



Procurement Strategy

2020-2023

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Section 1: Introduction by Executive Director of Finance and Corporate Resources

This Strategy sets out the vision for Council procurement for 2020-2023, demonstrating our commitment to achieving value for money and contributing to national and local priorities.

The Council's vision is to

“improve the quality of life for everyone in South Lanarkshire”

and the works, supplies and services procured by the Council have a direct impact on delivery of our services, from social care and educational supplies to new build housing.

The Council's spending power can play a key role in influencing a more prosperous South Lanarkshire, including promoting jobs and growth, fair work practices and driving innovation from our suppliers.

Our aim is to build on achievements delivered by the Council's previous procurement strategies and embed the principles of public procurement: equal treatment, transparency, competition and accountability.

This strategy will be reviewed annually, and our outcomes monitored in the annual procurement report. The strategic objectives will promote best practice in procurement activity across the Council, supporting delivery of high quality, sustainable and efficient services from our suppliers.

I recognise the recent achievements of our Procurement Service, including:

- Improvement in the Scottish Government's 2018 independent PCIP (Procurement and Commercial Improvement Programme) assessment, which ranked the Council in the highest performance band
- Publication of the first annual procurement report in 2018
- Continued improvement in spend with Small and Medium Enterprises (SMEs) with 46% of Council spend in 2018/2019 with SMEs and 18% of spend with local SMEs.

The financial outlook for local government continues to be challenging and our main task over the time period covered by this strategy will be delivery of procured services which support the council through difficult financial times and ensure added value to the services provided by the council.

Paul Manning
Executive Director of Finance and Corporate Resources
South Lanarkshire Council

Section 2: Purpose and Delivery of Strategy

Under the Procurement Reform (Scotland) Act 2014, the Council is required to publish a procurement strategy and review the objectives and outcomes annually.

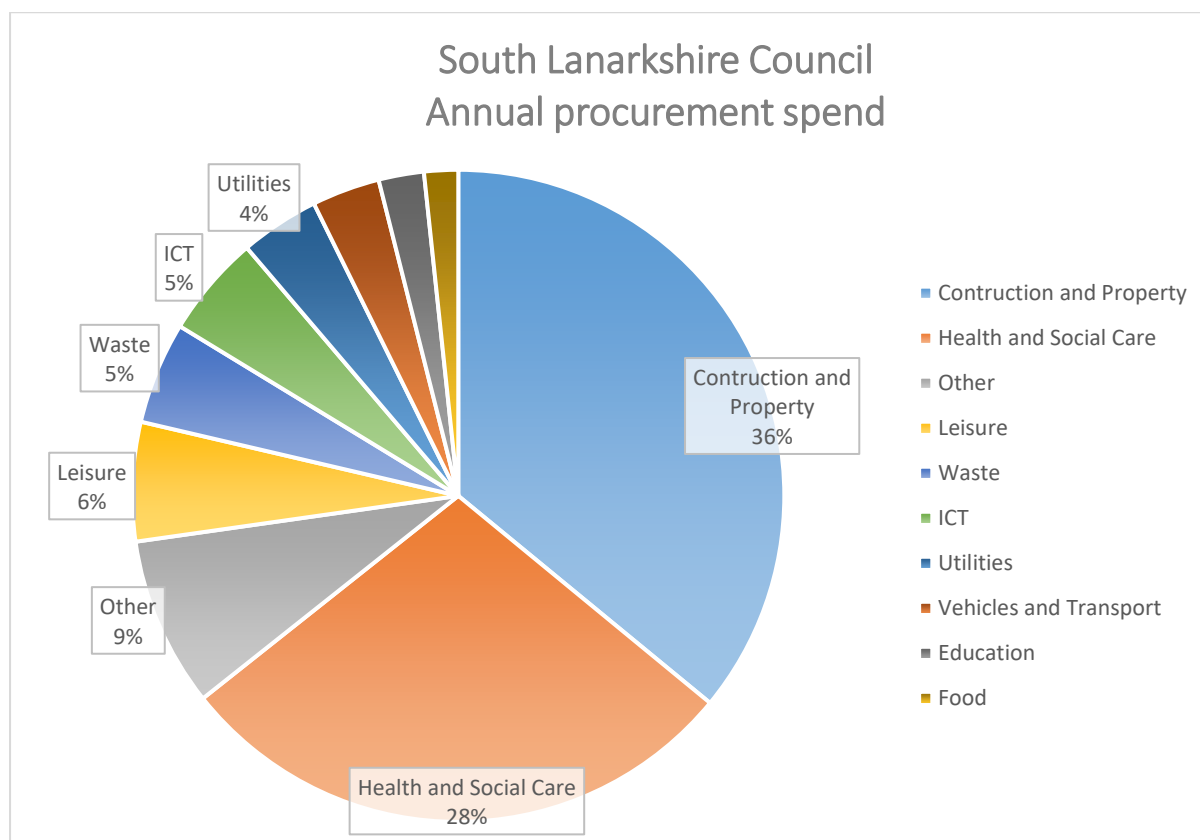
The strategy should establish the Council's strategic approach to procurement, setting out how we will deliver value for money and support delivery of national outcomes and the objectives set out in the Council's strategic plan.

