

Agenda Item	<b>11</b>
Report No	<b>RES/42/21</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 24 November 2021

**Report Title:** Highland Council – Annual Procurement Performance Report

**Report By:** Executive Chief Officer – Resources and Finance

### 1. Purpose/Executive Summary

- 1.1 Section 18 of the Procurement Reform (Scotland) Act 2014 requires every Scottish Local Authority to publish an annual procurement report on its regulated procurement activities. Regulated procurements are any procurement of goods and services with a value above £50,000 and works contracts with a value above £2 million. The Annual Procurement Report 2020-2021 has been produced in accordance with guidance from Scottish Government and is attached at Appendix A. The report covers all regulated procurements completed during the financial year 2020-2021; and anticipated future procurements covering the next two years (2021-2023).
- 1.2 This report has been presented to the Corporate Resources committee for the purposes of providing an update on procurement performance for 2020-2021 and to seek approval to publish the annual procurement report on the Highland Council website, this will ensure that the Council is compliant in terms of Section 18 of the Procurement Reform (Scotland) Act 2014.

### 2. Recommendations

- 2.1 Members are asked to:
- i. Approve the content and publication of the Highland Council Annual Procurement Report 2020-2021 (Appendix A)

### **3. Implications**

#### **3.1 Resource**

There are no specific resources implications associated with the annual report itself, resources have been allocated to the transformation project highlighted within the report to be conducted in this financial year.

Reporting to the Project Board, the dedicated project team comprising a Project Manager and Management Analyst will be supplemented with CPSS personnel to provide capacity and expertise on an ad hoc basis. The Strategic Procurement Manager and the project team will collaborate with Executive Chief Officers, and their senior management teams, contract managers and shared services personnel. The Project Board, sponsored by the Executive Chief Officer for Resources & Finance, comprises the Head of Corporate Finance & Commercialism, Head of Revenues & Business Support, Head of Procurement and the Strategic Procurement Manager.

#### **3.2 Legal**

The production of the report ensures that the Council meets its duties under the Procurement Reform (Scotland) Act 2014, and the report outlines how the Council intends to improve compliance going forward to ensure compliance under the Procurement Reform (Scotland) Act 2014.

#### **3.3 Community (Equality, Poverty, Rural and Island)**

The report highlights the positive impacts delivered through the inclusion of Community Benefits and Social Value clauses within procurement activity in previous years and provides details of those secured within the financial year covered in the report.

#### **3.4 Climate Change / Carbon Clever**

Environmental commitments will be included in procurement activity within financial year 2021-2022 and templates have been updated to include evaluation criteria to support this, going forward procurement policies, strategies and training will further support this aim.

#### **3.5 Risk**

Annual reporting to Scottish Government as required by Procurement Legislation aids mitigation against Strategic Risk through transparency and scrutiny on outcomes delivered by Procurement Activity.

#### **3.6 Gaelic**

There are no Gaelic implications arising from this report.

## 4. Annual Procurement Report Purpose

- 4.1 Section 19 of the Procurement Reform (Scotland) Act 2014 requires every Scottish Local Authority to publish its procurement strategy and notify the Scottish Government of its publication. The Scottish Government must also prepare an annual report on procurement activity in Scotland which is based upon all the published annual procurement reports across Scotland.
- 4.2 The Council's procurement function is shared with Aberdeen City and Aberdeenshire Council. The procurement strategy sets out how the authority will ensure that its procurement activity delivers value for money and contributes to the achievement of the authority's broader aims and objectives, in line with Scotland's National Outcomes. The Strategy was published in 2017 and covers the period 2017 – 2022.

The high-level strategic priorities of the Joint Procurement Strategy focus on key themes of Efficiency, Governance, and Improvement to underpin all procurement activity: -

- Support the delivery of financial and non-financial efficiencies;
- Deliver value and innovation;
- Support the local economy;
- Increased collaboration and standardisation

## 5. Annual Procurement Report Highlights

### 5.1

The Annual Procurement Report includes the following Sections: -

Section	Title	Content
Covid Impact	Covid Impact	Information on key areas of support provided during the pandemic.
1	Summary of Regulated Procurements	Regulated procurements that have been completed in the reporting period.
2	Review of Regulated Procurement Compliance	Information on how regulated procurements have complied with the key objectives of the Joint Procurement Strategy.
3	Community Benefits Summary	Community benefit requirements imposed as part of a regulated procurement.
4	Supported Businesses Summary	Steps taken to facilitate the involvement of supported businesses in regulated procurements.
5	Future Regulated Procurement Summary	Regulated procurement the authority expects to commence in the next two financial years.

- 5.2 The procurement activity carried out within financial year 2020-2021 supported delivery of many of the key Strategic objectives for the Highland Council along with ensuring that the Council has contracts with suppliers to support statutory functions.

The report also highlights the improvement actions identified for financial year 2021-2022 and provides analysis of the Community Benefits/Social Value delivered from contracts awarded in previous years and secured for future delivery from procurements concluded in 2020-21.

The Procurement Reform (Scotland) Act 2014 requires local authorities to comply with the sustainable procurement duty in all regulated contracts. Regulated contracts are those with a total (“whole of life” ex VAT) value of £50,000 in terms of goods and services and £2M in the case of works. The Annual Report is primarily concerned with regulated procurements. Policies and procedures relating to procurement activity have a strong emphasis on the Public Sector Equality Duty, Fair Work Practices including Real Living Wage and a wide range of other socio-economic considerations designed to alleviate various forms of poverty and disadvantage under the Fairer Scotland Duty. The Highland Council is committed to securing meaningful environmental, social, and economic value in procurements and to working with all sectors of the business community in order to achieve increased prosperity.

## **6. Strategic Alignment**

- 6.1 The annual procurement report highlights the procurement activity for financial year 2020-2021 which has supported delivery of key Strategic objectives of the Highland Council.

The successful delivery of the Transformation Project (Procurement and Contract Management) will support delivery of the Ambitious Highland Highland – Health and Prosperity Strategy 2021/22.

