

Agenda Item	11.
Report No	RES/27/24

The Highland Council

Committee: Corporate Resources

Date: 11 September 2024

Report Title: Annual Procurement Report 1 April 2023 – 31 March 2024

Report By: Head of Corporate 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 2023-2024 has been produced in accordance with guidance from Scottish Government and is attached at **Appendix 1**. The report covers all regulated procurements completed during the financial year 2023-2024; and anticipated future procurements covering the next two years (2024-2026).
- 1.2 This report has been presented to the Corporate Resources Committee for the purposes of providing an update on procurement performance for 2023-24, following which the annual procurement report will be published on the Highland Council website, to 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. **Note** the content and publication of the Highland Council Annual Procurement Report 2023-2024 (Appendix 1)

3. Implications

- 3.1 **Resource:** There are no specific resources implications associated with the report.
- 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 **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.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** There are no Health & Safety implications arising from this report.
- 3.5 **Gaelic:** There are no Gaelic implications arising from this report.

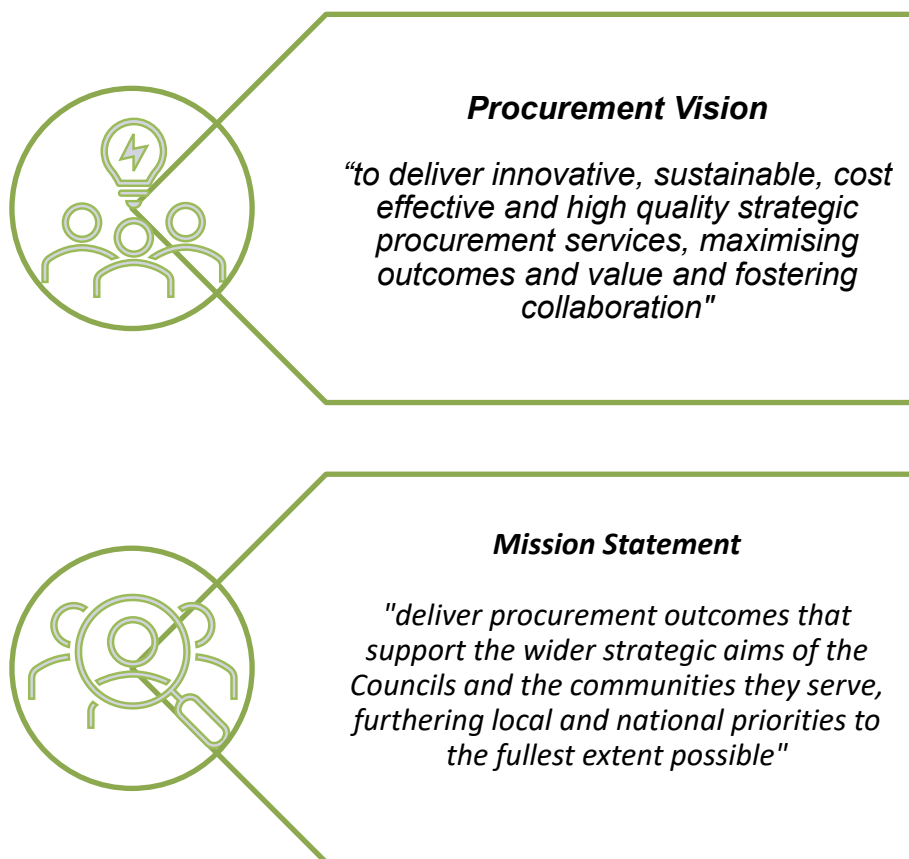
4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an impact assessment is not required.

5. Annual Procurement Report Purpose

- 5.1 Section 19 of the Procurement Reform (Scotland) Act 2014 requires every Scottish Local Authority to publish its procurement strategy and Section 18 of the Act requires an annual report to be published to demonstrate performance against the strategy, subsequently notifying 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.
- 5.2 The Council's procurement function is shared with Aberdeen City and Aberdeenshire Council. The Joint Procurement Strategy 2023 - 2026 for the three Councils was published in October 2023, the Joint Procurement Strategy is designed to enable the partner Councils to ensure compliance with the Procurement Reform (Scotland) Act 2014, to achieve their strategic objectives and meaningfully contribute to national priorities through innovative, compliant and collaborative market solutions demonstrating value for money and genuine return on investment.

5.3 The Joint Procurement Strategy sets out the Procurement Vision and Mission Statement:



5.4 Within the Joint Procurement Strategy six key themes (Governance, Policy, Food Procurement, Climate Change, Net Zero & Circular Economy, Commercialisation and Community Wealth Building) have been identified in line with local and national priorities, each strategy theme will support a key priority and support the enablement and delivery of procurement and commercial activity.

6. Annual Procurement Report Highlights

6.1 The Annual Procurement Report includes the following sections:

Section	Title	Content
Introduction	Introduction	Provides details of Strategic Aims and Structure of Procurement to meet these along with high level expenditure details in the reporting period.
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.

