



Prepared May 2026

Annual Procurement Report

1 April 2025–31 March 2026



**Always
evolving**

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A number of appendices can be accessed via the hyperlinks contained within this document.

1. Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector, established in 2008 as a non-profit shared service governed by a joint committee made up of elected representatives from Scotland's 32 local authorities.

The 32 local authorities share around 60% of the costs associated with operating Scotland Excel with the balance being generated by working with the sector, offering collaborative procurement support and commercial expertise.

Central to the established operating model is the delivery of effective commercial solutions for members. At the heart of this is the contract portfolio, with a value of c £2bn, which provides support to a wide range of local government services. The portfolio includes solutions for social care services, construction and property management, roads, transport and fleet operations, environmental services, and a wide range of goods required for corporate and educational settings. In partnership with SEEMiS and The Digital Office, a range of Digital services are also offered.

Contracts are developed in consultation with local government representatives from procurement, commissioning and technical backgrounds, to ensure services meet the needs of Scottish communities. The contractual arrangements are always designed to encourage innovation, facilitate policy delivery, support local economic priorities and enhance social value in communities. A range of specialist support is available for our members through a National Savings Team, Flexible Procurement Service and Scotland Excel Academy alongside a range of consultancy and project services.

Scotland Excel provides value to customers by ensuring contracts delivered meet the duties laid down in the Procurement Reform (Scotland) Act 2014 ("the Act"). Section 18 of the Act requires public bodies that publish a procurement strategy to prepare an annual procurement report.

This annual procurement report will set out the performance of Scotland Excel against the corporate strategy and summarise the value delivered through procurement activity. The report compares performance against agreed objectives and strategic targets including those associated with Fair Work and Community Benefits.

Scotland Excel annually publishes an operating plan linked to its five-year strategy which sets out the strategic direction for its procurement activity and details the context in which Scotland Excel will work to ensure value for money is achieved. In addition to the overarching Strategy, Scotland Excel also works with its partners to articulate its approach to delivering an effective contract portfolio through the Sustainable Procurement Handbook, Net Zero Strategy and a suite of Contract Strategies.

These targeted and specific approaches ensure Scotland Excel's portfolio has been developed with consideration to the wider social, economic and environmental priorities in a manner consistent with the sustainable procurement duty under the Act. Scotland Excel publishes the Annual Procurement Report via our website www.scotland-excel.org.uk/



2. Summary of Regulated Procurements Completed

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”.

A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements. [Appendix 1a](#) provides a summary of the regulated procurements Scotland Excel has completed between 1 April 2025 and 31 March 2026. The appendix includes the following:

- schedule number (unique reference)
- award date
- title of the arrangement, giving the subject matter of the procurement
- estimated total annual value of the arrangement
- date from which the arrangement starts and is available for use
- end date
- names of each of the suppliers/providers awarded a place

Scotland Excel also operates a range of Dynamic Purchasing Systems (DPS) and flexible frameworks which are unique in that new suppliers or providers can apply to be added during the advertised period. [Appendix 1b](#) shows those suppliers or providers appointed between 1 April 2025 and 31 March 2026 as well as those arrangements where no additional suppliers or providers were appointed.

“Our vision is to provide collaborative, innovative and transformative solutions that support social, economic and environmental wellbeing.”

3. Review of Regulated Procurement Compliance

3.1 Policy Context

As a centre of procurement expertise, our vision is to provide collaborative, innovative and transformative solutions that support social, economic and environmental wellbeing. **The Scotland Excel Corporate Strategy 2023-28** sets goals to deliver solutions that provide value to our members across key strategic areas;

- Journey towards a net zero Scotland.
- Drive for efficiency to support the financial sustainability of local public service.
- Community wellbeing with equal access to services, economic development and fair work jobs.
- Resilient supply chains that maximise opportunities for Scottish businesses and the third sector.
- Advancement of skills to deliver Scotland’s economic transformation.

Performance against the corporate strategy and objectives for 2025/26 is shown at [Appendix 2](#), which sets out progress made against operating plan commitments, confirming the status of each activity.

This vision aligns with the **Public Procurement Strategy for Scotland (PPSfS)**, also published in 2023, with a target to “...use our collective spending power to deliver sustainable and inclusive economic growth” ensuring that procurement activity in Scotland is;

- Good for businesses and employees
- Good for society
- Good for places and communities
- Open and connected

In May 2025, on the second anniversary of the (PPSfS), eight **Key Performance Indicators (KPIs)** were published to measure the impact and progress of the vision set out in the strategy.

As reported in the 2024/2025 Annual Procurement Report (APR), a **segmentation** approach has been embedded at Scotland Excel to facilitate careful consideration of the balance of savings and benefits possible through a national collaborative exercise. This segmentation is an enabler of the adoption of **Procurement Benefits Reporting Guidance** which has been incorporated into the Scotland Excel **performance management framework**.

This performance management framework measures the social, environmental and economic wellbeing of our national collaborative portfolio in accordance with the principles of the **Procurement Reform (Scotland) Act 2014**. To ensure this framework best enables the measurement of sustainable procurement, an exercise has been undertaken to compare the PPSfS KPIs with both the Scotland Excel performance metrics (PMs) with the Procurement Benefit Types. This is set out in Table 1.

PPSfs	KPI TITLE	SXL PERFORMANCE METRIC (PM)	SCOTTISH GOVERNMENT BENEFIT TYPES	SECTION OF APR
KPI 1	Procurement Spend in Scotland	PM 1.1 AND PM 1.2	-	1
KPI 2	Scottish GDP And Jobs Generated	PM 2.1	BT14	4
KPI 3	Collaborative Spend	PM 1.1 AND PM 1.2	-	-
KPI 4	Local Procurement Spend	PM 2.4	BT14	-
KPI 5	SME And Third Sector Spend	PM 2.3	BT14	5
KPI 6	Professionalisation	-	-	8
KPI 7	Climate Emergency	PM 3.1, 3.2 AND 3.3	BT14	6
KPI 8	Community Wealth Building	PM 2.1, 2.2, 2.3	BT14	4 and 5

*RAG status: **green** = ability to report, **amber** = in development

Table 1: Comparison of the PPSfs KPIs with SXL Performance Management Metrics and Benefit Types

Table 1 confirms that all but one of the identified KPIs, professionalisation, can be reported on. Data available on professionalisation is included in section 8, which details learning and development programmes available through the Scotland Excel Academy.