Designation: Executive Chief Officer – Resources and Finance

Date: 05/11/2021

Author: Melanie Mackenzie, Strategic Procurement Manager (Category Management)



# Highland Council Annual Procurement Report 2020-2021

# Contents

- Introduction.....3
- Covid Impact.....6
- Section 1 – Summary of Regulated Procurements.....8
- Section 2 – Review of Regulated Procurement Compliance ..... 13
- Section 3 – Community Benefit Summary..... 19
- Section 4 – Supported Business Summary ..... 24
- Section 5 – Regulated & Future Procurement Summary ..... 27
  - Appendix 1 – Regulated Procurements 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021..... 27
  - Appendix 2 – Future Regulated Procurements 1<sup>st</sup> April 2021 – 31<sup>st</sup> March 2023 ..... 30

## Introduction

This is The Highland Council's Annual Procurement Report; the report covers the Council's procurement activity from 1 April 2019 to 31 March 2020. The report includes anticipated future procurement activity over the next two financial years - 2020 to 2022. The annual report records and publicises the Authorities performance and achievements in delivering its procurement strategy. This report has been produced in accordance with the guidance issued by the Scottish Government.

The Highland Council is part of the Commercial & Procurement Shared Services (C&PSS), a shared service agreement with Aberdeen City Council and Aberdeenshire Council. A joint Procurement Strategy 2017-2022 was published in November 2017, as required by the Procurement Reform (Scotland) Act 2014.

The high-level strategic priorities of the joint procurement strategy and key themes of Efficiency, Governance and Improvement continue to underpin all procurement activity.

- Support the delivery of financial savings and non-financial efficiencies through leverage of a combined contract portfolio;
- Deliver value and innovation by effective use of category and commercial management techniques and utilisation of spend analytic tools to enable smarter decision-making; identify collaborative opportunities and provide sector-specific market intelligence to inform decision making;
- Support the local economy by representing the North and East region at national framework user intelligence groups to ensure the needs of the communities are considered; maximises opportunities for the local supply chain, SMEs and third sector organisations
- Increased collaboration and standardisation without compromising governance/legislative compliance, the approach allows increased focus on:
  - Savings capture;
  - Market management;
  - Effective negotiation;
  - Exploration of new business models/opportunities; and
  - Social value

The Commercial & Procurement Shared Service offers a range of strategic services with a dedicated team providing these services to the partners to the Shared Service agreement, which includes:

## Category & Commercial Management Team

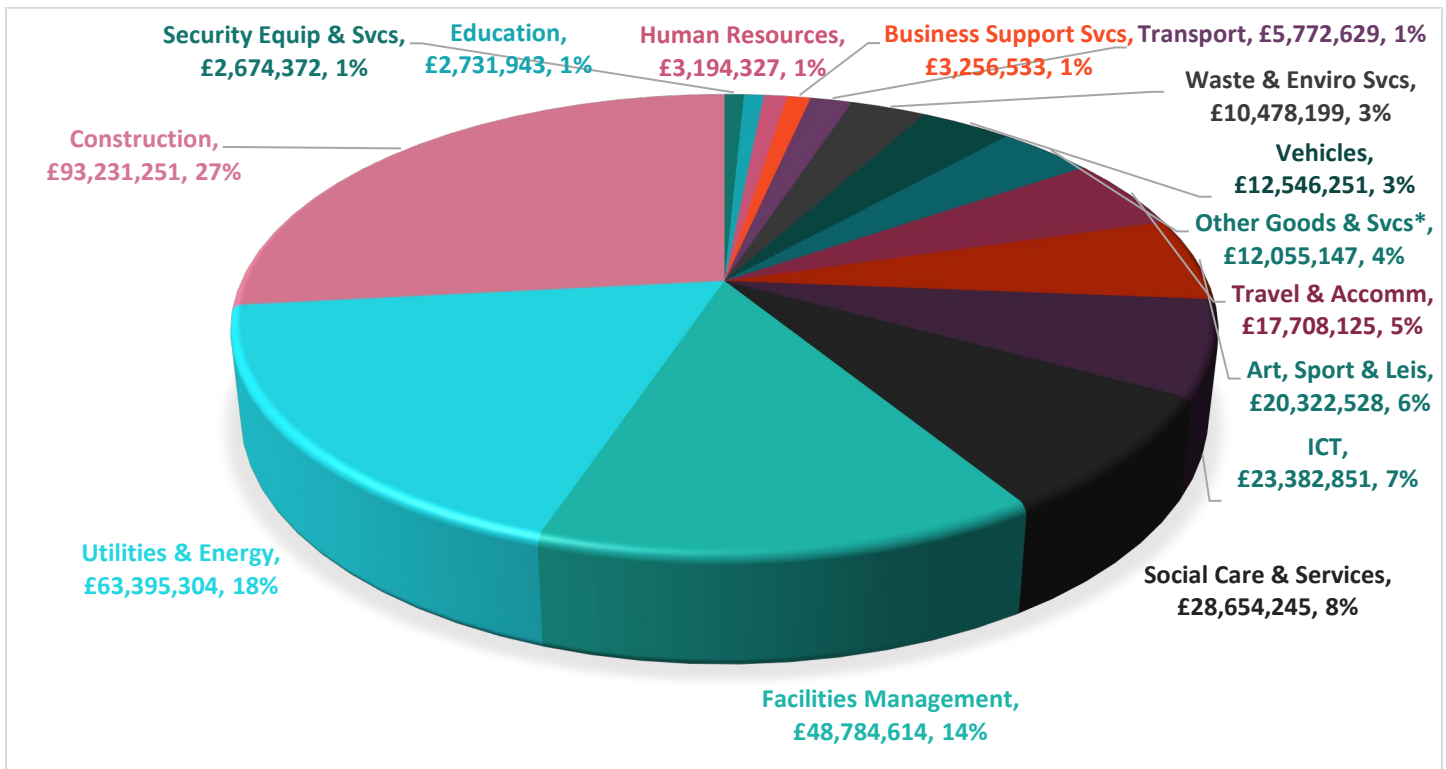
Category & Commercial Management Team covering Strategic Category Management supported by Category Managers and Senior Procurement Specialists, a dedicated data team offering cross functional high-quality data analysis, commercial team covering revenue opportunities and Community Benefits and Sustainable Procurement guidance & support.

The primary role of the Category & Commercial Management Team is to enable the partner councils to achieve their strategic objectives through the delivery of goods, works and services procured externally and to deliver improved value/increased revenue opportunity.

The strategic services provided by the team are:

- Data management, performance, analytics and insight.
- Procurement strategy, legislation, policy and advice.
- Category Management (for all strategic categories of spend).
- Review of regulated procurement compliance/Continuous Improvement Activity
- Commercial Management – covering revenue opportunities

The below graphic shows the annual expenditure by spend category (*expenditure across all budgets excluding staffing*) total spend in financial year 2021 of £348,188,319.





