



ANGUS COUNCIL
ANNUAL PROCUREMENT REPORT
2018/19

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Executive Summary

Procurement Activity



Angus Council's [procurement spend](#) in 2018/19 was **£106.7M** in total and **£102.5M** with "core trade" suppliers ([Chart 3 Spend by Service / Department](#)).

This is reduced by **1.3%** (£1.4M) from last year's total procurement spend.

These total spend figures throughout this report include Angus Integrated Joint Board spend on adult care services.

[Contracting activity key facts](#) for 2018/19:



	Contracts Awarded	Total Value Awarded	Average Value Awarded
Angus Council	143	£25.0M	£227K

The volumes of activity are very volatile, varying by more than 100% in some years ([Chart 1.1 Total Volumes and Values of Contracts Awarded over Time](#); [Chart 1.2 Average Values of Contracts Awarded over Time](#)).

[Compliance](#) is generally **good** and exemptions numbers are **low** ([Table 1.1 Analysis of Contracts Awarded](#); [Chart 2 Exemption Requests](#)).

[E-Procurement](#) numbers are being sustained at **high** levels ([Chart 8 e-transactions](#))

However, analysis of spend with contracted suppliers on our [contracts register](#) is only at **39%** for 2018/19 ([Table 7 / Chart 7 On-Contract Register Spend](#)). This believed to be because the register is not being optimally maintained but action is required to address that.



In 2018/19, Angus Council reported total [procurement savings](#) of **£1.4M** ([Chart 9 Savings](#)).

This was all from collaborative procurement, no procurement savings were reported from local procurement activity.



37% of our procurement spend is with [local suppliers](#).

That compares to a Scottish average of **27%**. ([Table 5.1 / Chart 5.1 Local Spend](#)).

Ranked **6th** highest in Scotland ([Table 5.2 Scottish Councils' Local Spend](#)).

Review of Regulated Procurement



[Objective 1: Procurement Capability Development](#)

[Knowledge & Skills](#) – the council's dedicated procurement teams show good procurement practice, particularly around tendering. However, procurement competency assessment is not embedded in the Council's performance appraisal process as it is for other required competencies. This matter is capable of being addressed

by establishment of a Tayside shared procurement service. The capacity of the Procurement & Commissioning team to meet increasing and new demands is now an issue but again this is best addressed by the proposed Tayside shared procurement service.

Governance – formal governance arrangements are sound and the evidence offers assurance that this ambition is being met.

Awareness – the Council has effective arrangements for maintaining and disseminating required procurement awareness but with scope for improvement in relation to development needs assessment as for “Knowledge & Skills”.



Continuous Improvement – the Council’s PCIP assessment in 2019 shows pleasing improvement but the scale is indicative of continued incremental and not transformational improvement. We need to use the improvement areas identified through the Procurement and

Commercial Improvement Programme as drivers for change to our procurement approach offering maximum additional benefit. We need to move to a strategic sourcing approach and adopt consistent contract and supplier management approaches across all procurement activity. These are matters that should be addressed by establishment of a Tayside shared procurement service.



Objective 2: Maximising Efficiencies through Procurement

Best Value Contracts – the Council undertakes high volumes of contract activity every year. Sound governance is in place with good audit assurance to ensure that contract awards are evaluated to achieve best value. A sustainable solution to this change in paradigm has to be found – the key approach would be to have larger contracts for bigger values with less procurement resource expended on every £ of spend. A collaborative shared service lends itself to that approach.

e-Procurement – The available data gives assurance that the ambition to maximise efficiency through e-purchasing is being met and will improve further through the Council’s Change Programme P2P project. Better use of other e-Commerce tools such as PCS Tender offer further improvement opportunity. A specialist collaborative shared service lends itself to that approach.



Management Information - The data set out in this annual report shows that MI from the procurement systems available to the Council is being used to provide core performance indicators and measures. This offers sufficient assurance that this ambition is being met adequately for now.

Cost Savings – The Procurement sounding Board MOG has been clear that the evidencing and realisation of more cash savings, if available, is its top priority in terms of procurement objectives at this time, in light of the Council’s current financial challenges. The data indicates ongoing procurement savings opportunities being achieved annually of between £1M and £2M. These are however savings opportunities and, whilst they are valid, they do not always equate to cash revenue savings which can be deducted from budgets.

There is scope for improvement - in particular:

- We do not systematically report / capture savings achieved through the bulk of our procurement activity, i.e. “local” category C procurement. That is not to

say that procurement savings are not being achieved for that activity; rather that we do not record or report them.

- We have made a start to centralised visibility and co-ordination of forward planning our procurement. We could, if we chose to, build on that in terms of up-front commitment to benefits tracking.



Objective 3: Development of Collaborative Opportunities

Collaboration – there is substantial evidence of participation in a high degree of available collaborative procurement. In terms of spend, however, there is an 80/20% split in favour of non-collaborative procurement. The large majority of procurement spend is still addressed and managed by Angus Council staff applying a devolved procurement model. The Tayside Collaborative shared procurement service project which initiated in June 2019 should, once established, be mandatory for all procurement with only approved exceptions if the benefit identified by the business case is to be realised.



Forward Planning – Angus Council produced a 2-year forward plan with its first annual report and a rolling update is now being published. This ambition is being met. Improvement opportunities exist in terms of how the Council and its partners use this forward planning to maximise collaborative opportunities.

Communication – The evidence indicates that Angus Council corporate procurement has a sound and effective approach to its communications.

Objective 4: Fulfilment of Sustainable Procurement Duties



Sustainable Procurement - Angus Council has a sustainable procurement policy and is delivering well on Local / SME supplier support. However it is not evidencing sustainable procurement delivery so well in other areas. At the same time, this is not the top priority for Council procurement improvement at this time. This objective should be maintained but for delivery in future years.

Community Benefits – Angus Council has a sound process, policy and practice in place to achieve and report on community benefits achieved from its procurement activity. Improvement continues in 2018/19 on the position reported for 2017/18. Collaboration both within the Council and with our Tayside partners is already evident and continues to develop.

There is scope for future improvement by:

- Broadening the scope of the procurement projects addressed in its community benefits in procurement policy and practice (subject to addressing any resource implications that may come with that);
- Developing its reporting process to capture all community benefits activity, including that by internal teams such as delivering / participating in “Meet the Buyer” events; and
- Considering the scope / case for specialist resourcing of community benefits management, possibly on a collaborative basis

Local and Other Economic Support - The data indicates that Angus Council continues to “punch above its weight” (in terms of its high placement amongst Scottish Councils’ performance in the proportion of our procurement spend with local suppliers – see



above) and exceed its ambitions in terms of the benefit it delivers to the local Angus economy from its procurement activity, particularly as a rural local authority. The Council Plan notes that the Council wishes to continue with this approach as a priority – our strategic priorities include that “we want Angus to be a 'go to' area for businesses” with a specific priority that we will “engage with Angus businesses through a regular programme to understand their needs and develop our services appropriately.” This is therefore recognised as a prioritisation of use of procurement / economic development staff resources.



The data on SMEs indicates that Angus Council's share of spend with SMEs has been close to or ahead of the Scottish Councils' average over the last 5 financial years. This indicates that the Council's practices to maximise the opportunity of access by SMEs to Council contracts are working successfully. In essence, the same approaches as maximise local supply opportunity also support SME

access.

Third Sector contracting is low in terms of both value and numbers but this is aligned to emerging Council strategy. Angus Council undertakes limited contracting with supported businesses and has no immediate plans to develop performance in this area.

Conclusions

- The picture overall is acceptable with a key highlight in respect of local supplier support and a number of areas offering improvement opportunity.
- Our key objectives are the right ones for Angus Council. However, they need to be prioritised further within themselves to provide focus for securing benefit now within available resources.
- To provide assurance that all possible savings have already been captured or maximised, benefits tracking and realisation needs to be adopted systematically across all Angus Council procurement. Along with maintenance of local supplier support, this has been identified as the priority for the coming year.
- The other improvement effort emphasis needs to be on strategic planning of procurement, demand management, challenge of need etc. at the beginning of the process and contract / supplier management post-tendering as that is where the greatest benefit lies.
- The Tayside shared procurement service is the right place to apply effort to achieve those other structural and strategic improvements.

Introduction

The Purpose of this Annual Report

The Procurement Reform (Scotland) Act 2014 requires a public contracting authority such as Angus Council (which is obliged to prepare or revise a procurement strategy in relation to a financial year) to prepare and publish an annual procurement report on our regulated procurement activities as soon as reasonably practicable after the end of our financial year.

This is Angus Council's second annual procurement report under the 2014 Act. Angus Council had adopted a culture of annual procurement performance reporting in advance of the 2014 Act. Previous reports can be accessed at this [link](#). This second statutory annual procurement report for Angus Council covers the period from 1st April 2018 to 31st March 2019.

It is intended to:

- aid visibility of procurement activities
- be a mechanism for conveying how the Council is meeting legislative procurement requirements;
- outline how the Council's procurement activity is contributing to the delivery of its broader aims and objectives; and
- address performance across all of the matters contained in the Council's procurement strategy.

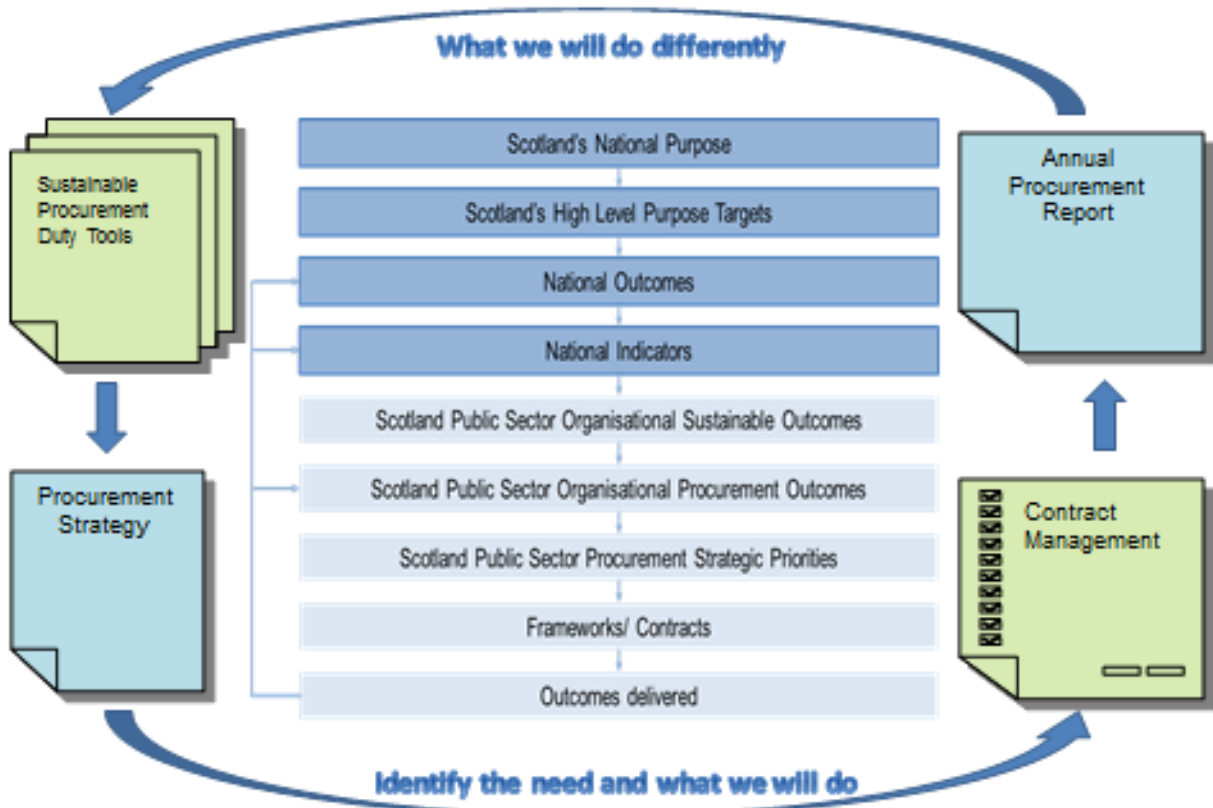
Its publication is also consistent with the aims of Scottish Procurement's "[Open Contracting Strategy](#)" with a view to procurement information being proactively provided in a coherent, consistent form that is easy to understand for communities, the third sector and citizens.

The minimum content of an annual procurement report is prescribed by Section 18(2) of the 2014 Act. [Annex 1](#) to this report sets out a summary of that required content for ease of reference. The Council may add to that minimum content if it so chooses. Angus Council has chosen to do so in the interests of greater transparency and deeper analysis of the effect of our procurement function. Grateful acknowledgement is expressed to Scottish Government for having offered helpful feedback on the Council's first annual report in the interests of improving its content and meaningfulness.