Green cells denote that robust measurement in place and historic data available, while amber intimates while some data is available the metric is in development, to create a baseline or increase the accuracy of the information held. Alongside reporting the requirements set out in section 18(2) of the 2014 Act, Table 1 confirms which section of this annual procurement report will report key performance information.

The Scotland Excel performance management framework currently contains 17 metrics. Of those, 14 metrics overlap with procurement benefit reporting guidance (benefit types) and 7 overlap with the published KPIs for the PPSfs. This comparison, alongside the publication of SPPN 1/2026 (revised reporting requirements for the annual procurement report from 2026/2027), will inform the content and format of the 2026/2027 report.

Appendix 3 summarises the economic outcomes attributable to those procurements awarded in 2025/2026. This includes the segmented priority of each, benchmarked savings (BT1), savings through indexation (contract vs market price) (BT2) and collaborative savings (BT3).

3.2 Key Developments

During a time when the needs of members are evolving, in the context of ongoing market instability, a detailed review of the long-term **Contract Delivery Plan** was undertaken throughout 2025/2026. A revised sustainable plan was approved in February 2026, to enable the delivery of a predictable portfolio of frameworks and continuity of service coverage. This work will underpin the ongoing development of a **Procurement Strategy**, which will articulate how the commitments made in the corporate strategy are embedded in the Strategic Procurement and Commissioning teams.

Work is underway to inform Scotland Excel's future role in **strategic commissioning**. An extensive programme of engagement is planned for 2026 which will ensure that this work is informed by stakeholder views, needs and priorities. Scotland Excel will work with stakeholders to consider the merits and limitations of the current national model as well as alternative collaborative models and options for Scotland Excel to support local commissioning activity. Desktop research on alternative options and stakeholder engagement with local government professional groups has taken place across late 2025 and 2026. Detailed engagement sessions with individual local areas are scheduled to take place during the summer of 2026. This will ensure that local priorities, preferences and strategic plans are considered in this work. This detailed engagement work will inform the future role which Scotland Excel will undertake in social care. The Strategic Commissioning Team will focus on developing a strategy to deliver this new role and will test this with stakeholders in late 2026/early 2027.



3.3 Compliance

Section 17 of the Act requires all regulated procurements to be carried out in line with the organisational procurement strategy. Section 18(2)(b) and (c) state that an annual procurement report must include “a review of whether those procurements complied with the authority’s procurement strategy” and “the extent to which any regulated procurements did not comply, and a statement detailing how the organisation will ensure that future regulated procurements do comply” respectively.

One year into the 24-month plan set out in the 2024/2025 Annual Procurement Report, 11 renewals were awarded in 2025/2026 (as set out in [Appendix 1](#)) and 12 are planned for presentation to the Executive Sub Committee in 2026/2027. As set out in section 3.2, a detailed review of the contract delivery plan was undertaken and implemented in 2025/2026 leading to the merger of some renewal arrangements and intended expiry of others.

The decision was taken not to continue with the tender process for the second-generation Engineering and Technical Consultancy Framework, in accordance with Regulations 85(7) and 85(8) of the Public Contracts (Scotland) Regulations 2015. After careful consideration it was decided not to continue with the process on the basis that improvements could be made to the tender documents. This led to a Public Contracts Scotland notice of the abandonment of the procedure being published on 2 July 2025. A new and revised tender exercise was published in November 2025 and awarded in May 2026.

Furthermore, the procurement process for the renewal of The Supply and Distribution of Milk and Dairy Free Alternatives did not proceed to award as there was insufficient choice and capacity to support the establishment of a viable framework for members. This led to a Public Contracts Scotland notice of the abandonment of the procedure being published on 4 February 2026. Scotland Excel is working with councils and the market to explore alternative means to meet this need.

The planned new contract areas for both Election Services and Security Operations Centre arrangements did not progress to tender stage. During pre-strategy it was determined the feasibility and delivery model(s) were unsuitable for national collaborative arrangement at this time. The new contract area of Local Heat And Energy Efficiency Strategies (LHEES) was awarded in April 2025.

The primary governance forum for our strategic procurement and commissioning teams is the Contract Steering Group (CSG) which is responsible for the governance of each appointed milestone of the procurement process from contract initiation through to contract award and management. These gateways are designed to ensure all Regulated Procurements are carried out in a manner compliant with the Act and with the corporate goals. Templates used in each exercise ensure relevant factors, including segmentation and benefit types, are captured and recorded against each arrangement.

CSG milestones that formulate contract strategies include a review of the stakeholder engagement, User Intelligence Group (UIG) consultation, strategic objectives and data and market analysis. This ensures that developments comply with organisational strategies and will fit with member requirements, local government policy aspirations and market capacity.

The Contract Steering Group terms of reference were revised and approved in 2025/2026 to update delegation in line with workforce development and embed other operational changes. In addition, a contract delivery plan review group was established to monitor the implementation of the long-term delivery plan.

These updated governance gateways are presented at [Appendix 4a](#), including a table that sets out how the process was applied to live frameworks during the financial year 2025/26, [Appendix 4b](#).



4. Community Benefits and Fair Work

4.1 Community Benefits

Section 18(2)(d) of the Act states that it is mandatory for an annual procurement report to include “a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report”.

Community benefits have been incorporated into regulated procurement activity since 2013. Where proportionate and relevant, any bidder submitting an offer for a national collaborative arrangement is asked whether they will commit to Scotland Excel’s approach to community benefits, over an established spend threshold. Points are accrued by participating members

relative to spend and a menu of relevant outcomes enables dialogue on local delivery.

Community Benefit submissions are made on a six-monthly basis by suppliers with more than £50,000 spend in the previous six months of recorded management information. The six-monthly cycle is aligned with Scotland Excel’s Joint Committee schedule, at which Community Benefits are reported. Community benefits reported for the period 1 April 2025 to 31 March 2026 are set out in Table 2. Community benefits reported per council area are set out in [Appendix 5a](#).

Total number of apprenticeships recruited to deliver contracts	Total number of employees recruited to deliver the contract	Total number of work placement for adults	Total number of volunteering hours	Total number of hours of work experience for school/college/ university students	Total monetary value (£) of other community benefits
16	189	85	4,791	2134	£596,110

Table 2: Community Benefits Reported 2025/26

The summary below sets out examples of the range and type of community benefits reported by supplier/providers in 2025/26.

