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# Procurement Fitness Check for: Swansea

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

## Swansea Executive Summary

### Overall Maturity Rating

**Conforming**

### Organisational Context

- We understand Swansea's central procurement unit (CPU) has developed over the last 3-4 years from a compliance unit to a more mature procurement unit, using a category management approach. This has been supported by the Senior Leadership Team.
- The CPU has 17 FTE, with 7 procurement officers in charge of categories of spend. Category managers are supported by a data and informatics resource. The CPU have developed a network of procurement hubs to share information and ensure consistency .
- The CPU has worked over the last few years to develop a category management approach initially focused on key and higher spend areas. As it the category management becomes more mature, the unit will then focus on further develop involvement and expertise in contract and supplier management.
- Extensive external collaboration with other public sector bodies via WPC and supplier engagement. The Authority also uses other Welsh resources to support its procurement activity, such as 'Business Wales' and Welsh Government tools, such as SQUID.
- The procurement team is well placed to continue to develop and maximise value for money and supporting contract management over 1-2 years.

### Model Dimension

### Recommended Actions

Procurement leadership & governance

- Procurement team have developed a clear strategy and there is an opportunity to develop and communicate a policy and process for procurement adding commercial value to strategic service reviews and providing market/supplier insights.

Procurement strategy & objectives

- Ensure there are regular meetings of the procurement hubs to facilitate cross function procurement, sharing of best practice and effective roll out of initiatives such as the suite of tools developed by CPU for lower value areas of spend.

Defining the supply need

- To further develop its demand analysis information. Increasing its knowledge of key demand drivers and future volumes for key categories to further enhance its category strategies and plans.

Commodity/project strategies and collaborative procurement

- Commodities strategies could be further enhanced by reviewing and updating strategies, at least annually, to incorporate market, supplier and stakeholder developments.

Contract and supplier management

- Further develop contract management involvement with defined, regular and documented contract performance meetings with a CPU representative to ensure commercial contract aspects are maintained.

Key purchasing processes and systems

- The Authority has an opportunity communicate its quality assurance policy and process, to ensure quality becomes embedded in all procurement activity organisation wide.

People

- To increase knowledge sharing across the authority to via both formal and informal catch up sessions. Increased communication and training events would develop procurement capabilities within the Authority.

Performance management

- The procurement group have identified that there is an opportunity for further develop its key performance indicators and how KPIs are used to monitor and inform continuous improvement.

# Fitness Check – Procurement Maturity Assessment

## Swansea Executive Summary

Model Dimension	Comparison	Welsh Gaps	UK Public Sector Gaps	Comments
Procurement leadership & governance		8	21	Development of central procurement function supported by leadership
Procurement strategy & objectives		17	7	Clear strategy and plans in place
Defining the supply need		12	7	Supply needs well defined for larger spend areas which have been the focus of work to date
Commodity/project strategies and collaborative procurement		7	1	Clear collaborative procurement and commodity strategies in place for spend currently influenced
Contract and supplier management		3	21	Opportunity for further involvement in contract management and use of supplier feedback
Key purchasing processes and systems		18	22	Mature use of e-procurement and P2P information
People		7		Clear mentoring and training system to develop procurement unit staff
Performance management		2	17	Savings made are tracked and evidenced opportunity to further enhance performance monitoring

