

---

<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>16 November 2021</b>
<b>Report By:</b>	<b>Interim Director, Finance &amp; Corporate Governance</b>	<b>Report No:</b>	<b>PR/23/21/DA</b>
<b>Contact Officer:</b>	<b>Eddie Montgomery / David Aitken</b>	<b>Contact No:</b>	<b>01475 712472/2964</b>
<b>Subject:</b>	<b>Procurement Update</b>		

---

## 1.0 PURPOSE

- 1.1 The purpose of this report is to update the committee on procurement related activity including outcomes delivered during the period 1st April 2020 to 31st March 2021 and to seek approval to publish the Annual Procurement Report attached within Appendix 1. The report also provides an update in respect of The Scottish Government's commitment to Fair Work and requests approval to add SCAPE Scotland to the named frameworks within the Council's Standing Orders Relating to Contracts.

## 2.0 SUMMARY

- 2.1 As required under section 15 of the Procurement Reform (Scotland) Act 2014 a contracting authority must publish a Procurement Strategy and subsequently produce an Annual Procurement Report, required by section 18 of the Act. The Annual Procurement report monitors the authority's regulated procurement activities (which is defined as any procurement from £50k for Supplies and Services and from £2m for Works) against delivery of its procurement strategy and should be published as soon as is reasonably practicable after the end of their financial year. The content of this report covers all regulated procurements completed during the period 1 April 2020 to 31 March 2021 and details how those procurements supported the objectives included within the Council's Procurement Strategy.
- 2.2 A letter from Scottish Ministers to all Local Authority Leaders and COSLA Chief Executive was issued in early September 2021 re-stating the Scottish Governments commitment to Fair Work. This was followed by an updated Scottish Procurement Policy Note in late September and further Scottish Government correspondence mid-October on the real living wage and approach in contracts.
- 2.3 The Council's currently employment practices meet the updated elements of Fair Work First Principles with the exception of one area outlined within the report and recommendations below. The Council's current procurement process for Fair Work will be reviewed and updated to reflect the updated policy with further work undertaken as part of the implementation of the new Procurement Strategy. The Council's existing approach to grant / funding awards will also be reviewed to identify appropriate opportunities for application of Fair Work First criteria.
- 2.4 The Council has a limited internal Technical Services resource and requires to engage external consultants to assist in the delivery of the various projects within the Capital programme. Frameworks and Collaborative Agreements offer a fully compliant and efficient method of accessing such support and it is proposed to add SCAPE Scotland to the current list of "Framework and Exempt Collaborative Agreements" under section 6.6 of the Standing Orders Relating to Contracts.

### **3.0 RECOMMENDATIONS**

#### **3.1 That the Committee:**

- Approves the Annual Procurement Report in Appendix 1 for publication to the Scottish Government and on the Council's website;
- Notes the latest Procurement Compliant Spend position and spend with SMEs and local suppliers;
- Notes the current position including actions required to embed/apply the revised Fair Work First principles in line with the updated policy and guidance and that a Fair Work First Action Plan will be developed and submitted to the February Policy & Resources Committee;
- Agree that the Council's Work Life Balance Policy is revised to allow employees to make an application for flexible working from day one of employment;
- Approves the addition of SCAPE Scotland to the listed bodies within 6.6 of the Council's Standing Orders Relating to Contracts and grants authority under 6.7 of the Standing Orders for the Corporate Procurement Manager to sign the SCAPE Scotland Access Agreement.

