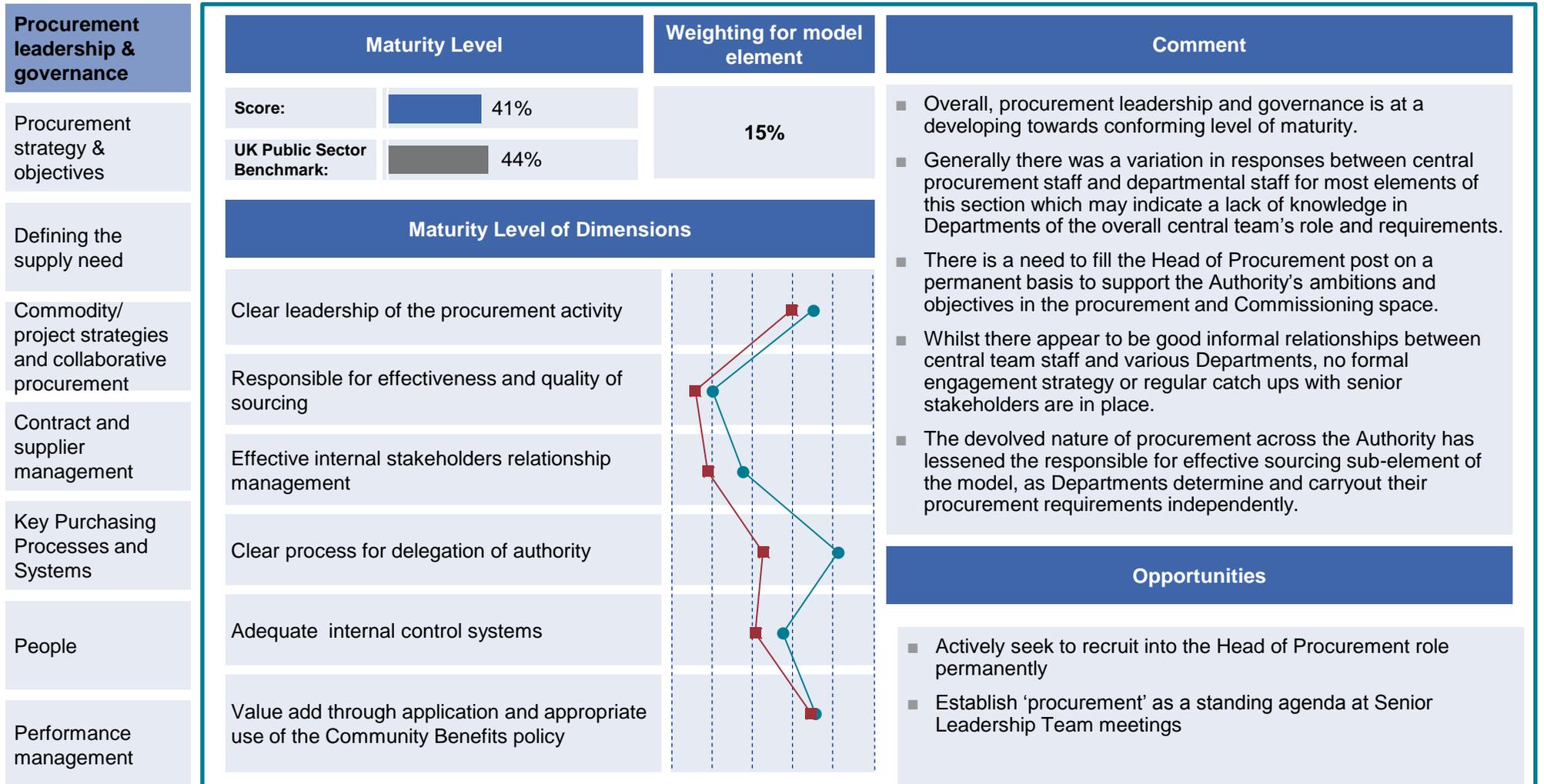
- Gwynedd has many of the foundations and a strategic thinking leadership to support moving forward but are lacking in central procurement capacity and drive to really move the organisation forward. The appointment of a permanent experienced Head of Procurement in conjunction with the internal review findings of the function will increase the ability of the organisation to drive quick wins and increased profile and compliance across the Authority in the short term.

