

## WEST DUNBARTONSHIRE COUNCIL

### Report by Chief Officer – Supply, Distribution and Property Services

Corporate Services Committee: 8 September 2021

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**Subject: Procurement Improvement**

#### **1. Purpose**

- 1.1** The purpose of this report is to update the Corporate Services Committee on the procurement outcomes achieved in 2020/21 and to seek approval to publish the Annual Procurement Report for 2020/21 and the Procurement Strategy – 2021/26.

#### **2. Recommendations**

**2.1** It is recommended that the Members:

- a) Notes the remaining procurement outcomes achieved in 2020/21 in the Annual Procurement Strategy as outlined in [Appendix 1](#);
- b) Approves the Annual Procurement Report for 2020/21 for publication as outlined in [Appendix 2](#);
- c) Notes the social benefits delivered in 2020/21 as outlined in [Appendix 3](#); and
- d) Approves the Procurement Strategy - 2021/26 for publication as detailed in [Appendix 4](#)

#### **3. Background**

**3.1** The *Procurement Reform (Scotland) Act 2014* (the Act) requires that the Council must prepare and publish a Procurement Strategy (Strategy) or review its Strategy for the current financial year and updates as appropriate. The Strategy supports the Council's Financial Regulations, procurement legislation and sustainability duties. The Act also requires the Council to publish an Annual Procurement Report (APR) which summarises the performance of the Council in delivering its 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."

**3.2** The procurement outcomes achieved relative to the Annual Procurement Strategy (APS) for 2019/20 are detailed in the [Year - End Procurement Strategy Performance Report 2019/20](#) which was noted by the Corporate Services Committee on 11 November 2020.

#### **4. Main Issues**

**4.1 Procurement Strategy Progress**

**4.1.1** The previous Strategy 2017/21 facilitated the outcomes below:

- Updated Financial Regulations, processes and procedures to comply with changing procurement regulations;
- Improved level of procurement compliant spend;
- Developed and implemented i-Learn Procurement Training
- Supported procurement savings of £2.337m;
- Delivered 27 e-auctions;
- Introduced the Contract and Supplier Management policy in all relevant contracts;
- Adopted the Scottish Government's Procurement Journey which standardised and aligned the Council's processes and procedures;
- Developed procurement guidance for suppliers;
- Established a facility for the community to request social benefits they would like to see from suppliers; and
- Developed the Sustainability in Procurement guidance and a Fair Working Practices Statement for internal and external stakeholders

**4.1.2** Most of the procurement outcomes achieved relative to the APS for 2020/21 are detailed in the [Procurement Year End Progress Report 20/21 and Delivery Plan 21/22](#) which was noted by the Corporate Services Committee on 19 May 2021. Some of the performance indicators and a milestone of an action were not available at that time and have been subsequently measured when the data became available. Therefore the full procurement outcomes achieved relative to the APS for 2020/21 are detailed in [Appendix 1](#).

## **4.2 Local Spend**

**4.2.1** The Council has a target to maximise the procurement opportunities for local businesses. The spend with local businesses and businesses who have a presence in West Dunbartonshire 2020/21 was 31.6%, which fell short of the target of 36%. A substantial decrease in spend in 2020/21 with Clydeside Regeneration Limited (related to Queens Quay and the Energy Centre build) has in part affected our spend levels.

## **4.3 Procurement Compliant Spend**

**4.3.1** For 2020/21, the Council's total procurement spend was £166.982m. The Council's compliant procurement spend was 98% / £163.574m which has fallen short of the 100% target however this is still an improvement from last year's achievement of 90.3%.

**4.3.2** Further, the Council's total regulated procurement spend was £154.296m. The Council's compliant regulated procurement spend is 98.4% / £151.863m which again has fallen short of the 100% target however this is still an improvement from last year's achievement of 90.7%.

4.3.3 Positive progress has been made throughout the year across all services to improve compliance. This will continue to remain a priority for the Corporate Procurement Unit to support and work with services in continuing to increase the compliance with Financial Regulations.

#### **4.4 Annual Procurement Report**

4.4.1 The APR can be found at [Appendix 2](#). The 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.

4.4.2 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. Therefore, until full scoping activities are undertaken and the contract strategies are complete, the timeline, contracting approach and values may be subject to change.

#### **4.5 Contract Management**

4.5.1 The supplier's performance against each of the performance indicators is captured through scorecards. The performance of scorecards in 2020/21 met the target of 75% which improved significantly over the previous year achievements of 55%.

#### **4.6 Social Benefits**

4.6.1 It is important that we achieve the social benefits which have been agreed by suppliers and that we can evidence this. The Members may be aware that there is regular discussion at Tendering Committee on a monthly basis where Members scrutinise the social benefits proposals within contracts. During the COVID-19 crisis, many of the Council's suppliers were unable to deliver social benefits. As businesses are becoming fully operational again, the Council will re-engage suppliers on social benefit delivery. [Appendix 3](#) provides the information we have to date on those social benefits delivered in 2020/21.

#### **4.7 Procurement Strategy – 2021/26**

4.7.1 The Strategy – 2021/26 is contained within [Appendix 4](#). This includes the Action Plan that was detailed in the [Procurement Year End Progress Report 20/21 and Delivery Plan 21/22](#).

### **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 or procurement implications arising from this report. However, it is important that all officers of the Council supports the actions required to continuously improve procurement compliance.

### **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 Strategy – 2021/26.

## 8. Equalities Impact Assessment (EIA)

8.1 An EIA is not required with this report.

## 9. Consultation

9.1 Ongoing engagement continues across service management teams to progress procurement compliance and social benefits.

## 10. Strategic Assessment

10.1 This report support's the Council's aims in terms of providing open, accountable and accessible local government and supporting the following strategic priority:

- A strong local economy and improved employment opportunities;
- Meaning community engagement with active empowered and informed citizens who feel safe and engaged; and
- Open, accountable and accessible local government.

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**Designation:** Chief Officer – Supply, Distribution and Property Services

**Date:** 16 August 2021

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**Appendices:** [Appendix 1](#): Procurement Strategy Annual Action Plan 2020/21;  
[Appendix 2](#): Annual Procurement Report 2020/21;  
[Appendix 3](#): Social Benefits 2020/21; and  
[Appendix 4](#): Procurement Strategy 2021/26

**Background Papers:** Corporate Services Committee on 19 May 2021,  
[Procurement Year End Progress Report 20/21 and Delivery Plan 21/22](#).