

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	13 September 2023
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Joint Procurement Strategy 2023-2026
<b>REPORT NUMBER</b>	COM/23/266
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Mel Mackenzie
<b>TERMS OF REFERENCE</b>	2.1.5

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to present the Joint Procurement Strategy 2023-2026 (Appendix A) to committee for approval.,

### 2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Approve the Joint Procurement Strategy 2023–2026 (Appendix A); and
- 2.2 Note that the Joint Procurement Strategy 2023-2026 will be published once approved by Aberdeenshire Council and The Highland Council.

### 3. CURRENT SITUATION

- 3.1 Procurement within the public sector in Scotland is governed by Procurement Legislation. Under the Procurement Reform (Scotland) Act 2014 each organisation with a spend of £5,000,000 or greater on regulated procurements in the next financial year must produce a procurement strategy, or to review an existing strategy for the current financial year and make revisions as appropriate. The Procurement Strategy must include statements about how the Council(s) will contribute to the following themes:

- the carrying out of organisational functions and purpose;
- the delivery of value for money; and
- how procurements will be conducted in accordance with general duties which include the sustainable procurement duty

The procurement strategy must also include statements about policy on:

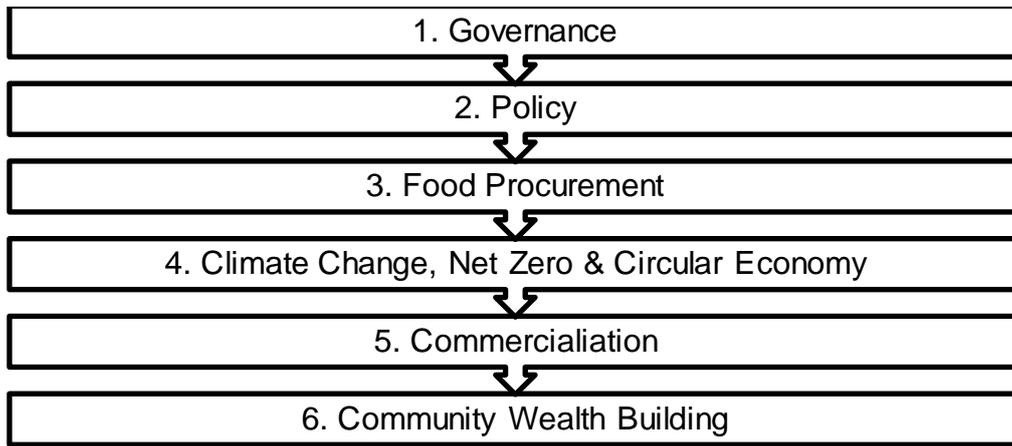
- community benefit requirements in contracts;
- consulting and involving people affected by procurements;

- Fair Work practices including paying the 'real' Living Wage to people involved in the delivery of contracts;
- how the Council will promote compliance by contractors and subcontractors with the Health and Safety at Work etc. Act 1974;
- the procurement of fairly and ethically traded goods and services;
- how procurements, involving the provision of food, will improve the health, wellbeing and education of communities and promote the highest standards of animal welfare;
- paying invoices (or a similar claim) to contractors and sub-contractors in 30 days or less; and
- how the Council will prioritise and take account of climate and circular economy in procurement activity

3.2 The Council's procurement function is shared with Aberdeenshire Council and The Highland Council and the current Joint Procurement Strategy between the parties to the Commercial and Procurement Shared Service was agreed in 2017 and was designed to ensure that all parties achieved compliance with the legislation, support achievement of strategic objectives through innovative, compliant and collaborative market solutions demonstrating value for money and genuine return on investment. In recent years, Local Authorities in Scotland have experienced a trend of rising demand for Council Services and widening budget gaps, as funding to Local Authorities from Scottish Government is reduced. Every aspect of society has been affected by the exceptional circumstances of the Covid-19 pandemic, the broader impact on communities and the local economy, and the Council's role in supporting the local economy, communities and people, will continue to be felt into the foreseeable future, impacts through exit from the EU have added additional strain to the local economy along with the invasion of the Ukraine.

3.3 These global events have significantly impacted global markets and caused significant inflationary pressures creating unique but not insurmountable challenges for the region. To support meeting the challenges faced each Council needs to explore alternative delivery models, collaborations that deliver efficiencies and commercial opportunities that will generate revenue to support sustainability for the future.

3.4 To build and support sustainability for future delivery of services and address challenges faced the revised Joint Procurement Strategy for 2023-2026 includes six key themes, the themes as set out below align with local and national priorities:



3.5 Minor changes both in terms of formatting and wording have been made to the Strategy to improve the flow of the document and the overall aesthetic, the significant changes to the Strategy are summarised below:

1. Addition of themes:
  - a. Climate Change, Net Zero & Circular Economy
  - b. Commercialisation
  - c. Community Wealth Building
2. Addition of reference and information on the Strategic Procurement Board
3. Inclusion of specific reference to Local Outcome Improvement Plans
4. Inclusion of reference and information on link to Medium Term Financial Strategies
5. Addition of Public Procurement Priorities
6. Addition of Appendix 3 – Strategy Outcomes and Key Actions to Deliver
7. Addition of Appendix 4 – Strategy Performance Indicators
8. Addition of Appendix 5 – Commercialisation Areas

3.6 The draft Joint Procurement Strategy 2023-2026 at Appendix A was considered at a Joint Council workshop held in May to allow for consultation with key services of the Council including those where collaboration would be key to meeting key priorities and high spending service areas. The feedback from that workshop has been considered and incorporated into the draft attached for approval by the committee. The Strategic Procurement Board and Strategy Board have also been consulted and approved the draft strategy.

#### **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 Joint Procurement Strategy offers assurance around delivery against strategic aims and objectives	L	Yes
<b>Compliance</b>	No significant compliance risk.	Production and publication of Joint Procurement Strategy 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 the Strategy will be published annually in the procurement annual report, including summary of value achieved/financial efficiencies delivered.	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 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.
<b><u>Aberdeen City Local Outcome Improvement Plan 2016-26</u></b>	
Prosperous Economy Stretch Outcomes	The provision of information on outcomes achieved against the Joint Procurement Strategy in the

Prosperous People Stretch Outcomes	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 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
<b>Integrated Impact Assessment</b>	Stage 1 Assessment has been completed.
<b>Data Protection Impact Assessment</b>	Not required
<b>Other</b>	N/A

## 10. BACKGROUND PAPERS

10.1 None

## 11. APPENDICES

11.1 Appendix A – Joint Procurement Strategy 2023-2026

## 12. REPORT AUTHOR CONTACT DETAILS

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