\*A breakdown of the categories included in Other Goods & Services can be found below:

Category	Spend	Category	Spend
Public Sector Bodies	£ 2,751,541	Retail & Wholesale	£ 304,457
Food, Beverage & Catering	£ 2,068,932	Animals & Farming	£ 235,934
Healthcare	£ 1,644,299	Stationery & Office Products	£ 235,400
Marketing & Media	£ 1,443,776	Economic Development	£ 117,082
Financial Services	£ 894,830	Community Development	£ 108,285
Professional Services	£ 777,915	Laboratory	£ 94,117
Manufacturing & Machinery	£ 697,274	Charitable & Religious Activity	£ 49,801
Legal	£ 378,378	Clothing	£ 6,904

*The data is obtained from Spikes Cavell (Scottish Procurement Hub for publication of annual procurement related spend) and is based on the VCode Classification system, which classifies suppliers by their business activities and is specifically designed to allow public sector organisations a more accurate method of classification of suppliers.*

### **Strategic Procurement Board**

The Shared Service is overseen by the Strategic Procurement Board, the board is comprised of Senior Leaders from across the 3 Council's and has responsibility for:

- Oversight of the delivery of the services to the partners to the joint arrangement.
- Review the performance of the service using Key Indicators (such as the following) and providing scrutiny and challenge, where appropriate:
  - Local Supplier Spend;
  - Collaborative Spend;
  - Community Benefits;
  - % of spend on and off contract;
  - Savings flowing from the joint arrangements.
- Oversight of a programme of digitisation of procurement processes
- Providing oversight of the roll out of a procurement capability programme across the shared arrangement.

### **Infrastructure & Environment/Housing & Property**

The procurement of Capital Projects/Property Maintenance Contracts has been devolved to Infrastructure and Environment and Property & Housing within the Highland Council, the procurement for these projects follows the strategy/guidance as contained within the Contract Standing Orders/Procurement Manual for the Highland Council as developed by the Commercial & Procurement Shared Service with reference to relevant legislation/Scottish Government guidance.

## Covid Impact

Following the lockdown announcement on 23rd March 2020 the Commercial and Procurement Service undertook a Supply Chain Mapping exercise in conjunction with each Council Service, to identify the Strategic and Critical Suppliers for each of the 3 Councils.

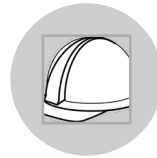
The main commodity areas identified for focus following the Supplier Mapping & Supplier Sustainability exercise for the Highland Council were:



TRANSPORT



CONSTRUCTION



PPE

## Transport

A crisis management work stream was not considered to be required for Transport as each of the Councils elected to follow the COSLA guidance for local authorities in relation to continued payment to School Transport providers during lockdown.

However, despite the continued financial support there are concerns about the level of challenges faced by suppliers and Council Officers will continue to liaise with the market over the coming months to understand the ongoing impact of decrease of income from other areas of the Transport Market i.e., Tourism/Public Transport.

Ensuring the sustainability of these suppliers is key to ensuring successful future delivery of School Transport and supports the local economy.

## Construction

The Scottish Government advised on 23 March 2020 that as result of the risks associated with Coronavirus, all non-essential construction work was to stop and that came into effect immediately. The Capital programme and contracts underway were reviewed, and dialogue entered into with contractors to determine their approach to suspend construction works.

Most contractors made the decision to immediately suspend works, ensuring projects were left safe and secure. Officers within Infrastructure and Environment and Housing and Property had continual dialogue with contractors, in terms of their business continuity arrangements, and considering any support requested from the Council i.e., revised payment terms/release of retention payments etc. The aim of the work in relation to Construction was to mitigate any financial risk to the Council in respect of the suspension of works with claims assessed on merit on a project-by-project basis, whilst also looking at ensuring financial sustainability of contractors.

The further lockdown measures implemented in December 2020 had a further impact as works were suspended in line with guidance, this has caused some delay to programmes of works but these will be monitored and mitigation measures put in place as appropriate.

The impact of both Covid and Brexit simultaneously has had a significant effect on the Construction industry overall and delays/price increases on materials are anticipated to be felt into the next financial year as a result. Market conditions will be monitored on an ongoing basis and risk mitigation measures reviewed regularly to ensure that impact is kept to a minimum where possible.

## *PPE & Sanitisation Products*

Understanding the supply chain vulnerabilities that emerged during lockdown played an important role in helping prepare for the future, including what we might do differently should a second wave of Covid-19 occur.

The Commercial & Procurement Shared Service had a critical role in supporting a PPE Covid Response Group for the Council, which was tasked with reviewing latest Government guidance, controlling demand for PPE and providing timely updates on the supply chain, and involved many Services working in partnership including Health & Safety and the Stores team.

The group was responsible for collating data on PPE and Sanitisation Supplies across the Council, redistributing stock to areas most in need, as appropriate. The work undertaken was critical in terms of ensuring the Council(s) demand for PPE was met across all Service areas.

# Section 1 – Summary of Regulated Procurements

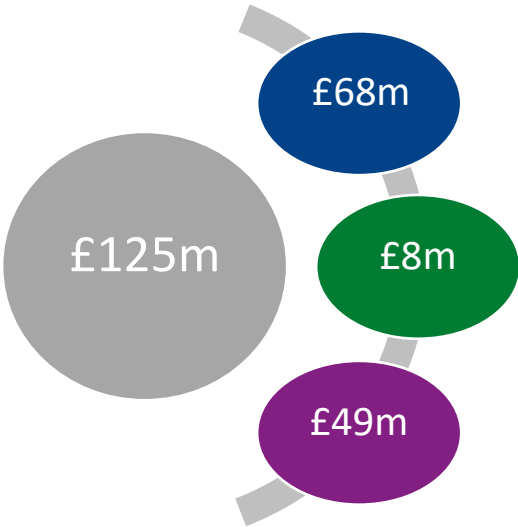
Section 18(2)(a) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: “a summary of the regulated procurements that have been completed during the year covered by the report” Regulated procurements are any procurement for goods and services with a value above £50,000 and works contracts with a value of above £2 million. A summary of the regulated procurements awarded within financial year 1 April 2020 to 31 March 2021 is provided in the graphics below.

A summary of all un-regulated procurements awarded within financial year 1 April 2020 to 31 March 2021 is also provided within the graphics below.