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

### Overall Recommendations

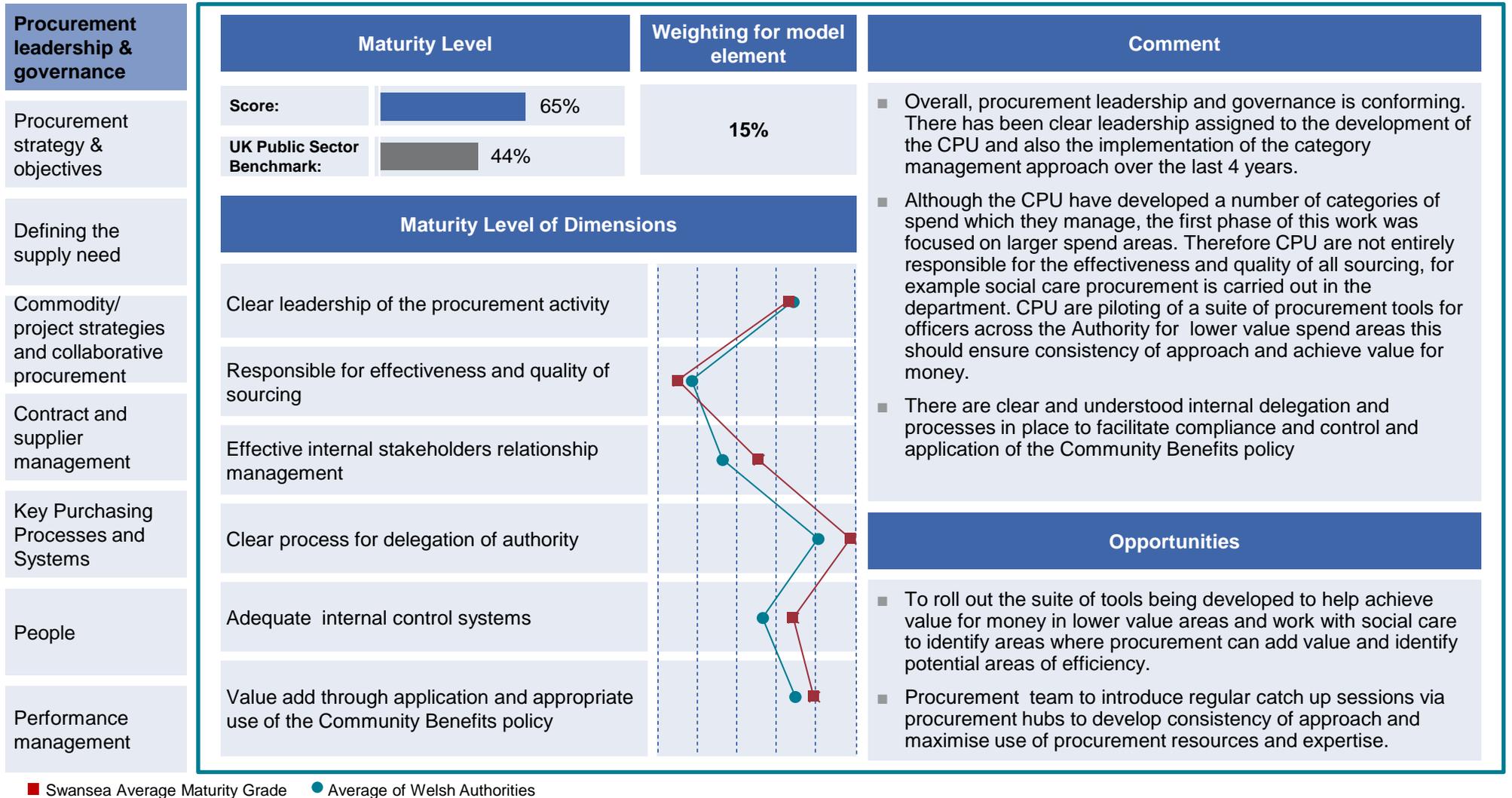
- As the procurement unit continues to mature and further develops its activities it has the opportunity to:
  - Increase activity to influence more of the Authority's spend,
  - Enhance its contract and supplier management, and
  - Improve its performance management activity.

### Likely benefits of implementing recommendations

- Greater involvement by the CPU in different parts of the Authority, such as social care, should help identify more areas where greater value for money can be achieved. Coupled with greater input into service strategies and contract management the Authority should be able to identify more areas where savings can be made.

