



Prepared May 2023

**Annual Procurement Report**  
1 April 2022–31 March 2023



# Contents

- Introduction . . . . . 3
- Section 1: Summary of Regulated Procurements Completed . . . . . 4
- Section 2: Review of Regulated Procurement Compliance Section . . . . . 5
- Section 3: Community Benefits and Fair Work Practices . . . . . 6
- Section 4: Supported Business Summary . . . . . 10
- Section 5: Future Regulated Procurements Summary . . . . . 12
- Section 6: Additional Considerations . . . . . 13

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

## Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector, established in 2008. We are 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 80% 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 our operating model is the delivery of effective commercial solutions for our members. We offer a contract portfolio, with a value of c £2bn, which provides support to a wide range of local government services. Included in the portfolio 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. We also provide, in partnership with SEEMiS and The Digital Office, a range of ICT services.

Contracts are developed in consultation with local government representatives, from procurement, commissioning and technical backgrounds, to ensure our services meet the needs of Scottish communities. The structure of the contractual arrangements is always designed to encourage innovation, facilitate policy delivery, support local economic priorities and enhance social value in communities.

Scotland Excel provides value to our customers by ensuring our contracts 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 organisational Strategy and summarise the value delivered through procurement activity. The report documents our performance against our objectives and strategic targets including those associated with Fair Work First and Community Benefit.

Scotland Excel annually publishes an operating plan linked to its 5 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 Strategy and a suite of Category 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 the sustainable procurement duty under the Act.

**Scotland Excel publishes the Annual Procurement Report via our website**  
[www.scotland-excel.org.uk/](http://www.scotland-excel.org.uk/)



## Section 1: Summary of Regulated Procurements Completed

Section 18(2) 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 high-level summary of the regulated procurements Scotland Excel has completed between 1 April 2022 and 31 March 2023. The appendix includes the following:

- date of award
- title of the arrangement, giving the subject matter of the procurement
- estimated annual value of the arrangement
- date from which the arrangement starts and is available for use
- end date
- names of each of the suppliers awarded a place

Scotland Excel also operates a small number of dynamic purchasing systems (DPS) and flexible frameworks which are unique in that new suppliers can apply to be added during the period of these arrangements.

[Appendix 1b](#) shows suppliers appointed between 1 April 2022 and 31 March 2023. During 2022/23 there were no additional suppliers appointed to the DPS for either Bikeability Scotland Training Providers or Digital Telecare Goods.

**20 regulated  
procurement exercises  
were issued in 2022/23.**

# Regulated Procurements are carried out in a manner compliant with the Act and with the organisational goals.

## Section 2: Review of Regulated Procurement Compliance

Section 17 of the Act requires all regulated procurements to be carried out in line with the organisational procurement strategy. Section 18(2) states 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”.

Scotland Excel’s approach to all procurement exercises is to construct the tender documents in line with a contract strategy. These strategies are developed with the User Intelligence Group for the procurement exercise, ensuring it fulfils the requirements at point of use.

Contract Strategies also reflect and adhere to the values and principles set out in the overall Procurement Strategy. A review of each Contract Strategy is carried out as part of Scotland Excel’s established governance procedures. Throughout the Procurement Journey individual procurement exercises are reviewed, evaluated and monitored at contract steering groups before proceeding to the next stage in the procurement process.

In addition, contract strategies reflect the Scotland Excel Procurement Strategy and ensure that procurement exercises follow a journey that embeds the organisations principles, values and objectives. Templates used in each exercise ensure relevant factors are captured and recorded against each framework.

The Contract Steering Group is responsible for governance of each appointed milestone of the procurement process from contract initiation through to contract termination/expiration in line with the Governance Gateways. These Governance Gateways are designed to ensure all Regulated Procurements are carried out in a manner compliant with the Act and with the organisational goals. A summary of how this process is used operationally is presented at [Appendix 2a](#), including a table that sets out how the process was applied to live frameworks during the financial year 2022/23 ([Appendix 2b](#)).

Scotland Excel’s approach to strategic procurement maximises the added value potential in each procurement exercise. Extensive market and stakeholder consultation establishes the most effective blend of customer need to market capacity.

Key success factors are agreed in consultation with members. Financial savings targets for each procurement exercise are projected at the strategy stage and suppliers are obliged to provide detailed spend information. Through effective contract management quantitative and qualitative aspects are monitored and reviewed.

Performance against the strategy and objectives for 2022/23 is shown at [Appendix 3](#). This part of the report summarises the progress made against operating plan commitments and uses a ‘traffic light’ symbol to provide a guide to the status of each activity.



