

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

POLICY AND RESOURCES SCRUTINY COMMITTEE

7th January 2016

Report of the Head of ICT & Corporate Procurement – Stephen John

Matter for Information

Wards Affected:

All Wards

Corporate Procurement Update

Purpose of the Report

1. To provide Members with a position statement on the current work programme and continued developments within the Council's Corporate Procurement Service.

Background

2. The Corporate Procurement Team has been working with the National Procurement Service, Welsh Purchasing Consortium and implementing a Purchase to Pay system (Oracle iProcurement) over the last 12 months, and this report will provide an update to Members on current work and associated developments.

3. The departure of a number of senior staff from within the team has required a small restructure of existing staff with a realignment of responsibilities. This report will also detail these changes.

Procurement Update

4. As highlighted above, the Corporate Procurement Team has engaged with various collaborative bodies during this financial year. The most prominent collaborative procurement organisation in Wales is the National Procurement Service (NPS). The NPS has identified that by using the frameworks that they have put in place, NPTCBC has realised £79,285 of cash releasing savings for the 2014/2015 financial year. We are currently awaiting a report providing a breakdown of what this figure represents as we are unable to reconcile the figure ourselves.
5. Whilst larger scale collaborative procurement exercises can often exclude small suppliers, it is pleasing to note that a number of local and regional suppliers have been appointed to NPS framework to supply to the Council.
6. Star Multifuels, a family run business based in Pontardawe was awarded the contract to supply fuel to the Council, which is circa £1m per annum in expenditure.
7. Ministry of Furniture who are working out of the old Remploy factory based in Baglan and continue to employ a number of old Remploy workers, have been awarded the contract for the provision of office furniture.
8. Also Days Hire, who have offices in Neath have been successfully re-appointed to supply the Council with hire cars.
9. Neath Port Talbot CBC currently procures through a large number of collaborative framework agreements let both nationally and regionally. These are facilitated by the NPS as mentioned above, the Welsh Purchasing Consortium, through regional inter Authority working and locally.

10. A selection of the frameworks being procured on a regional basis is shown below:

Contract	Lead Organisation	Participating Bodies
South West Wales Construction Framework	Carmarthenshire Council	Neath Port Talbot Council, City & County of Swansea, Pembrokeshire Council & Carmarthenshire Council
South West Wales Engineering Framework	Carmarthenshire Council	Neath Port Talbot Council, City & County of Swansea, Pembrokeshire Council & Carmarthenshire Council
South West Wales Ground Investigation Framework	Neath Port Talbot Council	Neath Port Talbot Council, City & County of Swansea, Pembrokeshire Council & Carmarthenshire Council
Window Cleaning Services	City & County of Swansea	Neath Port Talbot Council & City & County of Swansea
Various Western Bay Social Care agreements	Neath Port Talbot Council / City & County of Swansea / Bridgend Council	Neath Port Talbot Council / City & County of Swansea / Bridgend Council

Procurement Team Update

11. The Corporate Procurement Team has recently lost two of its most senior staff. The loss of expertise and experience will undoubtedly have an

effect in the short term but knowledgeable staff remain in post and although their experience is mostly at an operational level it is believed that there is sufficient expertise remaining within the team which will ensure the service continues to meet Council demand. This will be achieved with current staff operating with a re-alignment of roles and responsibilities and with a much greater degree of flexibility.

12. However, although we are comfortable in believing that current staff levels are sufficient, the work programme will be reviewed regularly to ensure that staff are able to cope with demand and should this become an issue then there may be a requirement to recruit short term cover for specific projects.

iProcurement

13. A significant percentage of Council spend is now enacted through the iProcurement system and an implementation plan is in place to complete the roll out to all outstanding departments.
14. As staff migrate to ordering goods and services through the iProc system, management information becomes available allowing each service head a greater degree of clarity and understanding of where their budgets are being spent. Using this information they are able to identify savings opportunities and exercise greater control over who spends what and where.
15. Some services have used the migration to iProc to undertake a significant change in their ordering process and develop a new methodology which delivers the above benefits. The centralised purchasing unit set up in Social Services is one example and since its inception they have increased their control over their external spend making better use of corporate contractual arrangements and providing an increased level of compliance and management information. They have also been able to realise staff savings by reducing the number of staff within the Directorate that are able to order goods and services.

Going Forward

16. It is expected that the National Procurement Service will undertake an All-Wales approach regarding the bulk of the collaborative procurement

required to address common and repetitive spend, installing framework agreements which are accessible via nationally managed catalogues provided through our iProc system.

17. This should have the benefit of reducing the amount of associated work that is currently met by the team, allowing them to concentrate on more complex work that delivers benefits in other areas.
18. However, this will not remove the need for work to be undertaken on regional and national collaboration procurements for Local Government specific goods and services. These are areas where collaborative arrangements have been in place for some time and primarily address highways and construction works.
19. The introduction of the new Public Contracts Regulations 2015 has placed a monetary threshold on social care expenditure on those contracts which exceed £625,000; legally directing the Authority to competitively tender any contract over this value. That requirement, along with ongoing national work in Social Care Commissioning and Procurement, will require the Council to build on the recent work undertaken across the Western Bay region, ensuring that the Council achieves the maximum benefits that joint working can deliver.

List of Background Papers

20. None

Officer Contact

21. Mr Stephen John, Head of ICT and Corporate Procurement,
Tel: 01639 686218 or email: s.john@npt.gov.uk
22. Mr Ian John, IT Business Relations Manager,
Tel: 01639 686036 or email: i.f.john@npt.gov.uk