

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee

13 June 2018

PROCUREMENT UPDATE 2017/18

Report by Depute Chief Executive, Chief Operating Officer (Report No. 18/198)

PURPOSE OF REPORT

This report details the progress made by Perth and Kinross Council during 2017/18 in delivering on the Procurement Strategy, published in December 2015.

The main purpose of the report is to document the achievement of the aims and objectives set out in the Strategy and to demonstrate value through the purchasing decisions taken for the period 2017/18.

1. BACKGROUND

- 1.1 A review of the Council's procurement functions took place during 2015. A new Procurement Strategy was developed in response to the findings of this review and published in December 2015 ([report 15/572 refers](#)). This report records the progress made during the financial year 2017/18 in the achievement of the aims and objectives set out in the published Strategy.
- 1.2 The annual reporting on procurement performance became a statutory duty following the implementation of the Procurement Reform Act 2014 (the Act). The financial year 2017/18 is the first year in which the duty is applicable to Perth and Kinross Council. The statutory duties set out in the Act are explicit and include a requirement to provide information on all regulated procurement exercises and methodologies used in review of these activities.
- 1.3 This report has been prepared with reference to the published guidance on the duties arising from the Act. Subject to approval by the Committee the Annual Report and a revision to the Procurement Strategy will be published on the Council's website.
- 1.4 The Act also requires notification of publication of strategies and annual reports to be made to the Scottish Ministers. All annual procurement reports published within four months of the end of the relevant authority's financial year will be included in an analysis that will inform the Scottish Ministers annual report on procurement activity in Scotland.

2. PROPOSALS

- 2.1. Information on the tenders accepted, and awards made to third parties under the Following the Public Pound (FPP) Code has been made available on the Councillors' Help and Information Point (CHIP) as required by:
- the Council's Scheme of Administration;
 - the Council's Contract Rules;
 - and the Code of Guidance for FPP
- 2.2 These arrangements establish the requirement for Executive Directors to report on the acceptance of tenders and monies provided to third parties through FPP arrangements annually.
- 2.3 The Act does not require that this information be published along with the annual report and strategy.
- 2.4 A Contract Delivery Plan has also been produced which sets out the planned procurement activities for the coming 24 months. This information will be published, in line with the requirements of the Act. This provides transparency in our purchasing activities and promotes the opportunities available to organisations which hold an interest in the provision of goods and services, or conclusion of works on behalf of the public sector in general.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 The annual report presented as Appendix 1 is an overview of how the procurement work undertaken on behalf of the Council in 2017/18 has supported delivery of the Corporate Plan. The report provides detail on the objectives met since our Procurement Transformation journey started, including £1.9 million of procurement savings achieved to date.
- 3.2 Detail on the improvement work undertaken in the period is included in the final section of the annual report. This report concludes the scope of work undertaken through the Procurement Strategy for 2017/18.
- 3.3 The updates to the Procurement Strategy set out the planned activities which will be taken to deliver on the priorities, actions and targets for 2018/19. The focus will be to enhance the social value we achieve through our contracts, and includes how we intend to build on the improvements in our use of Community Benefit clauses. This accords with work we are undertaking jointly with our Community Planning partners to deliver on Recommendation 9 of the Fairness Commission Fairer Futures report, which seeks to deliver greater social value through partners' procurement activities
- 3.4 The Strategic Policy & Resource Committee is requested to:
- a) Approve for publication the Procurement Annual Report (Appendix 1) and the progress made with the 2016/17 Action Plan;

Author(s)

Name	Designation	Contact Details
Mary Mitchell	Corporate Procurement Manager	contracts@pkc.gov.uk 01738 475521

Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive, Chief Operating Officer	17 May 2018

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan

1.1 Enhanced procurement capability contributes to the delivery of the Perth and Kinross Community Plan in terms of the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

1.2 Enhanced procurement capability contributes to the delivery of the Perth and Kinross Corporate Plan in terms of the following priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

2. Resource Implications

Financial

- 2.1 Budgetary provision has been made to resource the procurement work detailed in this report, and as such there are no direct financial implications arising from this Report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

- 4.1 The information contained in this report has been prepared in consultation with:

- (i) Membership of the Corporate Procurement Group; nominees of each Service area with a remit to champion procurement reform in each Service.
- (ii) The Executive Officer Team
- (iii) The Head of Legal and Governance

External

- 4.2 No external consultation was required in the preparation of this report. Consultation undertaken in the preparation of the annual report is noted separately in the body of the documents.

5. Communication

- 5.1 Information contained within this report will be published on the Tayside Procurement Consortium and Perth and Kinross Council websites.
- 5.2 Notification of the publication of a revised strategy and an annual report on procurement will be made to the Scottish Ministers prior to the end of July 2018.

6. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

7. APPENDICES

- **Appendix 1** – Procurement Annual Report 2017/18
(includes an update on progress made to the Improvement Action Plan agreed in 2016)