



Audit and Governance Committee

Agenda Item

08 September 2023

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Title:	Update Procurement Review
Report of:	Chantel Allott, Procurement and Contracting Manager
Lead Member:	Edna Murphy (Lead Member for Governance)
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	N/A

Recommendations:

A	To note the guidance document attached within appendix A (which will be reported to Board on 20 September) and invite comments from this committee
B	To note the Internal Audit of procurement is scheduled for Quarter 4 2023-24
C	To note there may be a paper returning to this committee should there be any significant changes once the impact of the Procurement Bill is known and that updates on procurement will be provided to the committee annually thereafter

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

	Achieving Best Value and High Performance
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1. Purpose

1.1	This paper seeks to provide the committee with an update of the various workstreams within the procurement improvement work
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2. Proposal

2.1	The recommendations brought to this committee in June to recommend to the CA Board to approve the high-level action plan and recruitment of additional posts within the procurement team and in July to recommend to the CA Board to approve the changes made to the Contract Procedure Rules (CPR's) within the constitution, as well as the implementation of the Procurement Strategy and Policy documents, were all approved by the CA Board in July
2.2	In June 2023, a report was brought to this committee with the PwC recommendations advising that based on the Authority's spend, 8-FTE were required. A paper was brought to this committee to recommend to the CA Board to approve an additional 3-FTE posts outside of the 2-FTE posts already in the Authority's structure. 3 out the 5 posts have been recruited to, with one role on-going to replace

	the interim role currently in place. A decision has been made to put 1 x procurement officer role on hold until a later date, to allow the team to adjust, settle and embed themselves into the organisation. A review on how the structure is working within the wider organisation will take place before recruiting into the last remaining officer post.
2.3	Once the procurement officer role is in post to replace the interim currently in place, attention will be turned to the recruitment of the Contracts Manager post.
2.4	Training resource has been sourced by the Project Management Office to roll out to the entire organisation which will be compulsory for all staff members to complete. In addition, once the procurement guidance document is approved and procurement templates have been updated, the procurement team will be rolling out training to all teams on the new processes and how to use templates going forward.
2.5	Work has been undertaken for a corporate performance dashboard, which includes an initial KPI for the procurement department, which is to reduce the number of waivers submitted. As the new policies and processes are embedded into the organisation additional KPIs will be set linking back to the Procurement Strategy and Policy documents which will be continuously monitored. The structure and KPIs are being based on the operating model 2. (Hub and Spoke) within the PwC Report, with 1-FTE assigned to each directorate, acting as a Business Partner.
2.6	The approved Internal Audit programme for 2023-24 includes a review of procurement. To enable time for the new policies and processes being used across the organisation to embed and the performance of these to be monitored the review is scheduled for Quarter 4.
2.7	It is anticipated that the Procurement Bill passing through Parliament will become law in the Spring of 2024. Once this is in place an analysis will be undertaken of any changes required by the new legislation and a report brought back to the Audit & Governance Committee. Thereafter it is proposed that reports be brought back annually to the committee to update on progress with embedding the improvements to procurement.

3. Background

3.1	The CPCA received a best value notice dated 24/01/2023 following concerns raised within the Authority in respect of procurement of services by the Authority. The CPCA commissioned PwC to undertake an external review of the procurement service. PwC were asked to comment on the Combined Authority's Procurement strategy, policies, operations and compliance and how this reflected best practice and Best Value and to provide recommendations for improvement to the Combined Authority, taking into account the likely requirements of the Procurement Bill currently passing through Parliament. This report was taken to A&G in June to recommend to the CA to approve the implementation of the high-level action plan. Following on from this, changes were made to the Contract procedure rule (CPRs) within the constitution, as well the implementation of a Procurement Strategy and Policy document. This report was taken to A&G in July to recommend to the CA Board to approve.
3.2	An external agency was commissioned to review the CPRs within the constitution to simplify them and set out our legal obligations under the current legislation as well as the impending Procurement Bill currently passing through Parliament. They were also asked to review our current Procurement Policy for practicality and usability, as well as incorporate procurement's strategic objectives following the procurement review.

4. Appendices

4.1	Appendix A – Procurement Guidance Document
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5. Implications

Financial Implications

5.1	There are no specific financial implications from this proposal, which is an update. The Committee should note that specific funding to undertake the procurement action plan has been included within the Improvement Programme budget and that the improved procurement that will stem from the action plan should drive improved Value for Money and Best Value for the Combined Authority in the future.
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Legal Implications

6.1	<p>This report needs to be seen in the context of the legal and constitutional nature of the CPCA itself. Under Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007), the CPCA is under a general duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.</p> <p>6.2 Chapter 13 Rule 13.2.1 of the CPCA constitution empowers this committee to review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions.</p>
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Public Health Implications

7.1	None directly
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Environmental & Climate Change Implications

8.1	None directly
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Other Significant Implications

9.1	None
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Background Papers

10.1	None
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