### Overall Recommendations

- Consider implementation of category management across the Authority, with an appropriate structure to support the initiative. Look to establish processes whereby the central team has visibility of procurement activity up front to assist in forward work planning and assistance/access to frameworks, policy and advice. Develop informal and formal networks to promote knowledge sharing, better practice and updates in policy and guidance across the Authority and also consider formalised mentoring and coaching to central team and individuals responsible for procurement activities in the Departments.

# Procurement leadership & governance

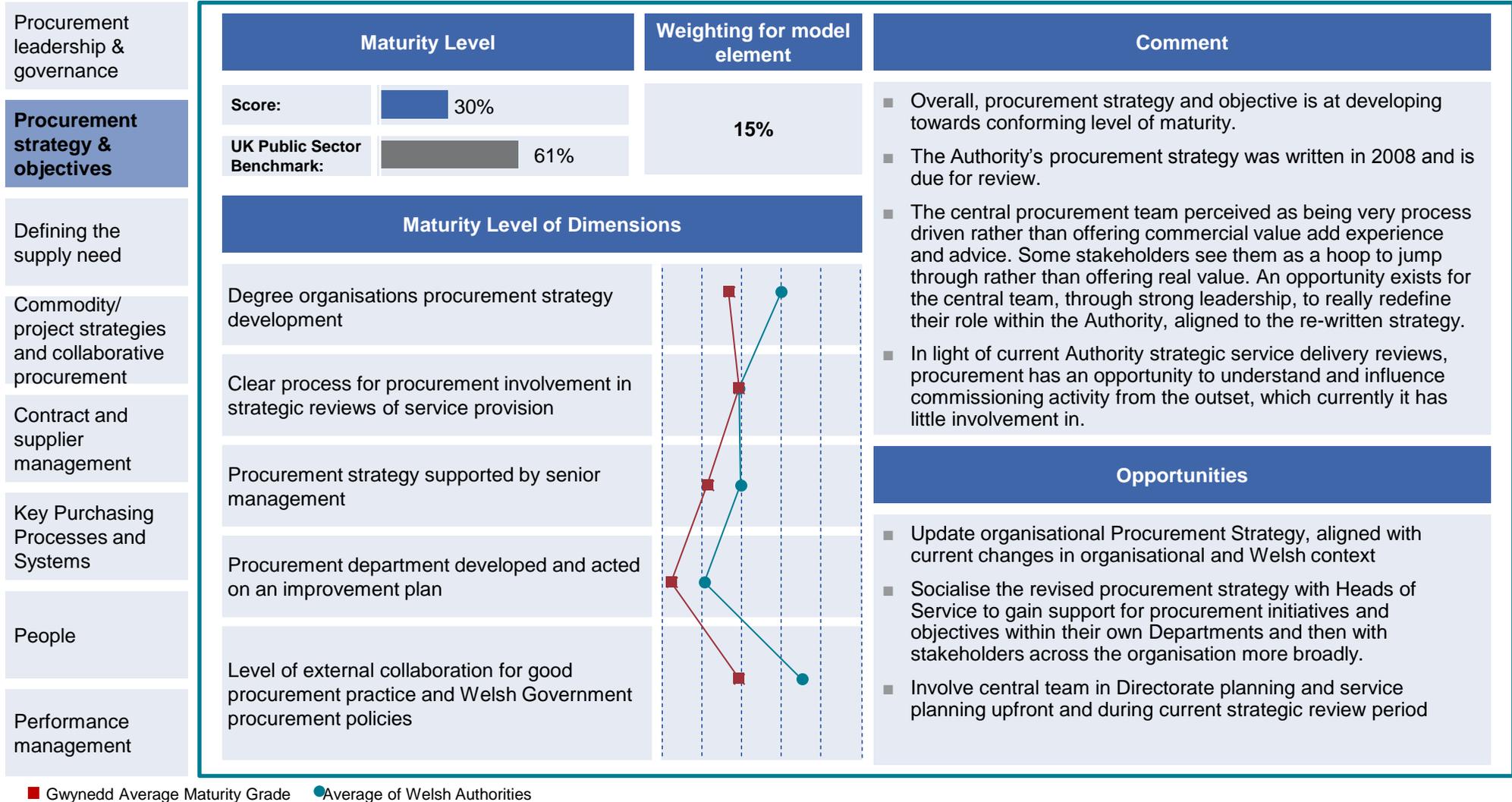
## A detailed overview of the results per dimension KPMG found ...