- 6.2 The procurement activity carried out within financial year 2023-2024 supported delivery of key Strategic objectives for the Highland Council and supported the Council in carrying out its functions. The report also highlights the improvement actions implemented in financial year 2023-2024, planned improvements for financial year 2024-2025 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 this period.
- 6.3 Through the engagement of the Community Benefit Manager and the Commercial and Procurement Shared Service with Services there have been notable improvements in performance in key metrics relating to Community Benefits and Fair Work Practices, the number of outcomes imposed and delivered has increased by just over 200 outcomes with the inclusion rate in regulated procurement activity for Fair Work Practices having increased by 38% and the Community Benefit inclusion rate having increased by 30%, the implementation of a Community Benefit Policy in the current financial year is anticipated to drive further improvements in this area.
- 6.4 Local Supplier spend performance in the reporting period is in excess of the target of 30% for spend with local suppliers and represent an increase on the local spend in the previous year, the Council spend with local suppliers was 49% (232,745,213) in this period with 31% (£148,119,815) of that spend with local Small to Medium Enterprises (SME's).
- 6.5 Financial efficiencies of £887,273* (Revenue) were achieved during the period 01 April 2023 to 31 March 2024 against a target figure of £654,000. Savings were delivered through Gainshare arrangements, new procurement activity and rebates.

7. Strategic Alignment

- 7.1 The annual procurement report highlights the procurement activity for financial year 2023-2024 in support of delivery of key strategic objectives for Highland Council.

Designation: Head of Corporate Finance

Date: 20 August 2024

Authors: Melanie Mackenzie, Strategic Commercial Manager, C&PSS

Appendix: Appendix 1: Highland Council Annual Procurement Report 1 April 2023 – 31 March 2024



The Highland
Council
Comhairle na
Gàidhealtachd

HIGHLAND COUNCIL

ANNUAL PROCUREMENT REPORT

01 APRIL 2023 – 31 MARCH 2024



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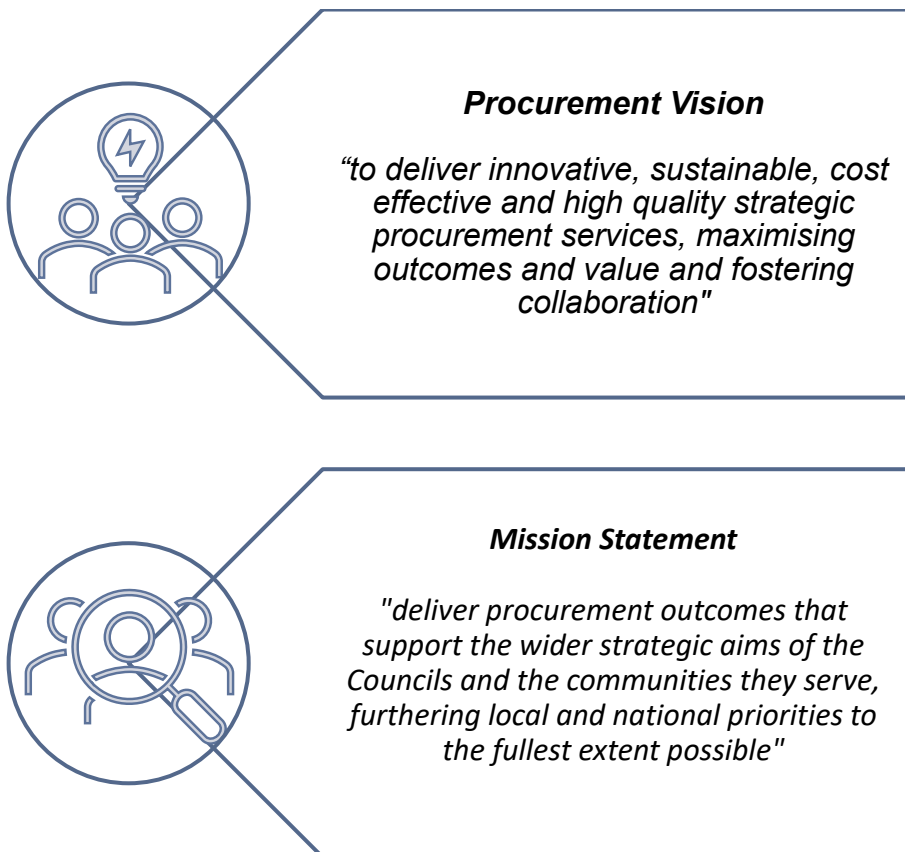
Introduction

This is The Highland Council's Annual Procurement Report; the report covers the Council's procurement activity from 1 April 2023 to 31 March 2024. The report includes anticipated future procurement activity over the next two financial years - 2024 to 2026. 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's Procurement is delivered under a shared service agreement with Aberdeen City Council and Aberdeenshire Council - the Commercial & Procurement Shared Service (C&PSS).

The Joint Procurement Strategy 2023 - 2026 for the three Councils was published in October 2023, the Joint Procurement Strategy is designed to enable the partner Councils to ensure compliance with the Procurement Reform (Scotland) Act 2014, to achieve their strategic objectives and meaningfully contribute to national priorities through innovative, compliant and collaborative market solutions demonstrating value for money and genuine return on investment.

The Joint Procurement Strategy sets out the Procurement Vision and Mission Statement:



Within the Joint Procurement Strategy six key themes have been identified in line with local and national priorities, each strategy theme will support a key priority and support the enablement and delivery of procurement and commercial activity:

