

ITEM No ...7.....

REPORT TO: POLICY AND RESOURCES COMMITTEE – 22 AUGUST 2022

REPORT ON: SCOTLAND EXCEL COMMERCIAL PARTNERSHIP PROPOSAL

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 205-2022

1 PURPOSE OF REPORT

1.1 To seek approval of expenditure for the above commercial partnership proposal that will provide short-term strategic support for the review and effective delivery of the Council's revised Procurement Strategy and Community Wealth Building Strategy.

2 RECOMMENDATIONS

2.1 It is recommended that Elected Members:

- a note the information included within this report;
- b agree that the Executive Director of Corporate Services enters into the above arrangement at maximum cost of £243,200 over a two-year period;
- c note that an updated Corporate Procurement Strategy will be prepared and submitted to members;
- d note that further details of the Council's procurement activities will be submitted to members in the next Annual Corporate Procurement report.

3 FINANCIAL IMPLICATIONS

3.1 This arrangement will be on a cost reimbursable basis with the overall cost not exceeding £243,200 over the two-year period. This will be met from anticipated staff slippage within the Corporate Services Revenue Budget that has accumulated due to difficulty in filling vacancies. It should be noted that part of the works undertaken may involve a review of collaborative working arrangements with other local authorities, these development costs would require to be shared and the above cost would therefore reduce accordingly.

4 BACKGROUND

4.1 The Council's Corporate Procurement Strategy 2018-2022 was last reviewed in June 2018 (Article IV of the minute of the meeting of the Policy and Resources Committee on 25 June 2018, Report No: 216-2018 refers).

4.2 A number of experienced procurement staff have since left the centralised team and in keeping with recruitment challenges across the procurement sector, it has been difficult to fill these posts which has led to major resource challenges in delivering the significant workload. From a work planning perspective, it is possible, due to the age demographic within the current team that further experienced staff may also leave and as such the development of the team and creation of new opportunities to develop future procurement professionals will be critical to success of the function moving forward. An effective procurement service is critical within an organisation to ensure value for money can be delivered, to support services to deliver their policies and objectives and to ensure any procurement activity is made in accordance with the appropriate legislation.

- 4.3 In November 2021, the Council agreed to develop a (Article XII of the minute of the meeting of the Policy and Resources Committee on 22 November 2021, Report No: 313-2021 refers). The maximisation of community benefits through procurement and commissioning, developing good enterprise and local supply chains will be at the centre of this strategy and the Corporate Procurement Team will play a key role in the successful development and implementation of this policy.
- 4.4 In December 2021, the Chief Executives of Dundee, Perth and Kinross and Angus Councils considered a review of the existing delivery model for Tayside Procurement Consortium (TPC) including the governance arrangements that supported this. The agreed outcome of this review was not to fill the current vacancies within TPC and to reinvest these resources within each authorities local Procurement functions by embedding staff that were responsible for collaborative procurement to ensure there was closer working with local teams and that a better alignment of procurement priorities was established.
- 4.5 Scotland Excel were established in April 2008 as the Centre of Procurement expertise for the local government sector. They are a non-profit making, nationally award-winning shared service jointly funded by all 32 local authorities in Scotland. Scotland Excel develop and manage collaborative contracts on behalf of local authorities and offer a range of services to help them improve their procurement performance and have an active role in championing the views of the local government sector within the wider public sector landscape. They are also the national lead in terms of professional development and through their learning academy they are currently rolling out blended learning procurement programmes for procurement staff in partnership with academic and professional bodies.
- 4.6 Dundee City Council have a strong working relationship with Scotland Excel and have participated in a range of procurement projects and initiatives. They have also been involved in delivering or supporting change projects at various levels within many of the membership bodies across Scotland.
- 4.7 Scotland Excel intend to support the development of an improved procurement function in Dundee City through the combination of a creation of a fixed-term 2-year Head of Procurement and provision of access to additional virtual resources within their organisation. Whilst they will seek to appoint a Head of Procurement on a full-time basis, within the current recruitment market this may not be possible and any reduced support would therefore be provided on pro-rata basis.
- 4.8 The new Head of Procurement will have a sole focus on the development of a procurement strategy and will support the Corporate Procurement Manager through a review of existing resourcing and restructuring of the procurement function within the Council. Scotland Excel have successfully supported other local authorities through similar change programmes. The post will engage closely with all service users and ensure a robust engagement model is developed particularly for high spend / high risk categories and ensure that the benefits of strategic procurement are applied across all Dundee City Council activities.
- 4.9 The provision of additional virtual resource will also be available to support short-term aims including any opportunities for initial return on this investment, further opportunity analysis and to support make any longer-term recommendations. This may include areas such as:
- contract optimisation
 - improved contract and supplier management
 - procurement benefits tracking
 - further collaborative working opportunities
 - review and development of procurement systems

5 POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6 CONSULTATIONS

The Council Leadership Team were consulted in the preparation of this report.

7 BACKGROUND PAPERS

None.

**ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

11 AUGUST 2022

This page is intentionally left blank