As touched on above, there is a link between this annual procurement report and the Council's organisational Procurement Strategy. [Figure 1](#) below sets out graphically how the organisation's annual procurement report preparation and procurement strategy review cycle can work together to support increased transparency and visibility of public procurement and help to embed relevant and proportionate sustainable procurement within Scottish public sector procurement.

Figure 1 – The Annual Procurement Report and Strategy Review Cycle

Embedding Relevant & Proportionate Sustainable Procurement



The Council’s current organisational Procurement Strategy can be accessed at this [link](#).

Publication and Communication

Section 19 of the 2014 Act requires the Council to publish its annual procurement report in a manner which it considers to be appropriate and this must include publication on the internet.

This annual procurement report will be **reported** to the meeting of Angus Council’s Policy and Resources Committee on 26th November 2019 alongside the related procurement strategy review and following approval will be **published** on the Council’s website on its procurement pages at this [page](#). It will also be notified to the Scottish Ministers by email with a link to the above web page in accordance with the legislation and guidance (see [SPPN4/2019](#)).

The format of this report follows good practice guidance issued by Scottish Government supplemented by Angus Council to aid transparency and use in line with the principles set out in the “Purpose ...” paragraph of the report. The **structure** of the annual procurement report is that:

- An **Executive Summary** is provided at the beginning.
- The **Introduction** part gives context to the report.

- The **numbered parts** afterwards give the supporting detailed information.
- The **annexes** contain technical detail for reference if required.

Accessibility principles have been applied so that it is published in an inclusive way that takes into account equality and accessibility issues and allows stakeholders to form a clear view of the contracting authority's performance. Taking on board improvement advice offered on its content:

- It summarises the performance data with the full detail as required kept to appendices.
- It seeks to present performance information in a way that is meaningful to the reader.
- It is presented in a machine-readable format in accordance with good online communications practice and to support accessibility by visually impaired citizens.
- It is written in as plain English as far is possible for the procurement topic it covers.
- A glossary of technical procurement terms (both used in this report and in the wider public procurement context) is included as [Annex 2](#) to the report.

If more information about the matters addressed in this annual procurement report is sought, please contact the Council's Procurement & Commissioning team as follows:

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Monday, Tuesday, Thursday, Friday: 8am - 6pm; Wednesday: 10am - 6pm

Part 1 – Procurement Activity

The Purpose of this Part

The principle of transparency requires an organisation to approach its public procurements in an open and inclusive manner. Publishing data on and an analysis of our procurement activity is considered to be helpful in demonstrating that the organisation is acting in a transparent manner and in highlighting its general procurement performance during the course of the year.

This part of the report analyses data on the Council's procurement activity for the year, some of which is also referred to in assessing performance against our procurement strategy in the succeeding part of the report.

The data used in this part of the report is sourced from the Public Contracts Scotland, the Scottish Procurement Information Hub and the Council's own records.

The spend and contracting figures throughout this report include spend and contracting by / on behalf of the Angus Integrated Joint Board (IJB), the Angus Health and Social Care Partnership. Angus Council undertakes contracting for the IJB as it don't have the legal powers to do so. Angus Council also manages transactional purchasing for the IJB. The position is different for other arms-length contracting organisations such as Tayside Contracts and AngusALIVE who are responsible for and report on their own contracting arrangements.

Contracts Awarded

In line with annual procurement reporting guidance, [Annex 3](#) to this report provides individual detail for all those contracts awarded. This also fulfils the requirements for annual scrutiny reporting of contracts awarded under delegated powers as required by Angus Council Financial Regulations.

[Annex 4](#) to this report sets out for information the contracts awarded under delegated powers by Tayside Procurement Consortium on behalf of Angus Council, Dundee City council and Perth and Kinross Council in association with Tayside Contracts.

Supplementing that, [Annex 5](#) to this report provides individual detail of contracts awarded without competition by "exemption" under delegated powers. Again this is in accordance with the requirements for annual scrutiny reporting as required by Angus Council Financial Regulations.

A regulated procurement (defined in the [glossary](#)) is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements. A summary of the Council's regulated procurements completed with a comparison with previous years is set out in [Table 1.1](#) below. This table has a lot of data so it is broken down and further explained in [Charts 1.1](#) and [1.2](#) along with the narrative below.

Table 1.1 Analysis of Contracts Awarded

Procurement Activity Metrics	2018/19	2017/18	2016/17	2015/16	2014/15
Number of Contracts Awarded	143	136	224	107	153
Number of awards published with £nil value (Note 1)	33	26	55	30	34
Number of Regulated Procurements	20	6	5	4	5
Number of Non-Regulated Procurements	123	130	219	103	148
Total Value of Contracts Awarded	£24,971,860	£33,631,617	£48,456,182	£21,409,688	£47,499,535
Total Value of Regulated Procurements	£11,564,256	£19,882,194	£20,835,984	£15,994,028	£35,735,399
Total Value of Non-Regulated Procurements	£13,407,604	£13,749,423	£27,620,198	£5,415,660	£11,764,136
Average Value of Contracts Awarded	£227,017	£305,742	£286,723	£278,048	£399,156
Average Value of Regulated Procurements	£889,558	£3,313,699	£4,167,197	£3,998,507	£7,147,080
Average Value of Non-Regulated Procurements	£138,223	£132,206	£168,416	£74,187	£103,194

Notes

1 – contract award notices do not have to state the contract value or range but it is open government good practice to do so and should only not be done where to do so would clearly risk distorting competition.

Chart 1.1 Total Volumes and Values of Contracts Awarded over Time

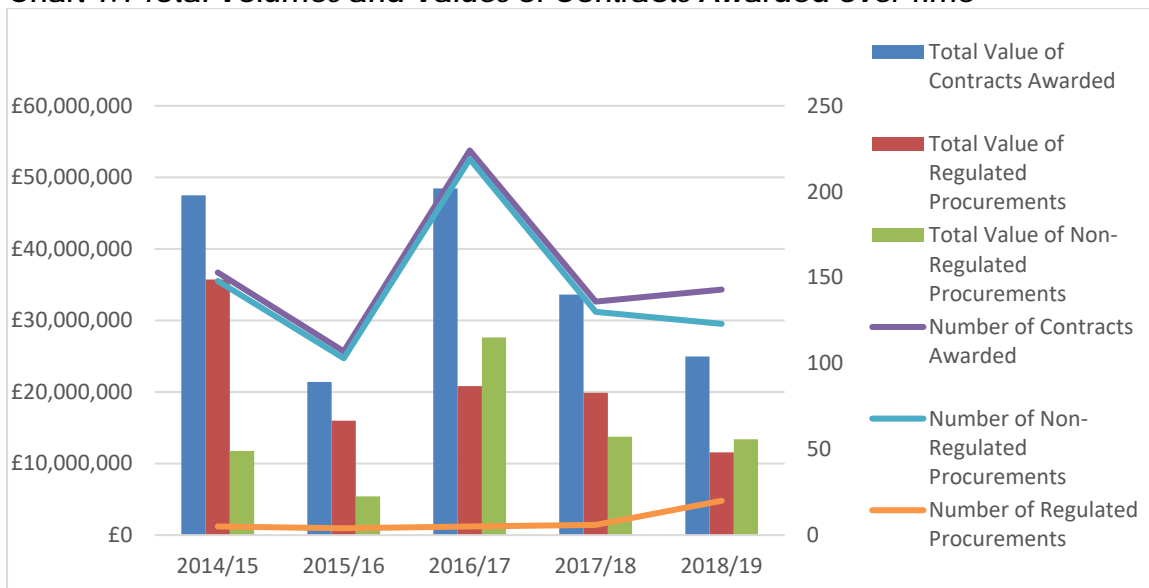
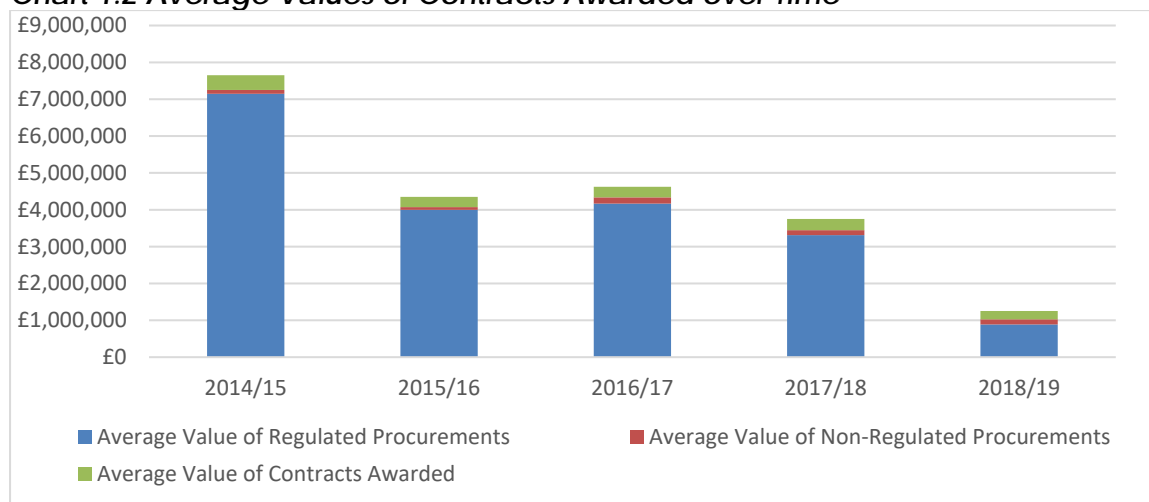


Chart 1.2 Average Values of Contracts Awarded over Time



This data and set of charts are quite complex but some observations can be drawn from them:

- Angus Council makes good use of PCS and publishes a large number of contract award notices for its awarded contracts. This goes well beyond the requirements of the legislation to publish contract award notices for only regulated procurements. This is line with Angus Council policy for additional transparency to maximise sub-contract bidding opportunity for local / SME bidders. As evidenced by Angus Council internal audit Report 17-05 (published October 2017), there is a strong culture of compliance present in Angus Council procurement.
- The values and volumes of Angus Council's procurement activity are very volatile. This may indicate scope for better one Council procurement planning.
- The number of regulated procurements has shown a sharp increase this year but a reduction in total value. Over time, the average value of regulated procurements has fallen while the average value of all contracts has remained fairly static. The data available does not allow for further analysis by type of contract. However, it does suggest a trend of more contracting activity for lower average values which is not indicative of the most efficient use of resource.
- 20 – 25% (22% in 2018/19) of our contracts are published without information about contract values. Anecdotally, this may be based on a misperception that this could distort future competition or disadvantage our suppliers. This may be an awareness issue with our authorised procurement officers

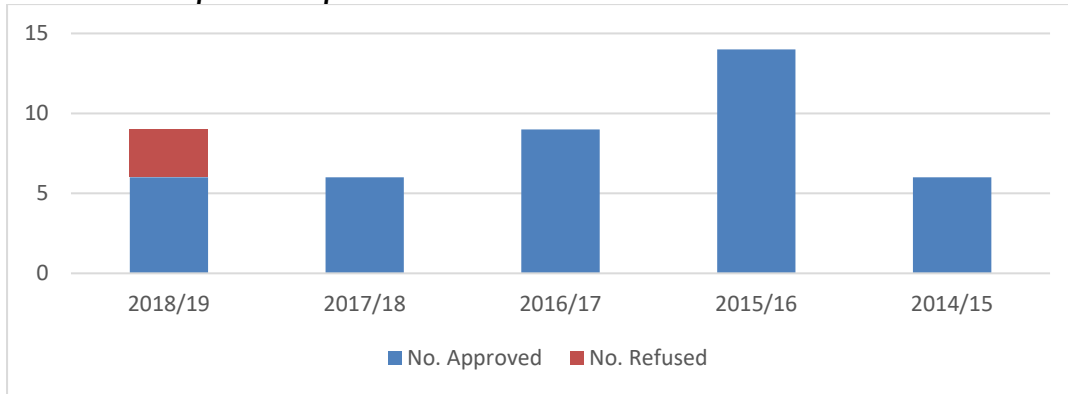
Exemptions from Financial Regulations Requirements

"Exemptions" (shorthand for exemptions from the competition requirements of Angus Council's Financial Regulations) are approvals for non-competitive action and should be exceptional. A summary of the numbers for 2018/19 with previous years for comparison is set out in [Table 2](#) and [Chart 2](#) below.

Table 2 Exemption Requests

Exemptions	2018/19	2017/18	2016/17	2015/16	2014/15
No. Approved	6	6	9	14	6
No. Refused	3	0	0	0	0
Total Exemptions Requested	9	6	9	14	6

Chart 2 Exemption Requests



This data (assuming that those coming to the exemption co-ordinator reflect the same pattern with chief officer delegated exemptions) indicates that exemptions authorising non-competitive action remain exceptional and are generally only requested where there is a good case for them, although the number of refusals has shown an increase this year. This supports the contention that there is a strong culture of compliance in Angus Council.

