
Report To:	Policy & Resources Committee	Date:	22 March 2022
Report By:	Interim Director, Environment & Regeneration	Report No:	PR/08/22/DA
Contact Officer:	David Aitken	Contact No:	01475 712964
Subject:	Procurement Strategy 2022-25		

1.0 PURPOSE

- 1.1 The purpose of this report is to present the Procurement Strategy 2022-25 to Committee for review and approval.

2.0 SUMMARY

- 2.1 A key regulatory requirement in the ongoing development of Procurement is that the Council requires to develop and publish a Procurement Strategy and report annually on the success and compliance with that Strategy.
- 2.2 Previous strategies have focused on developing the structure, training and governance of Procurement. This Procurement Strategy aims to improve and build on the success of subsequent strategies by engaging in more Service specific improvements whilst focusing on increasing the social, economic and environmental impact procurement can have.
- 2.3 The proposed Procurement Strategy 2022-25 and associated Action Plan is attached at Appendix 1. The Procurement Strategy identifies the key aims, objectives and outcomes for the 3 year period. Through regular performance management, the Council will identify how well it is meeting the objectives and delivering the outcomes of the Strategy against the Action Plan.
- 2.4 As part of the recently revised Scheme of Administration future reporting of Procurement matters will be to the Environment & Regeneration Committee given the increasing focus on how procurement impacts on the local economy and the Net Zero agenda.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
- Note and approve the Procurement Strategy 2022-25;
 - Note that updates on progress will be provided to the Environment & Regeneration Committee as part of a 6 monthly Procurement update / Annual Procurement Report.

Stuart Jamieson
Interim Director
Environment & Regeneration

4.0 BACKGROUND

- 4.1 The Procurement Reform (Scotland) Act 2014 requires any public organisation which has an estimated annual regulated spend of £5 million or more (excluding VAT) to develop and publish a Procurement Strategy with a review of the objectives and outcomes completed annually.
- 4.2 The Procurement Strategy recognises the significant impact that the combined effect of the COVID 19 Pandemic and Brexit has had on the local economy and the way the Council operates. The Strategy will assist in stimulating local economic activity through the Council's procurement activity as it continues to progress through the recovery period. It is also recognised that effective and efficient procurement is essential in the context of the significant financial challenges facing the Council over the period of the Strategy with an estimated £13.4 million funding gap over the period 2023/25.
- 4.3 The Procurement Strategy demonstrates how investment in Procurement can increase compliance whilst supporting and driving local and national economic growth and wellbeing. The Strategy also has a wider focus and illustrates how the use of good procurement can support the Council to continuously improve from a social, environmental and economic perspective whilst ensuring best value.
- 4.4 The five overarching key priority areas of the Procurement Strategy 2022-25 are:
- Leadership, Risk Management, Governance & Compliance
 - Value for Money & Continuous Improvement
 - Sustainability & Social Value
 - Economic Recovery
 - Net Zero & Circular Economy
- 4.5 The Procurement Strategy 2022-25 is attached as Appendix 1 and is supported by an Action Plan detailing key aims, objectives and outcomes. This strategy supports the Council's objectives and Corporate Plan organisational priorities, building upon the previous Procurement Strategy and demonstrating good progress against the previous Strategy Action Plans.

5.0 PROCUREMENT STRATEGY 2022-2025

- 5.1 The sections below summarise some of the key proposals contained within the Procurement Strategy.

5.2 Spend Analysis & Compliance

Spend compliance against procurement regulations and internal governance will continue to be analysed and reported on within the annual procurement report. This approach is already established and allows the council to identify non-compliant spend as well as opportunities to collaborate and ensure best value is being achieved.

5.3 Social Value & Community Benefits

A refresh of the social value & community benefits approach will allow the Council to establish a more targeted local approach to delivering social value benefits by leveraging more of the councils spend with suppliers. This approach will be developed with key internal partners as well as external partners such as Scotland Excel and Glasgow City Region.

5.4 Fair Work First

A key deliverable is to continue with the delivery of the Fair Work First Action Plan. This includes ensuring that Fair Work First Criteria is included within all tenders where proportionate and relevant.

5.5 Local Procurement & Supported Business Policy

Changes to the Standing Orders relating to Contracts effective from 1st March 2022 were approved to further enable the Council to take a more flexible and targeted approach to supporting local businesses in relation to tendering and potentially securing contracts with the Council. This new approach will be developed with key partners and will result in the delivery of a Local Procurement & Supported Business policy.

5.6 Support the delivery of the Council's Net Zero Strategy

A delivery plan will be developed and actioned to support the delivery of the Council's Net Zero strategy. This will focus on ways to ensure consideration has been given to the Net Zero agenda within Procurement projects. This will further be supported and informed by the use of strategic organisational sustainable procurement tools such as the adoption of the Flexible Framework assessment tool, Prioritisation Tool and Sustainability Test.

5.7 Contract & Supplier Management

A review and refresh of the Council's approach to Contract and Supplier Management will allow the Council to develop and agree a policy that delivers for both services and suppliers. The policy will be developed with key partners and suppliers to ensure it is relevant and proportionate to the risk and value of the contract being awarded while ensuring it allows the council to maximise outcomes from the approach.

5.8 Training & Development

Procurement will develop and promote procurement awareness training via the Council's eLearn platform to ensure all new employees are trained as well as to refresh all existing employees who have procurement responsibilities. The strategy will also support all responsible officers in attending the climate literacy training while ensuring they are kept informed of any relevant procurement training opportunities.

6.0 IMPLICATIONS

Finance

6.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

Legal

6.2 As part of the recently revised Scheme of Administration future reporting of Procurement matters will be to the Environment & Regeneration Committee given the increasing focus on how procurement impacts on the local economy and the Net Zero agenda.

Human Resources

6.3 There are no Human Resource issues arising from this report.

6.4 Equalities

Equalities

(a) Has an Equality Impact Assessment been carried out?

X	YES – EIA has been completed will be made available on the Council's website: https://www.inverclyde.gov.uk/council-and-government/equality-impact-assessments
	NO

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

Repopulation

6.5 There are no repopulation issues arising from this report.

7.0 CONSULTATIONS

7.1 Consultation has taken place with appropriate officers and the report is supported by the Corporate Management Team.

8.0 BACKGROUND PAPERS

8.1 None



Inverclyde Council Procurement Strategy

2022 - 2025



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1 Introduction

Inverclyde Council Procurement Strategy for the period 1 April 2022 to 31 March 2025 sets out the direction for procurement activity, supporting the council's corporate vision and priorities.

