

## Action Plan Update

**Review area:** Joint Corporate Procurement Unit  
**Date:** January 2019  
**Action Plan Contacts:** Legal & Procurement Operations Manager

Corporate Risk/Issue Severity Key	
0	<b>Critical</b> – Significant CET and Cabinet intervention
1	<b>Major</b> – intervention by SLT and/or CET with Cabinet involvement
1	<b>Moderate</b> – Containable at service level. Senior management and SLT may need to be kept informed

<b>Root Cause 1</b>	Weaknesses in governance arrangements, including insufficient scrutiny and challenge of service delivery and performance, to ensure the achievement of objectives and expected outcomes detailed in the 2014 business case supporting the development of the JCPU
<b>Underlying Weakness</b>	<p>Our review of Governance arrangements identified;</p> <ul style="list-style-type: none"> <li>• There is inadequate scrutiny of JCPU objectives and outcomes by Joint Procurement Board (JPB) and by relevant Council committees to address lack of progress with achieving the primary objectives of the JCPU business case around Efficiency, Capacity and Markets (1.1).</li> <li>• Delays in the alignment of procurement strategy and procurement activity across the two Councils. Recent changes, e.g. board membership and corporate priorities, means that the strategy contains out of date information (1.2).</li> <li>• Limited processes in place for measuring and recording efficiency savings achieved through collaborative procurement. There is no evidence that efficiency savings and benefits have been reported to the JPB (1.3).</li> <li>• Limited evidence of reporting of KPI's to the JPB / no robust targets in place for KPI's (1.4).</li> <li>• Insufficient systems for recording and monitoring the split of procurement staff time across the two Councils (1.5).</li> <li>• Meetings of the JPB not taking place on a regular basis, agendas for the JPB meetings not prepared and circulated in advance of meetings and JPB minutes not available for all meetings / minutes not circulated on a timely basis (1.6).</li> </ul>

	<ul style="list-style-type: none"> <li>Limited monitoring and evaluation of expenditure by category and aggregated spend (across services and/or Councils) by the JCPU to ensure opportunities for efficiency savings through collaborative procurement exercises are identified (1.7).</li> <li>Due to limited availability of data, monitoring of contract end dates by the JCPU cannot take place to ensure opportunities for efficiency savings through collaborative procurement or alternative procurement models are appropriately explored (1.8).</li> </ul>		
Action (Ref)	Agreed Management Action	Responsibility & Deadline	Status
1.1	This will be addressed by the JPB having regular meetings and providing Corporate Governance/Audit and Scrutiny committee with regular updates together with an annual report being presented to Cabinet committees	Head of Legal, HR & Democratic Services DCC / Chief Officer (Governance) FCC, 31/03/2018	In progress
Follow Up Results	The Legal & Procurement Operations Manager has confirmed that this is now being done.		
1.2	The procurement strategy will be updated during 2018/19 in accordance with the recommendations provided by the WGLA.	Legal and Procurement Operations Manager/DCC / FCC, 31/03/2019	In progress
Follow Up Results	The Legal & Procurement Operations Manager has confirmed that the Strategy has been updated and a draft produced which is being discussed at Officer level. The Lead Member for Finance, Performance and Strategic Assets has been briefed on progress and has agreed to receive a draft of the Strategy once the Officer review is completed. The Strategy will be updated by 31/03/19.		

<p><b>1.3i</b></p>	<p>To ensure the JPB are kept informed of all potential efficiency savings from collaborative procurement activities, the board will :</p> <ul style="list-style-type: none"> <li>a. explore the possible systems available to measure efficiency savings;</li> <li>b. agree how they will capture and measure non-financial savings;</li> <li>c. ensure there is an appropriate system in place to measure collaborative efficiencies;</li> <li>d. the Legal and Procurement Operations Manager should provide a report detailing missed opportunity for collaboration to the JPB; and</li> <li>e. consider longer term contracts, which will reduce procurement cost.</li> </ul>	<p>Legal and Procurement Operations Manager DCC / FCC,  In place 30/09/2018</p>	<p>In progress</p>
<p><b>Follow Up Results</b></p>	<p>The Legal &amp; Procurement Operations Manager has confirmed the ‘savings document’ has now been agreed, and there is a spreadsheet in place to record savings. In addition the Board are updated on all collaborative opportunities, including those which have been missed, all of which are recorded on the spreadsheet. Longer term contracts are now being routinely flagged up. This was confirmed by the Procurement Business Partner (Strategic) who confirmed “A Procurement Efficiency Measurement Methodology has been developed which was presented to the JPB for sign off at the recent Board meeting. The methodology contained efficiency measurement calculations for new and recurring procurement projects as well as for cash and non-cash releasing savings. Also a spreadsheet has been developed that measures collaborative and project specific efficiencies”.</p>		
<p><b>1.3ii</b></p>	<p>A review of Contract Procedure Rules relating to extensions, variations and direct awards to ensure markets are regularly tested and the most competitive price obtained.</p> <p>Staff to be reminded why extensions, variations and direct awards should only be taken up as a last alternative and should be for a minimum period of time while a tender is completed.</p>	<p>Legal and Procurement Operations Manager – DCC / FCC, 31/10/18</p>	<p>In Progress</p>