# Procurement leadership & governance

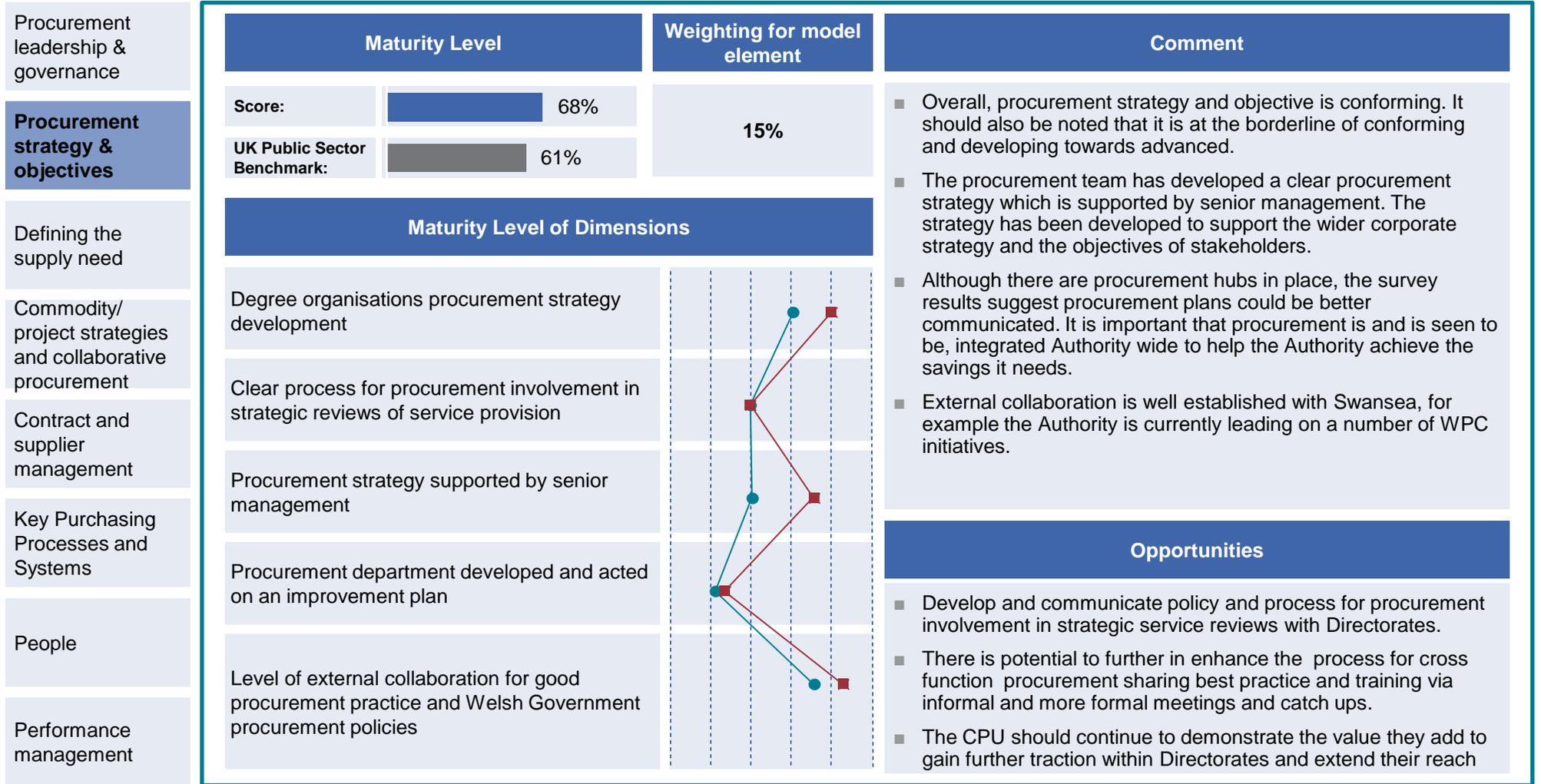
## A detailed overview of the results per dimension KPMG found ...