**Alan Puckrin**  
**Interim Director**  
**Finance & Corporate Governance**

## 4.0 BACKGROUND

- 4.1 The requirement to publish an Annual Procurement Report was introduced into Scottish Legislation to further the principles of openness and transparency. All public contracting authorities with spends greater than £5,000,000 must publish an Annual Procurement Report. Previous reports to the Committee have given annual updates on spend with local Suppliers and with SMEs. These are detailed within sections 5.5 and 5.6 of this report.
- 4.2 Scottish public bodies have been addressing Fair Work in procurement since the introduction of Statutory Guidance in October 2015. The May 2015 Policy and Resources Committee approved the introduction of a standard weighted technical question for inclusion in Council tenders on Fair Working Practices with maximum weightings addressing Social Care Contracts, Construction Contracts and Corporate Services and Waste Contracts.
- 4.3 A Scottish Procurement Policy Note (SPPN 3/2021) had previously been issued on 15th March 2021 advising public bodies to implement Fair Work First in new procurement processes from 1 April 2021. The Council's standard weighted technical questions were updated at that time to reflect the updated policy. A letter from Scottish Ministers to all Local Authority Leaders and COSLA Chief Executive was issued on 9th September 2021 re-stating the Scottish Governments commitment to Fair Work (see Appendix 2). An update to SPPN 3/2021 (SPPN 6/2021) was issued on 24<sup>th</sup> September 2021 following Ministers announcement of the expansion of Fair Work First to include 2 new elements. This expansion is in response to challenges faced in the labour market with new elements seeking to **promote flexible and family friendly working practices** and **oppose the use of fire and rehire practices**. Fair Work First asks for a commitment to:
- appropriate channels for effective voice, such as trade union recognition;
  - investment in workforce development;
  - no inappropriate use of zero hours contracts;
  - action to tackle the gender pay gap and create a more diverse and inclusive workplace;
  - payment of the real Living Wage;
  - offer flexible and family friendly working practices for all workers from day one of employment; and
  - oppose the use of fire and rehire practices.
- 4.4 Public bodies have now been advised to start an incremental approach to implementing the expanded Fair Work First in new procurement processes from 31 October 2021, with a view to having fully developed internal procedures so that Fair Work First is incorporated in all relevant procurement processes in financial year 2022/23.
- 4.5 The Council has a limited internal Technical Services resource which requires to be supplemented by external consultant support for Engineering and other more specialist disciplines in connection with the various projects delivered through the Councils Capital programme. Frameworks and Collaborative Agreements offer a fully compliant and efficient method of accessing the necessary consultant and contractor expertise to support the delivery of the projects undertaken by the Council. The Council's Standing Orders Relating to Contracts includes a list of all approved framework and collaborative agreement bodies and authority is required to extend this list for any new membership/participation. Section 7 below provides information on the SCAPE Scotland framework and authority is sought to add this body as an additional procurement delivery vehicle.

## 5.0 ANNUAL PROCUREMENT REPORT

### Procurement Compliant Spend

- 5.1 As part of an ongoing suite of audit actions relating to spend compliance procurement have undertaken an extensive analysis of spend to determine Procurement Compliant Spend.

5.2 The Annual Procurement report is contained within Appendix 1. The report highlights that the total Procurement Spend for 2020/21 was £91,130,593.

5.3 Based on an analysis of the financial year 2020/21 spend data, of the £74,465,102 regulated procurement spend, £69,336,419 (93.1%) was compliant with regulated procurements:

Spend Type	Total Regulated Spend	Compliant Regulated Spend	Non-Compliant Regulated Spend #1	Percentage Compliance
Goods	£9,812,192	£9,290,015	£522,176	94.7%
Services	£64,652,909	£60,046,403	£4,606,506	92.9%
Works	£0	£0	£0	-
Total	£74,465,101	£69,336,418	£5,128,682	93.1%

#1: Compliance can be influenced by multiple factors such as supplier's decisions to remove themselves from Compliant Framework Agreements. As part of on-going improvement actions, Non-Compliance is regularly analysed with actions identified to support making the spend Compliant.

