



Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



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| Meeting Date | 13 October 2022 | Agenda Item | 4.1 |
| Report Title | Update on Procurement training and awareness across the Health Board | | |
| Report Author | Keir Warner | | |
| Report Sponsor | Darren Griffiths | | |
| Presented by | Keir Warner | | |
| Freedom of Information | Open | | |
| Purpose of the Report | This report provides an update on the procurement training that has been delivered, and that is planned to be delivered, to Health Board staff. | | |
| Key Issues | An analysis of non-compliance against Health Board standing orders, and a 2021 NWSSP Audit report, in relation to Procurement and Tendering, identified a gap in understanding relating to procurement rules and regulations across the organisation. The Head of Procurement developed a planned programme of training in order to support the development of this understanding. The progress and future plans of which are outlined in this paper. | | |
| Specific Action Required (please choose one only) | Information | Discussion | Assurance |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Recommendations | Members are asked to: <ul style="list-style-type: none"> Note | | |

TITLE OF REPORT

1. INTRODUCTION

All public bodies in the United Kingdom are required to comply with the Public contract regulations 2015 (PCR). The over-riding procurement policy requirement is that all public procurement must be based on value for money, defined as “the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought”. This should be achieved through competition, unless there are compelling reasons to the contrary.

2. BACKGROUND

Public sector procurement is subject to a legal framework which encourages free and open competition and value for money, in line with internationally and nationally agreed obligations and regulations.

Model Standing Financial Instructions (SFIs), which incorporate the obligations as set out in the PCR, were issued to all Health Boards and Trusts in Wales under the powers of direction provided in section 12 (3) of the National Health Service (Wales) Act 2006. These SFIs identify the financial responsibilities which apply to everyone working for the LHB and its constituent organisations.

The Health Board’s Procurement department act as a gatekeeper in ensuring that all expenditure that it is aware of is compliant with the requirements of Health Board Standing Orders and the wider regulatory framework governing Public Procurement.

The Head of Procurement is required to prepare and present a report to every meeting of the Audit Committee, outlining the Health Board’s use of Single Tender Action (STA), Single Tender Quotation (SQA), and any non-compliance with SFI’s for the previous 2-month period. It was clear from these reports that there was inappropriate use of STA/SQA, which may only be used in circumstances whereby no competition is available. The same reports also made it apparent that a lot of departments were procuring goods and services without the involvement and advice of the Procurement department. The majority of these instances also showed that compliance with SFI’s and the PCR had not been achieved.

NWSSP Audit and Assurance presented a report to the Health Board in October 2021, entitled *Procurement & Tendering -Single Tender & Single Quotation Actions*, which offered limited assurance in relation to the appropriate use of SQA/STA.

In light of the above, the Procurement team engaged with stakeholders to establish what the gaps in understanding of the Procurement policies and regulations were. The main goals of this skills gap analysis was to ensure that the Procurement team were supporting the development of the workforce in this critical area, and to ensure that staff were protected in terms of their understanding of Health Board policies and procedures. This engagement included Senior and operational staff from all Service groups, and members of the Executive team and COO’s office. An activity plan was

developed as a result of this engagement and training/awareness delivered to date is as follows;

- The All Wales Procurement Manual was published in Summer 2021 and is available to all NHS Staff. This has been publicised extensively through the SBUHB and NWSSP intranet sites and is available on the Procurement Team's sharepoint page.
- The Head of Procurement delivered training to the Executive Team on October 2021. A covering note regarding the appropriate use of STA/SQA was also issued to the Senior Leadership team in October 2021
- Procurement training sessions have been delivered to GP clusters , and Primary Care Services Business managers through the Primary Care Performance and Finance meeting. Both were delivered in June 2022.
- The Procurement team have engaged with the Medical workforce team to develop and enhance processes relating to engagement with Medical Agency/Locum staff. This was completed in July 2022
- A Procurement *Drop in Clinic* was held at Singleton Hospital on the 21st September 2022. This is one of an ongoing series of such clinics covering a range of SBUHB sites.
- Procurement training, including a Q&A session, was delivered virtually to Health Board staff on the 29th September 2022. This session was also recorded and will be made available on the SBUHB intranet site

In addition to the above, the following training and support has been arranged or is in the planning phase;