Theme	Strategic Driver
1. Governance	<ul style="list-style-type: none"> – How procurement will support Council(s) functions and outcomes – Achievement of best value – Equal treatment, transparency – Procurement Priorities
2. Policy	<ul style="list-style-type: none"> – How the Council(s) will deliver Community Benefits (Social Value) through procurement activity – How the Council(s) will consult and engage with those affected by its procurements – How the Council will incorporate Fair Work Practices into procurement activity – How the Council(s) will Promote compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 Act 1974 (c.37) and any provision made under that Act, and – Policy on the procurement of fairly and ethically traded goods and services, – Policy on prompt payment (ensuring payment to contractors and sub-contractors within 30 days)
3. Food Procurement	<ul style="list-style-type: none"> – Set out an approach to procurement of food related contracts which will <ul style="list-style-type: none"> ○ improve the health, wellbeing and education of communities in the Council(s) area, and ○ promote the highest standards of animal welfare
4. Climate Change, Net Zero & Circular Economy	<ul style="list-style-type: none"> – Policy on incorporation of Climate Change & Circular Economy in procurement activity to support Net Zero targets
5. Commercialisation	<ul style="list-style-type: none"> – Strategy for Commercial activity which will allow for generation of income to support delivery of the Council(s) functions/outcomes
6. Community Wealth Building	<ul style="list-style-type: none"> – Set out how procurement activity can support Community Wealth Building, supporting local economic development, and redirecting wealth back into the local economy - placing control and benefits into the hands of local people.

The Commercial & Procurement Shared Service offers a range of strategic services, the remit of the team to support delivery is as shown below:

Category & Commercial Management Team

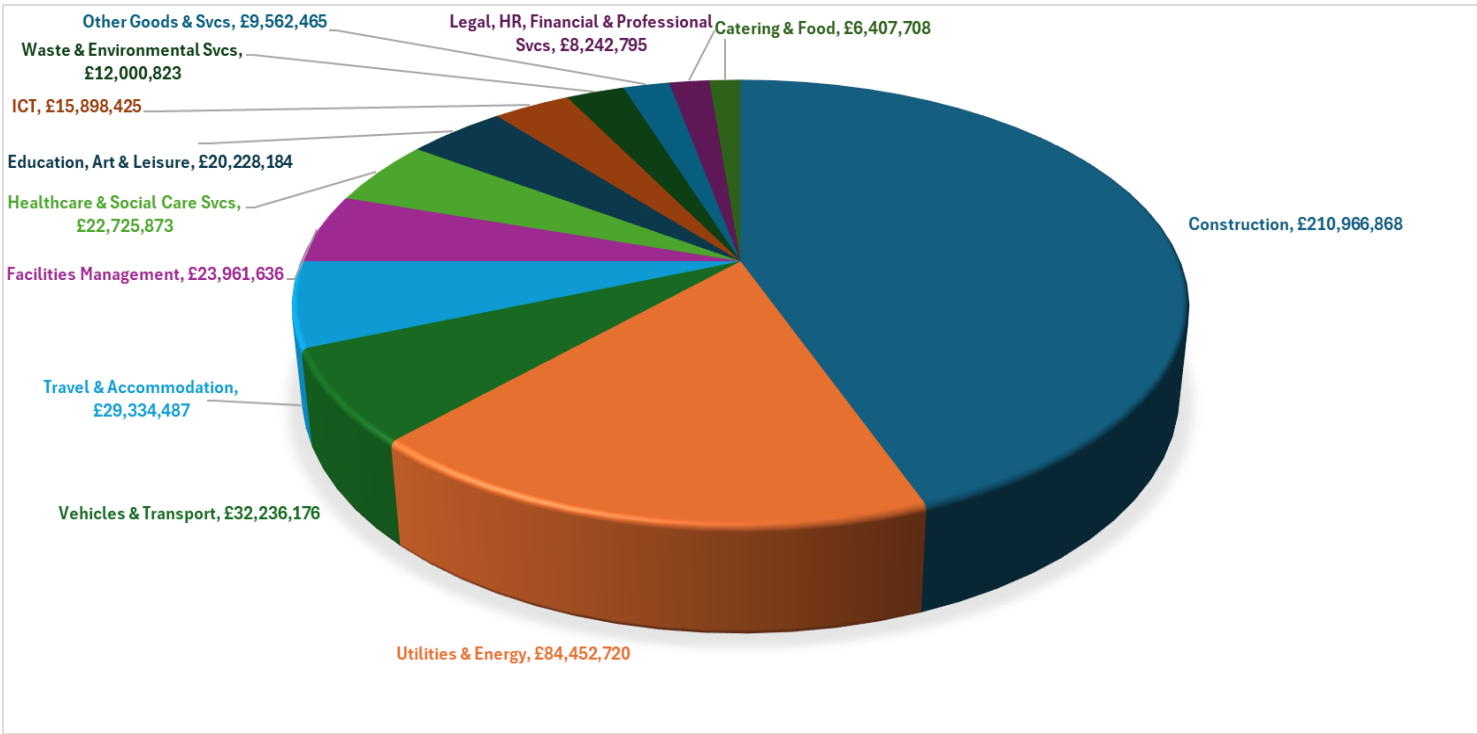
Category & Commercial Management Team covering Strategic Category Management supported by Category Managers and Senior Procurement Specialists, a dedicated data team offering cross functional high-quality data analysis, commercial team covering revenue opportunities and Community Benefits and Sustainable 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 2023/4 of £476m



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

Category	Spend	Category	Spend
Business Support Services	£ 3,279,803	Stationery & Office Products	£ 448,892
Marketing & Media	£ 1,552,378	Economic Development	£ 387,653
Animals & Farming	£ 854,573	Personal Care	£ 150,586
Community Development	£ 817,960	Laboratory	£ 74,940
Manufacturing & Machinery	£ 643,729	Clothing	£ 46,794
Retail & Wholesale	£ 640,347	Charitable & Religious Activity	£ 40,484
Purchasing Services	£ 602,307	Not Classified	£ 22,019

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 three Councils 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.

Capital Projects/Property Maintenance Contracts

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.