■ Swansea Average Maturity Grade    ● Average of Welsh Authorities

# Procurement strategy and objectives

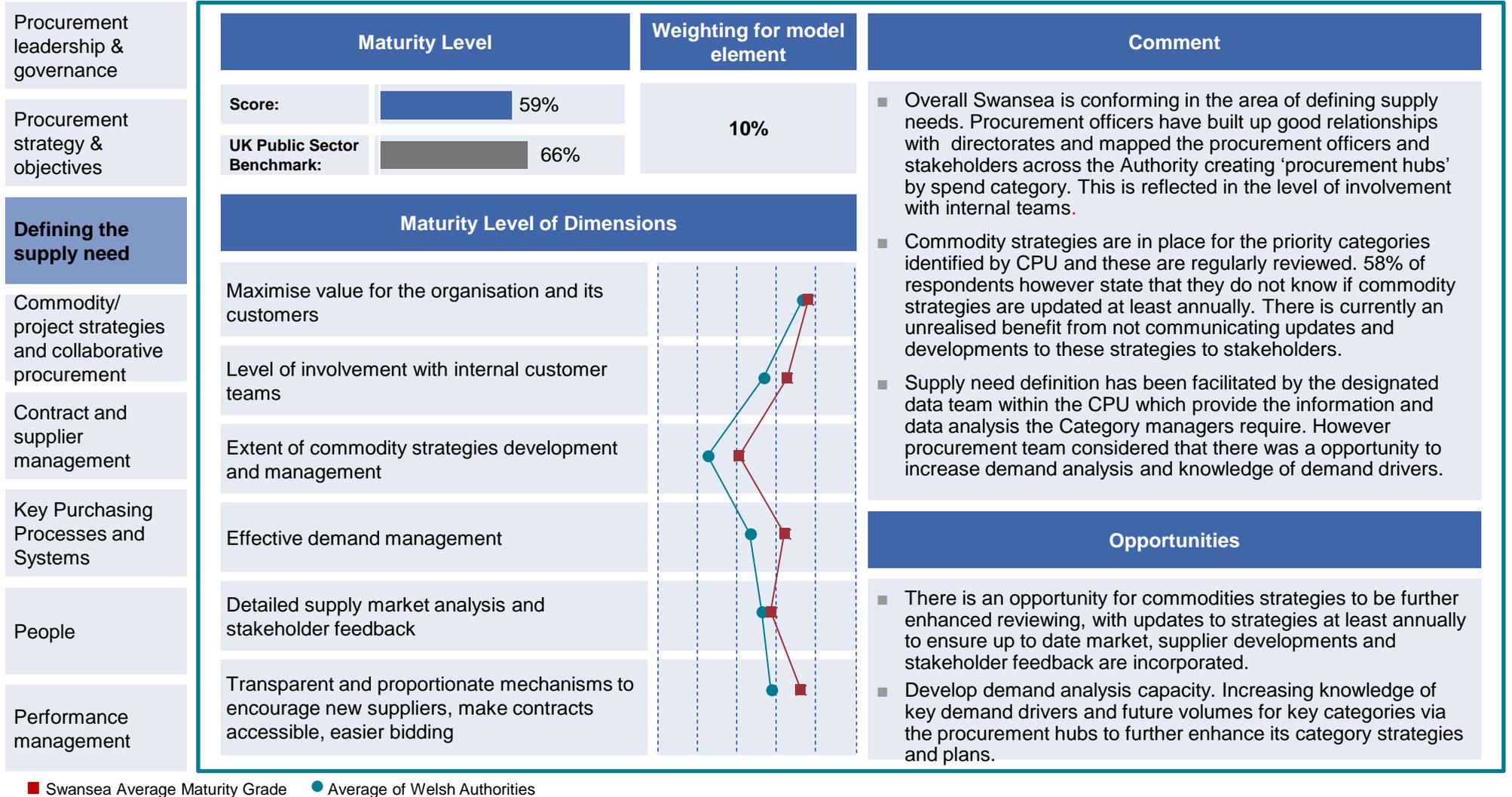
## A detailed overview of the results per dimension KPMG found ...



