

2023/24
DELIVERY PLAN

**SUPPLY,
DISTRIBUTION AND
PROPERTY**

**Corporate
Procurement Unit
Extract**



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1. Introduction

Supply, Distribution and Property comprises a wide range of services covering Corporate Asset Management, Building Services, Housing Asset & Investment and the Corporate Procurement Unit (CPU). It is one of 8 strategic areas responsible for delivering the Council's Strategic Plan. Key actions to help achieve that are set out in this Delivery Plan, together with actions to address any performance issues and service priorities identified in the planning process.

The progress of this Plan will be monitored and managed by the management team and reported to Corporate Services Committee twice yearly, at mid-year and year-end for the Corporate Procurement Unit (CPU), Infrastructure, Regeneration and Economic Development Committee for Corporate Asset Management and Housing and Communities Committee for Building Services and Housing Asset & Investment.

2. Performance Review

The Supply, Distribution and Property management team completed a detailed review of 2022/23 performance, focusing on the following:

- 2022/23 Delivery Plan year end progress;
- Local Government Benchmarking Framework (LGBF) comparative data;
- Association for Public Service Excellence (APSE)
- Scottish Housing Network (SHN)
- Complaints
- Continuous Improvement (Fit for Future reviews)

This review highlighted our key achievements in 2022/23 as well as the challenges to be addressed in 2023/24. These are summarised below.

Key Achievements in 2022/23

Listed below are some of the major achievements in each service area. All services achieved many other outcomes throughout the year which are not recorded here but are as important.

Corporate Procurement Unit

- Continuing to ensure the Councils spend is compliant.
- Delivered annual performance procurement savings of £539,927.

- Collaborated with partners to make a positive contribution to sustainability through procurement decisions.
- Collaborated with partners and suppliers to deliver and increase local social and community benefits.
- Delivered a renewed Contract and Supplier Management Policy.

Key Challenges from 2022/23

Cross Service

Workforce

- The turnover coupled with the time taken to replace, recruit and train employees across Supply Distribution and Property continued to be a challenge in 2022-23.
- The national skills shortage of qualified and experienced officers in Procurement, resulted in reduced workforce numbers and increased demands on existing teams.

Capital Projects

- Increasing issues relating to supply of labour and materials, due to increased energy, transport and raw material costs, impacted on supply chains, and third parties and our ability to carry out works within budget and on time.

Corporate Procurement Unit

- There have been some delays in the procurement process due to dependencies on some service areas due to competing priorities or resource challenges.
 - The team has experienced some rework and inefficiencies due to systems which currently are not automated.
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Strategic Assessment

The management team completed a strategic assessment to determine the major influences on service delivery and priorities in 2023/24. These are summarised below.

Financial Challenges

The entire public sector is continuing to face significant financial challenges due to a range of factors including inflationary cost increases, rising utility costs and insufficient funding to support the delivery of front line and back office services. The Council are currently faced with an estimated cumulative funding gap in 2024/25 of £9.7m rising to £29.5m by 2027/28. We will continue to monitor the overall financial position of the Council and updates on estimated future budget gaps will be reported to Elected Members throughout 2023/24.

These challenges mean further action is required to balance our budget and protect services for residents. This will mean that within the Service available funding will be reduced over time and we will need to reconfigure how we work and what we do, where we work, and potentially reduce the number of people employed.

Budget Sensitivity Analysis

In reviewing the service budget projections, consideration has been given to sensitivity of these budgets, in particular for higher risk/ higher value budgets which may have a significant impact on budgetary control and future budget projections. The analysis has considered sensitivity around demand, costs and charges, and income levels.

Within this service, budgets which have been identified as being more susceptible to fluctuations include:

- **Capital Plan and Operational Plan** - Nationally there has been a significant inflation in cost of building supplies and materials and in some cases shortfall in supplies. For some projects this may need to increased costs or slippage in delivery of the operational and capital projects.

Corporate Procurement Unit Action Plan

CPU – Improvement Plan

Following the Fit for Future review an action plan is being progressed to address key findings over a 3 year period, 2021/2024. This includes streamlining the customer experience, improving on line guidance and forms, improving process and procedural documents, user training and

service engagement together with team resilience and communication. The final milestone in Phase 1 of the action plan 2022/23, implementation of the Purchase to pay Policy, has been delayed until early 2023/24

Changes to Procurement Process

Following agreement at the Council Meeting in March 2023, CPU will progress a review of the service to deliver savings whilst streamlining processes. Non regulated procurement under £2m works and non-complex procurement for low contractual risk projects Services will administer these projects utilising framework agreement direct awards using the QuickQuote portal thus removing the need for market research, contract strategies, mini competitions, scorecards, monitoring activity and certain KPIs for those contracts.

