

Finance and Resources Committee

10.00am, Thursday, 8 September 2022

Sustainable Procurement Strategy Annual Report - 2022

Executive
Wards All
Council Commitments

1. Recommendations

- 1.1 It is recommended that the Committee notes the contents of this report and approves the publication of the Sustainable Procurement Strategy Annual Report 2022.

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Sustainable Procurement Strategy Annual Report - 2022

2. Executive Summary

- 2.1 The Council's Sustainable Procurement Strategy 2020-2025 (the Strategy) was approved by Committee on [5 March 2020](#). The Sustainable Procurement Annual Report provides the Committee with an update on the activity and outcomes that have been delivered through the Strategy from 1 April 2021 to 31 March 2022.
- 2.2 This report discharges the Council's duties in terms of the Procurement Reform (Scotland) Act 2014, to prepare an annual report on its regulated procurement activities.

3. Background

- 3.1 The Council is obliged, under Section 18 of the Procurement Reform (Scotland) Act 2014, to prepare an annual report on its regulated procurement activities as soon as reasonably practicable after the end of each financial year.
- 3.2 The monitoring and reporting requirements for this annual report follow the guidance provided by the Scottish Government, which includes a requirement to capture data which will support its overarching report on public procurement activity across Scotland.
- 3.3 In terms of this guidance, the Council's annual report must, as a minimum, include:
 - A summary of regulated procurements completed during the reporting period;
 - A review of whether those procurements complied with the Council's procurement strategy;
 - To the extent that any of those procurements did not comply, a statement on how the Council intends to ensure that future regulated procurements do comply;
 - A summary of community benefits fulfilled during the reporting period;
 - A summary of steps taken to facilitate involvement of supported businesses; and
 - A summary of regulated procurements the Council expects to commence in the next two financial years.

- 3.4 The report must be published and available on the internet and details of the publication of the report must be provided to the Scottish Government.

4. Main report

- 4.1 The activity included in the Sustainable Procurement Strategy Annual Report is, further to the Council's statutory reporting obligations, focussed on the 94 regulated contracts concluded by the Council in the year to 31 March 2022. These contracts had an aggregate estimated value of approximately £819.3m. This compares to 186 regulated contracts with an aggregate estimated value of approximately £1.2bn being awarded in the previous annual report. By "regulated" the report means those contracts with a value of greater than £50,000 for goods and services and greater than £2m for works, in accordance with the terminology and thresholds as set by the relevant Scottish procurement regulations. There were over 340 other contracts awarded in this reporting period which were below the above thresholds, and so are not the subject of the same level of detail in this report.
- 4.2 The award of all contracts, whether above or below these thresholds, is subject to the Council's standard procurement processes, including the application of the Council's [Contract Standing Orders](#). In terms of the Contract Standing Orders the award of certain contracts must be approved by the Finance and Resources Committee, depending upon value. However, to ensure regular monitoring of all contracts, there is 6 monthly reporting to the Committee on all contracts awarded.
- 4.3 The Council's overall spend with third party suppliers in 2021/22 was approximately £874.4m. This is a 21.6% increase on 2020/21, where the figure was approximately £719m. A summary breakdown of the highest spend with key supplier sectors is included in the report. It is to be noted that Small and Medium Enterprise (SME) spend was approximately £393m, being 47.6% of total core spend (core spend is those suppliers the Council has spent more than £1,000 with).
- 4.4 The value of SME spend is slightly reduced from the 50% reported for 2020/21, as in previous years the percentage outcome is influenced by the large projects where large national contractors are involved, such as spend on construction work for example the Tram extension. It is also noted that 69% of the 166 suppliers awarded a new regulated contract or a place on a Council framework agreement in 2021/22 were SMEs, this is a further increase on the 65% SMEs awarded contracts in the previous reporting period.
- 4.5 The [Local Government Benchmarking Framework](#) figures for 2020/21 recorded that 40.9% of procurement spend was with local enterprises, this being the highest of those authorities solely located on the mainland. This figure was well above the average of 29.1% and placed the Council as the 3rd highest of all Scottish local authorities. 2021/22 comparative data is not yet available.
- 4.6 Fair Work practices are very important to the Council, and 87% of suppliers awarded contracts in 2021/22 state the intention to pay the Real Living Wage. This

is an increase on 2020/21, which reported a 79% figure. The number of Living Wage accredited suppliers has also increased, to 28% from 26% the previous year.

- 4.7 The report addresses the Council's statutory duties and its compliance with the objectives contained in the Strategy. Most of the objectives in the Strategy are assessed as having been met and the actions are now ongoing, with only one area requiring further action to fully meet the outcome. Some specific achievements of the Council's Commercial and Procurement Services (CPS) team, which have further secured these objectives, are referred to below, at paragraph 4.13.
- 4.8 As noted above, the Council's [Sustainable Procurement Strategy](#) was approved on [5 March 2020](#). The Strategy places sustainability at the heart of the Council's procurement programme, to ensure that the Council's considerable spending power is used to promote those economic, environmental and social outcomes that support growth, and simultaneously assist the Council in addressing the challenges that the city is facing. In addition, the Council, through implementation of the Strategy and primarily the work of CPS, also tracks updates to national procurement policies, with [Scottish Procurement Policy Notes](#) (SPPNs) issued by the Scottish Government in the reporting period, and Council procedures being revised or refreshed accordingly.
- 4.9 Community benefits are identified on a project by project basis and are embedded in the Council's processes and procedures. The relevant Scottish procurement regulations place specific requirements on the Council, for major contracts which have an estimated value above £4m, to consider whether to impose community benefit obligations. All 13 contracts the Council awarded above the £4m threshold in 2021/22 included community benefit requirements. There were an additional 26 contracts below £4m value in this period where the Council included community benefits obligations.
- 4.10 The overall volume of contracts where community benefits were newly sought or imposed was 39, in percentage terms this is an increase, with community benefits being sought in 41% of (94) regulated contracts, compared to 27% (of 186 regulated contracts) in the previous FY. Community benefits delivered in the reporting period range from apprenticeships, training, work experience and recruitment, to mentoring and community engagement. Some notable examples of community benefits delivery in 2021/22 are included in the report, such as those delivered by the Bell Group working with JET Edinburgh and Edinburgh Guarantee programmes to recruit apprentices, a further community project via the street lighting contract with Amey and a range of benefits via the Meadowbank sports centre contract with Graham. In total contractors reported 149 local jobs, 23 apprenticeships and 29 work placements delivered in the last FY as a direct result of a Council contract.
- 4.11 The delivery and reporting of community benefits is improving due to the creation of a new post within CPS to work closely with service areas and contractors. Community enhancements valued at £295,695 and sponsorship for local charities of up to £111,617 were delivered.

- 4.12 Climate change reporting obligations are now included in the Annual Report as a direct result of national policy changes made in the last year from the Scottish Government publication of SPPN1/2021 which was further updated by [SPPN 3/2022](#) this year. The emphasis in this reporting period is on the changes we have made to process and procedures and the outcomes being achieved through an increased focus on climate emergency. The Council applied climate related criteria to 38 of the contracts concluded in the last year, with some examples of climate actions achieved contained in the report. There is an increased focus on supporting net zero outcomes and continuing development as new guidance and tools to support this area are introduced.
- 4.13 CPS support all procurement activity across the Council, and lead on securing compliance with the Strategy. It is worth highlighting some of the team's more notable achievements in 2021/22, which include:
- 4.13.1 The Council making the final in two 'GO Awards Scotland' categories in 2021. The ceremony and outcome were delayed until April 2022 and the Council won the award for the Thrive mental health project and received a further special award from the judges' nomination for a Health & Wellbeing Recognition Award quoting "all procurements should be done like this";
 - 4.13.2 The Thrive project was subsequently put forward for a National GO award and won the national Continuous Improvement Award;
 - 4.13.3 Commercial procurement savings of over £34.6m having been tracked and delivered in year, £1.6m higher than forecast. In addition, new forecast savings of over £16m have been identified from contracts awarded in the reporting period to be tracked over future years, a challenge on a particularly volatile supplier market;
 - 4.13.4 The learning and development programme undertaken by CPS staff maintaining a high level (90%) of specialist procurement staff holding or working towards Chartered Institute of Procurement and Supply (CIPS) professional qualifications and continuing professional development opportunities, including undertaking carbon literacy training;
 - 4.13.5 The work of the Council's Contract and Grant Management Team being further embedded, building upon the Council wide contract management framework, including online training on contract management basics, risk and resilience, using systems to management information requirements and lessons learned to inform best practice;
 - 4.13.6 Active engagement with Scottish Local Government Procurement Forum, Scotland Excel, performance improvement groups, Scottish Government policy forum and Climate change forums; and
 - 4.13.7 The hosting of supplier events, regular engagement sessions and newsletters to promote policy and opportunities to engage with the Council.

5. Next Steps

- 5.1 The annual report will, subject to the decision of Committee, be reported to the Scottish Government and published on the Council's website.
- 5.2 Work to continue delivering the Strategy objectives and performance against the Strategy will be reported annually to the Committee. The Committee will also continue to receive its regular reports on the Council's contracting activity.
- 5.3 The Strategy is not fixed and will continue to evolve and adapt to fit further regulatory changes, and more importantly actively support the promotion of new and developing local and national priorities and the development of associated Council commitments, policies and strategies.

6. Financial impact

- 6.1 There is no direct financial impact from the approval of this report. However, implementation of the Strategy should deliver financial and non-financial benefits to the Council, as well as the city, its citizens and its businesses.

7. Stakeholder/Community Impact

- 7.1 As noted above, the Strategy identifies seven key strategic procurement objectives that will be promoted through the Council's procurement activity. These objectives were aligned to the Council's priorities and the Business Plan in 2020, and in delivery will have a positive impact upon the city, its citizens and its businesses. In particular, as noted above, the Strategy aims to make the Council's external spend more accessible to local small businesses and third sector, to improve Fair Work practices adopted by Council suppliers and to increase the community benefits delivered by Council suppliers.

8. Background reading/external references

- 8.1 [Sustainable Procurement Strategy Annual Report 2021](#)

9. Appendices

Appendix 1 –Sustainable Procurement Strategy Annual Report 2021/22

Appendix 1
Sustainable Procurement Strategy
Annual Report
March 2022



Sustainable Procurement Strategy – Annual Report

Year ended 31 March 2022

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1. Context

- 1.1 The Council's [Sustainable Procurement Strategy \(2020-2025\)](#) (the Strategy) was [approved at committee](#) on 5 March 2020, The Strategy places sustainability at the heart of the Council's procurement programme, to ensure that the Council's considerable spending power is used to promote those economic, environmental and social outcomes that support growth, and simultaneously assist the Council in addressing the challenges that the city is facing. This annual report provides information on the procurement activity completed by the Council in the 2021/22 Financial Year.
- 1.2 The Strategy identified seven key procurement objectives that would be promoted:
- Making procurement spend more accessible to local small businesses and the third sector;
 - Improving Fair Work practices adopted by suppliers;
 - Increasing community benefits delivered by suppliers;
 - Contributing to the Council's 2030 net zero target;
 - Delivering savings and Best Value outcomes;
 - Ensuring legal compliance and robust and transparent governance; and
 - Promoting innovative and best practice solutions.
- 1.3 Although the Strategy was approved before the Council's new [Business Plan \(Our Future Council Our Future City\)](#), it is clear that the Strategy is fully aligned with it, and will help drive delivery of the priorities and objectives within the Business Plan, specifically to (i) end poverty and prevent adverse outcomes, (ii) become a net zero city and (iii) ensure wellbeing and equalities are enhanced for everyone.
- 1.4 The Council's public reporting obligations under the Procurement Reform (Scotland) Act 2014 are included in this report (incorporating the period 1 April 2021 to 31 March 2022), detailing the scope of regulated procurement activity in accordance with the Strategy, set out as follows:
- A summary of regulated procurements completed during the reporting period;
 - A review of compliance with the Council's Sustainable Procurement Strategy;
 - A statement on how compliance was achieved, monitored and reported for any regulated procurements that did not comply with the Council's Sustainable Procurement Strategy;
 - Community benefits fulfilled during the reporting period;
 - Steps taken to facilitate involvement of supported businesses; and
 - Future expected regulated procurements in the next two financial years.
- 1.5 Climate reporting requirements is a new addition to the Procurement Annual Report this year. In previous years the Procurement actions and achievements regarding climate change have been included in Part 5 of the Public Bodies Climate Change Duties Report (PBCCD). Scottish Government issued [SPPN 3/2022](#) this year, replacing the previous SPPN 1/2021, to support public

procurement authorities to use procurement in addressing the climate emergency. This notice provides an opportunity to streamline reporting by using or signposting content in the annual procurement reports for PBCCD Annual Report and avoid duplication of effort. Further guidance has been provided by working with climate policy experts of the Climate Procurement Forum to establish how climate considerations should be reflected in reporting.

