

AGENDA ITEM 8

REPORT NO 223/22

ANGUS COUNCIL

POLICY & RESOURCES COMMITTEE

30 AUGUST 2022

PROCUREMENT UPDATE

REPORT BY THE DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES

ABSTRACT

This report provides Committee with an update on the Council's Procurement & Commissioning Service, including advising on future priorities for the service. The report also provides details of resourcing matters, including efficiency changes to the Tayside Procurement Consortium model.

1. RECOMMENDATION(S)

1.1 Committee is asked to: -

- (i) Note progress made within the Procurement & Commissioning Service and its priorities and direction within Angus Council going forward;
- (ii) Note the intention to create a separate set of Contract Standing Orders to accompany the Council's Financial Regulations, to be undertaken as part of the Governance Review;
- (iii) Note the efficiency changes in the delivery of joint procurement services led by Tayside Procurement Consortium (TPC); and
- (iv) Note that the Director of Legal and Democratic Services has consulted with the Leader of the Council and the Leader of the non-Administration on the Annual Procurement Report for 2019/20 and said report has now been submitted to the Scottish Government.

2. ALIGNMENT TO THE COUNCIL PLAN

2.1 This Report contributes to the achievement of the following priorities detailed in our Council Plan for 2021 – 2024: -

- We want Angus to be a 'go-to' area for businesses.
- We want Angus Council to be efficient and effective.

3. BACKGROUND

3.1 Report No 89/22, considered by Policy & Resources Committee on 8 March 2022, presented the Angus Council Procurement Annual Report 2020/21 for approval and provided an update on staff recruitment and future key targets for the Council's Procurement & Commissioning Service. This report provides an update on further progress made, including in relation to Tayside Procurement Consortium.

4. CURRENT POSITION

4.1 Corporate Procurement Resource

The Corporate Procurement Team is ideally positioned to analyse the Council's third party spend data and all Services' forward-plans to identify areas of potential opportunity. As the centre of procurement excellence within Angus Council, the Service is best-placed to provide a strategic overview of the Council's third party spend and add value to those undertaking transactional procurements from an intelligence-led approach.

To allow the team to focus on the identification and realisation of such efficiencies, a paper was presented to CLT on 14 June 2022 outlining a three-strand approach to be adopted: -

- I. **Education** – remove any inefficiencies and non-compliance risks associated with the Council's current third-party expenditure by embarking on a council-wide programme of proportionate and relevant procurement training.
- II. **Support** – ensure the Council's devolved procurement model can operate efficiently through provision of appropriate support material, templates and updates.
- III. **Improvement** – in the quality of procurement activity undertaken by Services directly through education and support will enable the Corporate Procurement Team to focus on more value-adding activities. This includes working with Service Leaders directly on the realisation of efficiencies identified as a direct result of the team's proactive data-led approach as well as delivering the more complex, collaborative procurements captured under the Tayside Procurement Consortium ethos.

To support these activities, as part of the Council's wider Governance Review, it is proposed that Angus Council follow the approach adopted by many other Scottish Local Authorities in the introduction of a separate set of Contract Standing Orders. It is proposed that these would be referred to within the Council's Financial Regulations but having a standalone document will enable easier access for staff to the appropriate information whilst facilitating quicker amendments as and when deemed necessary. A separate Contract Standing Orders document will support the re-education programme across the Council by simplifying the process and reducing risks associated with a lack of awareness of correct procedures.

On 9 September 2021 Angus Council considered Report No. 285/21 and approved funding, as part of the Enterprising Angus Programme, to create a temporary LG6 post to support Spend to Save initiatives within the Procurement & Commissioning Service. This post was originally identified as required to assist with the administration of the programme e.g. arranging board meetings, training dates, requesting regular project updates, assisting with gathering and analysing data etc. However, to support the renewed direction of the Corporate Procurement team within the Procurement & Commissioning Service, the requirements of this role will now be predominantly data focused.

To enable the Service to deliver such a strategic approach will require specific data support. The new LG6 post created as part of "Enterprising Angus" will provide the necessary data collection, analysis and presentation required for the Corporate Procurement team to then engage with the relevant Services themselves in meaningful discussions and support actions necessary to harness the savings identified. This analysis will identify areas of opportunity such as:

- supplier rationalisation
- redirection of maverick spend (i.e., spend made without regard to regulations or guidance) where there are available frameworks
- potential areas for collaboration
- areas of current duplication
- current inappropriate use of frameworks – can sole supplier arrangements deliver greater savings?
- realisation of entitled benefits i.e., correct framework rates / capturing all applicable

rebates / community benefits etc.