The Council must also demonstrate how we will deliver the wider social, economic and environmental aims of procurement, as required by the sustainable procurement duty, while ensuring compliance with statutory duties and the Council's Standing Orders on Contracts.

The purpose of our procurement strategy is to:

- Set out clear objectives and provide a monitoring framework for reporting on our achievements and outcomes
- Focus on people, processes and systems to deliver an effective and continually improving procurement service

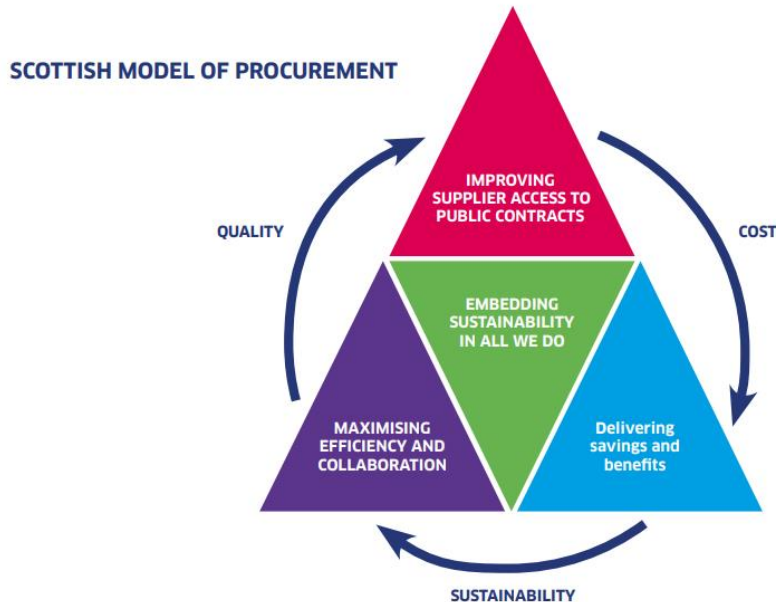
The Council spends in the region of £400m on externally procured goods, supplies and services annually, with significant areas of expenditure including construction and property (£128m) and health and social care (£101m).



Section 3: National and Local context

Public sector procurement in Scotland is valued at more than £11 billion per annum and the profile and remit of procurement activity continues to evolve and change.

The overarching aim of public sector procurement continues to be delivery of best value, as set out in the Scottish Model of Procurement (below) which defines value for money as a balance of cost, quality and sustainability.



The Council operates within the Scottish Government's [Procurement Journey](#) , which ensures openness and transparency in our approach and clarity for stakeholders and suppliers.

National Outcomes

The [National Performance Framework](#) sets out how local government can contribute to achievement of [National Outcomes](#). The framework aims to implement sustainable procurement and obliges the Council to consider how procurement will improve society, the economy and environment under the "Sustainable Procurement Duty". The Sustainable Procurement Duty is expected to further develop in accordance with the Climate Change Emergency declared by the Scottish Government.

Local Priorities

The procurement strategy allows the Council to set out how procurement activity will contribute to the Council and Community Planning Partnership's wider aims and objectives, as set out in the Council plan "[Connect](#)". Procurement are at the centre of the Council's Value of being "accountable, effective, efficient and transparent" and contribute to many of the Council's strategic ambitions, including:

- Achieving results through leadership, good governance, and organisational effectiveness
- Promoting economic growth and tackle disadvantage
- Getting it right for children and young people
- Improving health, care and wellbeing

Section 4: Strategic Objectives

The Council has identified seven strategic objectives to support the Procurement Strategy. In this section, we set out how we will achieve each objective and what our target outcome will be.



