

DATA LABEL: PUBLIC



**CORPORATE POLICY AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL**

**ANNUAL REVIEW – CORPORATE PROCUREMENT STRATEGY**

**REPORT BY HEAD OF CORPORATE SERVICES**

**A. PURPOSE OF REPORT**

The report provides a review of the Corporate Procurement Strategy 2019/23 to the Partnership and Resources Policy Development Scrutiny Panel (P&RPDSP), including progress against the planned actions and an overview of the performance to March 2022.

**B. RECOMMENDATION**

It is recommended that the P&RPDSP note the terms of the report:

1. Notes the performance against the outcomes;
2. Notes the progress made in implementing the key activities and actions;
3. Agree any recommendations for improvement.

**C. SUMMARY OF IMPLICATIONS**

I	<b>Council Values</b>	Focusing on our customers' needs; being honest, open and accountable;
II	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	Sustainable Procurement Duty as outlined in the Procurement Reform (Scotland) Act 2014.
III	<b>Implications for Scheme of Delegations to Officers</b>	None
IV	<b>Impact on performance and performance Indicators</b>	A performance scorecard has been developed to support the delivery of the strategy outcomes. This will be used to track and monitor performance of key indicators throughout the period of the strategy.
V	<b>Relevance to Single Outcome Agreement</b>	Supporting the delivery of outcomes at a local, council wide and partnership level.
VI	<b>Resources - (Financial, Staffing and Property)</b>	None

## **VIII Other consultations**

The strategy was developed through consultation with key stakeholders, CMT and the relevant PDSP. The strategy was approved at Council Executive in February 2019.

## **D. TERMS OF REPORT**

### **D.1 Background**

The council has a clear mission, values and strategic outcomes. These influence every part of the way that we operate but also, how we evaluate our success as an organisation. The Corporate Procurement Strategy was developed, in line with the councils integrated corporate strategies, for the period 2018/19 to 2022/23, which will help to improve the quality and value of our services and drive a culture of performance and transformation for procurement across the Council.

There are two features that allow tracking of progress in the strategy outcomes and measurable achievement:

- Performance indicators that are linked to the strategy outcomes and key activities
- Action plans comprising actions with defined outcomes, timescales and responsible officers

In line with monitoring and reporting requirements for corporate strategies, this report provides an update for 2021/22 on the performance in strategy outcomes and progress in the action plan.

### **D.2 Strategy Outcomes**

The Corporate Procurement Strategy 2019/23 supports West Lothian Council in achieving its Corporate priorities contained in the council's Corporate Plan 2018/23. Although, a shift in focus from Category Management to a Strategic and Transactional approach which will be reflected in a future strategy, the overall strategy continues to provide a corporate vision, direction and focus in line with national and local priorities for all procurement activities.




The council's Corporate Procurement Strategy contributes in helping to demonstrate best value, continuous improvement, sound performance management, partnership working, community benefits and sustainable development. There are five outcomes in the Procurement Strategy as set out below:

- Outcome 1 – Contracts
- Outcome 2 – Compliance
- Outcome 3 – Accessibility
- Outcome 4 – Community Benefits
- Outcome 5 - Sustainability

### D.3 Performance Scorecard


The strategy scorecard is a reporting tool that is used to monitor progress in the performance indicators in each strategy outcome. Achievement in the key activities can be tracked and it also allows the council to identify areas for improvement. The scorecard provides a snapshot of performance to date across the whole strategy and is included in the Corporate Procurement Strategy attached at Appendix 1.

A total of 16 performance indicators are contained in the scorecard and this is managed using the council's performance management system (Pentana). A summary of the performance can be found below.