Overall Procurement Spend

To give context to the spend data analysis in this part of the report, this section sets out the overall Angus Council procurement spend position for the financial year 2018/19.

The total procurement spend this year **2018/19** was **£106.7m** in total (**£102.5M “core trade”** spend after analysis for the Scottish Procurement Information Hub). This compares with total procurement spend in 2017/18 of £108.1m (-1.3%, -£1.4M).

[Table 3](#) and [Chart 3](#) show the Council’s 2018/19 procurement spend (total), coded by service / function:-

Table 3 Spend by Service / Department

Directorate	2018/19 Spend	%
AHSCP / Adult Care	£40,969,972	38.4%
Infrastructure	£18,272,100	17.1%
Services to Communities - Housing	£17,261,975	16.2%
Children & Family Services / Schools & Learning	£13,926,344	13.0%
Services to Communities - Other	£9,221,908	8.6%
Human Resources, Information Technology & Organisational Development	£1,946,638	1.8%
Strategic Policy, Transformation & Public Sector Reform	£1,577,281	1.5%
Insurance, Corporate & Other Services	£1,526,929	1.4%
Change Programme	£860,610	0.8%
Finance	£432,285	0.4%
Planning	£405,800	0.4%

Common Good & Charitable Trusts	£194,813	0.2%
Legal & Democratic Services	£127,440	0.1%
Total	£106,724,094	

Chart 3 Spend by Service / Department

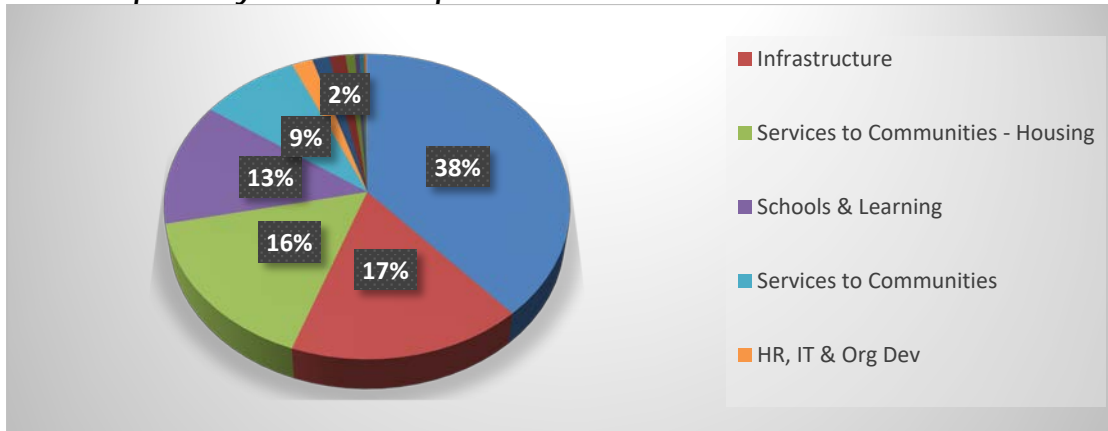


Table 4 sets out the Council’s core trade procurement spend for 2018/19 by supplier business sector (as identified by suppliers) Table 7 also shows the number of transactions and suppliers for these business sectors for this year.

Table 4 Spend etc. by Business Sector

Supplier Business Sector	2018/19 Spend	% Of Total Spend	Total Transactions	Total Suppliers
Social Care & Services	£35,558,657	34.7%	7,161	195
Construction	£28,253,421	27.6%	33,390	154
Utilities & Energy	£8,943,852	8.7%	1,586	28
ICT	£5,970,690	5.8%	1,738	102
Travel & Accommodation	£5,057,583	4.9%	1,904	53
Business Support Services	£4,827,960	4.7%	479	37
Facilities Management	£2,924,844	2.9%	4,441	66
Vehicles	£2,262,341	2.2%	1,077	44
Human Resources	£1,593,189	1.6%	2,120	45
Arts, Sport & Leisure	£934,773	0.9%	766	54
Waste & Environmental Services	£865,792	0.8%	3,095	31
Security Equipment & Services	£665,338	0.6%	3,031	28
Education	£653,419	0.6%	2,837	61
Food, Beverage & Catering	£630,371	0.6%	3,634	23
Transport	£567,540	0.6%	187	12
Manufacturing & Machinery	£446,356	0.4%	223	18
Professional Services	£440,816	0.4%	151	25
Healthcare	£398,966	0.4%	500	28
Animals & Farming	£358,923	0.4%	300	9
Financial Services	£343,803	0.3%	595	8
Marketing & Media	£293,331	0.3%	327	42

Angus Council Annual Procurement Report 2018/19

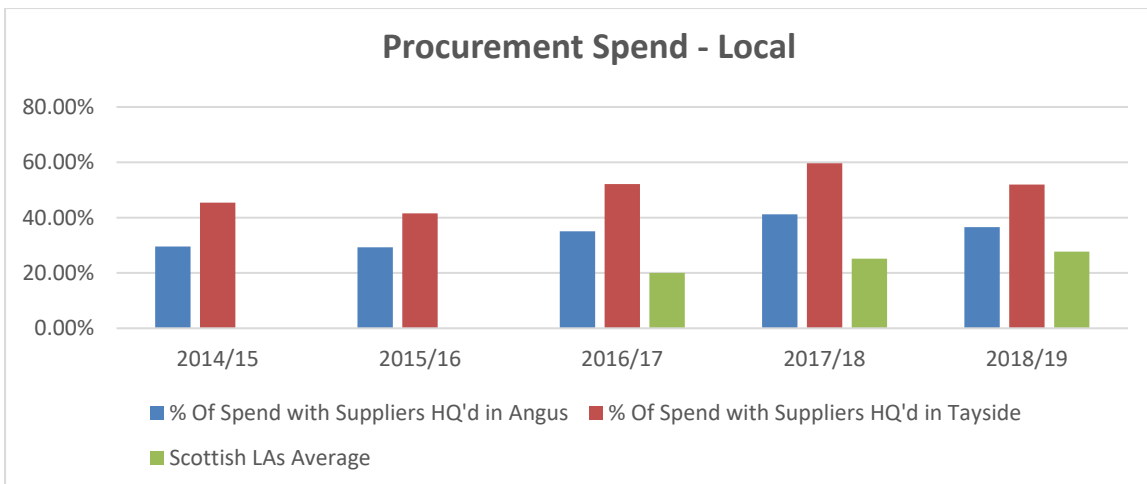
Stationery & Office Products	£202,400	0.2%	1,490	9
Other Goods & Services	£150,454	0.1%	965	2
Legal	£38,642	< 0.1%	137	11
Laboratory	£23,975	< 0.1%	23	5
Clothing	£19,935	< 0.1%	25	6
Retail & Wholesale	£15,624	< 0.1%	165	8
Personal Care	£2,000	< 0.1%	1	1
	£102,444,996	100.0%	72,348	1,105

Local Spend

In 2018/19, **189** of Angus Council core trade suppliers (total 1,950) were locally based (**10%**). This next table and chart show the proportion of Angus Council spend with Angus-based and Tayside-base suppliers over the last 5 full financial years compared to the Scottish local authority average.

Table 5.1 / Chart 5.1 Local Spend

Year	% Of Spend with Suppliers HQ'd in Angus	% Of Spend with Suppliers HQ'd in Tayside	Scottish LAs Average
2018/19	37%	52%	28%
2017/18	41%	60%	25%
2016/17	35%	52%	20%
2015/16	29%	42%	27%
2014/15	30%	45%	26%



[Table 5.2](#) shows Angus Council's ranking amongst other Scottish local authorities in terms of the proportion of their 2018/19 procurement spend with suppliers headquartered in their area.

Table 5.2 Scottish Councils' Local Spend

Scottish Council	Local Spend %	Rank	RESAS Classification for the rural economy (Note 1)
Shetland Islands Council	48.9%	1	Islands and Remote Rural
Orkney Islands Council	47.7%	2	Islands and Remote Rural
Highland Council	43.5%	3	Mainly Rural
Comhairle nan Eilean Siar	42.7%	4	Islands and Remote Rural
City of Edinburgh Council	41.8%	5	Larger Cities
Angus Council	36.6%	6	Mainly Rural
Scottish Borders Council	36.4%	7	Mainly Rural
Fife Council	35.5%	8	Urban with Substantial Rural
Dundee City Council	34.1%	9	Larger Cities
Glasgow City Council	33.1%	10	Larger Cities
Falkirk Council	32.3%	11	Urban with Substantial Rural
Inverclyde Council	31.4%	12	Urban with Substantial Rural
Renfrewshire Council	29.9%	13	Urban with Substantial Rural
West Lothian Council	28.9%	14	Urban with Substantial Rural
Dumfries & Galloway Council	28.6%	15	Mainly Rural
Aberdeenshire Council	28.0%	16	Mainly Rural
Argyll and Bute Council	28.0%	17	Islands and Remote Rural
North Lanarkshire Council	27.1%	18	Urban with Substantial Rural
South Ayrshire Council	26.6%	19	Mainly Rural
The Moray Council	23.9%	20	Mainly Rural
Aberdeen City Council	21.5%	21	Larger Cities
Perth & Kinross Council	20.4%	22	Mainly Rural
East Lothian Council	19.4%	23	Mainly Rural
Midlothian Council	18.1%	24	Urban with Substantial Rural
South Lanarkshire Council	18.1%	24	Urban with Substantial Rural
East Ayrshire Council	17.7%	26	Mainly Rural
Stirling Council	17.7%	27	Urban with Substantial Rural
North Ayrshire Council	17.4%	28	Urban with Substantial Rural
East Dunbartonshire Council	17.2%	29	Urban with Substantial Rural
Clackmannanshire Council	15.6%	30	Mainly Rural
West Dunbartonshire Council	10.9%	31	Urban with Substantial Rural
East Renfrewshire Council	8.9%	32	Urban with Substantial Rural

Note 1

This classification comes from research published by Scottish Government's Rural & Environment Science & Analytical Services - <https://www.gov.scot/publications/understanding-scottish-rural-economy/>.

In addition to this spend analysis, analysis of contracting activity with reference to Angus businesses' success in applying for Angus Council contract opportunities has also been undertaken, starting from this year 2018/19 and the results are shown in [Table 5.3](#) below:

Table 5.3 Local Businesses Interest in Angus Council Contract Activity 2018/19

Angus Business Interest 2018/19	Total	Angus	%
Interest Noted in Council Opportunities	846	116	14%
Bids Submitted for Council Opportunities	231	37	16%
Successful Suppliers	168	44	26%

Note: "Bids submitted" is an analysis of the responses submitted to the Public Contracts Scotland (PCS) electronic post box. Not all contracts awarded use PCS and not all PCS competitions have used the PCS electronic post box. That is why the number of successful suppliers based in Angus can exceed the number of bids submitted from Angus-based suppliers.

Angus Council has historically committed itself to using its procurement spend to support the positive impact on our local economy as fully as possible. We have an ambitious "Buying Local Procurement Policy" (available at this [link](#)) which sets out our medium terms strategy to deliver a leading approach to "buying local".

This data indicates that Angus Council continues to "punch above its weight" in terms of the benefit it delivers to the local Angus economy from its procurement activity, particularly as a rural local authority. [Table 5.2](#) shows that it ranks 6th in Scotland overall on this measure and 2nd in Scotland behind only Highland in the "mainly rural" local authority area classification. This has been achieved by very proactive application of lotting contracts down to micro / trade level and pre-tender work on published contract opportunities. This all comes at a cost however in terms of use of procurement / economic development staff resources and it remains to be seen how sustainable this ambition is in the context of the strategic aim of Angus being a smaller, leaner, more digital council by 2020.

Angus businesses have been proportionately more successful in winning Council contract opportunities than the numbers that have expressed interest in or submitted bids. This indicates that the Council's supplier selection and tender evaluation criteria are properly reflecting the valid advantage that locally sourced supply can offer, without breaching procurement rules around equal treatment of and non-discrimination amongst bidders.

