

## CABINET

<b>Date of Meeting</b>	Tuesday, 15 <sup>th</sup> December 2020
<b>Report Subject</b>	Joint Corporate Procurement Unit Annual Report 2019/20 Annual Report 2019/20
<b>Cabinet Member</b>	Cabinet Member for Corporate Management and Assets
<b>Report Author</b>	Chief Officer (Governance)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The Council has a joint procurement service with Denbighshire County Council, which acts as the host authority. The joint service has been in place since 2014 and Cabinet agreed to renew the Service Level Agreement (SLA) for that service with Denbighshire in 2018.

The service produces an annual report on activity and performance against targets which are derived from the Procurement Strategy. The second annual report is attached. In summary, it shows a small improvement against most key performance indicators, a positive trend which can be amplified and accelerated.

### RECOMMENDATIONS

1	That Cabinet notes the annual performance report, and endorses the proposed actions to improve performance (where required).
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE JOINT CORPORATE PROCUREMENT UNIT ANNUAL REPORT 2019/20</b>
1.01	The Council entered into a shared service arrangement in 2014 with Denbighshire County Council (“DCC”) for the delivery of procurement advice. DCC is the host body and employs the team who deliver the service. The arrangement lasts until 2021.
1.02	There is a Service Level Agreement (“SLA”) governing how the service is delivered. That SLA established a Procurement Joint Management Board (“PJMB”) consisting of senior officers and the Cabinet Member from each Council. The PJMB holds the service to account, monitors performance and resolves issues relating to the delivery of the service.
1.03	The SLA also requires the service to report annually on its performance and the Councils’ achievement of their aims in the Procurement Strategy. The report for 2019/2020 is attached.
1.04	The report covers all aspects of the service such as budget and structure, as well as performance against its Key Performance Indicators (KPIs). The service is operating within budget.
1.05	The full performance tables are at Appendix 3 of the Annual Report, with the main indicators below compared to last year’s performance.

### **Outcome 1 - The Council achieves value for money from the goods, works and services it procures**

	PI No	DESCRIPTION	18-19	19-20
	CPS2	Number of Procurement Challenges	0%	0%
	CPS3	% of contracts delivering anticipated savings	17/38 44.71%	20/44 45.45%
	CPS 4	% of Procurements AWARDED collaboratively	6/38 15.79%	3/44 6.82%

### **Outcome 2 - The Council improves the contribution its procurement activity has on the local economy**

	PI No	DESCRIPTION	18-19	19-20
	CPS5	% of spend with suppliers based within Mersey Dee Alliance	33.75%	33.25%
	CPS6	% of spend with suppliers based within Wales	49.25%	51%

	CPS9	% of spend with suppliers based within Flintshire	25.75%	25.5%
	CPS7b	% of Flintshire contracts between £25,000 and £1,000,000 containing Community Benefits	17/36 47.22%	20/34 58.82%
1.06	The use of framework contracts, which can be a quick and cost effective procurement solution, means that a fresh procurement exercise does not need to be undertaken. This therefore impacts on the number of collaborative procurement exercises though other causes include differing contract specifications and divergent timelines.			
1.07	The proportion of contracts above £25,000 (but less than £1m) in value containing community benefit clauses dropped towards the end of 18/19. As predicted following the approval of the social value strategy by Cabinet in March last year, that proportion has seen a small increase as understanding of how to apply the new policy increases. Initial teething problems in how to implement social value assessment on the Proactis procurement software were encountered. These were not resolved until after the period of this report so it is hoped that the proportion of contract including social value will grow more quickly.			

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	The SLA states that the Council's will split the costs based on their share of the combined overall spend of both Councils. That spend will vary from year to year depending on capital projects but Flintshire broadly spends 55% and so its share of the running costs is 55%.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The PJMB meets quarterly to monitor performance of the joint service. Corrective actions are reported back to and agreed at the respective management teams by officers.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	The report has been considered by the Procurement Joint Management Board.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Procurement Service Annual Report 2019/20.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Gareth Owens, Chief Officer Governance  <b>Telephone:</b> 01352 702344  <b>E-mail:</b> <a href="mailto:Gareth.legal@flintshire.gov.uk">Gareth.legal@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Key Performance Indicator</b> - a type of performance measurement used to evaluate the success of an organisation or of a particular activity in which it engages.</p>