5.4 There were 19 Council regulated procurements performed in the period with a total award value of £7,221,826.

#### Local and SME Spend

5.5 Previous procurement reports have updated this Committee on the Council's aim to maximise procurement opportunities for regulated Local and SME suppliers. Spend in 2020/21 with local and SME suppliers is detailed in the table below:

LOCAL and SME Spend				
2019/2020		2020/2021		Variance (+/-)
Local Spend (%)	25.9%	Local Spend (%)	25%	-0.9%
Local Spend (£)	29,600,673	Local Spend (£)	£22,738,419	-£6,862,254 #2
SME Spend (%)	55.9%	SME Spend (%)	57.1%	+1.2%
SME Spend (£)	£64,724,839	SME Spend (£)	£52,015,862	-£12,708,977 #2

#2: 2020/21 spend has been categorised differently to previous years to identify spend that that is non-influenceable such as inland revenue, grant funding and payment to other bodies, which is therefore exempt from the Annual Procurement Report. This has also resulted in lower volume of spend, however the percentages are similar to previous years.

5.6 The Council has several processes and initiatives in place to support local and SME suppliers and these are detailed below:

- Consider Lotting contracts / Framework Agreements where appropriate
- Continue to pay local suppliers early where this is requested
- Select at least 50% of suppliers from the local area to bid for quotations
- Refer suppliers to the Supplier Development Programme
- Hold meet the buyer events, supplier debriefs and individual meetings
- Inform local suppliers of Scotland Excel contract opportunities and lobbying Scotland Excel to lot these contracts to allow local suppliers the ability to bid.
- Take local suppliers and SMEs into account when creating tender strategies

## Fair Work First and Community Benefits

- 5.7 Each of the 16 unique suppliers who were awarded council regulated contracts have committed to pay the real Living Wage with 1 of these suppliers being an accredited Living Wage supplier. A fuller update on activity around Fair Work First is included in section 6 below.
- 5.8 Community Benefits in 2020/21 is identified in the table below:

COMMUNITY BENEFITS 2020/21	
Total number of council regulated procurements awarded in 2020/2021:	19
Total number of council regulated procurements awarded which included community benefits in 2020/2021:	1
Community Benefits delivered in Financial Year 2020/2021:	7

The low value of awards and reducing number of larger value capital programme projects has resulted in the lower than average number of community benefits for the period. The position is expected to improve with the larger value construction contracts that are underway or will be awarded in the 2021/22 reporting period. Improvement is also anticipated in connection with the review of the Councils' Community Benefits approach as part of the new Procurement strategy which is in development and planned for submission and approval by the end of the current financial year.

## 6.0 FAIR WORK FIRST IN LOCAL GOVERNMENT

- 6.1 The updated policy and guidance on Fair Work First states that 'Fair Work is more important than ever and must be at the heart of employment practices, funding and procurements'. The letter from Ministers also directs Authorities to embed Fair Work First principles in their employment practices during the current financial year, and work towards applying the criteria to grants, other funding and contracts awarded by the timescales noted in 4.4 above. The sections below cover the current position and actions required to address each area of activity.

### Employment Practices

- 6.2 Inverclyde Council is committed to Fair Work and has taken positive steps in this regard, including becoming an accredited Living Wage Employer. There are now 7 principles to Fair Work First which are outlined below together with a summary of key actions and working practices which the Council have put in place to support these:

#### Appropriate channels for effective voice, such as trade union recognition

- Inverclyde Council recognises trade unions and already engages our trade union colleagues in key policy decisions such budget decisions;
- The Council have a jointly signed a Partnership Working Pledge with all the recognised trade unions;
- Policies promote constructive dialogue to resolve workforce issues;
- Clear communication arrangements with employees are in place (e.g. Insider publication);
- A range of employee surveys are undertaken in order to seek views and inform decision making.

#### Investment in workforce development

- Inverclyde Council invests in workforce development and this is demonstrated in our People and OD Strategy, Employee Wellbeing Strategy, Service workforce plans,

leadership events, modern apprentice and graduate opportunities and a wide catalogue of e-learning opportunities to the whole workforce;

- Performance Appraisals identify employee learning needs and individual development plans are put in place.

