

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	11 December 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Annual Procurement Report 2023-24
REPORT NUMBER	CORS/24/354
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Mel Mackenzie
TERMS OF REFERENCE	24.14

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to present the Annual Procurement Report 2023-2024 (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 2023-2024; and anticipated procurement activity covering the period (2024-2026).
- 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 2023-26 sets out how the authorities will ensure that procurement activity delivers value for money and contribute to the achievement of each authority's broader aims and objectives. Six key themes have been identified in line with local and national priorities:

- Governance
- Policy
- Food Procurement
- Climate Change, Net Zero and Circular Economy
- Commercialisation
- Community Wealth Building

3.5 The Annual Procurement Report covers the following Sections: -

Title	Content
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 2023 to 31 March 2024	
Appendix 2 – Future Regulated Procurements 2024-2026	

3.6 The Annual Procurement Report 2023-2024 provides details of spend and percentage of spend with local suppliers, the current figure of local spend is 33% which is in excess of the target set of 30% and above the national average of 29.6%*. Performance against this metric has decreased from last financial year where local spend was at 35% however spend with local SME's om 23-24 has increased from 23% to 24%. Local Supplier Spend is one of the Key Performance Indicators which is monitored and reported quarterly to the Strategic Procurement Board, and the trend will be monitored to identify whether any further action is required to prevent a further downward trend.

**Figure from Local Government Benchmarking Framework for 2022-23*

3.7 The programme of Supplier Development activity is developed for each annual period 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 In the reporting period the approach to sustainable procurement has been guided by the commitments expressed in the joint procurement strategy. The themed approach to community benefits continues to evolve and improve in close alignment with local and national priorities. The total number of Community Benefits included, in process and delivered in this period totalled 1062, with 95% of all regulated procurements having included Community Benefits and Fair Work practices.

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?
Strategic	No significant strategic risk.	Production and publication of Annual Procurement Report offers assurance around delivery against strategic aims and objectives	L	Yes

Compliance	No significant compliance risk.	Production and publication of Annual Procurement Report ensures Council is meeting legislative procurement duty	L	Yes
Operational	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
Financial	No significant financial risk.	Performance against savings targets reported on annually.	L	Yes
Reputational	No significant reputational risks.	Reporting performance through the annual procurement report to Members and in the public domain ensures transparency	L	Yes
Environment / Climate	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

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The provision of information on outcomes achieved in the annual procurement report allows for scrutiny of how activity supports progress against the Aberdeen City Council Policy Statements and the Council Delivery Plan.
Aberdeen City Local Outcome Improvement Plan	
Stretch Outcomes (Prosperous Economy/People/Place)	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.
Regional and City Strategies	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.
UK and Scottish Legislative and Policy Programmes	Procurement activity is conducted in alignment with relevant UK and Scottish Legislative and Policy Programmes.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	It is confirmed by the Chief Officer - Commercial and Procurement that no Integrated Impact Assessment is required.
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

None

11. APPENDICES

Appendix A – Annual Procurement Report 2023-2024

12. REPORT AUTHOR CONTACT DETAILS

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