

Report

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

Subject:	Procurement Strategy Action Plan – Mid Year Update (2021/2022)
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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 2021

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 the Executive Committee on 13 May 2020 and the reviewed Strategy objectives for 2021/2022 were noted by Finance and Corporate Resources Committee on 2 June 2021.

4. Procurement Strategy and Action Plan Update

4.1. The Procurement Strategy update in June 2021 included 7 key strategic objectives, which linked to key outcomes for the Procurement Service. An update on each of those 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 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 2021/2022, in support of our strategic objectives. An update on progress across each of the actions to the end of September 2021 is provided in Appendix 2.

- 4.3. A total of 21 actions are included in the action plan for 2021/2022 and progress is summarised in the table below:-

Category	Number	Comment
On hold	6	Action will be carried forward to 2022/2023
Complete	1	Complete
Red	1	Action not completed within timescale, revised timescale set
Amber	1	Slippage anticipated in meeting timescale
Green	12	Expected to complete within timescale
Total	21	

- 4.4 It should be noted that the above performance is reflective of a significant increase in the number of procurement requests coming from Resources and reduced capacity due to staff turnover during the period of the update, both impacting the delivery of the action plan. An increase in turnover reflects the position with procurement teams across the public sector.
- 4.5 Additional support has also been brought in from Scotland Excel(SXL) in the form of a secondment and a small number of projects are being delivered by SXL directly including the replacement of the Social Work case management system.
- 4.6. Additional funding has also been identified to support the delivery of community benefits and for delivering procurement for Education Resources where increased spend levels have had a significant impact on the procurement workload. This will be subject to separate consideration by Finance and Corporate Resources Committee.

5. Employee Implications

- 5.1. There are no employee implications.

6. Financial Implications

- 6.1. The financial implications of the additional support explained at 4.5 are being funded from existing budgets.

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 2021/2022 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 2022

Link(s) to Council Objectives/Ambitions/Values

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Procurement Strategy 2020 to 2023, Executive Committee 13 May 2020
- ◆ Procurement Strategy Action Plan Update 2020/2021 and Procurement Strategy Review 2021/2022, Finance and Corporate Resources Committee 2 June 2021

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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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"> Review of 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"> 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	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"> Extensive liaison on contract delivery and supplier relief following Covid pandemic and EU Exit Improved levels of engagement with Social Care providers
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	We continue to promote Fair Work Practices and payment of the Living Wage, as evidenced by: <ul style="list-style-type: none"> Annual confirmation of payment of Living Wage in all Social Care contracts, including delivery of winter uplift in December 2021

			<ul style="list-style-type: none"> • Review of Fair Work First and Living Wage recommendations from Scottish Government for implementation by 2022/2023
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>Procurement has completed the first stage of the Scottish Government's Flexible Framework to assess the organisational approach to sustainable procurement.</p> <ul style="list-style-type: none"> • The Prioritisation tool is scheduled to be progressed by March 2022 which will inform the Council's priorities for sustainable outcomes for contracts. • The Council is working with Sustainable Procurement Scotland to develop our prioritisation and sustainability tools under the Scottish Government's case study arrangements.
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>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 virtual Meet the Buyer event was held with North Lanarkshire Council in November 2021. • New arrangements to introduce Quick Quotes for works contracts to £2m and extend the requirement for local bids from two to four approved by Executive Committee in September 2021.

Procurement Strategy Action Plan 2021/2022

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Review the sustainability requirements in contracts	Sustainable and Ethical and Community Wealth Building	Procurement	30 November 2021	Amber	Proposals are being developed to update the Council's approach to sustainability scoring in contracts.
Progress the Flexible Framework Sustainability action plan	Sustainable and Ethical	Procurement	31 March 2022	Green	The Procurement Network meeting in June 2021 focused on sustainability issues, with Scottish Government sustainability training to be undertaken.
Preparation of category plans prioritising Social Care, ICT and Construction	Compliance and Sustainable and Ethical	Procurement & Resources	31 March 2022	On hold	Will be carried forward to 2022/23
Introduce audit review arrangements as agreed by Corporate Management Team	Compliance	Procurement	31 December 2021	On hold	Will be carried forward to 2022/23