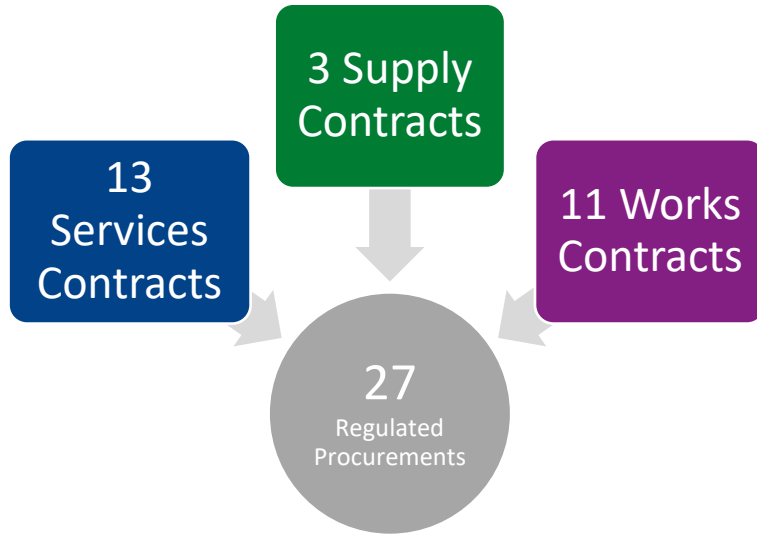
The information contained in the infographics below includes the award of mini-competitions or call-offs from established frameworks. The Council use several national framework providers including Scotland Excel and Scottish Government.

The Council maintains and publishes a contract register of contracts awarded on its website. The contract register provides information on current contracts and can be viewed by suppliers to identify any future opportunities they may be interested in. A detailed list of the regulated procurements can be found in Appendix 1 – Details of Regulated Procurements.

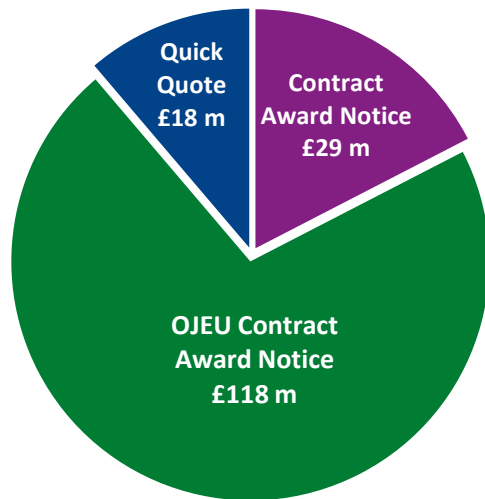
## Value of Regulated Procurements Awarded by Category 1st April 20 – 31st March 21



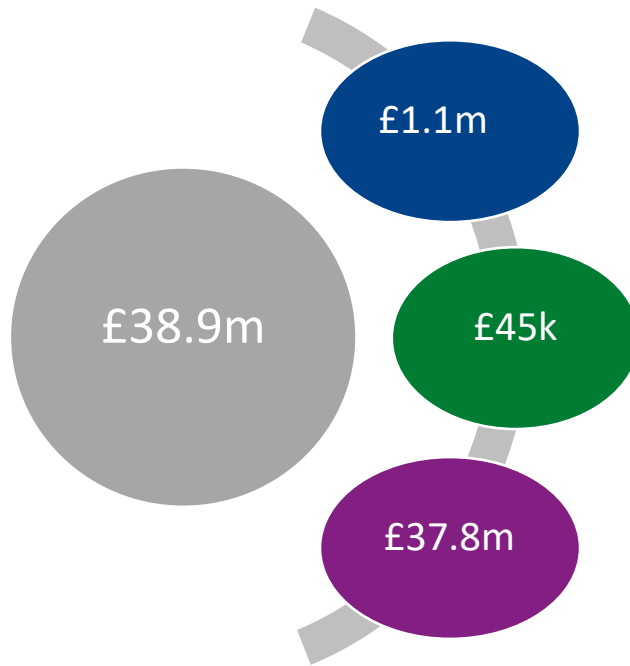
**Number of Regulated Procurements Awarded by Category 1st April 20 – 31st March 21**



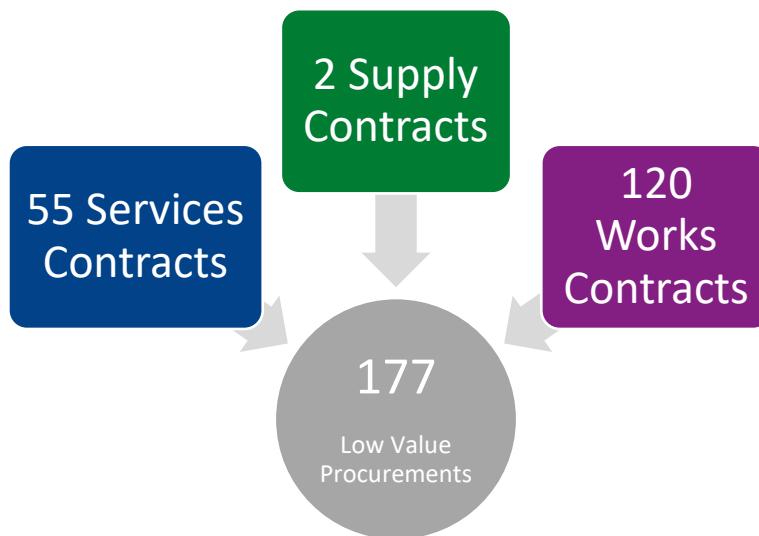
**Value of Procurements Awarded by Notice Type 1st April 20 – 31st March 21**



**Value of Non-Regulated Procurements Awarded by Category 1st April 20 – 31st March 21**



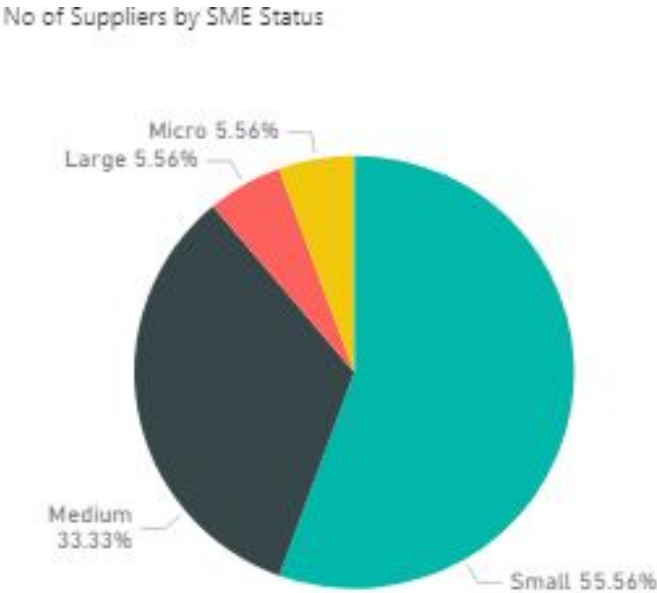
**Number of Non-Regulated Procurements Awarded by Category 1st April 20 – 31st March 21**



**External Framework Use (Scotland Excel Membership) 1st April 20 – 31st March 21**

Management information from Scotland Excel at the end of Q4 20/21 shows that The Highland Council participated in 62 out of 71 (87%) of the available framework agreements.