Summary of Performance Indicator Status (RAG)	
Status	Number
 Green	14
 Amber	1
 Red	1


A commentary on the performance and the corrective action that will be taken to address the performance indicators that were triggering as amber, unknown or not recently reviewed, is outlined below:

#### Outcome 1: Contracts

 <b>Indicator:</b> Percentage of relevant compliant council expenditure		
Target 2021/22	Performance 2021/22	Target 2022/23
99%	95%	100%

This target relies on service area support in delivery. E-learning modules have been developed to raise awareness across service areas on the requirements of Contract Standing Orders and CPU continues to provide advice to service areas on the compliant contracting.




#### Outcome 3: Accessibility

 <b>Indicator:</b> Percentage of SME voluntary organisations, third sector bodies supported businesses and social enterprises suppliers attending SDP tender training		
Target 2021/22	Performance 2021/22	Target 2022/23
45%	28%	50%

Although, the Supplier Development Programme (SDP) training is promoted by the Council, as the training is owned and delivered by an organisation external to the Council, and it is for organisations to decide to attend, this PI is outwith the direct influence of West Lothian Council. The wording will be reviewed for future strategy development.

### D.4 Strategy Actions

There are thirty one actions to support delivery of the Corporate Procurement Strategy. At present, the status of the actions are as follows:

<b>Summary of Actions Status</b>	
<b>Status</b>	<b>Number of Actions</b>
 Complete	25
 In progress	5
 Overdue	1

Although, as shown in Appendix 2, there are some actions yet to be complete, progress is being made towards these. There are currently some resource pressures in the Corporate Procurement Unit that have impacted on delivery of these actions.

A commentary is provided below for the actions that are in progress or have been delayed.

### Outcome 2 – Compliance

<b>Action:</b>	<b>Continued review of high value and high risk contracted suppliers spend to ensure compliance with standing orders and the corporate procurement procedures</b>
<b>Status:</b>	<b>In progress</b>
<b>Objective:</b>	<b>Maximise levels of compliance with council standing orders and procurement procedures for high value and high risk contracts.</b>
The PI now collects and reports on contract and supplier management meetings across the Council. A Contract Management Framework is being finalised	

<b>Action:</b>	<b>Continue to review spend against non-contracted suppliers and a regular supplier rationalisation exercise to reduce their availability and ensure compliance with contracted suppliers.</b>
<b>Status:</b>	<b>In progress</b>
<b>Objective:</b>	<b>Decreased levels of spend against non-contracted suppliers</b>
The re-design of CPU introduced a Strategic functional area which is responsible for reviewing spend and maximising opportunities to rationalise suppliers.	

<b>Action:</b>	<b>A Procurement Competency Framework will continue to be used to identify procurement skills gaps across the council..</b>
<b>Status:</b>	<b>In progress</b>
<b>Objective:</b>	<b>A Procurement Competency Framework will be used to identify procurement skills gaps across the council.</b>
CPU job descriptions have been benchmarked to the Procurement Competency Framework and each team member will be assessed accordingly and training and development will be included in ADRs, where applicable	

### Outcome 3 – Accessibility

<b>Action:</b>	<b>Monthly procurement surgeries to continue.</b>
<b>Status:</b>	<b>Not started</b>
<b>Objective:</b>	<b>Maximise information and awareness to suppliers regarding local authority procurement.</b>
Due to COVID and resource gaps/pressures CPU has been unable to make progress with this action. This will be progressed when resource becomes available.	

<b>Action:</b>	<b>Further development of a working group with local third sector organisations to review any potential working partnerships.</b>
<b>Status:</b>	<b>In progress</b>
<b>Objective:</b>	<b>Improved joint working relationships between the Corporate Procurement Unit and third sector organisations.</b>
Rather than set up stand alone groups, initial discussions have taken place with PEDR colleagues regarding the opportunity to hook into established groups.	