## Section 3: Community Benefits and Fair Work Practices Summary

Section 18(2) 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 are a statutory requirement in major public contracts. Scotland Excel ask suppliers to give Community Benefit commitments at point of tender and these are monitored and reported on throughout the duration of framework agreements.

Community Benefits are a high priority, key element of Scotland Excel’s sustainable procurement ethos and delivery plan. A process for gathering and reporting Community Benefits has been in place for the past decade, reaping results that have made a positive impact at a social and economic level for its membership.

The Covid-19 pandemic had a considerable impact on Scotland Excel’s supply base. Organisations temporarily closed, operated on a skeleton staff, and focused on the delivery of key services. The impact of the arrival of Brexit added further need for suppliers to make a shift in focus, and as a result Community Benefits become more difficult to deliver and less of a priority.

As a degree of relative stability returned by 2022, Scotland Excel considered how best to recover from a downward trend in its Community Benefit results. A Sustainable Outcomes Working Group was formed and given a remit that included a review of its Community Benefits process, and to refresh it if necessary.

### Overview of Refreshed Community Benefits Process

A Sustainable Outcomes Working Group formed of members from across Scotland Excel’s procurement and project and account management team was formed in December 2021. The group was tasked with reviewing the Community Benefits process and refreshing it, if necessary. Early in 2022 a review was carried out on the internal processes and means by which Community Benefits were gathered and reported. Feedback was sought from member councils and, coupled with internal reviews, a more efficient method of gathering Community Benefits results was developed. This included implementing refined reporting processes using standardised documentation and embedding guidance documentation within tender documents.

Community Benefits are a high priority, key element of Scotland Excel’s sustainable procurement ethos and delivery plan.

A process for gathering and reporting Community Benefits has been in place for the past decade, reaping results that have made a positive impact at a social and economic level for its membership.

Community Benefits submissions are made on a six-monthly basis by suppliers with more than £50k 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.

The updated data collection uses an online survey model, and the information gathered is exported, sorted and presented into a new Community Benefits Reporting Master spreadsheet, enabled the results to be viewed easily by council and/or framework.

Guidance documents have been produced for Scotland Excel staff and staff involved in Community Benefits at member organisations. These documents provide clear definitions of the roles and responsibilities of all parties involved in the process. The guidance for Members includes sections on suggested contract management activity. Both documents are available on the Scotland Excel intranet and have been distributed to all Scotland Excel members.

One notable benefit of the roll out of the new Community Benefits process has been an increase in stakeholder engagement. Several councils have

contacted Scotland Excel to discuss Community Benefits, the new process and how their own engagement with suppliers has been developing. As well as this, a number of suppliers have been in touch to discuss how they might best approach delivering Community Benefits. The increase in engagement with suppliers has highlighted an opportunity to target the marketplace with the intention of educating and promoting delivery of Community Benefits to Scotland Excel’s supply base via a series of online supplier awareness sessions.

The community benefits delivered via the refreshed process will continue to be routinely reported to each meeting of Scotland Excel’s Joint Committee in June and December.

The information provided for the period 1st April 2022 to 31 March 2023 has been collated from those reported in December 2022 and new information gathered for the period from 1 October 2022 to 31 March 2023 can be seen in Table 1.

Community Benefits Reported 2013–2023 is available at [Appendix 4a](#) and Community Benefits per Council 2022–2023 at [Appendix 4b](#) respectively.

Total number of hours of work experience for school/college/university students	Total number of apprenticeships recruited to deliver contracts	Total number of work placement for adults	Total number of volunteering hours	Total number of employees recruited to deliver the contract	Total monetary value of other community benefits
15,411	49	14	3815	296	£783,214

Table 1

# Scotland Excel recognises that Community Benefits have a considerable social, environmental and economic impact within local communities and we continue to encourage and grow awareness.

Scotland Excel recognises that Community Benefits have a considerable social, environmental and economic impact within local communities and we continue to encourage and grow awareness in this regard. The following activities will take place so that Scotland Excel continues to promote and maximise the potential delivery of Community Benefits:

## **Supplier Awareness Sessions**

Scotland Excel is to host a series of Supplier Awareness Sessions that will see suppliers from across the portfolio invited to attend Microsoft Teams events. These events will see Scotland Excel deliver a presentation on Community Benefits, the requirements and expectations that agreeing to deliver Community Benefits on a Scotland Excel framework entails, presentations by framework suppliers who provide best practice examples of a Community Benefits delivery program, and an opportunity for suppliers to make any related enquiries they may have on the topic. It is Scotland Excel's intention to run these sessions in the summer of 2023.