- 1.6 Major contracts concluded in the reporting period included a new Flexible Purchasing arrangement for Temporary Accommodation, Hard Facilities Management Services, City Centre West to East Link Project and renewal contracts for Temporary Agency Staff supply, Domestic Repair and Maintenance Framework and Blended Employability Services.
- 1.7 In addition to contracting activity, the Council continued to engage with suppliers and stakeholders through virtual meetings and events, including presenting and facilitating at the national Meet the Buyer event where the Commercial and Procurement Services (CPS) team engaged with over 160 suppliers in one day, presenting at the Edinburgh Social Enterprise (ESE) Climate Action Fringe, providing an open invitation to engage directly with CPS each month and publishing a quarterly supplier newsletter on the Council website.
- 1.8 The diversity of the services, goods and works procured by the Council requires strong commercial and procurement knowledge and skills, as well as professional support to service areas through clear controls and guidance. The Council has continued investment in learning and development, supporting new trainees and other staff in CPS to acquire relevant training and qualifications and providing Council wide learning on procurement considerations, including sustainable duties and contract management.

2. Regulated Procurements Completed

- 2.1 Regulated procurements cover contracts with a value of £50,000 for goods/services and £2 million for works. 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”. Completed contracts are those where the award notice has been published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements.
- 2.2 The Council maintains and publishes on its external website a record of contracts awarded. This ‘Contract Register’ provides information on current contracts and is updated on a regular basis to

remove expired contracts and include new awards as appropriate. The [register can be accessed on the Council's website](#).

- 2.3 In addition to maintaining a public register, the Council reports to the Finance and Resources Committee on new contracts with a value above £1m as a minimum, or where such reporting is otherwise required. To ensure regular monitoring of all contracts a further six-monthly report on contracts awarded through competitive and non-competitive actions is reported to the Finance and Resources Committee; all public reports to the Committee are available on the Council's website. For contracts relating to the Lothian Pension Fund similar reporting is submitted to the Pensions Committee.
- 2.4 The [summary of regulated procurements](#) completed in the relevant period is provided as Annex 1. These include procurements for goods, services and works, the total volumes and values for which are in Table 1. The regulated contracts include new projects, re-lets of recurring contracts and new contract extensions awarded in the period.

Table 1

Contract Type	Volume of New Contracts Awarded	Total Estimated Value of Contracts
Goods	15	£21,465,072
Services	72	£762,584,625
Works	7	£35,240,648
Total	94	£819,290,345

- 2.5 The number of contracts is significantly lower than the 186 awarded in 2020/21, this is due to a lower volume of new tenders being developed in the previous 2020/21 year and so fewer to complete in this last year. This reflects the reduction in commercial activity during the pandemic and subsequent recovery period.
- 2.6 There were over 340 additional contracts awarded in the period which are below the regulated threshold and not the subject of this report. These contracts are, however, included in the Contract Register along with other lower value contracts awarded by the Council.
- 2.7 Collaboration opportunities with other public bodies can ensure greater efficiencies, where appropriate, and are included in the regulated and non-regulated contracts awarded. The key collaboration is with centres of expertise such as Scotland Excel, Scottish Procurement and Crown Commercial Services. In total the Council concluded 41 regulated contracts through these centres.
- 2.8 Examples of this include: -

- Scotland Excel – in the last year the Council has utilised 45 of the 68 framework agreements that it can participate in through its membership of Scotland Excel, a decrease on the 58 utilised in the previous year.
- Crown Commercial Services and Eastern Shires Purchasing Organisation (ESPO) frameworks have also been utilised to support Council procurements during the period including five construction projects including the development of the Wester Hailes Education Centre and a renewal of the Temporary Agency and other recruitment services.
- The Council also collaborated with Midlothian Council on Weather Forecasting services.

2.9 Where appropriate, the Council has used alternative sourcing opportunities to ensure the requirement for the Council to secure Best Value has been met. These included projects where there were economic or technical issues that may have detrimentally impacted on service delivery if a new tender was sought e.g. using existing suppliers to maintain equipment originally provided by that specific supplier rather than seeking to replace equipment.

2.10 Contracts for the Edinburgh Health and Social Care Partnership and Education and Children's Services included the direct award of contracts in accordance with the statutory guidance for care and support, ensuring the needs of individuals and continuity of care were paramount and secured the quality outcomes desired.

2.11 These instances described above are deemed to fall under the term 'non-competitive action', i.e. an award without a competitive procurement process. In line with the Council's [Contract Standing Orders](#) (CSOs), there is provision to waive the standard process where it is in the Council's best interests, having regard to various factors including (i) the obligation to secure Best Value, (ii) legal compliance and any potential risk of successful legal challenge, (iii) the principles of transparency, equal treatment, non-discrimination and proportionality and (iv) impact upon service users. A record of such instances (termed 'waivers' in the CSOs) is maintained and reported to the Finance and Resources Committee on a bi-annual basis, with specific instances also being separately reported to the committee for approval where required under the CSOs. There were 69 such instances over the year in respect of regulated procurements.

2.12 The social and other care services continued to adopt a co-production approach to shape the requirements. Examples in the reporting period include work with Mental Health Service providers utilising the new [Community Mental Health](#) Fund, [Support for People in Recovery from Drug and/or Alcohol Addiction](#) and [Blended Employability Services](#).

3. Review of Procurement Compliance with Strategy

3.1 As noted earlier, the objectives in the Strategy are aligned with the Council’s current strategic outcomes, and also incorporate the general duties of the Act in:

- Making procurement spend more accessible to local small businesses and the third sector;
- Improving Fair Work practices adopted by suppliers;
- Increasing community benefits delivered by suppliers;
- Contributing to the Council’s 2030 net zero target;
- Delivering savings and Best Value outcomes;
- Ensuring legal compliance and robust and transparent governance; and
- Promoting innovative and best practice solutions.

3.2 The detailed steps taken to achieve these objectives and progress made in the reporting period are detailed at [Annex 2](#) along with an assessment of the level of compliance which was achieved for each. Over the last two years the actions set around the seven objectives have largely been achieved. The one area where more action is required is on supplier engagement to support carbon reduction actions. This is an area which we are learning about and will seek to build on over the next reporting period.

3.3 Council engagement with business has continued to be via virtual arrangements. Monthly engagement sessions continue to be offered with over 30 suppliers contacting the Council via this route and we continue to issue a quarterly supplier newsletter to keep existing and potential suppliers up to date on Council opportunities and strategic priorities, providing a platform to highlight policy changes and Council commitments such as Fair Tax and Real Living Wage. We also continue to work with Supplier Development Programme who provide training sessions and host bespoke events.

3.4 The Real Living Wage findings are summarised in the table below. The Council is pleased to record that 87% of suppliers awarded contracts state they will pay the real Living Wage rate or above, representing an 8% increase on the 79% reported in 2020/21. Living Wage Foundation Accreditation rates also saw an increase at 28%, up 2% on the 26% last FY. Accreditation cannot be mandated by the Council, and there is a charge for registration which may deter some organisations.

Table 2

Contracts Concluded with 'unique' suppliers*	Suppliers Committed to paying Living Wage	Accredited Living Wage employers
166	145	47

**counts a supplier once*

3.5 The savings that have been monitored and delivered through commercial and procurement activities have continued with over £34.6m outcomes in 2021/22. New projects tendered in the reporting period

identified future commercial savings opportunities of over £16m from regulated contracts in addition to those being tracked in the new financial year. This is a decrease of £7m, on the £23m figure reported in 2020/21 and reflective of the reduced volume of completed projects and the supply market conditions.

- 3.6 The Council was shortlisted for two 'GO Awards Scotland' for 2021, which recognise excellence in public procurement. These were for the significant supply chain efforts during the pandemic in the supply of PPE to the city's essential teams and a continuous improvement award recognising the good work involved in procuring Thrive Edinburgh's 'Get Help When Needed' mental health initiative. The award ceremony was delayed until April 2022 and the Council won the award for the Thrive project and received a further special award from the judges, that of Health & Wellbeing Recognition Award, on the night the judges quoted "all procurements should be done like this".

The Thrive project was subsequently put forward for a National GO award and won the national Continuous Improvement Award.

4. Climate Change

- 4.1 Climate change actions that can be delivered through procurement are vital in supporting scope 3 emission reductions. Through the Council supply chain, staff in key roles have continued to upskill using tools and guidance provided by Scottish Government and wider stakeholder networks, for example engagement with Zero Waste Scotland and other local authorities. The Council is a key contributor to new guidance supporting impact assessments of climate change within key sectors, taking the lead on social care and working with others on other sectors including ICT, Furniture, Food, Travel, Roads and Infrastructure.
- 4.2 The Council's procurement activities are included at the Council Sustainability Programme Board, chaired by the Chief Executive and engagement with the Council sustainability team is ongoing to support shared knowledge and insights on outcomes to support net zero targets.
- 4.3 Over the last year we have reviewed our processes and templates to provide early identification and prompts to highlight projects which have a climate impact to ensure there is an opportunity to influence the procurement and outcomes through the supply chain. Whilst work is ongoing to establish the data measurement to be applied in future tenders, we are working to ensure risk and opportunity for carbon reduction is established within key sectors such as fleet, construction and travel.
- 4.4 One such project awarded during the year was a construction project for the Development of Wester Hailes Education Centre, tenderers were asked to address reductions of emissions, efficient energy use, sustainable supply chains, minimisation of waste, addressing environment nuisance issues such as noise, and the use of materials including reuse and recycling. The accepted offer included a commitment to support the Council achieve its net zero target by 2030; detail of environmental

accreditations held; a named monitoring officer for carbon reductions; use of hybrid or electrical options for plant and equipment and low energy use cabins on site; use of local supply chains to reduce travel impact; waste management including controls on landfill and identification of secondary use; careful selection of equipment to ensure reduced noise, vibrations and maximising off-site fabrication where possible and daily inspection; and increased recovery of materials for reuse and recycling, working with suppliers on 'buy back' or donating to social enterprises or charities.

- 4.5 Other climate actions identified through procurement of services and where the market is developing actions include, for example, employability services providers confirming they had environment policies and were upskilling within their organisation using resources from Zero Waste Scotland to reduce office energy use and reducing equipment spend by refurbishing and repurposing or undertaking energy savings assessments to audit energy use in buildings and transport to identify savings measures. In mental health services providers were reducing emissions through limitations on travel, recycling of products used, reduced energy consumption via improved insulation and LED lighting and investing in e-bikes.

5. Community Benefits Summary

- 5.1 Within its processes and procedures, the Council has embedded the requirement for community benefits to be considered and where appropriate sought and delivered for each procurement.
- 5.2 The Procurement Reform (Scotland) Act 2014 places specific requirements in major contracts with an estimated value of £4m and above, for the Council to consider whether to impose the requirement as part of the procurement and include details in the contract notice summarising what it will include. Of the 13 Council contracts that were above the £4m threshold, all 13 were awarded with community benefit requirements imposed either within the tender or included within the framework that the contract was being procured through.
- 5.3 The overall volume of contracts where community benefits have been sought is 39, representing 41% of (94) regulated contracts, an increase from 27% (of 186 regulated contracts) in the previous FY. However, there were 35 'call-off' contracts awarded whereby the community benefit requirements were covered at the Framework award stage and contractors continue to update delivery of these against the Frameworks on an annual basis where they have delivered services or works in the relevant period. There were also a number of awards made for 'light touch' contracts, urgency arrangements or contract extensions where the nature of the requirement led to additional benefits not being considered appropriate. The Council continues to seek community benefits and impose the requirement when appropriate. The Strategy default weighting of 10% for community benefits in the qualitative evaluation of new tenders is being applied where appropriate to do so.

