

**ANGUS COUNCIL**

**POLICY AND RESOURCES COMMITTEE – 13 OCTOBER 2015**

**TAYSIDE PROCUREMENT STRATEGY 2015 - 2020**

**REPORT BY THE HEAD OF CORPORATE IMPROVEMENT AND FINANCE**

**ABSTRACT**

This report provides a copy of the Tayside Procurement Strategy 2015 – 2020 for Angus Council's interest. The strategy provides a high level communication regarding how Angus Council (as part of the Tayside Procurement Consortium) intends to carry out its duties under the Procurement Reform (Scotland) Act 2014 and its required procurement activities and assess its achievements and which looks to embed best practice into all procurement within the Councils and Tayside Contracts.

**1. RECOMMENDATION**

It is recommended that the Committee agrees to:

- (i) Approve the Tayside Procurement Strategy 2015 – 2020; and
- (ii) Treat the attached Tayside Procurement Strategy 2015 – 2020 and remit to the Head of Corporate Improvement and Finance in consultation with the TPC Head of Procurement, upon receipt of the Statutory Guidance (which is expected to be available from Scottish Government by the end of the calendar year) to provide a future Committee Report providing details of the proposed content of the 'Procurement Plan' and arrangements for reporting against the said 'Procurement Strategy'.

**2. ALIGNMENT TO COPORATE PLAN**

This report contributes as a whole to the local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016 and the Council's Economic Strategy 2013 - 2020.

**3. BACKGROUND**

- 3.1 The current Tayside Procurement Strategy 2011 to 2015 was approved by the Corporate Services Committee in April 2011 (Report No. 318/11).
- 3.2 The Procurement Reform (Scotland) Act 2014 (the Act) which came into force in 2015 and requires Ministers to make Regulations and issue Statutory Guidance on a number of specified issues, one of which is the requirement that each Council produce a 'Procurement Strategy'. The content required within a 'Procurement Strategy' will be specified in the Statutory Guidance. The Statutory Guidance is not available yet.
- 3.3 The Tayside Procurement Strategy 2015 to 2020 was approved by the Tayside Procurement Consortium Steering Group in March 2015 and as an interim measure as it is recognised that there will be required amendments to the agreed TPC Strategy 2015 – 2020 once the Statutory Guidance under the Act is available.
- 3.4 This Act also requires the production of a 'Procurement Annual Report' which is not a new concept but introduces new required content
- 3.4 As noted above, the specific required content of a 'Procurement Strategy' will be an aspect of the new Statutory Guidance which is expected to be delivered by Scottish Government before the end of the calendar year with a requirement to implement these changes by April 2016.

## **4. CURRENT POSITION**

### Alignment with Tayside Procurement Strategy

- 4.1 The aim of the Tayside Procurement Strategy 2015-2020 is to embed best practice into all procurement within the Councils and Tayside Contracts. Provision is made for wider collaborative procurement through involvement of other key public sector services. Also the contract arrangements can be accessed by associate voluntary bodies. The Strategy will be revised and/or supplemented periodically and will be published on the Procurement pages of the Angus Council and Tayside Procurement Consortium (TPC) websites. Any such changes will be reported to members through the existing half yearly update reports.

### Procurement Strategy and Annual Procurement Plan

- 4.2 This overarching Strategy requires the development of an Angus specific 'Procurement Strategy' in terms of Section 15 of the Procurement Reform (Scotland) Act 2014 and the production of an 'Annual Procurement Plan'. The 'Procurement Strategy' and 'Annual Procurement Plan' will highlight the key areas for development and set out actions for continuous improvement.
- 4.3 Tayside Procurement Consortium have produced a specific 'Business Plan' or 'Procurement Plan' which has a number of outcomes that will be measured, and will enable the reporting of national Best Practice Indicators (BPI) and allow for the monitoring of the 'Procurement and Commercial Improvement Programme' (previously known as Procurement Capability Assessment (PCA)), as reported to the Scottish Government. The TPC Head of Procurement will retain the overall responsibility for the overarching TPC Strategy along with the implementation, and collaboration over the content of the Council specific 'Procurement Strategies'. It should be noted that any required amendments to the agreed TPC Strategy 2015 – 2020 and/or 'Business Plan' will be made once Statutory Guidance is available.
- 4.4 Angus Council as part of TPC, along with the local authorities can not afford to wait for the Statutory Guidance and is proceeding to develop an implementation plan in conjunction with TPC and its 2 other Local authority partners (with stakeholders from both procurement and legal services) which takes account of each Council's governance and policy requirements. A future progress report will be provided as stated in section 1 (ii) of this report.

## **5. MEMBERSHIP OF TPC / SCOTLAND EXCEL / ALIGNMENT TO NATIONAL PROCUREMENT STRATEGY**

- 5.1 The TPC Strategy aligns to national procurement strategy. The TPC Strategy envisages ongoing membership of Scotland Excel and ongoing financial contribution to TPC and Scotland Excel which requires financial commitment for both costs for the duration of the strategy unless and until it is determined these memberships do not deliver best value.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Provision of £80k and £76k has been included in 'Other Services' revenue budget for 2015/2016 to address the financial contribution to TPC and cost of the Scotland Excel membership.
- 6.2 Based on the current budget levels, the 5 year cost for the period 2015 to 2020 is £400k For TPC costs and £380k for Scotland Excel membership fees. It is expected that the Strategy can be implemented within existing budgets and resources. Should any additional costs associated with implementation of the Strategy be required, this will be the subject of further reports to the appropriate Committee.

## 6. OTHER IMPLICATIONS

### 6.1 Risks

The risks arising for the Council from approval of this policy and the steps for mitigation of those risks are as follows:

<u>Risk</u>	<u>Mitigation</u>
There is a risk that each respective Council's 'Procurement Plans' take markedly different formats which may reduce potential for sustainable procurement outcomes (development of the supply market).	<p>A Tayside wide collaborative approach is to be taken to the interpretation of and delivery against the component parts of the Procurement Reform (Scotland) Act 2014, (more specifically the content of the 'Procurement' Plan).</p> <p>Approval of the Tayside Procurement Strategy ensures maximum opportunity for efficiency and procurement benefits realisation. It also provides a foundation for the taking forward of supply market development opportunities.</p>

### 7.1 Equalities

An Equalities Impact Assessment has been carried out.

### 7.2 Strategic Environmental Assessment (SEA)

On consideration of the Equalities and Procurement Policy it has been concluded that this policy is likely to have no or minimal environmental effect and the SEA Gateway will be notified accordingly as required by the Environmental Assessment (Scotland) Act 2005. This notification will be published by the Gateway on the Public Register maintained to that end.

**NOTE:**The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

**None**

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#### List of Appendices:

1. Tayside Procurement Strategy 2015 - 2020