This strategy has been developed at a time where the council is facing significant health, legislative, financial and sustainability pressures. Although we are beginning to emerge from the Covid-19 pandemic whilst better understanding the impact of Brexit, this strategy in line with the council's Corporate Plan sets out Inverclyde Council's strategic direction and priorities. This strategy identifies the priorities and outcomes that we strive for procurement activity to deliver on, detailing how and when we are going to do it.

Given the pressures, it is essential that the council's procurement strategy provides a practical framework that supports the delivery of the councils priorities, whilst managing risks in these challenging circumstances. This strategy advocates the positive role that delivering procurement outcomes can have in supporting the council to continue to deliver effective and efficient services.





2 Procurement Vision and Mission Statement

Inverclyde Council Procurement Strategy defines the procurement vision, aims and objectives and identifies the key deliverables as well as future challenges.

This strategy advocates the positive role that procurement activity has in enabling the council to maximise and deliver high quality supplies, services and works to our communities in an open, equal, proportionate and transparent way.

The council's vision is:

Getting it right for every child, citizen and community

The following Procurement Vision and Mission Statement have been developed to support the council's overall vision, while continuing to maximise procurement opportunities to enable and support continuous improvement and delivery of best value.

Procurement vision:

To support council services to achieve the highest level of procurement performance while leveraging the power of procurement to maximise outcomes for every child, citizen and community.

Procurement mission statement:

The procurement team will strive to deliver best value procurement services to support the councils' strategic vision and aims by maximising the delivery of; social value, sustainability, economic recovery, value for money and continuous improvement, Net Zero and circular economy as well as providing leadership, risk, management, governance and procurement guidance to support and maximise outcomes for all council employees.



3 Strategy Rationale and Context

Procurement is much more than buying what the council needs while balancing cost, quality and time considerations. Recent changes to procurement regulations and statutory duties within public sector means that procurement has a greater focus that ever in supporting the delivery of social, economic and environmental outcomes aligned to Scotland's National Performance Framework.

Progressive and sustainable procurement approaches across the public sector are increasingly seen as important lever to deliver wider policy objectives and support the councils and the Government's ambitions.

This Procurement Strategy is aligned to Scotland's National Performance Framework which sets out the core purpose, values, national outcomes and Indicators:

[National Outcomes | National Performance Framework](#)





Supporting Inverclyde Council’s Objectives

Inverclyde Council’s vision for Inverclyde, which is shared by all Community Planning partners, is “Getting it right for every child, citizen and community”. This is further supported by wellbeing outcomes that the council wants for all of Inverclyde’s citizens, i.e. to be:

Wellbeing area	Outcomes
Safe	<ul style="list-style-type: none"> • Protected from abuse, neglect or harm and supported when at risk; • Enabled to understand and take responsibility for actions and choices; and • Having access to a safe environment to live and learn in.
Healthy	<ul style="list-style-type: none"> • Achieve high standards of physical and mental health and equality of access to suitable health care and protection, while being supported and encouraged to make healthy and safe choices.
Achieving	<ul style="list-style-type: none"> • Being supported and guided in lifelong learning; and • Having opportunities for the development of skills and knowledge to gain the highest standards of achievement in educational establishments, work, leisure or the community.
Nurtured	<ul style="list-style-type: none"> • Having a nurturing place to live and learn, and the opportunity to build positive relationships within a supporting and supported community.
Active	<ul style="list-style-type: none"> • Having opportunities to take part in activities and experiences in educational establishments and the community, which contribute to a healthy life, growth and development.
Respected and Responsible	<ul style="list-style-type: none"> • Respected and share responsibilities. Citizens are involved in decision making and play an active role in improving the community.
Included	<ul style="list-style-type: none"> • Overcoming social, educational, health and economic inequalities and being valued as part of the community.

The Inverclyde Outcomes Improvement Plan (IOIP) 2017/22 sets out the outcomes that the community planning partners in Inverclyde, known as the Inverclyde Alliance, will seek to improve, which in turn should improve the wellbeing and quality of life of the residents of Inverclyde, with a particular focus on reducing inequality and poverty.

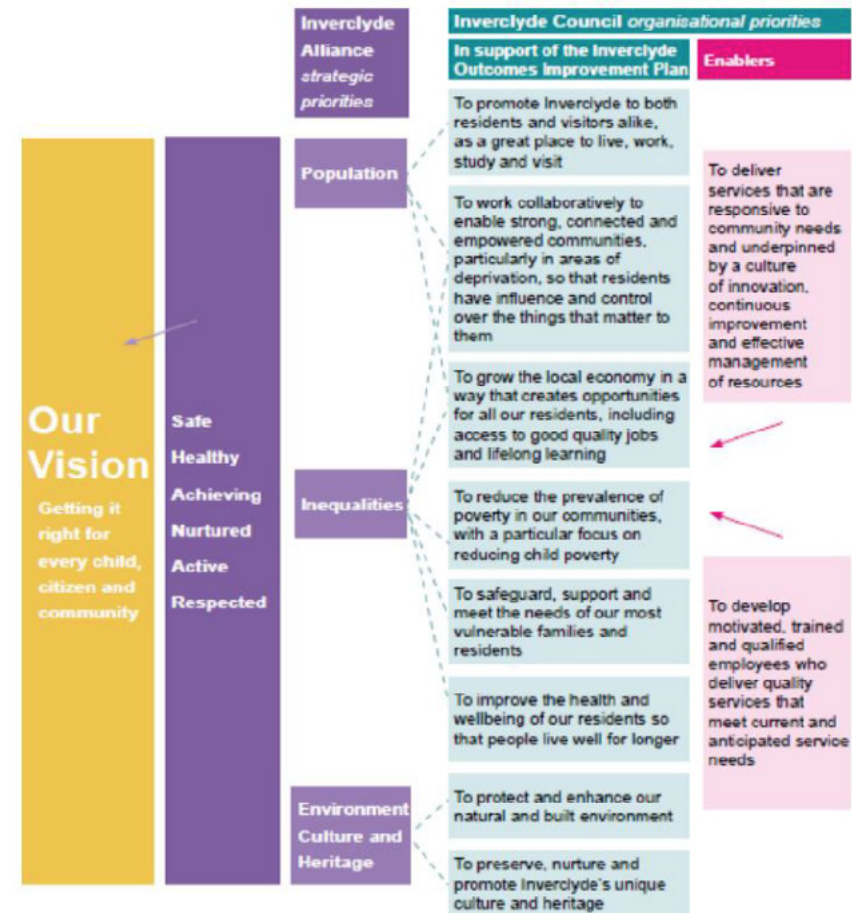




The Inverclyde Council Corporate Plan 2018/22 sets out the organisational priorities that the Council will focus on to support the delivery of the shared Vision, wellbeing outcomes and partnership strategic priorities. The organisational priorities also support the delivery of the Inverclyde Alliance strategic priorities and the National Outcomes.

