

Angus Council Annual Procurement Report 2021-22



Annual Procurement Report 2021-22

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Angus Council Annual Procurement Report 2021-22

Section 1 - Summary and Background

The Angus Council Annual Procurement Report 2021-22 covers the Council's procurement activity from 1 April 2021 to 31 March 2022. The annual report records and publicises the Council's performance and achievements in relation to its procurement activities, including the reporting of procurement exemptions. This report has been produced in accordance with the guidance issued by the Scottish Government.

Since the 2020-21 report there have been a number of changes impacting the Council's procurement activities – both internal and external to the Council. In Qtr3 2021 the procurement function was moved from the Finance function to that of Legal & Democratic Services. Around the same time the Manager of Procurement & Commissioning resigned from post, only being replaced at the end of Qtr4. This was not the only change in personnel with around half of an already small team only joining in Qtr3 also.

Angus Council operate a devolved model of procurement whereby Services are responsible for their own procurement activities in accordance with the Council's Financial Regulations. Procurement guidance being available on the Council's intranet and with support available from the Procurement & Commissioning Team.

Within the wider procurement landscape, the effects of Covid-19 were, and are, still being felt in terms of a backlog in framework activity from the likes of Scotland Excel as well as capacity issues in supply markets. The effects of Brexit, as well as the Suez Canal incident, continued to create supply chain disruption and price instability (especially across the construction market). More recently the impact of Russia's invasion of Ukraine is also impacting the availability and pricing of goods & fuel.

The financial support from the Scottish Government in relation to care service provisions, being part of the Key Supplier Support Scheme, was an additional element the team had to manage during this period. This was made more challenging to administer and plan for due to multiple short time extension periods to the scheme.

Angus Procurement Strategy 2021-22

The Angus Council Procurement Strategy had 4 key strategic objectives which were aligned to the crosscutting themes of the Angus Council Plan/Corporate Plan, especially that of the "Economy": -

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

This Annual Report provides information on how the Council has delivered on its strategic objectives in 2021-22 and also looks forward to the development of a refreshed strategy.

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Section 2 – Purpose of this Report

The Procurement Reform (Scotland) Act 2014 requires a public contracting authority, such as Angus Council, to prepare and publish an annual procurement report on regulated procurement activities as soon as reasonably practicable after the end of their financial year.

This is Angus Council's fourth annual procurement report under the 2014 Act albeit Angus Council already adopted a culture of annual procurement performance reporting in advance of the 2014 Act. This fourth statutory annual procurement report for Angus Council covers the period from 1st April 2021 to 31st March 2022.

It is intended to:

- Aid visibility of procurement activities;
- Demonstrate 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 main areas 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.

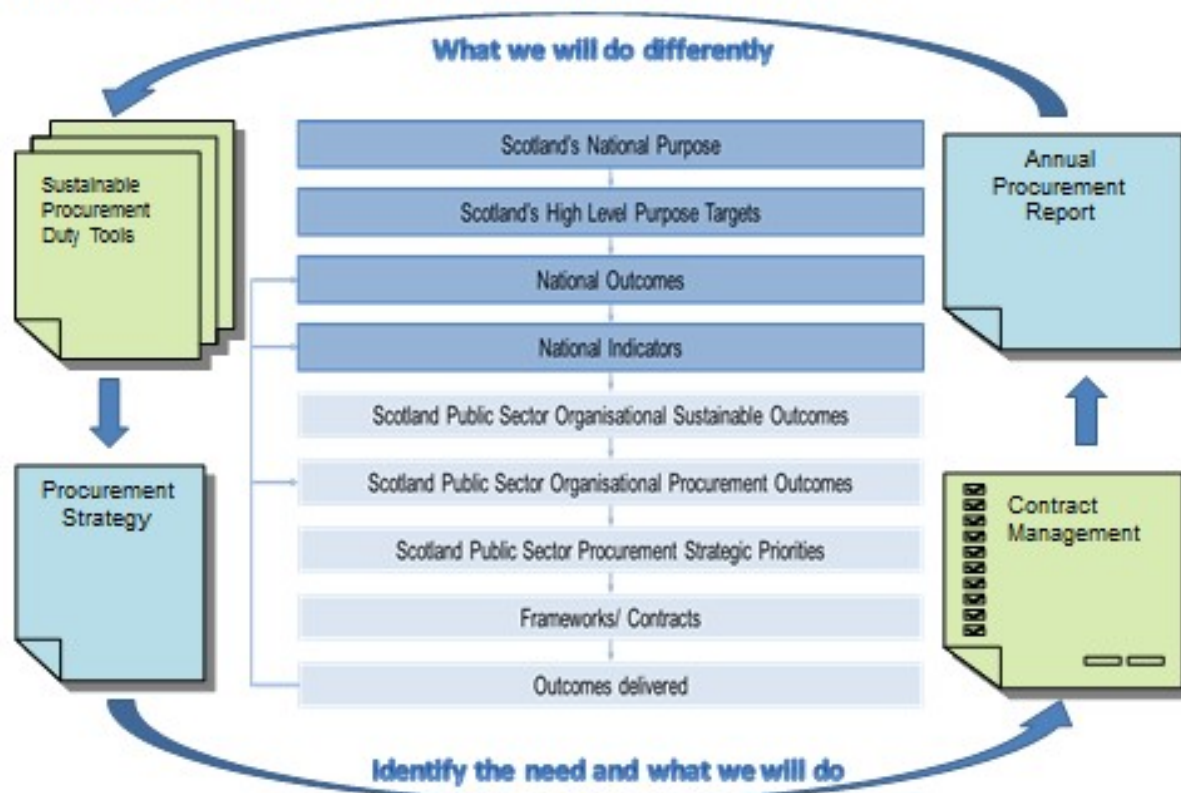
The requirements in terms of minimum content of an annual procurement report are prescribed by Section 18(2) of the 2014 Act and set out in Annex 1 to this report, although authorities may add to that minimum content if they so choose. This report addresses these core minimum requirements and is also designed to give a full and accurate picture as to the procurement performance of Angus Council throughout 2021/22.

As touched on, 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.

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Fig. 1

Embedding Relevant & Proportionate Sustainable Procurement



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 demonstrates that the organisation is acting in a transparent manner and in highlighting its general procurement performance during the course of the year.

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

The spend and contracting figures throughout this report include spend Angus Council in accordance with directions from the Angus Integrated Joint Board (IJB). Angus Council undertakes contracting for the IJB as the IJB it doesn'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 who are responsible for, and report on, their own contracting arrangements.

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Section 3 – Procurement & Commissioning Team

During the first half of the period covered by this Annual Report the Procurement & Commissioning Team sat within the Finance Directorate, moving to Legal and Democratic Services in Qtr3.

Angus Council has a core procurement team made up of the following officers: -

Fig 2.

Corporate & Procurement Management	
1 LG14 Manager - Procurement and Commissioning (Post vacated September 2021 with new member of staff starting March 2022)	
Corporate Procurement	Commissioning Team
1 LG12 Procurement Team Leader	1 LG12 Social Care Procurement Team Leader (new post recruited October 2021)
1 LG9* Contracts Officer (post vacant until Nov 2021)	3.5* LG9 Contracts Officers (2 FT posts only recruited into Nov 2021)
1 LG6 Procurement Officer	

*This post sits with the Commissioning Team who previously had 4.5 LG9 posts but for the past year there has been a requirement for support within the Corporate Team.

Additional Resource

Tayside Procurement Consortium (TPC)

During 2021/22, as in previous years, Angus Council paid (typically £85,000 per annum) for access to the collaborative resource known as the TPC, which is shared with Perth & Kinross and Dundee City Councils. This current delivery model will cease Q2 2022/23. For the 2021/22 period covered by this report, the resource available under TPC was impaired due to vacancies in their full structure of 3x Category Managers and a Head of Procurement, plus occasional ancillary staff. The Head of Procurement post was vacated at the end of Q2 2021/21, as was a Category Manager post shortly afterwards. By the end of 2021/22 the TPC consisted of just one Category Manager with no direct strategic management. Unfortunately, this resulted in the benefits to Angus Council being limited and all parties were required to decide upon a refreshed model.

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Scotland Excel (SXL)

Angus Council paid Scotland Excel £92,572 (£87,710 for Corporate Contracts & £4,862 for the specialist National Care Home Contract) for membership in 2021/22. This was for access to contracts and frameworks with leveraged economies of scale due to being available for all councils to access.

Savings generated by using Scotland Excel contracts were £94,417 in financial year 2021/22. In addition to benefiting from economies of scale, being able to access these contracts allowed Angus Council to better utilise its internal procurement resource on Angus-specific contracts as the Scotland Excel contracts are ready-made and need limited additional procurement input. Thus reducing spend on resource within Angus, for these categories, whilst allowing quick & compliant routes to market when we had urgent requirements that otherwise we wouldn't have had the resource to service.

Our total spend with Scotland Excel for 2021/22 was £8.3 million, via utilisation of 55+ frameworks. To put it into context – for Angus Council alone to set up and manage this level of tenders would require a huge increase in staff numbers, at least 7 dedicated FTE, vastly outweighing the cost paid for annual membership.

Fig 3.

2021 – 2022	Q1	Q2	Q3	Q4
SXL Frameworks available	72	73	74	69
Frameworks Participating in	58 (81%)	58 (79%)	59 (80%)	55 (80%)
Frameworks with spend on life of contract	44 (61%)	44 (60%)	46 (62%)	42 (61%)

It is also worth noting that the Angus local supply base benefits greatly from the opportunity SXL affords them by providing a window to the wider public sector market. During 2021/22 businesses local to Angus benefitted from spend from other local authorities, directly because of Scotland Excel frameworks, to the sum of c£6.8m.

