

COVID-19 Local Government Supply Chain – Support to Councils

Purpose of report

For information.

Summary

This report advises members of the work being undertaken being led by the supply and logistics workstream to support councils deal with the COVID-19 pandemic.

Recommendations

That the Improvement and Innovation Board notes the issues raised by councils and the support put in place by the LGA.

Actions

Officers to progress this work in light of the Board's comments.

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COVID-19 Local Government Supply Chain – Support to Councils

Background

1. The supply chain and logistics workstream is working closely with MHCLG and Cabinet Office. There are three key areas of activity:
 - 1.1. Identifying and raising supply chain issues on behalf of the sector;
 - 1.2. Helping to develop Government guidance in relation to procurement issues;
 - 1.3. Identifying and sharing areas of notable practice.
2. The report highlights the key issues currently being raised by the sector, with lack of PPE supplies being the number one issue. A brief overview is provided for each of the activity areas. We are working closely with other work-streams due to the cross-cutting nature of our work. We have also started to consider recovery planning and we envisage this will become the next key issue for the sector.

Key Messages

3. The supply chain team are in daily contact with MHCLG and the Cabinet Office. Our focus is on developing Government guidance, Procurement Policy Notes (PPNs), looking for areas of good/notable practice and making links between councils, the professional buying organisations (PBOs) and central Government. Our National Advisory Group (NAG) for Procurement has been an effective sounding board; a tool to disseminate crucial information; a source of live issues the sector is facing as well as feeding in on-the-ground intelligence into our meetings with MHCLG and Cabinet Office. We provide a weekly bulletin on procurement related issues to our network of around 3,000 procurement officers.
4. PPE supply continues to be the number one priority for councils, and we have been working with local government's Professional Buying Organisations (PBOs) to establish what demand looks like across the sector and taking every opportunity to make local government's case on PPE to the Government's senior commercial lead.
5. Availability of construction products such as tarmac and maintaining the Supply from building merchants has been an issue as has ensuring payments flow down the supply chain (to ensure sub-contractor and SME's cashflow is guaranteed).
6. Anticipated future demand we are working on includes contact tracing apps/resources, chemical based janitorial products and testing kits. We are considering how we might encourage councils to 'staggering' demand for key products in case a key service is switched on (for example janitorial products if all schools were to reopen on a single day).

Procurement Policy Notes

7. PPNs provide Government policy and advice to public sector organisations and other relevant bodies on specific areas of procurement policy when new measures, guidance or practices are being unveiled by central government.
8. The LGA, along with representatives from NAG have worked closely and collaboratively with Cabinet Office, MHCLG and others at pace, to get three PPNs and various additional guidance documents published. These deal directly with emerging issues councils are continuing to face, particularly the increased flexibility afforded to councils with supplier relief.
9. These notes usually take months to draft and publish so to produce three in this short space of time has been a major achievement for the team. We delivered two webinar question and answer sessions for councils and are currently arranging additional regional sessions on the new guidance.

Death Management

10. We heard from MCCLG RED team that they have put in place a national contract for temporary mortuary facilities and we have highlighted this to council heads of procurement. Anecdotally we have heard that supply of these facilities has not been seamless with councils receiving smaller than anticipated units or being given long lead times. This has led to councils securing their own units

Adult Services

11. We are working closely with LGA's CHIP team to exchange information and intelligence about adult social care providers. Our own discussions with care home providers have continued at the request of the providers who feel that the opportunity to work directly with groups of councils to overcome commissioning issues is even more important now.

Children's Services

12. Our Children's Services commissioning and procurement group (around 40 councils) has been a great sounding board to understand key issues arising from the sector which we been directly feeding into our meetings with central government and a means for us to communicate updates and guidance to councils as well as our normal formal and informal lines of communication including the weekly COVID-19 supply chain bulletins and the KHub.
13. We have weekly meetings with the Children's Service Policy team and have fed into the commissioners' guide for children's professionals to add in a 'support for LAs' section and procurement rules.

14. This week we heard that one of the main Children's social care providers, Cambian, have written to councils asking for a five to ten per cent uplift in fees to cover 'additional costs' such as PPE, rising sick pay. We understand that some councils have been providing PPE free of charge to Children's services. We brought councils together this week to form a more strategic response to this issue.

Construction

15. Our construction working group have continued to meet and work through issues relating to construction. As some construction sites are now starting to re-open we are working through issues of supply with many builders merchants still closed.
16. The ability of building control officers to undertake site visits due to social distancing rules has caused some delays. We are working with the Industry Taskforce led by BEIS and sharing any guidance with the sector.
17. We continue to engage with MHCLG's Industry Response Group on matters relating to fire safety in high risk residential buildings and have been in discussion with local government's construction consortia on how they can support ongoing work on panel replacement following the announcement earlier this month.

Waste Management

18. We asked Local Partnerships to draw up a guide to help councils deal with increasing concerns about waste and recycling PFI contracts. The [guidance](#) covers municipal, commercial and clinical waste contracts and their position on altering or terminating contracts due to force majeure, contracts due to expire and maintaining relationships with their suppliers through this uncertain period.

Supply Chain Fraud

19. The LGA has worked with MHCLG and CIPFA to produce an [accessible reminder of the continuing risks](#) to supply chains posed by fraud and corruption, during the COVID-19 crisis, many of which are exacerbated by emergency circumstances.

Recovery Planning

20. We are starting to consider with NAG what public sector procurement will look like in a post-COVID world alongside our discussion on policy post-Brexit. We believe that the relationships we are working through now will be crucial in ensuring our involvement in Government policy in the future.

Implications for Wales

21. The LGA Procurement team historically has close ties with our WLGA procurement counterparts and recently welcomed Welsh representation onto the National Advisory Group for Procurement. The COVID-19 crisis is a nationwide crisis and the Welsh

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government implemented PPN 02/20 with immediate effect and issued it across the Welsh public sector on 26 March, encouraging public bodies to do likewise. PPN 02/20 does apply to Welsh public bodies but the Welsh Government cannot mandate its use - adoption across Wales will be a matter for the Accounting Officers in each authority.

Financial Implications

22. No financial implications.

Next steps

23. Officers to progress this work in light of the Board's comments.