#### Outcome 4 – Community Benefits

<b>Action:</b>	<b>Continue to monitor the delivery of the Community Benefit Procedure including the local impact.</b>
<b>Status:</b>	<b>In progress</b>
<b>Objective:</b>	<b>Information available to report to Procurement Board on the local impact of Community Benefit achieved and will assist in delivering future procurement requirement</b>
Community benefits are included in regulated procurement activity where applicable and these are monitored and reported to the Scottish Government through the Annual Procurement Report.	
Due to COVID and resource gaps in CPU limited progress with a review of community benefits, along with Planning, Economic Development and Regeneration colleagues, has been made. The review is underway and a revised draft Community Benefit procedure is out for comment. It is hoped that the revised procedure will increase the number of community benefits offered through contracts and, therefore, improve the local impact.	

## **E. CONCLUSION**

The Corporate Procurement Strategy 2019/23 has been designed to support delivery of the priorities that are contained in the council's Corporate Plan 2018/23. With focus on Strategic and Transactional procurement, the strategy supports West Lothian Council in achieving its Corporate priorities contained in the council's Corporate Plan 2018/23. Good progress has been made with both the performance indicators and actions.

## **F. BACKGROUND REFERENCES**

West Lothian Council Corporate Plan 2018/23.  
West Lothian Council Corporate Procurement Strategy 2019/23.

#### Appendices: One

Appendix 1 – Corporate Procurement Strategy - Score Card

Appendix 2 – Corporate Procurement Strategy - Action Plan

Contact Person: Angela Gray, Corporate Procurement Manager  
Telephone: 01506 283259, e-mail: [angela.gray@westlothian.gov.uk](mailto:angela.gray@westlothian.gov.uk)





**Lesley Henderson**  
**Interim Head of Corporate Services**  
**19 August 2022**

# Corporate Procurement 2019-23




Appendix 1

## Corporate Strategy - Corporate Procurement 2019-23




### Outcome 1 - Contracts

Status	Performance Indicator	Last Update	Current Value	2021/22 Target	Lead officer(s)
	P:CPU019_9b.1a Percentage of relevant compliant council expenditure	2021/22	95%	99%	.Head of Corporate Services (Lesley Henderson)
	CPU026_9b.1a Percentage of collaborative opportunities explored.	2021/22	100%	100%	.Head of Corporate Services (Lesley Henderson)
	CPU028_9b.1a Percentage of contracts awarded as a framework.	2021/22	54%	50%	.Head of Corporate Services (Lesley Henderson)
	CPU038a_9b.1a Percentage of Contract and Supplier Management meetings held	Q4 2021/22	83%	80%	.Head of Corporate Services (Lesley Henderson)




### Outcome 2 - Compliance

Status	Performance Indicator	Last Update	Current Value	2021/22 Target	Lead officer(s)
	CPU031_9b.1a Percentage of Contract Strategies generated.	2021/22	100%	100%	.Head of Corporate Services (Lesley Henderson)
	CPU056_6a Percentage of Internal customers who rated the ease of access to council contract information as good or excellent.	2021/22	88%	85%	.Head of Corporate Services (Lesley Henderson)
	CPU057_6a Percentage of customers who rated the delivery of procurement fundamentals and EU legislation training and awareness sessions as good or excellent.	2021/22	100%	93%	.Head of Corporate Services (Lesley Henderson)




### Outcome 3 - Accessibility

Status	Performance Indicator	Last Update	Current Value	2021/22 Target	Lead officer(s)
	CPU051_6b Percentage of SME voluntary organisations, third sector bodies, supported businesses and social enterprises attending SDP tender training	2021/22	28%	45%	.Head of Corporate Services (Lesley Henderson)
	CPU058_6a Percentage of suppliers who rated the ease of access to information about council contract opportunities as good or excellent.	2021/22	100%	85%	.Head of Corporate Services (Lesley Henderson)
	CPU059_6a Percentage of suppliers who rated the quality and clarity of information contained within tenders as good or excellent.	2021/22	100%	97%	.Head of Corporate Services (Lesley Henderson)