Fig 4.

Quarter Being Reported	Number of Local Suppliers on Frameworks live at quarter being reported	Number of frameworks covered by the local suppliers	All SXL members spend with local suppliers in 12 months to quarter being reported
Q1 21-22	10	12	£7,238,569
Q2 21-22	10	11	£7,132,430
Q3 21-22	10	11	£6,497,567
Q4 21-22	10	10	£6,389,278

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A further breakdown of Angus Council's participation with SXL frameworks during 2021/22 is given in Annex 2

Other Framework Providers

In addition to the SXL model there are a number of other compliant framework providers via which the Council can compliantly award contracts. The use of an existing framework, and the selection thereof should always form part of an educated and recorded options appraisal process.

Whilst SXL is the only framework provider for which we pay an upfront membership fee, others will have different funding models e.g., levies payable by suppliers which ultimately work into our invoices. On the flip side frameworks can sometimes deliver rebates also. When assessing the use of a particular framework, the value of any attributable rebate should not form part of a material consideration as this is of course not yet banked funds. Upfront value for money based on market pricing is always the preferred indicator for financial evaluation purposes.

Section 4 - Angus Council Spend

Angus Council's procurement spend in 2021/22 was £117.6m, compared with £114.5m in 2020/21. However, tender data relating to procurement activity undertaken by the Tayside Procurement Consortium (TPC) and ANGUSalive is recorded separately. For complete transparency, included within Annex 3 is also information identifying the procurements undertaken by the TPC and ANGUSalive during this period.

Tenders

The methodology used for calculating this spend figure is being reviewed as part of the move to more data-led procurement activity going forward. Similarly, the methodology used for collating the information below may have changed from that used in previous reports. Hence, for consistency, the approach used this year has been applied to previous year's figures - resulting in the fact they may not tally with those reported previously. For future reports this information will all be reported as one. Annex 3 provides a more detailed breakdown of the procurements undertaken.

The data within Figure 5 below sets out information publicly published via the Public Contracts Scotland portal (PCS). We have a legal requirement to publish information on our contract awards within 30 days of award having been made.

As the information recorded for procurement activity relates to the total estimated value over the life of a contract, these value figures will never match the actual spend figures, as taken from the Council's accounting system as the periods involved will invariably not correlate.

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Fig. 5

Procurement Activity Metric	2021/22	2020/21	2019/20	2018/19	2017/18
No. of Contracts Awarded	91	83	134	143	136
Av. No. of Bids Received	2.3	2.1	2.2	2.3	2.8
No. of Awards published with a £nil value	17	15	13	12	32
No. of Regulated* Procurements	31	33	23	20	6
No. of Non-Regulated Procurements	60	50	111	123	130
Total Value of Contracts Awarded	£6,400,679	£90,856,291	£56,353,190	£24,532,939	£26,720,125
Total Value of Regulated Procurements	£3,362,620	£81,581,851	£19,705,892	£11,564,257	£14,014,194
Total Value of Non-Regulated procurements	£3,038,059	£9,274,440	£36,647,298	£12,968,682	£12,705,931

*Regulated procurements are those above a threshold as set out within legislation and require conformance with the Act. At present the regulated thresholds are £50k for Goods and Services, £2m for Works.

This data highlights the need for improved education and awareness among delegated procurers as to the requirement for publishing contract awards and providing the requested data, not just the bare minimum. Without this we cannot accurately assess the Function's performance and identify areas for improvement.

Aside from the inaccuracy born from lack of appropriate reporting, a worrying trend is the typically low number of submissions received for each tender. Not only does this infer a lack of confidence around the competitiveness of the successful submission but it also may indicate a lack of participation & engagement by local suppliers – an area we are keen to develop.

The split of categories concerned with the above procurement activity appears fairly split as Figure 6 below demonstrates.

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Fig 6.

Category of Procurement	No.
Goods	23
Services	23
Works	45

Quick Quotes

Quick Quotes are typically lower value procurements (<£50k) or mini competition call offs from an existing framework.

During 2021/22 Angus Council awarded 508 contracts as a result of the Quick Quote process. As Figure 7 shows, the Housing Asset team and the rest of Infrastructure being the most frequent to utilise this route.

Fig 7.

Procuring Department	No.	%
Capital Projects	42	8.3
Digital & IT	13	2.6
Economic Development	3	0.6
Environmental Services	9	1.8
Housing Assets	105	20.7
Information Technology	3	0.6
Infrastructure	165	32.5
Parks & Burial Grounds	3	0.6
Place - Roads & Transportation - Infrastructure	6	1.2
procurement and Commissioning	5	1.0
Property Asset	28	5.5
Roads	4	0.8
Roads & Transportation	99	19.5
Strategic Policy & Planning	8	1.6
Vibrant Communities and Sustainable Growth	15	3.0

Section 5 – Local Suppliers

The classification of just what constitutes 'Local' is regularly debated, with there being an argument as to whether it should be restricted to business' registered HQ, or if local branches of a national provider should also be considered "local", given that they are providing employment for local citizens. The current methodology adopted by the public sector, and the one used for the purpose of this report, relate to the post code of a supplier's head office.

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During the 2021/22 period, Angus Council spent £40m+ million with local suppliers, which is 34.51% of total spend. This remains well above the national average of 28%. It should be noted however that this calculation is based upon the location of a supplier based on their registered post code. Many care providers who contract with the Council are part of larger groups, but for accounting purposes they use each individual home as the business address. Should this practice change then it would have an impact upon our data, as it would with all other authorities. The Council will continue to report against national guidelines, but it is important to be aware of what this information actually represents.

When looking specifically at contracts awarded via the Quick Quote process, Figure 8 shows that 26.8% of opportunities were awarded to suppliers in Angus. This highlights the need to ensure that we have appropriate local suppliers registered on the portal to begin with, and that delegated procurers are aware of the flexibility this process affords, over regulated tenders, to restrict invited participants to those within Angus, where appropriate.

A major reason behind many Authorities experiencing a rise in their spend with local suppliers over recent years has been in response to the Covid-19 pandemic. However, when looking at the types of contracts involved here in Angus, this doesn't seem to have created a materially artificial hike.

Fig 8. Quick Quote Awards by Angus Council

Supplier Location	No.	%
- none selected -	1	0.2
Aberdeen City	11	2.2
Aberdeenshire	11	2.2
Angus	136	26.8
Dumfries and Galloway	1	0.2
Dundee City	81	15.9
East Dunbartonshire	1	0.2
Edinburgh, City of	48	9.4
Falkirk	6	1.2
Fife	38	7.5
Glasgow City	56	11.0
Highland	1	0.2
Midlothian	2	0.4
Moray	1	0.2
North Lanarkshire	9	1.8
other – EU	3	0.6
other – Republic of Ireland	1	0.2
other UK - England	32	6.3
other UK - Northern Ireland	7	1.4
other UK - Wales	12	2.4
Perth and Kinross	43	8.5
Renfrewshire	1	0.2
Scottish Borders	1	0.2
South Lanarkshire	3	0.6
Stirling	1	0.2
West Lothian	1	0.2

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Interestingly this very closely correlates to the percentage of Angus suppliers who participate in (not necessarily those who are successful) our Tender opportunities, as Figure 9 below demonstrates.

Fig 9. Tender Participation by Area

Supplier Location	No.	%
Aberdeen City	2	1.5
Aberdeenshire	6	4.6
Angus	34	26.2
Dundee City	16	12.3
East Dunbartonshire	1	0.8
East Renfrewshire	1	0.8
Edinburgh, City of	5	3.8
Falkirk	4	3.1
Fife	5	3.8
Glasgow City	13	10.0
Highland	2	1.5
Midlothian	2	1.5
North Lanarkshire	6	4.6
other EU	1	0.8
other Republic of Ireland	2	1.5
other UK - England	11	8.5
other UK - Northern Ireland	1	0.8
other UK - Wales	2	1.5
Perth and Kinross	11	8.5
Renfrewshire	1	0.8
South Lanarkshire	2	1.5
Stirling	1	0.8
West Lothian	1	0.8

SME Spend

As with Angus' local spend figure, the spend with Micro, Small & Medium sized businesses is far above those seen by other Authorities and is an area we wish to continue to build upon so we are supporting both aspects. Further detail is available in Annex 2.

Fig 10.

Year	SME	SME Breakdown		Large Businesses
		small businesses	Medium Businesses	
2021/22	90%	67%	23%	10%
2020/21	73%	50%	23%	27%
2019/20	58%	27%	31%	42%
2018/19	61%	28%	33%	39%
2017/18	62%	24%	38%	38%

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Section 6 - Payments

The Council is committed to ensuring that suppliers are paid on time. Although Local Authorities are not governed by the Scottish Government's Financial Rule Book, we do take the instructions contained within it as guidance for best practice, and wherever possible adhere to the 30 day max, 10 day target for payment.

The Procurement & Commissioning Team is a key stakeholder in a "Purchase-to-Pay" (P2P) project currently being undertaken by the Council. This will ultimately streamline the payment process, thus supporting early payments, as well as capturing appropriate information to support efficiencies-targeting and the decision-making process.

Similarly, we are reviewing the payment options used for key suppliers – especially where there are a high number of repetitive, high volume / low value invoices. These may represent an opportunity for use of Imbedded Procurement Cards which bring with them additional benefits such as a reduction in maverick spend, improved supplier rates and rebate options.

Closer involvement by Procurement with the payment process can help ensure this important function is undertaken in as efficient a manner as possible whilst supporting the needs of suppliers and also providing the information needed to aid effective decision making in the future.