■ Gwynedd Average Maturity Grade    ● Average of Welsh Authorities

# Procurement strategy and objectives

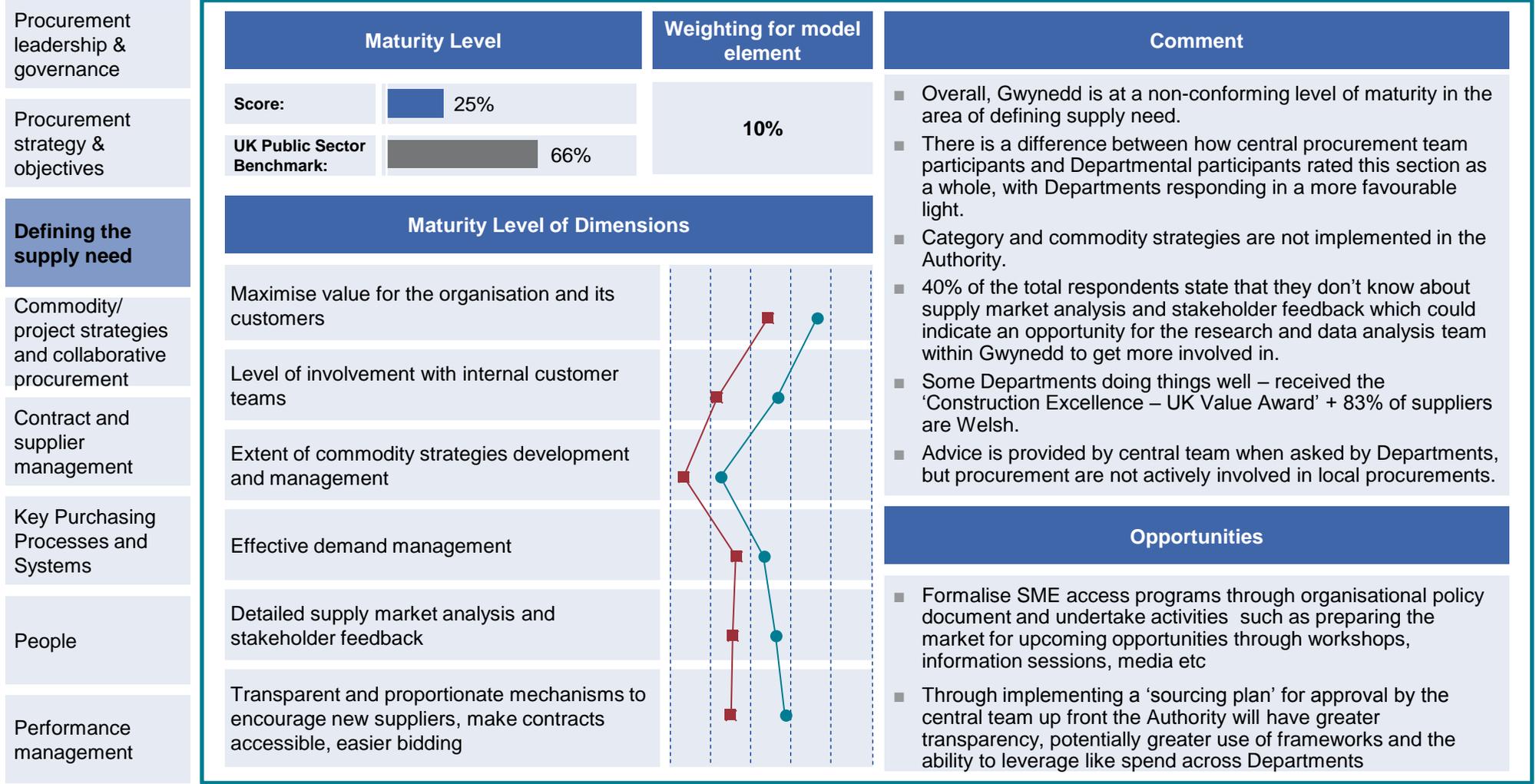
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# Defining the supply need

