

# Report

Report to:	<b>Finance and Corporate Resources Committee</b>
Date of Meeting:	<b>28 October 2020</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Annual Procurement Report 2019/2020</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide details of the Annual Procurement Report for 2019/2020

## 2. Recommendation(s)

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

- (1) the Annual Procurement Report for 2019/2020 be noted.

## 3. Background

3.1. The Procurement (Scotland) Reform Act 2014 requires contracting authorities to prepare and publish an annual procurement report on its regulated procurement activities. The Act states that the annual report must include information on:-

- ♦ regulated procurement activity
- ♦ regulated procurement strategy and compliance
- ♦ community benefits
- ♦ supported businesses
- ♦ future planning
- ♦ any other relevant information

## 4. Procurement Annual Report

4.1. The report details the Council's regulated procurement activity for the period 1 April 2019 to 31 March 2020, as required by the Procurement Reform (Scotland) Act 2014.

### 4.2 Section 2: Regulated procurement activity

4.2.1. Regulated procurement is defined by the Procurement Reform (Scotland) Act 2014 as any procurement with an estimated value of over £50,000 for supplies or services or £2 million for works contracts.

4.2.2. The Council's total level of procured expenditure for the period of the report was £372 million. The report provides details of 195 regulated procurements with a total award value of £356 million.

### 4.3. Section 3: Regulated Procurement Compliance

4.3.1. The Council's Procurement Strategy 2017 to 2020 was approved by Committee in February 2017. The Strategy included an action plan to ensure continuous improvement across procurement activity.

- 4.3.2. A summary of the Council's Procurement Strategy action plan is included as an appendix to the report and progress against the 46 actions is noted, with 48 completed and 2 actions carried forward to 2020/2021.
- 4.3.3. The report highlights actions completed during 2019/2020 and notes the preparation of the new Procurement Strategy for the period 2020/2023.
- 4.4. Section 4: Community Benefits
- 4.4.1. The Council's approach to secure community benefits through procurement is outlined in the report, with descriptions of suitable benefits which will be considered in all regulated tenders.
- 4.4.2. A summary of the contracts attracting Community Benefits is provided with an example of the community benefits secured with Hub South West for the East Whitlawburn regeneration contract.
- 4.5. Section 5: Supported Businesses
- 4.5.1. The report considers steps taken to facilitate the involvement of supported businesses in procurement, including contractual spend with Scotland's Bravest Manufacturing Company and the social enterprise Hay Girls who subcontract their distribution contract to The Haven, a supported business based in Falkirk.
- 4.5.2. Supported businesses are social enterprises whose main aim is to integrate disabled or disadvantaged people socially and professionally. Their workforce must be at least 30% disabled or disadvantaged, as specified in EU Directive 2014/24/EU.
- 4.6. Section 6: Future Planning
- 4.6.1. A summary of the regulated procurements the authority expects to commence in the next 2 years is provided, including renewals and new contracts, is included as an appendix to the report, which has been developed following procurement service planning consultation with Resources.
- 4.7. Section 7: Further information
- 4.7.1. Information to be included in this section is not prescribed, however, the Council has highlighted a number of areas, including engagement with local companies and SMEs and payables and e-invoicing performance information.
- 4.8. Procurement Performance Information and SME engagement
- 4.8.1. A range of 2018/2019 performance indicators are provided in this section.
- 4.8.2. Procured spend with SMEs (overall) decreased by 6% to 40% in 2019/2020, due to significant reductions in spend with seven SMEs.
- 4.8.3. Spend within the South Lanarkshire area (for all contractors, including SMEs) was unchanged at 18%. Spend with South Lanarkshire SMEs was also stable at 13%. The development of a Community Wealth Building Strategy will aim to improve local spend levels in the future.
- 4.8.4. The Procurement Service work in partnership with the Economic Development Service and the Supplier Development Programme to improve the participation of local SMEs in Council contracts, including regular Meet the Buyer and pre-tender information events. A joint Meet the Buyer event was planned in conjunction with North Lanarkshire for March 2020, however this was cancelled due to the Covid-19 pandemic.

## **5. Employee Implications**

5.1. None.

## **6. Financial Implications**

6.1. None.

## **7. Climate Change, Sustainability and Environmental Implications**

7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

## **8. Other Implications**

8.1. None.

## **9. Equality Impact Assessment and Consultation Arrangements**

9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

9 October 2020

### **Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, effective, efficient and transparent
- ◆ Ambitious, self-aware and improving

### **Previous References**

- ◆ Procurement Strategy 2017-2020, Finance and Corporate Resources Committee, 8 February 2017
- ◆ Annual Procurement Report 2018/2019, Finance and Corporate Resources Committee, 7 August 2019

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

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

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