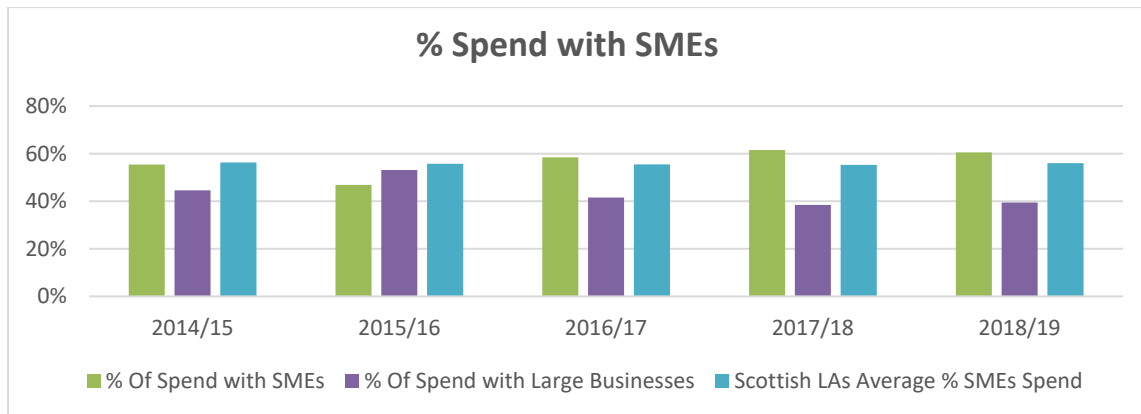
Spend by Supplier Size / Type

The share of spend with SMEs is considered to be an important indicator of economic health - as at March 2018, SMEs accounted for 99.3% of all Scottish private sector businesses in 2018, 54.9% of private sector employment and 41.5% of private sector turnover (source: Scottish Government [Businesses in Scotland – Key Facts](#)).

In 2018/19, **873** of Angus Council's suppliers were SMEs (Small to medium Enterprises) out of the total core trade suppliers of 1,950 (**45%**). The following table and chart show the proportion of Angus Council spend with Small/Medium Enterprises (SMEs) over the last 5 full financial years compared to the Scottish local authority average, where available.

Table 6.1 / Chart 6 SME Spend

Year	% Of Spend with Small Businesses	% Of Spend with Medium Businesses	% Of Spend with SMEs	% Of Spend with Large Businesses	Scottish LAs Average % SMEs Spend
2018/19	27%	33%	61%	39%	56%
2017/18	23%	38%	62%	38%	55%
2016/17	24%	34%	58%	42%	56%
2015/16	19%	28%	47%	53%	56%
2014/15	21%	34%	55%	45%	56%



This data indicates that Angus Council’s share of spend with SMEs has been close to or ahead of the Scottish Councils’ average over the last 5 financial years. This indicates that the Council’s practices to maximise the opportunity of access by SMEs to Council contracts are working successfully. In essence, the same approaches as maximise local supply opportunity also support SME access.

Further analysis has also been undertaken of the proportion of Angus Council contracting activity by third sector body. A summary forms [Table 6.2](#) below:-

Table 6.2 – Third Sector Contracting Activity and Spend 2018/19

	Third Sector	Overall	%
No. of Contracts Awarded	7	143	5%
No. of Suppliers Awarded Contracts	12	113	11%
Procurement Spend	£4,092,061	£102,444,996	4%
Local Procurement Spend	£880,668	£37,176,607	2%

This indicates that the Third Sector, particularly the locally based Third Sector, has limited involvement in Angus Council contracting. This accords with the Council’s expectation that by far the majority of its (and Angus Health and Social Care Partnership’s) resourcing of third sector bodies is (and should be) by way of grant funding. Third Sector bodies are predominantly volunteering organisations established to provide social welfare services which are not available commercially. In principle, it is disproportionate, wasteful and inappropriate to be asking Third Sector voluntary bodies to become involved in commercial public tendering activity.

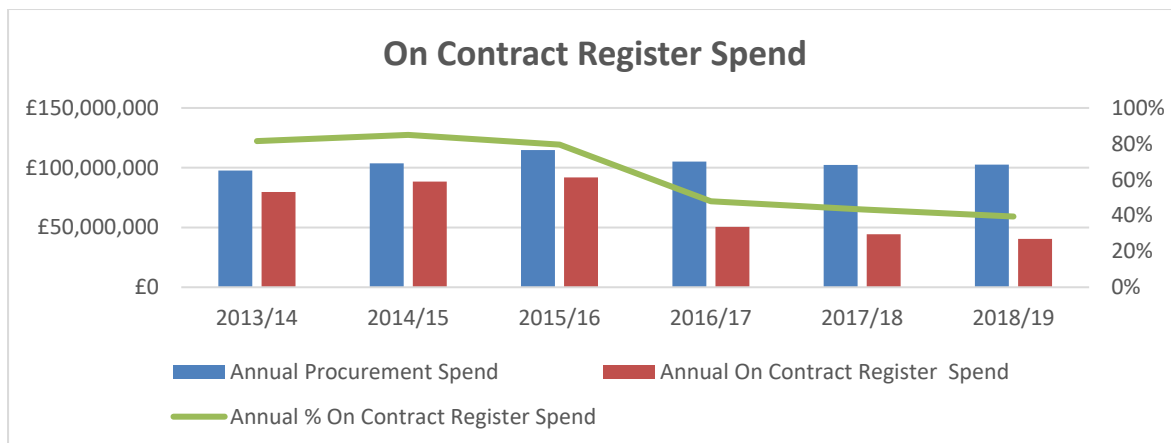
By contrast, social enterprises are businesses with a social or environmental purpose, and whose profits / surpluses are re-invested into fulfilling their mission. They empower communities, tackle social problems, and create jobs - particularly for people who are at a disadvantage in the standard jobs market. As businesses, they are going concerns with employed staff and it is justifiable and appropriate for those kind of organisations to become involved in commercial public tendering activity. In an Angus context, it is understood (although reliable data on this is hard to come by) that relatively few Third Sector organisations located in Angus currently identify themselves as social enterprises. In those cases, where there is a market, then the opportunity generally needs to be subjected to competition (subject to the rules on “reserved contracts – see below under “Supported Businesses”).

On-Contract Spend

The following table and chart show analysis of the Council's total procurement spend with reference to how much of it is with a contracted supplier listed on the Council's contracts register.

Table 7 / Chart 7 On-Contract Register Spend

Financial Year	Annual Procurement Spend	Annual On Contract Register Spend	Annual % On Contract Register Spend
2018/19	£102,550,428	£40,472,875	39%
2017/18	£102,329,499	£44,377,425	43%
2016/17	£105,109,141	£50,539,558	48%
2015/16	£114,751,336	£91,919,417	80%
2014/15	£103,676,069	£88,405,767	85%



The proportion of procurement spend with suppliers on the Council's contracts register has shown a worrying decline over the past 3 years. From anecdotal evidence this is believed not to be a trend towards increased “maverick spend” (i.e. with non-contracted suppliers but rather poor maintenance of the Council's contracts register, with contracts being allowed to expire from the register when in fact they have been extended in according with their terms (options to renew). There also seems to be poor / inconsistent use of the alert functionality within the contracts register to prompt early attention to term contract renewal activity. That reflects a knowledge gap in the

Council's extended authorised procurement officer community and a lack of understanding as to the value of the Council's corporate contracts register as a basic procurement management tool. It also however inhibits the worth and use to the Council of annual reporting as a means to monitor our procurement spend and manage our activity.

Part 2 – Review of Regulated Procurement

The Purpose of this Part

Section 17 of the 2014 Act makes it mandatory for regulated procurements to be carried out in accordance with the organisation’s procurement strategy. Section 18 (2) states that an annual procurement report must include “a review of whether those procurements complied with the authority’s procurement strategy” and “the extent to which any regulated procurements did not comply, and a statement detailing how the organisation will ensure that future regulated procurements do comply”.

The annual procurement report provides an opportunity to assess how procurement has contributed to the achievement of the wider strategic objectives of the organisation objectives and to the general duties in the Act that should have been reported in the published procurement strategy. The legislation requires organisations carry out an assessment of how they have delivered against the objectives identified in the procurement strategy during the reporting period. It is in Angus Council’s interest to carry out this review in a way which allows for the identification of where there is still scope for improvement. This will help us in the task of reviewing its procurement strategy for the forthcoming period.

The Angus Council Procurement Strategy 2018/19 is available on the Council’s website at this [link](#). The procurement strategy is linked to the then Angus Council Plan 2014/17. This is also available on the Council’s website at this [link](#). In order to support delivery of the updated Council Plan, the Procurement Strategy 2017/18 included 4 key objectives:-

- 1. Procurement Capability Development
- 2. Maximising Efficiencies through Procurement
- 3. Development of Collaborative Opportunities
- 4. Fulfilment of Sustainable Procurement Duties

Performance of Angus Council procurement for the report period is measured against each of those objectives in turn.

Key Objective 1 - Procurement Capability Development

Ambition 1.1 Knowledge & Skills

To use the knowledge and skills of our staff, in order to embed a more strategic and commercial approach into all of the Council’s functions and purposes

Results

The high spend areas for the Council (social care and construction) are managed by teams with dedicated or embedded procurement resource. The good compliance with legal requirements in Angus Council procurement activity and lack of successful challenges are evidence of adequate staff procurement knowledge and support on the tactical tendering aspects.

Angus Council invests in staff development and procurement is no exception. This is recognised in the Council’s PCIP assessment (see below). However it remains the case that the Council has a large cohort of authorised procurement officers (200+) some of whom are only peripherally and/or rarely

involved in procurement. Anecdotal evidence also persists of some high value procurements being managed by staff with little procurement knowledge or experience.

Angus Council internal procurement policy (set out in Procurement Guidance Note 21 "Guidance on Carrying Out Development Needs Assessment of Authorised Procurement Officers") recommends that the full a "Procurement Competency Framework" assessment is only applied if the authorised procurement officer (APO) is authorised in all 3 strategic, tactical and operational areas and undertakes those functions as all or the larger part of their duties. Otherwise a light touch assessment may be applied. The guidance and the assessment models are made available beside the Council's management competency framework as part of its appraisal scheme. There is little evidence however of them being consistently applied to all APOs as envisaged.

In the absence of development needs assessment covering the full procurement function, the overall training need is unknown and a corporate procurement training plan cannot be developed. In any event, however, beyond limited development of some more e-Learning procurement training during 2018/19, there is no real capacity in the corporate team to deliver procurement training to the wider Council procurement function.

Reliance is therefore placed on chief officers making arrangements in line with Financial Regulations responsibilities to assess the procurement training need of the APOs within their own functions and to make provision within their departmental training plans to meet APO's training needs.

There is a lack of corporate assurance that this ambition is being met. If procurement capability is to be developed with particular reference to strategic and commercial approaches, a whole Council approach is needed, focussed on the assessed development needs from the results of a procurement competency framework assessment of all holders of APO posts. A resourced development plan would emanate from that. To make that feasible and realistic either a reduction of or at least a prioritisation within the current APO cohort is required.

Addressing the overall capability of the Council's procurement function is part of the benefit sought from development of a full Tayside shared procurement service. Active progress of that project commenced in June 2019, shortly outwith the time scope of this annual report. However, it is still the case that to fully meeting this ambition should be sought as an outcome from the shared service and it is not appropriate to take further Angus Council-only action on this ambition at this time.

It may also be noted that capacity of the Procurement & Commissioning team to meet both increasing and new demands particularly in adult care contracting but also in children / families and schools & learning contracting has become a continuing problem, exacerbated by more than half of the team being seconded to other priority projects / opportunities for periods of years. Again this is something that can be better addressed by the greater

scope for resource flexibility that a single specialist and larger team if offered by the proposed Tayside shared procurement service.

Ambition 1.2 Governance

To ensure that all procurement activities are undertaken in a consistent, robust, transparent and accountable manner, in accordance with all relevant governance.

Results

Angus Council’s formal procurement governance is reasonably up-to-date. A review of the Council Section 16 Financial Regulation procurement arrangements concluded in December 2017. This link refers: [Agenda Item No 7 - Report No 404/17 - 2017 Review of Financial Regulations Section 16 \(Procurement Arrangements\)](#). This confirmed that Fin Regs achieved full consistency with current procurement legislation. That remains the case with no significant changes in procurement legislation since then.

An Angus Council internal audit was carried out and a Report 17-05 “Corporate Tendering Process and Contractual Arrangements” was issued in October 2017. This report concluded that:

1. Procurement Processes are carried out in accordance with organisational policy and procedures and in compliance with all relevant legislation, including EU rules.
2. Management plan and operate the procurement process effectively, achieving value for money.
3. Procurement methods are supported by a robust system of appraisal of various options. Ensuring appropriate balance between price and quality.
4. Contract monitoring guidance is in place which establishes clear procedures and relevant roles and responsibilities in relation to the management of external suppliers.
5. There is a clear performance reporting framework with sufficient information available to inform regular assessment of external provider performance.

The level of assurance found was “Comprehensive Assurance” meaning that there is a sound control framework in place designed to achieve the system objectives, which should be effective in mitigating risks. Some improvements in a few, relatively minor, areas may be required, and any residual risk is either being accepted or addressed by management.

