

**REPORT TO RESOURCES COMMITTEE****DATE:** 26 November 2007**SUBJECT:** Strategic Procurement Group**SUMMARY:**

To nominate a member champion to liaise with the chair of the group

OBJECTIVES		IMPLICATIONS	
Trusted & Respect		Operational Risk Management	/
More than Emergencies		Community Risk Reduction	/
Saving Lives, Protecting Communities	/	Training & Development	/
Managing within Budget	/	Civil Contingencies	/
Improving Efficiency	/	Finance & Procurement	/
Resources to Priorities	/	H.R.	/
Alternative Resources	/	ICT	/
Managing People		Corporate Services	/
Integrated Management Planning	/	Transport	/
Partnership Working	/	Health & Safety	/
Effective & Empowered People	/	Premises	/
Sustainability & the Environment	/	Welsh Language	
Governance	/	Legal	

**COMMENTS/OBSERVATIONS:**

The Strategic Procurement Group will examine a number of issues that will impact on the above. See attached report to the Policy Board and Terms of Reference

**RECOMMENDATIONS:**

That a member champion be nominated from within the Resources Committee, not to actually sit on the group but for the chair of the group to liaise with on key issues.

**BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:**

Attached report to the Policy Board and Terms of Reference

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**CORPORATE PROCUREMENT IN  
MID & WEST WALES FIRE & RESCUE SERVICE  
Report to the Policy Board on 5<sup>th</sup> Sept 2007**

Procurement has enjoyed an increasing profile in the Public Sector over recent years. This has in the main stemmed from the Best Value Reviews era, when the necessary 4 'C's incorporated 'Competition' – ie the need to examine how we procure services and from whom. This has continued with the release of the 'Making the Connections' and 'Delivering the Connections' documents from the Welsh Assembly Government, again ensuring that collaboration of services is high on the agenda. This again is no more than a procurement decision.

A further impetus has been the expectation within these same documents and from Gershon to deliver efficiencies through Procurement. This has been a major influence in recent times.

And finally the recent major shift nationally towards Sustainable Development – now also featuring highly on the Welsh Assembly agenda – resulted in a National UK Sustainable Procurement Taskforce (UKSPTF) producing for the UK government a sustainable procurement assessment document entitled 'A Flexible Framework'. This has been adapted by the Welsh Assembly Government into a general Sustainable Development assessment tool for organisations in Wales entitled (rather confusingly) the Sustainable Procurement Assessment Framework (SPAF), which incorporates not only a Procurement assessment tool as the title implies, but also a general Sustainable Development one. It is expected that organisations use this to determine their existing position, the extent of their commitment to move forward on the many issues included therein and to determine priorities. This organisation has signed up to this means of assessment and it would be my intention to utilise this to take forward the Procurement elements.

The definition of Procurement is 'The whole process of acquisition from third parties, covering goods, services and capital projects. The process spans the whole life cycle from initial concept through to the end of the useful life of the asset (including disposal) or end of the service contract.(Better Value Wales 2000)

Sustainable Procurement is a key method of delivering an organisation's Sustainable Development priorities. It is all about taking social, economic and environmental factors into consideration alongside financial factors in making these decisions. It involves looking beyond the traditional economic parameters and making decisions based on the whole life cycle, costs, the associated risks, measures of success and implications for society and the environment. Making decisions in this way requires setting Procurement into the broader strategic

context, including value for money, performance management, corporate and community priorities.

Whilst Procurement has been a key component in the direction of strategic policy in parts of the public sector, organisations are awakening to this potential at different paces.

I would propose that this organisation can make greater use of Procurement in the strategic context and I would wish to set up a Strategic Procurement Group to take this forward. This group would not only bring together all the elements previously mentioned, but would allow a more cohesive approach to Procurement in the organisation. This organisation would then have satisfied all the recommendations of the Procurement Healthcheck undertaken by external consultants in 2005, and would also address the auditors concerns which were voiced in the final audit report for 2005/06 and which referred to Procurement currently in this organisation as 'fragmented'. However as described above, the group would be much more than purely ensuring compliance – although this is a fine aim in itself!