#### No inappropriate use of zero hours contracts

- Inverclyde Council does not use inappropriate zero hours contracts.
- Employees are employed on a permanent or temporary contract of employment.
- There is no expectation on casual/sessional workers to accept hours of work offered;
- The working arrangements of casual and sessional employees are reviewed on a quarterly basis and contracts of employment are offered where appropriate.

#### Action to tackle the gender pay gap and create a more diverse and inclusive workplace.

- Inverclyde Council participates in gender pay gap analysis on an annual basis.
- A number of initiatives have been implemented over the past few years which has seen a continuous reduction in the gender pay gap and an increase in females holding senior management positions;
- Key equality and diversity policies are in place and reviewed regularly;
- The Council is an accredited 'Carer Positive' employer and has achieved 'Disability Confident' Leader status;
- Employee equality groups and forums are engaged and have input to relevant employment policies.

#### Payment of the real Living Wage

- Inverclyde Council is already a committed accredited living wage employer;
- The Council recently reviewed its pay model which consolidated the Living Wage into the pay structure rather than paying a supplement;
- Pay rates are agreed with recognised trade unions through collective bargaining.

#### Offer flexible and family friendly working practices for all workers from day one of employment

- Inverclyde Council have a flexible workforce and have several policies (work-life balance, special leave, dealing with emergencies, maternity etc.) in place to support those working flexibly or requiring family friendly support;
- Council has developed a Hybrid Working Strategy offering employees greater flexibility in their working arrangements;
- Our work-life balance policy allows employees to make an application for flexible working after 6 months service and it is proposed that this is revised to allow employees to apply from day one;
- The Councils ICT strategy supports investing in equipment to facilitate wider flexible working.

#### Oppose the use of fire and rehire practices.

- Inverclyde Council does not operate fire and rehire policies;
- Any changes to terms and conditions of employment are achieved through meaningful consultation with recognised trade unions.

6.3 As outlined above the Council's current employment practices meet the new 7 elements of Fair Work First Principles with the exception of offering flexible and family friendly working practices from day one of employment. It is recommended that the Councils Work Life Balance Policy is revised to allow employees to make an application for flexible working from day one of employment.

### **Procurement**

6.4 Fair Work First is central to achieving the Scottish Government's priority for sustainable and

inclusive growth, and as the country transitions out of the COVID-19 pandemic and into a period of economic recovery and renewal, Fair Work is more important than ever and must be at the heart of employment practices, funding and procurements.

- 6.5 Fair Work First Practices are currently embedded within the majority of council procurement processes and this is supported by appropriate internal governance. Considerable work has been undertaken and will continue to be progressed with Procuring Services, the Council's Legal Service and Trade Unions to develop and refine the guidance and questions to be included within the procurement processes to ensure the council is adopting best practice in its implementation.
- 6.6 The position around Fair Work First is evolving with the most recent communication from the Scottish Government on 15<sup>th</sup> October 2021 stating that it is possible to mandate the payment of the real living wage in contracts where:
- Fair Work First practices, including payment of the real Living Wage is relevant to how the contract will be delivered;
  - It does not discriminate amongst potential bidders;
  - It is proportionate to do so, and
  - The contract will be delivered by workers based in the UK.
- 6.7 The recent changes detailed above have resulted in procurement establishing a cross functional working group to consider the impact, review, monitor, and progress current Fair Work First guidance in to the procurement process. Fair Work First will also feature prominently within the new procurement strategy which is scheduled to be submitted for consideration and approval prior to the end of the current financial year. To support this officers will prepare an action plan which will be submitted to the February Policy & Resources Committee. The delivery of Fair Work First outcomes will also be captured and reported as part of all future annual procurement reports.

## **Funding/Grants**

- 6.8 As noted in 6.1 above the letter from Ministers directs Authorities to work towards applying Fair Work First criteria to grant and other funding awards. The position with this element is less clear as the approach must be proportionate and appropriate to the level and type of grants or other funding awards involved. Due to the conditionality and complexity of grant funding, a cross functional team has been established to identify opportunities to influence and support the delivery of Fair Work First criteria where appropriate.