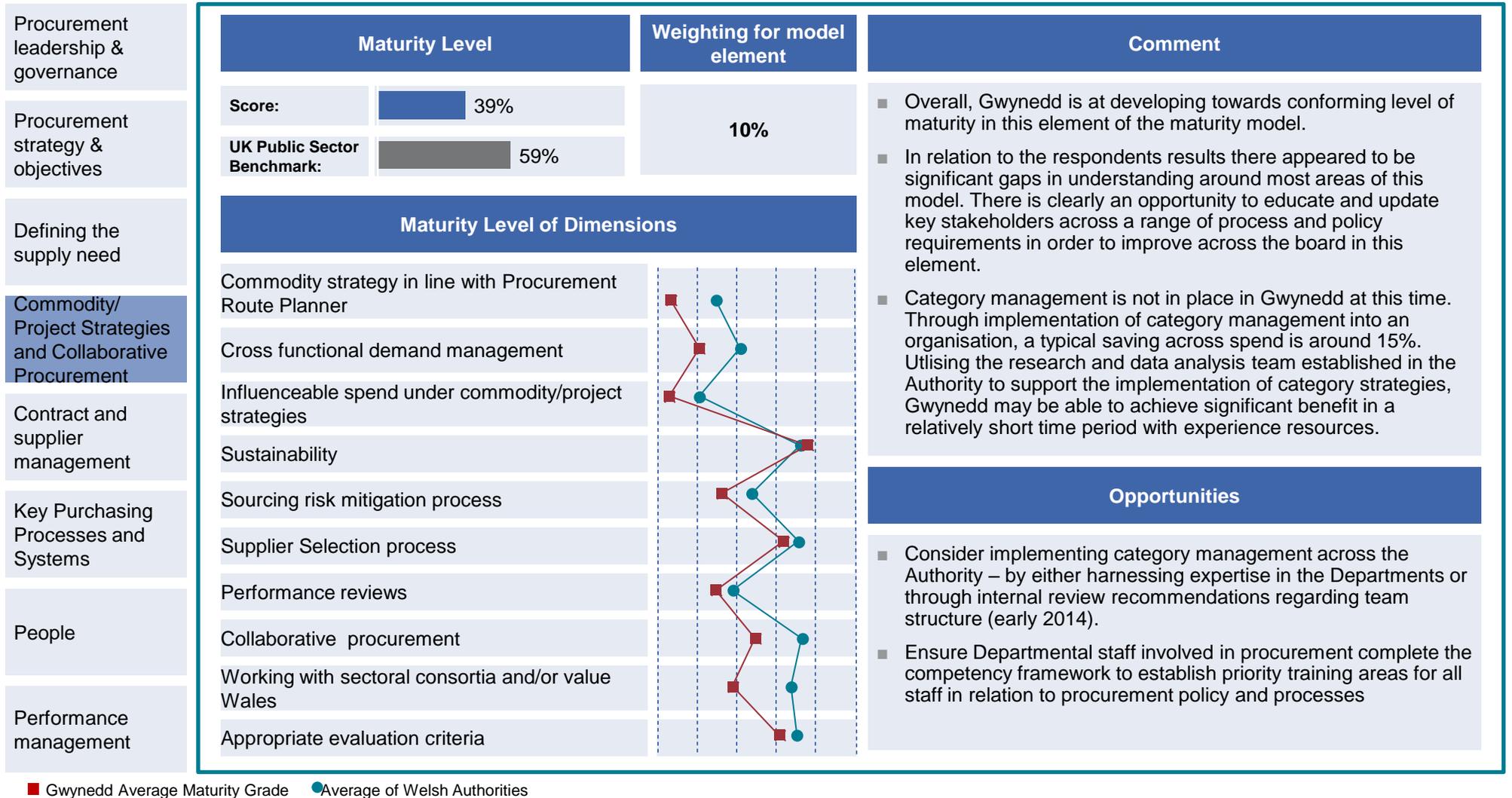
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