Section 7 – Community Benefits

In 2021/22 Angus Council included Community Benefits requirements in all Regulated Procurements.

However, it has been identified that monitoring of community benefits is not as efficient as it could be, and the team is not currently resourced for its ambitions in community benefits and community wealth-building. This is being addressed, including by recruitment of a new Community Benefits & Sustainability Officer.

SXL

Community Benefits obligations form part of all SXL frameworks and harnessing these will also form part of the role of the new Community Benefits & Sustainability Officer. At present SXL do record and share this information, as per Figure 11 below with more detail contained within Annex 4 but considering our total 2021/22 spend via SXL frameworks was £8.3m, this is an area where Angus is not currently benefiting from all it is entitled to.

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Fig 11.

Council	Angus Council
Total Monetary Value (£) of Other Community Benefits	£2,508
Total Number of Hours of Work Experience for School Pupils, College and University Students	-
Total Number of Apprenticeships Recruited to Deliver Contract	-
Total Number of Work Placements for Adults	-
Total Number of Volunteering Hours	-
Total Number of Employees Recruited to Deliver Contract	-

There are a number of SXL frameworks which Tayside Contracts utilise in fulfilment of their obligations on behalf of Angus Council. Many of these, such as Frozen Foods, contain significant rebate and Community benefits obligations which are to be investigated.

Living Wage

Angus Council has made great efforts to ensure living wage is being paid by all of our suppliers. This is undertaken, as far as possible, at procurement stage and suppliers are regularly surveyed to ensure that they pay the living wage. It had been planned that during 2020-21 the Council would apply for Living Wage Accreditation but that was not possible due to Covid-19 priorities.

Section 8 – Rebates Received

Figure 12 identifies rebates received in direct relation to procurement activity for 2021/22.

Whilst potential rebates must be used with caution when undertaking an initial procurement options appraisal, they are still an aspect where the Council needs to ensure it is receiving all it is entitled to.

The number of frameworks where rebates are available is not high, most instead comply with the preference for the 'best price up front' approach. However, there are still benefits to be sought and it is important that Angus Council successfully claims all it is entitled to. Going forward, just as with Community Benefits, this information will be captured and reported a part of this Annual Procurement Report.

Figure 12 identifies rebates received in direct relation to procurement activity for 2021/22.

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Fig 12. Headline information

Contractor	Framework	Project Name	Invoice Value
CCG (Scotland) LTD	SPA - New Homes Medium Rise Dev	LIVE Timmergreens Regeneration	£4,370,186.30
SERS ENERGY SOLUTIONS GROUP LIMITED	SPA - Energy Efficiency Measures	EESH 2018-20	£2,144,015.02
MPS Housing Ltd	SPA - Kitchen and Bathroom Installation	Bathroom Replacement Programme	£1,425,077.83
SERS ENERGY SOLUTIONS GROUP LIMITED	SPA - Energy Efficiency Measures	EWI Goosecroft Forfar	£26,321.36
			£7,965,600.51
Total Rebate c.0.55%			£43,658.28

As mentioned previously, rebates are also applicable under frameworks used by Tayside Contracts in the delivery of the services they provide on behalf of Angus Council – i.e., the Frozen Foods contract. Appropriate application of such rebates and community benefits also will be agreed as part of the overall Procurement Governance review and reported upon more fully in the 2022/23 Annual Procurement Report.

Section 9 – Macro Operating Environment

The challenges affecting the supply chain across many sectors has been well publicised and during 2021/22 took many forms. Many firms were still dealing with the aftermath of Brexit, uncertainty in relation to the availability of Labour, and supplies stuck on the Ever Given container ship in the Suez Canal. A policy change in China, combined with factory shutdowns in Scandinavia due to Covid-19, sent the Construction materials market into a previously unprecedented period of fluctuation – both in terms of pricing and availability. And of course, just at the end of the Financial Year, Russia invaded Ukraine, resulting in a huge impact upon the availability of certain products heavily relied upon in the food production sector.

The full impact of the Ukraine situation, along with the spike in energy prices and concerns over the situation in Taiwan are all aspects to be carefully monitored going forward, with mitigation measures adopted as part of procurement strategies on a relevant and proportionate basis. Unfortunately, instability and uncertainty seem to be two aspects supply chains will continue to be affected by for the foreseeable future and cognisance of this must be had within both procurement strategies and the business continuity plans of key providers. SXL have played a key part in the provision of market intel such as that provided in Annex 5.

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Key Supplier Support Scheme

To support care providers with the additional costs associated with compliance to the Government's Covid-19 response the Key Supplier Support Scheme was established. The administration of the scheme has involved a need for additional resource within the Procurement & Commissioning Team although this cost has been met by the scheme itself.

The support to care providers has been crucial in enabling them to continue delivering the necessary level of care to those most vulnerable in society. Without this support many providers would not have survived the pandemic. Appropriate administration of the scheme is closely managed in partnership with the Angus Health & Social Care Partnership. Due to the unprecedented nature of the pandemic, since its launch the scheme has only ever been confirmed for periods of 3mths at a time. These have, to date, been continually extended although recent communications from the Government indicate a phased winding down of the scheme. Procurement will continue to work closely with the key suppliers affected to ensure they are as best placed as possible to make the transition back to unsupported operations.

Section 10 – Exemptions

In order to comply with both the need for best value and statutory legal requirements Angus Council's Financial Regulations outline a process to be followed in terms of buying goods, services and works.

The Financial Regulations also allow for exemptions to be obtained which allow a different, legally compliant, process to be followed – that being a negotiated direct award to a supplier in place of a quotation or tender process involving competition where this is justified.

There must be a valid reason for this alternative process to be applied and set criteria apply. The use of an exemption should be by exception only and is not a substitute for poor procurement planning. To undertake a procurement via the exemption process requires prior approval if set criteria have been met. No approval of any exemption shall be deemed to create a precedent and each exemption request will be considered on its own individual merits.

As stated previously, Angus Council operates what is known as a devolved procurement model. Services are responsible for complying with the Financial Regulations including the rules relating to exemptions.

Annex 6 gives a summary of the exemptions recorded across the exemption registers held by the individual Council Services and the Procurement & Commissioning function themselves for the period 2021/22. As there has been no commonality or central control over the reporting of Exemption requests previously, the information provided in Annex 6 is of limited value.

Standing Exemptions

As per the Council's Financial Regulations the Section 95 Officer, in consultation with the Exemption Co-ordinator, may maintain a list of standing exemptions for identified utilities providers where, by operation of law or practice, there is no competitive open market for the provision of a required supply. Inclusion of a provider on such a list will exempt directors from the provisions of Section 16 relating to the seeking of competitive tenders for that provider, irrespective of the value of the current requirement. For the avoidance of any doubt, directors will, however, remain responsible for ensuring

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that budget provision is available for the cost of the exempted supply. In addition, the award of contracts exempted from competition under this Financial Regulation will require to be reported to the appropriate Committee at least annually in the same manner as is set out in the Financial Regulations regarding procurements made under delegated powers or via the exemption process.

Angus Council's list of Standing Exemptions for 2021/22 is set out in Annex 6.

The Standing Exemptions List approved by the Section 95 Officer is available under the "Procurement Guidance Notes" section of the Corporate Procurement Manual:

- [PGN 33](#) "Financial Regulations Standing Exemptions: (1) Statutory Utility Services And (2) PRS For Music Performance Licenses"

The Corporate Procurement Manager would also advise that, where a project requiring the construction / installation of a new utility supply is being reported to Committee by way of a Procurement Authority Report (PAR) such installation merits mention in PARs as forming part of the whole life cost of the construction, irrespective of the existence of a standing exemption.

Section 11 – Procurement Commercial Improvement Programme (PCIP)

As a result of the McClelland report, PCIP, in its previous incarnation of PCA, has been undertaking assessments of procurement performance across the public sector since 2010. The process is overseen by SXL and undertaken every 2 years. However, as a consequence of COVID-19 this schedule has been impacted with Angus to have its first assessment in 5 years during 2023/24. A number of different scenarios were reviewed for the reintroduction of PCIP, such as a staggered approach across the mandatory and optional questions, a pilot process or a new assessment approach altogether. However, it was decided to remain with the PCIP in its current format but delay until 2023/24.

Angus has previously scored poorly against the set questions of PCIP – previous scores as set out below – but it is anticipated the proactive measures touched upon in this report will be reflected in the next assessment.

Fig 13.

Year	Score	Table Position
2016/17	44% (av. LA score 64%)	F7 (lowest of the 31 LAs assessed)
2018/19	51% - (av. LA score 70%; Tayside neighbours scored as follows - DCC 69% - F2, PKC 70% - F1)	F5 (Unknown ranking against peers)

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Performance Band	No. of Councils	
	2016/17	2018/19
F1 (>70%)	11	17
F2 (66-69%)	2	6
F3 (61-65%)	7	4
F4 (56-60%)	5	1
F5 (51-55%)	1	2
F6 (46-50%)	5	2
F7 (41-45%)	1	0

In the 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 but was indicative of incremental and not transformational improvement.

Section 12 – Tayside Procurement Consortium (TPC)

The TPC is a collaboration, established in 2008 in response to the McClelland Report into Public sector procurement, between Angus, Dundee and Perth & Kinross Councils for the purpose of harnessing efficiencies via local economies of scale.

A decision was made to restructure the TPC model and as a result, from Q2 2022/23 it is planned for the TPC to no longer operate as a separate entity but instead become embedded within the core corporate procurement teams within each of the Councils. With the work undertaken to be fairly distributed as appropriate given resource and expertise available.