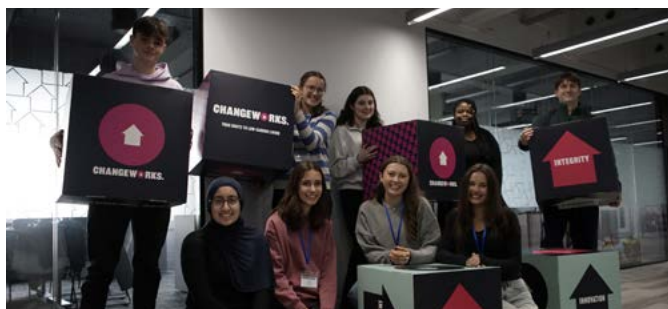


CF Services, a supplier awarded to the Domestic Furniture and Furnishings framework, experienced a period of growth that saw them recruit nine new employees on a full-time, permanent basis. These positions for installers, drivers, key account admin staff and a qualified accountant were filled in the Fife, North Lanarkshire and South Lanarkshire council areas. A new storeroom apprentice was employed in the Fife Council area. CF Services also delivered over £3000 worth of food parcel and furniture donations.



The Furnishing Service, also from the Domestic Furniture and Furnishings framework, recruited 26 new members of staff across their office, warehouse and installation teams. These positions were all on a full-time, permanent basis. The new staff were employed across eight different council areas, namely Aberdeen City, East Dunbartonshire, Glasgow City, North Ayrshire, South Lanarkshire, The City of Edinburgh, The Highland and West Lothian councils. Furthermore, the modern apprentice appointed in 2025 has become a full time, permanent employee.

Changeworks Resources for Life, a supplier awarded to the Energy Efficiency Contractors framework, delivered 350 hours of work experience for school-aged children in the Scottish Borders area. The supplier also ran two free energy efficiency events with impartial



advice from energy advisors delivered to members of the public. These drop-in events allowed people to gain expert advice on reducing their energy bills and their CO2 emissions. Both events were held in the Aberdeen City area.

Dingbro Ltd, a supplier awarded to the Vehicle Parts framework, have recruited five people onto their four-year apprentice programme. These apprentices are employed in the Dundee City, South Lanarkshire, Moray, North Ayrshire and West Dunbartonshire council areas. Further to this, 23 people have been recruited across 18 council areas.



Starley Hall School Limited, awarded to the Children's Residential framework, had their senior pupils at Starley Hall School participate in work experience placements and employability taster sessions with local employers and community partners. These included a local café and a car garage. Young people and staff at the school also contributed to the annual Burntisland Bonfire and Fireworks Display. They delivered a presentation and community engagement session with the Burntisland Ladies Probus Group to promote awareness and understanding of specialist education provision, and made charitable donations to the Archie Foundation, an organisation who transform experiences and outcomes in healthcare and bereavement for local babies, children, and families.



Foster Care Associates Scotland Limited, awarded to the Fostering framework, made a series of donations of baby hats knitted and crocheted by their own staff and foster carers. These baby hats were delivered along with welfare packs created for mums with babies to neonatal units in the Dumfries and Galloway, Dundee City, East Ayrshire, Falkirk, Fife, North Lanarkshire and Renfrewshire council areas.



Over time, the methodology for including, assessing and delivering outcomes has been refined. A substantive review took place in 2022/2023, which increased stakeholder engagement, defined roles and responsibilities and developed key guidance documents. A more robust means of gathering community benefits was implemented, via an online survey which is circulated to suppliers over the agreed spend threshold. Submissions received during the reporting period are cleansed and subsequently uploaded to a master file.

Further to feedback received at the **Community Benefit Forum** in February 2025, in July 2025, the process of reporting community benefit points to members was consolidated so that councils now receive a comprehensive community benefits report on a bi-annual basis. This removed the fragmentation of issuing a report per framework on the anniversary of the arrangement. This revised approach means reports are distributed alongside the Joint Committee meetings and deliver data per framework, per supplier on spend reported and points earned. This provides members with the information required to collaborate with suppliers to manage their community benefit outcomes.

Committed development work to classify and attribute value to previously delivered community benefit submissions was completed in 2025/2026. This will further enhance the reports shared, by matching points earned per framework, per supplier, per council with the outcomes already reported by suppliers. This will enable further local discussion on the remaining balance of community benefits points and collaboration with forum members where any local agreed benefits have not formed part of the outcome reporting. Bringing this data together will enable national monitoring and targeted intervention to ensure commitments made at the point of tender are delivered or escalated through key supplier management.

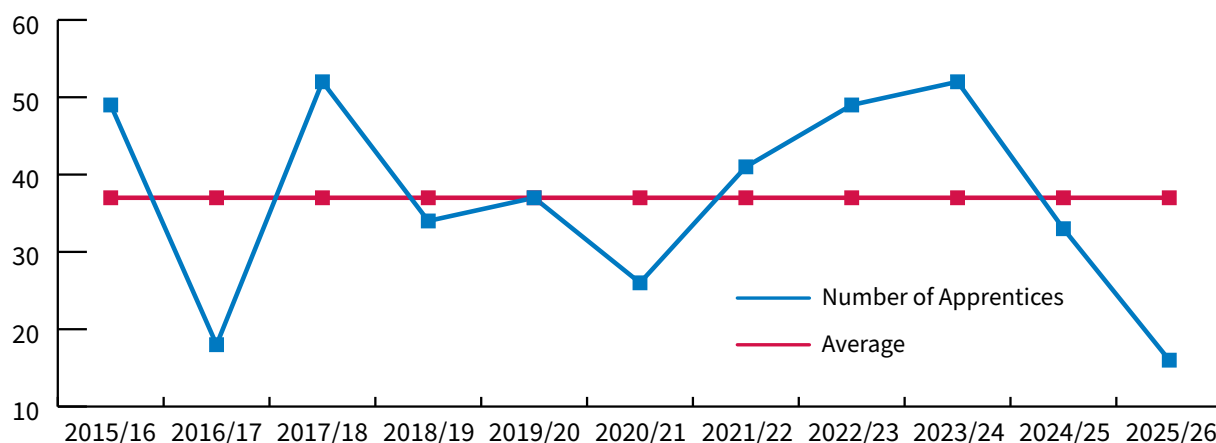
Development work is underway to deliver a harmonised community benefit menu in 2026/2027. This menu will have sufficient flexibility to ensure social outcomes are included on a proportionate and relevant basis while enabling contract owners to include benefits with consistent definitions and thresholds to ease contract management locally and nationally.