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# Defining the supply need

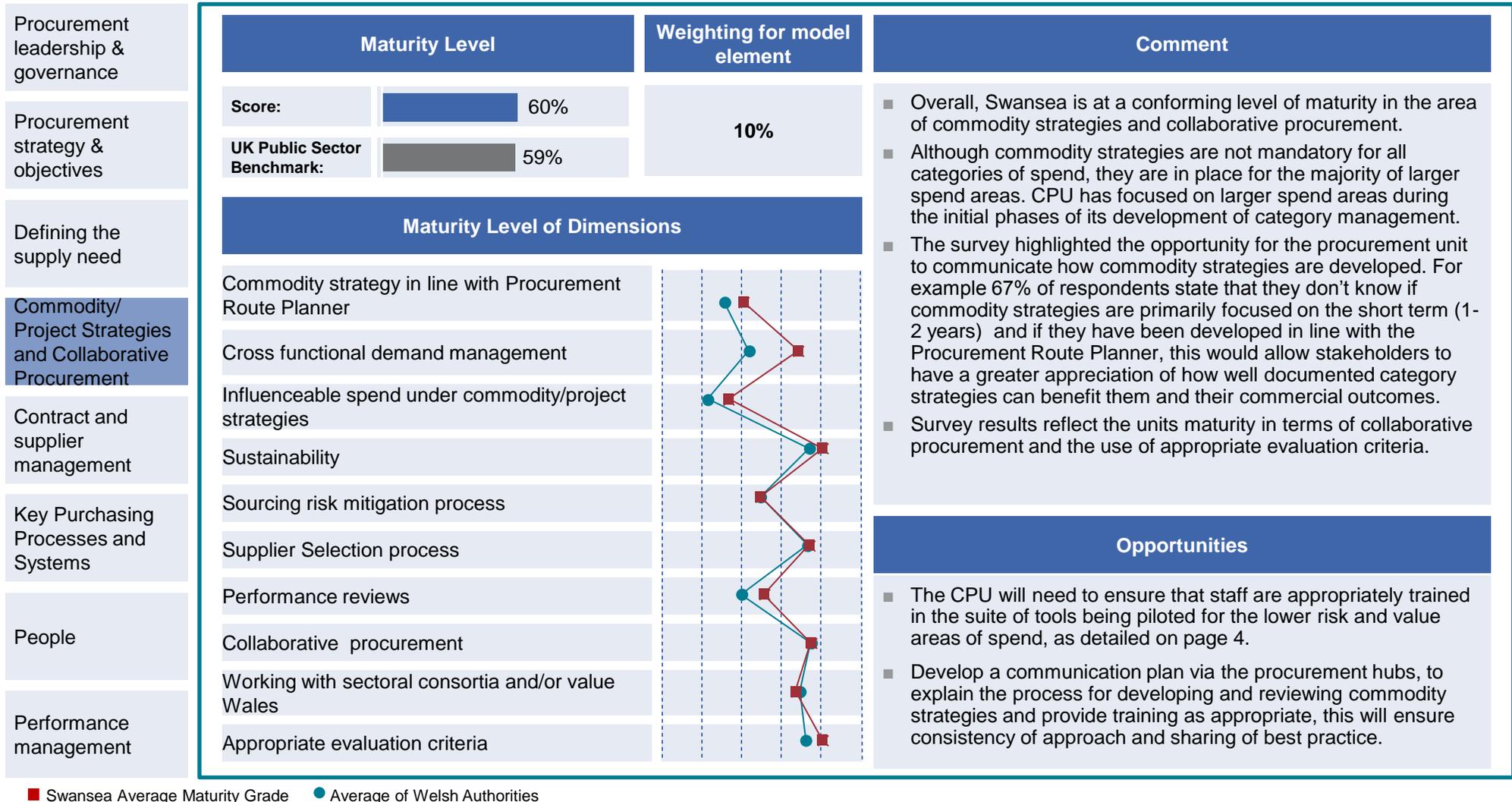
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■ Swansea Average Maturity Grade    ● Average of Welsh Authorities

