

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	15 February 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Procurement Strategy Action Plan – Mid Year Update (2022/2023)
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on progress in the Procurement Strategy Action Plan for the period 1 April to 30 September 2022

2. Recommendation(s)

2.1. Committee is asked to approve the following recommendation(s):-

- (1) that the content of the report be noted.

3. Background

3.1. The Council's Procurement Strategy 2020/2023 was approved by Executive Committee on 13 May 2020 and the reviewed Strategy objectives for 2022/2023 were noted by Finance and Corporate Resources Committee on 7 September 2022.

4. Procurement Strategy and Action Plan Update

4.1. The Procurement Strategy updated for 2022/2023 included seven key strategic objectives, which linked to key outcomes for the Procurement Service. An update on each of these objectives and evidence of progress in working towards these outcomes is included in Appendix 1 with highlights included below:-

- ◆ publication of the Annual Procurement Report 2021/2022
- ◆ contribution to financial savings targets through Procured Spend Review
- ◆ supplier liaison on supply chain and inflationary pressures in challenging economic conditions
- ◆ implementation of new Fair Work First criteria from April 2022 and annual confirmation of payment of Living Wage in all Social Care contracts
- ◆ improved local SME engagement in tender events in support of the council's first Community Wealth Building Strategy, including a Meet the Buyer event with North Lanarkshire planned for February 2023

4.2. The Procurement Strategy Action Plan included specific projects for 2022/2023, in support of our strategic objectives. An update on progress across each of the actions to the end of September 2022 is provided in Appendix 2.

4.3. A total of 9 actions are included in the action plan for 2022/2023 and progress is summarised in the table below. Highlights include:-

- ◆ implementation of Fair Work First standards from April 2022
- ◆ progress in Procured Spend review in identifying financial efficiencies totalling £0.600 million by September 2022
- ◆ Prioritisation Framework completed in the Sustainable Procurement Tools and published in the Annual Procurement Report
- ◆ ongoing support for Resources with supply chain issues and inflationary pressures given wider economic challenges

Category	Number	Comment
Green	9	Expected to complete within timescale
Total	9	

4.4. A new Procurement Strategy for the period 2023 to 2028 is currently under development.

5. Employee Implications

5.1. There are no employee implications arising from this report.

6. Financial Implications

6.1. There are no financial implications arising from this report.

7. Climate Change, Sustainability and Environmental Implications

7.1. The Procurement Service are working with the Scottish Government's Sustainable Toolkit, which aims to embed sustainable procurement into the Council's procurement processes and monitors progress in achieving the Sustainable Procurement Duty, including Climate Change objectives.

7.2. For 2022/2023 the main activity will focus on the review of the scoring of sustainability in contracts and progression of the Flexible Framework Sustainability action plan.

8. Other Implications

8.1. The Procurement Reform (Scotland) Act 2014 requires any public organisation, which has an estimated total annual value of regulated procurement spend of £5 million or more, to prepare and publish a Procurement Strategy. An organisation must also review its Procurement Strategy annually and make such revisions as it considers appropriate for the purposes of the Act. The risk of non-compliance is mitigated by the proposals in this report.

9. Equality Impact Assessment and Consultation Arrangements

9.1. There is no requirement to carry out an equality impact assessment in terms of the proposals contained within this report.

9.2. As this is a monitoring report, no consultation is appropriate or necessary.

Paul Manning
Executive Director (Finance and Corporate Resources)

13 January 2023

Link(s) to Council Values/Ambitions/Priorities

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Procurement Strategy 2020-2023 Review 2022/2023: Finance and Corporate Resources Committee 7 September 2022

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Procurement Strategy 2020-2023 Key Objectives

Objective	Aim	Outcome	Progress
Compliance	Ensure compliance with Procurement Regulations and the Council's Standing Orders on Contracts	Improve compliance and mitigate risk of contract challenge	Satisfactory: Procurement continue to monitor compliance with regulations and Standing Orders on Contracts across the Council, including publication of the Annual Procurement Report.
Value for Money	To secure Best Value, balancing cost and quality of service and support the Council in achieving budget savings	Improved Value for Money in support of the Council's Financial Strategy	Satisfactory: Procurement continue to work with Resources in recognising demand and cost drivers and identifying opportunities for efficiencies, as evidenced by: <ul style="list-style-type: none"> Efficiency opportunities identified in the Procured Spend review under Council's Transformational Review Programme
Collaborative	Identify and influence collaborative opportunities to work with public partners and drive value through the power of public sector procurement	Improved levels of collaborative activity and delivery of efficiencies	Satisfactory: We continue to engage with procurement partners to identify collaborative opportunities and influence development of collaborative working, as evidenced by: <ul style="list-style-type: none"> 93% participation in Scotland Excel frameworks and positive engagement with other collaborative partners, including Scottish Procurement Alliance, Procurement for Housing and Hub South-West.
Contract and Supplier Management	Support Resources to take a proactive approach to contract and supplier management to achieve innovation and value in contract delivery	Ensure suppliers meet contractual obligations, drive improvements in supplier performance and achieve efficiency improvements	Satisfactory: We can demonstrate an effective approach to contract and supplier management, as evidenced by: <ul style="list-style-type: none"> Extensive liaison with suppliers on inflationary and supply chain issues in a challenging economic environment Positive contract management engagement with Social Care providers to support H&SCP