Local suppliers available for use across these frameworks on 31st March 2021 was 18 suppliers local to Highland across 16 framework agreements, breakdown of supplier by size is as shown below. Total spend with these local suppliers under the frameworks was £1,000,000 in the reporting period.





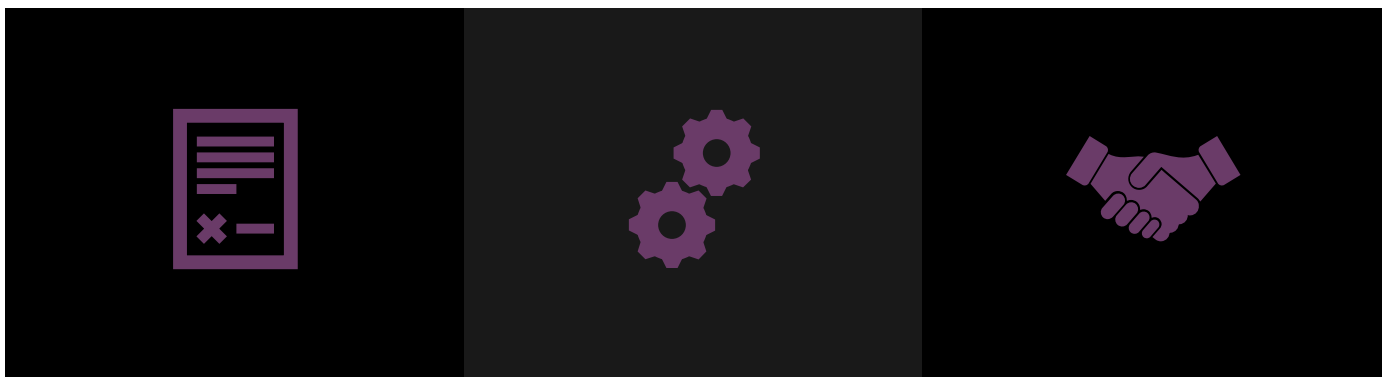
## Section 2 – Review of Regulated Procurement Compliance

Section 17 of the Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation’s procurement strategy, so far as reasonably practical. Section 18(2) states that an annual procurement report must include, at 18(2)(b), “a review of whether those procurements complied with the authority’s procurement strategy” and, at 18(2)(c), “to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply”.

The Strategy includes high level strategic priorities, which focus on key themes of Efficiency, Governance and Improvement which underpins all procurement activity: -

- Support the delivery of financial and non-financial efficiencies.
- Deliver value and innovation.
- Support the local economy.
- Increased collaboration and standardisation.
- Support the delivery of financial and non-financial efficiencies

C&PSS worked with Council Services and Suppliers to deliver cashable and non-cashable savings for the Council through delivery of new contracts, reduction of supply base; consolidation of spend; product rationalisation.



### Financial efficiencies

Financial efficiencies of £702,107 (Revenue) were achieved during the period 1st April 2020 to 31st March 2021, £518,933 allocated against budget in the year with the remainder allocated to 2021-2022 budget as carry forward.

## **Non-financial efficiencies**

The Report covers this within Section 3 – Community Benefit Summary.

## **Deliver Value and Innovation and increased collaboration and standardisation**

C&PSS enables a greater level of collaboration and standardisation across the 3 partner councils in the following areas: -

- Identification of collaborative procurement opportunities to generate best value, Collaborative Intelligence Groups have been established across key commodity areas i.e., Fleet, Waste, Professional Services (groups include representatives across partner Councils and Commercial & Procurement Shared Service).
- Identification of consolidation and aggregation of spend opportunities to generate best value.
- Identification of product rationalisation and alternatives to generate best value.
- Sharing of best practice and processes to identify standardisation, consistency, efficiency and effectiveness.
- Identification of commercial opportunities (including income generation)
- Maximising the benefits of digital technology for example purchase to pay processes, electronic tendering, e-auctions and dynamic purchasing systems.

## **Review of regulated procurement compliance/Continuous Improvement**

The Highland Council and the Commercial and Procurement Shared Service agree that regular review of procurement performance and compliance is integral to the collaborative partnership and ensuring continuous improvement. Emerging findings from a high-level financial review completed in March 2021 identified a range of improvement opportunities, and a transformation project was agreed to be commenced in financial year 2021-2022 the project will include a review of operational and governance arrangements, prospects for greater savings and for the Highland Council to undertake a review of capital procurement, the project has been split into themes and a number of elements for review improvement included within each.

The themes are as set out below:



The successful delivery of this Procurement and Contract Management project, with a new level of procurement savings and commercial revenues, will support delivery of The Ambitious Highland – Health and Prosperity Strategy 2021/22. Furthermore, a Community Benefits and Sustainable Procurement Policy will outline how procurement activity can develop ethical and sustainable value for money solutions that support the operational needs and wider strategic aims of the Council, including net carbon zero, value for money and economic recovery of the Highlands.

Improved best value will be achieved through continuous improvement, further enhancing the performance of procurement activities and ongoing effective collaboration across the partnership.