Infrastructure, Environment and Economy

Is responsible for the design and construction of a diverse range of capital funded infrastructure such as roads, bridges, culverts and retaining walls; cycleways and footpaths; streetscaping, rock slope stabilisation, flood alleviation works; piers and harbours, coast protection; burial grounds; landfill sites and recycling facilities.

Housing and Property

The Design & Construction Team is responsible for the management and delivery of around 350 simultaneous construction projects. This includes a diverse range of projects including new build housing, new school builds, alterations and extensions, improvements to Council housing stock as well as projects relating to heritage, care facilities, leisure centres and visitor sites.

The value of projects can range from around a few thousand pounds up to an including the largest value currently of £65M and the current split of project values is shown below.

Value of project	Number of projects
Over £1M	85
£500k to £1M	46
£100k to £500k	126
Below £100k	99

In the year April 2023 to March 2024, 82 works contracts were awarded to 31 contractors with a total value of £85M, £20M of which were awarded through frameworks.

Supply Chain Challenges

The COVID-19 pandemic has continued to have an impact on the Council's supply chain, as have the ongoing impacts of Brexit and more recently the impact of the invasion of Ukraine. The effects on the global economy and financial markets have made for another challenging year for the Council and its supply chain.

The Commercial & Procurement Shared Service have worked collaboratively with Services and Suppliers throughout the financial year, identifying solutions to challenges and minimising impacts of pricing increases as they have arisen (wherever possible), supporting delivery of vital frontline services whilst maintaining sustainability of our supply chain.

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 detailed list of the regulated procurements can be found in Appendix 1 – Details of Regulated Procurements which are illustrated in the tables below.***

The information contained in the tables 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 can be used to identify future opportunities.

Regulated Procurements from 1 April 2023 until 31 March 2024

Regulated Procurements	
Number of regulated procurements awarded	39
Total estimated value of procurement contracts awarded	£113.4m
Number of regulated service contracts awarded	20
Number of regulated supply/goods contracts awarded	6
Number of regulated works contracts awarded	13

Low value/Non-regulated Procurements

The Council promotes the utilisation of Public Contracts Scotland for low value procurements, by facilitating quotes via Quick Quotes for requirements above £10,000 (supply/goods and services) above £50,000 (works), below regulated procurement threshold.

Low value/Non-regulated Procurements from 1 April 2023 until 31 March 2024

Low value/Non-regulated Procurements	
Number of low value/non- regulated procurements awarded	246
Total estimated value of procurement contracts awarded	£39.2m
Number of low value/non- regulated service contracts awarded	124
Number of low value/non- regulated supply/goods contracts awarded	1
Number of low value/non- regulated works contracts awarded	121

External Framework Use (Scotland Excel Membership) 01 April 2023 – 31 March 2024

Management information from Scotland Excel at the end of Q4 23-24 shows that The Highland Council participated in forty-nine out of sixty-two (79%) of the available framework agreements.

Local suppliers available for use across these frameworks on 31st March 2024 was thirty-two suppliers local to Highland across fifteen framework agreements, the number of suppliers local to Highland on Scotland Excel framework agreements has increased by nine from 31 March 2023. Local supplier engagement with these framework agreements can generate inward business to the local economy with economic benefits and also providing local employment.

Total spend with these local suppliers in the reporting period under the frameworks was £1,000,000 across all Council, Highland Council spend with local suppliers accounted for 89% of this figure.



32 Suppliers



15 Contracts



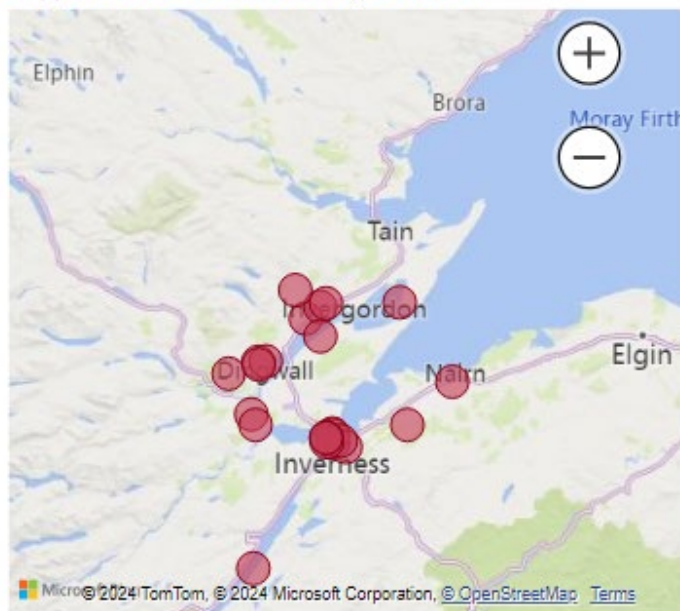
£1,000,000 All Council Spend
£890,000 Highland Council Spend



Highland Council Spend
89%

Location of the suppliers by postcode is as shown below (Note: The local suppliers shown here may have a wider highland presence, the graphic is based on registered business address only):

Supplier/Provider Location by Postcode



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".

In the Governance Theme of the Joint Procurement Strategy the approach agreed by the three partner Councils to the below is outlined:

How procurement will support Council(s) functions/outcomes

- Achievement of best value
- Equal treatment, transparency
- Procurement Priorities

Deliver Value and Innovation and increased collaboration and standardisation

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

- 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 and delivery of commercial opportunities, commercial projects will also deliver significant Community Benefits, Environmental and Economic Outcomes
- Maximising the benefits of digital technology for example purchase to pay processes, electronic tendering, e-auctions and dynamic purchasing systems



Financial efficiencies

The financial situation remained challenging in the period 2023 – 2024 as higher inflation continued to impact the costs of supplies and services, fuel, and energy.