#### Outcome 4 - Community Benefits




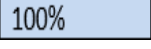

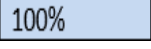

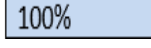

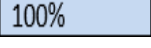

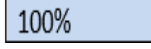
Status	Performance Indicator	Last Update	Current Value	2021/22 Target	Lead officer(s)
	CPU040a_9b.1a Percentage of Contract Strategies Incorporating Community Benefits.	2021/22	100%	100%	.Head of Corporate Services (Lesley Henderson)
	CPU040b_9b.1a Number of contracts with Community Benefits awarded as a percentage of all contracts awarded	2021/22	45%	28%	.Head of Corporate Services (Lesley Henderson)
	P:CPU052_6a Percentage of customers who rated the content of training relating to the delivery of community benefits as good or excellent	2021/22	100%	97%	.Head of Corporate Services (Lesley Henderson)

#### Outcome 5 - Sustainability




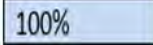



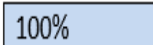

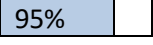

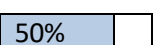

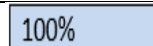

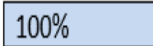
Status	Performance Indicator	Last Update	Current Value	2021/22 Target	Lead officer(s)
	CPU041_9b.1a Number of contract strategies incorporating sustainable procurement elements.	2021/22	100%	100%	.Head of Corporate Services (Lesley Henderson)
	P:CPU053_6a Percentage of customers who rated the content of training relating to the delivery of sustainable procurement as good or excellent	2021/22	100%	97%	.Head of Corporate Services (Lesley Henderson)
	P:CPU054_9b.1a Sustainability Framework Assessment score assigned to West Lothian Council	2021/22	2	2	.Head of Corporate Services (Lesley Henderson)









Appendix 2







**ACTION PLAN**


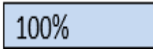

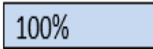

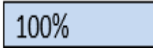
Status	Action Title	Planned Outcome	Assigned To	Progress Bar	Latest Update
	Continue to develop contracts for each area of spend identified through the five year procurement delivery plans and resulting annual procurement delivery plans.	Ensure Best Value across the council for all procurement requirements.	Corporate Procurement Manager		All regulated procurements have contracts developed.
	Continue to ensure that all contracts achieve best market price at the time of tender.	Maximise opportunities to achieve savings through procurement.	Corporate Procurement Manager		Regulated procurements are openly tendered.
	Continue to review ordering and invoicing techniques to ensure that they continue to support effective payment performance for invoices and reduced costs to the council and its suppliers for the purchase to pay process.	Maximise ordering and invoicing performance.	Corporate Procurement Manager		Customer service standards are applied for processing PECOS orders.
	Continue to review the relevance and best value delivery of: <ul style="list-style-type: none"> <li>Scottish Procurement and Commercial Directorate Category A contracts,</li> <li>Scotland Excel's Category B contracts</li> <li>Government's Procurement Service contracts.</li> </ul>	Maximise use of collaborative contracts where Best Value can be delivered.	Corporate Procurement Manager		Collaborative contracts continue to be used where they meet the specification of WLC procurement requirements.
	Continue to evaluate the option of using framework contracts to ascertain if they will deliver best value.	Maximise use of framework contracts where Best Value can be delivered.	Corporate Procurement Manager		This is considered for regulated procurement within the Contract Strategy.
	Continue to review collaborative opportunities available for Category C1 contracts.	Maximise use of collaborative contracts where Best Value can be delivered.	Corporate Procurement Manager		This is considered for regulated procurement within the Contract Strategy.