# Commodity/ project strategies and collaborative procurement

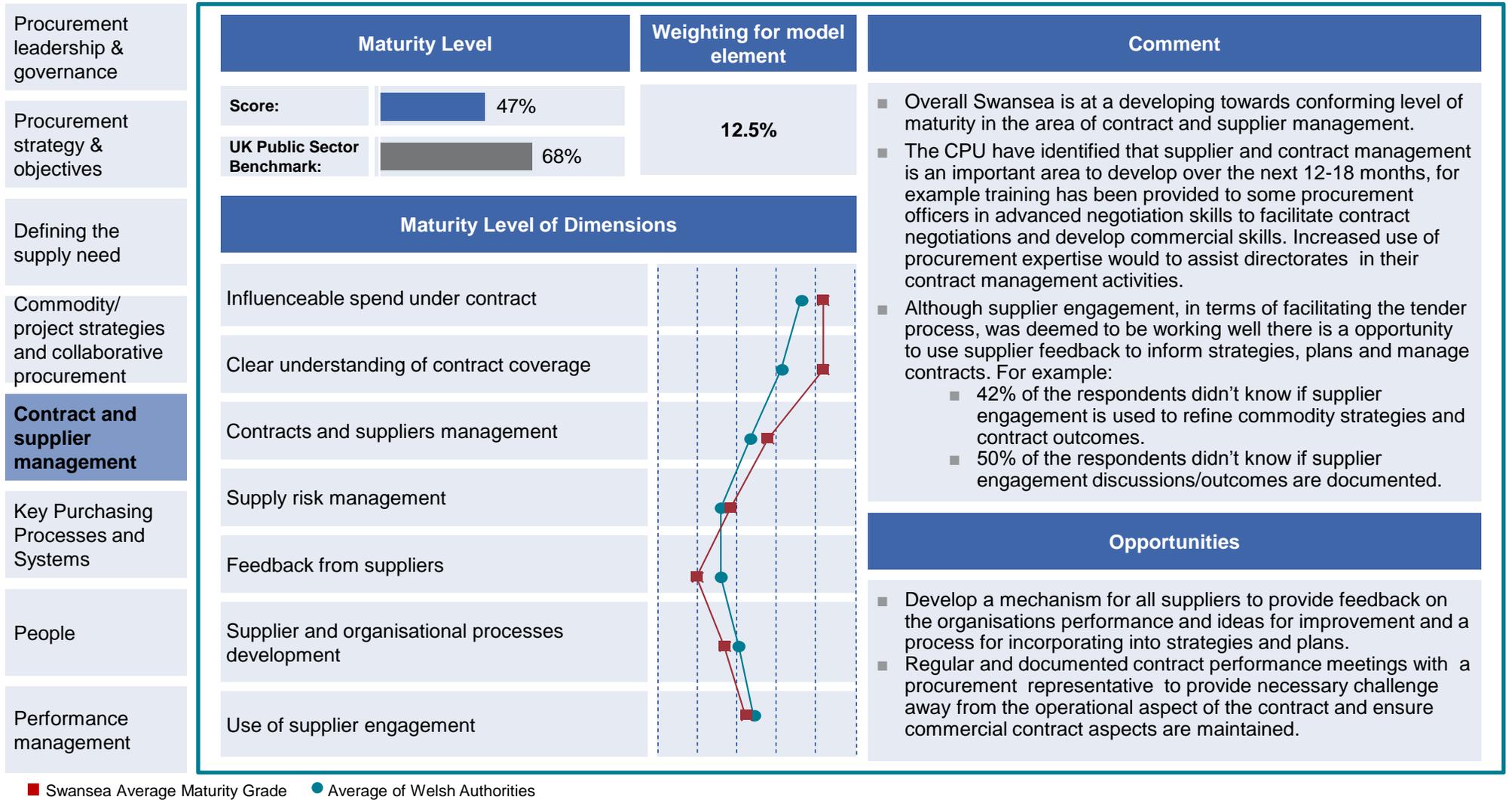
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# Contract and supplier management