Despite these challenges the team supported the delivery of Financial efficiencies of £887,273* (Revenue) were achieved during the period 01 April 2023 to 31 March 2024 against a target figure of £654,000. The table below shows a breakdown:

Savings 23/24		
	Recurring	One-off
	£	£
Water Gainshare - Batch 2 Savings (Years 2-3)	£17,877	
Water Gainshare - Batch 3 Savings (Year 2)	£7,365	
Water Gainshare - Batch 5 Refunds		£28,856
Water Gainshare - Batch 5 Savings (Year 1)	£7,334	
Water Gainshare - Batch 6 Refunds		£130,265
Water Gainshare - Batch 6 Savings (Year 1)	£21,370	
Water Gainshare - Batch 7 Refunds		£16,954
Biomass	£574,583	
Mobile Phones	£49,233	
Other Rebates		£33,436
Total	£677,762	£209,511

Non-financial efficiencies

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

Review of regulated procurement compliance/Continuous Improvement

All procurement in the Council is undertaken in accordance with the procedural framework which ensures that each procurement is compliant with procurement legislation and the Joint Procurement Strategy. Procedural requirements are set out in the Scottish Government Procurement Journey (for general procurement best practice) and through our Procurement Manual (used in conjunction with the internal Procurement Regulations/Scheme of Governance).

Processes, procedures and guidance are subject to regular review to ensure that all procurement activity is compliant with internal and external regulations. The Commercial & Procurement Shared Services are continually driving improvement in conjunction with across the Council, through innovative approaches to delivery of projects and provision of comprehensive guidance and training, all members of staff involved in procurement activity across Highland Council are required to be approved to a certain Delegated Procurement Authority (or DPA) level, depending on the procurement tasks they perform - from low level purchases to full competitive tenders. Please see below for continuous improvement highlights for financial year 2023-24.

Housing and Property Achievements

Work continues on site with the Council's first Passivhaus project, Tain 3-18 campus and an initial works contract is underway with the second Passivhaus contract in connection with the new secondary school at Nairn. Works are also ongoing with the Castle redevelopment project and the UK levelling up projects at the Bught and the Northern meeting Park, both in Inverness.



20 Housing Units - Golspie



Longman Waste Facility



Grantown Grammar - New Energy Hub

Highlights of 2023/24 for the Category & Commercial Team include:

- Inclusion of Supplier Development consideration in procurement approval form and procurement documents (support Community Wealth Building)
- Revision and consultation on the Joint Procurement Strategy
- Pilot of a system to capture Community Benefits, Fair Work and Climate data to aid reporting, the pilot will extend into the first half of financial year 2024-25
- Supported the implementation of the new Finance System (CiA), with changes made to improve functionality based on feedback from key stakeholders, the implementation of the Contract Module within the system will support improved contract management
- The Contract Standing Orders (CSO's) were revised for financial year 2024-2025 (Approved by Council 14 March 2023), the CSO's are updated annually to ensure that the Standing Orders reflect any legislative changes, changes to statutory Guidance and best practice updates.
- Development of a Procurement Blog, providing delegated procurers with regular updates/guidance

A look ahead to objectives for delivery in financial year 2024-25:

- Support the development and implementation of a Highland specific Community Benefit Policy which will outline the Highland approach to the delivery of community benefits and work in collaboration with the C&PSS Joint Procurement Strategy.
- Further development of the system to capture Community Benefits, Fair Work Practices, Sustainability and Climate data
- A review of Delegated Procurer E-Learning will be undertaken
- A programme of events will be developed in conjunction with the Supplier Development Programme to facilitate involvement of the local supply chain linked to aims of Community Wealth Building
- Development and/or support for Commercial Opportunities, including:
 - o Electric Vehicle Infrastructure – Highland is the lead authority for the EVIF project developing a regional electric vehicle (EV) network in collaboration with Aberdeen City, Aberdeenshire and Moray Council, this will further support the Council's climate change commitments and accelerate the transition to low carbon transport for The Highland Council and its communities along with providing an income stream for the Council.
 - o Green Energy Revenue Opportunities – commercial support on market engagement, route to market development to maximise the income streams and outcomes delivered through a range of green energy projects which include – battery storage, solar farm, solar panel activation, green hydrogen site.

Supporting the local economy

Local Supplier Spend - 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, which 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 SMEs in financial year 2023-24 and 2022-23:

Categories	22/23 (£)	23/24 (£)	22/23 (% of Total Spend)	23/24 (% of Total Spend)	22/23 Suppliers	23/24 Supplier
Core Trade - All Suppliers	£454,269,506	£476,018,161	100%	100%	2675	2648
Core Trade - Local Suppliers	£216,684,870	£232,745,213	48%	49%	1301	1262
Core Trade - Local SME's	£122,058,884	£148,119,815	27%	31%	853	836

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.

Community Wealth Building

The procurement and commissioning of goods and services by local authorities and key anchor institutions is a crucial lever in the building of community wealth. In December 2022, the Council appointed a dedicated Community Benefits Manager. The primary purpose of this role is to maximise community benefit opportunities across all procurement activity. The delivery of benefits in this context aims to increase prosperity that contributes to economic growth, reduces inequality, benefits all sections of society and helps to minimise impacts on the environment.

