

Report

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| Report to: | Finance and Corporate Resources Committee |
| Date of Meeting: | 20 January 2021 |
| Report by: | Executive Director (Finance and Corporate Resources) |

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| Subject: | Procurement Strategy Action Plan Update 2020/2021 |
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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 April to September 2020

2. Recommendation(s)

2.1. The 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 to 2023 was approved by Executive Committee on 13 May 2020. This is the first bi-annual review of progress against the Procurement Strategy Action Plan 2020/2021.

4. Procurement Strategy and Action Plan Update

4.1. The Procurement Strategy approved in May 2020 included 7 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:-

- ♦ Implementation of new contract register database
- ♦ Savings target of £0.100 million included in budget strategy for 2021/2022
- ♦ Extensive liaison on contract delivery and supplier relief through Covid-19 pandemic
- ♦ Annual confirmation of payment of Living Wage in all Social Care contracts
- ♦ Contribution towards the development of the Council's first Community Wealth Building Strategy

4.2. The Procurement Strategy Action Plan included specific projects for 2020/2021, in support of our strategic objectives. An update on progress across each of the actions to the end of September 2020 is provided in Appendix 2.

4.3. A total of 14 actions are included in the action plan for 2020/2021, including one action carried forward from the 2017 to 2020 strategy. Progress is summarised in the table below:-

| Category | Number | Comment |
|--------------|-----------|--|
| On hold | 1 | Action no longer scheduled for 2020/2021 |
| Complete | 1 | Completed on schedule |
| Red | 2 | Action not completed within timescale, revised timescale set |
| Amber | 6 | Slippage anticipated in meeting timescale |
| Green | 4 | No issues currently anticipated in meeting timescale |
| Total | 14 | |

4.4. Responding to Covid-19 priorities has had an impact on the allocation of resources to Procurement's strategic objectives due to the impact of contract management, supplier relief and sourcing for unplanned requirements and latterly, supporting services to re-mobilise, including re-tendering for projects abandoned during the pandemic. Completion timescales will therefore be kept under close review.

4.5. It is anticipated that the Procurement Service will continue to focus on Covid-19 priorities and the implications of EU Exit until March 2021 and accordingly, it is expected a number of strategic actions will be carried forward into 2021/2022.

5. Employee Implications

5.1. There are no employee implications.

6. Financial Implications

6.1. There are no additional financial implications other than those outlined in the report.

7. Climate Change, Sustainability and Environmental Implications

7.1. Specific activity that will contribute towards improved environmental outcomes from procurement activity is outlined in the appendices to the report.

8. Other Implications

8.1. The Procurement Reform (Scotland) Act 2014 requires any public organisation, which has an estimated total value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, 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)

14 December 2020

Link(s) to Council Values/Ambitions/Objectives

♦ Accountable, effective, efficient and transparent

Previous References

- ◆ Procurement Strategy 2020 to 2023, Executive Committee 13 May 2020

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 | Procurement continue to monitor compliance with regulations and Standing Orders on Contracts across the Council, as evidenced by <ul style="list-style-type: none"> Improved approach to identification of non-contract spend Implementation of new contract register database Rollout of training on new Standing Orders on Contracts |
| 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 | We 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"> Savings target of £0.100m included in budget strategy for 2021/2022 |
| 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 | 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 Increased levels of engagement with 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 | We can demonstrate an improved approach to contract and supplier management, as evidenced by: <ul style="list-style-type: none"> Implementation of Electronic contract management (eCM) for pilot contracts, including Early Years and Care at Home suppliers Extensive liaison on contract delivery and supplier relief through Covid-19 pandemic |