The Strategic Commissioning team have been consulting with the Coalition of Care and Support Providers in Scotland (CCPS) and provider representatives to evolve how community benefits reporting could better represent the inherent social value of commissioning arrangements. It is intended the outcomes of this consultation will form part of the wider development work to harmonise the approach across the procurement and commissioning portfolio. These enhancements will be consulted on at the 2026 Community Benefit Forum, ready for the first reporting window of 2026/2027.

As community benefits have been embedded since 2013, [Appendix 5b](#) sets out those benefits delivered over time, with effective supply chain collaboration delivering tangible outcomes for local communities. This also enables analysis of the trend of community benefit delivery over more than a decade. Sections 4.1.1-4.1.6 set out the outcomes per measure and further analysis is detailed in section 4.3 Market Conditions.

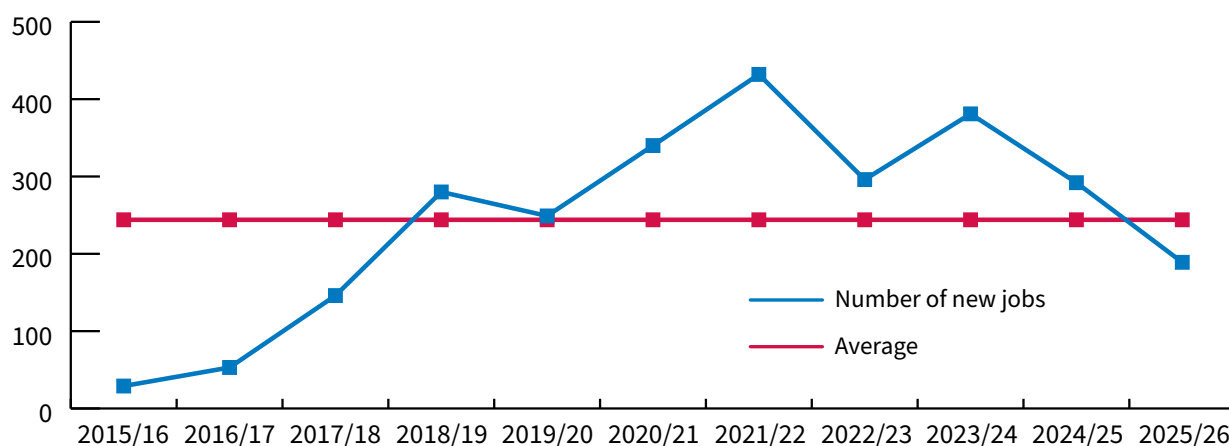
4.1.1 Total Number of Apprenticeships Recruited to Deliver Contract

Figure 1 confirms the number of apprentices recruited between 2015/2016–2025/2026. Results from 2025–2026 demonstrate a continued decline on this measure since 2023/2024. Suppliers that have reported excellent outcomes against this measure have again reported during 2025/2026, but with a lower number of apprentices appointed.



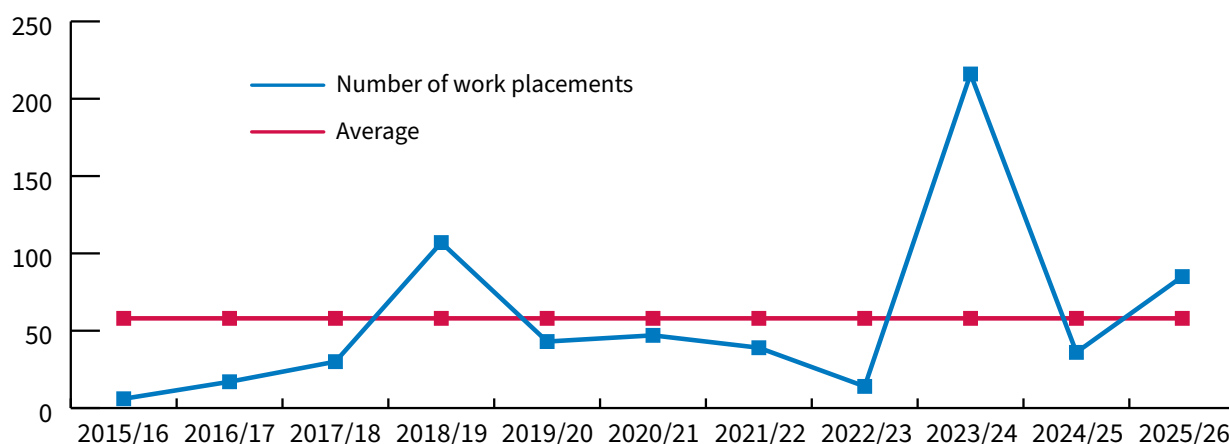
4.1.2 Total Number of Employees Recruited to Deliver Contract

Figure 2 confirms the number of new jobs created between 2015/2016–2025/2026. The number of new jobs has declined since 2023/2024, results for 2025/2026 are the lowest since 2017/2018. The response rate to this measure has reduced from previous years as the work to pilot a new approach for commissioning overlapped with the reporting window.



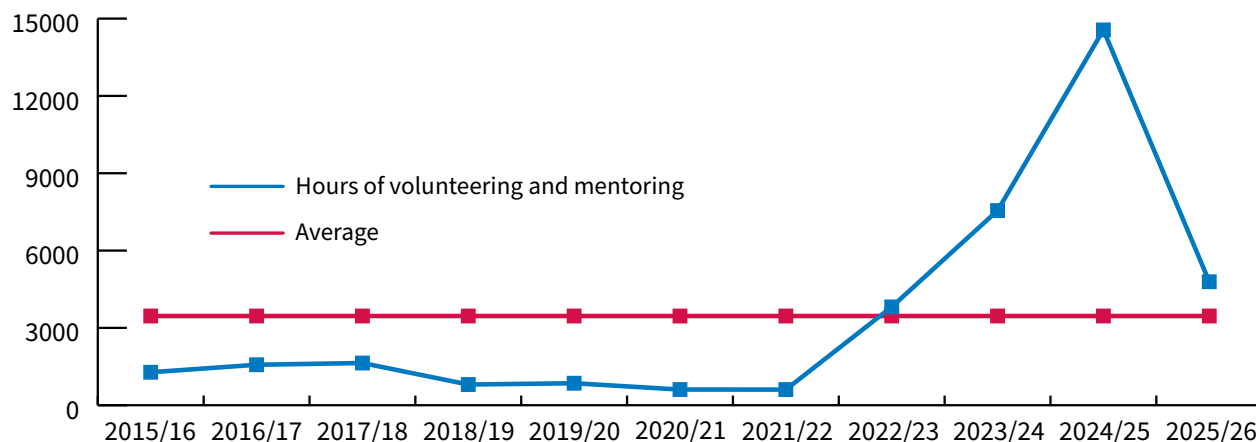
4.1.3 Total Number of Work Placements For Adults