The actions contained within this Procurement Strategy 2022-2025 are aligned and contribute to the delivery of the Councils priorities above.

The council currently spends circa 91m per annum on supplies, services and works, therefore it is critical that the spending power of the council is maximised to influence and promote positive change. Closer working relationships with key stakeholders is essential to successful delivery and to build on existing networks to improve engagement with communities, businesses, third sector organisations and strategic partners.

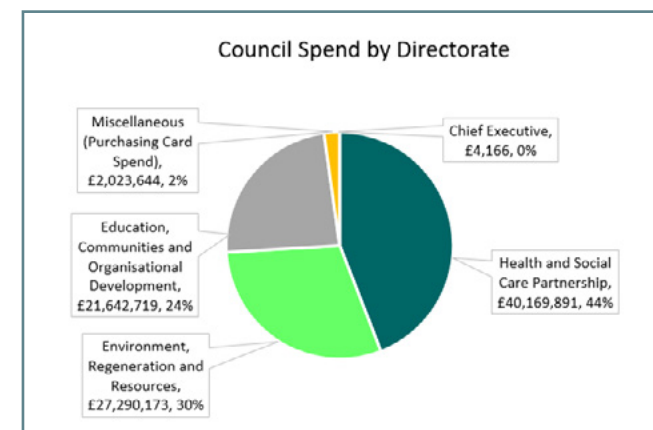




4 Spend Profile (Financial Year 2020/21)

The council's spend on supplies, services and works that is influence-able in terms of subjecting spend to procurement activity was £91,130,594. Breakdown of the overall spend by council directorate is as follows:

Commodity area	Spend	Percentage of overall spend
Social Community Care	£ 35,440,688	38.89%
Facilities & Management Services	£ 13,778,946	15.12%
Construction	£ 7,044,395	7.73%
Environmental Services	£ 4,201,120	4.61%
Information Communication Technology	£ 4,128,216	4.53%
Vehicle Management	£ 3,153,119	3.46%
Utilities	£ 3,071,101	3.37%
Miscellaneous	£ 2,952,631	3.24%
Human Resources	£ 2,679,239	2.94%
Housing Management	£ 2,442,300	2.68%
Education	£ 1,795,273	1.97%
Mail Services	£ 1,713,255	1.88%
Construction Materials	£ 1,166,472	1.28%
Financial Services	£ 1,139,132	1.25%
Catering	£ 1,038,889	1.14%
Healthcare	£ 637,914	0.70%
Highway Equipment & Materials	£ 583,236	0.64%
Cleaning & Janitorial	£ 519,444	0.57%
Clothing	£ 473,879	0.52%

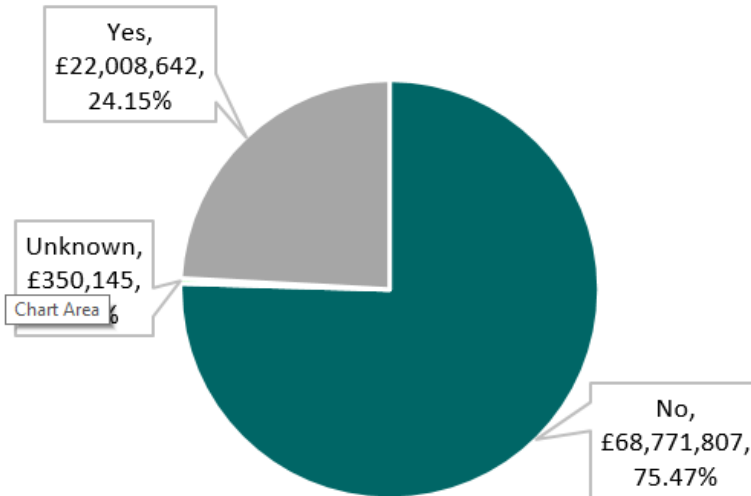


Commodity area	Spend	Percentage of overall spend
Consultancy	£ 428,314	0.47%
Arts & Leisure Services	£ 410,088	0.45%
Legal Services	£ 410,088	0.45%
Horticultural	£ 373,635	0.41%
Furniture & Soft Furnishings	£ 364,522	0.40%
Street & Traffic Management	£ 291,618	0.32%
Health & Safety	£ 236,940	0.26%
Stationery	£ 218,713	0.24%
Public Transport	£ 191,374	0.21%
Sports & Playground Equipment & Maintenance	£ 173,148	0.19%
Domestic Goods	£ 63,791	0.07%
Cemetery & Crematorium	£ 9,113	0.01%
Total	£ 91,130,594	100%



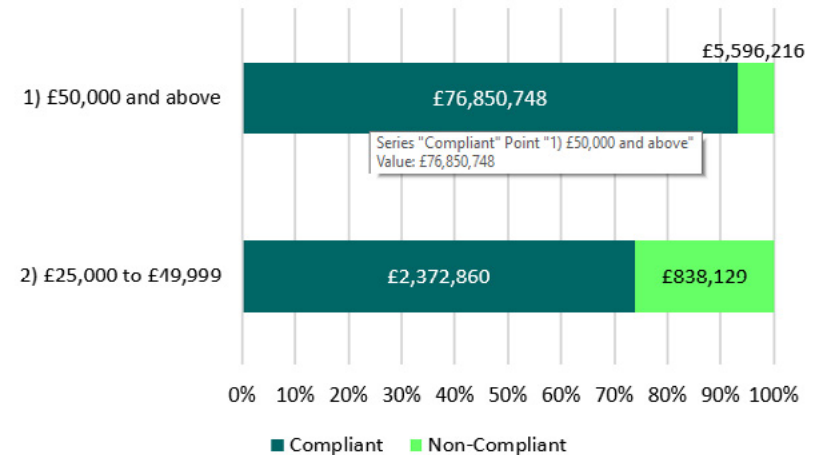
Based on the overall spend above, 24.15% of spend is with organisations based within the Inverclyde area, as further detailed in the chart below.

Spend in Inverclyde Area



Further analysis of the council's spend compliance with procurement regulations and internal governance focuses on all spend with suppliers above £25,000. Compliance for all spend above £25,000 is 73.9%, increasing for all spend above £50,000 at 93.2%, as further detailed in the chart below.