- 5.4 The community benefits fulfilled in the last year have provided 149 local jobs, 23 apprenticeships and 29 work placements, examples of this include those delivered by the Bell Group who worked with both the JET Edinburgh and Edinburgh Guarantee programmes to recruit two apprentices and a 3rd year apprentice transfer allowing them to complete their training as well as employing four previously unemployed operatives. Clark Contracts recruited a new female apprentice plasterer as a direct result of being awarded contracts from Council Frameworks. Over 900 additional activities have been delivered to support communities and schools, resulting in a range of actions including provision of community enhancements valued at £295,695, education and outreach such as mentoring via Morrison Construction and career days with Skanska, employability and skills for example work experience placements from one day up to six months. Sponsorship and funding have also been secured of £111,617 for local charities including foodbanks, school uniform banks, Edinburgh Million Tree City and the fuel bank foundation.
- 5.5 Through the street lighting contract with Amey, community engagement of local staff resulted in support to the Marie Curie Hospice where the team worked for over a week upgrading parking facilities specifically for the nursing staff, working with suppliers who donated gravel, signs and provided transport including Cloburn Quarry, Tarmac, Pudsey Diamond and Tennant Transport.



- 5.6 The Meadowbank Sports Centre project has now concluded and Graham the main contractor on the project have provided an overview (shown below) of the benefits delivered in Edinburgh alongside the contract.



6. Supported Businesses

- 6.1 The Council recognises the important role of businesses that support social and professional integration of disabled or disadvantaged persons (termed ‘Supported Businesses’) and has continued to reserve contracts where appropriate to ensure the stepping stone into mainstream employment for disabled or disadvantaged persons provided by these businesses continues.
- 6.2 The Council continues to call-off from the Scottish Government Framework for Supported Factories and Businesses, with a new contract awarded to Matrix (Fife) for Re-upholstery of Rise and Recline chairs, supporting the sector and circular economy outcomes.
- 6.3 Total actual spend with Supported Businesses in the reporting period is shown in Table 3. The spend shows a decrease on 2020/21, when £133k was spent with 6 organisations. The Council will continue to explore and look to increase the use of Supported Business, we are engaging with Business Growth and Inclusion team to meet more business in disadvantaged sectors, many small and specialist suppliers have been in recovery throughout 2021/22 and now able to pick up on public sector engagement.

Table 3

Supported business	Actual spend
North Lanarkshire Industries	£45
Matrix (Fife)	£70,106
St Jude’s Laundry	£2,723
Grassmarket Community Project	£5,725
The Lady Haig’s Poppy Factory	£2,107
Total actual spend	£80,706

7. Future Regulated Procurements

- 7.1 Over the next two years the Council will have a mix of recurring requirements and one-off projects to take to the market. A few of our Framework Agreements are due for renewal including Education and Health & Social Care Transport, Legal Services, Homelessness Prevention Services, Decriminalised Parking Services and Contractor works which is already out to market. Other significant procurements will include new Learning therapies and counselling services, sports and activities coaching and Residential care.
- 7.2 A summary of regulated procurements anticipated in the next two years is provided in [Annex 3](#).

8. Finance

Financial Outlook

- 8.1 The Council continues to face significant financial challenges resulting from greater demand for services, inflation, legislative reform and increased citizen expectations, as well as the continuing financial impacts of the pandemic. These factors are set against a backdrop of core grant funding (accounting for around three quarters of the Council's overall income) that is not keeping pace.
- 8.2 While the Council has approved a balanced budget for 2022/23, it faces significant financial challenges going forward. Current projections indicate a need to deliver at least £63m of recurring savings in 2023/24, increasing to £144m over the five-year period to 2026/27.
- 8.3 Since 2012/13, the Council has delivered over £380m of recurring annual savings, equivalent to more than a third of its current budget. These savings have mainly been delivered through a combination of making our processes more efficient, improving our procurement practices and use of buildings, effective treasury management and raising more income where we can. Given the scale of these savings, however, the ability to make further incremental savings is correspondingly limited. There has, in recent years, also been an unsustainable reliance on savings from non-service budgets.
- 8.4 The urgent need to initiate a structured medium to longer-term savings programme was highlighted in both the Council's Best Value Assurance Report and the external auditor's report for 2020/21. In recognising this urgency, Directorates have been asked to develop potential options, captured by means of a standard template detailing service and performance impacts, risks and dependencies, with reference to the priorities set out in the Council's business plan. These proposals will be subject to a process of co-design between the incoming administration and officers and form the basis of public consultation in Autumn 2022. Given the extent of the challenge noted above, members will likely need to make increasingly difficult choices about the Council's priorities, including considering service reductions, across all service areas to maintain expenditure in line with available income.

Council savings

8.5 Commercial savings targets which include efficiency savings, value for money and non-cash savings continue to be achieved by the Council. In 2021/22 the delivered savings through existing and new commercial projects achieved £34.6m against a forecast of £33m, this is an overall reduction on the previous achievements but a good outturn and above the forecast. The forecast for the next and subsequent years continue to reduce from the above £40m levels in past years, as a number of legacy projects conclude, and where the Council has already taken advantage of improvements in its procurement activity. The current forecast for delivered savings in 2022/23 is set at £37m. In addition, contracts awarded in 2021/22 have secured provisional savings of £16m against a target in the Strategy of £10m. However, it will require robust contract management by Directorates/Divisions to ensure these savings are delivered.

Council expenditure with third parties

8.6 In 2021/22 the Council expenditure with third parties was £874,410,083.

8.7 The third party spend has increased by 21.6% up £155,308,493 on last year (£719,101,590 in 2020/21).

8.8 It is important to understand the Council's supplier base in more detail. In terms of the use of local suppliers, the Council's third party spend included a total of 3,995 suppliers, of which 653 were classified as local, accounting for 37.8% of the total supplier spend (excluding spend through purchase card), this being a decrease in percentage terms on 2020/21 where 41% of spend was with local suppliers. In terms of SMEs, the Council had 1,848 SME suppliers accounting for 47.6% of total core spend of £826,760,535 (core spend being suppliers we have spent over £1k with), this being a decrease on 2020/21, where that SME figure was 50%. These percentages are influenced by high and increasing spend on construction work, where for those larger projects it is likely that only larger national contractors are able to deliver the outcome the Council is seeking. A specific example would be the Tram extension. Despite this, the Council always seeks to ensure suitable opportunities for local SMEs elsewhere in the supply chain.

8.9 By way of the most recent comparative data on the use of local suppliers, the [Local Government Benchmarking Framework](#) figures for 2020/21 recorded the Council's 41% percentage of procurement spend with local enterprises as being the highest of similar size Councils, well above the average of 29.1% and improving to the 3rd highest of all Scottish local authorities. The comparative figures for 2021/22 are not yet available.

8.10 In addition, of the 166 suppliers awarded a new regulated contract or a place on a Council framework agreement in the 2021/22, 114 (or 69%) were SME and 52 of 166 (or 31%) were 3rd sector organisations.

8.11 The supplier spend categories cover around 30 different description types (e.g. construction, professional services and so on) and a summary of category spend with the Council's top 20 suppliers is presented below in Figures 1 & 2. Construction remains the dominant spend with a 40% increased spend in the top 20 when compared to last year in Figure 2. Other increases can be seen across indicators in ICT, homelessness and social care services and so on, with waste services and Temporary staff services showing reductions in the last year.

Figure 1 2021-22

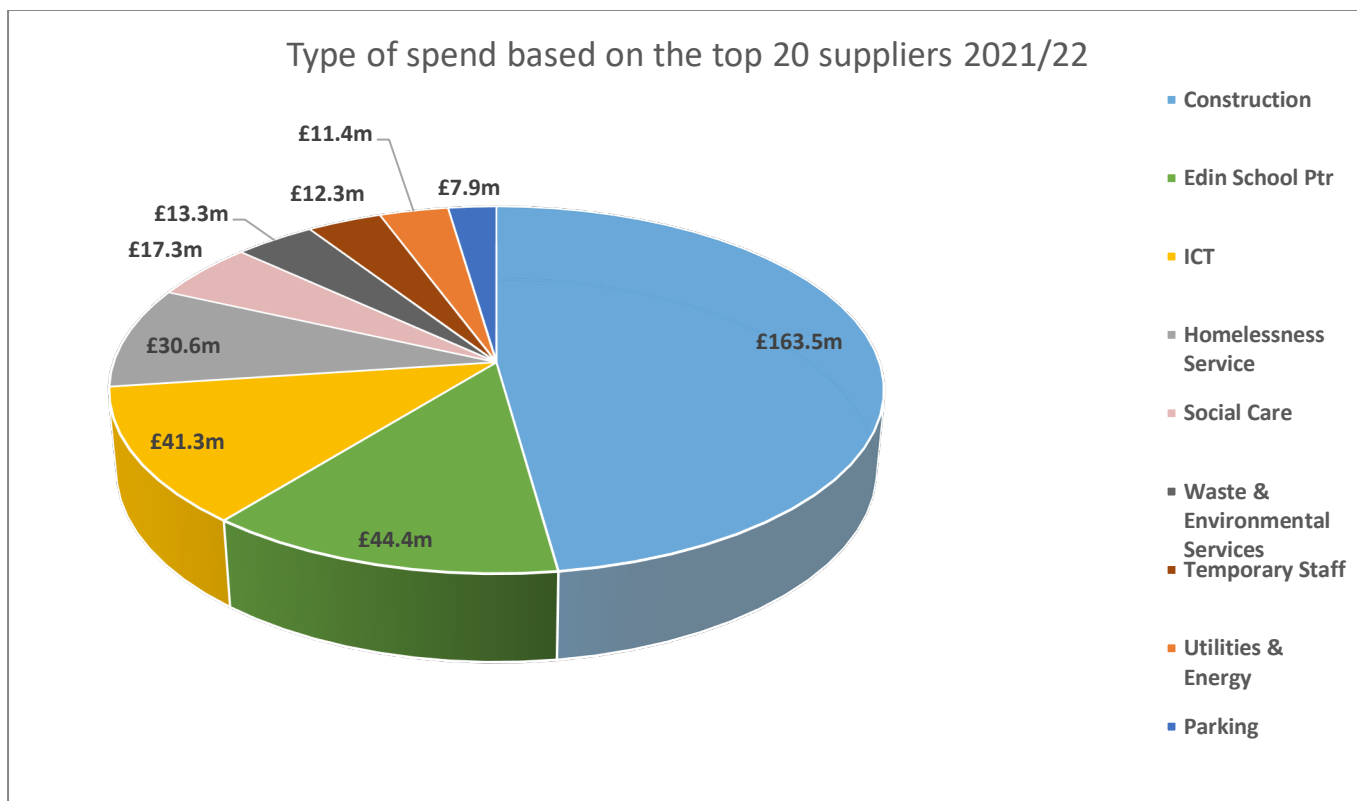
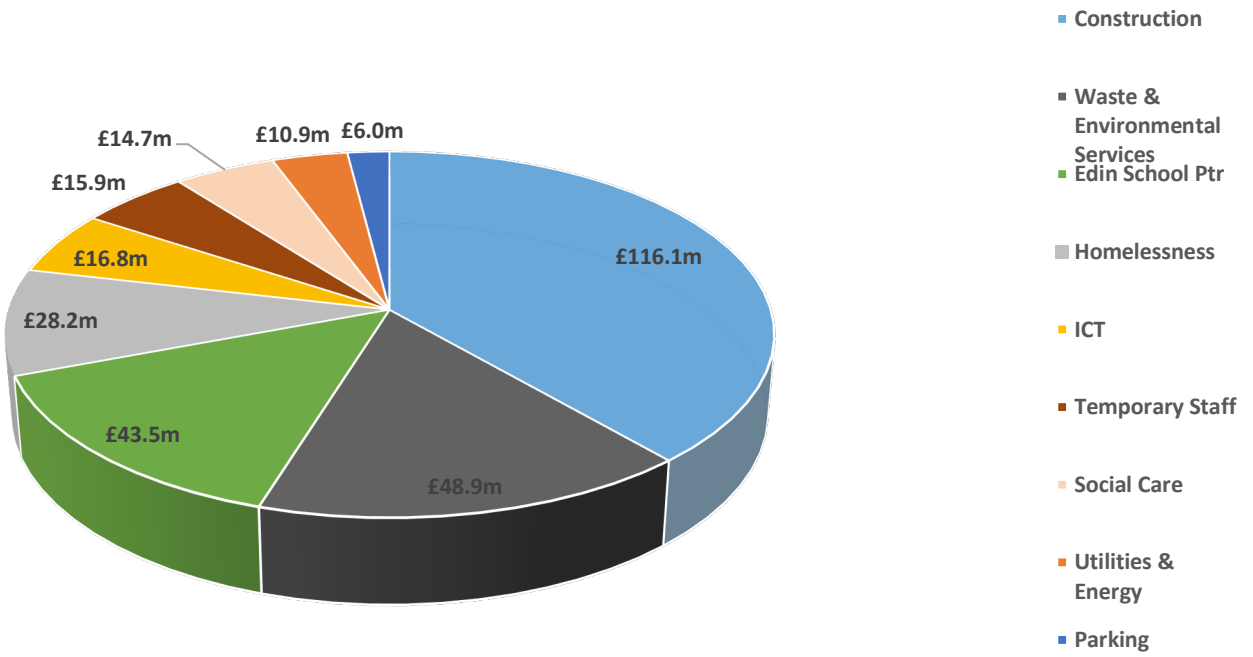