Status	Action Title	Planned Outcome	Assigned To	Progress Bar	Latest Update
	Continue to agree contract KPIs and SLAs with suppliers to enable enhanced performance.	Maximise supplier performance for council contracts.	Corporate Procurement Manager		This is considered for regulated procurement within the Contract Strategy.
	Continue to establish strategically critical suppliers through supplier segmentation and to engage these suppliers in contract and supplier management.	Maximise management and monitoring of supplier performance	Corporate Procurement Manager		Corporate Contract and Supplier Management Framework is now in place along with a PI to monitor the level of contract and supplier management across the Council.
	Regular review of procurement information on the Internet and Intranet.	Maximise accessibility of Council Procurement information for both internal and external customers.	Corporate Procurement Manager		The intranet and internet are reviewed regularly.
	Review and digitisation of key procurement processes to improve process performance and increase compliance with regulations and legislation.	Improved procurement performance (timescales and cost) for council contracts and increase compliance.	Corporate Procurement Manager		The BCE process is now automated. A Procurement Toolkit is also being developed for online publication.
	Continued review of high value and high risk contracted suppliers spend to ensure compliance with standing orders and the corporate procurement procedures.	Maximise levels of compliance with council standing orders and procurement procedures for high value and high risk contracts.	Corporate Procurement Manager		The PI now collects and reports on contract and supplier management meetings across the Council. A Contract Management Framework is being finalised.
	Continue to review spend against non-contracted suppliers and a regular supplier rationalisation exercise to reduce their availability and ensure compliance with contracted suppliers.	Decreased levels of spend against non-contracted suppliers.	Corporate Procurement Manager		The re-design of CPU introduced a Strategic functional area which is responsible for reviewing spend and maximising opportunities to rationalise suppliers.
	Continue to digitise and automate procurement processes to increase efficiency and compliance levels.	Maximise automation to increase efficiency and improve ease of access for customers.	Corporate Procurement Manager		The BCE process is now automated. A Procurement Toolkit is also being developed for online publication.
	Continue to complete contract strategies for all tender opportunities, including community benefits, market research, financial review, defining need and specification review.	Comprehensive contract strategies in place for all council procurement requirements.	Corporate Procurement Manager		A contract strategy is completed for all regulated procurement.

Status	Action Title	Planned Outcome	Assigned To	Progress Bar	Latest Update
	Continue to deliver Procurement Training to ensure that suitable training provision is delivered.	Greater competence and skill levels of staff carrying out procurement activities.	Corporate Procurement Manager	<div><div>100%</div></div>	A suite of procurement elearning modules, which are available in My Learning, has been launched across the Council. The Corporate Contract (CC) Reference Request process requires confirmation of completion prior to approval.
	Online training courses will continue to be developed and implemented to provide procurement fundamentals training across the council.	Increased accessibility to procurement training for all council staff.	Corporate Procurement Manager	<div><div>100%</div></div>	A suite of procurement elearning modules, which are available in My Learning, has been launched across the Council. The Corporate Contract (CC) Reference Request process requires confirmation of completion prior to approval.
	A Procurement Competency Framework will continue to be used to identify procurement skills gaps across the council.	A Procurement Competency Framework will be used to identify procurement skills gaps across the council.	Corporate Procurement Manager	<div><div>95%</div></div>	CPU job descriptions have been benchmarked to the Procurement Competency Framework and each team member will be assessed accordingly and training and development will be included in ADRs, where applicable.
	Monthly procurement surgeries to continue.	Maximise information and awareness to suppliers regarding local authority procurement.	Corporate Procurement Manager	<div><div>0%</div></div>	Due to resource gaps/pressures CPU has been unable to make progress with this action. This will be progressed when resource becomes available.
	'Small Lot' provision will continue to be used where appropriate to provide local suppliers and SMEs with contract opportunities.	Maximise number of Small Lot provisions where Best Value can be delivered.	Corporate Procurement Manager	<div><div>100%</div></div>	This is considered for regulated procurement within the Contract Strategy.
	'Reserved Contract' arrangements will continue to be considered.	Maximise number of Reserved Contract provisions where Best Value can be delivered.	Corporate Procurement Manager	<div><div>100%</div></div>	This is considered for regulated procurement.
	Supplier Development Programme training events to be attended by corporate procurement unit representatives, providing presentations to SMEs regarding local authority procurement.	Increased information and awareness to SMEs regarding local authority procurement.	Corporate Procurement Manager	<div><div>100%</div></div>	WLC is actively engaging with SDP and contributing as applicable.
	Further development of a working group with local third sector organisations to review any potential working partnerships.	Improved joint working relationships between the Corporate Procurement Unit and third sector organisations.	Corporate Procurement Manager	<div><div>20%</div></div>	Rather than set up stand alone groups, initial discussions have taken place with PEDR colleagues regarding the opportunity to hook into established groups.

