
**Please find attached Additional Report in respect of
Item No. 7 on the agenda for the above meeting**

7.	Annual Procurement Report (Pages 3 - 6) Consider report by Executive Director, Finance & Regulatory. (Copy attached.)	20 mins
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ANNUAL PROCUREMENT REPORT

Report by Executive Director, Finance & Regulatory EXECUTIVE COMMITTEE

1 December 2020

1 PURPOSE AND SUMMARY

- 1.1 **This report presents the Executive Committee with the 2019/20 Annual Procurement Report (APR), a mandatory report required by the Procurement Reform (Scotland) Act 2014.**
- 1.2 Organisations that require to prepare a procurement strategy must also publish an annual procurement report. These documents are now part of the reporting landscape for the public sector to support increased transparency and visibility of public expenditure and to embed sustainability into public sector procurement.
- 1.3 The purpose is to demonstrate to stakeholders that procurement spend is being used to best effect to achieve:
 - Better public services
 - Social, economic and environmental outcomes in the area; and
 - A range of local and national policies.
- 1.4 The key ambition of our procurement strategy is to support our local market and the economy. During 2019/20, and through delivering on our strategic objectives, the value of local spend with third parties operating in the geographical boundaries of the Scottish Borders has increased from £75.9m to £77.1m (44.3% of the total Council expenditure).
- 1.5 Following committee approval the APR must be submitted to the Scottish Government and published on the internet.

2 RECOMMENDATIONS

- 2.1 **It is recommended that Executive Committee approves the Annual Procurement Report 2019/20 as attached as appended to this report.**

3 BACKGROUND

- 3.1 The Procurement Reform (Scotland) Act 2014 requires any public organisation, with an estimated total value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, to prepare and publish a procurement strategy.
- 3.2 The Council's procurement strategy for the period 2018-2023 was approved in December 2017 and is being delivered by the Commercial & Commissioned Services team and the wider organisation.
- 3.3 Where an organisation is required to prepare a procurement strategy, it must also publish an annual procurement report to record and publicise its performance and achievements in delivering its strategy.
- 3.4 The strategy and annual report are now part of the reporting landscape for public sector organisations to support increased transparency and visibility of public expenditure, and to embed sustainability into public sector procurement.

4 ANNUAL REPORT

- 4.1 A copy of the APR for the period 1st April 2019 – 31st March 2020, developed in the format required by Scottish Government guidance, is appended to this report.
- 4.2 The aim of report is to demonstrate to stakeholders that procurement spend is being used to best effect to achieve:
 - Better public services
 - Social, economic and environmental outcomes in the area; and
 - A range of local and national policies.
- 4.3 As part of the production of the report, an assessment has been undertaken to ensure delivery of procurement is in line with strategy objectives and the legislative landscape. The assessment has concluded all activities are compliant.
- 4.4 The APR also offers the opportunity to showcase activities and benefits delivered through procurement in the reporting period. Case studies have been included to demonstrate delivery is in line with the Corporate Plan.
- 4.5 The procurement strategy must be reviewed annually to ensure it remains aligned to corporate objectives. A review of the 2018-2023 strategy has been undertaken which confirms the direction of procurement remains in line with the ambitions of the current Corporate Plan – Our Plan and your part in it.
- 4.7 Following endorsement by the Committee, the approved APR will be submitted to the Scottish Government and published on the corporate website.

5 REPORT HIGHLIGHTS

- 5.1 During 2019/20, the level of local spend with businesses operating in the geographical boundaries of the Scottish Borders has increased to £77.1m of the relevant overall Council third party spend (£174m). This equates to 44.3% of the relevant spend which is consistent with the previous two procurement annual report periods 2017/18 (44.3%), and 2018/19 (45.2%).
- 5.2 Delivering sustainable procurement with social and economic impact is an area of key importance. The Procurement team, working in partnership with the Supplier Development Programme (SDP), have recently been announced as the winner of the Best Procurement Delivery category in the Government Opportunities (GO) Excellence in Public Procurement Awards Scotland 2020. The project behind this achievement supported local micro, small and medium sized repair and maintenance businesses to access procurement opportunities, with the judges noting the project as a great example of community wealth building across the Borders.
- 5.3 A further key ambition of the procurement strategy is support the supply chains cash flow by ensuring the efficient and effective payment of invoices. The average indicator for the year 2019/20 was a strong 90%, and despite the challenges 2020 has brought, our performance continues to improve with a current average (as at Sept 2020) of 96%.
- 5.4 During Living Wage week in November 2019, it was confirmed the Council had been successful in receiving our Living Wage accreditation. This accreditation recognises the Council's commitment to paying all directly employed and regular third part contracted staff the real Living Wage. As a result, monitoring payment of the real Living Wage is an integral part of our procurement and contract management activities.

6 IMPLICATIONS

6.1 Financial

There are no financial implications contained in the report.

6.2 Risk and Mitigations

If the annual report is not submitted to the Scottish Government and made available online then the Council will not be compliant with statutory legislation.

6.3 Integrated Impact Assessment

This is a routine report for good governance and statutory purposes, not a new or revised strategy of policy for decision and, as a result, completion of an integrated impact assessment is not an applicable consideration.

6.4 Acting Sustainably

Effective procurement delivers best value as well as local economic, social and environmental benefits supporting a prosperous, fair and sustainable community.

6.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

6.6 Rural Proofing

Not applicable.

6.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to the Schemes of Administration or Delegation as a result of this report.

7 CONSULTATION

7.1 The Executive Director – Corporate Improvement & Economy, the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted with all comments received incorporated into the final report.

Approved by

David Robertson

Signature.....

Executive Director Finance & Regulatory Services

Author(s)

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Background Papers:

Previous Minute Reference:

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. The Procurement & Payment Team can also give information on other language translations as well as providing additional copies.