## Support the local economy - Statutory Performance Indicators

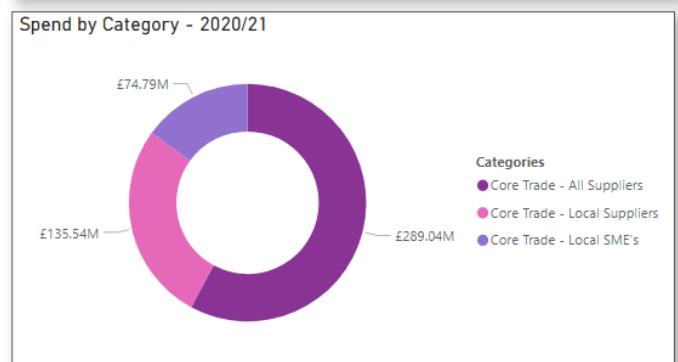
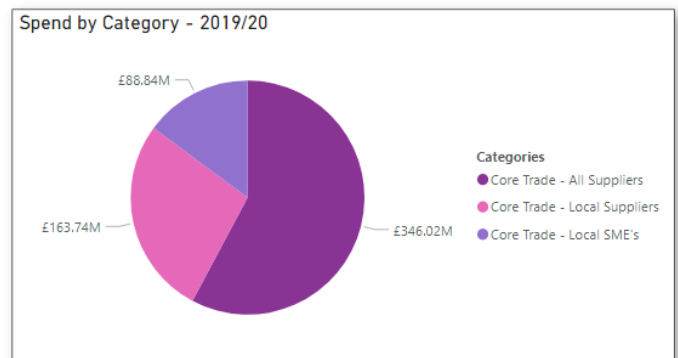
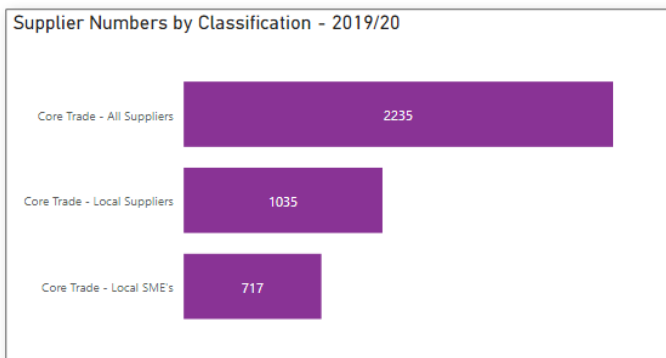
The Accounts Commission (the public spending watchdog for local government) has a statutory power to specify information that councils must publish about their performance. They do this through statutory performance indicators (SPIs). Each Council collects and publishes its information.

The remit for SPI reporting requirement was amended during 2018-19; with a request that all local authorities report on spend with Core Trade suppliers only. Core Trade being defined as: Suppliers with whom over £1000 has been spent in a 12-month period, that have also been classified as a health, social care, arts, political, religious or trading organization.

Two SPIs relevant to the local economy and procurement related spend are - spend with local suppliers and local SMEs.

The data is obtained from Spikes Cavell (Scottish Procurement Hub for publication of annual procurement related spend) and is based on locality and size of business.

The below shows a comparison of core trade spend with local businesses and SME's in financial year 2020-21 and 2019-20:



Categories	2019/20 (£)	2020/21 (£)	2019/20 (% of Total Spend)	2020/21 (% of Total Spend)
Core Trade - All Suppliers	£346,015,744	£289,042,269	100%	100%
Core Trade - Local Suppliers	£163,744,536	£135,536,274	47%	47%
Core Trade - Local SME's	£88,836,693	£74,792,251	26%	26%

SME definition as per Spikes is:

Legend	Details
Small	Less than 50 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of less than £5.6m will be taken as an indicator that it is a small enterprise.
Medium	Between 50 and 249 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £5.6m and less than £22.8m will be taken as an indicator that it is a medium enterprise.
Large	Greater than or equal to 250 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £22.8m will be taken as an indicator that it is a large enterprise.

Spend in the annual report is based on spend by local authority area based on core trade creditors only; the Local authority areas as defined by the ONS (Office of National Statistics); Core-Trade: Suppliers with whom over £1000 has been spent in a 12 month period, that have also been classed as a trading organisation or as a non-trade social care provider.

## Supplier Development Programme

### Meet the Buyer 2020 – Twitter Takeover – 02/06/2020

On 2 June 2020, 162 tweets were sent from the SDP Scotland Twitter during the Meet the Buyer 2020: Live Virtual Event by five public sector organisations. The tweets collectively earned 55,228 impressions (the number of times users saw a Tweet on Twitter) and 1,591 engagements (total number of times a user interacted with a Tweet). Overall, including the hour of the Twitter Takeover that SDP Scotland participated in, SDP Scotland supported the Meet the Buyer 2020: Live Virtual Event with 70 total tweets. The tweets earned 29,729 impressions (the number of times users saw a Tweet on Twitter) and 636 engagements (total number of times a user interacted with a Tweet). Collectively, SDP Scotland's 70 tweets earned 46 retweets, 124 likes and 15 replies

### **Meet the Buyer North 2020 – Virtual event – 02/09/2020**

Virtual version of the usual Meet the Buyer, with 825 attendees over the course of the day. The Head of the Commercial & Procurement Shared Service was a guest speaker at this event.

### **Talking Tenders with Aberdeenshire, Aberdeen City and Highland Councils (27 January 2021)**

A specific event hosted by SDP for C&PSS to engage with suppliers both locally and across the country. There were approx. 140 attendees on the day from companies across a range of Business Sectors.

## Section 3 – Community Benefit Summary

### Statutory Requirement

Section 18(2) (d) of the Procurement Reform (Scotland) Act 2014 requires annual procurement reports to contain: “a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report”.

### Interpretation

“**Imposed**” has been interpreted to mean community benefit requirements included within regulated procurements published in the reporting period. Reporting is intended to capture community benefit inclusion at all stages of incorporation, implementation and fulfilment.

The point at which community benefit requirements are “**fulfilled**” can be a matter of interpretation. Some community benefits outcomes can take a period of years to complete. “Fulfilled” has been interpreted to include community benefits “**underway**” and “**in process.**” Maximum flexibility is offered to suppliers as to when community benefit requirements commence and are ultimately “fulfilled”. Community benefit requirements and quantities are commonly designed in terms of the total number of outcomes to be delivered over the entire contract term. Suppliers are held to their total community benefit commitments (imposed and volunteered) over the life of the contract

### Reporting Period

In the reporting period, the approach to community benefits within procurement activity has been guided by the commitments and aspirations expressed in our Joint

Procurement Strategy. Our “Mission Statement” commits to delivery of:

“ethical and sustainable value for money solutions that support the operational needs and wider strategic aims of the councils and the communities they serve to further local and national priorities to the fullest extent possible.”

Beyond mandatory (£4M) and regulated thresholds (£50K for goods and services/£2M for works) the partner councils routinely seek:

“leverage opportunities (including social, economic and environmental value) aligned to the needs and priorities of our communities”

Our themed approach to community benefits continues to evolve and improve in close alignment with the following local and national priorities, however as the number of procurements advertised during the reporting period has been significantly affected by COVID-19 this in turn has affected the Community Benefit outcomes achieved during financial year 2020-2021. As detailed in the Community Benefits Analysis Summary as an organisation we have included, in process or delivered a total of (insert number) Community Benefits in this period.



## Community Benefits Performance Analysis Summary 2020/2021

### Non-financial efficiencies **Community Benefits** (CB).

In total, **151** community benefit outcomes were included, are in process or were delivered in the reporting period

**123** Community benefit outcomes delivered in contracts advertised earlier than the reporting period

**28** Community benefit outcomes included in **13** regulated contracts advertised in the reporting period (2020/2021)



**5 of 13** regulated contracts (**38%**) included requirements relating to Fair Work Practices (including Real Living Wage).



