

## **Annual Procurement Report 2022/23**

**Report by Kevin Anderson, Executive Director, Place**

**Report for Information**

### **1 Recommendations**

The Council is asked to:

- i. note the Annual Procurement Report on regulated procurements during 2022/23 to be published on the Council's website; and
- ii. note the current and planned strategy development and transformation activity for 2023/24.

### **2 Purpose of Report/Executive Summary**

This report presents the Annual Procurement Report on regulated procurements during 2022/23 prior to being published on the Council's website, alongside information on planned and future procurement activity.

**Date 22 November 2023**

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### **3 Main Report**

#### Annual Procurement Report

- 3.1** Where a public organisation is required to prepare a procurement strategy or review an existing one, for example, and if it has an estimated value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, it must also publish an annual procurement report.
- 3.2** The annual procurement report should be relevant and proportionate, providing transparency of its purchasing activities. The annual report monitors the authority's regulated procurement activities against delivery of its procurement strategy. This Annual Procurement Report for the 2022-2023 financial year is attached as Appendix B to this report.
- 3.3** The Procurement Reform (Scotland) Act 2014 lists the minimum requirements that the Annual Procurement Report must contain:
1. a summary of the regulated procurements that have been completed during the period of the report;
  2. a review of whether those procurements complied with the Council's procurement strategy;
  3. to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future procurements do comply;
  4. a summary of any community benefits requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report;
  5. a summary of any steps taken to facilitate the involvement of supported businesses during the year covered by the report;
  6. a summary of regulated procurements the authority expects to award in the next two financial years;
  7. such other information as the Scottish Ministers may specify.

The Midlothian Council Annual Procurement Report 2022/23 complies with the above statutory requirements.

#### Strategy development and transformation

- 3.4** Procurement is recognised as a strategic enabler to transformation and is a key theme within the Council's Transformation Blueprint (Theme 1 – Follow the Money). This theme takes a closer look at contract management, commissioning and further developing local supply chains. The Council's current Procurement Strategy has been extended to 2024 and work is ongoing to refresh the strategy to take into account these key areas of focus.

- 3.5** In early 2023, a dedicated resource was identified as part of the Building Maintenance Service (BMS) Transformation Programme. A review of the BMS procurement pipeline was carried out, and a number of contracts were identified for refresh and retendering; to provide better value for money and enable procurement through lots to offer local businesses opportunities to tender for contracts. This work is supported by Economic Development, delivering local 'Meet the Buyer' events and providing advice and support to build capacity within local businesses.
- 3.6** As part of the Blueprint, focussed work has commenced within Health and Social Care, reviewing the commissioning process and identifying where contracts should be retendered to achieve efficiencies in service delivery and resourcing. This work is ongoing and progress is reported through the Business Transformation Steering Group.
- 3.7** Progressive procurement of goods and services is one of the five pillars of Community Wealth Building. As an anchor organisation, the Council holds significant spending power which needs to be adapted to recirculate wealth locally and enable local employment and promote socio-economic gains for Midlothian. The Council is currently developing a Community Wealth Building Strategy to ensure that advantage is harnessed for its communities. This will be reported back to Council in 2024.
- 3.8** Midlothian is part of the Edinburgh and South East of Scotland City Region Deal (ESESCRD), where a collective approach to Community Benefits is being developed. A new community benefits portal was launched in 2023 to enable more qualitative community engagement on anticipated contract benefits for all public sector bodies within the Deal. The Council's benefits schedule is being reviewed to explore options for more activities to tackle poverty and inequality, and it is anticipated that the revised Community Benefits process will be presented in 2024 for approval and adoption.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

There are no resource implications arising from this report.

### **4.2 Digital**

There are no digital implications arising from this report.

### **4.3 Risk**

There are no risk implications arising from this report.

### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

This report does not recommend any change to policy or practice and therefore does not require an Equalities Impact Assessment.

### **4.5 Additional Report Implications**

See Appendix A

## **Appendices**

**Appendix A – Additional Report Implications**

**Appendix B – Annual Procurement Report**

## APPENDIX A – Report Implications

### A.1 Key Priorities within the Single Midlothian Plan

Not applicable

### A.2 Key Drivers for Change

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☐ Modern
- ☒ Sustainable
- ☒ Transformational
- ☐ Preventative
- ☐ Asset-based
- ☐ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☐ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

### A.4 Delivering Best Value

The report does not directly impact on Delivering Best Value

### A.5 Involving Communities and Other Stakeholders

Relevant colleagues and stakeholders have been consulted in the development of the Annual Procurement Report

### A.6 Impact on Performance and Outcomes

The report does not directly impact on Midlothian Council's performance and outcomes

### A.7 Adopting a Preventative Approach

Not applicable

### A.8 Supporting Sustainable Development

Not applicable

## APPENDIX B

### Annual Procurement Report