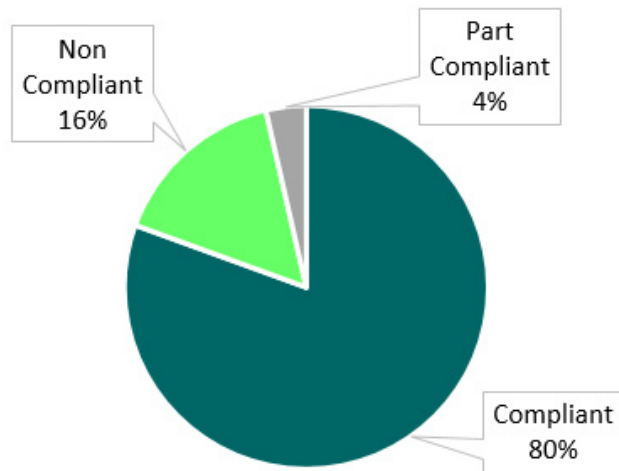
Compliance by value





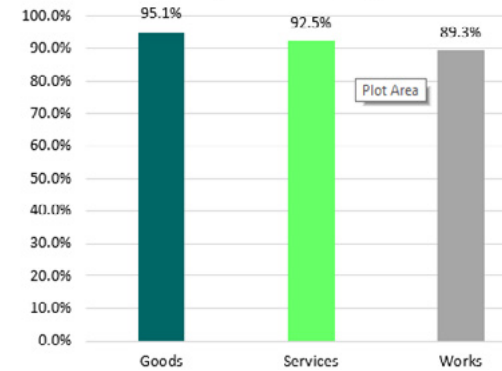
For all suppliers with spend above £25,000, 80% of those suppliers are from procurement activity that is compliant with procurement regulations and internal governance. The chart below provides further detail.

Suppliers Compliance

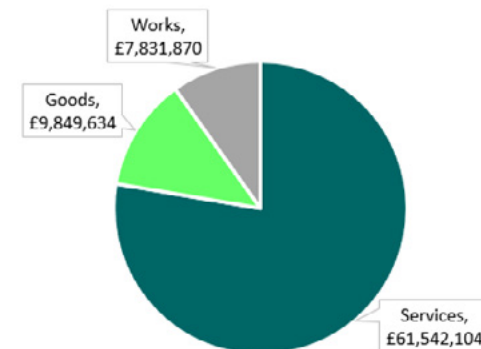


For all spend above £25,000, the charts below show the breakdown of supplies (goods), services and works that are compliant with procurement regulations and internal governance.

Compliance % by Type



Compliance Spend by Type





5 Strategic Aims, Objectives and Key Priorities

Inverclyde Council Procurement Strategy sets out a framework to support and deliver on the five key priorities areas below:

- a) **Leadership, Risk Management, Governance and Compliance**
- b) **Value for Money and Continuous Improvement**
- c) **Sustainability and Social Value**
- d) **Economic Recovery**
- e) **Net Zero and Circular Economy**

Procurement's role in delivering this:

Procurement will support services across the council by ensuring the requirements for supplies, services and works are procured compliantly in a way that maximises outcomes, mitigates risks and supports the delivery of the councils objectives.

Previous key delivered benefits and procurement improvements include:

- Updated processes and procedures to comply with procurement regulations;
- Implemented a range of actions to improve compliant spend in line with procurement regulations and internal governance;
- Supported the ongoing successful delivery of procurement activity;
- Updated procurement guidance for stakeholders.





5a - Leadership, Risk Management, Governance and Compliance

Leadership and Visibility

Aims:

- To engage and influence leaders to achieve outcomes;
- To raise the profile of procurement with improved stakeholder communications internally & externally; and
- To identify and “own” escalated issues.

We will do this by:

- Increasing the visibility of procurement, reviewing and refreshing the Council's existing engagement with key stakeholders internally and externally;
- Improving communications;
- Ensuring that all leaders understand their role in driving and enabling impactful procurement;
- Identifying, mitigating and managing risks and issues acting on the outcomes of the various reviews on the impact of the Sustainable Procurement Duty - including feedback from suppliers; and
- Actively supporting cross-functional working and ensuring that this Procurement Strategy is embedded into day to day working.

What success looks like:

- Leaders and stakeholders are more engaged with procurement activity; and
- Successful Delivery of the Procurement Action Plan.

Risk Management

Aims:

- To assess, monitor and manage risks within procurement activity in line with the Council's Risk Management Monitoring and Reporting Process.

We will do this by:

- Incorporating the Council's Risk Management Monitoring and Reporting Process into the tender process;
- Developing updated documentation to include risk analysis and management; and
- Providing guidance and support to stakeholders to identify, assess and manage risks within procurement activity.

What success looks like:

- Risks are regularly monitored, managed and reported on procurement activity; and
- Risks and impacts to the Council are mitigated.

Spend Analysis and Compliance

Aims:

- To understand the Council's overall spend profile;
- To increase and maintain the Council's compliance position in line with Procurement Regulations and internal governance;
- To provide greater transparency of the Council's spend profile; and
- To identify opportunities for efficiencies.

We will do this by:

- Regular reviewing and analysing of the Council's overall spend;
- Reviewing the spend compliance by supplier and service area;
- Publishing Contract Award Notices in line with Procurement Regulations;
- Actioning to resolve non-compliance e.g. future Procurement opportunities; and
- Identifying actions to seek efficiencies e.g. rationalising supplier base.

What success looks like:

- 100% of the Council's overall spend compliant in line with procurement regulations and internal governance; and
- Regular and timely publication of Contract Award Notices.



5b - Value for Money and Continuous Improvement

Value for Money

Aims:

- To support the Council in continuing to achieve value for money; and
- To identify opportunities for efficiencies.

We will do this by:

- Benchmarking of contracts and contract management;
- Continuing to carry out market research where relevant and proportionate;
- Continuing to identify collaboration opportunities where it's best value to do so; and
- Adopting a whole life costing model where relevant and proportionate;

What success looks like:

- Spend within set Council budgets;
- Regularly participate in collaborative opportunities; and
- Spend that is market tested.

Continuous Improvement

Aims:

- To support the Council budget savings (that procurement can influence) while ensuring value for money and continuous improvement; and
- To continue to participate in the Procurement and Commercial Improvement Programme (PCIP).