Section 13 – Moving Forward

Whilst the Procurement & Commissioning function has been through a number of changes over recent years - the switch from Finance to Legal & Democratic, the departure of many team members and new ones coming on board, the decision not to progress with a shared service with neighbouring authorities, etc – we are reaching a point of stability from where the team can lay foundations and look to really add value through the three-strand approach, namely;

- 1) Educate – Support the devolved procurement model by ensuring those undertaking third party expenditure activity on behalf of Angus Council are equipped with the appropriate level of knowledge. Thereby reducing duplication, waste, noncompliance and missed opportunities.
- 2) Enable – Provide ongoing tools and knowledge to these delegated procurers to enable them to competently proceed with routine procurements without the resource requirements of the Procurement & Commissioning Team itself

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- 3) Efficiencies – Maximise the team resource freed up as a result of the previous steps and use this to facilitate a data led approach to identification and harnessing of opportunities for efficiencies. This will involve both Angus Council only procurements and those captured under the Tayside Procurement Consortium (TPC) banner.

The addition of a Data Officer and a Community Benefits & Sustainability Officer to the function will greatly support the above plan. Adopting a data led approach is only going to add value if the data we have is accurate and meaningful, and we have the ability to interpret it appropriately. The Procurement team is actively involved in the Council's P2P project and this will ultimately allow us to shape the information gathered via procurement activities in a way best suited to our requirements. Having a dedicated Data Officer to support the Procurement team will allow those undertaking negotiations with the decision makers within the Services themselves to do so with accurate information, often more so than the Services will have themselves.

Similarly, the appointment of a Community Benefits & Sustainability Officer will support Corporately agreed objectives in relation to non-core, yet highly value adding, aspects of procurement activity. Angus Council typically spends in excess of £110m annually with external parties – As an Authority we need to be harnessing as much additional value from this spend as possible. Whether this be apprenticeship or job creation opportunities, training and development across the third sector or within schools, meaningful commitment to climate agenda linked activities, increased use of the local supply base, etc.

In relation to the Commissioning Team within the Function, an SLA between them and the AHSCP is being designed to provide clarity as to roles and responsibilities, with the objective of reducing preventable project collapses and delays – all of this impacting upon available resource and resulting in a missed opportunity cost regarding the identification of opportunities for efficiencies.

There is a high degree of ambiguity surrounding the delivery of Care services due to the National Care Service review (NCS). Once decided, this will have a material impact upon the AHSCP, and as a direct consequence, our Commissioning Team also. The National Care Service (Scotland) Bill was published in June 2022 and a consultation has been undertaken. It is hoped that more detail will shortly be available and we can start to plan accordingly.

Whilst the full consequences of the above, along with the benefits of planned actions, are unlikely to be seen until 2023/24, the actions undertaken and foundations laid during 2022/23 will be fundamental in harnessing maximum potential from these initiatives and changes to our operating environment.

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ANNEX 1 – Topics to be addressed via Annual Procurement Report

Minimum expected content as prescribed by Section 18(2) of the Procurement Reform (Scotland) Act 2014.

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.

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.

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.

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.

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.

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.

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ANNEX 2 – SXL usage

2021/22 Spend and Savings

	Q1	Q2	Q3	Q4	Total 21 / 22
Net Reported Spend	£2,313,760	£1,756,456	£2,117,490	£2,150,534	£8,338,240
Total Estimated Savings	£23,844	£21,216	£21,933	£27,424	£94,417
Spend incl. savings	£2,337,604	£1,777,672	£2,139,423	£2,177,958	£8,432,657
% Savings	1.0%	1.2%	1.0%	1.3%	1.1%
Predicted Total Spend	£4,418,747	£4,452,953	£4,309,771	£5,757,020	£18,938,491

Frameworks Not Participating In	Rationale
Alcoholic Beverages	No requirements, responsibility of ANGUSalive
Bikeability	In-house provision
Bitumen	Spend reported through Tayside Contracts
Boiler Maintenance	Spend with Saltire FM and Everwarm reported on Spikes, both SXL suppliers. SXL to check for missing MI. Saltire and Everwarm can't service Angus on SXL framework. Does Angus have their own contract?
Care and Support	Own local arrangement for SDS to reflect different payment mechanisms.
Fire Safety Products	Local contract in place to cover all their requirements.
Hot Beverages	Own agreement in place
Online School Payments	
Repair of Catering Machines	Either covered by local H&S contracts or Tayside Contracts
Roadstone	Own local arrangement with Tayside Contracts
Social Care Case Management	Own arrangement with Eclipse, early adopters
Swimming Pool Chemicals	ANGUSalive responsible for swimming pools in Angus
Vending	ANGUSalive responsible for vending
Water Coolers	Legacy arrangements with multiple suppliers

Frameworks With No Spend To Date	Rationale
Energy Advice	Angus uses SCARF, a supplier on the SXL framework. Angus to confirm if the council has used the framework.
Energy Efficiency Contractors	Recently renewed
Fresh Bread and Rolls	Spend for schools reported through Tayside Contracts
Fruit and Veg	Spend for schools reported through Tayside Contracts
Frozen Foods	Spend for schools reported through Tayside Contracts
Groceries	Spend for schools reported through Tayside Contracts
Heavy Vehicles	Recently renewed
New Build Residential	Angus confirmed participation. Awaiting pipeline.

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Organic Waste	AC awarded this under the now expired SXL framework. Suppliers are not required to submit MI on expired frameworks
Road Signage Materials	Use in-house sign shop but will use SXL framework for additional requirements
Sheriff Officers	Direct award on SXL framework
Telecare DPS	Angus has their own arrangement? TBC
Tyres	Recently been renewed

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ANNEX 3 – Breakdown of tender activity – Contracts Awarded

i. Angus Council

Notice Title	Value	Supplier	Region	Size
Award of 01241124 - Tannadice Primary School - Upgrade All Remaining Single Glazed Windows to Whi...	38017.9	Andrew Shepherd Construction	Angus	Medium (50-249 employees)
Award of Sheriff Officers Direct Award - 0619	400000	Scott & Co (Scotland) LLP	Edinburgh, City of	Medium (50-249 employees)
Award of Angus Council Supply of Auctioneer Services Used Plant & Equipment 2022-2024 Inc.	0	Taylor's Auction Rooms (Montrose) Ltd	Angus	Small (10-49 employees)
Award of Website and Digital Isign hosting and maintenance and SEO	42720	iHTTP	Dundee City	Micro (1-9 employees)
Award of Digital Demand Responsive Transport Feasibility within the Subsidised Angus Public Tran...	0	SYSTRA LIMITED	Glasgow City	Large (over 250 employees)
Award of Supply of Anti Vandal Welfare Unit	22924	Concept Accommodation Ltd	other UK - England	Small (10-49 employees)
Award of Monifieth Groyne Repair Work 2022	21850	delson contracts ltd	Angus	Medium (50-249 employees)
Award of Gardyne Den - Concrete Slab and Fencing	0	JML Contracts Ltd	Perth and Kinross	Small (10-49 employees)
Award of Tender for transporting pupils to Swimming Facilities AGM/19	9450	JP Mini Coaches Ltd	Angus	Small (10-49 employees)
Award of 60501159 Adam Cargill Court, Arbroath, Mobility Scooter Store	34308.63	Alpha Projects	Aberdeen City	Small (10-49 employees)
Award of Dowrie Works Rock Armour Protection 2022	75407.5	Geddes Group	Angus	Medium (50-249 employees)
Award of 104 Dundee Loan Forfar Retaining Wall Replacement	64145.97	Dundee Plant Company Limited	Dundee City	Medium (50-249 employees)
Award of 61001023 Replacement Gutter throughout Angus Area	234408.25	Peter M Drummond Ltd	Perth and Kinross	Small (10-49 employees)

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Award of Arbroath Coherent Network of Routes Study	16560.11	WSP UK Ltd	Glasgow City	Large (over 250 employees)
Award of Montrose Coherent Network of Routes Study	17271	Waterman Infrastructure & Environment Ltd	Glasgow City	Medium (50-249 employees)
Award of A923 Ledyatt verge maintenance	0	Dundee Plant Company Limited	Dundee City	Medium (50-249 employees)
Award of Angus Council - IOT Strategy	20000	Intelligens Consulting Ltd	East Dunbartonshire	Micro (1-9 employees)
Award of Smarter Choices Smarter Places 21/22 - Park Smarter Campaign	12820	SYSTRA LIMITED	Glasgow City	Large (over 250 employees)
Award of Conveyances of School Pupil Contract ASD/4	14994	Barr Cabs Ltd	Angus	Micro (1-9 employees)
Award of Websters HS - Install PV Array - Scheme Option 1	212229.33	McGill Facilities Management Limited	Dundee City	Medium (50-249 employees)
Award of Forfar Loch Country Park - New Toilet Block Re-tender 07/21	0	R S Hill Joiners & Building Contractors	Angus	Small (10-49 employees)
Award of Supply of Gas Oil Boiler (250Kw)	11000	Watkins Hire Ltd	Falkirk	Medium (50-249 employees)
Award of Monifieth Learning Campus - Client Project Information Manager	48690	BIM Academy (Enterprises) Limited	other UK - England	Micro (1-9 employees)
Award of Smarter Choices Smarter Places 21/22 - Active Travel Workshops Campaign	8534.09	WSP UK Ltd	Glasgow City	Large (over 250 employees)
Award of Demolition of Three No. 4-Storey Blocks of Flats/Maisonettes at Fraser Path, Arbroath	194007.55	SAFEDEM LTD	Dundee City	Medium (50-249 employees)
Award of Proposed Demolition of Inglis Court Sheltered Housing, Edzell,	114402.5	Central Demolition Ltd	Falkirk	Medium (50-249 employees)
Award of 07071143 Rosehill Resource Centre - Upgrade Single Glazed Windows & Doors	63567.6	Alpha Projects	Aberdeen City	Small (10-49 employees)
Award of Tender for transporting pupils to Swimming Facilities AGM/3	6825	JP Mini Coaches Ltd	Angus	Small (10-49 employees)
Award of Reservoir Maintenance 21-22	51168.24	Morrison Construction	Stirling	Large (over 250 employees)
Award of Brechin Community Campus - Install PV Array - Scheme Option 1	232086.4	McGill Scotland Ltd	Dundee City	Medium (50-249 employees)