Purchase to Pay (P2P)

Following agreement at the Council Meeting in March 2023, CPU will complete the review of purchase to pay administration procedures to deliver savings, reducing the need for CPU support and allowing services to fully undertake purchase to pay (P2P) activities. Services will utilise the updated guidance for a fully self-service P2P process including processing purchase orders (PO), approving PO, receipting items and approving the invoices.

Reduction in Workforce

The savings options agreed to deliver the 2023/24 budget mean a reduction in resources within CPU. In line with the changes to procurement and P2P, this will require a review of workloads and re prioritisation of tasks and responsibilities to ensure quality services are still delivered.

Council Wide Climate Change Strategy

The Council has developed a Climate Change Strategy in response to Scotland's climate emergency and to provide a route map towards meeting Scotland's national net zero carbon target by 2045. This Strategy has informed the development of a Climate Change Action Plan for 2022/23 to ensure environmental actions are devolved to relevant service areas and climate change action is mainstreamed across council policies, operations and the wider public. Progress against the actions assigned to SD&P will be monitored.

Continuous Improvement

To support continuous improvement, the Council has an established programme of Fit for Future service reviews. Using a range of tools, that encapsulates service design, maturity assessments and employee engagement, information is gathered and reviewed to identify improvements and to ensure our services are efficient and that we make best use of our resources.

Action Plan

The challenges identified in Section 2 and the key factors identified in Section 3 have informed SD&P priorities for 2023/2024. Appendix 1 sets out the action plan to address them. It also includes:

- performance indicators and targets that will enable progress to be monitored and reported to stakeholders;
- strategic workforce actions; and
- strategic and/or service risks

The Council has identified risks at both a strategic and service level. Strategic risks represent the potential for the Council to take advantage of opportunities or fail to meet stated strategic objectives and those that require strategic leadership; while service risks relate to service delivery and represent the potential for impact on individual services, or the experience of those who work within the services, i.e. employees, partners, contractors and volunteers or service users and clients in receipt of the services provided. In identifying the relevant risks for 2023/2024 and actions to mitigate them, the aim is to improve or maintain the current position (i.e. the current risk score) set out in the appendix.

3. Resources

Finance

Supply Distribution and Property has a net revenue budget of £1.51m credit and a capital budget of £5.898 in 2023/2024. A breakdown by service area is set out below. We will make the best use of the resources available to deliver on key priority areas and secure external/match funding where this is possible.

| Service Area | Gross Expenditure 2023/24 (£m) | Gross Income 2023/24 (£m) | Net Expenditure 2023/24 (£m) | Capital Budget 2023/24 (£m) |
|------------------------------|---|--------------------------------------|---|--|
| Consultancy Services | 1.009 | -0.784 | 0.225 | |
| Corporate Assets | 3.011 | -5.331 | -2.320 | |
| Capital Investment Team | 0.219 | -0.224 | -0.005 | 1.72 |
| Private Sector Housing Grant | 0.527 | -0.446 | 0.081 | |
| Corporate Asset Maintenance | 3.300 | -3.300 | 0 | 4.18 |

| | | | | |
|--|---------------|----------------|--------------|--------------|
| Housing Asset Maintenance & Investment | 0.446 | -0.396 | 0.050 | |
| CPU | 0.666 | -0.500 | 0.166 | |
| HMTA | 20.053 | -20.928 | -0.875 | |
| Office Accommodation | 1.482 | -0.314 | 1.168 | |
| Total | 30.713 | -32.223 | -1.51 | 5.898 |

Employees

Employee Numbers (data to be confirmed)

The headcount and full time equivalent staff in each service area (as of 31st March 2023) are as follows:

| Service Area | Headcount | FTE |
|----------------------------|------------|---------------|
| Corporate Asset Management | 40 | 36.97 |
| Housing Asset & Investment | 12 | 10.40 |
| Maintenance & Repairs | 360 | 348.36 |
| CPU | 16 | 15.54 |
| TOTAL | 428 | 411.27 |