OBJECTIVE 1	Compliance
AIM	Ensure compliance with Procurement Regulations and the Council's Standing Orders on Contracts
How to achieve	Be open and transparent in our approach and monitor awareness of and compliance with standards across the Council
	Procurement team are capable, confident and empowered to support procurement activity across categories. Drive improvement in Procurement Team capability through the Scottish Procurement Competency Framework
	Procurement processes and systems are efficient, cohesive, streamlined and fit for purpose

	Monitor non-contractual spend and work with Resources to improve compliance
	Monitor performance against target of paying invoices within 30 days
	Quarterly meetings of the council's Procurement Network to develop processes and standards council wide
	Aim for continual improvement in Scottish Government's Procurement and Commercial Improvement Programme
<i>Outcome</i>	<i>Improve compliance and mitigate risk of contract challenge</i>

OBJECTIVE 2	Value for Money
AIM	To secure Best Value, balancing cost and quality of service and support the Council in achieving budget savings
How to achieve	Recognise demand and recognise cost drivers and working with Resources in identifying opportunities for efficiencies
<i>Outcome</i>	<i>Improved Value for Money in support of the Council's Financial Strategy</i>

OBJECTIVE 3	Collaborative
AIM	Identify and influence collaborative opportunities to work with public partners and drive value through the power of public sector procurement
How to achieve	Engage with procurement partners to identify collaborative opportunities and influence development of collaborative working
<i>Outcome</i>	<i>Improved levels of collaborative activity and delivery of efficiencies</i>

OBJECTIVE 4	Contract and Supplier Management
AIM	Support Resources to take a proactive approach to contract and supplier management to achieve innovation and value in contract delivery
How to achieve	Engage with suppliers to monitor contract performance and drive improvements and efficiencies
	Implement electronic process for contract and supplier management
<i>Outcome</i>	<i>Ensure suppliers meet contractual obligations, drive improvements in supplier performance and achieve efficiency improvements</i>

OBJECTIVE 5	Fair Work Practices
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AIM	Work with suppliers to improve Fair Work Practices, including payment of the Living Wage and compliance with Council Charters
How to achieve	Embed Fair Work Practices and Living Wage as standard and monitor compliance with Charters
<i>Outcome</i>	<i>Improved Fair Work Practices and Living Wage for those involved in delivery of Council contracts</i>

OBJECTIVE 6	Sustainable and Ethical
AIM	Secure wider social, economic and environmental benefits through contracts as set out in the Sustainable Procurement Duty
How to achieve	Engage with local suppliers, SMEs, Social Enterprises and Supported Businesses in contract opportunities, in partnership with Supplier Development Programme and other business support partners.
	Embed sustainability measures in procurement through use of sustainability tools and life cycle costing
	Respond to Climate Change Emergency and implement the Scottish Government's Sustainability Toolkit
	Require clarity from contractors in supply chain and awareness of ethical standards and Modern Slavery
	Work with Police Scotland in prevention of Fraud and Disruption of Serious and Organised Crime
<i>Outcome</i>	<i>Meet the Sustainable Procurement Duty</i>

OBJECTIVE 7	Community Benefits
AIM	Ensure Community Benefits are secured and delivered to contribute towards a prosperous, fairer and more sustainable South Lanarkshire
How to achieve	Embed robust, relevant and proportionate Community Benefits in appropriate contracts
	Implement electronic monitoring of Community Benefits
<i>Outcome</i>	<i>Maximise Community Benefits and contribute to National Outcomes</i>

Delivery of the procurement strategy will be supported by an annual action plan provided at appendix 1. Each year the annual plan will be reviewed with new actions identified relevant to delivery of the strategic objectives.

A reporting and monitoring framework ensure high levels of governance surround the delivery of the procurement strategy.

In addition to an annual review of the procurement strategy, the Procurement Service will deliver the following:

- Annual Service Planning exercise: to plan regulated activity with Resources for the forthcoming year
- Action Plan: subject to a 6 monthly update report to the Councils' Corporate Management Team
- Quarterly Procurement Updates: summarising progress across procurement activity to Resource Management Teams
- Resource committee reports on Contracts Awarded: every 6 months in accordance with Standing Orders
- Procurement performance report: every 6 months to the Corporate Management Team
- High Risk/High Value procurement update: every 6 months to the Corporate Management Team
- Annual Procurement Report: in accordance with legislative requirements to committee