<b>Follow Up Results</b>	The Legal & Procurement Operations Manager has confirmed that this has now started.		
<b>1.4</b>	A review of the KPI's to be undertaken by the Legal & Procurement Operations Manager to ensure they are relevant and measurable. Once completed, the new KPI's will be approved by the JPB.	Legal and Procurement Operations Manager – DCC / FCC, completed	Complete
<b>Follow Up Results</b>	The Legal & Procurement Operations Manager has confirmed that this review has been undertaken and new KPI's are in place.		
<b>1.5</b>	The Legal & Procurement Operations Manager to consider the options available for a time recording system for staff to record time spent. A review of time spent working on Regional Procurement by DCC staff to be undertaken by the Legal & Procurement Operations Manager with consideration being given to recharging the individual local authorities.	Legal and Procurement Operations Manager – DCC / FCC, 31 March 2019	In progress
<b>Follow up Results</b>	The Legal & Procurement Operations Manager has confirmed that a system is now being trialled, but has pointed out that unless the team are given budget for a new time recording system they will have no option but to revert back to the previous methods of time recording.		
<b>1.6</b>	At the start of every year, the dates for the JPB will be entered into board members diaries and agendas and minutes provided prior to each meeting.	Legal and Procurement Operations Manager – DCC / FCC,	Complete

		In place	
<b>Follow Up Results</b>	The Legal & Procurement Operations Manager has confirmed that this is now being done.		
<b>1.7</b>	The JCPU will consider reports that show expenditure by category and aggregate spend by service/authority to identify off contract spend and identify areas for collaboration.	CPU Business Partners – DCC / FCC Legal and Procurement Operations Manager – DCC / FCC, In place and ongoing	In progress
<b>Follow Up Results</b>	The Legal & Procurement Operations Manager confirms that the Board will focus on strategic matters and the CPU Business Partners will review the spend reports as agreed. If there is a particular issue with a Service, for example, continual off contract spend, then this would be reported to the Board. The Business Partners are analysing the spend reports and this requirement is captured as an objective in their performance appraisals.		
<b>1.8</b>	In order for the JCPU to advise whether collaborative procurement can take place, the following information will be captured and held: <ul style="list-style-type: none"> <li>a. the actual and potential collaborative procurements;</li> <li>b. details of any potential instances of collaboration which Services decline to take forward collaboratively;</li> <li>c. up to date information around contracts coming to an end across DCC/FCC in so far as the information is recorded on Proactis; and</li> <li>d. collaborative procurements with an approval made to the relevant Council/Service.</li> </ul>	Legal and Procurement Operations Manager – DCC / FCC JPB – DCC / FCC, In place & Ongoing	In progress
<b>Follow Up Results</b>	The Legal & Procurement Operations Manager has confirmed that this is now being done.		