## **Member Forum**

Scotland Excel is to host a Community Benefits Forum at which representatives of all members will be invited to attend. This forum will allow members to share best practice and experience and discuss any and all issues pertaining to Community Benefits. Scotland Excel is in the process of building an agenda for this event, with the intention of holding it at the Scotland Excel offices in the summer of 2023.

## **Contract Management**

It is the responsibility of Scotland Excel contract owners to monitor framework spend and advise members and suppliers when Community Benefit spend thresholds, as described and agreed upon at the time of tender, are breached. This will allow members and suppliers to then proceed with discussing and arranging the delivery of Community Benefits. Contract owners will also ensure Community Benefits are on the agenda during framework mobilisation meetings, and at contract management meetings for the duration of the framework's lifetime. This is an ongoing contract management activity.





### Fair Work First

Another important aspect of framework development is the inclusion of Fair Work practices, in August 2021 the Scottish Government updated guidance and aligned recommendations with Fair Work First policies. This saw an expansion of the guidance from five elements to seven. Fair Work First asks that businesses bidding for a public contract commit to adopting the following:

- appropriate channels for effective voice, such as trade union recognition
- investment in workforce development
- no inappropriate use of zero hours contracts
- action to tackle the gender pay gap and create a more diverse and inclusive workplace
- providing fair pay for workers (for example, payment of the real Living Wage)
- offer flexible and family friendly working practices for all workers from day one of employment
- oppose the use of fire and re-hire practices.

Public bodies were asked to apply the new guidance to procurement exercises starting after 31 October 2021. In addition, on 15 October 2021 the Scottish Government published a statement in which they outlined their intention to mandate the payment of the Real Living Wage where legally possible.

Scotland Excel has included formal consideration of the payment of the 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 bidders work practices, including payment of the Real Living Wage. In February 2022 the Executive Sub Committee were invited to note an update on matters relating to the payment of the Real Living Wage in which Scotland Excel confirmed intent to seek means of improving the level of commitment suppliers make to paying the Real Living Wage and to mandate wherever legally possible.

At the close of the financial year 1031 suppliers were awarded to Scotland Excel framework agreements, of which 897 (87.0%) notified that they pay the Real Living Wage. For frameworks awarded during 2022/23, 287 (85.7%) of 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.

Accredited	Paying and commitment to Accreditation	Paying and Progressing Accreditation	Paying but No Commitment to Accreditation	Not Paying but Commitment to Pay	Not Paying
262 (25.41%)	84 (8.15%)	53 (5.14%)	498 (48.30%)	38 (3.69%)	96 (9.31%)

Table 2: Payment of Real Living Wage

Scotland Excel continues to ensure this approach is set out within the tender process and that relevant aspects of fair work are referenced in each framework. Scotland Excel continues to monitor and encourage the

implementation of fair working practices during the active period of frameworks and to work closely with suppliers to enhance performance.



## Section 4: Supported Businesses Summary

Section 18(2) 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.

Supported businesses are defined 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”. Contracts may be reserved for those businesses meeting these criteria.

At Scotland Excel the involvement of supported businesses in regulated procurements is considered at the strategy development stage. As commodity strategies are mandatory for all regulated procurements undertaken by Scotland Excel, the involvement of supported businesses is therefore considered in all regulated procurements.

Within the portfolio of contracts reviewed in 2022/23 no contracts were reserved for supported businesses. However, in line with its sustainable procurement duty and procurement strategy, all procurement exercises undertake a sustainability assessment. Due diligence in

this way means evaluations are conducted to determine ways in which sustainability, including the use of supported businesses can be maximised.

We explore appropriate ways to include supported businesses in frameworks as demonstrated by the appointment Scotland’s Bravest Manufacturing Company within the Roads Signage Materials Framework. During 2021 a potential opportunity was explored when tendering for Personal Protective Equipment (PPE). The market for PPE has evolved since the Coronavirus pandemic created the need for items of PPE associated with infection control. Scotland Excel aimed to offer opportunities to the widest supply base possible to ensure new entrants and smaller, more socially constituted businesses could bid. One mechanism explored was the inclusion of a lot within the framework being reserved to attract any support businesses with PPE products to offer. This approach could not be developed into a legally compliant model. A separate reserved contract alone for PPE would not have met the needs of the customer base in terms of range or volumes of products so the tender was issued without reservation.

# The involvement of supported businesses in regulated procurements is considered at the strategy development stage.

To ensure we continue to support this developing market Scotland Excel had sought to include a reserved framework for supported businesses offering PPE products in planned procurements scheduled for 2022/23. Due to the level of interest in the renewal PPE framework delivered in 2022/23 this new development was delayed and is now listed in planned procurement for 2023/24.