I believe that the all Wales Procurement seminar organised by this service initiated a greater understanding of the potential role of Procurement in this organisation, moving the managers' perspective from pure Purchase and Supply to a Corporate Strategic role. This will have prepared managers for 'buy in' to the Strategic Procurement Group, so that it can more readily deliver on the group's aims.

The proposed remit for the group is attached at Appendix 1. As there are possible significant implications to the Authority of some of the work areas of the group – particularly for example in the collaboration, alternative methods of service provision, efficiencies and Sustainable Procurement policy – and there may well be others – I would propose that a member champion be nominated from within the Resources Committee, not to actually sit on the group but for the Chair of the group to liaise with on key issues.

**MID & WEST WALES FIRE & RESCUE SERVICE****STRATEGIC PROCUREMENT GROUP (SPG)****TERMS OF REFERENCE****Responsibility and Purpose**

The Strategic Procurement Group is responsible to the Policy Board and the key purpose of the group will be to develop, maintain and implement a Procurement strategy for the Authority.

**Membership**

The group will be chaired by the Director of Finance and Procurement who will be supported by the Procurement Manager. The secretary will be the Procurement Officer. Other members of the group will be the Director of Service Delivery, Head of ORM, Head of Training and Development, Head of HR, Head of CRR, Head of CCR, Premises Manager, Transport Manager and IT and Comms Manager

The group may co-opt such other Reference holders as deemed relevant to the particular topics under consideration, for such duration as is necessary, and can ask for information from other managers for the purposes of completeness.

**Meetings and Reporting**

The group will meet not less than quarterly, and will submit reports to the Policy Board. Sustainable Procurement issues will be referred to any Sustainable Development Group in being, until that time these will also be referred to the Policy Board.

**Principal Activities**

1. To develop and implement a Corporate Procurement Strategy and Action Plan
2. To develop and implement a Sustainable Procurement Strategy and Action Plan with reference to any Sustainable Development Policy that there may be in the organisation and with reference to the Sustainable Procurement Assessment Framework (SPAF) as issued by the Assembly.
3. To monitor the delivery of the Corporate Procurement and Sustainable Procurement Strategy action plan targets
4. To ensure that all the regulatory requirements of the Authority are updated, including the revision of Contract Standing Orders and their impact on the Constitution, so that managers comply fully with relevant UK national and European law in all procurement activity.
5. To manage the links between the Corporate Procurement Strategy and Risk Reduction Planning/Improvement Plan outputs and the work of other working groups
6. To consider the allocation of funding that is made available for Sustainable Procurement in the Authority.

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7. To promote awareness of the importance of Procurement and Sustainable Procurement at all levels of the Fire & Rescue Service through:-
  - a) Promulgation of management information and advice.
  - b) Provision of necessary training.
  - c) Provision of guidance notes/instruction on specific areas of procurement
  - d) Provision of support
8. To oversee the development and use of performance measures for procurement activities.
9. To be cognisant of the drive for collaboration and the Procurement implications in terms of options for service delivery, as outlined in the 'Making the Connections' and 'Delivering the Connections' documents.
10. To attend to the requirement for any Procurement efficiencies to be measured and delivered in order to comply with WAG guidance on efficiency expectations.
11. To liaise with the CFOA Wales Procurement Group and through them with the CFOA National Procurement Board regarding potential policy change and guidance. Take account of national activity of FireBuy Ltd.
12. To take cognisance of any activities or guidance from the Association of Procurement Practitioners in the Fire Service (APPFS)
13. To take cognisance of any activities or assistance from the Welsh Assembly Government and Value Wales.
14. To ensure Best Practice is achieved in a cohesive way throughout the Authority.

**Other Matters**

The Procurement Working Group is not responsible for individual procurements which will continue to be the responsibility of the relevant managers. Recommendations will ultimately be referred to the appropriate group or individual best placed to consider the response necessary.

The group may, from time to time, set up sub groups or working parties to consider particular topics. Such groups should be chaired by a member of the SPG and observe the reporting and other conventions observed by the SPG.