<b>Root Cause 2</b>	<b>Limited high level corporate and political buy-in to the delivery of the joint service resulting in lack of prominence of service objectives across the two Councils.</b>		
<b>Underlying Weakness</b>	<p>Shortfalls with procurement activity within services were identified and listed in the Procurement Strategy 2016. Despite a procurement transformation programme to coincide with the launch of the strategy (consisting promotion of the strategy and revised CPRs and training to staff within services on procurement), these issues remain. We have broken down this root cause to the following underlying weaknesses:</p> <ul style="list-style-type: none"> <li>• Culture change (to ensure the achievement of service objectives detailed in the 2014 business case) is not driven by Senior Management and cascaded through the management structures within each Council. Lack of necessary leadership to gain buy-in and drive through the improvement required with procurement activity within services (2.1).</li> <li>• Uncertainty within services around the role of the Procurement team (2.2). Move from an advisory function to a more supporting role with greater focus on compliance with CPRs is a recent change and will require a culture change within both councils.</li> <li>• Limited consideration of the scope for collaborative procurement at the planning stage of procurement exercises (whether collaborative procurement between services within the same council or across the two councils) (2.3).</li> <li>• Inconsistent use of the Proactis corporate contract register by services. Lack of contract information is impeding the identification of areas in which collaborative procurement could deliver efficiencies (2.4).</li> <li>• Confidence around use of the Proactis system (including the contract management module) is limited within those services where procurement is not carried out on a regular basis (2.5).</li> </ul>		
<b>Action (Ref)</b>	<b>Agreed Management Action</b>	<b>Responsibility &amp; Deadline</b>	<b>Status</b>
2.1	The JPB need to raise the profile of the JCPU in both Councils. Legal and Procurement Operations Manager and Head of Legal and Democratic Services and HR (at DCC) and Legal and Procurement Operations Manager and Chief Officer (Governance) (at FCC) to attend Senior Leadership Team /Corporate Leadership Team to discuss procurement and the need to collaborate.	Officers of the JPB, 31/12/18  Legal and Procurement Operations Manager	In progress

	The JCPU to provide a procurement activity report for each Service Challenge (DCC) broken down to the individual services.	Head of Legal and Democratic Services and HR (DCC) Chief Officers (FCC) / SLT and Middle Managers (DCC)	
<b>Follow Up Results</b>	The Legal & Procurement Operations Manager has confirmed that this is underway, with service challenge reports now being submitted (DCC).		
<b>2.2</b>	<p>CPU Business Partners will attend Service Senior Management Team meetings quarterly.</p> <p>The Legal and Procurement Operations Manager will attend Senior Leadership Team/Chief Officer Team six monthly.</p> <ul style="list-style-type: none"> <li>The Legal and Procurement Operations Manager will consider marketing options that are available at each of the Councils to promote the CPU.</li> </ul>	Legal and Procurement Operations Manager - DCC / FCC, 31/03/2019	Complete
<b>Follow Up Results</b>	The Legal & Procurement Operations Manager has confirmed that members of CPU are attending SMTs quarterly and attendance is recorded on a spreadsheet. Posts about CPU have been made on LINC (intranet), Denbighshire Today and also Visiontime (staff time recording system).		
<b>2.3</b>	<p>The commissioning form will be amended to ask Services if they have considered collaborative procurement across DCC/FCC, and across internal services.</p> <p>If a collaborative procurement is not considered the reason should be recorded on the commissioning form.</p> <p>If in the opinion of the CPU a collaborative procurement is possible but is not being pursued, this is reported to JPB by the Legal and Procurement Operations Manager.</p>	Legal and Procurement Operations Manager - DCC / FCC, In place	Complete

<b>Follow Up Results</b>	The Legal & Procurement Operations Manager has confirmed that this is now being done.		
2.4	<p>CPU will be responsible for getting contracts sealed/signed, scanning into Proactis and notifying the contract manager. CPU will then pass the contract over to the contract manager which will prompt the contract management module to be used.</p> <p>Proactis functionality will be used to send an automated chaser to contract managers about contract expiry dates and the need to take action to ensure service continuity. This should also reduce the need for exception/extension reports because of the advance warning of a contract expiry date.</p>	CPU/Business Partners - DCC / FCC, In place and on going	Complete
<b>Follow Up Results</b>	The Legal & Procurement Operations Manager has confirmed that this is now being done.		
2.5	CPU to provide contract monitoring training for Services/contract managers during the next 12 months.	CPU Strategic Business Partner - DCC / FCC, 31/03/2019	In progress
<b>Follow Up Results</b>	The Legal & Procurement Operations Manager has confirmed that this is now in progress.		

## Report Recipients

- Legal & Procurement Operations Manager
- Legal Services Manager
- Head of Legal, HR & Democratic Services
- Lead Member for Finance, Performance & Strategic Assets
- Corporate Governance Committee
- Strategic Planning & Performance Officer

## Internal Audit Team

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## Key Dates

Follow up review commenced	December 2018
Review completed	January 2019
Reported to Corporate Governance Committee	23 January 2019