We will do this by:

- Refreshing and enhancing contract and supplier management approach and guidance;
- Continuing to challenge current delivery models while identifying opportunities to adopt new delivery models; and
- Implementing and reporting on improvements plans that flow from PCIP assessment with a focus on best practice, innovation, savings and sustainability.

What success looks like:

- Newly embedded contract and supplier management policy and approach;
- Report on performance and value delivered via the council's contract and supplier management approach.
- Reporting on procurements contribution to identifying, securing and delivering savings / efficiencies; and
- Sustain or Increase PCIP % score.



5c - Sustainability and Social Value

Sustainability

Aims:

- To implement and embed Sustainable Procurement tools that maximise the impact and delivery of the sustainable outcomes.

We will do this by:

- Using the tools detailed below to support the delivery of prioritised sustainable outcomes:
 - Flexible Framework assessment tool;
 - Prioritisation Tool;
 - Sustainability Test; and
- Capturing, monitoring and reporting on key sustainable priorities.

What success looks like:

- Sustainability action plan developed, agreed and implemented; and
- Sustainability test embedded and used in all relevant and proportionate contracts and Frameworks.

Social Value

Aims:

- To refresh the councils approach to social value and build on what has been delivered to date.

We will do this by:

- Developing and implementing a new social value policy with a focus on delivering the councils outcomes;
- Increasing and improving monitoring and reporting on community benefits targeted and delivered;
- Increasing awareness of community benefits through tender opportunities; and
- Continuing to work collaboratively with the city region in relation to adopting a regional wide approach to community benefits.

What success looks like:

- New social value policy adopted, implemented and embedded; and
- Increasing the number of community benefits secured and delivered through contracts.

Fair Work First

Aims:

- To ensure Fair Work First outcomes are promoted internally and externally and procurement is used to influence and increase positive fair work and socially-responsible outcomes which benefit the council area by addressing poverty and inequality.

We will do this by:

- Continuing to deliver the Fair Work First action plan;
- Improving training and awareness for Council staff and bidding organisations;
- Seeking to apply the Fair Work First criteria to every tender where proportionate and relevant;
- Adopting and promoting new Fair Work First guidance and other tools which support raising awareness and delivery of best practice; and
- Capturing, monitoring and reporting on the number of contracts awarded that contain fair work first criteria.

What success looks like:

- Successful delivery of the Fair Work First action plan; and
- Fair Work First Criteria included within tenders where proportionate and relevant.



5d - Economic Recovery

Economic Recovery

Aims:

- To implement and embed Sustainable Procurement tools that support a sustainable economic recovery;
- To ensure local economy considerations are factored in to all market options at contract strategy stage;
- To support Suppliers & Communities;
- To support to Local SMEs to access public sector opportunities.

We will do this by:

- Using the tools detailed below to support the delivery of prioritised sustainable outcomes:
- Flexible Framework assessment tool;
- Prioritisation Tool;
- Sustainability Test;
- Actively participating in collaborative working opportunities that supports the delivery of a sustainable economic recovery;
- Increasing engagement, working with key business and third sector to support “meet the buyer” events, workshops and awareness of contract opportunities;
- Continuing consideration of methods to provide more opportunities for SME's such as:
- Continuing to apply lotting strategies;
- Supporting facilitation of sub-contract opportunities by suppliers;
- Developing and implementing a Local Procurement & Supported Business policy;
- Review current processes and procedures to ensure there are no barriers and are as SME friendly as possible.

What success looks like:

- Sustainability test embedded and used in all relevant and proportionate contracts and Frameworks.
- Increase the number of and spend with local, SME's and third sector businesses being awarded council contracts.



5e - Net zero and Circular Economy

Net Zero and Circular Economy

Aims:

- Support the council to deliver opportunities that help Net Zero and circular economy agenda;

We will do this by:

- Embedding Net Zero considerations within the council process to maximise opportunities in relation to the delivery of our climate ambitions;
- Seeking support and guidance to support awareness raising in educating council staff involved in tendering and managing contracts; all officer to attend climate literacy training via Scottish government learn lessons;
- Considering potential for reuse, repair and recycling of supplies and materials at contract strategy stage; and
- Developing and implementing a procurement specific action plan that supports the overall delivery of the council's Net Zero Strategy

What success looks like:

- All delegated procurement officer have attended the climate literacy training;
- Implementation and delivery of procurement specific Net Zero action plan; and
- Annual reporting of procurements influence and contribution that support the delivery of the Net Zero and circular economy agenda.



6 Regulations, Policies, Guidance and Tools

The council requires to use UK and Scottish regulations, policies, guidance and tools concerning public procurement activity, in conjunction with the council's own regulations, policies, guidance and tools concerning procurement activity including but not limited to:

UK and Scottish regulations, policies, guidance and tools	Scottish Government's tools	Council's regulations, policies, guidance and tools
<ul style="list-style-type: none"> • Procurement Reform (Scotland) Act 2014 • Public Contracts (Scotland) Regulations 2015 • Procurement (Scotland) Regulations 2016 • Scottish Procurement Policy Notes and Construction Policy Notes • Sustainable procurement duty • Fair Work First 	<ul style="list-style-type: none"> • Public Contracts Scotland • Public Contract Scotland - Tender Portal • Procurement Journey • Supplier Journey • Sustainable Procurement Tools • Climate Literacy For Procurers 	<ul style="list-style-type: none"> • Scheme of Delegation • Standing Orders • Financial Regulations • Code of Conduct* • Net Zero Strategy • Risk Management, Monitoring and Reporting Process <p>*Document not available on Council Website.</p>

Procurement and Commercial Improvement Programme (PCIP)

The council's procurement function is subject to regular audit by Scotland Excel on behalf of Scottish Government and endorsed by Audit Scotland.

The PCIP assessment reviews the strength of policies and procedures driving procurement performance in:

- Leadership and governance;
- Development and tender;
- Contract; and
- Key purchasing processes.

The council is in the highest PCIP performance band and above the local authority average in 2019. Our procedures are designed around this programme which identifies best practice in the sector. The council will continue to engage with this programme.





7 Supporting Suppliers, Third Sector and Communities

Information is provided on the Council's website (<https://www.inverclyde.gov.uk/business-and-trade/procurement>) to support for those interested in doing business with the council. The website contains key information including:

- Information on how to do business with the council;
- Links to Public Contracts Scotland, the main portal used to advertise contract opportunities;
- Links to Scottish Procurement and Commercial Directorate, Scotland Excel and Crown Commercial Services who are the contract authorities for collaborative framework agreements and dynamic purchasing systems;
- The council contract register which provides details of 'live' contracts along with the dates these are due to end providing insight to future tenderers;
- Details of the regulations that govern procurement activity;
- Details about the council payment terms and how to submit a valid invoice; and
- Details about the standard terms and conditions of contract

External organisations support for those looking to do business with the council can be sought from:

- Business Gateway;
- Supplier Development Programme (SDP);
- The Scottish Government's Supplier Journey; and
- Access to other business support organisations.