Figure 2 2020-21

Type of spend based on the top 20 suppliers 2020/21



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Annex 1 – Regulated Procurements

GOODS CONTRACTS AWARDED – 15

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date
01/04/2021	Cosy	Clothing and Equipment for Children's Forest Kindergarten	£85,000	01/04/2021	31/03/2023
10/06/2021	Fraser C Robb	Supply of 40 Self-Propelled Pedestrian Mowers	£253,000	17/06/2021	16/06/2022
03/07/2021	Landcare Solutions (Scotland) Ltd	Supply and Installation of Play Park Equipment & Surfacing Fauldburn Play Park Edinburgh	£77,185	03/07/2021	20/06/2022
18/08/2021	Nottingham Rehab Limited	Aids for Daily Living - Equipment Supply (& Associated Services)	£798,000	01/02/2022	31/05/2022
18/08/2021	Tennent Caledonian Breweries Wholesale Ltd	Alcohol and Associated Beverages	£1,000,000	18/08/2021	09/10/2025
20/09/2021	CF Services Ltd	Furnishings and Furniture for Temporary Accommodation	£4,000,000	20/09/2021	13/09/2024
21/09/2021	Hako Machines Ltd	Precinct & Midi Sweepers	£1,600,942	22/09/2021	01/12/2026
08/10/2021	Landcare Solutions (Scotland) Ltd	Supply & Installation of Play Park Equipment & Surfacing at Glenvarloch Cres Play Park	£66,617	14/12/2021	06/03/2022
18/10/2021	Bryson Tractors Ltd	35 HP 4 Wheel Drive Tractors	£145,779	18/10/2021	17/04/2022
18/10/2021	Bryson Tractors Ltd	100 HP 4 Wheel Drive Tractors	£269,241	18/10/2021	17/04/2022
22/10/2021	Straight Manufacturing Limited / Craemer UK Ltd / MGB Services Ltd	Kerbside Bins	£1,823,000	25/10/2021	24/10/2023
27/10/2021	A&D Sutherland Ltd / Tradstocks Ltd	Natural Stone Paving and Road Products	£2,400,000	01/11/2021	31/10/2023
28/10/2021	Swarco UK Ltd	Bankhead Electric Charging Infrastructure	£143,800	01/11/2021	31/10/2022
17/12/2021	MAN Truck & Bus UK Ltd	Tipper via Scotland Excel Framework Heavy Vehicles Lot 1	£3,000,000	10/01/2022	09/01/2024
25/02/2022	Trustmarque Solutions Ltd	Software Licences for Microsoft and associated products	£5,802,508	01/04/2022	31/03/2025

SERVICES CONTRACTS AWARDED – 72

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date
01/04/2021	Ashurst LLP	Legal Support for Edinburgh Trams	£60,000	01/04/2021	31/03/2023

01/04/2021	Circle	Support for Families where Children and Young People are Affected by Parental Substance Use	£419,365	01/04/2021	31/03/2023
01/04/2021	Faithful & Gould	Multi-Disciplinary Design Team Services for George Street, Edinburgh	£779,786	09/08/2021	08/08/2022
01/04/2021	British Telecommunications plc	Telecom line for ATEC24 alarm system	£95,000	01/04/2021	31/03/2023
01/04/2021	Galliford Try Construction Limited t/a Morrison Construction	Principal Contractor of Maybury Primary School - Pre-Construction Services	£100,000	01/04/2021	01/10/2021
01/04/2021	SOLACE	Senior Executive Recruitment	£50,000	17/05/2021	17/11/2021
01/04/2021	Team Netsol Limited	Award of Extension to Existing Phishing Support Contract	£57,600	01/04/2021	31/03/2023
01/04/2021	SPIE Scotshield Limited	Extension to Existing CCTV Maintenance Contract	£93,000	01/04/2021	31/10/2022
01/04/2021	TESGL Limited t/a SSE Enterprise Energy Solutions	Extension to Contract for Building Energy Management System (BEMS) Servicing & Maintenance	£375,000	01/04/2021	31/12/2021
01/04/2021	Saltire Roofing & Building Ltd / Response Building Maintenance Services (Scotland) Ltd / James Breck Ltd / Gas Call Services Ltd / Firstcall Trade Services / Clark Contracts / Saltire Facilities Management Ltd / Form Access Ltd / J.B.BELL & co / Lanes Group Plc	Domestic Repair and Maintenance Contingency Framework	£20,000,000	01/04/2021	30/04/2025
01/04/2021	Caring in Craigmillar / Lochend Neighbourhood Centre / North Edinburgh Dementia Care / LifeCare (Edinburgh) Limited / with YOU / Eric Liddell Centre / Prestonfield Neighbourhood Project / Libertus Services / The Open Door / Oxgangs Care / Queensferry Care / Corstorphine Dementia Project / DRYLAW RAINBOW CLUB DAY CENTRE / LifeCare (Edinburgh) Limited / Milan Senior Welfare Organisation	Day Opportunities for Services	£4,934,000	01/04/2021	31/03/2022
12/04/2021	MetDesk Limited	Weather Forecasting Bureau and Associated Services	£168,500	01/10/2021	30/09/2024

15/04/2021	Atkins / Jacobs / Sweco UK Limited	Local Development Plan Action Programme - Development of Transport Priority Actions	£640,495	15/04/2021	14/03/2022
26/04/2021	Highland Centre Limited	Hire of Venue to Support Election Count	£75,000	26/04/2021	09/05/2021
26/04/2021	Pertemps Recruitment Partnership Ltd	Temporary Agency Staff, Permanent, Fixed Term Contract and Short-Term Supply	£56,000,000	12/06/2021	11/06/2024
16/05/2021	CALM Training	CALM Training	£120,000	17/05/2021	16/05/2024
20/05/2021	Faithful + Gould	Multi-Disciplinary Design Team Services for Currie High School, Edinburgh	£3,580,863	20/05/2021	19/05/2023
25/05/2021	Deloitte	Regional Growth Framework	£50,000	25/05/2021	30/12/2021
27/05/2021	PayPoint Network Ltd	Cash Out	£260,000	27/05/2021	31/03/2024
31/05/2021	Portakabin Ltd	Temporary Classroom installation	£207,136	02/08/2021	17/10/2022
07/06/2021	CGL	Edinburgh & Midlothian Offending Recovery and Support Service	£2,080,000	07/06/2021	26/04/2024
15/06/2021	Enable	Personal Home Care for a Young Person with Complex Disabilities	£95,157	15/06/2021	31/08/2022
17/06/2021	The Yard	Holiday and Term time Support for Children and Young Peoples with Disabilities	£344,760	05/07/2021	13/08/2021
23/06/2021	Alzheimer Scotland	Edinburgh Day Opportunities for People Diagnosed with Young Onset Dementia	£361,504	01/07/2021	31/03/2023
28/06/2021	Mott MacDonald	Engineering Services for Flood Prevention	£547,142	29/06/2021	28/06/2023
28/06/2021	AECOM	Engineering Services for Road Design and Delivery	£1,618,116	29/06/2021	28/06/2023
28/06/2021	Forth Resource Management Ltd	Receipt and Composting of Garden Waste	£2,400,000	01/07/2021	31/07/2023
29/06/2021	Mott MacDonald	Engineering Services for Structures	£977,448	30/06/2021	29/06/2023
05/07/2021	Cyrenians	Support for people in recovery from drug and/or alcohol addiction	£1,400,000	01/09/2021	31/08/2026
08/07/2021	Atkins Ltd	Estate Improvements Murrayburn, Hailesland and Dumbryden	£100,076	19/08/2021	01/05/2022
19/07/2021	Turner & Townsend	Wester Hailes Regeneration Plan	£97,500	19/07/2021	28/02/2023
30/07/2021	PricewaterhouseCoopers	Internal Audit Co-Source	£952,880	31/07/2021	30/07/2023
13/08/2021	Federated Hermes	Engagement and Voting Services	£562,500	13/08/2021	01/08/2025

18/08/2021	North Edinburgh Childcare / City Of Glasgow College / Fife College / Rewards Training Recruitment Consultancy (Scotland) / SHARE / Training for Care / West Lothian College	Qualifications and Apprenticeships learning provision	£864,520	30/08/2021	29/08/2023
31/08/2021	ISS Facility Services / Caledonian Maintenance Services Ltd / Perfect Clean Edinburgh Ltd	Stair Cleaning for Council Owned and Mixed Tenure Blocks	£1,015,123	01/09/2021	01/09/2023
16/09/2021	Barclays Bank Plc	Merchant Services	£630,303	16/09/2021	30/01/2026
17/09/2021	North SV Ltd / BT plc	IP Video Surveillance System	£3,519,000	22/09/2021	21/09/2026
20/9/2021	AECOM	Design services for Corstorphine Connections, Low Traffic Neighbourhood	£191,980	20/09/2021	31/03/2023
01/10/21	Skanska Facilities Manager (GB) / Mitie Technical Facilities Management (GB)	Hard Facilities Management Services Delivery Partners	£180,000,000	01/10/2021	30/09/2028
11/10/2021	Matrix Fife	Reserved Contract for the Re-upholstery of Rise Recline Chairs	£110,000	11/10/2021	10/10/2024
11/10/2021	Home Link Family Support / Circle / Canongate Youth / The Broomhouse Centre / The Junction Young People Health and Wellbeing / Barnardo's / Tailor Ed Foundation	Community Mental Health Fund	£5,675,100	11/10/2021	10/10/2024
14/10/2021	McLaughlin & Harvey	Pre-Construction Contract for the Granton Gas Holder, Edinburgh	£248,934	18/10/2021	31/01/2022
21/10/2021	TESGL Limited t/a SSE Enterprise Energy Solutions	BMS Installation - Clocktower (Sirius & Vega)	£159,384	01/12/2021	30/04/2022
21/10/2021	Edible Estates CIC	Community Gardens	£500,000	01/11/2021	31/10/2023
29/10/2021	RON Services	Operational Fogging and Electrostatic Delivery	£4,311,516	01/11/2021	31/10/2023
30/10/2021	Holyrood Care (Edinburgh) Ltd	Interim Care Places at Elsie Inglis Nursing Home	£1,188,857	30/10/2021	29/10/2022
02/11/2021	Faithful & Gould	Multi-Disciplinary Design Team for Trinity Academy Phase 2	£3,000,000	02/11/2021	31/03/2026
01/11/2021	3A Solutions Ltd trading as Maple Leaf Group; Ardblair Guest House; MS Properties Edinburgh) Ltd T/A AAA Guest House; Bainfield Ltd; Benchmark4 LLP; Ibrahim Joulak; Camstone (Scotland) Ltd; Canadale Ltd; Clarin	Temporary Accommodation & Associated Services Flexible Purchasing System	£430,000,000	01/11/2021	31/10/2026

	<p>Guest House; County Private Client Ltd; Dick Li; Easylet Scotland Ltd; Edinburgh Apartments Ltd; Edinburgh Thistle Guest House; A & D leisure ltd; Hillcrest Futures; Josephs Accommodations Ltd; K&S Mir Ltd T/A Cameron Guest House Group; Leamington House; Leonard Property Group; Merith House; Playfair Hotel Edinburgh Ltd; R1 Properties; Rowan Alba Ltd; S & S APARTMENTS; St. Albans Lodge; The Housing Network; Thrums Hotel; Zara Apartments; Barnardo's Scotland; CrossReach (the operating name for The Church of Scotland Social Care Council); Wheatley Care; Scottish Veterans Residences; Simon Community Scotland; The No1 Care Agency; The Rock Trust; The Salvation Army; Bethany Christian Trust; One Parent Families Scotland; Sacro; Salvation Army Trading Company Ltd</p>				
08/11/2021	ENABLE Scotland; Access to Industry; Community Renewal Trust	Edinburgh's Blended Employability Services	£12,894,204	01/04/2022	31/03/2025
24/11/2021	Changeworks	Housing Energy and Sustainability Consultancy Services	£951,000	24/11/2021	21/11/2024
01/12/2021	University of Edinburgh	Post Grad ASW (Mental Health Officer Award) Training	£102,500	01/12/2021	30/11/2024
01/12/2021	Aire Valley Gas Ltd T/A Recovercyl	Collection and Disposal of Pressurised Gas Containers	£52,241	01/12/2021	30/11/2023
02/12/2021	McSence Communication Ltd	Manual Handling Training	£78,000	01/04/2022	31/03/2023
06/12/2021	Let's Talk (Young People) CIC	Community Mental Health Services	£575,000	06/12/2021	31/10/2022
14/12/2021	Kier Construction	Pre-Construction Services for Currie Community High School, Edinburgh	£300,000	14/12/2021	13/12/2022
14/12/2021	People Asset Management Ltd	Mini Competition for Occupational Health	£2,800,000	01/04/2022	31/03/2025