This evidence offers assurance that this ambition is being met.

Ambition 1.3 Awareness

To keep the Council up to date with the latest developments in the wider procurement environment and maintain an awareness of current cross-functional procurement practices.

Results

The Council had an active Corporate Procurement Group in 2018/19, meeting approximately quarterly. One of the functions of this group is to ensure mutual awareness amongst departments of cross-functional

procurement practices. It also receives and distributes practice updates from the corporate team.

The group has been in operation for some years however and its membership and remit should be reviewed.

In broad terms this ambition is being met but with scope for improvement in relation to development needs assessment as for Ambition 1.

Ambition 1.4 Continuous Improvement

To strive for continuous improvement in procurement, as measured by the Scottish Government’s Procurement and Commercial Improvement Programme (PCIP).

Results

On 4th April 2019, Scotland Excel carried out a Procurement and Commercial Improvement Programme (PCIP) assessment of Angus Council as part of the second round of such assessments of local authorities in Scotland. This was our second PCIP assessment. The focus of PCIP is on the policies and procedures driving procurement performance and, more importantly, the results they deliver.

The PCIP scoring system consists of 24 questions divided into four sections which cover the breadth of procurement activity. Each question is worth a possible four marks. The scoring bandings are:

A table follows with 2 columns and 13 rows, row 1 is the header

Performance Band	% Score
F1	>70%
F2	66<>69%
F3	61<>65%
F4	56<>60%
F5	51<>55%
F6	46<>50%
F7	41<>45%
F8	36<>40%
F9	31<>35%
F10	26<>30%
F11	20<>25%
F12/Non-Conformance	>19%

In our first PCIP assessment in 2017, Angus Council received an overall score of 44% (F7 band). In the 2019 assessment Angus Council received an overall score of **51%**, placing it in the **F5 Band**. This shows evidence of continuous improvement which is welcome and offers assurance that this ambitions is being met.

It is however indicative of continued incremental and not transformational improvement. Because the PCIP is not intended to produce a league table, Scottish local authority average results are nor published by Scotland Excel or Scottish Government. It is believed however that Angus’s Council’s PCIP grading is below the Scottish average. By way of comparison our Tayside partners’ 2019 PCIP scores are significantly higher:

- Dundee City Council – 69.0% Band F2
- Perth & Kinross Council - 70.0% Band F1

This is felt to be reflective of higher investment in central procurement teams and more centralised / co-ordinated procurement arrangements than apply in Angus.

The summary feedback from the assessment was that it was apparent to the assessors that the corporate team has a clear understanding of what is required, moving forward, to allow the Council to continue on an upward curve of development. The PCIP identified a number of areas where Angus Council is performing strongly, such as:

- Organisational Procurement Strategy
- Resource & Skills
- Capability

It also identified a number of areas where there is some room for further improvement, such as:

- Fraud Awareness & Prevention (training)
- Contractual Obligations & Additional Benefits
- Contract Compliance

The PCIP report has been shared widely within the Council. No improvement plan has been developed at this stage because the Council's strategic procurement improvement priority is to deliver implementation of the Tayside shared procurement service. Investment in this focussed service will in turn will be the future vehicle to drive improvement in procurement performance. The corporate procurement team's belief from its knowledge of the Council and analysis of PCIP results is that the approach which will drive improvement is:

- Commitment to a strategic "category management" procurement model with adequately resourced specialist teams looking after their categories of spend
- Greater focus on driving value from challenge of need and review of specifications pre-tender / demand management and contract and supplier management with a greater focus on achieving improved value and not just contract terms compliance.

Key Objective 2 - Maximising Efficiencies through Procurement

Ambition 2.1 Best Value Contracts

To ensure that appropriate contracts are in place for all of the Council's requirements and that these deliver Best Value.

Results

Angus Council's procurement function carries out a high volume of contract activity every year. This is shown in [Table 1.1](#) and [Charts 1.1](#) and [1.2](#). That high level of activity is required to meet the Council's requirements.

The Council has sound governance in place to ensure that contract awards are evaluated to achieve best value – reference is made for example to:

- Financial Regulation 16.14 "TENDER EVALUATION" which requires that all tenders received shall be evaluated and contracts awarded on the basis of the most economically advantageous tender ("MEAT") which will include price or cost and quality criteria, not just lowest price. This reflects the legal position but applies it below regulated procurement thresholds.

- Internal Audit report 17-05 “Corporate Tendering Process and Contractual Arrangements” issued in October 2017 and which concluded amongst other things that:
 - ❖ Management plan and operate the procurement process effectively, achieving value for money.
 - ❖ Procurement methods are supported by a robust system of appraisal of various options. Ensuring appropriate balance between price and quality.

At the same time, it should be reflected on that the Council is becoming more enabling / commissioning in its approach. This aligns itself to the Council’s strategic aim of being a smaller, leaner, more digital Council by 2020. This increases the demand for service on the procurement function but with less staff to do so. A sustainable solution to this change in paradigm has to be found – the key approach would be to have larger contracts for bigger values with less procurement resource expended on every £ of spend. A collaborative shared service lends itself to that approach. Aggregating spend into bigger contracts could however negatively impact on the Council’s ambitions to support local and SME suppliers. As such different strategies beyond lotting contracts on town / trade bases will have to be considered, e.g.:

- Mandatory sub-contract opportunity advertisement with more transparency on the supply chain below “tier 1” (direct supplier to the Council);
- Mandatory tier 1 supplier “meet the buyer” events for local suppliers to support visibility around sub-contract opportunities;
- Active monitoring of tier supplier adherence to timely payment clauses for sub-contractors and action on default;
- Use of Project bank Accounts to protect lower tier suppliers from risks around tier 1 supplier insolvency; and
- Deeper community benefits reporting for more contracts in terms of jobs created / maintained, etc.

Ambition 2.2 e-Procurement

To facilitate the modernisation of business processes across the Council through the implementation and development of electronic procurement solutions.

Results

Angus Council monitors its performance on e-Purchasing through its published Statutory Performance Indicators (SPIs), specifically:

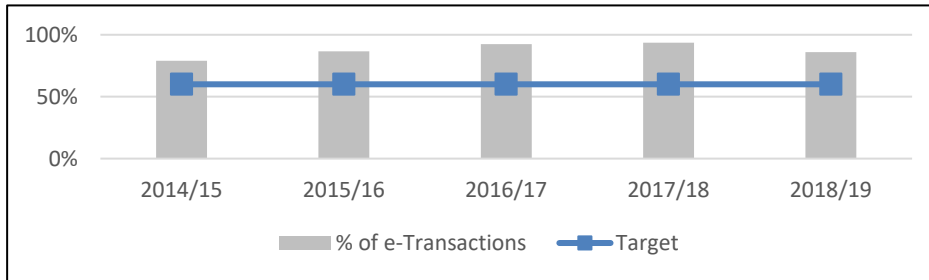
RF_022 % total transactions that are e-transactions (through an e-procurement system)

Published performance reporting on this measure is available online at this [link](#). This metric measures the proportion of transactions through our e-Purchasing systems (e.g. PECOS, Archimedes, Northgate Housing) compared to manual purchasing processes. [Table 8](#) and [Chart 8](#) below show performance on that KPI over time:

Table 8 e-transactions

	2014/15	2015/16	2016/17	2017/18	2018/19
Target	60%	60%	60%	60%	60%
% of e-Transactions	79%	87%	92%	94%	86%

Chart 8 e-transactions



This data gives assurance that this ambition is being met. This indicator is becoming a bit dated however and may merit discontinuation and replacement by the broader / more relevant Digital Angus metrics.

The Council has embarked on a Change Programme project (EC003-03) for the review of its Purchase-to-Pay (P2P) transactional arrangements started in 2018/19 and due to complete in 2020. This will take the efficiency benefits offered by maximising e-Purchasing by the Council (including e-Invoicing which must be in place by 18 April 2020) to their logical conclusion.

The Council also makes good use of the Public Contracts Scotland (PCS) advertising and e-tendering portal. No corporate metrics are kept about the numbers of manual transactions not addressed through the portal (it would be possible if the corporate contract referencing system was used for all contracts) but there is a question over the worth of such a metric given the large numbers of contracts being dealt with through PCS and the “natural” move to greater / better use of e-Procurement systems to increase efficiency in the light of lower staff numbers.

Angus Council did not use the PCS Tender full tender and contract management system during 2018/19. That was a choice made by the Corporate Procurement Group on the grounds of a pilot of the system having (1) found it unduly burdensome for Council purposes and (2) concerns about adverse impact on the local contracting community.

Ambition 2.3 Management Information

To utilise Management Information (MI) effectively ensuring that procurement operates according to our core set of indicators and measures for best practice.

Results

This data set out in this annual report shows that MI from the procurement systems available to the Council is being used to provide core performance indicators and measures. This offers sufficient assurance that this ambition is being met for now.

However, there is scope for improvement, particularly around:

- Re-scoping our performance indicators to ensure ongoing relevancy
- Benefits realisation from procurement activity especially for cashable savings arising from our “local” (category C) procurement activity
- Using MI from our suppliers to check performance
- Monitoring and controlling on / off contract purchasing

Ambition 2.4 Cost Savings

To identify cost saving opportunities.

To support Services in the identification and delivery of cost savings.

To realise financial and efficiency savings in the successful procurement of contracts, through proactive Contract and Supplier Management.

Results

We continue to achieve savings opportunities through our collaborative / national procurement activity but that only accounts less than 20% of our annual procurement spend. Angus Council publishes that SPI and it is available online at this [link](#). The SPI title is:

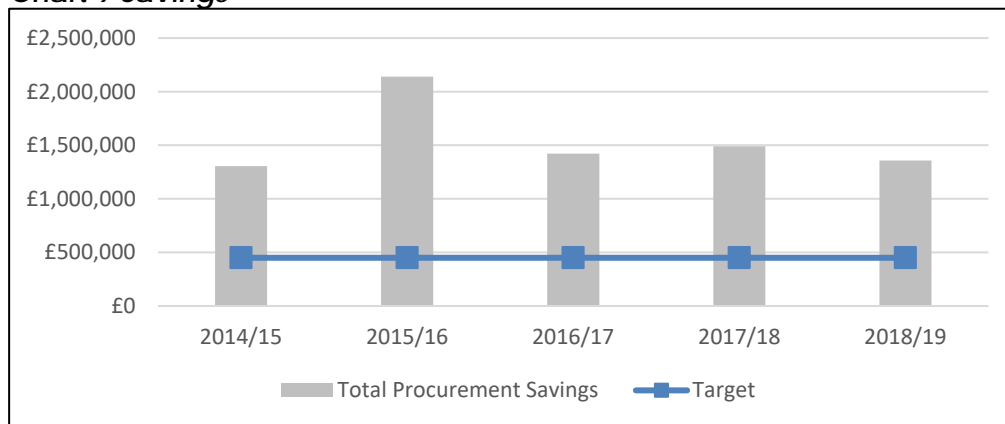
RF_020 Total procurement savings achieved year-on-year, including both cash and non-cash.

[Table 9](#) and [Chart 9](#) show performance upon that SPI over time. The saving figure represents the savings opportunity calculated by Tayside procurement consortium on collaborative contracts along with non-cash savings in staff time by use of electronic purchasing systems.

Table 9 Savings

	2014/15	2015/16	2016/17	2017/18	2018/19
Target	£450,000	£450,000	£450,000	£450,000	£450,000
Total Procurement Savings Opportunities	£1,304,536	£2,139,662	£1,421,129	£1,490,191	£1,356,716

Chart 9 Savings



This data indicates ongoing procurement savings opportunities being achieved annually of between £1M and £2M, well above target (£450K). It does not equate to cash revenue savings which can be deducted from budgets – it is savings opportunity. Council policy has historically been that the surplus of savings after meeting corporate costs (e.g. Scotland Excel membership) are available to departments to apply towards the cost of delivery of services. It is also not split amongst revenue, capital and HRA budgets. Nonetheless, it is a real benefit and has been delivered.

However, there is scope for improvement:

- We do not systematically report / capture savings achieved through the bulk of our procurement activity, i.e. "local" category C procurement.

That is not to say that procurement savings are not being achieved for that activity; rather that we do not record or report them.

- We do not systematically identify benchmarks against which savings can be assessed.
- Although our procurement authority reporting is very thorough, we do not yet commit ourselves as a Council to development of contract strategies in advance of the procurement exercise which (like a business case for the Change programme) have benefits realisation built-in (the “why?” of the project)
- We have made a start to centralised visibility and co-ordination of forward planning our procurement. We could, if we chose to, build on that in terms of a more strategic approach and up-front commitment to benefits tracking.