This will be achieved through the development of a Highland specific 'Community Benefit Policy' which will focus on meeting the needs of the Council, our communities, and suppliers, whilst linked to the strategic objectives of the Council, Scotland's National Performance Framework and the Highland Local Outcome Improvement Plan (LOIP).

Supplier Development

The Supplier Development Programme (SDP) was established in 2008, and is a partnership of Local Authorities, Scottish Government and other public bodies that works together to bring free support in all aspects of tendering to Scottish-based SMEs. Commercial & Procurement Shared Services (CPSS) including Aberdeen City, Aberdeenshire and Highland Councils have participated in the below events and activities with the Supplier Development Programme over the period 1 April 2023 - 31 Mar 2024.

Meet the Buyer National 2023 - EICC Edinburgh - 17 May 2023

In total, 2,657 suppliers pre-registered interest on the SDP website for the Meet the Buyer National event. There were 1,396 actual attendees on the day. Of those, 862 attendees were from 626 unique Scottish SME businesses. Of those, 7 were based in Highland Council region.

Meet the Buyer North 2023 – The Music Hall Aberdeen – 12 September 2023

In total, 842 suppliers pre-registered interest on the SDP website for the Meet the Buyer North event. There were 389 actual attendees on the day. Of those, 248 attendees were from 201 unique Scottish SME businesses. Of those, 19 were based in Highland Council region.

Share your views: Aberdeen City, Aberdeenshire & Highland Council Procurement Strategy Email – 2 May 2023

On 2 May 2023, CPSS worked with SDP to email SDP supplier members in the Aberdeen City, Aberdeenshire and Highland Council regions, asking their views on the authorities' Joint Procurement Strategy 01 April 2023 – 31 March 2026. The email was sent to 1,739 suppliers, it received 47 clicks through to the Aberdeen City, Aberdeenshire, and Highland Council Joint Procurement Strategy Document, and 25 downloads of the CPSS Joint Procurement Strategy Consultation Survey.

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” 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:

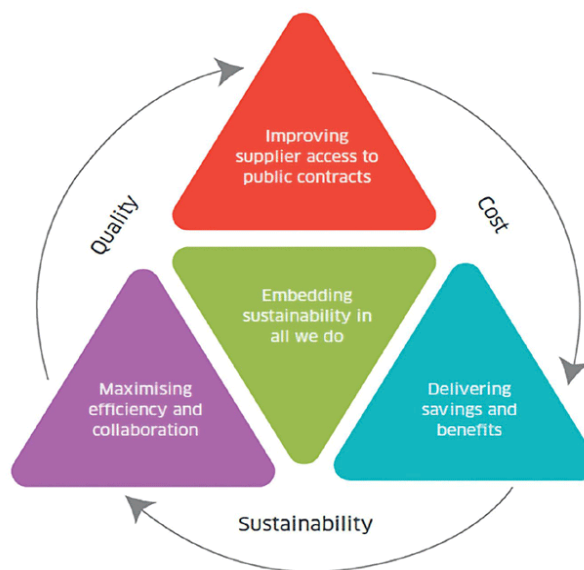
“ethical and sustainable value for money solutions that support the operational needs and wider strategic aims of the councils and the communities they serve to further local and national priorities to the fullest extent possible.”

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, and the Scottish Model of Procurement.

The Scottish Model of Procurement is owned by all the Scottish Public Sector with the aim of promoting the power of public spending to deliver genuine public value beyond simply cost and /or quality in procurement:



As detailed in the Community Benefits Analysis Summary as an organisation we have included, in process or delivered a total of 617 Community Benefits in this period.

Community Benefit Manager

The Council's Community Benefits Manager has worked collaboratively with the Commercial & Procurement Shared Service, Council Services, Suppliers, the local 3rd Sector and communities during 2023-24 to identify opportunities to maximise community benefit delivery and outcomes. Adopting a holistic approach has identified opportunities to match Suppliers offers to specific community projects and initiatives. Extensive engagement with all stakeholders has helped develop the Council's Community Benefit Policy which will be introduced during 2024-25.

Additional activity of the Community Benefits Manager has been to support services in maximising community benefit outcomes from the Council's spend on frameworks, and to work with other key stakeholders to explore community benefit activity from other statutory organisation's contracts which will benefit Highland communities and residents.

Non-financial efficiencies Community Benefits (CB)

In total, 617 community benefit outcomes were included, are in process or were delivered in the reporting period

320 Community benefit outcomes delivered across Regulated contracts advertised in the reporting period

317 Community benefit outcomes imposed across regulated contracts advertised in the reporting period*



21 of 30

Regulated contracts
(70%) included
requirements relating
to Fair Work Practices
(including Real Living
Wage).


















24 of 30















Regulated contracts
(80%) included
Community Benefit
requirements

317 Community benefit outcomes imposed across **30** regulated contracts in the reporting year.

Highlights: volume of Job posts & placement opportunities in addition to an **70%** commitment from regulated contracts to pay a Fair Work/Living wage.