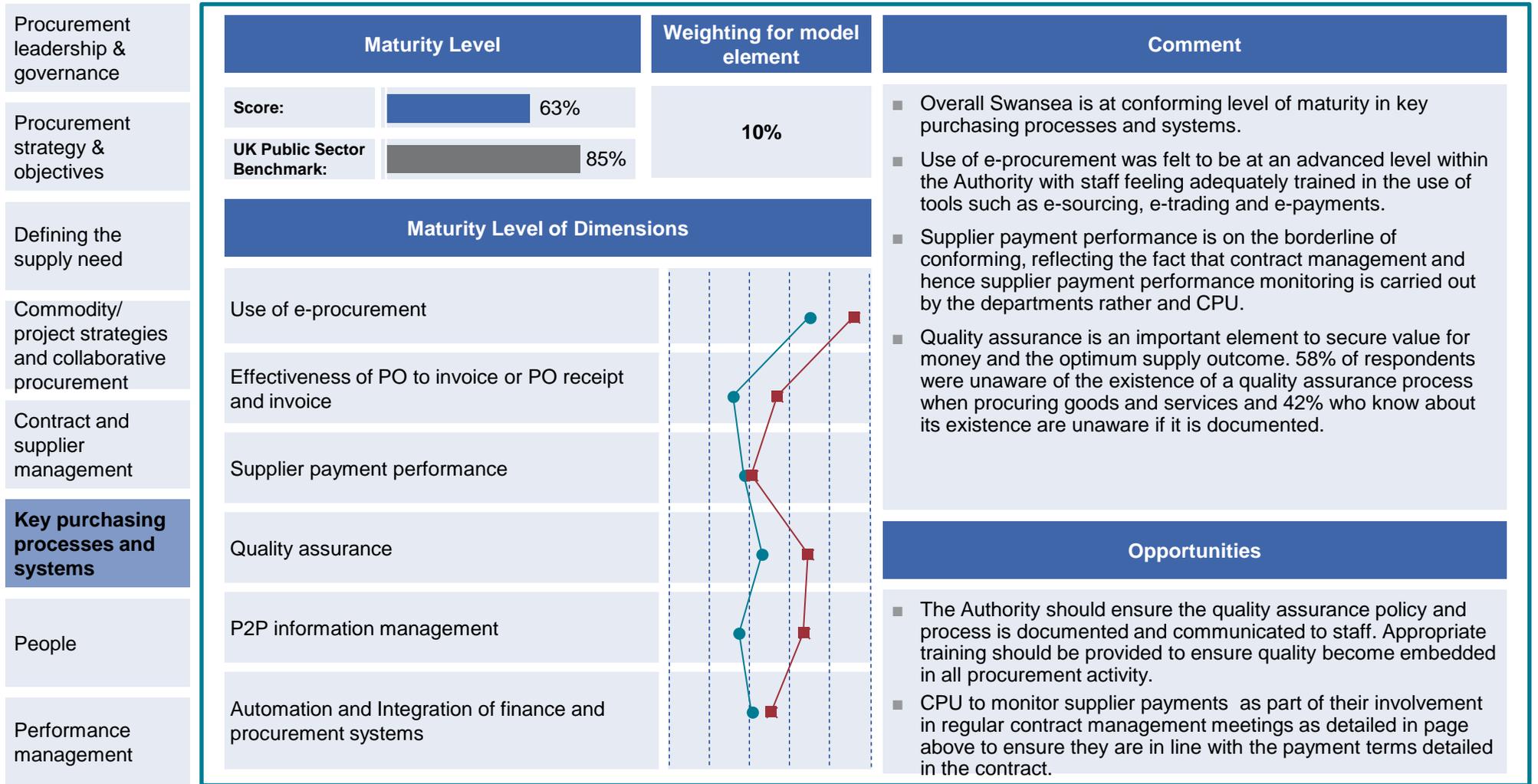
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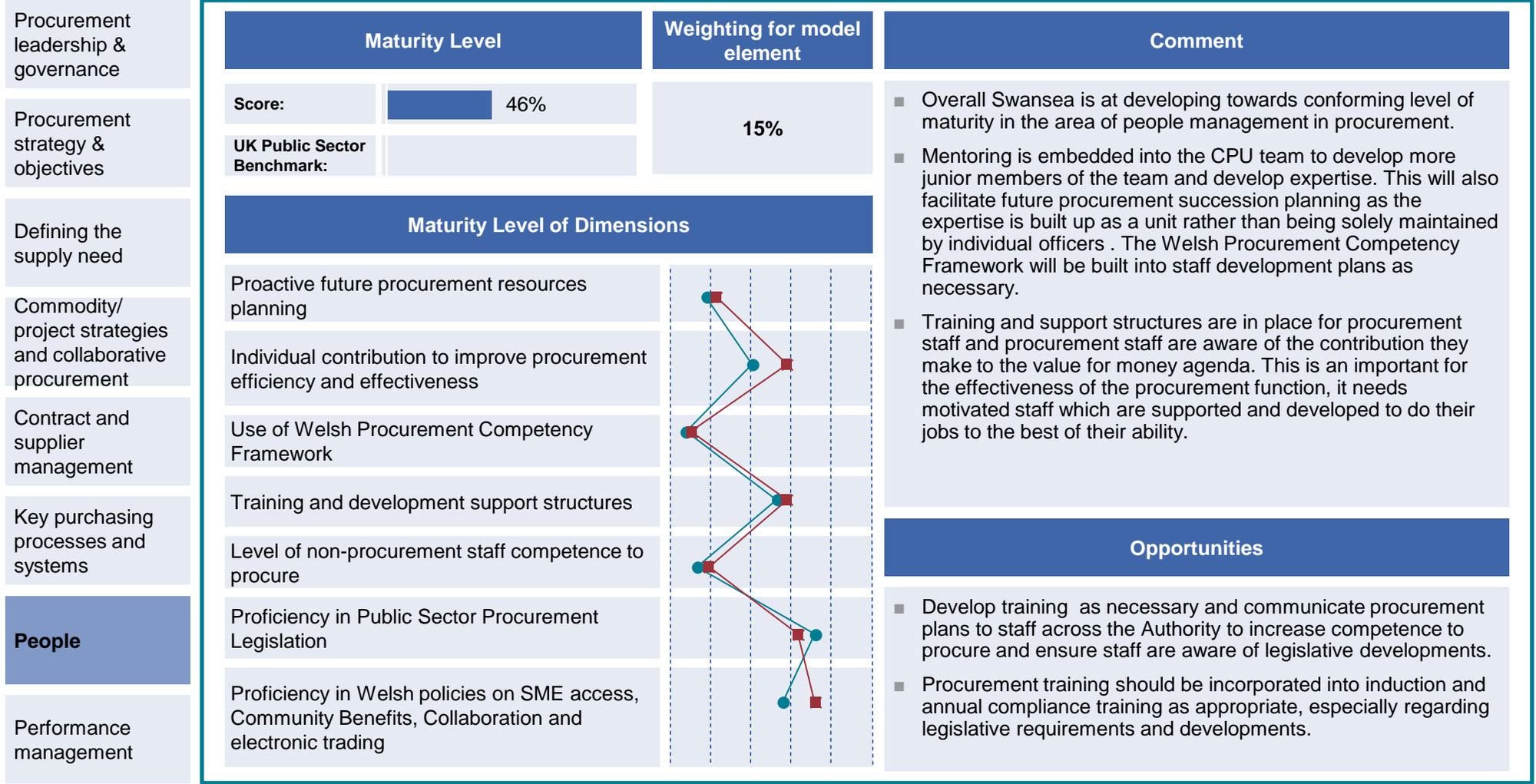
# Key purchasing processes and systems