Key Objective 3 - Development of Collaborative Opportunities

Ambition 3.1 Collaboration

To identify and actively participate in all appropriate collaborative opportunities

Results

In 2018/19:

- Angus Council used 21 out of 22 national Scottish public sector framework agreements provided by the Scottish Procurement and Commercial Directorate of the Scottish Government (95%)
- Angus Council participated and used 58 of an available 65 Scotland excel framework agreements (89%).
- Angus Council used 24 out of 24 available Tayside Procurement Consortium contracts and framework agreements (100%).
- Any collaborative contracts and framework agreements not used were due to Angus Council having a current local contract arrangement which was preferred/delivered better value.

Scottish Procurement provides its services at no additional cost to the Scottish public sector.

Scotland Excel is funded by contributions from its members (all 32 Councils) and associate members. Council contributions are linked to population and Angus Council's contribution for 2018/19 was £81,879 (with an additional fee of £4,651) for optional management services relating to the national care home contract). Annex 5 to this report sets out an infographic summary of Scotland Excel's performance in 2018/19.

Tayside Procurement Consortium is funded equally by the 3 members Councils – Angus Council, Dundee City Council and Perth and Kinross Council. Tayside Contracts is an associate member. Angus Council's contribution for 2018/19 was £86,048.

All this is evidence of participation in a high degree of available collaborative procurement.

In terms of spend, Angus Council’s collaborative and non-collaborative spend for 2018/9 was as follows:

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Collaborative	£21,022,151	(20%)
Non-Collaborative	£81,527,042	(80%)
	<u>£102,549,193</u>	

The large majority of procurement spend is still addressed and managed by Angus Council staff applying a devolved procurement model. A business case has been prepared and approved by the Tayside Executive Group, the 3 Chief Executives of the 3 Tayside Councils, which makes the case for increased benefit being achieved by increased collaboration in Tayside. This formed the basis of the Tayside Collaborative shared procurement service project which initiated in June 2019. Use of the shared service should be mandatory for all procurement with only approved exceptions if the benefit identified by the business case is to be realised.

Ambition 3.2 Forward Planning

To prepare forward plans to share with TPC and wider public sector to maximise collaborative opportunities.

Results

Section 18(2) of the Procurement Reform (Scotland) Act 2014 states it is mandatory that an annual procurement report must include “a summary of the regulated procurements the authority expects to commence in the next two financial years.” This duty aligned itself well to a commitment made in the Angus Council Plan 2017/2022 to “... publish a medium-term procurement plan to allow businesses to plan ahead.”

Acting in a transparent and proportionate manner is an effective way by which an organisation can encourage competition and achieve better value for money in its procurements. It promotes wider participation in the public procurement process and this information will give notice to suppliers of future opportunities.

Angus Council produced a 2-year forward plan with its first annual report. A rolling update is provided as [Annex 7](#) to this report. It continues to be used to both inform and advise the supply community as early as possible of forthcoming Council contracting opportunities and to identify future collaboration opportunities.

This will be continue to be available on Angus Councils “buyer profile” under the Public Contracts Scotland’s website under the “Purchase Plans” tab at this [link](#).

This ambition is being achieved.

Improvement opportunities exist in terms of how the Council and its partners use this forward planning to maximise collaborative opportunities.

Ambition 3.3 Communication

To improve on the level and methods of communication with all internal and external stakeholders.

Results

The corporate procurement team is responsible for the majority of procurement communications by Angus Council with internal and external stakeholders.

The team updated its communications plan to support this activity in 2017/18. In summary this identifies the following key stakeholders:

- Commodity users
- PECOS Users
- Authorised Procurement Officers
- Senior Management
- Corporate Procurement Group
- Tayside Procurement Consortium
- Elected Members
- Suppliers

and sets out the methods of communications with them on the following key activity areas:

- ❖ Procurement Strategy/Annual Report
- ❖ Procurement Process Guidance
- ❖ Council Policy Communications (Development & Revision)
- ❖ Legislative Updates
- ❖ Scottish Government Procurement Action Notes and Policy Notes
- ❖ New Contract Information
- ❖ TPC Management Team Update

The communication methods used include:

- Corporate Procurement Group
- Yammer procurement page
- Website / intranet messages
- Customer surveys
- Direct e-mail
- Meet the Buyer events

This evidence indicates that Angus Council corporate procurement has a sound approach to communications.

Key Objective 4 – Fulfilment of Sustainable Procurement Duties

Ambition 4.1 Sustainable Procurement

To achieve improved standards of sustainable procurement throughout the Council, in accordance with the duties set out within the Procurement Reform (Scotland Act) 2014.

Results

Angus Council has for some years adopted a sustainable procurement policy and this is available online at this [link](#). In addition the Procurement Reform (Scotland Act) 2014 [Section 9](#) imposes a sustainable procurement duty on the Council to "to consider how in conducting the procurement process it can

- (i) *improve the economic, social, and environmental wellbeing of the authority's area,*
- (ii) *facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and*
- (iii) *promote innovation".*

The duty is a strategic one in that it applies before we kick off a regulated procurement by publishing a contract notice. It must also be carried through into practice to secure these projected sustainable benefits.

Angus Council Financial Regulations (FR16.8.3) ensure that the sustainable procurement is addressed in every Committee report seeking authority to procure. Chief Officers apply it at their discretion (acting proportionately) for procurements within their delegated authority (non-regulated procurements).

Angus Council has had relevant guidance in place as part of its corporate procurement manual for some time:

- PGN (Procurement Guidance Note) 5 – Contract Specification (including sustainability)- last updated Apr 2012
- PGN 28 – An Introduction to Sustainable Procurement – last updated December 2013

Over the last few years Scottish Government's Procurement Journey has introduced current and comprehensive guidance on sustainable procurement.

This evidences that the Council has a sound policy and governance base to support achievement of this ambition. Observationally, there are clear examples of the Council complying with this duty in many of its procurements.

However, at the same time, it has to be recognised that the Council needs to improve at reporting achievement of its compliance with the sustainable procurement duty. This is supported by a number of factors:

1. A Sustainable Procurement Working Group was established in 2016, however, due to staff resources and other Service priority changes, plans to develop a Sustainable Procurement Action Plan have not been taken forward and the working group is not currently in operation.
2. Successive Angus Council Climate Change Annual Reports (e.g. Report No 416/17 approved by the Policy & Resources Committee meeting on 27/11/2017; Report No 374/18 approved by the Policy & Resources Committee meeting on 27/11/2018 and Report No 336/19 approved by the Policy & Resources Committee meeting on 08/10/2019) have noted that the devolved procurement function's delivery of adequate assurance regarding meeting our climate change duty (which aligns to the environmental aspects of the sustainable procurement duty) reporting needs reviewed with no progress having been achieved since 2016 and in fact our self-assessed scoring having moved backwards in view of the lack of progress on and prioritisation of this issue.
3. An internal audit on Specification Writing is planned for 2019/20 to address, amongst other things, concerns expressed about the extent to which sustainability is or is not an embedded part of thinking in Specification development in Angus Council.

4. Initial trialling of Procurement Journey sustainable procurement tools took place. It's also fair to reflect at the same time that we have achieved a number of sustainable procurement gains in years past (e.g. sustainable timber use policy, timber pledge silver award). However this good practice has not been embedded in Council procurement practice as yet.

The issue is not one of willingness or ignorance, it's one of priority. Embedding good procurement practice in all Council procurement and setting up systematic reporting requires staff time and resource. In the current climate this has not been considered to be a priority for Council Services.

Ambitions 4.2 & 4.4 Community Benefits

To develop established methods of evaluation and recording of community benefits in the execution of individual contracts.

To work in partnership with all Services, in line with the Council Plan, to ensure that we improve the way that we work as a Council in delivering services which benefit the area and communities we operate in.

Results

Section 18(2) of the 2014 Act states that it is mandatory for an annual procurement report to include "a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report". This duty only applies to regulated procurements at or above a value of £4 million.

Angus Council has a strong policy and practice base in place for delivering community benefits from procurement. A full policy and guidance package was developed on a partnership basis with Dundee City and Perth & Kinross Councils. The Angus version is available on the Council's procurement page at this [link](#). The published version is complemented by detailed internal guidance and documentation (set out in Procurement Guidance Note (PGN) 35). The guidance has been in place now since October 2015.

The Council's economic development team have been instrumental in operational implementation of community benefits approaches in Angus Council procurement and this has included a system for capturing community benefits achieved using the Hanlon employability reporting system. Use of this same system by our other Tayside partners is being considered.

[Table 10](#) below sets out the available community benefits delivered from relevant Council procurement during 2018/19 with a comparison to 2017/18 figures, where available.

Table 10 Community Benefits in Procurement 2018/19

Benefit Obligation	Explanation	2018/19	2017/18
Apprenticeships			
Apprentice - Project initiated	Number of apprenticeships created	1	

Existing Apprenticeship	Number of continuing apprenticeships supported	3	5
Shared Apprentice Weeks	Number of shared apprenticeships weeks delivered (total)	28	
Work Experience			
Work Experience - Angus	Number of work experienceships created	2	
Work Experience - Dundee	Number of work experienceships created	1	
Work Experience Placements - Employability programmes	Number of work experience placementships	7	2
Schools			
Awareness raising/Curriculum Support activities	Number of schools events held	25	2
Awareness raising/Curriculum Support no of participants	Number of participants in schools events	4,809	
Local Economy			
Supplier Development Activities	Number of local supplier development events held (total)	1	
Supplier Development Hours	Number of hours spent by main contractors local supplier development activity (total)	40	
Local Spend	Spend by main contractor with local businesses (Angus located)	£1,479,774	£1,457,800
Employment			
Jobs Advertised	Average %age of job opportunities advertised locally	0%	
Local Labour %age	Average %age of local jobs from candidate procurements	30%	
New Start	Number of new job starts created	-	
Community Donation			
Donations - funds	Donations to Angus community causes(cash)	£0	
Donations - surplus materials	Donations to Angus community causes	2	

All of the above is from procurement projects within scope of current Angus Council community benefits policy / practice, namely construction projects of a value of £2M and above.

Angus Council has a sound process in place to achieve and report on community benefits achieved from its procurement activity. Improvement continues in 2018/19 on the position reported for 2017/18. Collaboration both within the Council and with our Tayside partners is already evident and continues to develop.

There is scope for future improvement by:

- Broadening the scope of the procurement projects addressed in its community benefits in procurement policy and practice (subject to addressing any resource implications that may come with that);
- Developing its reporting process to capture all community benefits activity, including that by internal teams such as delivering / participating in “Meet the Buyer” events; and
- Considering the scope / case for specialist resourcing of community benefits management, possibly on a collaborative basis.

Ambition 4.3 Local and Other Economic Support

To continue to support and improve access to procurement opportunities for SMEs, including local businesses, Third Sector Bodies and Supported Businesses.

Results

Angus Council publishes its performance in terms of the proportion of its procurement spend with locally-headquartered suppliers and with Small / Medium Enterprises (SMEs). The former is now a national measure managed amongst the Scottish local government benchmarking forum and is reported by the Council as is published by the Council as a SPI:-

ECON4_CEED_078 % of procurement spent on local small/medium enterprises

Angus council’s performance on this metric is available online at this [link](#).

Local SMEs

The data for performance on this measure is set out in the [Local Spend](#) and [Spend by Supplier Size](#) sections of Part 1 of this report.

The summary conclusions on local spend are set out there too (in short, Angus Council continues to “punch above its weight” and exceed its ambitions in terms of the benefit it delivers to the local Angus economy from its procurement activity).

The data on SMEs indicates that Angus Council’s share of spend with SMEs has been close to or ahead of the Scottish Councils’ average over the last 5 financial years. This indicates that the Council’s practices to maximise the opportunity of access by SMEs to Council contracts are working successfully. In essence, the same approaches as maximise local supply opportunity also support SME access.

Third Sector Bodies

The data analysis in the section [Spend by Supplier Size / Type](#) and [Table 6.2 – Third Sector Contracting Activity and Spend 2018/19](#) above provide evidence that the Third Sector, particularly the locally based Third Sector, has limited involvement in Angus Council contracting. As noted in the part above, this accords with the Council’s expectation that by far the majority of its (and Angus

Health and Social Care Partnership's) resourcing of third sector bodies is (and should be) by way of grant funding.

The Council plans a strategic review of its Third Sector contracts / grants and relations during 2019/20 with a view to transforming how we jointly provide services with our Third Sector partners. This data analysis will be fed into that review and, in turn, the results of that review will inform / be aligned to the Council's organisational procurement strategy through the statutory review process.

Supported Businesses

Section 18(2) of the 2014 Act requires organisations to include *"a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report"*. Supported businesses are social enterprises whose main aim is to integrate disabled or disadvantaged people socially and professionally. Their workforce must be at least 30% disabled or disadvantaged. Scottish Government's policy is that every public body should have at least one contract with a supported business.