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Award of Tender for transporting pupils to Swimming Facilities AGM/1	17745	JP Mini Coaches Ltd	Angus	Small (10-49 employees)
Award of Tender for transporting pupils to Swimming Facilities AGM/6	8190	JP Mini Coaches Ltd	Angus	Small (10-49 employees)
Award of Tender for transporting pupils to Swimming Facilities AGM/8	15015	JP Mini Coaches Ltd	Angus	Small (10-49 employees)
Award of Tender for transporting pupils to Swimming Facilities AGM/15	14760	Fishers Tours Limited	Dundee City	Small (10-49 employees)
Funded Early Learning and Childcare in Angus	66049	Sugar and Spice Childcare	Angus	Micro (1-9 employees)
Award of County Buildings, Forfar - Roof Repairs Re-tender	0	R S Hill Joiners & Building Contractors	Angus	Small (10-49 employees)
Award of 2021-22 Proposed Dropped Crossings, Angus Area	74498.48	Dundee Plant Company Limited	Dundee City	Medium (50-249 employees)
Award of Sandy Sensations, Carnoustie - Fencing Improvements	0	delson contracts ltd	Angus	Medium (50-249 employees)
Award of Monikie Primary School - Re-slate Old School House Roof	41527.21	Forster Roofing Services Ltd	Angus	Medium (50-249 employees)
Sensory Services in Angus	196350	North East Sensory Services	Aberdeen City	Small (10-49 employees)
Sensory Services in Angus	196350	North East Sensory Services	Aberdeen City	Small (10-49 employees)
Award of Visit Angus - Autumn/Winter Campaign - PR & Marketing	10750	Ginger	Dundee City	Micro (1-9 employees)
Award of Visit Angus - Autumn/Winter Campaign Project Manager	6750	Jennifer Neil Consulting	Midlothian	Micro (1-9 employees)
Award of Timber Fencing Renewal 21/22	101297.26	J B Corrie & Co Ltd	Perth and Kinross	Small (10-49 employees)
Award of Sediment Management at Milton Mill, Monifieth	12400	delson contracts ltd	Angus	Medium (50-249 employees)
Funded Early Learning and Childcare in Angus	474183	Little Leapers Nursery School	Angus	Micro (1-9 employees)
Award of West Links, Arbroath - Upgrade to Crazy Golf	140305	UrbanCrazy	Aberdeenshire	Micro (1-9 employees)
Specification	347100	Ignite Consulting Ltd	other UK - England	Small (10-49 employees)

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Award of Conveyances of School Pupil Contract A/16 Murroes PS	11082.6	Birkhill taxis	Angus	Micro (1-9 employees)
Award of Barry Burn Grass Cutting/Flood Prevention Scheme Maintenance 2021	0	delson contracts ltd	Angus	Medium (50-249 employees)
Award of College Transport AC/5	25650	Fishers Tours Limited	Dundee City	Small (10-49 employees)
Award of CONVEYANCE OF PUPILS TO D&A COLLEGE FROM FORFAR TO ARBROATH AC/1	58140	Smith and Sons Coaches	Perth and Kinross	Small (10-49 employees)
Award of CONVEYANCE OF PUPILS TO D&A COLLEGE FROM MONTROSE TO ARBROATH AC/2	29640	Wisharts (Friockheim) Ltd	Angus	Small (10-49 employees)
Award of CONVEYANCE OF PUPILS TO D&A COLLEGE FROM KIRRIEMUIR TO ARBROATH AC/8	51870	Smith and Sons Coaches	Perth and Kinross	Small (10-49 employees)
Award of Conveyance of pupils to D&A College from Brechin to Arbroath AC/4	50160	Smith and Sons Coaches	Perth and Kinross	Small (10-49 employees)
Award of Conveyance of pupils to D&A College from Brechin to Arbroath AC/12	25080	Smith and Sons Coaches	Perth and Kinross	Small (10-49 employees)
Award of College Transport - Carnoustie HS AC/6	64125	Fishers Tours Limited	Dundee City	Small (10-49 employees)
Award of College Transport - Monifieth HS AC/9	25650	Fishers Tours Limited	Dundee City	Small (10-49 employees)
Award of College Transport - Monifieth HS AC/10	25650	Fishers Tours Limited	Dundee City	Small (10-49 employees)
Award of College Transport - Monifieth HS AC/11	20520	Tele Taxis (Dundee) Ltd	Dundee City	Small (10-49 employees)
Award of Cemetery Den, Brechin - De-culverting	0	McIntosh Plant Hire (Abdn) Ltd	Aberdeenshire	Medium (50-249 employees)
Cathodic Protection Works - Arbroath Harbour	111760	Cromarty Firth Marine Services	Highland	Micro (1-9 employees)
Award of 95171048 - Carnoustie Wayfinding and Interpretation Project	65205	isGroup	other UK - Wales	Small (10-49 employees)

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Award of Independent Intermediate Care and Non-complex Palliative Care Including End of Life Care	89983	Barchester Healthcare	other UK - England	Large (over 250 employees)
Award of Supply of HPe Core Switches and Associated Equipment	26844.97	European Electronique Ltd	other UK - England	Medium (50-249 employees)
Award of Road drainage works, Seaton Road, Arbroath	42809	delson contracts ltd	Angus	Medium (50-249 employees)
Award of Maisondieu Primary School, Brechin - Upgrade Windows to Rear Elevations	86055.42	R S Hill Joiners & Building Contractors	Angus	Small (10-49 employees)
Award of 12851638 Arbroath High School - Upgrade Windows Ph 3	184119	Alpha Projects	Aberdeen City	Small (10-49 employees)
Award of 01021238 Montrose Academy - East Wing Window Replacement	154284.4	Alpha Projects	Aberdeen City	Small (10-49 employees)
Award of Stracathro Primary School - Toilet Block Demolition & Internal Alterations	246858.97	R S Hill Joiners & Building Contractors	Angus	Small (10-49 employees)
Award of Lochside Primary School, Montrose - Internal Alterations	135507.66	Alpha Projects	Aberdeen City	Small (10-49 employees)
Award of Ferryden Primary School - Upgrade Electrical Installation - Ph3	107633.31	Alliance Electrical Ltd	Angus	Small (10-49 employees)
Award of Provision of FortiMail Cloud Gateway Subscription	103200	Barrier Networks	Glasgow City	Small (10-49 employees)
Award of Angus Local Nature Conservation Sites - Biodiversity Sites - Flora and Bryophyte Survey	14000	Scotia Ecology	Angus	Micro (1-9 employees)
Award of Smarter Choices Smarter Places - Project Management Support	11882.48	Arcadis	other UK - England	Large (over 250 employees)
Award of 00521024 Edzell Primary School - Removal from Site of Existing Temporary Building	29290.53	Milnbank Ltd	other UK - Wales	Small (10-49 employees)
Award of St Thomas Ground Investigation	22165.02	Sweco UK Limited	Glasgow City	Large (over 250 employees)
Award of Project 65011009, 70 & 72 Knowehead Crescent, Kirriemuir	0	Milnbank Ltd	other UK - Wales	Small (10-49 employees)

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Award of 60501272 Domestic Smoke Alarm Installations 2020-2021 - Contract 1 - Re-tender	376583.33	Alliance Electrical Ltd	Angus	Small (10-49 employees)
Award of 60501273 Domestic Smoke Alarm Installations 2020-2021 - Contract 2	0	RB Grant Ltd	Fife	Small (10-49 employees)
Award of 60501274 Domestic Smoke Alarm Installations 2020-2021 - Contract 3	0	RB Grant Ltd	Fife	Small (10-49 employees)
Award of 60501277 Domestic Smoke Alarm Installations 2020-2021 - Contract 4	0	RB Grant Ltd	Fife	Small (10-49 employees)
Award of 60501278 Domestic Smoke Alarm Installations 2020-2021 - Contract 5	0	Alliance Electrical Ltd	Angus	Small (10-49 employees)
Award of 60501279 Domestic Smoke Alarm Installations 2020-2021 - Contract 6	0	Alliance Electrical Ltd	Angus	Small (10-49 employees)
Award of Conveyances of School Pupil Contract ASP/9	43350	Barr Cabs Ltd	Angus	Micro (1-9 employees)
Award of 27 & 29 Craig O' Loch Road, Forfar	0	R S Hill Joiners & Building Contractors	Angus	Small (10-49 employees)
Award of Angus Connect Womens Centre Online Space	7500	Faff Digital	Angus	Micro (1-9 employees)
Award of 60501289 Angus General, Chimney Removals Contract	0	R S Hill Joiners & Building Contractors	Angus	Small (10-49 employees)
Award of 60501288 Electric Heating Installations to Sheltered Housing Schemes	431701.73	Alliance Electrical Ltd	Angus	Small (10-49 employees)
Award of Park Smarter Programme 20/21	7500	SYSTRA Ltd	Perth and Kinross	Large (over 250 employees)
Award of Supply of HPe Switches and Associated Equipment	24220	European Electronique Ltd	other UK - England	Medium (50-249 employees)