Figure 3 confirms the number of work placements delivered between 2015/2016–2025/2026. After a peak in 2023/2024, the results for 2025/2026 represent the third highest number of placements reported.



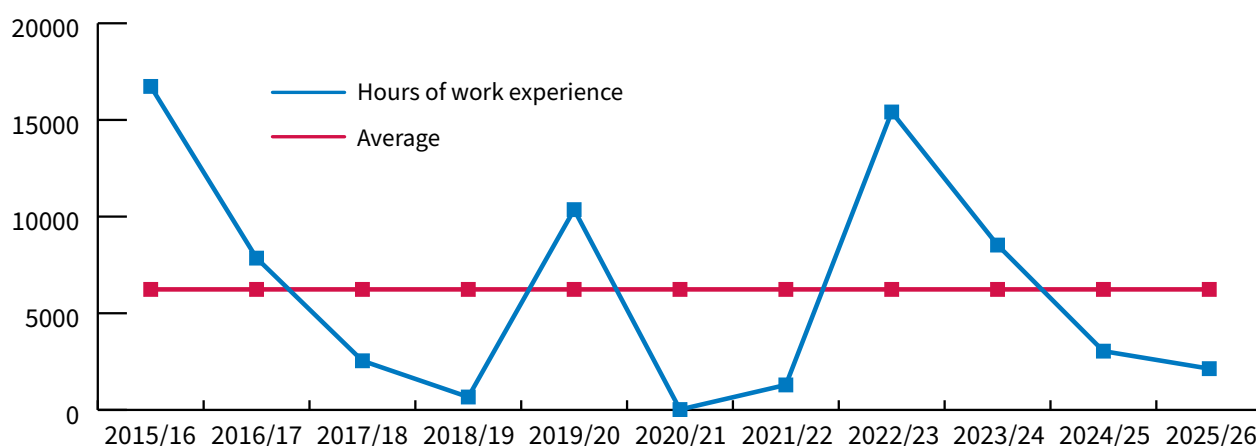
4.1.4 Total Number of Volunteering Hours

Figure 4 confirms the number of hours of volunteering and mentoring between 2015/2016–2025/2026. A peak in 2024/2025 has impacted on the average, results for 2025/2026 are reported as slightly above this average. Outcomes against this can be attributed to a minority of significant contributors as opposed to any overall move from one type of community benefit delivery to another.



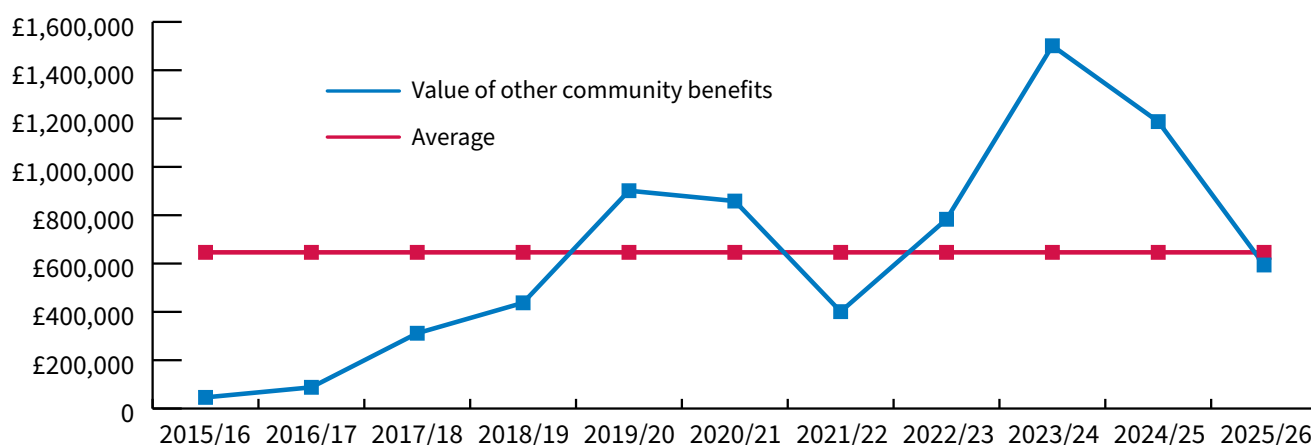
4.1.5 Total Number of Hours of Work Experience for School Pupils, College and University Students

Figure 5 confirms the number of hours work experience between 2015/2016–2025/2026. This measure has fluctuated considerably over the reporting period but is in decline since 2022/2023.



4.1.6 Total Monetary Value (£) of Other Community Benefits

Figure 6 confirms the value of other community benefits between 2015/2016–2025/2026. Results from 2025/2026 drop below the average. The total number of responses and maximum values remain similar to previous years, however, the value of mid-range monetary donations has reduced.



4.2 Fair Work

Guidance available via the Sustainable Procurement Tools was updated during 2025/2026 and sets out the relationship between the principles of Fair Work First, community benefits and equalities as mutually reinforcing. Proportionate and relevant inclusion of fair work practices is a key consideration for each procurement undertaken at Scotland Excel.

Early engagement with members and the market is key to informing the strategic procurement objectives, segmented priorities of the arrangement and therefore appropriate methodologies to embed fair work considerations. Minimum expectations are enshrined through selection criteria in compliance with relevant exclusionary grounds. More holistic approaches have been developed in complex service driven procurements, where Equality Impact Assessments (EQIA) inform the co-production of specifications or award criteria with a defined User Intelligence Group (UIG).