		Services utilising CCS Framework.			
22/12/2021	AMC Removals UK / Doree Bonner International / Pickfords Move / CBRE / MovePlan Limited / Space Solutions	Furniture Removal Storage, Design and Move Management	£3,660,000	10/01/2022	09/01/2026
14/01/2022	Ross Quality Control Limited / Hickton Consultants / Sentinel Clerk of Works Ltd	Clerk of Works Framework Agreement	£3,000,000	17/01/2022	16/01/2024
31/01/2022	GatenbySanderson	Interim Recruitment Service	£100,000	14/02/2022	31/07/2022
03/02/2022	Changeworks	Energy Advice Services	£796,000	03/02/2022	02/02/2025
14/02/2022	Progressive Partnership	Local Traffic Surveys-Low traffic neighbourhood project	£69,736	14/02/2022	18/03/2023
22/02/2022	Atkins	Quantity Surveying for Dean Park PS Rising Rolls Building	£74,540	22/02/2022	22/04/2025
24/02/2022	SP Dataserve	Half Hourly Meter Operator	£372,800	01/03/2022	28/02/2027
25/02/2022	Aecom	Transport Design services - North Edinburgh Active Connections	£114,287	07/03/2022	07/03/2023
01/03/2022	Charles Taylor General Adjusting Services Limited	Claims Handling Agents - Tram Insurance	£50,000	02/03/2022	01/08/2023
07/03/2022	Pinsent Masons LLP	Legal advice and investigation support	£200,000	07/03/2022	31/12/2022
09/03/2022	CHAI	Court Representation Services	£372,812	01/04/2022	31/03/2025
09/03/2022	Faithful+Gould	Professional Design Services for Wester Hailes School	£892,500	09/03/2022	31/01/2025
14/03/2022	Arcadis LLP	Project Management and design services for New Liberton High School	£3,904,460	14/03/2022	19/08/2026
21/03/2022	Hymans Robertson LLP	Project Forth project management services	£66,000	21/03/2022	31/07/2022
21/03/2022	Built Intelligence Ltd	FastDraft Contract and Project Management System for structures and roads	£91,000	21/03/2022	20/03/2024
29/03/2022	Minton, Treharne and Davies Limited	Public Analyst services to support Council statutory duties	£50,000	29/03/2022	31/03/2023

WORKS CONTRACTS AWARDED – 7

Date of Award	Name of Supplier	Subject Matter	Estimated Value of the Contract	Start Date	End Date

12/04/2021	Galliford Try Construction Limited t/a Morrison Construction	Re Development of WHEC (Wester Hailes Education Centre), PHASE 1	£7,090,694	12/04/2021	31/07/2022
09/06/2021	A.C. Whyte & Co. Ltd.	Construction Works via Council Framework	£4,370,871	16/08/2021	30/09/2022
19/07/2021	Openview Group Ltd	Secure Door Entry Systems - North East	£2,800,724	16/08/2021	31/03/2022
18/10/2021	CCG (Scotland) Ltd	Enabling Works for Western Villages Housing Project	£3,407,425	18/10/2021	26/05/2022
18/11/2021	JGM - John G Mackintosh	Smoke Vent Replacement - Moredun Multi Storey Flats	£3,530,043	21/12/2021	31/01/2023
22/11/2021	Cruden Homes East Limited and Tarras Park Properties Ltd	Development Partner including Pre Development Period for Fountainbridge, Edinburgh	£1,109,937	22/11/2021	01/08/2022
21/12/2022	Balfour Beatty	City Centre West to East Link (CCWEL) Delivery Agreement	£12,930,954	01/01/2022	18/07/2023

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Annex 2 – Compliance with Sustainable Procurement Strategy

1. Making Procurement spend more accessible to local small businesses and third sector (and we will do this by):		
What we said we would do	What we have done	Status
<ul style="list-style-type: none"> Increasing engagement, working with key business and third sector to support “meet the buyer” events, workshops and awareness of contract opportunities 	<ul style="list-style-type: none"> ➤ Supplier Newsletters, to support engagement with suppliers, and raising awareness of how to do business with the Council, including encouraging registration with Public Contracts Scotland (PCS) and what the Council’s strategic procurement objectives are. Issued to suppliers, and available on Council’s website, and distributed to Business Gateway/Federation of Small Businesses. ➤ Supplier Engagement Sessions with potential suppliers through virtual meeting provided monthly, to support engagement with suppliers and assist them in doing business with the Council. ➤ Regular use of Prior Information Notices on Public Contracts Scotland, co-production events on the Edinburgh Compact website and market engagement events to raise awareness of upcoming procurement exercises and help shape procurement approach, such as for tenders relating to IP Video Surveillance, Community Mental Health Fund and Court Representation Services. ➤ Working with Supplier Development Programme (SDP) to facilitate market engagement events for particular procurement exercises, such as in June 2021 for the Council’s new Flexible purchasing arrangement for Temporary Accommodation. Alongside specific contract engagement the Council engages SDP to deliver ongoing training and support for the SME sector with around four webinars available each month. ➤ The Council continued to regularly engage with Federation of Small Businesses, EVOC and First Port and procurement officers liaise with Business Support & Inclusion team in Place Development to highlight opportunities and plan targeted events. ➤ As included in foregoing report, Council spend with SMEs during 2021/22 was 48% of total core spend, and local spend was 38% of total core spend. ➤ Contract Standing Orders include the provision to support the use of local SMEs for purchasing under £50,000. At least one SME from the City of Edinburgh or a significant employer within the City of Edinburgh shall be invited to tender in any process for purchases/ contracts of an estimated value of £50,000 or less. 	Fully Complied

1. Making Procurement spend more accessible to local small businesses and third sector (and we will do this by):		
What we said we would do	What we have done	Status
<ul style="list-style-type: none"> ➤ Working with wider Council delivery organisations such as Edinburgh Leisure to support these objectives 	<ul style="list-style-type: none"> ➤ Close working and support provided to Edinburgh Health & Social Care Partnership, including on ongoing contracting and commissioning, sourcing of PPE and monthly Procurement Board meetings. ➤ Regular meeting now established with Edinburgh Leisure colleagues to review potential for collaborative outcomes as well as additional ad hoc support on specific projects and community benefits opportunities, including links to One City Trust and the new benefits portal supported via City deal funding. ➤ Working with Capital City Partnership and others on SDP organised virtual Meet the Buyer event in June 2021, with Community Wealth Building theme focused on City Region Deal. 	Fully Complied
<ul style="list-style-type: none"> • Exploring alternative advertising routes to reach those not registered on Public Contracts Scotland 	<ul style="list-style-type: none"> ➤ Working with Supplier Development Programme on specific projects to help promote new opportunities, e.g. to support delivery of Temporary Accommodation flexible purchasing city businesses were provided with training on using the tender system to apply for opportunities. ➤ Supplier newsletter and ongoing engagement sessions, referred to above, to help increase awareness of opportunities to supply services to the Council. The newsletter past and present provides direct links into the Council advertised opportunities. ➤ A link to the supplier information pages is also provided via the Edinburgh Social Enterprise website. 	Fully Complied
<ul style="list-style-type: none"> ➤ Continuing to apply lotting strategies that support small business 	<ul style="list-style-type: none"> ➤ Established in Council procurement procedures and Contract Standing Orders that contracts are lotted appropriately to support SMEs in bidding for goods, services and works aligned to their business model and to support our local supply chain in securing Best Value for the Council. ➤ Some of the tenders key to supporting small business through lotting strategies in this report period include Temporary Accommodation and Associated services, Community Mental Health fund, Domestic Repair and Maintenance, Edinburgh Blended Employability Services. 	Fully Complied

1. Making Procurement spend more accessible to local small businesses and third sector (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Collaborative bids supported and training is provided where the market indicates this would be preferred to ensure a valued and compliant bid is secured. The Edinburgh Blended Employability Service provided longer advert period to help secure consortia bid outcomes. 	
<ul style="list-style-type: none"> ➤ Supporting facilitation of sub-contract opportunities by suppliers 	<ul style="list-style-type: none"> ➤ Established in Council procurement procedures that sub-contracting opportunities are facilitated, to support SMEs, including bidder events, and where appropriate, contractors are obliged to advertise sub-contracting opportunities on PCS. Further example is an event published via Supplier Development Programme for the Maybury Primary School construction. ➤ Embedded into contract specifications where appropriate, for example in the new Hard Facilities Management Services contract which required SME supply chain opportunities and was supported through Supplier Development Programme events. 	Fully Complied
<ul style="list-style-type: none"> • Exploring the use of speedy payment options for small business 	<ul style="list-style-type: none"> ➤ Adoption of standard terms and conditions for all regulated procurements to ensure the requirement for the Council to pay undisputed invoices within 30 days of receipt. ➤ All regulated procurements in period included terms and conditions regarding the prompt payment of Contractors making payment to their nominated sub-contractors. ➤ 96.2% of invoices met the KPI and were paid within 30 days during the reporting period ➤ In view of 'Construction Policy Note 01/2019: Project Bank Accounts - Revised Thresholds and Procedures', roles and responsibilities identified and communicated across relevant Council Directorates to ensure continued adherence to those revised, as these requirements become more commonplace across the Council, reinforced by CPN 7/2020. ➤ The Council moved to daily payment runs and changed payment timescales so that invoices were paid within 10 days and where they were made aware of suppliers having cash flow issues they looked to assist by processing invoices immediately and arranging urgent payments once approved by service areas in response to Covid-19, this arrangement continued through the last reporting period. 	Fully Complied

1. Making Procurement spend more accessible to local small businesses and third sector (and we will do this by):		
What we said we would do	What we have done	Status
<ul style="list-style-type: none"> ➤ Considering longer contract advertising periods where consortia opportunities exist 	<ul style="list-style-type: none"> ➤ This is established in the Council's procurement procedures that collaborative bids are supported, and training is provided where the market indicates this would be preferred to ensure a valued and compliant bid is secured. ➤ Specific examples where longer period provided than statutory minimum in the reporting period includes the Blended Employability Services, alongside this Prior information notices (PINs) are used to engage the market earlier prior to setting the timeline and considering support needs. 	Fully Complied

2. Improving Fair Work Practices Adopted by Suppliers (and we will do this by):		
What we said we would do	What we have done	Status
<ul style="list-style-type: none"> ➤ Improving training and awareness for Council staff and bidding organisations 	<ul style="list-style-type: none"> ➤ Supplier Newsletters continue to support engagement with suppliers and raising awareness of how to do business with the Council and what the Council's strategic procurement objectives are. Issues in the last year have included awareness of Fair Tax, real Living Wage and Fair Work and Fair trade. ➤ Council procurement procedures (including Contract Standing Orders (CSOs), CSOs waiver form and template procurement requirement form/procurement plan) refreshed to make explicit reference to these strategic objectives and CSOs cascaded to Council staff with further information on this. ➤ Incorporating the updated Fair Work First Guidance published by the Scottish Government in September 2021 (and the related procurement policy note SPPN 6/2021) into updated procedures and templates, with training being given to relevant procurement staff and a guidance document issued to assist bidders. 	Fully Complied
<ul style="list-style-type: none"> ➤ Seeking to apply the Fair Work criteria to every tender with a wider focus on ethical practices 	<ul style="list-style-type: none"> ➤ Regulations and statutory guidance embedded into the CSOs and Council procurement procedures, with explicit reference to Fair Work First and strategic objective around improving adoption of fair work practices by suppliers. 	Fully Complied