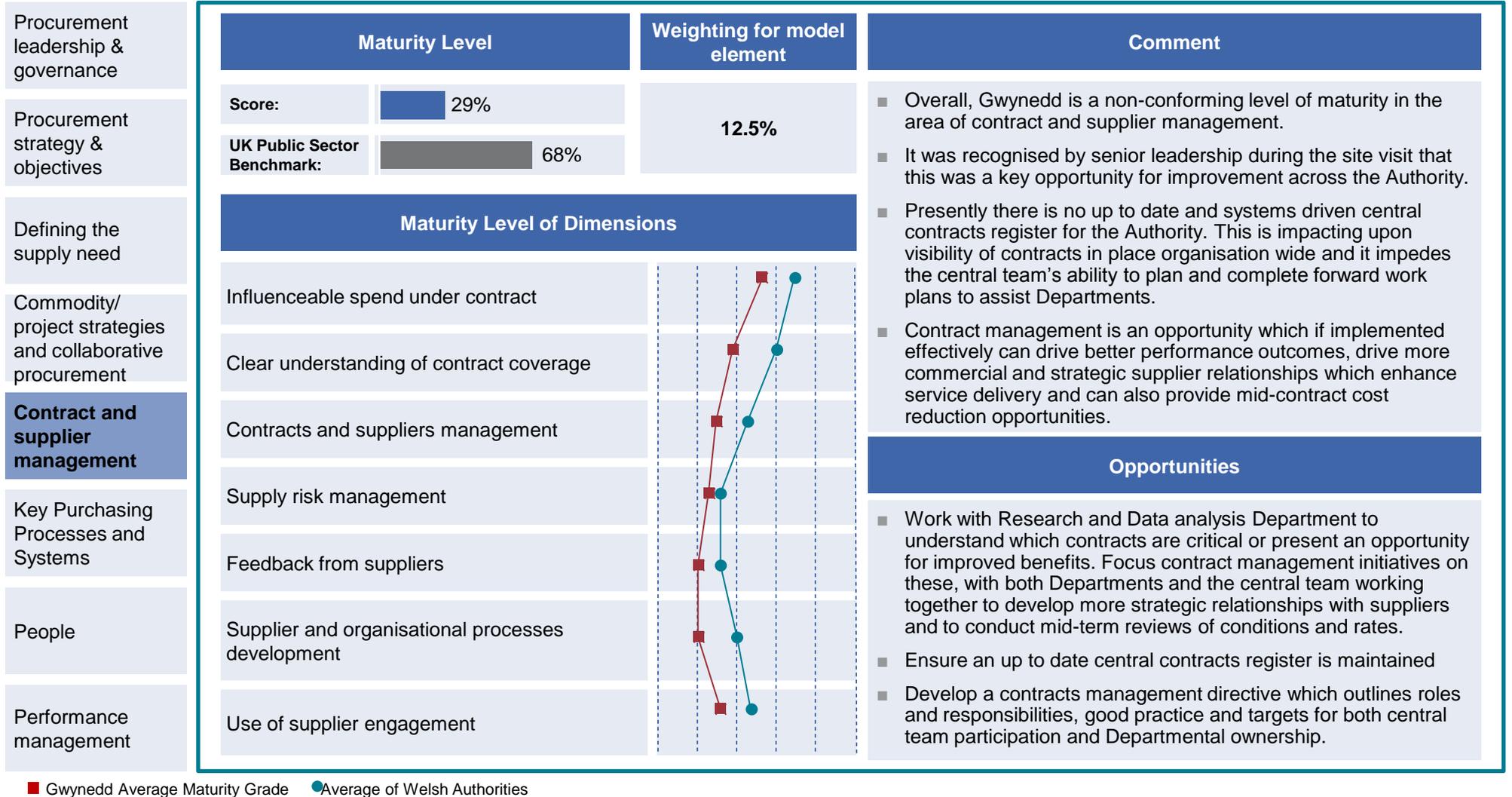
# Commodity/ project strategies and collaborative procurement