In addition to the above external organisations that support those looking to do business with the council, the council's Procurement team will continue to attend future Scotland Excel and SDP Meet the Buyer events; as well as identifying more local events which target support aligned to the delivery of the council's priorities.

The council is also an active participant in hub West Scotland and the Glasgow City Region which governs and funds major infrastructure projects that focus on creating new jobs, assisting unemployed people back to work, improving improve public transport and connectivity and drive business innovation.

The council attended the Glasgow City Region City Deal Meet the Buyer event held in June 2021 and will continue to attend future events.



8 Capacity and Skill

To support the deliver the procurement strategy and to ensure best practice is being achieved through the councils procurement activity, the capacity and skills of procurement professionals and delegated procurement officers will be supported and managed by:

- Providing opportunities for 'grow your own' to develop the skills needed;
- Providing graduate and modern apprentice opportunities where possible;
- Supporting continuing professional development of professionals to ensure expertise are relevant and current;
- Continuing to maximise collaboration opportunities with other organisations when they are shown to add value and/or make commercial sense;
- Continuing to develop and implement training and guidance to support compliance and excellence in procurement (procurement awareness e learn module);
- Continuing to participate in the PCIP to support continuous improvement and identification of areas for improvement;
- Continuing to support the ongoing development of innovative solutions, tools and guidance for key delivery areas such as spend analysis, compliance and tendering (PCS and PCS-T) to ensure best practice is being achieved through the council's procurement activity; and
- Developing processes and templates to support compliance and best practice.





9 Implementation, Monitoring, Reviewing and Reporting

The Procurement Strategy will be reviewed on an annual basis to ensure continued alignment with supporting the delivery of the councils priorities and outcomes.

This strategy has been developed in consultation with key internal stakeholders, in relation to the delivery of the strategies and objectives further consultation will be carried out with the Federation for Small Business (FSB), Chamber of Commerce, Supplier Development Programme (SDP) as well as council officers and suppliers.

The refresh of the Procurement Strategy and the associated Action Plan will be reported to and approved by the Policy and Resources Committee. The Annual Procurement Report that records the performance against the Procurement Strategy will be reported and approved by the Environment and Regeneration Committee and will include:

- a summary of the regulated procurements completed during the year;
- a review of regulated procurement compliance;
- a summary of community benefits and Fair Work First performance; and
- a summary of future regulated procurements.

The strategic aims, objectives, priorities and targeted outcomes will be monitored in the form of an Action Plan, as detailed in Appendix 1.

The performance against the Action Plan will be monitored by the Procurement Manager and reported to the Environment and Regeneration Committee every 6 months along with the contracts awarded under delegated authority and the contract standing orders in the given 6 month period. This reporting will include Performance Indicators' linked to the Action Plan and the Performance Indicators' will monitor, track and measure continuous improvement.

The council's procurement performance is also subject to PCIP assessments.

Please note that due to the impact of covid PCIP assessments have been put on hold, with a view to a recommencement plan being communicated some time in 2022.

The procurement actions detailed within this strategy and Appendix 1 are aligned to both the national procurement objectives and the PCIP programme which supports continuity and continuous improvement.



10 Procurement Strategy Ownership and Contact Details

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Appendix 1 - Procurement Strategy Action Plan – 1 April 2022 until 31 March 2023

Strategic Aim(s)		Procurement Objective(s)	Priorities	Target Date	RAG Status	
1	Sustainability & Social Value	Sustainability	Implement and embed sustainable procurement tools	<ul style="list-style-type: none"> • Flexible Framework assessment tool; • Prioritisation Tool; • Sustainability Test. 	December 2022	Not Started
		Social Value	Develop, implement and embed Social Value (Community Benefits) throughout the procurement the processes	<ul style="list-style-type: none"> • Develop the Social Value policy and Community Benefits procedure; • Develop a standard matrix for Community Benefits; • Increased use of Community Benefits clauses and reporting on the benefits realised. 	September 2022	On Track
		Fair Work First	Promote Fair Work First Outcomes	<ul style="list-style-type: none"> • Included Fair Work First criteria in all tenders where proportionate and relevant; • Continue to promote the Fair Working Practices Statement for internal and external stakeholders; • % of tenders/contract that include Fair Work First Criteria. 	April 2022	On Track
2	Leadership, Governance & Compliance	Leadership & Visibility	Support the review internal Governance	<ul style="list-style-type: none"> • Financial Regulations; • Contract Standing Orders; • Procurement Manual (12 monthly); • Direct Award Process. 	March 2022	On Track
		Stakeholder Engagement Plan	Develop and deliver a Stakeholder Engagement Plan for Procurement incorporating key internal strategic and tactical stakeholders.	June 2022	Not Started	
		Review and update templates	<ul style="list-style-type: none"> • Develop and agree new process for approval of all contact strategies in advance of tender publication; • Update procurement manual to reflect sign off change; • Communicate revised process via Delegated Procurement Officer; • Review, develop and agree templates and folder structure for all procurements. 	April 2022	On Track	
		Review, update and maintain internal and external procurement website pages	<ul style="list-style-type: none"> • Review, update and maintain internal and external procurement website pages, to include information on: • How to do business with the Council; • Links to relevant websites and guidance; • Details of the regulations that govern procurement activity; • Details about the Council's contracts, terms and conditions, payment procedures etc. 	April 2022	On Track	