2. Improving Fair Work Practices Adopted by Suppliers (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ New Fair Work First Guidance in September 2021, resulted in further updates to Council procedures and templates to reflect new guidance around Fair Work First (FWF), and SPPN 6/2021, with training being given to relevant procurement staff and a guidance document issues to assist bidders from lessons learned. FWF now extends to seven criteria addressing flexible and family friendly working from day one and opposing the use of fire and rehire practices. ➤ Relevance of Fair Work Practices is considered for all regulated procurements, and adequately addressed where appropriate, with need for this embedded in the relevant procurement documentation templates including the Procurement Plan, Invitation to Tender, Evaluation Questions and the Terms and Conditions. ➤ Findings from Fair Work Convention Inquiry shared and highlighted sector specific practice considerations such as emphasis on collective voice with the construction sector. 	
<ul style="list-style-type: none"> ➤ Applying appropriate weightings in the evaluation of tenders 	<ul style="list-style-type: none"> ➤ Application of appropriate weightings is embedded in Council procurement procedures, and as set out in Sustainable Procurement Strategy a minimum weighting of 5% is applied in evaluation of tenders however this weighting is increased where appropriate, projects with a higher 10% weighting included Temporary Accommodation and Associated Services, Edinburgh Blended Employability Service, Stair Cleaning and Operational Fogging. ➤ Compliance demonstrated through contract awards reported regularly to Finance & Resources Committee. 	Fully Complied
<ul style="list-style-type: none"> ➤ Delivering Council commitments to modern slavery and construction industry practices 	<ul style="list-style-type: none"> ➤ Council's adoption of Charter against Modern Slavery and Construction Charter established in Council's procurement procedures. ➤ Training delivered to Council staff during the year included an awareness session by TARA & Migrant Help on Human Trafficking and Exploitation. Specialist procurement staff also attended an awareness session on the findings and recommendations of the Fair Work Convention inquiry into the construction sector. 	Fully Complied

2. Improving Fair Work Practices Adopted by Suppliers (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Where appropriate suppliers agree to adopt the Construction Charter, such as on frameworks recently awarded, including Hard Facilities Management Services, Early Years and Rising School Rolls Programme. ➤ A senior staff member in CPS represented the Council on the Fair Work Convention's review into fair work in the construction industry, this review being supported by the Scottish Government. The remit of the short life working group was to inform, guide and support the work of the Fair Work Convention in relation to the construction industry and to make recommendations to address the challenges of implementation of the Fair Work Framework across public sector procurement in construction. The inquiry published its recommendations in April 2022. 	
<ul style="list-style-type: none"> ➤ Adopting new Fair Work First guidance and other tools which support raising awareness and delivery of best practice 	<ul style="list-style-type: none"> ➤ Council procedures and templates have been updated to reflect new guidance around Fair Work First, and SPPN 6/2021, with training being given to relevant procurement staff. ➤ Fair Work First guidance and new requirements have been highlighted to suppliers in the April 2021 Supplier Newsletter and real Living Wage update in November 2021. ➤ Compliance demonstrated through contract awards reported regularly to Finance & Resources Committee. 	Fully Complied
<ul style="list-style-type: none"> ➤ Promoting Fair Trade suppliers/products 	<ul style="list-style-type: none"> ➤ Supported annual review of Council's Fair Trade policy ensuring views of Edinburgh Fairtrade City Steering Group were represented. ➤ Supported promotion of Fair Trade Fortnight, to promote suppliers of Fairtrade Mark, WFTO guaranteed and fairly traded products across Scotland including securing discount from one supplier on fair trade uniforms which cascaded to service areas. ➤ Represented on the Edinburgh Fairtrade City Steering Group and working with the Steering Group, the Scottish Fair Trade Forum and Edible Edinburgh Economy Working Group to forge links between the organisations and examine how procurement can further their aims. ➤ Ongoing work with the Scottish Fair Trade Forum to review potential Fair Trade products for the Council, monitor annual spend on Fair Trade products and help them support fair trade 	Fully Complied

2. Improving Fair Work Practices Adopted by Suppliers (and we will do this by):		
What we said we would do	What we have done	Status
	<p>suppliers in accessing public contracts through potential lotting and sub-contracting opportunities and introducing ethical supply chain considerations in contract.</p> <ul style="list-style-type: none"> ➤ Edible Edinburgh Sustainable Food City Plan is referenced in our procurement documents when buying foods. 	

3. Increasing Community Benefits Delivered by Suppliers (and we will do this by):		
What we said we would do	What we have done	Status
<ul style="list-style-type: none"> ➤ Increasing awareness and education of community benefits through early engagement in tender opportunities 	<ul style="list-style-type: none"> ➤ Council procurement procedures (including Contract Standing Orders (CSOs), CSOs waiver form and template procurement requirement form/procurement plan) refreshed to make explicit reference to these strategic objectives, and CSOs cascaded to Council staff with further information on this. ➤ Contract Managers contacted to raise awareness among service areas, including the benefits that can be secured through community benefits, and recording of delivered outcomes through Cenefits software, with Newsbeat article following in April 2021, additional support also provided through Contract Management Compliance Reviews. ➤ Supplier newsletter highlights community benefit outcomes and suppliers provided guidance on community benefits and sources of support as part of the tender packs and registration link for the Cenefits portal to report outcomes. ➤ Addressed in Bidder Days where relevant. 	Fully Complied
<ul style="list-style-type: none"> ➤ Working with stakeholders such as City Region Deal partners to ensure consistency in application and priorities 	<ul style="list-style-type: none"> ➤ Working with Capital City Partnership (CCP) and others on SDP organised virtual Meet the Buyer event in June 2021, with Community Wealth Building theme focused on City Region Deal. 	Fully Complied

3. Increasing Community Benefits Delivered by Suppliers (and we will do this by):

What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Regular meetings with CCP, representatives of City Region Deal, to discuss and review activity on council contracts, and opportunities to support community requests submitted in the new community portal through the council's supplier community benefit programme. ➤ Hosting of community benefits discussions with other public bodies to identify opportunities for benefits that support net zero outcome and liaison with Scotland Excel on future community benefits programme. 	
<ul style="list-style-type: none"> ➤ Tailoring the community benefits being sought to the sector involved and the priorities for the Council with an emphasis on outcomes that can easily be delivered 	<ul style="list-style-type: none"> ➤ Community Benefits imposed in all contracts over £50,000 where appropriate for supplies, services and works. ➤ Guidance for staff updated on seeking community benefits, including consideration of options that meet priorities and improve community benefit deliverables through alternative means. ➤ Default weighting of 10% for community benefits, which % can be higher or lower as appropriate. ➤ Successful delivery of a number and range of different community benefits within period, as referred to in the foregoing report and reported to Finance & Resources Committee in contract award reports ➤ Use of model questions for contracts and frameworks to encourage appropriate and preferred benefits linked to our communities. ➤ Quarterly engagement with partners such as Capital City Partnership, Developing Young Workforce and third sector. ➤ 6 monthly Meet the Suppliers online presentations from all employability, education and third sector partners and other community groups, enabling early engagement connections with suppliers to enable improved delivery of benefits in the community 	Fully Complied
<ul style="list-style-type: none"> ➤ Monitoring ratio of spend against community benefits offered to inform the 	<ul style="list-style-type: none"> ➤ Established in Council procurement procedures that menu of community benefits used, with over 60 available benefits listed each with a point value associated, the value of the contract determines the amount of points that the supplier is required to deliver, which will occur for every framework call-off. 	Fully Complied

3. Increasing Community Benefits Delivered by Suppliers (and we will do this by):		
What we said we would do	What we have done	Status
minimum requirement level imposed by the Council	<ul style="list-style-type: none"> ➤ Community benefit officer has been in post since August 2021 to focus on community group, third sector, service area and supplier support to ensure delivery of benefits is maximised. 	Fully Complied
<ul style="list-style-type: none"> ➤ Reviewing scoring methodologies and applying best practice to achieve added value outcomes for the city 	<ul style="list-style-type: none"> ➤ Default weighting of 10% for community benefits, which % can be higher or lower as appropriate. ➤ Use of model questions for contracts and frameworks to encourage appropriate and preferred benefits linked to our communities. ➤ Successful delivery of a significant number and range of differing community benefits within period - 324 contracts with over 2200 committed community benefits logged, tracked and monitored for maximised delivery. 980 community benefits have been delivered including 172 new jobs including apprenticeships and employment for vulnerable groups and protected characteristics, 29 work experience placements, a rang of community enhancements, charitable/community projects supported by supplier volunteers, education and outreach sessions and supply chain third sector opportunities, sponsorships including; lunches for Jet Placement pupils on work placements, foodbank donations, Fuel Poverty Foundation, Breakfast Clubs, School Uniform Bank and Million Tree City project. 	

4. Contributing to the Council's 2030 net zero carbon target (and we will do this by):		
What we said we would do	What we have done	Status
<ul style="list-style-type: none"> ➤ Seeking expert support such as from Zero Waste Scotland in educating and awareness raising for Council staff involved in tendering and managing contracts 	<ul style="list-style-type: none"> ➤ Zero Waste Scotland held a session in the last year with senior managers in procurement to highlight good practice and opportunities for circular economy outcomes via procurement activity. ➤ Keep Scotland Beautiful – delivered training sessions for council staff on understanding climate emergency and exploring the specific actions that the council can take to reduce emissions, including through the tendering of contracts. 	Fully Complied

4. Contributing to the Council's 2030 net zero carbon target (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Council procurement is represented on cross sector Climate and Procurement Forum, supported by Scottish Government, as Scottish local authority representative, with information cascaded to wider CPS team and other colleagues. ➤ Shared resources with public sector colleagues from government, universities, colleges, prison service, NHS and other authorities via the Knowledge Hub with examples of collaborative projects reviewed to identify opportunity. ➤ Production and input to Primary Impact Area for Climate Change (PIACC) guides shared with the internal team and wider public sector organisations. ➤ Procurement staff have completed carbon literacy training, through Scottish Government sustainable procurement toolkit. This toolkit has now been extended for use by non-procurement staff. 	
<ul style="list-style-type: none"> ➤ Engaging with suppliers and experts to understand carbon-reducing actions that can be delivered in different contract sectors and building into specifications 	<ul style="list-style-type: none"> ➤ Appointment of Changeworks as Council's Housing Energy Projects Delivery Partner, to help manage grant funding programmes linked to energy retrofit and installation of low zero carbon technologies. ➤ As highlighted above the Council is making use of resources that share details of collaborations to provide insight on how we can progress better outcomes. Climate actions are included in appropriate tenders. ➤ We are engaging with suppliers to better understand what opportunities can be delivered both as part of the specification and through community benefits. 	Partially Complied
<ul style="list-style-type: none"> ➤ Increasing whole-life costing approach to evaluation criteria and learn from others through best-practice forums 	<ul style="list-style-type: none"> ➤ Whole life cost considered early at the time of strategy development, with evaluation focused on a balanced cost, quality and sustainability threshold. ➤ Focus shifting from 'price only' evaluation, to Whole Life Costing procurement supporting the local economy. ➤ Whole Life costing included within procurement service templates, to be considered on every appropriate opportunity. 	Fully Complied

4. Contributing to the Council's 2030 net zero carbon target (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Continual monitoring on the use of whole-life costing within our tender approach, with Best Practice shared and recorded for future reference, making use of the Scottish Government toolkits to prepare suitable tenders and shared information on the knowledge hub. 	
<ul style="list-style-type: none"> ➤ Considering potential for reuse, repair and recycling of goods and materials in scoping requirements on a routine basis to prevent waste 	<ul style="list-style-type: none"> ➤ Assessing the potential for reuse, repair and recycling is now embedded in the procurement planning stage with further examples of this included in the new Furniture Removal Storage, Design and Move Management Framework ethical disposal and reuse for example WarpIT is adopted in the scope. ➤ Kerbside bins procured use recycled materials as standard, moving away from previous virgin materials, the contract also allows for replacement lids as opposed to the whole bin. ➤ Furnishings and Furniture for Temporary Accommodation makes use of recycled timber in bedroom furniture, furniture donations to support groups and a reduction in non-recyclable packaging. ➤ Re-upholstery contract awarded saving on replacement chairs. ➤ Stair cleaning contract included waste requirements to address reduction in waste to landfill and seeking options for reuse and donations were possible. 	Fully Complied
<ul style="list-style-type: none"> ➤ Adopting industry standards to ensure consistency in approach with the market and clear measurement tools understood by all 	<ul style="list-style-type: none"> ➤ Established in Council's procurement procedures that suitable standards and certifications sought in tender exercises. ➤ New Schools to be built to passivhaus standard. ➤ Application of Housing Service's net zero design guide for new home developments, including at Western Villages Granton. The Design Guide was refreshed in November 2020 and sets a high standard in quality design, placemaking and sustainability. The design approach to homes follows fabric first principles supplemented by the provision of renewable heat and onsite renewable electricity. In addition, KPI targets for all Housing construction projects adhere to guidance set by Zero Waste Scotland in relation to targeting on site levels of waste. 	Fully Complied