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



# Contract and supplier management

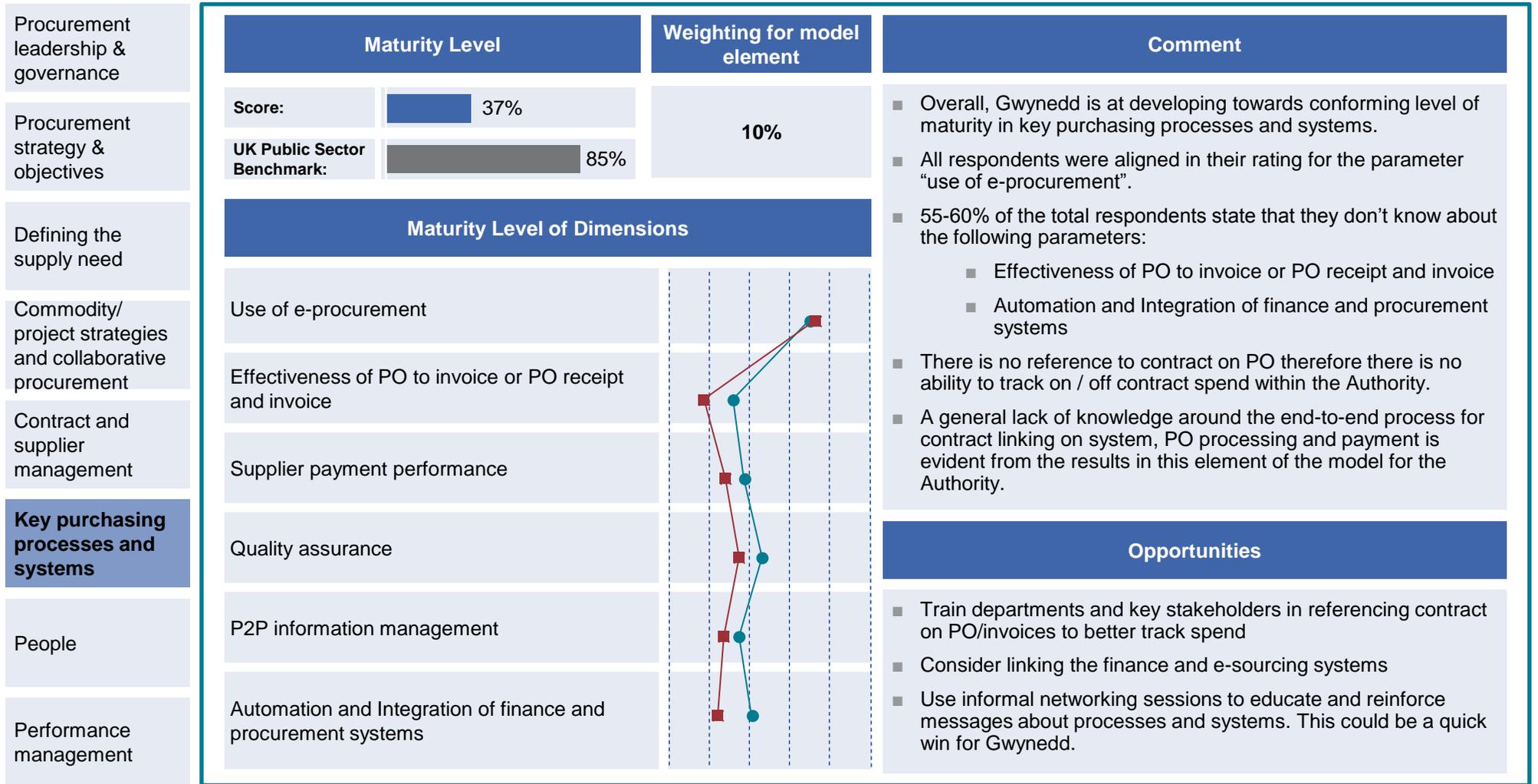
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# Key purchasing processes and systems