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ii. Tayside Procurement Consortium

Notice Title	Value	Supplier	Region	Size
Bus Shelter Cleaning and Glazing & Minor Maintenance	335214	Diamond Facilities Management	West Lothian	Medium (50-249 employees)
Bus Shelter Cleaning and Glazing & Minor Maintenance	335214	Logie Glazing & Building Services Ltd	Dundee City	Small (10-49 employees)
Award of Provision of Therapeutic Services (Counselling in Schools Pilot) (TPC2111)	4500	Hearts & Minds	Midlothian	Micro (1-9 employees)
Award of Online Wellbeing Self-Help For People Aged Over 16 Years (TPC2112)	40342	Togetherall	other UK - England	Small (10-49 employees)
Award of Support and Maintenance of Customer Service Platform	595056.03	Granicus-Firmstep Ltd	other UK - England	Medium (50-249 employees)
Award of TPC2104 Maintenance of Clocks	13500	H E Weir & Son	Edinburgh, City of	Micro (1-9 employees)
Supply and Delivery of Grounds Maintenance Equipment and Small Plant	13300000	Agricar Ltd	Perth and Kinross	Medium (50-249 employees)
Supply and Delivery of Grounds Maintenance Equipment and Small Plant	13300000	Angus Chain Saws	Angus	Micro (1-9 employees)
Supply and Delivery of Grounds Maintenance Equipment and Small Plant	13300000	Balgownie Ltd	Aberdeenshire	Small (10-49 employees)
Supply and Delivery of Grounds Maintenance Equipment and Small Plant	13300000	DUNCAN McINTOSH TRAILERS LTD	Angus	Micro (1-9 employees)
Supply and Delivery of Grounds Maintenance Equipment and Small Plant	13300000	Fairways GM	Perth and Kinross	Small (10-49 employees)
Supply and Delivery of Grounds Maintenance Equipment and Small Plant	13300000	Gammies Groundcare Ltd	Angus	Small (10-49 employees)
Supply and Delivery of Grounds Maintenance Equipment and Small Plant	13300000	Reid Hydraulic Services Limited	Angus	Micro (1-9 employees)
Supply and Delivery of Grounds Maintenance Equipment and Small Plant	13300000	The Double A Trading Company Ltd	Fife	Small (10-49 employees)
REMOVAL AND STORAGE SERVICES	2000000	AMC Removals UK	Fife	Small (10-49 employees)

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REMOVAL AND STORAGE SERVICES	2000000	Clockwork removals	Perth and Kinross	Medium (50-249 employees)
REMOVAL AND STORAGE SERVICES	2000000	Commercial Moves Group Ltd	Aberdeen City	Micro (1-9 employees)
REMOVAL AND STORAGE SERVICES	2000000	DRS Moving & Storage Limited	Dundee City	Small (10-49 employees)
REMOVAL AND STORAGE SERVICES	2000000	Forfar Removals	Angus	Small (10-49 employees)
REMOVAL AND STORAGE SERVICES	2000000	j&j howe removals limited	Perth and Kinross	Small (10-49 employees)
REMOVAL AND STORAGE SERVICES	2000000	Space Solutions	East Lothian	Medium (50-249 employees)
REMOVAL AND STORAGE SERVICES	2000000	Tayside Removals Ltd	Angus	Micro (1-9 employees)
REMOVAL AND STORAGE SERVICES	2000000	William Black & Son Ltd	Angus	Small (10-49 employees)
Provision of Print Services	1450000	Barr Printers ltd	Fife	Micro (1-9 employees)
Provision of Print Services	1450000	Inc Dot Com Limited	other UK - England	Small (10-49 employees)
Provision of Print Services	1450000	Lexon (G.B.) Limited trading as Lexon Group	other UK - Wales	Medium (50-249 employees)
Provision of Print Services	1450000	Matic Media Services Ltd	North Lanarkshire	Small (10-49 employees)
Provision of Print Services	1450000	Panda Print	Fife	Small (10-49 employees)
Provision of Print Services	1450000	Prime Signs Ltd	Angus	Micro (1-9 employees)
Provision of Print Services	1450000	Service Graphics	Glasgow City	Medium (50-249 employees)
Provision of Print Services	1450000	Tayprint ltd	Angus	Small (10-49 employees)
Provision of Print Services	1450000	Winter & Simpson Print	Dundee City	Small (10-49 employees)
Peer Support MH (11 to 16 year olds) Angus North	115468	Hillcrest Futures	Dundee City	Large (over 250 employees)
Peer Support MH (11 to 16 year olds) Angus South	111562	Penumbra	Edinburgh, City of	Large (over 250 employees)
PROVISION OF PEST CONTROL SERVICES	1400000	Graham Environmental Services Ltd (t/a Graham Pest Control)	Perth and Kinross	Medium (50-249 employees)
Award of Maintenance of Sports Equipment	18540	Continental Sports	other UK - England	Medium (50-249 employees)
Peer Support MH in GP Practices (Angus)	615832	Hillcrest Futures	Dundee City	Large (over 250 employees)
Peer Support MH in GP Practices (Angus)	595000	Penumbra	Edinburgh, City of	Large (over 250 employees)

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iii. ANGUSalive

Notice Title	Value	Supplier	Region	Size
Award of Rebranding and Signage Project for ANGUSalive Venues	4423	Prime Signs Ltd	Angus	Micro (1-9 employees)

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ANNEX 4 – SXL Community Benefits recording

Supplier	A M Phillip Trucktech Ltd	A M Phillip Trucktech Ltd	A M Phillip Trucktech Ltd	A M Phillip Trucktech Ltd	A M Phillip Trucktech Ltd	Band Supplies	Scholastic
Scotland Excel Framework Number and Name	0217 Vehicle & Plant Hire	0317 Heavy Vehicles	0317 Heavy Vehicles	0317 Heavy Vehicles	0317 Heavy Vehicles	0916 Education Materials	0617 Library Books & Textbooks
Start Date (Month / Year)	Apr-21	Apr-21	Apr-21	Apr-21	Apr-21	Apr-21	Apr-21
End Date (Month / Year)	Sep-21	Sep-21	Sep-21	Sep-21	Sep-21	Sep-21	Sep-21
Community Benefit Type	Sponsorship	Sponsorship	Sponsorship	Sponsorship	Sponsorship	Other Community Benefits	Other Community Benefits
Community Benefit Group Classification	Economic/ Social	Economic/ Social	Economic/ Social	Economic/ Social	Economic/ Social	Education	
Percentage of Community Benefit allocated to this Scotland Excel Framework Agreement	0.3	0.1	0.1	0.1	0.1	0.5	
Total Number of Community Benefit Recipients	1	1	1	1	1	5000	8
Number of Community benefit recipients	0.5	0.1	0.1	0.1	0.1	2500	8

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Scotland Excel Local Authority Member or Associate Member where implemented	Angus	Angus	Angus	Angus	Angus	Angus	Angus
Partner Organisation Type	Other	Other	Other	Other	Other		
Partner Organisation Name	Dundee Midland Amateur League	Forfar United	Montrose Roslea	Kiriemuir Thistle	Carnoustie Panmure	Scottish Brass Band Association (SBBA), Youth music Initiative, NYBBS, SCBF	

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Additional Comments	Sponsorship of League cup competition	Sponsorship of trackside boards	Sponsorship of trackside boards	Sponsorship of trackside boards	Sponsorship of trackside boards	<p>Band Supplies are involved in day to day involvement in music making in every local authority in Scotland working with bodies such as the Youth Music Initiative, Scottish Band Association, Pipe band Groups, Traditional Scottish music societies, Rock and Pop "Battle of The Bands", local music societies and the "Big Noise" projects. We are also advisers to many of the Education Establishments in Scotland regarding Musical instrument developement and stucture. Band Supplies are also contributors to many publications and Social Media involved in music making and supply throughout Scotland. Due to the Covid-19 Pandemic music education had been greatly affected with 1-1 music tuition, performances & competitions being cancelled. In conjunction with our partner ogganisations we have focused on boosting online learning. Running competitions getiing kids involved in making music.</p>	<p>National Outcome H – please see full explanation above. This is the value of rewards given to schools in this Local Authority, this is 95 books.</p>
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ANNEX 5 – SXL Report on Supply Chain Distribution & Volatility



Scotland Excel

To: Executive Sub-Committee

On: 17 September 2021

**Report by:
Chief Executive of Scotland Excel**

Supply Chain Disruption and Price Volatility

1. Introduction

This report provides an update on the supply chain disruption and price variances that have occurred in recent months and the impact on the delivery of some of Scotland Excel's framework contracts and to highlight controls and actions that are being taken to mitigate these risks.

2. Background

Economies are growing fast as many countries ease coronavirus restrictions. This uptake in demand is coinciding with a global shortage of many key raw materials including construction materials, packaging, shipping containers and food amongst others. There was an early warning of this in May when the UN's Food and Agriculture Organisation reported a 40% monthly increase in their global food price index. This increase is the largest jump seen since 2011, driven by spikes in the cost of vegetable oils and cereals. Away from agricultural markets, energy, fuel, and packaging are also experiencing rapid inflation. In the last 12 months the price of crude oil has increased 50% while the average cost of packaging is up 70%. This commodity boom has led to speculation that we may be entering a "super cycle" which describes a period of unusually high demand which keeps prices high for an extended period. Additionally, changing global demand patterns have created a container shortage on East to West shipping routes with prices now up to 5 times higher than pre-pandemic. The resulting inflation is impacting all countries. In the USA, headline inflation is now 5.4% - a 13 year high, with fuel and food prices the key drivers.