## **7.0 SCAPE SCOTLAND FRAMEWORK**

- 7.1 SCAPE are a public sector partnership that provide compliant frameworks for the delivery of works and services in the areas of Construction, Consultancy and Civil Engineering. SCAPE Scotland's frameworks are compliant with Scottish procurement legislation and since 2015, have delivered more than 260 projects across Scotland. As well as being a public sector partnership with a real focus on delivering social value through their framework agreements, SCAPE Scotland are also a living wage employer.
- 7.2 SCAPE recently announced its next-generation framework following a rigorous procurement process. This includes the new Built Environment Consultancy Services (BECs) Framework which offers access to core professional services such as Quantity Surveying and Engineering disciplines but also to more specialist / non-core services such as Net Zero advice, Listed Building advice and Landscape Architecture. As noted in 4.5 above the Council's internal Technical Service requires to be supplemented to deliver the various projects within the Capital programme and SCAPE Scotland offers a route to assist in that delivery in addition to the other established frameworks and collaborative agreements currently utilised/available.
- 7.3 Section 6 of the Standing Orders Relating to Contracts (Excluded Contracts) and specifically section 6.6 (Framework and Exempt Collaborative Agreements) states that "Any matter

relating to the Council’s membership of the bodies listed at Standing Order 6.6 shall be referred to the Council’s Policy & Resources Committee or its equivalent from time to time”. Authority is sought in terms of section 6.7 of the Standing Orders for the Corporate Procurement Manager to sign the SCAPE Scotland Access Agreement on behalf of the Council and add SCAPE Scotland to the list of “Framework and Exempt Collaborative Agreements” under section 6.6. It should be noted that there is no cost or commitment to utilise the frameworks when signing the agreement.

## 8.0 IMPLICATIONS

### Finance

#### 8.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
N/A					

There are no direct financial or procurement implications arising from this report. However, it is important that all officers of the Council support the actions required to continuously improve procurement compliance.

### Legal

8.2 There are no known Legal implications contained within this report.

### Human Resources

8.3 There are no known Human Resources implications contained within this report.

### Equalities

#### 8.4 Equalities

(a) Has an Equality Impact Assessment been carried out?

YES	
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report’s recommendations reduce inequalities of outcome?



	YES – A written statement showing how this report’s recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

**Repopulation**

8.5 The regeneration works outlined in this report should contribute to retaining and increasing the population within the area. There are no repopulation implications contained within this report.

**9.0 CONSULTATIONS**

9.1 The report has been prepared in consultation with the Interim Director, Environment & Regeneration; the Interim Head of Legal Services; the Head of Organisational Development, Policy & Communications and the Regeneration Manager.

**10.0 BACKGROUND PAPERS**

10.1 Scottish Procurement Policy Note - SPPN 6/2021 - 24<sup>th</sup> September 2021.

# Inverclyde Council Annual Procurement Report

1ST APRIL 2020 – 31ST MARCH 2021

# Contents

1. Introduction .....	2
2. Summary of Regulated Procurement.....	3
3. Review of Regulated Procurement Compliance .....	4
4. Community Benefit Summary .....	6
5. Fair Work and the Real Living Wage .....	7
6. Payment Performance .....	8
7. Supported Businesses Summary.....	9
8. Spend and Savings Summary .....	10
9. Future Regulated Procurements Summary .....	11
Appendix 1 – Full List of Regulated Procurements .....	12
Appendix 2 – Requirements of the Act.....	17
Appendix 3 – Community Benefit Outcomes.....	20
Appendix 4 – Future Regulated Procurements (From April 2021 to March 2023)....	21
Appendix 5 - Purchase Card Spend Equating to more than £25,000.....	23
Appendix 6 – Glossary .....	24
Appendix 7– Key Statistics.....	26

# 1. Introduction

As required under section 15 of the Procurement Reform (Scotland) Act 2014 (“the Act”), a contracting authority must publish a Procurement Strategy by December 2016 and subsequently produce an Annual Procurement Report, required by section 18 of the Act. The Annual Procurement report monitors the authority’s regulated procurement activities against delivery of its procurement strategy and should be published as soon as is reasonably practicable after the end of their financial year.