A response was submitted to the **“Evaluation of Fair Work First”** survey in January 2026. This response noted the need to embed the principles of Fair Work First in specifications and evolve how fair work is scored as part of tender submissions. Furthermore, it noted that opportunities for contracting authorities to influence change in social care commissioning is constrained by the current financial environment.

Fair Work First is the Scottish Government’s policy for ensuring high quality fair work across the labour market. These principles are included in the technical section of national collaborative tenders, the criteria for which are set out as follows;

- Payment of at least the Real Living Wage
- Provide appropriate channels for effective workers’ voice, such as trade union recognition
- Investment in workforce development
- No inappropriate use of zero hours contracts
- Address workplace inequalities, including pay and employment gaps for disabled people, racialised minorities, women and workers aged over 50
- Offer flexible and family friendly working practices for all workers from day one of employment and
- Oppose the use of fire and rehire practices.

Of the regulated procurements completed in 2025/2026 ([Appendix 1](#)), 91% contained scored questions on fair work criteria as deemed proportionate and relevant to the procurement.

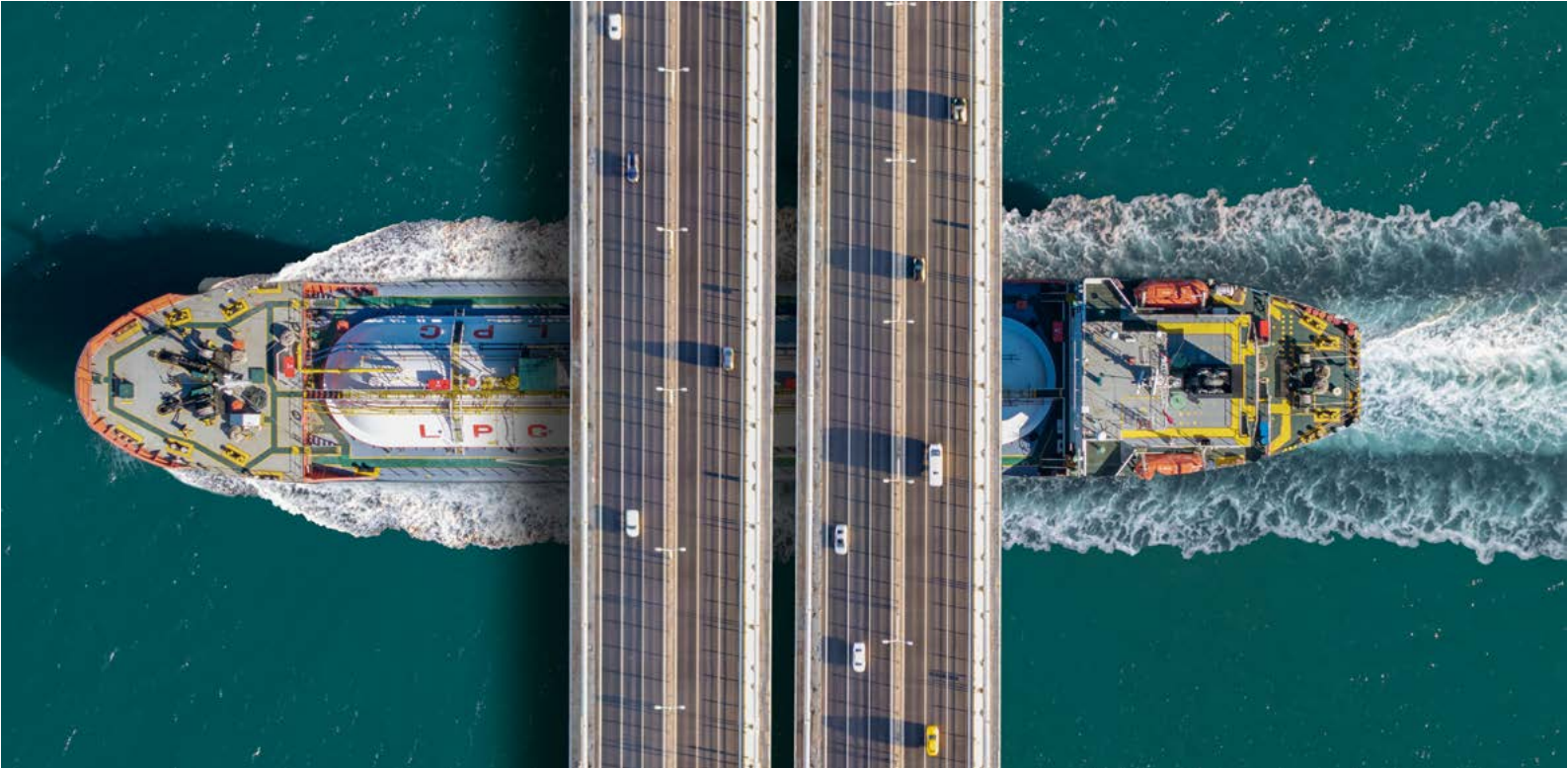
Scotland Excel has included formal consideration of the payment of the Real Living Wage in tenders issued since early 2015. Each Contract for Approval report to Scotland Excel’s Executive Sub Committee includes information on the respective position of all bidder’s work practices, including payment of the Real Living Wage. Appropriate monitoring procedures are in place as part of contract and supplier management. Annual reports assess the performance of suppliers relative to Real Living Wage commitments made at the point of tender. In relevant social care contracts, Scotland Excel incorporates the payment of Scottish Government’s social care pay policy for eligible social care roles. The Strategic Commissioning Team continues to support national work on fair work in social care through participation in the Fair Work in Social Care Group (Fair Work in Social Care – Workstream One) and on additional workstreams considering Ethical Commissioning and Ethical Procurement of Social Care.

At the close of the financial year 1156 suppliers were awarded to Scotland Excel framework agreements, of which 1036 (89.6%) notified that they pay the Real Living Wage. For frameworks awarded during 2025/26, 147 (86%) suppliers notified that they pay the Real Living Wage. This is recorded in the following categories, recognising the accreditation of some suppliers and the self-assessment of others.