Absence in 2022/23

The quarterly absence statistics for Supply Distribution and Property are shown below together with the Council average for the same periods for comparison. The figures have been higher than the Council average throughout 2022/2023:

| Absence in 2021/22 | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Annual FTE days lost per FTE employee |
|--|------------------|------------------|------------------|------------------|--|
| Supply, Distribution & Property | 3.96 | 4.56 | 4.94 | 4.00 | 16.52 |
| COUNCIL WIDE TOTAL | 3.86 | 3.28 | 4.42 | 4.02 | 14.00 |

Appendix 1: Action Plan

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| P | 3. Our Economy |
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| | |
|-----------|---|
| Ob | Objective 7. Our area has the infrastructure for sustainable and inclusive growth where businesses can flourish |
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| Performance Indicator | Target 23-24 | Owner |
|---|--------------|-----------------|
| % of Contract & Supplier Management scorecards delivered where the Supplier at a minimum, meets the Social Benefits expectations. | 100% | Annabel Travers |
| % of procurement spent on local small/medium-sized enterprises and SMEs who have a presence in West Dunbartonshire | 36% | Annabel Travers |

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| P | 4. Our Council |
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| Ob | Objective 10. Our workforce is resilient and skilled where digital technology supports service delivery for our residents |
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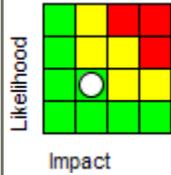
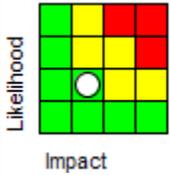
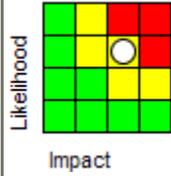
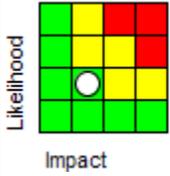
| Action | Due Date | Owner |
|---|-------------|-----------------|
| Develop and implement wellbeing, employee engagement, equality and learning and development plans to enable capabilities, improve resilience and promotion of a diverse workforce | 31-Mar-2024 | Annabel Travers |

| Action | Due Date | Owner |
|---|-------------|-----------------|
| Develop and implement employee life cycle plans in line with the People First Strategy to attract and retain the workforce. | 31-Mar-2024 | Annabel Travers |
| Implement service review process including role design, use of new technology and new ways of working to add resilience, address gaps, and establish opportunities for efficiencies | 31-Mar-2024 | Annabel Travers |
| Develop and implement learning and development opportunities to improve capabilities and resilience within the workforce. | 31-Mar-2024 | Annabel Travers |

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|  Objective 11. Our Council is adaptable and focused on delivering best value for our residents |
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| Performance Indicator | Target 23-24 | Owner |
|---|--------------|-----------------|
| % of Contract & Supplier Management scorecards delivered where the Supplier at a minimum, meets the Cost expectations. | 95% | Annabel Travers |
| % of Contract & Supplier Management scorecards delivered where the Supplier at a minimum, meets the quality expectations | 95% | Annabel Travers |
| % of Contract & Supplier Management scorecards delivered where the Supplier at a minimum, meets the Service expectations. | 95% | Annabel Travers |
| Annual Cash Savings target achieved | £400,000 | Annabel Travers |
| % of Contract award notices published within 30 calendar days from award letter being sent | 100% | Annabel Travers |

| Action | Due Date | Owner |
|--|-------------|-----------------|
| Implement the Fit for Future Action Plan for Procurement including new P2P processes | 31-Mar-2024 | Annabel Travers |
| Implement changes to the non-regulated/non-complex procurement process | 31-Mar-2024 | Annabel Travers |
| Implement revised Team structure | 31-Mar-2024 | Annabel Travers |

| Risk | Description | Current Assessment | Target Assessment | Owner |
|--|--|---|---|-----------------|
| Failure to secure best value of procurement spend and ensure compliance with financial regulations | Improved procurement management process, contract strategies, planning, monitoring and reporting in collaboration with services will continue to mitigate against non compliant procurement spend |  |  | Annabel Travers |
| Failure to continue to achieve increased savings from procurement activity | As second or third generation revenue contracts seldom deliver the same cost savings as first generation, the contract strategies need to focus on governance, operating models, total cost of ownership, service quality and innovation |  |  | Annabel Travers |