Inverclyde Council is pleased to publish our fourth Annual Procurement Report. The content of this Report covers all regulated procurements completed during the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 and details how those procurements supported the objectives included within the council’s Procurement Strategy.

Key benefits in the delivery of the Procurement Strategy are:

- Updating process and procedures to comply with the requirements of the new procurement rules and regulations.
- Increasing time spent on strategic aspects of procurement activities.
- Supporting the council’s overall savings targets.
- Embedding the council’s community benefits approach into all relevant and proportionate contracts delivering a greater volume and increased variety of outcomes across a wider range of commodities.
- Transitioning to the Scottish Government Procurement Journey which standardised and aligned our processes and procedures and reduced risk and duplication.
- Ensuring Small and Medium-sized Enterprises (SMEs) are provided targeted opportunities as standard within our Quick Quote process (Goods and Services under £25,000, Works under £100,000).
- Fulfilment of our procurement work plans, including the delivery of tenders supporting special projects (e.g. The Glasgow City Region City Deal)

The Council was assessed as part of the national Procurement and Commercial Improvement Programme (PCIP), and achieved a score of 70% in 2018. The PCIP assessment was planned to take place in late 2020 but has been postponed until 2022 as a result of the pandemic.

## 2. Summary of Regulated Procurement

Section 18(2) (a) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: “a summary of the regulated procurements that have been completed during the year covered by the report”

Regulated procurement refers to any procurement above £50,000 for goods and services or £2,000,000 for works. A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. Regulated procurements can refer to new contracts and framework agreements but also to mini-competitions and call offs from existing framework agreements.

In total the Council awarded 59 regulated contracts during the reporting period with a total award value of £22,322,989. The following table provides further detail of the type of awards:

Type	Number of Contracts	Value of Contracts	Unique Suppliers	Unique SME Suppliers
Total Council regulated contracts awarded	19	£7,221,826	16	13
Total Non-Council regulated contracts awarded	40	£15,101,163	37	14
<b>Total regulated contracts awarded</b>	<b>59</b>	<b>£22,322,989</b>	<b>52</b>	<b>27</b>

Appendix 1 Table 1 shows a full list of each individual procurement completed. Information on live contracts can also be found on Inverclyde Council’s Contract Register on Public Contracts Scotland.

During the reporting period, the Council also utilised a number of legacy non council frameworks on a call off basis, meaning a large volume of low value orders were raised accumulating to more than £50,000. The 2020/21 spend is shown for each framework in Appendix 1 Table 2.

The Council also utilised the COSLA National Care Home Contract to make awards above regulated procurement with a total value of £14,100,000.

Contract values are based on the total value of the contract for all years that the contract could be in place and therefore includes possible extensions.

During the same period there were instances where alternative methods of procurement were used in line with the regulations and the Council Standing Orders Relating to Contracts (e.g. where there is only one potential supplier).

### 3. Review of Regulated Procurement Compliance

Section 17 of the Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation's procurement strategy, so far as reasonably practical. Section 18(2) states that an annual procurement report must include, at 18(2) (b), "a review of whether those procurements complied with the authority's procurement strategy" and, at 18(2) (c), "to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply".

The Council's Procurement Strategy sets out how regulated procurement would be undertaken in compliance with the Act. This Strategy also set out objectives for improving the process and procedures relating to regulated procurements.

From the Strategy objectives we identified the following key compliance categories:

- Best Value
- Fairness and transparency (General Duties)
- Economic and social sustainability (community benefits)
- Environmental sustainability
- Fair work practices (including Living Wage)
- Purchase to pay efficiencies

Further information on the requirements of the Act can be seen in Appendix 2.