**5 of 13** Regulated contracts (**38%**) included Community Benefit requirements

# 123

## Community Benefits

Outcomes delivered in contracts advertised earlier than the Reporting period (Delivered in 20/21 )

**5** Fair Work Practices  
Real Living Wage  
Gender pay gap



**Living Wage**

**8** Work Experience placements



**22** Apprenticeships  
(8 New Starts & 8 Retained)



**15**   
Further Education  
Engagement  
Activities




**42** Jobs Created  
(Anticipated)



**16** Health & Safety  
Training Courses



**1** Communities  
Groups, &  
Projects. Support/  
Equalities



**2** Localised Labour




**3** Local Economic  
Development  
SME 3<sup>rd</sup> Sector  
(Duty to Report)



**1** Environmental  
Wellbeing,  
Measures,  
Carbon  
Reduction,  
Fuel Poverty &  
Climate Literacy



**2** Case study



**6** School  
Engagement  
Activities:  
Gender pay  
gaps &  
disability



# 28

## Community Benefits

Outcomes included in advertised regulated contracts in the Reporting period (Delivered in 20/21 )

**2** Fair Work Practices  
Real Living Wage  
Gender pay gap



**3** Work Experience placements



**2** School Engagement Activities:  
Gender/gender pay gaps & disability



**3** Further Education Engagement Activities



**3** Jobs Created



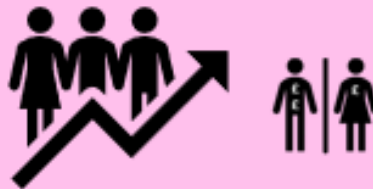
**9** Training Courses



**1** Communities Groups, & Projects. Support/ volunteering donation equipment, material



**1** Localised Labour Stats



**3** Local Economic Development  
SME 3<sup>rd</sup> Sector  
(Duty to Report)



**1** Environmental Wellbeing, Measures, Carbon Reduction, Fuel Poverty & Climate Literacy



## Section 4 – Supported Business Summary

Section 18(2) (e) of the Procurement Reform (Scotland) Act 2014 requires annual procurement reports to contain: “a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report”.

### Related Duties

#### Engaging with those affected by our procurements;

- Ensuring regulated procurements contribute to the carrying out of our functions/achieving our purposes;
- Acting in a transparent and proportionate manner;
- Policy on the use of community benefit requirements;
- Compliance with the sustainable procurement duty.

Details of the total spend in 2020-2021 with supported businesses is shown below.

The Commercial and Procurement Shared Service have engaged a Supported Business to begin to commence development of its website in financial year 2020-2021, which will go live in 2021-2022:



Council Spend with Passion for social:  
£9800 for IT services website design\*

*(\*Costs shared between Aberdeen City, Aberdeenshire, Highland Councils)*

### Steps Taken to Facilitate Supported Businesses

C&PSS has initiated and contributed to several national conversations and research initiatives involving Senscot, Social Firms Scotland, Glasgow Caledonian University and Scottish Government regarding supported businesses. Solutions-focused areas for exploration have been put forward by C&PSS in the hope that central government guidance/clarification will follow e.g.:

- i. The ability of a supported business to compliantly subcontract services/works not performed by disabled/disadvantaged persons; (any other main contractor can compliantly subcontract so arguably causes bidder discrimination)
- ii. The ability of supported businesses to form multi-disciplined consortia/partnerships (perhaps with one entity/special purpose vehicle as the lead)
- iii. Treatment of volunteers (as potential employees) for the purposes of applying the 30% “disabled or disadvantaged” workforce threshold.(on the basis a volunteer will become an employee following award of contract)
- iv. Potential reform of “light touch” regime to open up contract opportunities to more local 3rd sector organisations in relation to certain community focused requirements.

It is hoped that guidance/clarification in these areas will allow organisations interested in being recognised as supported businesses to progress recognition more quickly and easily. An increase in local organisations acquiring supported business status potentially opens alternative commissioning models for the council and opportunities for local social enterprises and social enterprises looking to locate to the area. In supplier development materials and information cascaded by the Council, it has been emphasised that supported business status offers “dual” contracting status i.e. it does not restrict an organisation from responding to general contract opportunities as well as reserved contracts.

In the reporting period, there has been a growing recognition that supported businesses can secure opportunities in the direct (Tier 1) supply chain and Tier 2 (subcontract) supply chain. Furthermore, it has been recognised that supported businesses/reserved contracts present one of the most significant ways the council can play an active role in positively influencing national aspirations to reduce the disability employment gap.

### **Effective Partnership Working**

In the reporting period, C&PSS has strengthened closer partnerships with local third sector interface organisations, Senscot/P4P, local social enterprises and Equalities Teams to raise awareness of and build capacity within the 3rd sector in terms of the supported business regime.

## **Future Objectives:**

Continue to work with Sencot/P4P, Social Firms Scotland and Social Enterprise Connect Scotland, Glasgow Caledonian University and Scottish Government to positively influence policy at a national level i) to make recognition as a supported business (especially at a local level) easier and quicker for organisations, ii) explore the extent of compliant subcontracting by supported businesses; iii) facilitate consortia and potentially liberalise “light touch” regime to create an increasing number opportunities for the local 3rd sector/social enterprise sector and supported businesses.

