

THE VALE OF GLAMORGAN COUNCIL

CABINET: 13TH APRIL, 2023

REFERENCE FROM CORPORATE PERFORMANCE AND RESOURCES
SCRUTINY COMMITTEE: 15TH MARCH, 2023

“ PROCUREMENT POLICY AND STRATEGY (REF) –

The reference from Cabinet of 27th February, 2023 was presented by the Head of Finance/Section 151 Officer for the consideration of the Committee.

This was a relatively ambitious Policy and Strategy and was the sum of a considerable amount of work undertaken across the whole of the Council. This updated Policy and Strategy had moved on from its 2018 iteration and aligned with the latest Corporate Plan and also policy initiatives from Welsh Government (WG) in terms of procurement. The new Policy and Strategy also provided an opportunity to streamline and make ‘punchier’ its policy objectives, including extra prominence to Project Zero and greater support for small and medium-sized enterprises (SMEs) and local businesses. There would also be an extra emphasis on social value and to ‘stretch’ the Council’s suppliers to help pursue the Council’s objectives, including minimum expected and preferred standards as well as seeking to differentiate between small and large companies. The Policy and Strategy had also been shared with 25 of the Council’s existing suppliers, receiving 18 replies which included feedback such as the importance of raising awareness of the Policy and Strategy.

The Vice-Chair was then invited to speak on the matter, with it being noted that he had declared a personal and prejudicial interest on this item and so would leave the meeting after he had made his representation. He raised a number of points, including the importance of the Policy and Strategy in relation to the Council’s attempts to be a Net Zero Organisation by 2030, the need for greater clarification on what constituted excessive working hours, and the need to include a commitment that suppliers paid their employees the Real Living Wage. The Head of Finance/Section 151 Officer stated he would look into the Vice-Chair’s comments and suggested additional wording.

Following the Officer’s presentation, the subsequent questions and comments were raised by the Committee:

- Councillor Haines commented on the shortage of relevant Council officers to assist with the Procurement Strategy and Policy and no forward plan, as well as the necessity of the relevant Head of Department to take these up. He also suggested that businesses and suppliers within the Vale should be given greater preferential treatment around the Council’s procurement and a greater emphasis on value for money in the Policy and Strategy were needed.

- Councillor Carroll queried what the main consideration for this Policy and Strategy was, commenting that value for money should be the ‘underpinning’ consideration for the Council’s Procurement Strategy and its objectives; in reply, the main consideration was to reflect the significant changes that had occurred since the previous iteration, i.e. carbon reduction and greater emphasis on more ethical practices. There was also the need to make the Policy and Strategy more ambitious, with a greater focus on the Policy itself and making a more overarching ‘corporate’ document as well as streamlining it to ensure greater prominence to the areas that the Councillor felt were key, such as a far more robust value for money objective as part of its 8 policy objectives. The position of this key objective would be considered and moved further up the list of objectives if appropriate.
- Councillor Wood raised concerns about the impact of the new minimum expected and preferred standards for procurement on existing and potential suppliers for the Council, particularly smaller, local companies. He also referred to the need for clarity on when suppliers needed to achieve Net Zero. He finally queried if the Policy and Strategy was in line with those of other Welsh Local Authorities. In reply, the majority of those suppliers surveyed (from a wide cross section of businesses) had affirmed their commitment to Net Zero and social value. Due to ongoing work with Cardiff Council over areas like the Shared Service Arrangement, there had been alignment with procurement as well and the Council’s suppliers had been consulted with concerning minimum standards. Due to this, there was differentiation on these standards in order to reflect the size and ability of the businesses involved to achieve these.
- The Executive Leader and Cabinet Member for Performance and Resources informed the Committee of the benefits that the Policy and Strategy could bring, citing the benefits accrued from a similar approach undertaken via Sustainable Communities for Learning through creating jobs and boosting the local economy. Work was being undertaken with SMEs in order to help them achieve Net Zero and enter into procurement arrangements with the Council. In terms of value for money, etc. the Council monitored this via outcomes, i.e. helping businesses to grow, to upskill and making sure that the Council got good quality local services or goods and being mindful of the carbon footprint at the same time.
- The Chair welcomed the new, updated Policy and Strategy, which provided a framework for the Council in terms of procurement with the addition of a list of comprehensive standards for companies that the Vale would expect to meet if they wished to become a contracted supplier, and the TOMS (Themes Outcomes Measures and Standards) list of all potential Social Value measures. The focus on Social Value in the Strategy was welcome, and for clarity the Chair explained that evaluating tenders and reporting on Carbon Reduction and Social Value was something that all Local Authorities were doing, going forwards. The inclusion of WG’s overarching ‘vision’ for procurement helped to set the scene although it would have been more appropriate for there to have been a specific Vale of Glamorgan vision also. Performance metrics were largely absent from this Strategy, and a breakdown of the spend to Directorate Level and Category would be necessary to be able to manage procurement spend going forward. Due to spending having been

devolved to the Directorates, a tighter approach to governance would be necessary to ensure transparency and compliance with Public Sector Regulations. Lastly, a plan of action should be included to cover the deliverables for the year, and as the Procurement Strategy should be a 'living' document it should be reviewed on an annual basis. It was explained that through ongoing collaboration with Cardiff Council, the Council would have access to specialist support in key areas of procurement i.e. construction. Future iterations of the Policy and Strategy would include additional data, such as breakdown by category and Directorate. An Action and Development Plan would also be included, plus a more robust contract register, as part of the shared service work with Cardiff. The Policy and Strategy would also be 'living' document(s).

Having considered the reference and report, Scrutiny Committee subsequently

RECOMMENDED – T H A T Cabinet be informed of the following proposed material changes recommended by the Committee regarding the Procurement Policy and Strategy, for their consideration:

- That the Policy and Strategy includes the requirement that businesses, with which the Council engages with in terms of procurement, pay the Real Living Wage.
- That the Policy and Strategy includes greater clarification on what constitutes excessive working hours.

Reason for recommendation

In order that Cabinet be informed of the proposed material changes recommended as part of their consideration of the Policy and Strategy.”