Fair Work/real Living Wage 21 	Jobs Created 21 	Apprenticeships 6 	Placements 23 
Developing the Workforce 78 	Further/Higher Education Engagement 10 	School Engagement Activity 8 	Employability Engagement Activity 10 
Prompt Payment in the Supply Chain 38 	Environmental Measures, Fuel Poverty and Climate Literacy 51 	Community/3rd Sector Support 7 	Local Economic Development Measures 2 
Innovation/ Case Studies 8 	Equalities Duty 24 	Training Plans 10 	

320 Community benefit outcomes delivered* across **30** regulated contracts in the reporting year.

Fair Work/real Living Wage 21 	Jobs Created 21 	Apprenticeships 14 	Placements 6 
Developing the Workforce 102 	Further/Higher Education Engagement 12 	School Engagement Activity 2 	Community Engagement Activity 3 
Prompt Payment in the Supply Chain 40 	Environmental Measures, Fuel Poverty and Climate Literacy 4 	Community/3rd Sector Support & Donations (£106,650) 52 	Local Economic Development Measures 1 
Disability Confident Status achieved. 2	Volunteering Events 33 	Training Plans 7 	

Highlights:

The value of community donations / sponsorships and support during 2023/24 is £106,650

- 34 Projects have received donations of materials / supplies.
- 21 Jobs have been created.
- 14 Apprenticeships
- 102 instances of training and development have been delivered.

*At time of reporting based on available data, the number of actual benefits delivered will exceed 320

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.

The Details of the contracts with supported businesses in the reporting period is shown below.



Contract with Passion4Social:

IT services website design

***Contract for services to the Commercial & Procurement Shared Service covering Aberdeen City, Aberdeenshire, Highland Councils**

The definition of a Supported Business as per Scottish Government:

“Supported businesses are social enterprises whose main aim is to integrate disabled or disadvantaged people socially and professionally. Their workforce must be at least 30% disabled or disadvantaged.”

It is Scottish Government policy that every public body should have at least one contract with a supported business.



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Section 5 – Regulated & Future Procurement Summary

Appendix 1 – Regulated Procurements 01 April 2023- 31 March 2024

PCS Document ID / Contract ID	Description	Total Value	Contract Type	Supplier Name	Award Date
760688	New Uig Ferry Passenger Terminal Building	£3,425,816	Works	Robertson Construction Northern (GB)	11/03/2024
760352	Longman Park, Inverness - Traveller Accommodation	£6,784,838	Works	Galliford Try Construction Limited t/a Morrison Construction (GB)	07/03/2024
758081	Award of Connecting Inverness- Mobility Hub	£129,168	Services	WSP UK Ltd (GB)	13/02/2024
755916	Project Management and Communication Services	£225,000	Services	Bax & Company (ES)	23/01/2024
755246	Aids for Daily Living Equipment for Children and Young People Framework Agreement	£444,000	Supply	Enable Access Ltd (GB) / The Helping Hand Company (GB) / Care and Independence Ltd (GB) / Daytot Ltd (GB) / Moorings Mediquip Ltd t/a Wheelchair Care (GB) / Jenx Ltd (GB) / Fast Aid Products Ltd (GB) / Nottingham Rehab Limited (GB) / Special Orthotics Services (GB) / Drive DeVilbiss Healthcare Limited (GB) / Smirthwaite Limited (GB) / accora (GB) / Leckey (GB)	17/01/2024
749408	AWARDED - Garden & Food Waste (GFW-2023) for The Highland Council/Lot 2 Treatment of Food Waste (TFW)	£184,099	Services	energen biogas (GB)	12/12/2023

PCS Document ID / Contract ID	Description	Total Value	Contract Type	Supplier Name	Award Date
749409	AWARDED - Garden & Food Waste (GFW-2023) for The Highland Council/Lot 1 Collection, Transport & Treatment of Garden Waste (CTTGW))	£4,061,455	Services	Keenan Recycling (GB)	12/12/2023
750773	Treatment of Waste Upholstered Domestic Seating	£930,000	Services	Levenseat Ltd (GB)	11/12/2023
752415	Manufacture and Supply of four wheeled bins	£322,000	Supply	Contenur UK Limited (GB)	11/12/2023
752448	Supply of Food Waste Caddies	£338,000	Supply	Straight Manufacturing Limited (GB)	11/12/2023
751135	Manufacture and Supply of two wheeled bins	£3,082,000	Supply	Contenur UK Limited (GB)	04/12/2023
751276	Award of Provision and Installation of Bus Shelters in Highland Council Area (specifically Caithn...	£50,000	Services	Commutaports Limited (GB)	22/11/2023
751138	Award of Container Distribution Services	£493,375	Services	Jett Trade LTD (GB)	21/11/2023
750719	Award of Academy Street EIA & TIA	£69,863	Services	WSP UK Ltd (GB)	16/11/2023
749078	Award of DI18043 Inverness Castle Fit Out Project	£4,395,334	Works	Workhaus Projects Ltd (GB)	01/11/2023
749069	Refurbishment of Northern Meeting Park, Inverness	£5,104,441	Works	Morrison Construction (GB)	01/11/2023

PCS Document ID / Contract ID	Description	Total Value	Contract Type	Supplier Name	Award Date
748867	27 No New Housing Units, Conon Braes, Conon Bridge	£5,700,000	Works	Tulloch Homes (GB)	30/10/2023
748589	Phase 2 Teandallon, Evanton - New Housing	£6,739,540	Works	Compass Building and Construction Services (GB)	26/10/2023
747552	LCTT2021 Raigmore Hospital Shelters	£238,027	Supply	LockIt Safe Ltd (GB)	16/10/2023
745904	Riverside Way, Inverness - Strategic Active Travel Corridor (Stage 1) Re-advertised	£2,377,077	Works	Wills Bros Civil Engineering Ltd (GB)	06/10/2023
743716	Business Support Services Framework Agreement	£300,000	Services	Eris Business Services (GB) / Caton Advisers Llp (GB) / Arena HR Ltd (GB) / Caton Advisers Llp (GB) / Watson Financial Management (GB) / Inspire IT Services Ltd (GB) / J&G3 Ltd (GB) / Third Sector Development Ltd (GB) / Third Sector Development Ltd (GB) / Eris Business Services (GB) / CJM Project Financial Management Ltd (GB) / Third Sector Development Ltd (GB) / Beyond Procurement Ltd (GB) / Third Sector Development Ltd (GB) / Beyond Procurement Ltd (GB) / Inspire IT Services Ltd (GB) / J&G3 Ltd (GB) / Modus (Scotland) Ltd (GB) / Third Sector Development Ltd (GB) / Tuminds Ltd (GB) / Arete Zero Carbon (GB) / Jeni Iannetta (GB) / Jeni Iannetta (GB)	06/09/2023
743563	Renewable Heat Services-2023-SER051	£28,701,093	Services	Alternative Heat Ltd. (GB)	04/09/2023