- Procurement drop in clinics to be held at Morriston, NPTH, Glanrhyd, Cefn Coed and Corporate HQ between September and December 2022 (all dates have been arranged and publicised)
- An *Evaluator guidance* document has been developed which will be shared with all staff involved in scoring and evaluating tender responses. This outlines their obligations in line with legislative requirements and provides an additional level of assurance to the Health Board. Virtual training sessions will also be delivered on an ongoing basis to support the roll out of this document.
- A buyers manual is in the process of being developed by the NWSSP Procure to Pay (P2P) group. This will assist in supporting both the buyers within the Procurement Team and devolved buying activity within SBUHB.
- Further dates to be agreed to provide updated training to the Executive Team

- Dates existing Service group Procurement meetings to be identified as the most appropriate for Procurement training to be delivered

3. GOVERNANCE AND RISK ISSUES

A failure of any Public Body to comply with the requirements of the PCR may result in legal action being taken against the Health Board by an aggrieved party. These sanctions are defined as *Remedies* under the PCR and can be summarised as follows;

- An order to set aside a decision of a contracting authority in the course of a tender procedure.
- The award of damages to an operator which has suffered loss or damages as a result of a breach.
- The remedy of prospective ineffectiveness of the contract where the relevant grounds are met (for example a breach of the procurement rules).
- Financial penalty imposed on the contracting authority by the courts.

In addition to the legal implications as noted, there is the potential for significant reputational damage to the Health Board of not adhering to legislative requirements.

Expenditure is continually monitored by the Procurement team to ensure that compliance is in place. Where a breach of the Health Board's SFI's takes place then remedial action is taken, including specific and targeted training for staff.

NWSSP Audit and Assurance and the Wales Audit Office also audit and review expenditure and procurement practices which assists the Procurement Team in identifying issues and developing plans to address them

4. FINANCIAL IMPLICATIONS

All current and planned activity as outlined within this paper are costed with the Procurement Team's existing resource.

Future developments relating to training and materials may be subject to funding requests going forward.

5. RECOMMENDATION

Members are asked to note the approach taken by the Procurement team in developing and delivering training to Health Board colleagues. It is important to note that the approaches outlined in this paper are part of an ongoing programme of training.

| Governance and Assurance | | |
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| Link to Enabling Objectives <i>(please choose)</i> | Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities | |
| | Partnerships for Improving Health and Wellbeing | <input checked="" type="checkbox"/> |
| | Co-Production and Health Literacy | <input type="checkbox"/> |
| | Digitally Enabled Health and Wellbeing | <input type="checkbox"/> |
| | Deliver better care through excellent health and care services achieving the outcomes that matter most to people | |
| | Best Value Outcomes and High Quality Care | <input checked="" type="checkbox"/> |
| | Partnerships for Care | <input type="checkbox"/> |
| | Excellent Staff | <input checked="" type="checkbox"/> |
| | Digitally Enabled Care | <input type="checkbox"/> |
| | Outstanding Research, Innovation, Education and Learning | <input checked="" type="checkbox"/> |
| Health and Care Standards | | |
| <i>(please choose)</i> | Staying Healthy | <input type="checkbox"/> |
| | Safe Care | <input type="checkbox"/> |
| | Effective Care | <input checked="" type="checkbox"/> |
| | Dignified Care | <input type="checkbox"/> |
| | Timely Care | <input type="checkbox"/> |
| | Individual Care | <input type="checkbox"/> |
| | Staff and Resources | <input checked="" type="checkbox"/> |
| Quality, Safety and Patient Experience | | |
| <p>Better understanding of procurement, in line with best practice and organisational policy will lead to more efficient procurement processes and better value for money being achieved across the Health Board. This will allow more staff time to focus on other areas.</p> | | |
| Financial Implications | | |
| <p>All current and planned activity as outlined within this paper are costed with the Procurement Team's existing resource.</p> <p>Future developments relating to training and materials may be subject to funding requests going forward.</p> <p>Better procurement practices will ensure that the organisation achieves better value for money. This will release financial resource.</p> | | |
| Legal Implications (including equality and diversity assessment) | | |
| <p>There are no direct legal implications flowing from the recommendation. It must be noted however that the application of the PCR 2015 is a legal requirement for all public bodies in the UK</p> | | |
| Staffing Implications | | |
| <p>None. All training has been provided by existing Procurement team staff.</p> | | |
| Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015) | | |
| <p>Improved staff training in this area has direct benefits for existing skill levels of staff. As has been noted increased understanding of procurement will free up both physical and financial resources for all Health Board staff, allowing more of a focus on patient outcomes.</p> | | |

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| Report History | N/A. The Audit Committee has been kept updated on progression this area as a part of regular procurement reporting. |
| Appendices | N/A |