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



■ Swansea Average Maturity Grade    ● Average of Welsh Authorities

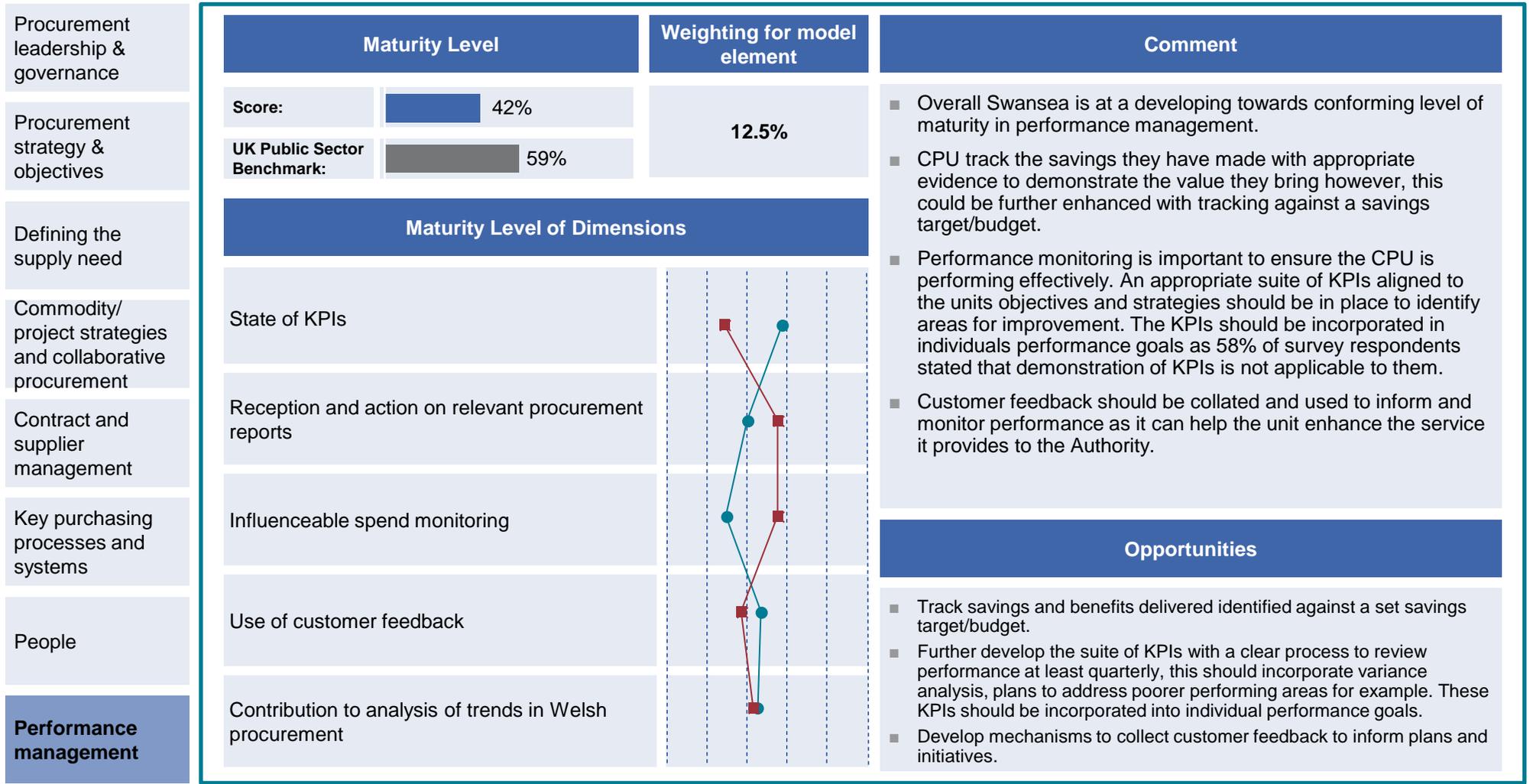
# A detailed overview of the results per dimension KPMG found ...



■ Swansea Average Maturity Grade    ● Average of Welsh Authorities

# Performance management

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



■ Swansea Average Maturity Grade    ● Average of Welsh Authorities

# Fitness Check – Procurement Maturity Assessment

## Profile of respondents

	Number of respondents
<b>Total</b>	<b>12</b>

Years Experience	Number of respondents
0-5	4
5-10	3
10-15	1
15-20	1
20-25	1
25-30	1
More than 30	1
<b>Total</b>	<b>12</b>

Qualification	Number of respondents
Degree (or equivalent)	33%
Masters	17%
MBA	0%
CIPS	8%
MCIPS	17%
Other	67%
<b>Total</b>	<b>12</b>

Contract Value responsibility	Number of respondents
Between £0 -£500K	7
Between £500K - £10m	0
Greater than £10m	5
<b>Total</b>	<b>12</b>



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