PCS Document ID / Contract ID	Description	Total Value	Contract Type	Supplier Name	Award Date
743211	Award of DIHD21035 New Housing Development, Former Struan House Hotel Site, Carrbridge	£2,155,141	Works	Compass Building & Construction Services (GB)	30/08/2023
742538	New Housing at Blar Mhor, Fort William Ph 2 (63 Units)	£16,453,297	Works	TSL Contractors Ltd (GB)	23/08/2023
741604	Occupational Health Services	£1,000,000	Services	People Asset Management Ltd (GB)	14/08/2023
739700	Phase 2 Elizabeth Crescent, Dornoch	£2,602,426	Works	Compass Building & Construction Services (GB)	25/07/2023
739183	20No New Housing Units, Tulloch Castle Gardens, Dingwall	£4,145,319	Works	Capstone Construction Scotland Ltd (GB)	18/07/2023
738689	Award of Provision and Installation of Bus Shelter / Infrastructure at Raigmore Estate, Inverness...	£50,000	Services	Commutaports Limited (GB)	13/07/2023
735747	AWARD - HC Refugee Resettlement Support Service -ARAP	£110,000	Services	New Start Highland (GB)	16/06/2023
733589	Thurso High School, Caithness - Modular Unit	£2,020,712	Works	Galliford Try Construction Limited t/a Morrison Construction (GB)	29/05/2023
733582	37 New Housing Units, Ness Side, Inverness - Phase A3	£6,350,000	Works	Tulloch Homes (GB)	29/05/2023
733193	Award of DIP22053 DIP22055 DIP22094 - Mechanical & Electrical Engineer	£57,120	Services	META Consulting Engineers Ltd (GB)	24/05/2023

PCS Document ID / Contract ID	Description	Total Value	Contract Type	Supplier Name	Award Date
732541	Award of Highland Timber Transport Group - Project Officer	£56,100	Services	Arvikaconsult Ltd (GB)	18/05/2023
723622	Award of The Provision of Ergonomic Assessments and the Provision of Equipment and Furniture	£200,000	Services	Posturite Ltd (GB)	05/05/2023
730491	Award of Treasury Management Services - Highland Council	£70,500	Services	Link Treasury Services (GB)	26/04/2023
730403	Provision of Garden Aid Services	£698,780	Services	Tivoli Group Ltd (GB) / Boar Landscaping (GB) / Ground N Gardens Ltd (GB)	26/04/2023
728408	Award of Workforce Management System	£173,300	Services	Totalmobile Ltd (GB)	05/04/2023
728313	Award of SMART Buildings Phase 2 - RM3808	£160,900	Supply	North PB Ltd (GB)	04/04/2023
728225	AWARD of Treatment of Co-Mingled Mixed Recyclate (CMR) - HC/CS/CMROCT/2022	£3,012,482	Services	Biffa Waste Services Ltd (GB)	04/04/2023

Appendix 2 – Future Regulated Procurements 01 April 2024 – 31 March 2026

Contract Name	Type of Contract	Estimated Contract Notice Publication Date	Estimated Contract Value
Portable Toilets and Welfare Units	New Procurement	01/08/2024	£80,000
Energy Efficiency Framework	New Procurement	01/08/2024	£15,000,000
Solar Framework	New Procurement	01/08/2024	£10,000,000
ERP	New Procurement	01/09/2025	£471,000
Breakdown Service, Maintenance & Repairs for vehicles	New Procurement	30/09/2024	£150,000
English For Speakers of Other Languages	Renewal	30/11/2024	£150,000
Equipment from Digitalization Fund	New Procurement	24/04/2024	£150,000
On Foot pay Machines	New Procurement	01/05/2024	£200,000
Small Repairs and Minor Works Dynamic Purchasing System - Tranch 3	New Procurement	14/03/2025	£10,000,000
Small Repairs and Minor Works Framework Agreement - Tranch 1	New Procurement	14/07/2024	£4,833,867
Small Repairs and Minor Works Framework Agreement - Tranch 2	New Procurement	14/11/2024	£2,000,000
Taxi Services	Renewal	20/04/2024	£150,000
Weather Forecasting Services: Weather Forecasting	Renewal	01/07/2024	£80,000
Winter Equipment Hire	New Procurement	01/07/2024	£140,000
Employability Services	Dynamic Purchasing System	01/03/2025	£4,000,000
Housing Support (Time Limited) Framework Tender 2024	Renewal	18/11/2024	£4,977,204
EICRs (Electrical Inspection Condition Report) Contract Tender 2024	New Procurement	06/09/2024	£9,500,000
Banking Services	Renewal	20/05/2024	£201,000
Treasury Management Services	Renewal	01/07/2025	£74,000