Angus Council is aware of and makes limited use of Scottish Procurement's *"Commodities Reserved for Supported Businesses"* (Contract Reference – SP-18-11. Specifically, in 2018/19 a contract was placed with Dovetail Enterprises for c. £6K value (specialist furniture supply). However, decisions have been taken in the past by budget holders not to source relevant requirements from supported businesses on value for money / over-specification and capability grounds. Reconditioned furniture, signage and document management have all been trialled in the past with problems encountered in terms of poor fit to Council requirement, poor comparative value for money and poor performance reported as the outcomes from these trials.

No further steps have been taken by Angus Council this year to facilitate the involvement of supported businesses in Angus Council regulated procurements.

Part 3 – Conclusions

- The report shows highs and low of performance of the procurement function in Angus Council. Although there are areas for improvement there is much to be proud of in the Council's procurement activity.
- There are a number of high points:
 - ❖ A key highlight is local supplier support. This shows sustained high performance in excess of what might be expected of Council the size and nature of Angus Council. A key feature seems to be the sustained priority over successive administrations that has been placed on this objective.
 - ❖ Angus Council makes good use of PCS and publishes a large number of contract award notices for its awarded contracts. This goes well beyond the requirements of the legislation to publish contract award notices for only regulated procurements.
 - ❖ Exemptions authorising non-competitive action remain exceptional and are generally only requested where there is a good case for them. This supports the contention that there is a strong culture of compliance in Angus Council.
 - ❖ E-Purchasing has been embedded into Council business processes and fully integration with maximised benefit is offered by Change Programme project (EC003-03) to review of its Purchase-to-Pay (P2P) transactional arrangements.
- At the same time, there are a number of areas offering improvement opportunity:
 - The key required improvement area given the priority of maximising cash savings has to be to commit as a Council to systematic reporting / capture of savings (and other benefits) achieved through our local category C procurement (as well as our collaborative procurement as currently). That is not to say that procurement savings are guaranteed from this activity; rather that if we do not record or report them, we cannot manage them.
 - The Council's PCIP assessment of band F5 is disappointing and continues the below average ranking of Angus Council amongst Scottish local authorities. Resolution requires adoption of a comprehensive improvement plan and commitment of the resource to achieve it. Previous attempts to apply that approach have failed because the Council has been unable to commit that resource. A new approach is required.
 - There is a lack of corporate assurance that the ambition to improve procurement knowledge and skills is being met. If procurement capability is to be developed with particular reference to strategic and commercial approaches, a whole Council approach is needed.
 - The proportion of procurement spend with suppliers on the Council's contracts register has shown a worrying decline over the past 3 years. It is believed (but not known) that this is down to poor maintenance regimes and not real maverick spend. A functional contracts register is a basic tool for the Council manage its contracts corporately and effectively. It can also assist with other important functions, e.g. GDPR compliance.

- The picture overall is acceptable, given the commitment the Council has given to working with our Tayside partner Councils to achieve a full shared service procurement solution which offers the opportunity to fully address these strategic and structural issues.
- Our key objectives set out in the procurement strategy are the right ones for Angus Council. They focus attention on key improvement areas. However, they need to be prioritised further within themselves to provide focus for securing benefit now within available resources.
- To provide assurance that all possible savings have already been captured or maximised, benefits tracking and realisation needs to be adopted systematically across all Angus Council procurement. Along with maintenance of local supplier support, this has been identified as the priority for the coming year.
- The other improvement effort emphasis needs to be on strategic planning of procurement, demand management, challenge of need etc. at the beginning of the process and contract / supplier management post-tendering as that is where the greatest benefit lies.
- The Tayside shared procurement service is the right place to apply effort to achieve those other structural and strategic improvements.

Annex 1 – Annual Procurement Report: Minimum Content

This is as prescribed by Section 18(2) of the Procurement Reform (Scotland) Act 2014.

(a) A summary of the regulated procurements that have been completed during the year covered by the report.

For the purposes of this section, a regulated procurement is completed when the award notice is published or otherwise comes to an end.

(b) A review of whether those procurements complied with the contracting authority's procurement strategy.

A contracting authority is required by section 17 of the Act to ensure that its regulated procurements are carried out in accordance with its strategy.

A contracting authority should include, for example, details of how its procurement activity achieved the policies set out in its procurement strategy, how these contributed to its wider organisational aims and objectives, and highlight any other positive impacts resulting from its procurement activity.

A contracting authority should include details of policies which were not met and how these can be better achieved in future procurements.

Within its annual procurement report, a contracting authority should also include a brief statement detailing the methodology used to review its regulated procurements in relation to the requirements in section 15(5)(a)-(d) of the Act.

(c) To the extent that any regulated procurements did not comply, a statement of how the contracting authority intends to ensure that future regulated procurements do comply.

A contracting authority should consider including information on how improvement activities will address identified shortfalls and how these will be monitored and reported.

(d) A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the financial year covered by the report.

(e) A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report.

Section 9(1) of the Act sets out the specific requirements of the sustainable procurement duty on a contracting authority. This duty includes considering, before starting a procurement competition, how, by the way in which it conducts the procurement process, it might facilitate the involvement of supported businesses.

(f) A summary of the regulated procurements the authority expects to commence in the next two financial years.

Whilst it is acknowledged that at the time a contracting authority prepares its annual procurement report, it is unlikely to know what its precise requirements will be over the course of the next two financial years, it should be in a position to provide a brief forward plan of anticipated procurements relevant and proportionate to the contracting authority's size and spend. It is expected that a summary should include the subject matter, whether it is a new or re-let procurement, the expected contract notice date, expected award date and expected start date. This information gives

economic operators advance notice of future opportunities that may be offered by an authority to assist with planning.

Minimum Content

Procurement strategy minimum content	Annual procurement report minimum content
<p>Set out how the authority intends to ensure that its regulated procurements will:</p> <ul style="list-style-type: none"> • contribute to the carrying out of its functions and the achievement of its purposes; • deliver value for money; • be carried out in accordance with the General duties and the Sustainable Procurement Duty 	<p>A summary of regulated procurements completed during the year;</p>
<p>Include a statement of the authority's general policy on:</p> <ul style="list-style-type: none"> • the use of community benefit requirements; • consulting and engaging those affected by its procurements; • payment of a living wage; • promoting compliance with Health and Safety legislation; • the procurement of fairly and ethically traded goods and services; 	<p>A review of whether those procurements complied with the authority's procurement strategy;</p>
<p>Include a statement of the authority's general policy on how it intends its approach to regulated procurements involving the provision of food to:</p> <ul style="list-style-type: none"> • improve the health, wellbeing and education of communities in the authority's area; and • Promote the highest standards of animal welfare. 	<p>Where any procurements did not comply, a statement of how the authority intends to ensure future regulated procurements do comply;</p>
<p>Set out how the authority intends to ensure payment of invoices are made no later than 30 days after the invoice relating to the payment is presented.</p>	<p>A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year;</p>
	<p>A summary of any steps taken to facilitate involvement of supported businesses;</p>
	<p>A summary of regulated procurements the authority expects to commence in the next 2 financial years.</p>

Annex 2 – Glossary of Procurement Terminology

Term	Description
Best Value	The duty of Best Value in Public Services places a statutory duty on local authorities to make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance, have regard to economy, efficiency, effectiveness, the equal opportunities requirements, and to contribute to the achievement of sustainable development.
Category	<p>A collection of commodities or services sourced from the same or similar supply base, which meet a similar consumer need, or which are inter-related or substitutable.</p> <p>Also used to identify collaborative procurement levels in Scotland:</p> <ul style="list-style-type: none"> • Category A – national collaborative frameworks and contracts - for commonly purchased goods and services which can be used by all public sector organisations. Strategic lead: Scottish Procurement and Commercial Directorate • Category B - national sectoral (e.g. local government) collaborative frameworks and contracts - for commonly purchased goods and services which can be used by all organisations in that sector. Strategic lead for local government – Scotland Excel • Category C1 – regional procurement collaborations. Strategic lead for the Tayside Councils: Tayside Procurement Consortium • Category C – local procurement for the organisation itself.
CIPS	The Chartered Institute of Purchasing and Supply (CIPS) is the leading body representing the field of purchasing and supply chain management.
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit (CIPS).
Commerce	Exchange for mutual benefit and “commercial” includes the following:-
Commercial Acumen	The ability to view situations from a commercial or business perspective; knowing your market & your customers and what they want and need & how they work.
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.

Term	Description
Commercial Competence	<p>Commercial Competence is the ability to view situations from a commercial or business perspective. It's about knowing your market & your customers and what they want and need & how they work. Knowing what your competitors are up to; mainly so the connection between what we 'could do' and what we 'should do' becomes clear.</p> <p>All organisations have goals, targets and budgets and should have robust strategic goals and implementation plans. Current market and trends should be reviewed as well as the competition, organisation culture, threats and opportunities, business decisions and innovative thinking. This also helps to justify the cost-effectiveness of any budget and the resources available.</p> <p>The Scottish Procurement Competency Framework links commercial competencies to the key procurement activities.</p>
Commodity	Classification of goods & services by type for the entire Council, to give the Council the ability to accurately describe the primary business activities of their suppliers.
Commodity Strategy	Please see the Procurement Journey for guidance on commodity strategies.
Community Benefits	Community Benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social economic and or environmental benefits. Akin to "Corporate Social Responsibility" in private companies.
Contract and Supplier Management	Contract and Supplier Management is the management of post award activities and can be divided into three areas: service delivery management; relationship management and contract administration.
Contract Compliance	Items covered by a contract are procured from the contracted supplier using the contract terms.
Core Trade	For the purposes of analysis for the Scottish procurement information Hub, this is Angus Council spend with suppliers with whom over £1000 has been spent in a 12 month period, that have also been classed as a trading organisation or as a non-trade social care provider.
Corporate Social Responsibility	The idea that a company should be interested in and willing to help society and the environment as well as be concerned about the products and profits it makes.
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: Cheaper item but using more of them/cheaper daily rate but more days or 5 days of consultancy ordered and 8 days invoiced. Or challenging requirements that specify brand or other over-specification.
Delegated Purchasing Authority (DPA)	... Is the authority given to an individual to sign-off contracts. It is not to be confused with Delegated Finance Authority as it is important that there is adequate separation of duties between the individual who has finance authority i.e. the budget holder and the individual with purchasing authority i.e. who places the contract.
Delegated Purchaser Officer (DPO)	A permanent individual with Delegated Purchasing Authority (DPA).

Term	Description
Direct Award	An award of a contract to supplier without competition. This can be a compliant direct award where it is a "call off" under a Framework Agreement which allows direct award without further competition or in the exceptional cases where the procurement rules allow it, e.g. public-public co-operation agreement amongst public bodies or where negotiation is allowed because only one supplier has the legal right to provide the only product which is capable of meeting the requirement. A non-compliant direct award it outside the rules and exposes the public buyer to legal challenge, fines and awards of damages.
EU Threshold	The financial value of a public contract above which it is subject to European Union public procurement rules. See SPPN 05/2017 EU procurement thresholds from 1 January 2018 for the current threshold values.
Financial Regulations (FRs)	Angus Council's standing orders for its good financial governance, specifically its internal procurement arrangements (Section 16 of FRs)
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.
Maverick spend	Purchase orders placed for goods and services not utilising existing frameworks/contracts, unless legitimately endorsed by the local purchasing team and/or where awarded in accordance with corporate procurement policy.
MEAT	The most economically advantageous tender (MEAT) criterion enables the contracting authority to take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.
Procurement & Commercial Improvement Programme (PCIP)	Procurement & Commercial Improvement Programme (PCIP) is part of the Scottish Governments public procurement reform agenda and guides how local authorities undertake procurement of goods and services
Procurement function	The business management function that ensures identification, sourcing, access and management of the external resources (supplies, services, capital equipment / works) that an organisation needs or may need to fulfil its strategic objectives - specifically, in the case of Angus Council, to deliver its public services.
Procurement Journey	Revised public procurement toolkit with guidance and templates on the procurement process or Construction manual when appropriate. The Procurement Journey will be enhanced on an ongoing basis with feedback from users and any other identified good practice guidance and tools where appropriate to ensure a standardised approach to the supply base.
Procurement Officer	Individual who spends the majority of their time working in a role that adds value to the quality, cost and effectiveness of the procurement or acquisition of goods, works and services; impacting upon commercial relationships during one or more stages of the procurement cycle and contributing towards best practice contract and supplier management.