All regulated procurement in the Council is undertaken in accordance with a legal and procedural framework which ensures that each procurement is compliant with the Strategy. Legal requirements are set out in the Council Standing Orders Relating to Contracts. Procedural requirements are set out in Scottish Government Procurement Journey (for general procurement best practice) and the Corporate Procurement Manual.

Regulated procurement spend refers to any spend with suppliers above £50,000 for goods and services or £2,000,000 for works.

Based on an analysis of the financial year 2020/21 spend data, of the £74,465,102 regulated procurement spend, £69,336,419 (93.1%) was compliant with regulated procurements:

<b>Spend Type</b>	<b>Total Regulated Spend</b>	<b>Compliant Regulated Spend</b>	<b>Non-Compliant Regulated Spend</b>	<b>Percentage Compliance</b>
Goods	£9,812,192	£9,290,015	£522,177	94.7%
Services	£64,652,909	£60,046,403	£4,606,506	92.9%
Works	£0	£0	£0	-
<b>Total</b>	<b>£74,465,101</b>	<b>£69,336,418</b>	<b>£5,128,683</b>	<b>93.1%</b>

Where there has been non-compliance with procedures, this may be due to previous partnership arrangements which now require a Direct Award or within Light Touch Regime arrangements, or the combined value of spend across various services may be more than the Financial Regulation limits.

Throughout the reporting period, our regulated procurements were monitored on an ongoing basis. This monitoring process consisted of reviewing the key supporting documents that underpin our legislative and procedural framework including sourcing strategies, project plans, procedural documentation, scoring calculators and approval reports. The monitoring process was supplemented by post project reviews, which are undertaken after a contract is awarded as well as at the end of the contract. In addition the best value aspect of our contracts is monitored regularly as part of a robust contract management process. These combined processes ensured that all regulated procurements were undertaken in compliance with the legal and procedural framework and, as a result, in compliance with the Strategy. The reviews have also allowed us to identify the following potential improvement areas:

- There are further opportunities to secure economic, environmental and social sustainability outcomes from Non Council frameworks.
- Existing contract and frameworks can continue to be targeted in order to increase purchase to pay efficiencies.
- Continue to work with client teams on advance provision of work plans which will allow increased opportunity to deliver best value from our regulated procurements.

The Council is committed to ensuring that all suppliers who are awarded business are paid within 30 days. Prompt payment clauses requiring a 30 day payment term are embedded within our contractual terms and conditions. Suppliers are required to apply the same terms and conditions with their sub-contractors who are delivering and supporting the council contract.

## 4. Community Benefit Summary

Section 18(2) (d) of the Procurement Reform (Scotland) Act 2014 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”.

Section 25 of the Procurement Reform (Scotland) Act 2014 mandates that all contracting authorities “must consider whether to impose community benefit requirements as part of the procurement” when the estimated contract value is greater than or equal to £4,000,000.

The council’s own policy and manual stipulates that community benefits must be considered for inclusion in all works contracts with an estimated value greater than £1,000,000 and give consideration to include in all goods and services contracts above £50,000.

Robust processes have been developed to ensure that community benefits are considered for inclusion in all relevant contracts in line with the requirements of both the Procurement Reform (Scotland) Act 2014 and the Council’s own community benefits policy.

When initiating procurement activity, client departments are required to consider and highlight potential community benefits considerations for inclusion where relevant. Procurement staff then engage with key stakeholders and undertake market research and benchmarking activity to further explore potential opportunities and identify appropriate requirements for inclusion in the contract.

Delivery of agreed outcomes is monitored and reported internally on a quarterly basis using monitoring updates provided by suppliers.

Key community benefits outcomes secured include:

Total number of Council regulated procurements awarded in 2020/21:	19
Total number of Council regulated procurements awarded which included community benefits in 2020/21:	1
Community Benefits delivered in Financial Year 2020/21	7

Appendix 3 provides full details of all outcomes secured and delivered during the reporting period.

7 Work Experience Placements were also offered during the reporting period. However they were unable to be delivered due to the ongoing Covid-19 Pandemic.