The UK is partially insulated from this commodity pressure by the year on year strengthening of Sterling. But this only protects imported goods. As a result, overall UK inflation increased from 2.1% to 2.5% in June, and the consensus among economists and the Bank of England is that prices will continue to rise further as the year progresses. In their August Monetary Policy Committee meeting, the Bank of

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England forecasted that UK inflation would rise above 4% in the near-term causing speculation that they may respond by increasing the cost of borrowing.

Industry overall is also facing a well-publicised labour shortage. Estimates suggest there are currently around 100,000 delivery driver vacancies. This is a longer-term problem exacerbated by COVID restrictions and a changing immigration policy. As well as causing disruption, the subsequent wage inflation has materially increased business running costs across industry.

3. Key impacted areas

3.1 Construction Materials – Market Update

In June, Scotland Excel circulated a construction materials market update to its stakeholders reporting on the unprecedented disruption of our materials supply chains. This paper provided a summary of the causes and impacts of the current market conditions, outlined engagement with key suppliers and recommended appropriate mitigating action.

Over the course of the summer, and as predicted, conditions have deteriorated. Set out below is an update on the current market conditions, corresponding impacts for our members and suppliers and confirmation of collaborative work underway to advocate for the sector.

Of all the goods-based frameworks, the Building and Timber Materials framework is experiencing the greatest degree of disruption. The Timber Trade Federation (TTF)¹ have reported a record level of softwood imports in 2020 against previous years, with sales up 18% in Jan 2021 against Jan 2020. By April 2021 the value of construction projects on site (<£100m) was 30% higher than the same period in 2020.

Our suppliers are reporting the worst timber shortage the industry has faced in recent times. The Swedish sawmill industry, responsible for around 50% of the structural wood used in the UK, has reported the lowest stock levels for 20 years. The framework has been reclassified from a category D to a category B contract requiring frequent engagement with suppliers and councils. Our suppliers have reported an ongoing surge in demand over the Summer, as homeowners invested in upgrading their properties, during the favourable weather and as they were unable to travel as freely.

High demand from the retail sector and for European Whitewood is resulting in monthly price increases as well as driving up the price of Redwood. Medium Density Fibreboard (MDF) products have been impacted considerably by the scarcity of waxes and chemicals used in production. Given the high demand for MDF in the house building sector, many of those products are being priced on application. Demand from the US continues to be impactful with new homes 20% greater than estimated and with the US paying more than what has been paid in

¹ Timber demand and supply in the UK, May 2021

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the UK. In evidence submitted by suppliers to justify price variance requests, increases are reported between c.20%-40% dependant on product groupings.

Where alternative sources of supply are available, supply chains are less mature and being impacted by difficulties in logistics including availability and price of containers, shortages of HGV drivers and shipping companies imposing surcharges due to delays at ports.

Holiday and maintenance periods in Scandinavia started at the end of June for two months resulting in reduced available timber to export.

As sawmills restarted in August, suppliers have advised (with caution), that it is hoped the deficit will be reduced, so that future increases for some product groupings will not be as high as previous. Scotland Excel is working with key suppliers to request market forecast data on how the market is anticipated to perform late 2021/early 2022.

3.2 Building and Timber Impact - Price Variance and Indexation

The category team have been negotiating a higher volume of price variances and exceptional price increase requests in 2020-2021. Table 1 demonstrates the impact of the supply chain volatility on framework pricing, with the most recent uplift, for prices becoming effective on 1 September 2021 representative of a 23% increase, bringing the contract index to 142.04.

PRICE VARIANCE	VALUE PRIOR TO PV	VALUE FOLLOWING PV	TOTAL INCREASE	% INCREASE	COMPOUNDED INCREASE	CONTRACT INDEX	MARKET INDEX
OCTOBER 2019	£5,361,463.78	£5,361,838.96	£375.18	0.0%	100.0%	100.01	93.38
JULY 2020	£5,361,838.96	£5,409,277.97	£47,439.01	0.9%	100.9%	100.89	100.93
OCTOBER 2020	£5,409,277.97	£5,644,334.82	£235,056.85	4.3%	104.3%	105.25	104.84
APRIL 2021	£5,644,334.82	£6,045,499.71	£401,164.90	7.1%	107.1%	112.41	126.26
JULY 2021	£6,045,499.71	£6,397,722.51	£352,222.80	5.8%	105.8%	118.45	150.35
SEPTEMBER 2021	£6,397,722.51	£7,866,823.32	£1,469,100.81	23.0%	123.0%	142.04	150.35

Table 1: Building and Timber – Price Variance

Figure 1 displays the current indexation chart for the framework with the market index sitting at 150.35, a gap of c. 8%. August figures are yet to be published, but it is anticipated that the market index will be more than what is currently reflected on our indexation graph.

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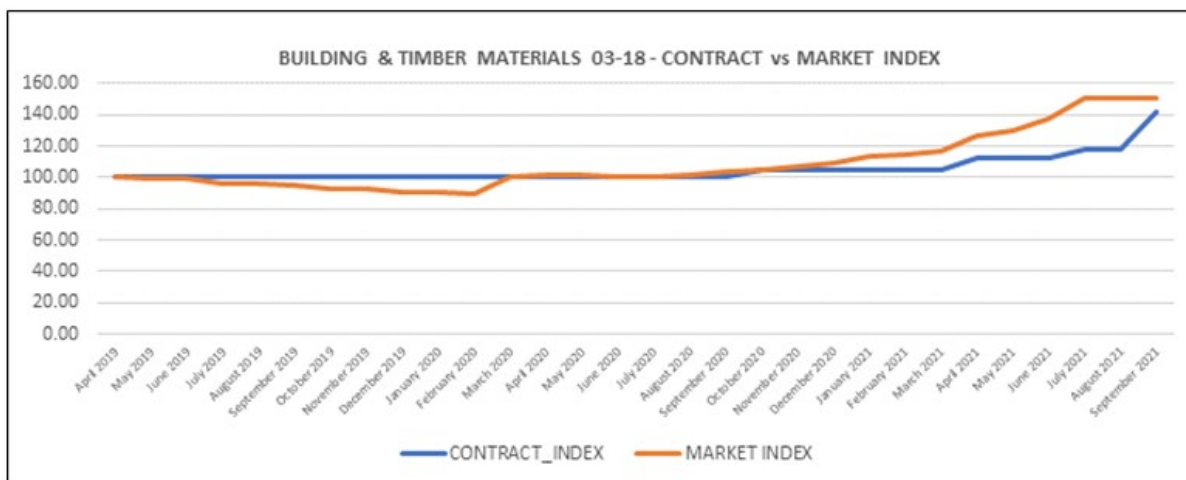


Figure 1: Building and Timber Indexation Graph Apr 2019 – Sept 21

3.3 Materials Short Life Working Group

Scotland Excel launched a short life working group (SLWG) with representatives from our established User Intelligence Group (UIG) to collaborate on our shared experiences of the current volatility. Key insights from this engagement are set out below.

- Our members are reporting extreme difficulty in launching procurement for larger projects given the lack of price certainty resulting in a focus on small, emergency repairs instead of capital programmes.
- There is concern that the current conditions will limit the ability to utilise available funding for construction projects impacting the construction-led recovery.
- Works which can be scheduled are significantly over budget due to materials costs.
- Direct award is becoming more prevalent as suppliers are unable to offer for mini competitions due to shortages and pricing volatility.
- Council departments are reporting a significant inefficiency/administrative burden of sourcing products with a range of suppliers in some cases on application or with fixed pricing reducing from months to weeks.
- There are constraints where grant funding timescale requirements are unable to be achieved because of prolonged material lead times.

4. Further Collaborative Activity

As part of enhanced contract management activities for the framework, members were provided with data and benchmarking to inform supplier engagement and purchasing decisions. Due to the number of lots/items affected, although demand

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planning was considered as part of the SLWG, it was decided that this should not be undertaken on a national basis.

Scotland Excel has been advocating on behalf of our members and suppliers with a range of public sector bodies including the Construction Scotland Innovation Centre (CSIC) on innovative and alternative products, Scottish Enterprise on the longer-term actions required to build supply chain resilience through Scottish manufacturing and has also joined the Ministerial Short Life Working Group (MSLWG) for construction materials chaired by Ivan McKee MSP. The issue of grant funding timescales has been raised at this forum to highlight the challenges, and to request that greater flexibility is introduced on such funding streams.

Other activities that will form part of our strategic procurement for materials include.

- Ongoing collaboration across the public sector on planning for alternative sources of supply, release of home-grown timber and changes to building regulations to accommodate sustainable alternatives.
- Data Analytics on historic line level data to inform forecasting/demand planning of materials requirements.
- Consideration of how tender pipeline should be influenced by ongoing disruption including, covid recovery, planning the backlog of works through and supplier's ability to tender for our revised contract delivery plan.
- Consideration of how to consult with and confirm impact on communities including delays to adaptations, fuel poor homes and housing programmes.
- Consideration of Net Zero implications how to support members to meet targets on retrofitting, reduction of embodied carbon and the opportunity for circular products.

5. Food and Drink

Supply chain issues continue to be well reported on in the media, but despite the challenges of a shortage of labour and haulage difficulties, Scotland Excel, working with key suppliers has had reassurance, that the key suppliers for schools and care homes have maintained an industry-leading level of product availability – as has been the case throughout the pandemic.

As suppliers have been able to continue to diversify and operate during the height of the pandemic, they advise that their supplier partners are working closely with them and ensuring that Scotland Excel has been regularly updated on any challenges they may be encountering in getting goods into the supply chain. Whilst there are lower levels of availability in many areas of the supply base, with some challenges in specific categories, our key suppliers are pleased to report that they have seen only a **minimal impact on the top selling** lines.

