

WEST DUNBARTONSHIRE COUNCIL**Report by Strategic Director – Transformation & Public Sector Reform****Corporate Services Committee: 11 November 2020**

Subject: Annual Procurement Report for 2019/20 and the Annual Procurement Strategy Update for 2020/21**1. Purpose**

- 1.1** The purpose of this report is to update the Corporate Services Committee on the outcomes achieved relative to the Annual Procurement Report for 2019/20; outcomes achieved relative to the Annual Procurement Strategy for 2019/20; and the Annual Procurement Strategy Update for 2020/21.

2. Recommendations

- 2.1** It is recommended that the Corporate Services Committee notes the publication of:

- Annual Procurement Report for 2019/20;
- Outcomes achieved relative to the Annual Procurement Strategy for 2019/20; and
- Annual Procurement Strategy Update for 2020/21.

3. Background

- 3.1** The *Procurement Reform (Scotland) Act 2014* (the Act) requires Councils to detail:

- A summary of regulated procurements completed during the financial year;
- Whether those procurements complied with the Council's Procurement Strategy;
- Where any procurements did not comply, a statement of how the Council intends to ensure any future regulated procurement does comply;
- A summary of any community benefit requirements imposed as part of a regulated procurement;
- A summary of any steps taken to facilitate involvement of supported businesses; and
- A summary of regulated procurement the Council expects to commence in the next two financial years.

- 3.2** In accordance with the Act, the Council must prepare and publish a procurement strategy or review its procurement strategy for the current financial year and make updates as appropriate. The Procurement Strategy supports the Council's Financial Regulations and procurement legislation. The Procurement Strategy 2017- 2021 was agreed at the Corporate Services Committee on 23 August 2017. The Procurement Strategy is reviewed on an annual basis and a new five year Procurement Strategy will be prepared from 2021/22.

3.3 In accordance with the Act, the Council must also publish an Annual Procurement Report (APR) which summarises the performance of the Council in delivering its Procurement Strategy. The APR relates specifically to regulated procurement which is defined as: “...any procurement from £50k for Supplies and Services contracts and from £2m for Works contracts. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end.”

4. Main Issues

APR

4.1 The APR, can be found at Appendix 1. Members should note that the format is designed to ensure compliance in publishing information required in line with the Act. It highlights progress made over the past financial year on regulated procurements undertaken and sets out the compliant regulated procurements awarded. For financial year 2019/20, the percentage of compliant regulated procurements was 91.2%. This compares to the 2018/19 compliance rate of 79.7%. As of 1 April 2020, an estimated spend compliance rate of 95.9% has been reached in accordance with regulated thresholds. The compliance rate of 100% has been set for 2020/21. The APR also outlines the procurements that did not comply with the regulated procurement procedure.

4.2 A summary of future regulated procurements anticipated in the next two financial years is provided in the APR. As much detail as possible about what the Council intends to procure has been provided but doesn't include ad-hoc or reactive requirements and until full scoping activities are undertaken and the contract strategies are complete, the timeline, contracting approach and values may be subject to change.

Outcomes Achieved and Annual Procurement Strategy Update

4.3 The outcomes achieved relative to the Annual Procurement Strategy for 2019/20; which is essentially the Delivery Plan for the Corporate Procurement Unit, is attached at Appendix 2. Further, the Annual Procurement Strategy Update for 2020/21 which identifies a number of approaches that are intended to improve the Council's procurement performance is also attached within the same Appendix 2.

4.4 For 2019/20, the analysis of spend has identified that of a total spend of £172.730m, 90.7% complied with the Council's Financial Regulations (from £2K). This compares to the 2018/19 compliance rate of 77.2%. As of 1 April 2020, an estimated spend compliance rate of 95.2% has been reached in accordance with the Council's Financial Regulations. The compliance rate of 100% has been set for 2020/21 with the Service areas responsible for undertaking procurement process and complying with financial regulations for each spend below £50k.

5. People Implications

5.1 There are no people implications arising from this report.

6. Financial and Procurement Implications

- 6.1 There are no direct financial implications arising from this report.
- 6.2 The Council's procurements are designed to be open, transparent and accountable by complying with the *EU Consolidated Public Procurement Directive*, *Procurement (Scotland) Regulations 2016*; *Procurement (Scotland) Regulations 2015*; *Procurement Reform (Scotland) Act 2014*; and the Council's Financial Regulations, Standing Orders as well as procurement best practice.
- 6.3 The procurement procedures are designed to ensure that all organisations interested in the Council's opportunities, are treated in a fair, open and transparent manner.

7. Risk Analysis

- 7.1 There is a risk that improved performance, process and capability in procurement is not achieved, however this can be mitigated through the delivery of the Annual Procurement Strategy Update for 2020/21.

8. Equalities Impact Assessment (EIA)

- 8.1 An EIA is not required for this report.

9. Consultation

- 9.1 The Strategic Leads and Heads of Services have been consulted on the APR for 2019/20; outcomes achieved relative to the Annual Procurement Strategy for 2019/20; and the Annual Procurement Strategy Update for 2020/21.

10. Strategic Assessment

- 10.1 The Procurement Strategy supports the following strategic priorities:
- A Strong local economy and improved employment opportunities;
 - Supported individuals, families and carers living independently and with dignity; and
 - Efficient and effective frontline services that improve the everyday lives of residents.

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Appendices: Appendix 1: Annual Procurement Report for 2019/20; &
Appendix 2: Outcomes Achieved and Annual
Procurement Strategy Update for 2020/21

Background Papers: Corporate Services Committee: *Corporate Procurement Strategy*, 23 August 2017;

Corporate Services Committee: *Procurement Strategy Update and Annual Procurement Report*, 16 May 2018;
Corporate Services Committee: *Annual Procurement Report*, 22 May 2019; and
Corporate Services Committee: *Corporate Procurement Strategy Review*, 21 August 2019.

Wards Affected: All Council Wards