

South Ayrshire Council

**Report by Director - Place
to Leadership Panel
of 29 October 2019**

Subject: Annual Procurement Report 2019

1. Purpose

- 1.1 The purpose of this report is to seek approval for the publication of the Council's Annual Procurement Report 2019 which details the Council's procurement activity between 1 April 2018 and 31 March 2019.

2. Recommendation

2.1 It is recommended that the Panel:

- 2.1.1 approves the Annual Procurement Report 2019 attached as [Appendix 1](#); and**
- 2.1.2 requests that officers forward this report to the Scottish Government before it is published on the Council's website.**

3. Background

- 3.1 To comply with [Section 18\(1\) of the Procurement Reform \(Scotland\) Act 2014](#) the Council, which is obliged to prepare or revise a procurement strategy in relation to its financial year, must also prepare and publish an annual procurement report on its regulated procurement activities as soon as is reasonably practicable after the end of its financial year.
- 3.2 The annual procurement report must include:
- 3.2.1 a summary of the regulated procurements that have been completed during the year covered by the report;
- 3.2.2 a review of whether those procurements complied with the contracting authority's procurement strategy;
- 3.2.3 a summary of any community benefit requirements imposed as part of regulated procurements and any steps taken to facilitate the involvement of supported businesses in regulated procurements; and
- 3.2.4 a summary of the regulated procurements the authority expects to commence in the next two financial years.

- 3.3 If approved by the Panel and in accordance with the Scottish Government's requirements, the Council's annual procurement report must be sent, by e-mail, to the Scottish Government and then made publically available, online.

4. Proposals

- 4.1 The Council's Annual Procurement Report 2019 (Appendix 1) summarises the performance and achievements of the Council in delivering its Procurement Strategy and covers the period between 1 April 2018 and 31 March 2019.

- 4.2 The Council's Annual Procurement Report 2019 (Appendix 1) includes Performance Indicators, in Section 9, highlighting improvements in the following areas since publication of the Council's last annual procurement report in 2018:

4.2.1 an increase in the Council's score through participation in the Scottish Government's Procurement and Commercial Improvement Programme (PCIP) assessment;

4.2.2 an increase in the percentage of Council contracts awarded during the year, actively influenced by a procurement professional;

4.2.3 an increase in the percentage of Council contracts awarded to organisations located within South Ayrshire;

4.2.4 an increase in the percentage of Council procurement spent with local suppliers; and

4.2.5 an increase in the number of Contracts awarded which contain a Community Benefit.

- 4.3 Recommendations from the Council's 2018 PCIP were that, although performing strongly in the areas of Procurement Structure and Influence, Best Practice in Contract and Supplier Management and Leadership and Development of ICT Strategy and Delivery, the Council has room to improve in its performance in the establishment of implementation and exit strategies for all new contracts. Since the 2018 PCIP, these strategies have been made mandatory for all strategic Council contracts. The 2018 PCIP also recommended that further development of Demand Management in procurement should be made. This is the process of challenging clients to distinguish between 'wants' and needs' when scoping their requirements and is now being addressed through additional consideration at the Contract Strategy stage between Council Services and Procurement. Another recommendation was that the Council could improve on spend analysis, through a category management approach to procurement. Currently, the Council's Procurement Officers are aligned to multiple Services across the Directorates, rather than any individual category of goods, services or works.

- 4.4 It is proposed that Leadership Panel approves the Annual Procurement Report 2019 and agree that it is sent to the Scottish Government before being published on the Council's website.

5. Legal and Procurement Implications

- 5.1 Legal implications arising from this report are that the Council must prepare an annual procurement report that complies with [Section 18\(1\) of the Procurement Reform \(Scotland\) Act 2014](#).

5.2 Procurement Implications arising from this report are that the Council's Procurement Service have prepared the Council's Annual Procurement Report 2019 and are satisfied that the updated annual procurement report meets all of the requirements of Section [18\(1\) of the Procurement Reform \(Scotland\) Act 2014](#).

6. Financial Implications

6.1 Not applicable.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejecting the recommendation may limit the Council's ability to achieve Best Value, impact on the reputation of the Council and/ or may give rise to breach of statute, legal challenge or Council liability.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to the Council strategic objective of 'Promote Council procurement to support the local economy, maximising the potential of community benefits'.

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Peter Henderson, Portfolio Holder for Resources and Performance, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Director - Place will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Publication of Annual Procurement Report 2019	4 November 2019	Acting Service Lead - Procurement

Background Papers **Report to Leadership Panel of 23 April 2019 - [Procurement Strategy 2019](#)**

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