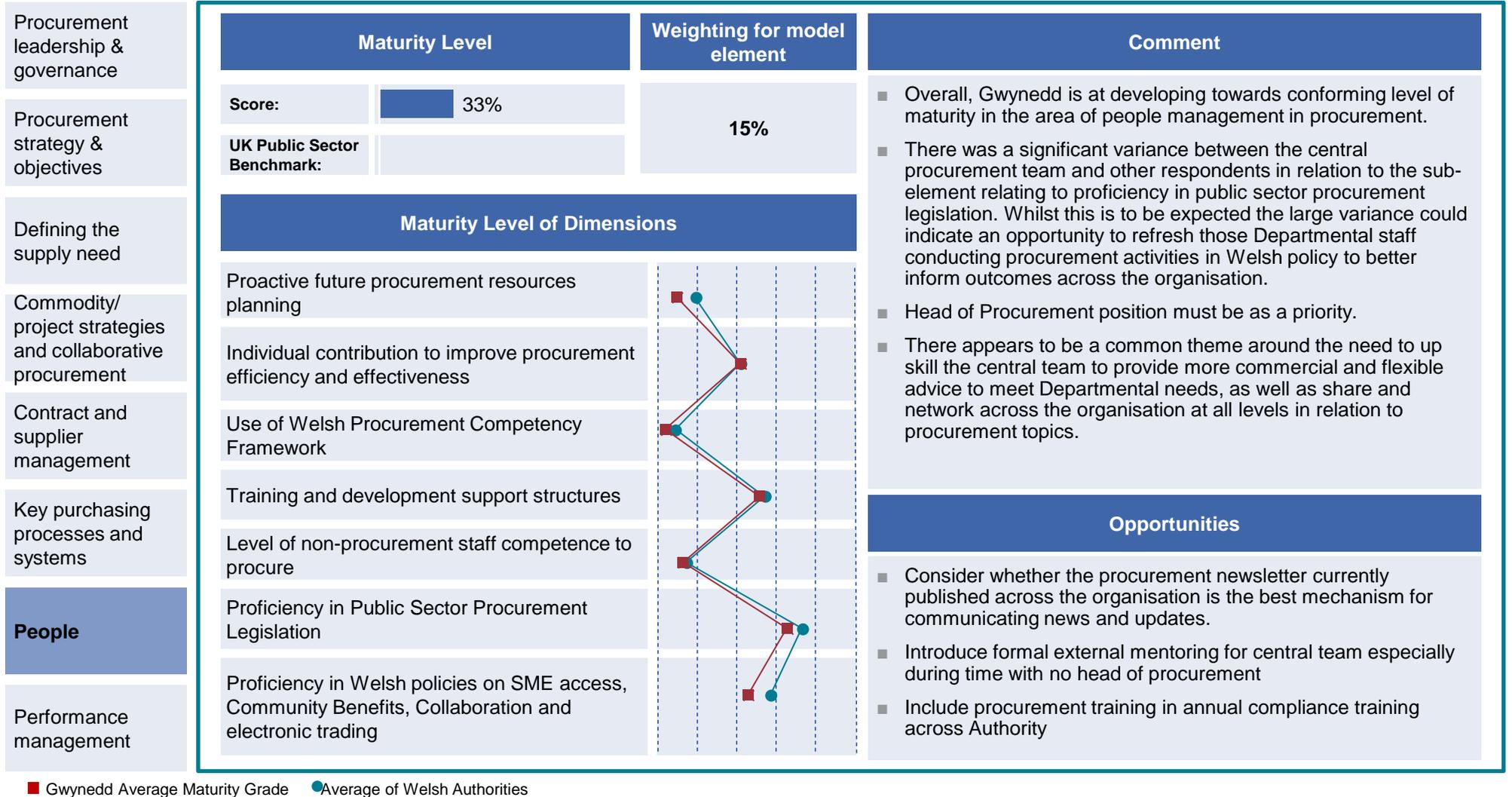
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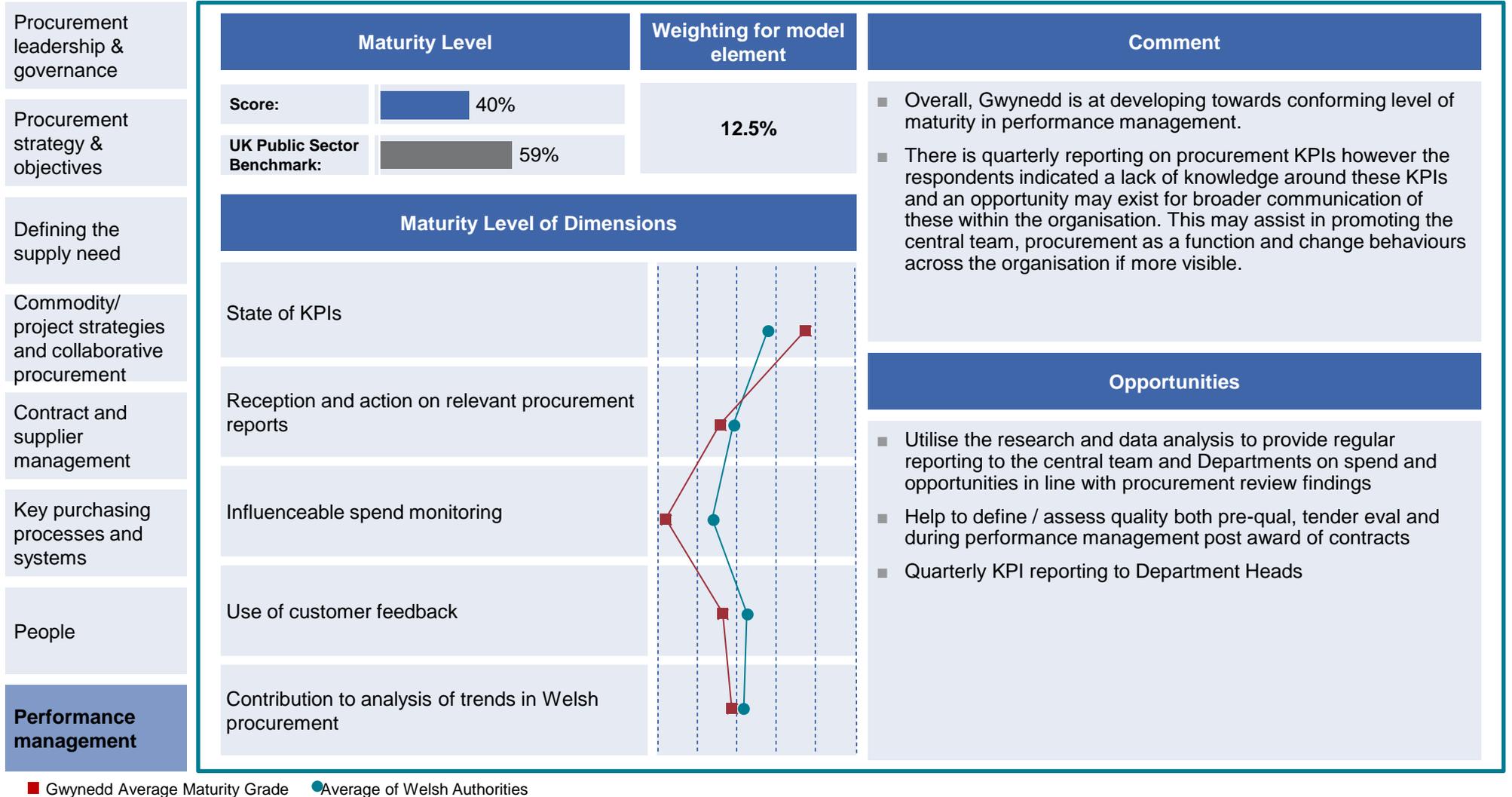
# People

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



■ Gwynedd Average Maturity Grade    ● Average of Welsh Authorities

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



# Fitness Check – Procurement Maturity Assessment

## Profile of respondents

Qualification	Number of respondents
Degree (or equivalent)	56%
Masters	6%
MBA	0%
CIPS	19%
MCIPS	19%
Other	38%
<b>Total</b>	<b>16</b>

Contract Value responsibility	Number of respondents
Between £0 -£500K	10
Between £500K - £10m	3
Greater than £10m	3
<b>Total</b>	<b>16</b>

Years Experience	Number of respondents
5-10	5
10-15	2
15-20	2
20-25	3
25-30	0
More than 30	4
<b>Total</b>	<b>16</b>



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