5. Delivering Savings and Best Value Outcomes (and we will do this by):		
What we said we would do	What we have done	Status
<ul style="list-style-type: none"> Working together to identify opportunities and challenge current models of delivery 	<ul style="list-style-type: none"> ➤ Long established Business (Commercial) Partnering approach in relation to procurement matters, with regular dashboard reporting to Directorate management teams including on P2P compliance, expiring contracts and procurement pipeline activity, and regular Procurement/Project boards to support services areas and projects, as well as other cross-Council groups, such as Sustainability Board and Strategic Development and Investment Board. ➤ Close working with 'customers' across the organisation to identify new and innovative solutions – challenging the existing, striving for improvement, as markets continue to be challenging this includes working with suppliers to identify alternative models. ➤ Services considered on a cross-directorate (Council wide) basis to deliver holistic solutions, this approach, and early intervention, being embedded in procurement procedures and Procurement Planning templates. ➤ Best Value efficiencies generated from within the Commercial and Procurement Services team and by Directorates, captured within the Commercial Pipeline tracker, with savings secured in 2021/22 included in the foregoing report. 	Fully Complied
<ul style="list-style-type: none"> Challenging the demand for goods and services and seeking to rationalise core requirements 	<ul style="list-style-type: none"> ➤ PPE Centralised Store facility continued in 2021/22, enabling focused sourcing of urgently needed core items to support vital front line services, and mitigate risks including around pricing, fragile supply chains and procurement fraud, including savings of over £300,000 from this approach and driving competitive tension amongst suppliers. ➤ Continuing to work closely with Schools to seek to consolidate purchasing requirements. ➤ Have secured £16m of new savings in 2021/22 through procurement activity, which is in excess of the £10m figure in the Strategy, as noted in foregoing report. 	Fully Complied
<ul style="list-style-type: none"> ➤ Engaging markets, benchmarking values and collaborating when appropriate with city partners or wider 	<ul style="list-style-type: none"> ➤ Market engagement and benchmarking established in Council's procurement procedures, including use Prior Information Notices and Supplier Events, including examples noted elsewhere. 	Fully Complied

5. Delivering Savings and Best Value Outcomes (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Engagement with partner organisations to better understand market capability/capacity, and opportunities for collaboration, such as with Scottish Futures Trust and EVOC. ➤ Regular engagement on user intelligence groups on national frameworks sharing information on market challenges such as commercial meeting with Scotland Excel and work with Scottish procurement and Crown Commercial colleagues. 	
<ul style="list-style-type: none"> ➤ Supporting robust contract management actions to ensure contracts deliver to financial and non-financial performance requirements, including contractual commitments around social value and community benefits 	<ul style="list-style-type: none"> ➤ The Contract and Grants Management (CAGM) team oversees strategy and Council-wide best practice. ➤ Contract management framework is used by contract managers in all Council service areas. It is a toolkit for contract management activities throughout a contract's lifecycle and has a strong focus on supplier management and compliance) and was co-produced with corporate teams across the Council (including Risk, Resilience, Information Governance, Health and Safety and Internal Audit) as well as contract managers. ➤ The CAGM team support service areas to identify operational efficiencies, reviewing the Council's spend with the top suppliers, securing better outcomes, Best Value and improved performance. ➤ Programme of Contract Management Compliance Reviews commenced, on Tier 1 and Tier 2 contracts, with themes fed back to senior managers/ and contract managers. Targeted training is provided to support delivery of any compliance review recommendations. ➤ Training provided to service area colleagues in the last 12 months, on topics covering all aspects of contract management including use of systems PCST and Cenefits, Contract Management and Community Benefits evidence and reporting and new Risk matrix. ➤ Supplier performance is tracked and monitored by the relevant contract manager with innovations and lessons learned recorded in contract records and community benefits measured using our bespoke Cenefits system. Full roll out of the PCST system use to support contract management is ongoing after a successful pilot in quarter 3 of 2021/22. ➤ The standard supplier agenda template includes a standing item on supplier innovation and developments encouraging ongoing dialogue focused on continuous improvement. 	Fully Complied

5. Delivering Savings and Best Value Outcomes (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Key performance indicators are used, particularly on higher value and high risk contracts, to ensure suppliers perform and continually improve. ➤ Development of relationships with major framework providers and counterpart teams in other local authorities, public sector and third sector organisations. Identifying best practice to secure Best Value and drive continuous improvement across sectors, including launch of Supplier Engagement Sessions and Supplier Newsletter. 	Fully Complied
<ul style="list-style-type: none"> ➤ Applying whole life costing models to ensure end-to-end requirements are included 	<ul style="list-style-type: none"> ➤ Whole life costing approach is embedded in Council's procurement procedures and considered early at the time of strategy development, with evaluation focused on a balanced cost, quality and sustainability threshold; ➤ Ensuring a shift from 'price only' evaluation, to Whole Life Costing procurement supports the local economy; ➤ Whole Life costing is included within procurement service templates, to be considered on every appropriate opportunity; and ➤ Continual monitoring on the use of whole-life costing within our tender approach, with best practice shared and recorded for future reference. 	

6. Ensuring Legal Compliance and Robust and Transparent Governance (and we will do this by):		
What we said we would do	What we have done	Status
<ul style="list-style-type: none"> ➤ Training officers in the procedures and policies which must be considered to ensure compliance requirements are met 	<ul style="list-style-type: none"> ➤ Variety of promotional, training and engagement sessions using internal website and drop in sessions, and specialist legal training also delivered by commercial law firms e.g. national white paper event. ➤ Regular Schools Business Managers forums, and learning and support opportunities for Business Managers, Head Teachers and Lifelong Learning teams - nine virtual events in the financial year, with approximately 145 attendees. 	Fully Complied

6. Ensuring Legal Compliance and Robust and Transparent Governance (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Contract Management online learning has been developed to improve commercial awareness and improve supplier relationships/delivery of service, with over 170 staff completing back to basics training. ➤ Contract Standing Order training events provided on a planned programme and ad hoc on demand to service areas. ➤ 'Quick Quote' training. learning and development programme extended to wider Council to support tender document development. ➤ Intranet regularly updated with library of support documentation and changes such as modifications to the Contract Standing Orders, Grants Standing Orders, Contract Management Framework and relevant policies and charters e.g. Construction Charter and community benefits. ➤ Regular meetings Council wide to raise awareness of commercial performance, compliance and support future contract planning, e.g. Schools' Business Managers Forum, and Procurement Boards across a variety of Directorates within the Council. 	
<ul style="list-style-type: none"> ➤ Providing regular updates for specialist staff on changes to regulations, case law, statutory guidance, policy and social value outcomes 	<ul style="list-style-type: none"> ➤ Encouragement, mentoring and support to staff to embrace learning opportunities and undertake appropriate CIPS training, resulting in over 90% of specialist procurement staff holding or working towards professional qualifications. Three staff secured full membership in the last reporting period. ➤ Support to a procurement apprentice working on SVQ and up to three procurement trainees in specialist development with on the job and study opportunities provided. ➤ Staff study towards and attainment in CIPS Level 4 Diploma and Level 5 and 6 advanced Diploma. ➤ Development and Implementation of Commercial Training Plan for staff, covering variety of different training opportunities e.g. refresh on savings methodologies, demand management, and procurement systems. 	Fully Complied

6. Ensuring Legal Compliance and Robust and Transparent Governance (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Training and CPD events undertaken from external providers and legal experts, including updates on case law and a session on fraud risk to public sector procurement. 	
<ul style="list-style-type: none"> ➤ Reviewing standard documentation to reflect regulatory changes and best practice 	<ul style="list-style-type: none"> ➤ Regulations and statutory guidance embedded into the Contract Standing Orders and reviewed on an annual or as required basis. ➤ Council standard contract terms and conditions reviewed annually. ➤ Standard core templates reviewed annually, including PRF, Procurement Plan and CSOs Waiver Form to reflect changes to CSOs, legislation, Council objectives and best practice. ➤ Contract Standing Orders have provided the policy to amend and improve processes and procedures utilised to support compliance of commissioning for goods, works and services required. ➤ Regulated procurements tendered via PCS website. ➤ Standard documentation updated to reflect new Fair Work First guidance as noted above. ➤ Case Law under the new regulations is reviewed to incorporate good practice and learning into own processes and documentation. ➤ Council Procurement Handbook updated as required updated to reflect guidance changes. 	Fully Complied
<ul style="list-style-type: none"> ➤ Reviewing and improving controls within the procurement remit to ensure compliance with purchase systems and procedures, including the Contract Standing Orders 	<ul style="list-style-type: none"> ➤ Purchase to Pay (P2P) process continues to be strictly controlled by both Commercial & Procurement Services and Banking & Payment Services, ensuring payment to suppliers occurs in a timeous fashion. ➤ As part of the City of Edinburgh Council 2020/21 External Audit, Azets reviewed and audited the processes and controls in place relating to the Council's Oracle system to ensure these remain robust. ➤ The requirement to consider IFRS16 legislation relating to leases defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration, is incorporated into a number of our templates and Terms and Conditions to satisfy this forward requirement. ➤ Statistics in relation to purchase orders in Oracle are collated and communicated monthly to Directorates across the Council. Purchase Card spend and CSOs waivers are also captured 	Fully Complied

6. Ensuring Legal Compliance and Robust and Transparent Governance (and we will do this by):		
What we said we would do	What we have done	Status
	<p>within regular Management Information performance statistics and communicated to Directorates accordingly.</p> <ul style="list-style-type: none"> ➤ Oracle requisitions that can be defined as Shadow IT now have an additional check to ensure that the supplier is on the new Shadow IT register. Similarly HMRC IR35 compliance continues to be monitored and policed accordingly as part of processing any Purchase Orders. ➤ 'Vendor form' captures required information including 'micro businesses', GDPR legislative compliance (relating to privacy statement and secure transfer of sensitive data) and links to the Council's key policies as available on the external website. ➤ Robust bank account change process, to ensure that when a supplier alters bank details on multiple occasions in short time period, a review of the financial stability of the supplier will be triggered. This process raises awareness of potential supplier instability and ensures up to date review of supplier financial evaluation is undertaken. ➤ The Oracle e-Business suite (Oracle) has been updated to include a Contracted supplier and Waiver Store. These stores are directly linked to the Contract Register and Waiver Register. This improves visibility of contracted suppliers. Additional prompts are also being used to monitor and control spend level on a contract or agreement basis. ➤ CPS is actively supporting the Oracle upgrade as part of the Council's ERP programme, inclusive of User Acceptance testing and has completed a number of "quick wins" and learning processes, to improve efficiency of our systems, as well as a review of purchasing categories to improve the quality of management information. 	
<ul style="list-style-type: none"> ➤ Ensuring regular reporting of procurement activity and compliance to committee. 	<ul style="list-style-type: none"> ➤ Annual report submitted to Finance & Resources Committee, Scottish Government and available on the Council's website. ➤ Council's Contract Register available on the Council's website. ➤ Regular reporting of contract awards to Finance & Resources Committee for approval. ➤ 6 Monthly reports to Finance & Resources Committee and Pensions Committee (in respect of spend and contracts relating to the Lothian Pension Fund) in respect of contracts awarded under delegated authority. 	Fully Complied