Inverclyde Council Procurement Strategy 2022 - 2025

Strategic Aim(s)		Procurement Objective(s)	Priorities	Target Date	RAG Status	
		Review, update and issue procurement manual guidance	<ul style="list-style-type: none"> Update procurement manual to reflect changes in Standing Orders and Financial Regulations. 	April 2022	On Track	
		Annual Procurement Report	<ul style="list-style-type: none"> Develop, improve and automate procedure for creation of Annual Procurement Report; Publish Annual procurement Report. 	September 2022	Not Started	
		Risk Management	Incorporating the Council's Risk Management Monitoring and Reporting Process into the tender process;	<ul style="list-style-type: none"> Developing updated documentation to include risk analysis and management; and Providing guidance and support to stakeholders to identify, assess and manage risks within procurement activity. 	September 2022	Not Started
		Spend Analysis & Compliance	Spend Analysis	<ul style="list-style-type: none"> Conduct an 6 monthly spend analysis; Report on spend analysis on a 12 monthly cycle. 	September 2022	On Track
			Improvement of non-compliant spend	<ul style="list-style-type: none"> Develop action plan to support improvements in non-compliant spend; Capture, monitor and report on timely publication of Contract Award Notices. 	September 2022	Not Started
			Supplier rationalisation	<ul style="list-style-type: none"> Identifying opportunities and actions via spend analysis to support strategies for supplier rationalisation. 	March 2022	Not Started
3	Economic Recovery	Economic Recovery	Develop and implement a local procurement policy.	<ul style="list-style-type: none"> Provide a formalised system of monitoring supplier performance against the contract requirements; Potential for the Council to increase economic activity with local, SME and supported businesses; Apply community wealth building principles to develop and support a local supply chain; Utilise reporting tools to support the development and delivery of strategically focused local opportunities; % of spend on local SME and supported businesses. 	December 2022	Not Started
		Increase engagement and working with key business and third sector	<ul style="list-style-type: none"> Attend national meet the buyer events; Host a local meet the buyer event, subject to demand; Through supplier engagement develop and agree a six monthly communications to local SMEs about the Council's forthcoming procurement activity. 	March 2023	Not Started	
		Supporting Local, SME and Supported Business	<ul style="list-style-type: none"> Review current processes, procedures and templates to ensure there are no barriers and are as SME friendly as possible. 	December 2022	Not Started	



Inverclyde Council Procurement Strategy 2022 - 2025

Strategic Aim(s)		Procurement Objective(s)	Priorities	Target Date	RAG Status	
4	Value for Money & Continuous Improvement	Value for Money	Procurement and Commercial Improvement Programme	<ul style="list-style-type: none"> Participate in Annual assessment (programme subject to impact of Covid-19). 	2022/23	Not Started
			Collaboration opportunities	<ul style="list-style-type: none"> Explore and identify collaboration opportunities with other public sector bodies; and Capture collaborative opportunities within tender work plan 	June 2022	Not Started
			Whole Life Costing	<ul style="list-style-type: none"> Consider the adoption of whole life costing approach were relevant and proportionate; Review pipeline projects and identify opportunities to adopt a whole life costing approach. 	March 2022	Not Started
			Use of Framework Agreements	<ul style="list-style-type: none"> Review Councils use of framework agreements to ensure they are being utilised in a way that represent value for money. 	December 2022	Not Started
		Continuous Improvement	Contract and Supplier Management (CSM)	<ul style="list-style-type: none"> Develop new policy and approach to CSM. 	December 2022	Not Started
			Procurement Performance	<ul style="list-style-type: none"> Survey stakeholders to get feedback on current service and identify areas for improvement; Development of dashboard reports for service directors and managers; Savings; Community benefits. 	September 2022	Not Started
			Develop and implement templates, systems and processes that support PCIP	<ul style="list-style-type: none"> Procurement Request Form; Contract Strategy; Ensure economic, social and environmental outcomes are considered for all procurements; Tender Documentation; Tender completion report; Direct Award flow chart; eAuction. 	September 2022	Not Started
5	Net Zero & Circular Economy	Net Zero & Circular Economy	Promote climate literacy training	<ul style="list-style-type: none"> All Procurement team members to attend climate literacy training; All delegated procurement officers to attend climate literacy training. 	September 2022	Not Started
			Net Zero Procurement Action Plan	<ul style="list-style-type: none"> Develop and implement a procurement specific Net Zero action plan that supports the overall delivery of the Council's Net Zero Strategy; Develop templates that support decision making around reuse, repair and recycling of goods and materials in scoping requirements on a routine basis to prevent waste; Develop contract strategy to include Net Zero considerations. 	April 2022	Not Started



Appendix 2 - Mandatory Requirements of the Procurement Reform (Scotland) Act 2014 and statutory guidance obligations

How the council intends to make sure that its regulated procurements will:	Procurement strategy response
Contribute to the carrying out of its functions and the achievement of its purposes	<ul style="list-style-type: none"> • Consultation was undertaken with key stakeholders to ensure the Procurement Strategy is aligned to Council's Strategic Priorities, Scotland's National Performance Framework as well as National Outcomes and Indicators; • Effective consultation will continue to deliver the strategy and will also take place during procurement exercises to ensure priorities and Council outcomes continue to be delivered; and • The delivery of regulated procurements against the strategy will be monitored to ensure the delivery
Deliver value for money	<ul style="list-style-type: none"> • Delivering Value for Money & Continuous Improvement is key objectives of this procurement strategy; • Consider the adoption of whole life costing approach where relevant and proportionate; • Collaborate on procurement activity with other public sector bodies where it represents best value to do so; • Where relevant and proportionate to do so the council will carry out market engagement to support innovation, best practice and informed contract strategies; • Always considers economic, social and environmental outcomes for all regulated procurements; and • Where relevant and proportionate the council will undertake contract and supplier management to ensure compliance and identify additional opportunities to add value.
Be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination	<ul style="list-style-type: none"> • Procurement activity will be delivered in accordance with the Council Financial Regulations, Standing Orders Relating to Contracts, this Procurement Strategy supported by the Procurement Manual which has the key principles of relevant procurement legislation embedded; • Leadership, Risk Management, Governance & Compliance is one of the key objectives of this procurement strategy; • Delivers support to Suppliers to access public sector opportunities through the Supplier Development Programme by providing training, information, webinars and templates; • Where relevant and proportionate uses early market engagement with emphasis on attracting local SMEs; and • Publishes tender opportunities and award notices on Public Contracts Scotland and Find a Tender Service portals.



