



AGENDA ITEM

4.2

AUDIT & RISK COMMITTEE

PROCUREMENT & SCHEME OF DELEGATION REPORT

Date of meeting	28/04/2022
FOI Status	Open/Public
If closed please indicate reason	Not Applicable - Public Report
Prepared by	Owen James, Head of Corporate Finance
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 for 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 01.02.22 to 31.03.22.

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 2021-22.

1.3 Scheme of Delegation and Financial Control Procedures

This report provides an update to Scheme of Delegations (SoDs) or Financial Control Procedures (FCPs) 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**
- b)**

There were no engagements or contracts entered into during the period 01.02.22 to 31.03.22.

c) 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 01.02.22 to 31.03.22

Table A – Single Tender Actions 01.02.22 to 31.03.22

STA	Revenue/Capital	Division	Contract description	Supplier	Contract Value Exc. VAT	Reason for approval	Date Returned
1531	Revenue	Cellular Pathology	Transport & Storage of deceased from hospital sites	Harp Funeral Services	£50,000	a)	11/02/2022
1538	Revenue	Mental Health	Commissioning PICU female bed	Elysium – Arbury Court	£100,796	c)	07/02/2022
1545	Revenue	Maintenance	Comprehensive maintenance contract for Vyntus One and Software Life Cycle located at Princess of Wales Hospital.	Vyair UK 236 Ltd	£26,171	b)	09/02/22
1549	Revenue	Mental Health	Training materials and improvement for the health of people with Learning Difficulties	Peoples First	£41,317	a, c & d	21/03/2022

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

STA1531 - Transport & Storage of deceased from hospital sites, Harp Funeral Services £50,000

CTM are in partnership with 7 local authorities with regards to the mass fatalities plan and the operation of additional large body stores in Cardiff and Merthyr Tydfil. CTMUHB will be responsible for the transport of bodies from all our hospital sites and the field hospital to these facilities. There is no capacity within CTM's existing fleet.

A soft market engagement exercise identified only 3 suppliers out of 143, within the CTM footprint that had sufficient sized fleet, and vehicles that could provide volume transport (4 bodies at a time) which met the necessary safety standards. However it was only Harp Funeral Services who had the maximum capacity available. A full Procurement exercise will be undertaken in 22/23 for a sustainable contract provision.

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

N/A

2.2 Purchase to Pay (P2P)

For 2021-22 the Health Board has reached its 95% target of paying non-NHS invoices within 30 days, achieving 95.7% (value 93.3%). This compares to 93.7% (value 93.8%) in 2020-21. This is a positive position given the initial performance at the start of the financial year.

	0 - 30 Days		Total		%	
	Number	Value	Number	Value	Number	Value
Apr-21	16,593	45,374,647	18,650	50,046,234	89.0%	90.7%
May-21	17,534	32,541,376	18,718	34,390,498	93.7%	94.6%
Jun-21	19,614	38,406,424	20,587	43,616,332	95.3%	88.1%
July-21	24,769	36,902,772	25,761	39,342,840	96.1%	93.8%
Aug-21	13,439	37,132,269	14,266	38,225,615	94.2%	97.1%
Sep-21	24,947	39,307,194	25,439	40,602,202	98.1%	96.8%

Oct-21	19,694	29,793,711	20,179	30,824,319	97.6%	96.7%
Nov-21	22,202	39,976,815	22,801	42,538,072	97.4%	94.0%
Dec-21	15385	47,558,265	16,062	50,869,809	95.8%	93.5%
Jan-22	15,544	32,479,850	16,392	34,810,888	94.8%	93.3%
Feb-22	19,266	45,937,794	20,035	49,157,811	96.2%	93.4%
Mar-22	26,616	68,457,262	27,424	75,140,445	97.1%	91.1%
YTD	235,603	493,868,379	246,314	529,565,065	95.7%	93.3%

The NHS invoice position shows that 80.0% (number) and 96.1% (value) of invoices were paid within 30 days in 2021-22. (64.8% (number) and 95.5% (value) in 2020-21).

Scheme of Delegation and Financial Control Procedures

There are a no changes to the Scheme of Delegation or Financial Control Procedures.

There are a number of Financial Control Procedures currently being reviewed and updated and these will be brought to Audit & Risk Committee for review in the near future.

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

3.1 None

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 yes, please provide a hyperlink to the location of the completed EIA or who it would be available from in the box below. If no, please provide reasons why an EIA was not considered to be required in the box below.
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 01.02.22 to 31.03.22;
- b) **NOTE** the update regarding Purchase to Pay;