

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Council
<b>DATE</b>	11 October 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Annual Procurement Report 2022 – 2023
<b>REPORT NUMBER</b>	COM/23/309
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Mel Mackenzie
<b>TERMS OF REFERENCE</b>	24.14

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to present the Annual Procurement Report 2022-2023 (Appendix A) to Council.

### 2. RECOMMENDATION

That the Council: -

- 2.1 Note the Annual Procurement Report (Appendix A).

### 3. CURRENT SITUATION

- 3.1 Section 18 of the Procurement Reform (Scotland) Act 2014 requires every Scottish Public Body with an annual spend in excess of £5,000,000 to publish an annual procurement report on its regulated procurement activities and outline performance against its Procurement Strategy. Regulated procurements are any procurement of goods and services with a value above £50,000 and works contracts with a value above £2 million.
- 3.2 The Annual Procurement Report (Appendix A) as appended to this report provide details of the performance of procurement activity across Aberdeen City Council. The report has been produced in accordance with the guidance issued by the Scottish Government and includes the required mandatory sections. The report covers all regulated procurements completed during the financial year 2022-2023; and anticipated future procurements covering the next two years (2023-2025).
- 3.3 The Scottish Government must also prepare an annual report on procurement activity in Scotland which is based upon all the published annual procurement reports.

3.4 The Council's procurement function is shared with Aberdeenshire Council and The Highland Council. The joint procurement strategy sets out how the authorities will ensure that procurement activity delivers value for money and contributes to the achievement of each authority's broader aims and objectives. The Strategy against which this Annual Report was prepared was published in 2017 and covers the period 2017 – 2023, the strategy has been revised and the Joint Procurement Strategy 2023-2026 goes live on 1 October 2023.

3.5 The high-level strategic priorities of the Joint Procurement Strategy focus on key themes of Efficiency, Governance and Improvement to underpin all procurement activity:

- Support the delivery of financial and non-financial efficiencies
- Deliver value and innovation
- Support the local economy
- Increased collaboration and standardisation

3.6 The Annual Procurement Report covers the following Sections: -

<b>Title</b>	<b>Content</b>
Introduction	
Section 1 – Summary of Regulated Procurements	Regulated procurements that have been completed in the reporting period.
Section 2 – Review of Regulated Procurement Compliance	Information on how regulated procurements have complied with the key objectives of the Joint Procurement Strategy
Section 3 – Community Benefit Summary	Community benefit requirements imposed as part of a regulated procurement.
Section 4 – Supported Businesses Summary	Steps taken to facilitate the involvement of supported businesses in regulated procurements.
Section 5 – Future Regulated Procurements Summary	Regulated procurement the authority expects to commence in the next two financial years.
Appendix 1 – Regulated Procurements - 1 April 2022 to 31 March 2023	
Appendix 2 – Future Regulated Procurements 2023-2025	

3.7 The Annual Procurement Report 2022-2023 provides details of spend and percentage of spend with local suppliers, the current figure of local spend is 35% which is in excess of the target set of 30%. Within financial year 2023-2024, the programme of Supplier Development will be developed further to build upon current engagement with local and small to medium enterprises

which has an increased focus on future, actual contract opportunities (pipelines) across the main commodity categories, particularly where the local business community can help to shape/scope requirements to ensure competitiveness, a diverse marketplace and inclusive participation.

- 3.8 The Commercial & Procurement Shared Services are continually driving improvement in procurement activity through the provision of comprehensive guidance and training. An overview of improvement activity is provided within the Annual Procurement Report at Appendix A.

A look ahead to objectives for delivery in financial year 2022-2023:

- Development and implementation of a system to capture Community Benefits, Fair Work Practices, Sustainability and Climate data
- A comprehensive review and revision will be completed of the Procurement Manual, including a revision of all associated templates.
- A programme of events will be developed in conjunction with the Supplier Development Programme to facilitate involvement of the local supply chain linked to aims of Community Wealth Building
- A regional procurement group with other Anchor Institutions will be established to support the aims of Community Wealth Building, the group will identify opportunities for regional collaboration

- 3.9 In the reporting period, the approach to community benefits within procurement activity has been guided by the commitments and aspirations expressed in our Joint Procurement Strategy. Our “Mission Statement” commits to delivery of:

*“ethical and sustainable value for money solutions that support the operational needs and wider strategic aims of the councils and the communities they serve to further local and national priorities to the fullest extent possible.”*

Beyond mandatory (£4M) and regulated thresholds (£50K for goods and services/£2M for works) the partner councils routinely seek:

*“leverage opportunities (including social, economic and environmental value) aligned to the needs and priorities of our communities”*

Our themed approach to community benefits continues to evolve and improve in close alignment with the following local and national priorities, as detailed in the Community Benefits Analysis Summary as an organisation we have included, in process or delivered a total of 762 Community Benefits in this period.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

## 5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

## 6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report.

## 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Strategic</b>	No significant strategic risk.	Production and publication of Annual Procurement Report offers assurance around delivery against strategic aims and objectives	L	Yes
<b>Compliance</b>	No significant compliance risk.	Production and publication of Annual Procurement Report ensures Council is meeting legislative procurement duty.	L	Yes
<b>Operational</b>	No significant operational risk.	Mandatory procurement training for staff involved in procurement activity supplemented with documented guidance & support offers assurance around delivery of strategic aims and objectives	L	Yes
<b>Financial</b>	No significant financial risk.	Performance against savings targets reported on annually.	L	Yes

<b>Reputational</b>	No significant reputational risks.	Reporting performance through the annual procurement report to Members and in the public domain ensures transparency.	L	Yes
<b>Environment / Climate</b>	No significant environment or climate risk	Reporting performance through the annual procurement report to Members and in the public domain will demonstrate progress on reducing carbon in contracts, the data collected will also support the Council's Climate change return.	L	Yes

## 8. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN 2023-2024</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>  <u><a href="#">Working in Partnership for Aberdeen</a></u>	The provision of information on outcomes achieved in the annual procurement report will allow for scrutiny of how activity supports progress against the Aberdeen City Council Policy Statements and the Council Delivery Plan.
<u><a href="#">Aberdeen City Local Outcome Improvement Plan 2016-26</a></u>	
Prosperous Economy Stretch Outcomes	The provision of information on outcomes achieved against the Joint Procurement Strategy in the annual procurement report will allow for scrutiny of how activity supports progress against the Aberdeen City Council Policy Statements and the Council Delivery Plan.
Prosperous People Stretch Outcomes	
Prosperous Place Stretch Outcomes	
<b>Regional and City Strategies</b>	Procurement activity conducted in accordance with the Joint Procurement Strategy will deliver outcomes against several Regional and City Strategies, outcomes delivered against the Joint Procurement Strategy will be reported on annually in the annual procurement report presented to Council, allowing for scrutiny by members.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required, IIAs may be completed for procurement activity conducted throughout the year.
Data Protection Impact Assessment	Not required
Other	N/A

## 10. BACKGROUND PAPERS

10.1 None

## 11. APPENDICES

11.1 Appendix A – Annual Procurement Report 2022 - 2023

## 12. REPORT AUTHOR CONTACT DETAILS

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