## Section 5 – Regulated & Future Procurement Summary

### Appendix 1 – Regulated Procurements 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021

PCS Document ID / Contract ID	Description	Contract Type	Category Type	Total Value	Supplier Name	Award Date	Start Date	End Date
647826	DIHD20005 - 12 New Flats & CAB Office, King Street, Nairn	Works	C	£ 2,516,918.49	Bancon Construction (GB)	17/03/2021	22/03/2021	22/04/2022
647099	Caol and Lochside Flood Protection Scheme	Works	C	£ 10,948,000.00	RJ McLeod (Contractors) Ltd (GB)	10/03/2021	10/02/2021	10/02/2023
646279	Employee Benefits 2021 - Additional Voluntary Contributions (AVCs) AWARD Notice	Services	C	£ 100,000.00	AVC Wise Ltd (GB)	10/03/2021	01/04/2021	01/09/2022
646090	Employee Benefits 2021 - AWARD Notice	Services	C	£ 10,000.00	SME HCI Limited, trading as Vivup (GB)	10/03/2021	01/07/2021	01/11/2023
646801	Longman Waste Transfer Facility	Works	C	£ 11,921,759.74	Morrison Construction Highland (GB)	08/03/2021	01/02/2021	01/07/2022
640270	50 New Housing Units, Balloch Farm, Inverness - Architect/Lead Consultant	Services	C	£ 73,359.00	Colin Armstrong Associates (GB)	05/01/2021	16/12/2020	16/03/2022
636418	Award of Actuarial Services - Further Competition	Services	C	£ 350,000.00	Hymans Robertson LLP (GB)	17/11/2020	01/04/2020	31/03/2025
629278	Waste Management Services - Lot 1A & 1B	Services	C	£ 8,378,832.00	SUEZ Recycling and Recovery UK Ltd (GB) / SUEZ Recycling and Recovery UK Ltd (GB)	16/11/2020	01/01/2021	01/04/2022
635287	Collection, Transport and Treatment of Garden Waste (TGW) - Mini Competition AWARD	Services	C	£ 1,289,583.00	Keenan Recycling Ltd (GB)	04/11/2020	02/11/2020	02/11/2021

PCS Document ID / Contract ID	Description	Contract Type	Category Type	Total Value	Supplier Name	Award Date	Start Date	End Date
635207	DIHD20035 Masterplan, PIP & Phase 1 - Meiklefield, Dingwall - Architectural Appointment	Services	C	£ 69,360.00	HRI Architects LLP (GB)	04/11/2020	04/11/2020	04/09/2022
634901	Treatment of Food Waste (TFW) - Mini Competition AWARD	Services	C	£ 159,375.00	Keenan Recycling Ltd (GB)	02/11/2020	02/11/2020	02/11/2021
634873	Collection, Transport and Treatment of Garden Waste (TGW) - Mini Competition AWARD	Services	C	£ 145,833.00	Keenan Recycling Ltd (GB)	02/11/2020	02/11/2020	30/11/2021
634867	Award of CAL18045 Miller Academy PS- New Nursery	Works	C	£ 1,059,710.82	GMR HENDERSON BUILDERS LTD (GB)	02/11/2020	02/11/2020	02/11/2020
629317	Waste Management Services - Lot 2A & 2B	Services	C	£ 2,747,083.00	Locheil Logistics Ltd (GB) / Locheil Logistics Ltd (GB)	05/10/2020	01/01/2021	01/04/2022
632033	Waste Management Services - Lot 3	Services	C	£ 93,500.00	David Ritchie & Sons Ltd (GB)	01/10/2020	01/01/2021	01/04/2022
630972	Invergordon Waste Haulage THC Duplicate Award	Services	C	£ 55,002,800.00	Gogar Services Ltd (GB)	01/10/2020	17/01/2020	01/02/2020
629402	Award of Bower Primary School New External Doors	Works	C	£ 5,960.00	Norscot Joinery Ltd (GB)	01/09/2020	01/09/2020	01/09/2020
629400	Award of Wick Recycling & Refuse Lorry depo New External Doors	Works	C	£ 6,085.00	Norscot Joinery Ltd (GB)	01/09/2020	01/09/2020	01/09/2020
629398	Award of Broch Centre Auckengill New External Doors	Works	C	£ 4,785.00	Norscot Joinery Ltd (GB)	01/09/2020	01/09/2020	01/09/2020



PCS Document ID / Contract ID	Description	Contract Type	Category Type	Total Value	Supplier Name	Award Date	Start Date	End Date
629394	Award of Bower Primary School new UPVC Fascia & Soffit	Works	C	£ 4,695.00	Norscot Joinery Ltd (GB)	01/09/2020	01/09/2020	01/09/2020
626185	DIHD18004 New Housing Development at Maryburgh	Works	C	£ 2,098,675.51	CHAP Group (Aberdeen) Ltd (GB)	22/07/2020	14/07/2020	14/07/2020
625971	Real Time Passenger Information (RTPI) system - HITRANS	Supply	C	£ 34,882.00	Vix Technology (GB)	20/07/2020	20/07/2020	20/07/2020
624645	DIHD18001 - Housing Development Blarmhor, Fort William	Works	C	£ 20,560,441.03	TSL Contractors Limited (GB)	03/07/2020	27/07/2020	27/01/2023
624457	Award of Canisbay Primary School New Fencing & Gates	Works	C	-	O H Sutherland Contractors (GB)	30/06/2020	30/06/2020	30/06/2020
620078	SUPPLY ONLY, SUPPLY HAUL AND LAY OF QUARRY AND BITUMINOUS MATERIALS 2019	Supply	C	£ 8,000,000.00	Aggregate Industries (GB) / A & W Sinclair Ltd (GB) / GMR Henderson builders ltd (GB) / John Gunn & Sons Ltd (GB) / Leith's (Scotland) Ltd (GB) / Pat Munro (Alness) Ltd (GB) / Tarmac Caledonian Ltd. (GB) / Wm Munro Construction (Highland) Ltd (GB) / MGL Contractors (GB) / Breedon Aggregates Scotland Ltd (GB)	04/06/2020	02/07/2019	01/07/2019
620195	Award of Highland Council SMART Buildings - Network Services 2 (RM3808)	Supply	C	£ 319,234.50	Pinacl Solutions UK Limited (GB)	20/04/2020	20/04/2020	20/04/2020

## Appendix 2 – Future Regulated Procurements 1<sup>st</sup> April 2021 – 31<sup>st</sup> March 2023

Contract Name	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value
Ergonomic Assessments Inc. Equipment Furniture Strategy	New	2nd half of 2021	£240,000
Horticultural Supplies	Renewal	2nd half of 2021	£15,000
Education Materials	Renewal	2nd half of 2021	£550,000
EE Mobile Telephony	Renewal	2nd half of 2021	£76,000
Secure Document Transfer	New	2nd half of 2021	£15,000
2018 Fleet Replacement Programme - Non-Heavy	Renewal	1st half of 2022	£4,200,000
Ad hoc trip transport (extra-curricular) outside of school	New	2nd half of 2021	£400,000
Salt for Winter Maintenance - SXL Framework 2917 Call-off	Renewal	1st half of 2022	£1,200,000
Teaching Agency Framework	New	2nd half of 2021	£96,000
Employability Services	Renewal	2nd half of 2021	TBC
Coaching / Mentoring for Public Sector / YP	New	2nd half of 2021	£692,000
Residual Waste	Renewal	2nd half of 2021	£54,000,000
Provision of Butcher Meat	Renewal	2nd half of 2021	£1,180,000
Provision of Fresh Fruit & Veg	Renewal	2nd half of 2021	TBC