Paying and Accredited	Paying and Progressing to Accreditation	Paying and Commitment to Accreditation	Paying but No Commitment to Accreditation	Not Paying but Commitment to Pay	Not Paying
333 (28.81%)	60 (5.19%)	107 (9.26%)	536 (46.37%)	45 (3.89%)	75 (6.48%)

Table 3: Payment of Real Living Wage



4.3 Market Conditions

Supply chain intelligence reports are published bi-annually as a minimum at Scotland Excel to set out the key challenges facing suppliers and members. A summary is provided below representing the headline information published in January 2026. This was updated in March 2026 following the initiation of conflict between the United States (US), Israel and Iran.

Economic Outlook

Inflation rose to 3.4% in the 12 months to December 2025. This rate was forecasted to fall throughout 2026, before conflict in the Middle East increased uncertainty. Interest rates were cut to 3.75% in December 2025, lowering the cost of borrowing for businesses.

Labour Market

The lasting effects of the increase in Employer's National Insurance Contributions (ENIC) announced in the UK Budget in 2024 continue to drive high employment costs. Without intervention, the compounding effect of the ENIC increases alongside wage growth will put long-term pressure on businesses, restricting their recruitment and retention capacities. Where employers have implemented short-term measures to absorb the initial cost increase, the financial impact will be felt over the long-term. Changes introduced under the Employment Rights Act will be phased throughout 2026 and 2027.

The outlook for businesses in Scotland is challenging. Almost 80% of businesses reported higher total costs towards the end of 2025, and around 90% expect further cost rises in early 2026. Increasing energy and fuel prices will compound existing cost pressures faced by suppliers of public services. Persistent price increases are likely to result in complex decisions for suppliers, including costs being passed on to customers to remain financially sustainable, and their ability to deliver the type and level of community benefits previously invested in.

Global Market Security

Rising tensions have contributed to trade tariff uncertainty in 2025/2026. The outbreak of war in the Middle East has led to global disruption, and a near halt in trade through the Strait of Hormuz, which transports around 20% of the world's liquefied natural gas and crude oil annually. The effective closure of this route is expected to disrupt the trade of around 20 million barrels of crude oil and oil products per day.

The war in the Middle East has been described by the International Energy Agency as the 'largest supply disruption in the history of the global oil market.' The significant disruption to the supply of oil, combined with limited availability of alternative routes to trade, has driven a sharp increase in oil prices. Between 28 February and 12 March 2026, wholesale gas prices in the UK increased by 67% and oil prices by 35%.

Summary

Collectively, these set out the ongoing challenging market conditions in which supply chain partners seek to deliver sustainable outcomes and provide context for the decline in community benefits reported and engagement on uptake of the Real Living Wage. Scotland Excel will continue to work with members and supply chain partners to minimise disruption and maximise value through our portfolio. A centralised and more consistent approach to reporting community benefits will facilitate collaborative and innovative working during market instability to optimise benefits available. Scotland Excel will continue to encourage further uptake by suppliers committing to pay staff the Real Living Wage and engage with those not committed to do so as part of contract and supplier management activity.

“Scotland Excel will continue to work across the sector to promote the advancement of working relationships with local supported businesses.”

5. Supported Businesses Summary

Section 18(2)(e) of the Act requires organisations to summarise steps taken to facilitate the involvement of supported businesses in regulated procurement. Scotland Excel recognises that supported businesses provide a crucial contribution to the Scottish economy.

Regulation 21 of The Public Contracts (Scotland) Regulations 2015 defines a supported business as “...an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons where at least 30% of the employees are disabled or disadvantaged persons”. Regulation 21 also permits a contracting authority to reserve the right to participate in the procurement to a supported business.

Section 9 of The Procurement Reform (Scotland) Act 2014 places a duty on contracting authorities to “...facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process...”.

Involvement of supported businesses is undertaken during strategy development and engagement facilitated through Prior Information Notices (PIN). During contract strategy development, category teams consider appropriate interventions to facilitate involvement. For example, sub-lot product groupings to reduce barriers to entry or encourage tier one suppliers to target their community benefit commitments to the establishment of supply chain relationships with supported businesses.

No procurements were reserved during 2025/26. In accordance with updated guidance, communicated through Scottish Procurement Policy Note (SPPN 1/2025) in May 2025, a review of supported business participation in the portfolio has been undertaken. In 2025/2026 circa £2.6 million spend was reported by three supported businesses awarded onto a Scotland Excel arrangement. This equates to circa 2.1% of

spend for frameworks on the Scotland Excel portfolio where a supported business offers relevant goods or services. Scotland Excel note the publication of SPPN 2/2026 and will consider carefully implications for the commissioning portfolio as well as the classification of qualifying organisations.

In addition to supported business spend, overall spend with Third Sector suppliers was c. 10.6% in 2025/2026 (£93.1m). At the end of 2025/2026 79% of suppliers awarded onto the Scotland Excel portfolio were SMEs and 86% of suppliers were Scottish.

Scotland Excel will continue to work across the sector to promote the advancement of working relationships with local supported businesses. At the 16th annual Meet the Buyer National event in June 2025 Scotland Excel introduced Scotland’s Bravest Manufacturing Company, who set out their experience tendering and managing their awarded place on the Road Signage Materials framework.

In support of the Social Enterprise Scotland “Buy Social” pledge, Scotland Excel attended the Social Enterprise summit in June 2025 and presented a session with Balfour Beatty on “Supplying with impact: Social enterprise and the construction sector”. A webinar on “Procuring with the public sector: unlocking opportunities for social enterprises” was also presented in September 2025 demonstrating our ongoing commitment to working with supply chain partners to reduce barriers to entry for third sector organisations.

6. Net Zero Strategy and Environmental Reporting

In March 2023, Scotland Excel's Executive Sub-Committee approved Scotland Excel's Net Zero Strategy 2023-2028. This Strategy supports members in the delivery of their individual and collective net zero goals linked to Scottish Government climate emergency policy and legislation. The strategy will ensure that Scotland Excel's arrangements will continue to meet the needs of councils via the products they buy, suppliers they contract with, and services they deliver.

Responsible for the activity matrix published with the strategy, the Scotland Excel Net Zero Working Group drives workstreams to deliver on this organisational commitment. Its primary objective is to identify, develop, and implement initiatives that contribute directly to achieving net zero carbon emissions, in alignment with national and global climate targets. The activity matrix sets out our short and medium term (2023–2025) and longer term (2025–2028) net zero related priorities.