Term	Description
Procurement Professional	Individual who spends the majority of their time working in a role that adds value to the quality, cost and effectiveness of the procurement or acquisition of goods, works and services; impacting upon commercial relationships during one or more stages of the procurement cycle and contributing towards best practice contract and supplier management.
Procurement strategy	Strategy for procurement within an organisation (can be called policy).
Public Contracts Scotland	The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.
Regulated Procurement	Public procurement & contracting activity that is governed by the legal rules in either: <ul style="list-style-type: none"> the Procurement Reform (Scotland) Act 2014 & the Procurement (Scotland) Regulations 2016 (goods and services £50K to "EU threshold"; construction works £2M to "EU threshold"); or The Public Contracts (Scotland) Regulations 2015 ("EU threshold" and above)
Scottish Procurement Information Hub	This is an analytical tool that enables public bodies to see and compare their spend to identify key suppliers and potential collaborative opportunities along with various other analyses, including spend distribution by geography and supplier size.
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.
Standing Orders	Standing Orders are the written rules which regulate the formal Committee proceedings of the Council
Strategy	May also be referred to as "Business Case" or "Project Strategy".
Supplier	An entity who supplies goods or services; often used synonymously with "vendor".
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
Supply Chain Management	The coordinated set of techniques to plan and execute all steps used to acquire raw materials from suppliers, transform them into finished goods, and deliver both goods and services to customers. It includes chain-wide information sharing, planning, resources and performance measurements.
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.
Sustainable Procurement	A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits, not only for the organisation but also to society, the economy and the environment.

Term	Description
Value for Money	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.

Annex 3 – Angus Council Contracts Awarded 2018/19

From 01/04/2018 to 31/03/2019

See separate Annex 3 document

Annex 4 – TPC Contracts Awarded 2018/19

From 01/04/2018 to 31/03/2019

See separate Annex 4 document

Annex 5 – Exemption Register 2018/19

Contracts Awarded Without Competition

From 01/04/2018 to 31/03/2019

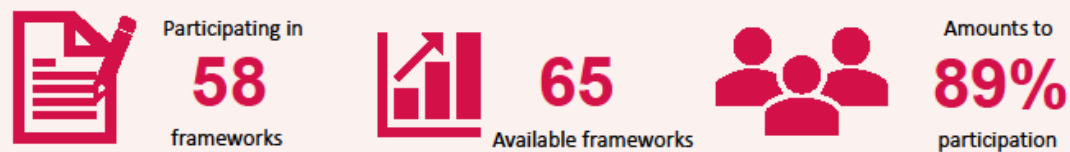
See separate Annex 5 document

Annex 6.1 – Scotland Excel 2018/19 Performance Infographic

Angus Council



Frameworks



The Scotland Excel Academy
<https://academy.scotland-excel.org.uk/>
 Learning and Development opportunities available

Community Benefits

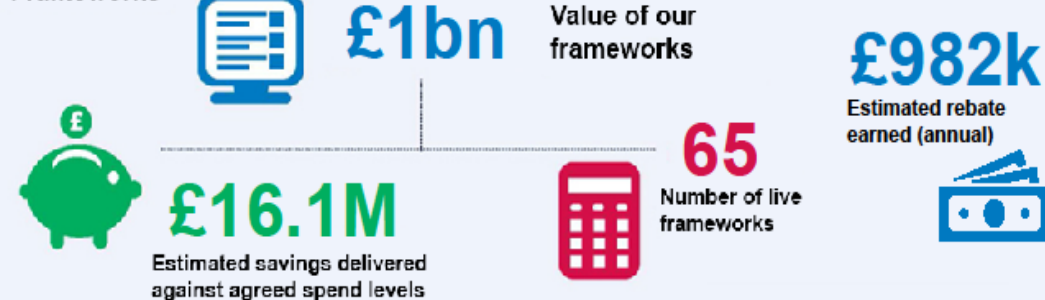


Framework information at Q4 2018/19, estimated savings figure does not include social care service frameworks

Scotland Excel Overview



Frameworks



Suppliers



Learning & Development



Community Benefits



Framework information at Q4 2018/19, estimated savings figure does not include social care service frameworks | L&D to LA's April 18-Mar 19 | Community Benefits: Total = Apr 2013 to Mar 2019, This year = Apr 2018 - Mar 2019 | Waste Total = Organic Waste + Recyclable and Residual Waste Management Information

Scotland Excel Infographic Data Note 2018/19

A note on all the data

- Data is accurate as of 31st March 2019
- Suppliers submit data to us on a rolling basis throughout the year. The spend data is updated on a continual basis (up to 15 months after the close of quarter) and therefore could be subject to change beyond the reporting period.

Data relating to your local authority

Data heading	What does this mean?	How is the data calculated?
Spend in the last 12 months	The total spend by your local authority through Scotland Excel frameworks for the 2018/19 financial year.	Suppliers submit quarterly spend returns to Scotland Excel on the amount spent on their products or services by each local authority, which are uploaded to our central database.
Estimated savings in the last 12 months	The estimated savings for your local authority for the 2018/19 financial year. Please note, it is not intended to represent a cashable/bankable saving but represents an estimate of the benefits that can be accrued through use of the frameworks	The benchmark percentage saving (stated in the Scotland Excel Exec-Sub Committee report relevant to each framework) is used to calculate the level of estimated saving achieved during the period in question. The figure provided shows the total estimated saving for all frameworks in the portfolio with the exception of the following social care service frameworks - Children’s Residential Care; Secure Care; Social Care Agency Workers; Community Meals, Care Homes for Adults with LD and Fostering. Scotland Excel does not target savings on the social care service frameworks.
Local suppliers on live frameworks	The number of suppliers who are based within the boundaries of your local authority who are contracted to provide goods, services or works through Scotland Excel Frameworks.	Suppliers provide an address to Scotland Excel at the point of tender. Only one address is registered to each supplier therefore please note that sub-offices or branches that may be in your local authority area are not identified as being “local” to your authority area unless they are the address the supplier is registered under.
Spend with local suppliers	The total spend by all local authorities (and associate members) with suppliers based within your local authority boundaries (as defined above) through Scotland Excel frameworks for the 2018/19 financial year.	Suppliers submit quarterly returns to Scotland Excel on the amount spent on their products or services by each local authority, which are uploaded to our central database. Please note that not all local suppliers in your area may have received spend through the framework(s).
Participating in XX frameworks	The total number of Scotland Excel frameworks at Q4 of the 2018/19 financial year, which your local authority was listed as participating in.	Participation status is determined during framework development through engagement with each local authority and is monitored during the lifetime of each framework.
Percentage participation	The figure above expressed as a percentage of the total number of Scotland Excel frameworks that were available to your local	Based on the number of frameworks available to your local authority.

Data heading	What does this mean?	How is the data calculated?
	authority at Q4 of the 2018/19 financial year.	
Community Benefits	A selection of the community benefits received within your local authority area through the Scotland Excel frameworks for the period FY 18-19. Please note this is not an exhaustive account. Comprehensive figures were reported to the Dec 2018 and June 2019 Joint Committees.	Twice yearly suppliers are requested to complete a community benefits template. This information is collated to illustrate the variety and extent of community benefits delivered in your local authority area through the use of Scotland Excel frameworks.
Rebate	This figure is the total approximate rebate due to your local authority in relation to “Accumulative Spend” rebates on Scotland Excel frameworks and covers an annual spend period for each framework in question between April 2017 and March 2019. Other rebates such as sole supply are available however are not captured here as these are managed by councils in variable ways.	Suppliers submit quarterly spend figures to Scotland Excel on the amount spent on their products or services by each local authority, which are uploaded to our central database. The figures are calculated on an annual basis, either by framework year or financial year, and if pre-determined spend thresholds have been reached the % rebate is applied and pro-rata rebate is calculated for each local authority. The frameworks and qualifying spend periods which account for the reported rebate are: <ul style="list-style-type: none"> • PPE – April 17 to March 18 • Education Materials – August 17 to July 18 • Plumbing and Heating Materials – April 18 to March 19 • Electrical Materials – April 18 to March 19

SXL Contracts Awarded 2018/19 (Extracted from the SXL Annual Report 2018/19)

Note: the values stated here are projected maxim overall values for all participating bodies

Award Date	Short Contract Title	Total Contract Value	Start Date	End Date
12/04/2018	Fire Safety Products	£10,000,000	16/04/2018	15/04/2020
25/04/2018	Children's Residential	£421,600,000	01/05/2018	30/04/2022
01/06/2018	Power Tools	£2,500,000	17/06/2018	16/02/2021
18/07/2018	Roadstone	£20,000,000	01/07/2018	30/06/2022
01/07/2018	Salt for Winter Maintenance	£65,000,000	01/07/2018	30/06/2022
27/07/2018	Social Care Agency Workers	£80,000,000	01/08/2018	31/07/2022
19/10/2018	Boiler Maintenance	£40,000,000	14/09/2018	13/09/2020
12/09/2018	Road Maintenance Materials	£10,000,000	17/09/2018	31/08/2022
08/08/2018	Fresh Meat, Cooked Meats & Fresh Fish	£40,000,000	01/10/2018	30/09/2021
12/09/2018	First Aid Materials	£8,000,000	01/10/2018	30/09/2021
01/08/2018	Street Lighting Materials	£140,000,000	01/10/2018	31/07/2021
11/11/2018	Washroom Solutions and Sanitary Products	£14,000,000	01/10/2018	30/09/2022
23/11/2018	Commercial Catering Equipment	£16,000,000	01/11/2018	31/10/2021
19/11/2018	Road Signage Materials	£5,000,000	01/12/2018	30/11/2021
02/12/2018	Vehicle Purchase RM6060	£20,000,000	02/12/2018	01/12/2022
02/12/2018	Vehicle Purchase RM6060 (Leasing)	£20,000,000	02/12/2018	01/12/2022
23/11/2018	Technology Enabled Care	£25,200,000	01/01/2019	31/12/2019
08/01/2019	Hot Beverages	£4,000,000	14/01/2019	13/01/2022
08/01/2019	Energy Advice	£4,000,000	14/01/2019	13/01/2022
21/02/2019	Recyclable & Residual Waste	£200,000,000	11/02/2019	10/02/2024
13/03/2019	Light and Heavy Plant	£40,000,000	01/03/2019	28/02/2023
26/04/2019	Grounds Maintenance Equipment	£24,000,000	01/03/2019	28/02/2022
20/03/2019	Janitorial Products	£48,000,000	01/03/2019	28/02/2023

Award Date	Short Contract Title	Total Contract Value	Start Date	End Date
	23	£1,257,300,000		
		£54,665,217		



A SUMMARY OF TPC PERFORMANCE 2018/19

TPC OBJECTIVE 1: Review and restructure the management of the Collaborative portfolio

- The way the collaborative portfolio collaborative contracts was managed was reviewed and improved
- The collaborative approach between the Tayside Councils is well established.
- TPC managed collaborative procurement adopts a recognised best practice approach

TPC OBJECTIVE 2: Improve the management of TPC collaborative commodities

- Procurement Strategies are in place for all TPC collaborative contracts
- Supplier engagement activity has been reviewed and improved.
- CBIPS initiatives are managed through TPC collaborative contracts.

TPC OBJECTIVE 3: Increase the TPC collaborative commodity portfolio

- The number of collaborative contracts available to the Councils increased in 2018/19
- TPC delivered 41 new (including renewals) collaborative contracts for use in the Councils

TPC OBJECTIVE 4: Deliver community benefits through procurement in all TPC Cat C1 contracts

- Community Benefits are now included in all TPC Category C1 Contracts
- Inclusion of Community Benefits is requested in all other collaborative procurements

TPC OBJECTIVE 5: Revise the TPC approach to account for Fair working Practices

- TPC are now including Fair working practices in all TPC Category C1 Contracts
- Inclusion of Fair Working practices is requested in all other collaborative procurements

TPC OBJECTIVE 6: Increase use of PCS Tender

- PCST is now rolled out and used as the default approach for all TPC procurement

TPC OBJECTIVE 7: PCIP - support the councils where required in their PCIPs

- TPC supported Councils assessments where requested or required

TPC OBJECTIVE 8: Lead and support the Tayside Collaborative Procurement Group –ToPiC

- TPC Continue to lead , chair and provide admin support the ToPic Group
- TPC have delivered a number of local collaborative contracts for partners– including NHS, Unis and other Local Authorities

TPC OBJECTIVE 9: Continue to deliver a collaborative “support local business” approach

- A Ten Point Plan has been successfully delivered in 2017/18

TPC OBJECTIVE 10: Support bespoke procurement reform projects; Council and Joint Working

- TPC were the main support for the production of the FBC for the Procurement & Commissioning Joint Working Project

TPC OBJECTIVE 11; Ensure the TPC meets the Procurement Reform (Scotland) Act

- The TPC procurement approach has been revised to meet the PRSA requirements

TPC OBJECTIVE 12: Continue to deliver the TPC Procurement Strategy 2015- 2020

- Achieved

Annex 7 – Angus Council Procurement Forward Plan 2019/21

From 01/04/2019 to 31/03/2021

See separate Annex 7 document