Status	Action Title	Planned Outcome	Assigned To	Progress Bar	Latest Update
	Continue to consult with local and SME business community through an annual survey to identify and reduce barriers to doing business.	Increased contract opportunities for local and SME businesses.	Corporate Procurement Manager	<div><div>100%</div></div>	Survey sent to suppliers through the Federation of Small business.
	Continue to complete contract strategies for all contracts, in line with the Community Benefits Procedure, to include the following Community Benefits considerations.	Community Benefits taken into account for all contract strategies.	Corporate Procurement Manager	<div><div>100%</div></div>	This is considered for regulated procurement within the Contract Strategy.
	Training will continue to be provided to all relevant service area staff to ensure that community benefits is integrated into major purchasing decisions, to ensure they understand the reasons and benefits of implementing the Community Benefit Procedure.	Increased understanding and compliance with the Community Benefits Procedure.	Corporate Procurement Manager	<div><div>100%</div></div>	<p>A suite of procurement training is being developed.</p> <p>Those who conduct tendering across the Council have been identified.</p> <p>Sustainable procurement training has been launched across the Council and a reminder issued to all regarding the already existing Quick Quotes training.</p>
	Continue to monitor the delivery of the Community Benefit Procedure including the local impact.	Information available to report to Procurement Board on the local impact of Community Benefit achieved and will assist in delivering future procurement requirement.	Corporate Procurement Manager	<div><div>75%</div></div>	<p>Community benefits are included in regulated procurement activity where applicable and these are monitored and reported to the Scottish Government through the Annual Procurement Report.</p> <p>A review is underway, along with PEDR, of the process for Community Benefits, and local impact.</p>
	Contract strategies will continue to be completed for all contracts.	Social, Environmental and Economic considerations taken into account for all contract strategies	Corporate Procurement Manager	<div><div>100%</div></div>	Contract Strategies are completed for regulated procurements.
	Sustainable procurement awareness and training, including whole life costing will continue to be promoted to ensure that procurement professionals integrate sustainability into major purchasing decisions.	Increased awareness of sustainable procurement by staff.	Corporate Procurement Manager	<div><div>100%</div></div>	A sustainable procurement awareness session has been delivered to all in CPU and relevant colleagues have completed the Scottish Governments webinar for the Sustainability Test. They have also completed the new e-learning module for Sustainable Procurement now available on mylearning.

Status	Action Title	Planned Outcome	Assigned To	Progress Bar	Latest Update
	Supplier training will continue to be promoted to encourage and guide businesses to adopt sustainable development principles and practices. Support will also continue to be provided for the implementation of sustainable procurement practices throughout the council and supply chains	Increased awareness and use of sustainable development principles and practices by West Lothian businesses.	Corporate Procurement Manager		WLC works alongside the SDP to promote training to suppliers.
	Actions from the West Lothian Council Sustainable Action Plan will continue to be implemented to ensure that the council maintains level two within the Sustainability Flexible Framework Assessment .	Maintain level two within the Scottish Government Sustainability Flexible Framework Assessment.	Corporate Procurement Manager		The Council is at level 2 of the Scottish Government Flexible Framework for Sustainable Procurement.
	Promote the implementation of payment of the Living Wage through a West Lothian Council webpage.	Increased awareness and uptake of the Living Wage by West Lothian businesses.	Corporate Procurement Manager		WLC internet has a page dedicated to the Living Wage.