Through the reallocation of funds previously used to support the Tayside Procurement Consortium (as detailed below), the Corporate Procurement Team propose the creation of 2x Category Officer posts to support both the continuation of appropriately targeted collaboration opportunities but also the identification and harnessing of opportunities across Angus Council via the data-led approach.

On 4 November 2021, Council considered Report No 341/21 and approved the use of Covid monies to create a temporary LG9 post for the support of Community Benefits activities resultant from the Councils procurement activities. The generation of Community Benefits from public sector third-party expenditure has been in place for a number of years but with the increased focus on topics such as support for the Climate Agenda, Community Wealth Building, Circular Economy, Sustainable Sourcing etc Angus Council has been unable to harness the true potential of this concept. By having a dedicated Community Benefits & Sustainability Officer to champion these non-core requirements within the tender process the Council will be able to achieve more for its citizens than just delivery of the core subject of the procurement. From liaising with both buyers and suppliers alike to explain the achievable reality of what this concept is will help facilitate tangible benefits ranging from increased promotion of Fostering & Adoption services across Angus to the creation of job opportunities for the long term unemployed in our area.

4.2 Tayside Procurement Consortium

In 2008 Angus Council approved the development of the Tayside Procurement Consortium (TPC) to co-ordinate and deliver all strategic procurement activities on behalf of the council in the manner set out in [Report 139/08](#).

The TPC was not established as a formal legal partnership, rather it is a working relationship amongst Angus, Dundee and Perth & Kinross Councils with the shared vision of delivering "a shared procurement service that provides best value to the three Tayside councils and all their stakeholders". Its values are:

- Strong leadership and direction in the creation of contracts that secure best value, deliver value added services for our customers and promote sustainability.
- Setting and achieving the highest standards of corporate governance.
- Achieving best use of procurement resources and actively promoting and supporting the sharing of best practice.
- Focussing on the achievement of our goals and aims through commitment and determination.
- Delivery of expertise in a range of professional procurement services necessary to support all procurement activity within our sector.

The TPC was established under the strategic management of a Steering Group, with a Chief Officer from each of the three Councils on the Group, and also Tayside Contracts who are an associate partner.

Since 2008 the TPC has been successfully delivering collaborative efficiencies on behalf of the Tayside local authorities. In recognition of the changed procurement operating environment, the Tayside procurement collaboration work will now be carried out within each of the Council's Corporate Procurement Teams.

As well as the immediate efficiencies generated through removal of a (vacant) senior management post (Head of Procurement, TPC) this will enrich the development of the Council's procurement teams themselves and foster closer partnership working across the Tayside Authorities with more direct involvement in the identification and direction of collaborative opportunities. It is intended that the Memorandum of Understanding will be updated to reflect this new way of working. By embedding the collaborative ethos within the team as opposed to the previous, segregated model, Angus Council will continue to benefit from the shared procurement expertise of the three Councils along with the other core objectives which the TPC

was initially designed to deliver. This new model will also allow an improved focus on leadership and direction with more direct oversight and decision making on key areas of focus and activity.

4.3 Outstanding Matters

On 8 March 2022 Policy & Resources Committee considered Report No. 89/22 “Annual Procurement Report” and approved the following actions: -

- I. The Director of Legal and Democratic Services to publish the 2020/21 Annual Procurement Report on the Council’s website and to provide the necessary return on the Annual Report to Scottish Ministers in line with Section 15 of the Procurement Reform (Scotland) Act 2014;
- II. The Director of Legal and Democratic Services, following consultation with the Leader of the Council and the Leader of the Non-Administration, to submit a return covering the 2019-20 to the Scottish Government as soon as reasonably practicable;
- III. The return covering the 2019-20 to be submitted to the Scottish Government will be provided by way of an Information Report to elected members.

The 2020/21 Annual Procurement Report has now been published on the Council’s website and can be found [here](#) with a return to Scottish Ministers having been made also.

The retrospective [2019/20 Annual Procurement Report](#) has been produced and consultation has been undertaken by the Director of Legal and Democratic services, with the Leader of the Council and the Leader of the Non-Administration.

5. FINANCIAL IMPLICATIONS

5.1 The changes detailed in paragraph 4.2 in relation to Tayside Procurement Consortium means that the annual budget of £85,000 paid to Dundee City Council for TPC staff will now be retained by Angus Council and used to recruit 2x Category Officers to support both the continuation of appropriately targeted collaboration opportunities but also the identification and harnessing of opportunities across Angus Council via the data-led approach.

5.2 There are no other financial implications arising directly from this report.

6. EQUALITY IMPACT ASSESSMENT

6.1 An equality impact assessment is not required.

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