Fair Work Practices	Work with suppliers to improve Fair Work Practices, including payment of the Living Wage and compliance with Council Charters	Improved Fair Work Practices and Living Wage for those involved in delivery of Council contracts	<p>Satisfactory: We continue to promote Fair Work Practices and payment of the Living Wage, as evidenced by:</p> <ul style="list-style-type: none"> • Annual confirmation of payment of Living Wage in all Social Care contracts • Implementation of new Fair Work First standards from Scottish Government by April 2022
Sustainable and Ethical	Secure wider social, economic and environmental benefits through contracts as set out in the Sustainable Procurement Duty	Meet the Sustainable Procurement Duty	<p>Satisfactory: working with the Scottish Government's Sustainable Procurement Toolkit, the council has:</p> <ul style="list-style-type: none"> • Committed to six monthly updates of the Flexible Framework to assess the organisational progress with sustainable procurement. • Completed the Prioritisation tool to inform the Council's priorities for sustainable outcomes for contracts and published the outcomes in the annual report.
Community Wealth Building	Support and encourage the local economy to grow sustainably through the effective use of procurement to develop local communities and maximise use of Community Benefits	Ensure the spending power of the Council and Community Benefits contribute towards Community Wealth and achieve National Outcomes	<p>Satisfactory: Procurement contributes to the local spend pillar under the Community Wealth Building Strategy, as evidenced by:</p> <ul style="list-style-type: none"> • We continue to engage with local suppliers and SMEs to promote contract opportunities and our joint work in this area is continuing with the Supplier Development Programme and Economic Development partners. • A joint in person Meet the Buyer event is being planned with North Lanarkshire Council for February 2023. • Monitoring of the impact of the new Quick Quote for Works under £2m projects.

Procurement Strategy Action Plan 2021/2022

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Sustainable Procurement toolkit progress: update Flexible Framework 6 monthly	Sustainable and Ethical	Procurement	31 March 2023	Green	Flexible framework updated in September 2022
Sustainable Procurement: complete Prioritisation Framework consultation with Resources and complete pilot Sustainability Test	Sustainable and Ethical	Procurement	30 June 2022	Green	Prioritisation Framework completed June 2022. Pilot sustainability test for Household Waste Recycling Centres will be progressed for the 2023 tender process.
Continue to monitor commodity and pricing pressures following EU Exit, Covid 19 recovery and general economic impacts	Contract and Supplier Management	Procurement & Resources	31 March 2023	Green	Procurement Service continue to support contract managers in dealing with inflationary pressures.
Support Scotland Excel's savings review project and consider Benefit Tracking framework	Value for Money	Procurement & Resources	31 March 2023	Green	Procurement Service are supporting the projects recommended by the Procured Spend review.

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Implementation of Community Benefit monitoring arrangements and review the scope of the Community Benefits menu. Including scope for Community Wish-lists	Sustainable and Ethical / Community Wealth Building	Procurement / Community Engagement Team / Resources	31 March 2023	Green	Community Benefit officer in post from October 2022 and plans are in place to review the CB strategy and points menu and implement monitoring arrangements. Ongoing liaison with Community Engagement Team on Community Wish List approach
Progress the action plan for the Spend Pillar to support the delivery of the objectives of the Community Wealth Building strategy.	Community Wealth Building	Procurement / Economic Development	31 March 2023	Green	Procurement contribute to the Community Wealth Building Spend Pillar Action plan, with specific focus on supplier engagement events and working with Resources to identify suitable projects for Quick Quote.
Monitor the impact of new Fair Work First framework and monitor Scottish Government guidance on Living Wage	Fair Work First	Procurement	31 March 2023	Green	Fair Work First implemented from 1 April 2022 and approach to Living Wage is being developed.

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Monitor implications of introduction of National Care Service on Social Care commissioning arrangements and implement revised contractual arrangements in accordance with SPPN7	Contract and Supplier Management	Procurement and H&SCP	31 March 2023	Green	Procurement and the HSCP continue to consider the recommendations of SPPN7 for all Social Care contractual arrangements, although no further guidance has been issued by Scottish Government.

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Support Oracle Fusion project to transform Procure to Pay systems	Compliance	Procurement	31 March 2023	Green	Good progress is being made on the development of the new contract and supplier performance management modules in Oracle Fusion. Extensive discussions with Resources on the review of No PO, No Pay policy, specifically on the issue of Purchase Orders for Works. A revised set of purchasing controls has been reviewed by Internal Audit and is with the Procurement Network for Resource comment.