
ANNUAL PROCUREMENT REPORT

Report by Chief Financial Officer
EXECUTIVE COMMITTEE

21 AUGUST 2018

1 PURPOSE AND SUMMARY

- 1.1 **This report presents the Executive Committee with the first Annual Procurement Report (APR), as required by the Procurement Reform (Scotland) Act 2014.**
- 1.2 A copy of the APR for the period 1st January 2017 – 31st March 2018, developed in the format required by Scottish Government guidance, is attached to this report as Appendix 1.
- 1.3 Organisations required to prepare a procurement strategy must also publish an annual procurement report. These documents are now part of the reporting landscape for public sector organisations to support increased transparency and visibility of public expenditure, and to embed sustainable procurement into public sector procurement.
- 1.4 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.
- 1.5 The key ambition of the Procurement Strategy is to support our local market and the economy. During the 2017/18, and through delivering on our strategic objectives, the level of local spend has increased by 2.9% with 44.3% (£69.7m) of the overall Council spend with third parties (£157.4m) being with businesses operating in the geographical boundaries of the Scottish Borders.
- 1.6 Following committee approval the report must be submitted to the Scottish Government and, as a minimum, published on the internet.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive Committee approves the Annual Procurement Report 2017/18 as attached in the appendix to this report**

3 BACKGROUND

- 3.1 The Procurement Reform (Scotland) Act 2014 requires any public organisation, which has 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 taken forward 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 sustainable procurement into public sector procurement.

4 ANNUAL REPORT

- 4.1 A copy of the APR for the period 1st January 2017 – 31st March 2018, developed in the format required by Scottish Government guidance, is attached to this report as Appendix 1.
- 4.2 This first annual report is for a 15 month period, with all future reports based on standard financial years.
- 4.3 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.
- 4.4 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.
- 4.5 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.
- 4.6 The procurement strategy must be reviewed annually to ensure it remains aligned to corporate objectives and, if necessary, adjusted to account for change. The first review of the 2018-2023 strategy will be undertaken during November this year and will ensure the ongoing direction of procurement is refreshed to recognise the new 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 The key ambition of the Procurement Strategy is to support our local market and the economy. Activities supporting this theme are continuous, and for example and during the period of the report, have focused on growing delivery through the local market of social care and early years' service providers. Success has been achieved using flexible and innovative approaches to procurement resulting in substantial growth in the number of providers delivering services to the local community.
- 5.2 Delivering sustainable procurement with social, economic and environmental impact is another area of importance with significant success achieved through the delivery of new jobs and work experience opportunities, support to education, and a wide range of other community benefits, including sponsorship and the donation of materials to local community groups.
- 5.3 During the 2017/18, and through delivering on our strategic objectives, the level of local spend has increased by 2.9% with 44.3% (£69.7m) of the overall Council spend with third parties (£157.4m) being with businesses operating in the geographical boundaries of the Scottish Borders.

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 Equalities

An EIA has been carried out and there are no adverse equality issues arising from the report.

6.4 Acting Sustainably

Effective procurement supports a prosperous, fair and sustainable area, delivering best value as well as local economic, social and environmental benefits.

6.5 Carbon Management

There are no effects on carbon emissions associated with 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 Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and comments received incorporated into the final report.

Approved by

David Robertson
Chief Financial Officer

Signature.....

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.

Appendix 1