Scotland Excel offers a domestic furnishing framework which supports new tenancies and welfare support for those with housing needs. In recognition of the prevalence of supported businesses operating in the domestic furniture and furnishings market Scotland Excel has listed a small number of items, within the commercial offer attachment for lot 1, which can be sourced from supported businesses. These are labelled “Supported Business” under the category column and include bedroom and living room items. These items are introduced as an opportunity to establish supply chain relations which can be developed over the lifetime of the framework.

We also work with framework suppliers to drive partnership relationships with supported businesses. The New Build Residential Construction and Energy Efficiency Contractors frameworks have clauses within them which seek the involvement in the supply chains of the awarded construction companies.

Scotland Excel understand supported businesses can make a key contribution to local impact, are vital to the Scottish economy and that they provide essential job opportunities for disabled and disadvantaged people within communities which enable them to become more independent, while also delivering a range of excellent goods and services. Scotland Excel will continue to work with councils and suppliers to promote working relationships with their local supported businesses.



## Section 5: Future Regulated Procurements Summary

Section 18(2) 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 provides information on its portfolio to appropriate levels of transparency and proportionality, to encourage competition and to achieve better value for money.

Scotland Excel will continue to engage and communicate with framework users and potential suppliers. Every framework process is started with the issue of a Prior Information Notice consistently providing advance notice of future opportunities.

Scotland Excel has 39 regulated procurements due for renewal (or subject to contract extension) over the next two financial years. In addition, Scotland Excel plans to complete regulated procurements for five new contract areas in financial year 2022/23. Details of these anticipated contract requirements are shown in [Appendix 5](#).

# At Scotland Excel, we are committed to demonstrating innovation and continuous improvement in everything we do.

## Section 6: Additional Considerations

At Scotland Excel, we are leaders of change in the way commercial activities within the Scottish public sector are undertaken. An ongoing driver of development has been to raise the profile of procurement in the public sector.

Our vision is: To provide collaborative, innovative and transformative solutions that support social, economic and environmental wellbeing.

Our Mission is: we will make the most of our expertise and experience by leading and collaborating on solutions that support local and national aims for fairer, wealthier and greener communities.

The following principles, which were developed by staff from across the organisation, guide our approach to our work.

- **Professional:** We establish goals and objectives to achieve excellence and demonstrate leadership in everything we do.
- **Courageous:** We listen with an open mind and respond honestly and constructively.
- **Respectful:** We achieve the best possible outcomes through our determination, resilience and innovation.
- **Integrity:** We are transparent and fair in all our actions securing trust and building confidence.

Since Scotland Excel was formed in 2008 local authorities have worked with us to realise the potential of procurement and associated disciplines to shape markets, support policy priorities and ensure the delivery of sustainable services, needed in every community.

Scotland Excel services are designed to help councils meet the twin challenges of reducing budgets and growing demand. Scotland Excel and councils working jointly can maximise social, economic and environmental benefits in an efficient and collaborative manner. Working together ensures money is saved to protect front line services.

During 2023 Scotland Excel will be reviewing the relationship between strategic priorities for procurement alongside those national priorities recently published in the Public Procurement Strategy for Scotland.

Furthermore, the Scotland Excel Net Zero Strategy was approved by the Executive Sub Committee in March 2023. This was to respond to the continuing need to provide Scotland Excel's member councils with best value contracts that support their aspirations to achieve net zero carbon emissions and tackle climate change. During 2023/2024 activity is ongoing to embed environmental responsible approaches into contracting activities in accord with climate and circular economy considerations.

Scotland Excel also offers an award-winning learning and development programme, and provides assessment, consultancy and improvement services to help councils transform their procurement capability.

We represent the sector at a national level on matters relating to public procurement and provide procurement support for a range of national sector initiatives.

At Scotland Excel, we are committed to demonstrating innovation and continuous improvement in everything we do. The organisation has won several awards for its work. We also hold accreditations which reflect our commitment to best practice in procurement, organisational development and workforce matters.

### **CIPS Corporate Certification Standard Award:**

This award signifies that Scotland Excel has all the procurement governance mechanisms in place for effective supply assurance and compliance.

**Investors in People (IIP):** 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

Contact us to find out more about our services  
and how we can help your organisation:

**Phone: 0141 488 8230**

**Email: [contactus@scotland-excel.org.uk](mailto:contactus@scotland-excel.org.uk)**

**[www.scotland-excel.org.uk](http://www.scotland-excel.org.uk)**

**X** @ScotlandExcel **in** [www.linkedin.com/company/scotland-excel](http://www.linkedin.com/company/scotland-excel)

**Professional | Courageous | Respectful | Integrity**