Within the scope of the action plan is a revised sustainability policy for publication in 2024. This was delivered in 2024/2025 representing a significant update to our Sustainable Procurement Handbook to bring this into alignment with our Net Zero strategy and carbon reduction focus. Updates included;

- Embedding a segmented approach
- Incorporating Circular Economy considerations
- Measures associated with Scottish Procurement Policy Note (SPPN) 3/2022 which aligns climate change reporting duties with procurement policy and legislation
- Collaboration on environmental reporting mechanisms.

In 2025/2026 further targeted engagement was undertaken with strategic supply chain partners across the portfolio, considered best placed to respond to

revised environmental measures. Similar to the outcome in 2024/2025, of the 268 suppliers contacted only 24 responded. Responses were diverse and primarily narrative making it difficult to report progress against circular practices, waste and carbon performance metrics. Having participated in the February 2025 consultation on the draft statutory guidance, publication of the updated **Climate change duties: statutory guidance for public bodies** in March 2026 is welcomed. To ensure members are best supported in performing their climate change duties, a review of this guidance, alongside reporting activity completed to date, will be carefully considered early in 2026/2027.

In September 2025, consultation responses were submitted to both the Draft Environmental Strategy and the Draft Climate Change Plan Scrutiny 2025. Themes of the response included a request for the following to be considered:

- Need for investment in data to enable public sector procurement teams to make informed decisions to reduce the impact on the environment.
- Providing grant funding for local SMEs in the low carbon technology sector. Working closely with innovation hubs, such as BE-ST, to develop new innovative climate technology, clean manufacturing, and biodiversity restoration processes.
- Scotland Excel's view is that between 2026 and 2040, Scotland's buildings sector should undergo a phased transformation to reduce emissions by 80% from 1990 levels, laying the foundation for net zero by 2045. Initial policies (over the next 5 years) should focus on improving energy efficiency, eliminating fossil fuel heating in new buildings, and initiating large-scale retrofits, particularly in public properties.

7. Future Regulated Procurements Summary

Section 18(2)(f) of the Act states it is mandatory that an annual procurement report must include "a summary of the regulated procurements the authority expects to commence in the next two financial years."

Scotland Excel undertakes extensive stakeholder engagement in the development of national collaborative arrangements. Portfolio information is available to encourage competition and achieve best value and can be accessed via the Contracts Register [here](#). Most commonly market engagement is facilitated

by the issue of a Prior Information Notice, consistently providing advance notice of future opportunities.

Scotland Excel has 38 regulated procurements due for renewal (or subject to extension) over the next two financial years. There is no wholly new contract areas planned in financial year 2026/2027, however, the scope of the Property Maintenance and Refurbishment is to extend to include extensive refurbishment. Details of these anticipated contract requirements are shown in [Appendix 6](#).



8. Additional Considerations

Annual Conference

Our annual conference in August 2025 provided an opportunity to share best practice as the local government sector works together on shaping procurement to support public services. Key themes included;

- “The challenges and opportunities in the commissioning of social care” presented by Dr. Ron Dully, CEO, Quarriers
- “WAYfinder: A new direction in ethical commissioning for Homelessness Services”, presented by Glasgow City Health and Social Care Partnership (HSCP)
- “21st Century Public Servant”, Pippa Milne, Chief Executive Argyll and Bute Council

The Academy

Our award-winning learning and development Academy continues to be the first stop for Scotland’s procurement community looking to upskill and further their careers.

In 2026, the Academy launched a Public Sector Procurement Practitioner (SCQF8) programme that delivers an accredited qualification aligned with the national procurement development framework. This is the only procurement qualification in the UK that has been designed specifically for the Scottish procurement arena.

Procurement & Commercial Training short courses are also available that cover the full spectrum of procurement activities from tendering to contract management.

There are almost 4,000 registered learners in our dedicated Learning and Development Portal who access a range of L&D programmes, workshops, video content, eLearning modules and discussion forums. Learners have secure access to accredited and non-accredited programmes and access to free learning and development materials.

Flexible Procurement Services

Now in its sixth year, our Flexible Procurement Services continue to work in partnership with our members to provide expert consultancy, tendering and project management support. The team is uniquely positioned in the Scottish public sector procurement landscape, offering in-house flexible procurement expertise that reflects both local and national governmental timescales and pressures. To date, the team has delivered 165 projects, with the value of awarded contracts exceeding £109m.

National Saving Programme

Our National Savings Programme has entered its third year with a target of £6m, after presenting £15.4m in potential savings to councils in its first two years.

Following its launch in March 2024, the team identified £4.8m across 13 projects in Year 1, while Year 2 achieved a further £10.6m from 18 projects.

As the programme moves through Year 3 (March 2026 – February 2027), work continues across several major opportunities including insurance, ICT, postal services, utilities, and revenue-generating initiatives such as parcel lockers.

Recent savings projects presented to councils include eight phases of Microsoft licenses, fuel cards and occupational health aggregations. Analysis identified potential savings from financial services, horticulture, healthcare equipment and other high-spend categories and the team will continue to work closely with councils.



Graduate Trainee Programme

Scotland Excel continues to champion and invest in public sector careers through our Graduate Trainee Programme, with five new graduates currently being recruited across our teams. The two-year paid programme, which has been running for more than 10 years, offers successful candidates vital hands-on experience alongside learning and development opportunities through our Academy.



GO Awards

Scotland Excel were shortlisted for five categories at the Scottish GO Awards in October 2025. Nick Hyde, Skills and Resource Manager, was awarded the Outstanding Contribution Award. Our Governance and Performance Management Team was Highly Commended in the Procurement Team of the Year category, in recognition of the role they play, in making sure our portfolio fully supports our members. Through strong collaboration, smarter processes and innovative tools, the team works hard to embed continuous improvement, efficiency, and strengthened governance.

The organisation has won several awards for its work, as well as holding accreditations which reflect a commitment to best practice in procurement, organisational development and workforce matters.

- Investors in People (IiP) Gold accreditation - IiP is a UK government initiative, providing a best practice people management standard, and is regarded as an indication that Scotland Excel is a great employer, an outperforming place to work and has a clear commitment to sustainability.
- Chartered Management Institute Approved Centre- Scotland Excel is an approved centre for the delivery and assessment of CMI leadership and management qualifications.
- Living Wage - Scotland Excel is proud to be a Living Wage employer. Living wage is a voluntary hourly rate set independently and updated annually, calculated according to the basic cost of living in the UK.

Get in touch

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