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| | | | <ul style="list-style-type: none"> Improved levels of engagement with Social Care providers through Care at Home moratoria. |
| 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>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 Commencing programme to establish Living Wage status of all contracts in new Contract Register database |
| 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 | <ul style="list-style-type: none"> Procurement has completed the first stage of the Scottish Government's Flexible Framework to assess the organisational approach to sustainable procurement. 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. Contribution towards development of Community Wealth Building Strategy Completion of Ethical Procurement training for all members of procurement team. Working with Police Scotland on Serious and Organised Crime. |
| Community Benefits | Ensure Community Benefits are secured and delivered to contribute towards a prosperous, fairer and more sustainable South Lanarkshire | Maximise Community Benefits and contribute to National Outcomes | <p>We continue to work to develop our approach to Community Benefits to drive improvements in this area, as evidenced by:</p> <ul style="list-style-type: none"> Participation in rollout of Glasgow Region City Deal CB monitoring software "Cenefits" and considering this solution for the Council's internal CB monitoring approach. |

Procurement Strategy Action Plan 2020/2021

| Action | Strategic Objective | Responsibility | Timescale | Status | Update |
|---|----------------------------------|-------------------------|------------|--------|---|
| Complete Sustainability Toolkit following redesign by Scottish Government | Sustainable and Ethical | Procurement | March 2021 | Amber | Procurement has completed the Flexible Framework (organisation level assessment of sustainable procurement) with associated actions to progress to next level. Prioritisation framework (category level assessment) to be carried for category strategies as completed. |
| Preparation of category plans for Social Care, ICT and Construction. Develop category plans for Fleet and Waste | Compliance | Procurement & Resources | March 2021 | Amber | Social Care and Construction category strategies being prioritised. |
| Deliver improvements identified from Procurement Competency Framework Assessments. | Compliance | Procurement | March 2021 | Green | Development requirements for Competency Framework incorporated to appraisals and training opportunities identified as appropriate. Five members of the Procurement team currently undertaking training through SXL Academy. |
| Pilot implementation of Electronic Contract Management | Contract and Supplier Management | Procurement & Resources | March 2021 | Green | ECM in place for Early Years procured service arrangement and in development for Care at Home providers. |

| Action | Strategic Objective | Responsibility | Timescale | Status | Update |
|---|----------------------------------|----------------------------------|--|---------|--|
| Implementation of Project Management software | Compliance | Procurement & IT Services | March 2021 | Amber | PMO software currently in procurement stage although financial constraints mean project will need to be reviewed. |
| Introduce audit review arrangements as agreed by Corporate Management Team | Compliance | Procurement | September 2020 Carry forward to 21/22 | Red | Limited progress due to Covid-19 priorities. Revised date set. |
| Review of operation of Quick Quote | Compliance | Procurement | September 2020 Carry forward to 2021/22 | Red | Limited progress due to Covid-19 priorities. Revised date set. |
| Implementation of Objective and development of electronic workflow to support tender and contract processes | Compliance | Procurement | March 2021 | Amber | Limited progress in rollout to date due to Covid-19 priorities |
| Development of Procurement training modules | Compliance | Procurement & Personnel Services | March 2021 | Amber | Limited progress due to Covid-19 priorities |
| Complete Procurement and Commercial Improvement Programme | Compliance | Procurement | March 2021 | On hold | Scottish Procurement and Scotland Excel have confirmed that PCIP Programme assessments will not proceed in 2020/2021 due to Covid-19. |
| Implementation of Community Benefit monitoring software | Community Benefits | Procurement & Resources | March 2021 | Amber | Discussions underway with system developer, impact of CWB strategy to be considered |
| Prepare for new procurement arrangements on contracts and commodities as a result of Brexit | Contract and Supplier Management | Procurement & Resources | March 2021 | Green | Brexit position subject to monitoring |
| Manage supplier and supply chain impacts arising from COVID-19 | Contract and Supplier Management | Procurement & Resources | March 2021 | Green | Significant input to impact of Covid-19 on suppliers, including contract management, supplier relief and supporting service re-mobilisation. |

| Action | Strategic Objective | Responsibility | Timescale | Status | Update |
|--|---------------------|---------------------------|----------------|----------|---|
| Implement new database solution for Contracts Register (carried forward from 2017-2020 Strategy Action Plan) | Compliance | Procurement & IT Services | September 2020 | Complete | New contract register solution has successfully gone live at the end of September 2020. |