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Review of operation of Quick Quote	Compliance	Procurement	31 December 2021	Green	Executive Committee September 2021 approved amendments to Standing Orders on Contracts to extend operation of Quick Quote up to £2m for works contracts: Procurement and Legal currently progressing with implementation of new arrangements, expected to be complete by 31 December.
Launch Electronic Contract Management for Early Years and Care at Home contracts	Contract and Supplier Management	Procurement & Resources	31 March 2022	On hold	Will be carried forward to 2022/23
Development of Procurement training modules	Compliance	Procurement & Personnel Services	31 March 2022	On hold	Will be carried forward to 2022/23
Continue to monitor commodity and pricing pressures following EU Exit	Contract and Supplier Management	Procurement & Resources	31 March 2022	Green	Procurement continue to monitor challenging pricing and supply chain pressures arising from EU Exit, principally in food and construction commodities, with client Resources.

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Continue to manage supplier and supply chain impacts arising from COVID-19	Contract and Supplier Management	Procurement & Resources	31 March 2022	Green	Procurement continue to support client Resources with supply chain issues arising post pandemic and delivery of social care sustainability arrangements for HSCP.
Develop Benefit Tracking framework	Value for Money	Procurement	31 March 2022	On hold	Development of a new Benefit Tracking framework is within the scope of the Procured Spend review and a Scotland Excel deliverable. However, priority is to identify revenue budget savings. Will be carried forward to 2022/23
Support Scotland Excel's savings review project	Value for Money	Procurement & Resources	31 March 2022	Green	The project has commenced with Scotland Excel staff developing savings proposals working with the Procurement team and Resource contract managers .

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Establishment of a Community Wealth Building Local Spend working group	Community Wealth Building	Procurement, Economic Development and Supplier Development Programme	30 June 2021	Complete	A local spend working group has been established, with updates provided through the Community Wealth Building Strategy Action Plan to the Commission.
Complete spend and local market analysis to identify opportunities for local growth	Community Wealth Building	Procurement, Economic Development and Supplier Development Programme	30 November 2021	Green	Progress is being monitored through the local spend group.
Identify common areas of interest with other anchor organisations	Community Wealth Building	Procurement and Economic Development	31 March 2022	Green	Progress is being monitored through the local spend group. Discussions taken place with FSB regarding potential opportunities.
Implementation of Community Benefit monitoring arrangements and assessment of wider resourcing requirements	Community Wealth Building	Procurement & Resources	31 March 2022	On hold	Benefits (CB monitoring software) in place for City Deal contracts and consideration being given to implementation for Council CBs
Review the scope of the Community Benefits menu and minimum scoring	Community Wealth Building	Procurement / Employability Team / Community Engagement Team / Resources	31 March 2022	Green	Not yet started.

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Identify specific community benefits that can be delivered from procurement	Community Wealth Building	Procurement / Community Participation and Engagement / Employability	31 March 2022	Green	The Community Engagement team are participating in the development of a Community Wish List process with Glasgow Region City Deal which will inform the Council's position
Supplier engagement at national Meet the Buyer event	Community Wealth Building / Sustainable and Ethical	Procurement, Economic Development and Supplier Development Programme	30 June 2021	Green	The Council participated in the National Meet the Buyer event in June 2021 and a pan Lanarkshire Meet the Real Buyer event is scheduled for 30 November 2021.
Review standing orders on contracts and evaluation criteria to facilitate more local spend	Community Wealth Building	Procurement & Legal Services	31 December 2021	Green	Review of Standing Orders on Contracts has approved new Quick Quote arrangements and increased the minimum number of local bidders from two to four.

Action	Strategic Objective	Responsibility	Timescale	Status	Update
Training on public sector procurement and completion of gap analysis on current capability	Community Wealth Building	SDP & Procurement	31 March 2022	Green	Work started to identify categories that are most likely to support additional local SME input. Working in conjunction with SDP to identify suitable contracts for bespoke engagement/training events, which will be delivered by the Supplier Development Programme (SDP)
Review and implement recommendations from Scottish Government's "Fair Work First" guidance	Fair Work Practices	Procurement	31 July 2021 (Revised March 2022)	Red	Progress in implementing these recommendations has slipped with a revised implementation date of March 2022 as supplementary guidance on FWF was released in September 2021. This will also enable new guidance on Real Living Wage from Scottish Government released October 2021 to be incorporated.