7. Promoting Innovative and Best Practice Solutions (and we will do this by):

What we said we would do	What we have done	Status
<ul style="list-style-type: none"> ➤ Engaging with clients at early stages of identification of need and scoping .. 	<ul style="list-style-type: none"> ➤ Long established Business (Commercial) Partnering approach in relation to procurement matters, with monthly dashboard reporting to Directorate management teams including on P2P compliance, expiring contracts and procurement pipeline activity, and regular Procurement/Project boards to support services areas and projects. ➤ Future contract planning 'horizon scanning' with Directorates of expiring contracts and opportunities to consider change. ➤ Close working with 'customers' across and external to the organisation to identify new and innovative solutions – challenging the existing, striving for improvement. ➤ Services considered on a cross-directorate (Council wide) basis to deliver holistic solutions, this approach, and early intervention, being embedded in procurement procedures and PRF/Procurement Plan templates. ➤ Best Value efficiencies developed from within the Commercial and Procurement Services team and by Directorates, captured within the Commercial Pipeline tracker. 	<p>Fully Complied</p>
<ul style="list-style-type: none"> ➤ Seeking relevant examples of market innovations and sharing models and best practice 	<ul style="list-style-type: none"> ➤ Regulated procurements embrace market engagement, research and benchmarking in order to maximise quality and value. Frequent working with business and third sector engagement organisations such as Scottish Care, Supplier Development Programme, Partnership4Procurement and Edinburgh Voluntary Organisations Council (EVOC). ➤ Regular collaboration with other local authorities and/or public-sector partners, benchmarking undertaken to establish baseline and learn of best practice within the sector, including with Scottish Futures Trust and other authorities on proposals for future construction work framework and work with NHS Lothian, University of Edinburgh and Scottish Enterprise on Edinburgh BioQuarter procurement exercise. 	<p>Fully Complied</p>

7. Promoting Innovative and Best Practice Solutions (and we will do this by):		
What we said we would do	What we have done	Status
	<ul style="list-style-type: none"> ➤ Use of output-based specifications to drive market innovation and new technology where suitable. ➤ Ongoing commitment and active contribution to Scotland Excel collaborative approach with all our local authority partners and with Scottish Procurement. ➤ Active engagement with Scotland Excel, the Council being the first local authority to agree an SLA with Scotland Excel to help secure Best Value from its membership, including sharing of lessons learned from Scotland Excel's work with other local authorities. ➤ Regular engagement through Scottish Government Local Procurement Forum (SGLPF), Scotland Excel user groups and Scottish Procurement Policy Forum, where share knowledge and best practice. 	
<ul style="list-style-type: none"> ➤ Allowing the opportunity for variant bids where there is potential technological and market advancement 	<ul style="list-style-type: none"> ➤ Council's established procurement procedures permits variant bids where appropriate, something that is assessed through the development of the project, including use of Prior Information Notices, Bidder Days and engagement with the market to assess scope for such potential. 	Fully Complied
<ul style="list-style-type: none"> ➤ Challenging the status quo 	<ul style="list-style-type: none"> ➤ Supporting new and ongoing dynamic purchasing system for securing additional temporary accommodation for vulnerable citizens and assessing suitability for use in other services. ➤ Engagement with Suppliers on price and other market pressures ensuring information is shared with others to improve market awareness and opportunities to secure better value. ➤ Proactive reporting and challenge to services areas on use of CSOs waivers, to assist improvements in compliance and value for money ➤ Introduction of Contract Management compliance reviews as noted above. 	Fully Complied

Annex 3 – Future Procurement Activity

New Procurements				
Brief Contract Description	Contract Estimated Value	Expected Contract Notice Date	Expected Award Date	Expected Start Date
Vehicle Recovery	£200,000	03/10/22	31/01/23	01/03/23
Laboratory Equipment Purchase	£750,000	01/11/22	13/03/23	31/03/23
Learning Communities Framework - Accredited Pathways, Play and Art Therapy, Speech & Language Therapy and Counselling & Coaching	£16,000,000	16/01/23	16/11/23	15/01/24
Sports and Activities Coaching for Active Schools	£1,000,000	16/01/23	16/11/23	15/01/24
Schools and Lifelong Learning Resources - Uniforms, Outdoor Clothing, Gym Equipment, Maintenance & Repairs	£800,000	01/10/23	01/08/24	01/10/24
Recurring Procurements				
Brief Contract Description	Contract Estimated Value	Expected Contract Notice Date	Expected Award Date	Expected Start Date
Management and Maintenance of Edinburgh Living LLP Homes	£3,000,000	15/09/2022	14/03/2023	01/05/2023
Domestic Abuse	£3,000,000	01/10/2022	01/02/2023	01/04/2023
Independent Living Advice - Info service - Outreach and Advisory (Physical Disability)	£5,700,000	01/10/2022	10/03/2023	05/06/2023
Homelessness Prevention: Young People's Visiting Support Service	£2,343,440	01/10/2022	01/02/2023	01/04/2023
Homelessness Prevention, immediate intervention for young people presenting as homeless	£161,000	01/10/2022	01/02/2023	01/04/2023
Support for Families where Children and Young People are Affected by Parental Substance Use	£3,200,000	01/10/2022	01/02/2023	01/04/2023
Inclusive Childcare Support Services	£1,100,000	01/10/2022	01/02/2023	01/04/2023

24 hour Accommodation with Support for Women experiencing Domestic Abuse	£927,267	01/10/2022	01/02/2023	01/04/2023
Accommodation with Support for BME Women experiencing Domestic Abuse	£560,000	01/10/2022	01/02/2023	01/04/2023
24-hour Accommodation with Support for Women Suffering Domestic Abuse.	£1,243,200	01/10/2022	01/02/2023	01/04/2023
Care and Repair provision	£483,676	01/10/2022	01/02/2023	01/04/2023
Early Intervention Services	£150,000	01/10/2022	01/02/2023	01/04/2023
Assessment Data Provider for Schools	£280,000	01/10/2022	01/02/2023	01/04/2023
Advice and Information Services	£200,000	01/10/2022	01/02/2023	01/04/2023
Support of Children with Additional Needs	£426,216	01/10/2022	01/02/2023	01/04/2023
Provision of Services for a Child in the Care System	£260,000	01/10/2022	01/02/2023	01/04/2023
Support for UAMs who are seeking leave to remain and have been assessed as having the skills to live in accommodation without the requirement of 24-hour staff support.	£213,096	01/10/2022	01/02/2023	01/04/2023
Support, information and advice to autistic adults in Edinburgh	£155,110	01/10/2022	01/02/2023	01/04/2023
Adoption Services	£2,000,000	01/10/2022	01/02/2023	01/04/2023
Holiday and Term Time Support for Children	£1,400,000	01/10/2022	01/02/2023	01/04/2023
Leasing Advisors	£55,000	01/11/2022	01/04/2023	01/06/2023
Framework Agreement for Supported Bus Services	£4,800,000	01/11/2022	01/04/2023	02/07/2023
Syrian Refugee English Language Teaching and Cultural Integration Support	£400,000	01/12/2022	01/02/2023	02/04/2023
Insurance Broking & Risk Management	£370,000	01/12/2022	01/02/2023	01/05/2023
External Offsite Revenues Processing Service in respect of Council Tax and National Non-Domestic Rates	£665,000	01/01/2023	01/06/2023	09/09/2023
Family Support Volunteer Service	£720,000	01/01/2023	01/05/2023	01/07/2023
Legal Services Framework	£12,000,000	15/01/2023	15/11/2023	21/12/2023
Delivery of Taxicard Scheme for subsidised Taxi Journeys	£3,500,000	01/02/2023	01/05/2023	24/07/2023

Homeless Prevention Group Work	£73,350	01/02/2023	01/05/2023	02/07/2023
Education and Health & Social Care Transport Framework Agreement	£32,000,000	01/02/2023	01/05/2023	03/07/2023
Forestry & Arboricultural Works	£280,000	01/02/2023	01/05/2023	01/09/2023
Transport Traffic Management	£400,000	01/02/2023	01/06/2023	01/08/2023
Claims Handling Agents - Trams	£50,000	01/02/2023	01/06/2023	02/08/2023
Tablet Repairs	£400,000	01/02/2023	01/05/2023	01/09/2023
Webcasting Services	£140,000	01/02/2023	01/06/2023	01/08/2023
Tree Planting framework	£400,000	01/04/2023	01/10/2023	06/01/2024
Single Occupancy Discount Review Service	£150,000	01/04/2023	01/08/2023	01/10/2023
Driver Medicals for Taxi and Private Hire	£450,000	01/04/2023	01/08/2023	01/10/2023
Back to Laboratory Saliva - Based Test Kits and Screening for Controlled and Illegal Drugs	£380,000	03/04/2023	03/10/2023	19/11/2023
Residential Care, Special Schools and Supported Accommodation	£12,000,000	01/05/2023	31/03/2023	08/07/2024
Secure Care Transport	£4,000,000	01/05/2023	01/08/2023	01/04/2024
Supply & Maintenance of Stairlifts, Ceiling Track Hoists & Bidet Toilets	£1,200,000	01/06/2023	01/09/2023	01/11/2023
Specialist Event Support Crew & Equipment hire	£600,000	01/06/2023	01/10/2023	01/06/2024
Subsidised Childcare for Working Parents	£4,300,000	01/08/2023	01/12/2023	01/04/2024
Independent Advocacy and Children's Rights Service	£1,010,000	01/08/2023	01/12/2023	01/04/2024
Residential Care for Young People	£6,845,778	01/08/2023	01/12/2023	01/04/2024
Temporary Security Alarm Systems	£960,000	01/08/2023	01/12/2023	01/04/2024
Edinburgh Dementia Post Diagnostic Support Service	£1,886,871	01/08/2023	01/12/2023	01/04/2024
Mediation Service for Children with Additional Support Needs	£80,000	01/08/2023	01/12/2023	25/03/2024
Provision of a Rent Deposit Guarantee Service	£500,000	01/09/2023	01/11/2023	28/01/2024
Cleaning Services for Cultural Performance, Conferencing and Events Venues	£1,000,000	01/09/2023	01/02/2024	03/06/2024
Day Opportunities and Support for older people	£5,000,000	01/10/2023	01/02/2024	01/04/2024
Trauma Clean and Final Clean of Homes	£140,000	01/11/2023	10/02/2023	31/03/2023
Empty Homes: Estates Clearance, Garden Maintenance & Minor	£3,500,000	01/12/2023	01/04/2024	12/07/2024

Works, Property Protection				
Tram Track Maintenance	£6,100,000	01/12/2023	01/03/2024	09/07/2024
Aids for Daily Living Goods and Services	£8,600,000	01/01/2024	01/04/2024	01/06/2024
Through care and After Care (TCAC) Service additional support to young people and their families	£880,000	01/01/2024	01/04/2024	01/08/2024
Housing Capital Works Framework	£200,000,000	01/02/2024	01/09/2024	01/12/2024
Lift Servicing & Maintenance for Housing	£720,000	01/02/2024	01/09/2024	22/11/2024
Housing Consultancy Framework Agreement	£1,100,000	01/02/2024	01/05/2024	01/09/2024
Commercial and Residential Property Advisory Services	£500,000	01/02/2024	01/05/2024	03/09/2024
Decriminalised Parking Services	£60,000,000	01/03/2024	01/08/2024	01/10/2024
Civic Clocks Maintenance	£110,000	01/05/2024	01/02/2024	24/04/2024
Homelessness Prevention: Street Outreach, Support Hub and Complex Needs Visiting Support Service	£7,167,400	01/10/2022	01/02/2023	01/04/2023

Glossary

Term	Description
Best Value	The legal duty to secure continuous improvement in the performance of the Council's functions as set out in section 1 of the Local Government in Scotland Act 2003.
CIPS	The Chartered Institute of Procurement and Supply (CIPS) is the leading body representing the field of procurement and supply chain management.
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit.
Commercial Awareness	Evidence of commercial acumen. Awareness of the need for efficiency, cost-effectiveness, customer/stakeholder support, a knowledge of the sector and the services the organisation provides and will provide in the future, considering the strategic objectives, current economic climate, etc. A track record of appropriate procurement skill and experience, evidence of on-going/continual training and development. (desirable and post/org specific) professional qualification/undertaking or willingness to undertake as appropriate.
Contract Management	The process of monitoring the performance of a supplier to contract.
Co-production	The real and meaningful involvement of the citizens of Edinburgh including future recipients of the service and key stakeholders and suppliers (both current and potential) in how and what community services and related goods and works are delivered with regard to the National Standards for Community Engagement.
Demand Management	To take costs out of an organisation by addressing the drivers for spend, aligning spend to business need and eliminating unnecessary consumption. Demand management examples: Challenging requirements that specify brand or other over specification.
Framework Agreement	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
Procurement strategy	Strategy for procurement within an organisation (can be called policy).
Small Medium Enterprise (SME)	The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.
Supplier; Provider; Contractor	An entity who supplies goods or provides services or execution of works.
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.

Supported Business	Either the organisation's main aim should be the social and professional integration of disabled or disadvantaged persons, or the contract should be performed within a sheltered employment programme.
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