

Report

Report to:	Finance and Corporate Resources Committee
Date:	9 February 2022
Prepared by:	Executive Director (Finance and Corporate Resources)

Subject:	Procurement Service – Establishment
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1. Purpose of the report

1.1. The purpose of the report is to:-

- ◆ update the Committee on the reasons for increased workload within Procurement
- ◆ seek approval for additional establishment to address this and identified workforce planning issues

2. Recommendations

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

- (1) that the need to increase the resources available to support the procurement activity for Education Resources and City Deal be noted; and
- (2) that the proposal to increase the Procurement establishment within Finance and Corporate Resources by 2 FTE Procurement Officer posts as detailed in Section 5 be approved.

3. Background

3.1. The Council operates a largely centralised Procurement function deliver the following core functions:-

- ◆ assisting Resources with scoping procurement requirements
- ◆ identification of the routes to market
- ◆ managing the delivery of tenders covering initial publication, responding to clarifications from potential bidders, assessing bids and contract award
- ◆ compliance with procurement regulations and standing orders on contracts
- ◆ reporting to the relevant committees on contracts awarded
- ◆ delivery of the Council's procurement strategy and reporting requirements

3.2. The current workload of the Procurement team is considerable. For the period April to September 2021 a total of 88 awards over £50,000 were made, in comparison to 61 in for the same period both in 2020 and 2019 representing an increase of 44%. This increase stems from:-

- ◆ significant delays to procurement activity in 2020/2021 because of COVID-19 resulting in a marked increase in the volume of activity in 2021/2022
- ◆ increase in the procurement requirements from Resources resulting from wider strategic projects (e.g., City Deal, regeneration projects and Education Resources)

- 3.3. The service has also seen increased staff turnover during 2021 resulting in a loss of experienced staff. This has added to the service pressures and is a challenge being experienced across many public sector procurement teams.
- 3.4. Recruitment has focussed heavily on bringing in new graduates to build greater levels of long-term resilience in the team and because of the challenges in recruiting experienced public sector procurement professionals. As a result, there is a significant training and development programme now in place to develop the appropriate skills and experience across the team.
- 3.5. Additional resources were brought in during 2021/2022 to deliver the procurement workload comprising a secondment from Scotland Excel for an initial 12-month period and a small number of projects are being delivered by them directly.
- 3.6. Despite this activity, there remains a need to identify additional resources to support Education Resources with their significant procurement requirements and to support City Deal projects and community benefits. This need has been compounded by the loss of some experienced staff.

4. Additional Posts

- 4.1. There is a requirement to bring in 2 additional Procurement Officer posts to the Procurement team structure.
- 4.2. Education Resources
 - 4.2.1 The provision of significant Scottish Government funding to schools (i.e., Pupil Equity Fund and Scottish Attainment Challenge Fund) resulted in an increase in the procurement requirements of Education Resources as schools identified a wide range of new commodities and services to procure. This requires a significantly greater level of resources to be allocated to co-ordinating the procurement requirements, identifying new routes to market, creating and maintaining procurement frameworks and conducting many more tender award processes.
 - 4.2.2 In addition, the more recent change to the delivery of the Early Years Service with the provision of 1,140 hours has seen the introduction of a long new term Procured Service Arrangement (PSA) supported by the Procurement team. Beyond their initial set-up PSA's require ongoing management and support to allow for new entrants and for mini competitions to be completed.
 - 4.2.3 The cumulative increase in the levels of resourcing required to support the procurement activity of Education Resources requires one post to be allocated to entirely support the procurement work described above.
- 4.3. City Deal
 - 4.3.1 The Procurement team has supported for several years the tendering requirements for City Deal projects with Community and Enterprise Resources and Housing and Technical Resources. This procurement work has ensured the delivery of significant infrastructure improvements in South Lanarkshire.
 - 4.3.2 A further strand of the work to support City Deal has focussed on the delivery of community benefits. Previous City Deal projects have delivered community benefits for residents (e.g. training and employability opportunities and local supply chain sub-contracts).

- 4.3.3 The Council is using a dedicated system for monitoring and reporting on the delivery of City Deal community benefits called Cenefits. This approach requires a dedicated resource to ensure full use can be made of the systems benefits. This resource would also benefit the use of Cenefits for other Council contracts.
- 4.3.4 The provision of a dedicated resource to deliver the arrangements for the monitoring and reporting of community benefits would also support the delivery of the Council's Community Wealth Building Strategy.

5. Employee Implications

- 5.1. It is proposed that the following posts are added to the establishment of the Procurement team on a permanent basis as detailed below:-

Post title	Number of posts	Grade / SCP	Hourly Rate	Annual salary (excluding on-costs)	Gross salary (including on-costs 30.3%)	Total
Procurement officer	2	G3 Level 2 - 4	£18.44 to £21.46	£33,651.16 - £39,162.35	£43,847.46 - £51,028.54	£87,694.92 - £102,057.08

These posts have been evaluated using the Council's grading scheme.

6. Financial Implications

- 6.1. The costs of the two posts will be met from existing budgets within Education Resources and City Deal. Any reduction in these funding streams in the future will be managed through employee turnover. Allowing for a period for recruitment it is anticipated the additional costs will commence from April 2022.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no climate change, sustainability or environmental implications arising from the information presented in this report.

8. Other Implications

- 8.1. There is a risk the procurement requirements for Education Resources will not be fully delivered and community benefits will not be fully realised should additional resources not be secured.
- 8.2. The provision of additional resource to the delivery of community benefits should improve local communities.

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. There was no requirement to undertake any consultation in terms of the information contained in this report.

Paul Manning
Executive Director (Finance and Corporate Resources)

12 January 2022

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ None

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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