



AGENDA ITEM

4.3

AUDIT & RISK COMMITTEE

PROCUREMENT & SCHEME OF DELEGATION REPORT

Date of meeting

13/02/2023

FOI Status

Open/Public

If closed please indicate reason

Not Applicable - Public Report

Prepared by

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Presented by

Sally May, Executive Director Finance & Procurement

Approving Executive Sponsor

Executive Director of Finance & Procurement

Report purpose

FOR NOTING

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)

Committee/Group/Individuals

Date

Outcome

Choose an item.

ACRONYMS

OJEU

Official Journal of the European Union

FCPs

Financial Control Procedures

SoD

Scheme of Delegation

1. SITUATION/BACKGROUND

1.1 Procurement Matters

The following areas within the Scheme of Delegation (SoD) are reported to the Audit & Risk Committee so that members of the Committee have the opportunity to ask questions or request further information:

a) Engagement off contract of non-medical staff not paid via the payroll. The Director of People and the Head of Procurement would need to confirm agreement prior to any commitment.

b) Waiver of competitive tenders, as authorised by the Director of Finance and Procurement.

c) Contracts requiring Ministerial approval (over £1m)

This report provides details of any such transactions within the period 01.11.22 to 31.12.22.

1.2 Purchase to Pay

In order to comply with the Public Sector Payment Policy, 95% of the number of non-NHS invoices must be paid within 30 days. This report provides an update on the Prompt Payment compliance for 2022-23.

1.3 Scheme of Delegation and Financial Control Procedures

This report provides update to Scheme of Delegations (SoDs) or Financial Control Procedures (FCPs) are reported.

Financial Control Procedures (FCPs) should be reviewed periodically (at least every 3 years) to ensure they are up to date.

2. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1 Procurement Matters

a) Engagement off contract of non-medical staff not paid via the payroll

There were no engagements or contracts entered into during the period 01.11.22 to 31.12.22.



b) Waiver of competitive tenders, as authorised by the Director of Finance.

Standing Financial Instructions require 4 competitive tenders for supplies of goods and services over £25,000 up to the prevailing OJEU threshold and 5 competitive tenders above OJEU Purchases over £1m require Ministerial approval.

The Scheme of Delegation allows the Director of Finance and Procurement to approve a waiver of the requirement for competitive tenders up to OJEU or other exceptions to tender rules. **Table A** below provides details of such actions during the period 01.11.22 to 31.12.22

Table A – Single Tender Actions 01.11.22 to 31.12.22

STA	Revenue / Capital	Division	Contract description	Supplier	Contract Value Exc. VAT	Reason for approval	Date Returned
1631	Revenue	Primary Care	Psychosocial Substance Misuse Services Adult and Child	Dyfodol	£305,946	d)	14/12/22
1633	Revenue	Continuing Health Care	D2RA Assessment beds	Hafod	£99,000	c)	23/12/22
1634	Revenue	Facilities	Provision of 4x4 Vehicles	Vale Car and Van Rental	£48,356	a)	14/12/22

Reasons for approval:

a) service/work is follow-up, supplier has already undertaken initial work in same area (work undertaken via open competition)

b) Compatibility issue

c) Genuine 1 provider

d) Need to retain particular contractor for real business continuity issues not preferences

STA 1631- Psychosocial substance misuse service for adult and children at HMP & YOI Parc

Cwm Taf Morgannwg is taking over the healthcare arrangements for Parc Prison. The responsibility for the provision of psychosocial substance misuse service within HMP & YOI Parc is transferring to the health board on 15th December 2022. G4S Care & Justice Ltd are the current service providers. To ensure continuity of services and safety of patients, a contract is required for a 6-month period until June 2023. Due to the timescales required to run a competitive tender exercise, putting a contract in place with the current service provider is the safest option to ensure continuity of service. A full competitive tender process will be undertaken in the next 6 months.

c) Contracts requiring Ministerial approval (over £1m)

T820 - Dental Services Bridgend, supplier - BDS Dentist Ltd, contract value £5,670,000, approval received 06.12.22

2.2 Purchase to Pay (P2P)

The PSPP figures are reported to 31 December 2022.

The Health Board has seen an improvement in the PSPP figures and has now met its 95% target of paying non-NHS invoices within 30 days to Month 9 2022-23 achieving 95% (value 94.7%). This compares to 95.1% (value 93.7%) to Month 10 2021-22.

For the month of December 98.2% was achieved. This is a vast improvement on September and October and if the value was to continue would achieve the target at the end of the year.

	0 - 30 Days		Total		%	
	Number	Value	Number	Value	Number	Value
Apr-22	20,647	46,892,657	21,591	49,645,760	95.63	94.45
May-22	19,164	43,532,576	19,743	46,362,084	97.1	93.9
Jun-22	25,837	43,403,990	26,643	45,600,115	97.0	95.2
Jul-22	17,575	36,530,389	18,763	39,107,080	93.7	93.4
Aug-22	25,146	40,095,837	26,158	41,905,798	96.1	95.7
Sept-22	15,918	39,219,002	18,482	42,990,714	86.1	91.2
Oct-22	15,351	38,682,833	17,368	41,866,683	88.4	92.4

Nov-22	27,922	61,257,428	28,615	63,769,737	97.6	96.1
Dec-22	28,547	67,160,694	29,076	68,973,282	98.2	97.4
YTD	196,107	416,775,406	206,439	440,221,253	95.0	94.7

The NHS invoice position continues to be challenging and shows that 84.7% (number) and 75.9% (value) of invoices were paid within 30 days to month 10 2022-23. (78.4% (number) and 70.4% (value) for the same period in 2021-22).

Scheme of Delegation and Financial Control Procedures

There are no updates to Scheme of Delegation or FCPs in this report.

3. KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

3.1 N/A

4. IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	There are no specific quality and safety implications related to the activity outlined in this report.
Related Health and Care standard(s)	Governance, Leadership and Accountability If more than one Healthcare Standard applies please list below:
Equality Impact Assessment (EIA) completed - Please note EIAs are required for <u>all</u> new, changed or withdrawn policies and services.	No (Include further detail below) If no, please provide reasons why an EIA was not considered to be required in the box below. Not required
Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	There is no direct impact on resources as a result of the activity outlined in this report.
Link to Strategic Goals	Sustaining Our Future

5. RECOMMENDATION

The Audit & Risk Committee is asked to:

- a) **NOTE** the position on procurement matters for the period 01.11.22 to 31.12.22;
- b) **NOTE** the update regarding Purchase to Pay and achievement of PSPP target.