How the council intends to make sure that its regulated procurements will:	Procurement strategy response
Be undertaken in compliance with its duty to act in a transparent and proportionate manner	<ul style="list-style-type: none"> • Procurement activity will be delivered in accordance with the Council Financial Regulations, Standing Orders Relating to Contracts, Risk Management processes, and this Procurement Strategy supported by the Procurement Manual which has the key principles of relevant procurement legislation embedded; • Leadership, Risk Management, Governance & Compliance is key objectives of this procurement strategy; • Delivers support to Suppliers to access public sector opportunities through the Supplier Development Programme by providing training, information, webinars and templates; • Where relevant and proportionate uses early market engagement with emphasis on attracting local SMEs; and • Publishes tender opportunities and award notices on Public Contracts Scotland and Find a Tender Service portals.
Comply with the sustainable procurement duty	<ul style="list-style-type: none"> • This will be supported by a number of the key objectives detailed in this strategy; • Engage with the Scottish Government and other centres of expertise and where it represents best value and supports continuous improvement adopt the application of new sustainability tools to support prioritisation and identification of opportunities relating to economics, social and environmental outcomes; • Refresh the councils approach to sustainability and community benefits by developing and implementing a new policy; and • Continues to report on sustainable procurement duty requirements and community benefits as part of the annual procurement report.
The use of community benefit requirements	<ul style="list-style-type: none"> • Sustainability & Social Value is one of the key objectives of this procurement strategy; • Refresh the councils approach to sustainability and community benefits by developing and implementing a new policy; • Improve monitoring and reporting on community benefits targeted and delivered; and • Continue to work collaboratively with the city region in relation to adopting a regional wide approach to community benefits.
Consulting and engaging with those affected by its procurements	<ul style="list-style-type: none"> • Effective consultation will continue to ensure the procurement strategy remains focussed and aligned to supporting the council's priorities and outcomes; and • Consultation will continue with key stakeholders to ensure lessons learned and improvements are captured and included within the refreshed procurement strategy and supporting action plan.



How the council intends to make sure that its regulated procurements will:	Procurement strategy response
Payment of a living wage - to persons involved in producing, providing or constructing the subject matter of regulated procurements	<ul style="list-style-type: none"> • Implementation of the Fair Work First action plan.
Promoting compliance with health and safety at work, including how a supplier/ sub-contractor demonstrates compliance	<ul style="list-style-type: none"> • Health and Safety criteria are included in the assessment of contracts and is embedded in the procurement process and procedures; and • The Council has adopted the Construction Charter, which is promoted and adopted in procurements.
A statement on the Council's general policy on how it intends its approach to the procurement of food to improve health, wellbeing and education of its communities and promote the highest standards of animal welfare	<ul style="list-style-type: none"> • The council utilises Scotland Excel's framework for food procurements which was developed in conjunction with public bodies to ensure it meets the national nutritional requirements for food.
The provision of prompt payment – no later than 30 days after invoice by the organisation to a supplier and/or sub-contractor, or by a sub-contractor to a sub-contractor	<ul style="list-style-type: none"> • The Council has adopted a standard payment approach which supports the delivery of payment by no later than 30 days. This performance is captured, monitored and reported as part of the annual procurement report.



Appendix 3 - Glossary

<p>Best Value An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.</p>	<p>Contract An agreement concluded between the Council and the supplier that is legally binding, containing terms of the agreement, any schedules and appendices, the Tender Specification and any other specifications, drawings, official purchase order(s) and other documents which are relevant to the Contract.</p>
<p>Circular Economy A circular economy is part of the solution to our global climate emergency - one in which products, services and systems are designed to maximise their value and minimise waste.</p>	<p>Contract and Supplier Management The process of monitoring the performance of a contract and supplier.</p>
<p>Collaboration When two or more groups of people or organisations engage in procurement work together for mutual benefit.</p>	<p>COSLA The Convention of Scottish Local Authorities, is the representative voice of Scottish local government, lobbying on behalf of member Councils. COSLA works directly with the Scottish Government and Parliament to influence public policy and practice, and to ensure that local government has the necessary resources to implement policy on behalf of its communities.</p>
<p>Commodity Taxonomy (classification) for the entire Council, to give the Council the ability to accurately describe the primary business activities of its suppliers the commodity approach presently used by the Council was defined back in 2006 and was reviewed and refined as part of the 2016 to 2018 Strategy. Commodity ownership, definitions and scope will continue to be developed as part of the Council's Corporate Procurement and Commercial Improvement Strategy 2022 to 2025.</p>	<p>Fair Work First Employment practices that supports investment in skills and training, no inappropriate use of zero hours contracts, action on gender pay, engagement with trade unions, and payment of the real Living Wage.</p>
<p>Community Benefits Community benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social, economic and or environmental benefits.</p>	<p>Framework Agreement An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.</p>
<p>Continuous Improvement Continuous improvement is encouraging all employees to look for ways to enhance the business's operations. This includes suggesting ideas to improve efficiencies, evaluating current processes, and finding opportunities to cut unproductive work.</p>	<p>National Outcomes What outcomes the Government wants to achieve over the next ten years.</p>
	<p>Procurement Strategy A document required as part of Scottish Procurement Regulations that sets out how the Council intends to carry out its regulated procurements i.e. procurements with an estimated value equal to or greater than £50,000 (excluding VAT) for supplies for supplies & services (or £2,000,000 excluding VAT for a public works contract).</p>



<p>Public Contracts Scotland The national advertising portal used to tender all Scottish Government supplies, services or works contract opportunities.</p>
<p>Public Contracts Scotland Tender The national advertising portal used to tender all Scottish Government supplies, services or works contract opportunities.</p>
<p>Real Living Wage A wage rate per hour that is based on the cost of living and is currently voluntarily paid by UK organisations. From 1st April 2022, the rate per hour is £9.90 across the UK and £11.05 in London, for ages 18 and older. The rates are reviewed and updated annually, each April. Organisations can gain accreditation of this with the Living Wage Foundation.</p>
<p>Regulated Procurement Contracts above the EU contract threshold values where the relevant EU regulations apply (greater than £50,000 (excluding VAT) for supplies for supplies & services, or £2,000,000 excluding VAT for a public works contract).</p>
<p>Regulated Spend Spend above the EU contract threshold values where the relevant EU regulations apply (above 50,000 for supplies and services contracts and above 2,000,000 for works contracts).</p>
<p>Stakeholder Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.</p>
<p>Supplier An entity who provides supplies, services or works; often used synonymously with "vendor".</p>
<p>Supply Chain All activities, resources, products and the like involved in creating and moving a product or service from the supplier to the procurer.</p>

<p>Supported business An organisation whose main aim is the social and professional integration of disabled or disadvantaged persons.</p>
<p>Small and Medium Enterprises (SME's) Enterprises which employ fewer than 250 employees.</p>
<p>Third Sector The part of an economy or society comprising non-governmental and non-profit-making organisations or associations.</p>
<p>Sustainable procurement A process whereby organisations meet their needs for supplies, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.</p>
<p>Tender Work plan List of upcoming procurement activity including re-tenders, extensions, and new activity.</p>
<p>Whole Life Costing Whole life costing takes into account the total cost of a product or service over its lifetime, from concept through to disposal including purchase, hire or lease, maintenance, operation, utilities, training and disposal.</p>



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