The mitigation factors that key suppliers have undertaken are noted as follows: -

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- Building up a **large stockholding of food and non-food** across their sites
- **Boosting inventory in advance of the peak requirements** to align with the reopening of schools after the summer term, with up to 4 weeks of stock of the most popular frozen and ambient product lines.
- **Broadening the range** so that they can identify and offer close alternatives for any products where there are issues, whilst ensuring that full allergen information is still provided so that customers can check for all products.
- **Using their own vehicles** to collect stock from suppliers who can't deliver to them, where this is practical.
- **Continually monitoring and tracking issues and risks**, so they can act early to mitigate product availability challenges.

We will continue to work with our suppliers to maintain availability, as the above factors have been, and are likely to remain, challenging. However, our supply base has provided reassurance that Education and Health sectors will be prioritised above retail requirements.

6. Fleet

In terms of vehicles and fleet, during the initial months of the pandemic last year, many vehicle manufacturing plants were closed completely or had severe restrictions placed on their manufacturing output for a significant period of time.

Although these plants are now back fully operational and have been for some time now, inevitably a backlog of their orderbooks has developed and this impact is still being felt in terms of vehicle delivery lead-times. Coupled with the well-publicised global scarcity of microchips affecting many industries, this has resulted in grossly extended delivery times from order placement until customer delivery.

Typically, where we would have previously seen car or vans delivered in a period of around 3-4 months from point of order placement, these are now around 6 months or more. For heavy duty vehicles lead times are up to 12 months, or even longer depending upon their specifications.

Vehicle manufacturers had expected an improvement in global microchip availability by the end of 2021, although the latest market analysis is still unclear when this situation will be fully resolved. As such, extended lead-times should be taken into consideration in any fleet replacement programmes that are being planned.

7. PPE and Future planning

In general PPE products (out with some key covid items) have healthy stock levels. Pricing has been affected by the factors below and some suppliers have approached Scotland Excel regarding potential price reviews, citing the following: -

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- Labour costs have increased in both the UK and far east due to the impact of covid and worldwide demand for goods as well as a reduction in available resources.
- Freight costs remain at an all-time high and with no sign of this returning to normality for the remainder of 2021. Lack of available containers and vessels to sail from the Far East to the UK has been widely publicised across all sectors, regardless of industry. This has pushed normal lead times of 4-5 weeks being pushed out to 8-12 weeks. In addition, difficulties at the UK ports have forced some liners to take alternate routes into Europe, and for forwarders to transport via road into the UK.
- Raw material costs for nitrile gloves and plastics are still high, which is keeping the costs of items higher than pre covid with this expected to continue into 2022.

Work continues to develop a new tender for the provision of PPE with a focus on sustainability and where possible opening access to UK / Scottish marketplace to produce items for Scotland. Working alongside, Scottish Enterprise, it is hoped that the new tender activity will open a marketplace for production from Scottish Suppliers, and where it is not possible to source directly, will allow sub-contracting opportunities through tier one suppliers.

The challenge now will be in developing a longer-term approach to PPE supply and distribution, which includes both business as usual needs as well as preparing for future pandemics.

8. Conclusion

Members are invited to note the progress made to date, and endorse the ongoing activity outlined.

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ANNEX 6 - Exemptions

Procuring Service / Directorate	Name of Contract	Value	Supplier
CF&J	Glen Isla Project	£40,000.00	Action for Children
CF&J	Glen Clova Project	£40,616.00	Venture Trust
CF&J	Glen Clova Project	£21,000 (with possible additional £21,000 of additional funding)	WRASAC
CF&J	Community Health and Wellbeing Programme	Up to £18,000	Shona Quin
CF&J	Funding of a Women's Safety Worker, Munro Team	£39,262.00	WRASAC
INTEGRATED JOINT BOARD / ANGUS HEALTH & SOCIAL CARE PARTNERSHIP	Mental Health and Wellbeing Peer Workers for 11-16 year olds	£227,031.00	Hillcrest Futures Ltd
INFRASTRUCTURE	Technical Standards Online	£54,118.71	IHS Markit – HIS Global Ltd
COMMUNITIES	West links, Arbroath, Crazy Golf Course	£35,000.00	
INTEGRATED JOINT BOARD / ANGUS HEALTH & SOCIAL CARE PARTNERSHIP	Provision of Sensory Services in Angus	£196,350.00	NESS
HR/DIGITAL ENABLEMENT / BUSINESS SUPPORT	Renewal of CSP	£324,151.69	Granicus Ltd
INFRASTRUCTURE	9517/1049 – Carnoustie External Lighting to	£62,440.00	D Adam & Co. Ltd

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	Underpass and Beachfront Seating		
INTEGRATED JOINT BOARD / ANGUS HEALTH & SOCIAL CARE PARTNERSHIP	Provision of a Care at Home Service at Windmill Brae, Forfar	£300,000.00	Alpha 24 Healthcare
COMMUNITIES	Montrose 5G Project	£300,000.00	BT
INFRASTRUCTURE	Use of technology for Optimisation of skip container transportation		PIN IoT
INFRASTRUCTURE	Angus Wide Pedestrian & Cycle Counters	£70,000.00	Q-Free Uk
INTEGRATED JOINT BOARD / ANGUS HEALTH & SOCIAL CARE PARTNERSHIP	Social Prescribing Service within Angus General Practices – Voluntary Action Angus	£192	VAA
CHIEF EXECUTIVE'S UNIT-ECONOMIC DEVELOPMENT	Hanlon	£36,075	Hanlon Software Solutions
CHIEF EXECUTIVE'S UNIT-HQ / STRATEGIC	Community Led Local Development in Angus	£50,000	Five Glens Consultancy
CHIEF EXECUTIVE'S UNIT-ECONOMIC DEVELOPMENT	Maintenance and security of Monifieth Blue Seaway Public Toilets	£5,000	Cafefix
INFRASTRUCTURE	Data Collector /Aggregator agreement for Council electrical Half Hourly supplies.	£49,940	IM Serv Europe Ltd.
INFRASTRUCTURE	Meter Operator agreement for Council electrical Half Hourly supplies.	£43,073	IM Serv Europe Ltd.

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ANNEX 7 – PGN33: Standing Exemptions



ANGUS COUNCIL

PROCUREMENT GUIDANCE NOTE 33

FINANCIAL REGULATIONS STANDING EXEMPTIONS: (1) STATUTORY UTILITY SERVICES AND (2) PRS FOR MUSIC PERFORMANCE LICENSES

Introduction

The purpose of this Procurement Guidance Note (PGN) is to set out the terms of the standing exemption from Financial Regulations tendering requirements by the Head of Finance for identified utilities providers in terms of [Financial Regulation 16.24.16](#).

Financial Regulations Position

Financial Regulation 16.24.16 provides as follows:

The Head of Finance in consultation with the Exemption Co-ordinator shall maintain a list of standing exemptions for identified utilities providers where, by operation of law or practice, there is no competitive open market for the provision of a required supply. Inclusion of a provider on such a list will exempt chief officers from the provisions of Section 16 relating to the seeking of competitive tenders for that provider, irrespective of the value of the current requirement. For the avoidance of any doubt, chief officers will, however, remain responsible for ensuring that budget provision is available for the cost of the exempted supply. In addition, the award of contracts exempted from competition under this Financial Regulation will require to be reported to the appropriate Committee at least every six months in the same manner as is set out in Financial Regulations [16.8.2](#) and [16.24.13](#).

The Standing Exemptions List approved by the Head of Finance is set out in this PGN 26.

Standing Exemption

The following suppliers and supplies are exempted under FR 16.24.16:

Supplier Name	Exempted Supplies
Scottish & Southern Energy Power Distribution as the electricity distribution network operator for the North Scotland area	Provision of a new electricity connection to the distribution network under the Electricity Act 1989

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Scottish Water as the public water and waste water network operator for Scotland	Provision of a new water or waste water connection to the public system under the Water (Scotland) Act 1980 and the Sewerage (Scotland) Act 1968
Scotland Gas Networks plc as the gas transporter for Scotland or other Utility Infrastructure Providers (UIPs) legally licensed to provide gas connection services. See these links: national grid and SBGI .	Provision of a new gas connection to the transporter's network under the Gas Act 1986
BT Openreach as the owner and operator of the regulated telecommunications access network	Provision of a new connection to the regulated telecommunications access network under the Telecommunications Act 1984
PRS for Music Limited as the copyright licensor for copyrighted music and operating arm of the Performing Rights Society.	Public performance licensing for their copyrighted musical material

This exemption is subject to the following conditions / advice:

1. The effect of this exemption is to exempt procurement of these statutory monopoly utilities / sole copyright licensors from the need to seek competitive tenders or quotations under FRs Section 16 as they are out scope of competitive procurement activity.
2. Only the named suppliers and supply cases are exempted. The exemption is to be construed strictly and in good faith. Any ancillary provision outwith the statutory monopoly or exclusive right is not exempted.
3. It is advised that, where a project requiring the construction / installation of a new utility supply is being reported to Committee by way of a Procurement Authority Report (PAR), such installation merits mention in PARs as forming part of the whole life cost of the construction, irrespective of the existence of a standing exemption for the utility part.
4. Authorised Procurement Officers are reminded that they must also still comply with Financial Regulation 19.10 restricting the advance payment for works, goods and services.

Further Advice

Further advice and information may be had from the Corporate Procurement Team whose details are given in the "[Contact Us](#)" section of the Corporate Intranet/ Procurement pages.

Date: 31st December 2013