## 5. Fair Work and the Real Living Wage

As an update to the requirements within the 2020/21 Procurement Annual report, the Council is now also required to provide the following summary:

Item	Number	%
a) The number of Council regulated contracts awarded during the period that have included a scored Fair Work criterion.	15	79%
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a Council regulated contract awarded during the period.	16	100%
c) Number of unique suppliers who are accredited Living wage employers and were awarded a Council regulated contract during the period	2	13%
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a Council regulated contract award during the period	0	0%

## 6. Payment Performance

The table below provides a summary on payment performance:

a) Number of valid invoices for the period	39,197
b) Percentage of invoices paid on time for the period	96.84%
c) Number of Council regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains	19
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts	0

A summary of spend by supplier using a purchase card is provided in Appendix 5. Although this is not a requirement of the act this information serves as an extra level of transparency. All of these transactions involve legitimate expenses and have been fully scrutinised before being approved.

## **7. Supported Businesses Summary**

Section 18(2)(e) of the Procurement Reform (Scotland) Act 2014 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”.

The council’s Contract Standing Orders dictates that consideration be given to inclusion of supported businesses in all regulated procurements.

During the reporting period there were no regulated procurements awarded to supported businesses. The reason for this is that the goods, services or works associated with these procurements are not provided by existing supported businesses.

The council does have existing agreements in place with Lady Haig’s Poppy Factory, spending £237.66 who are a registered Supported Business and continues to explore opportunities for other organisations to become a supported business.

## 8. Spend and Savings Summary

A further new requirement of this year's report is that the following summary of spend and savings is provided:

a) Total procurement spend for the period covered by the annual procurement report.	£91,130,594
b) Total procurement spend for the period on SMEs during the period covered by the annual procurement report.	£52,015,862
c) Total procurement spend with third sector bodies during the period covered by the report.	£20,324,412
d) Percentage of total procurement spend through collaborative contracts	32.04%
e) Total targeted cash savings for the period covered by the annual procurement report	£0
f) Total delivered cash savings for the period covered by the annual procurement report	£0
g) Total non-cash savings for the period covered by the annual procurement report	£0

## 9. Future Regulated Procurements Summary

Section 18(2)(f) 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.” Future regulated procurements have been identified via the following means:

- Current contracts on the council tender work plan that will expire and need to be extended or re-let over the next two years.
- New procurements identified via future tender work plans provided by Council service teams and analysis of council spend.
- New procurements identified via anticipated work plans for special projects (e.g. The Glasgow City Region City Deal).

a) Total number of regulated procurements expected to commence in the next two financial years	32
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£74,340,875

A full list of anticipated procurements in the next two years can be seen in Appendix 4.

## Appendix 1 – Full List of Regulated Procurements

Table 1 - Awards of New Council Frameworks and Contracts

Date of Award		Supplier	Subject Matter (Commodity)	Title	Contract Start Date	Contract End Date With extensions	Estimated Contract Value
1.	01/04/2020	Inverclyde Community Development Trust	Workforce Development	Employability Services - Client Engagement, Assessment & Action Planning / Barrier Removal / Vocational Activity / Positive Destination Activity	01/04/2020	31/03/2022	£996,359
2.	01/04/2020	Inverclyde Community Development Trust	Workforce Development	Employability Services - Work Placement Programme	01/04/2020	31/03/2022	£489,996
3.	01/04/2020	ENABLE Scotland	Workforce Development	Employability Services - Employer Engagement & Support. In-Work Training & Support	01/04/2020	31/03/2022	£54,902
4.	01/04/2020	Stepwell Consultancy Ltd.	Workforce Development	Employability Services - Addressing Health Barriers to Employment	01/04/2020	31/03/2022	£124,228
5.	29/04/2020	Bield Housing & Care	Health & Social Care	Technology Enabled Care Call Handling Service	01/05/2020	30/04/2024	£168,000
6.	08/06/2020	Viridor Waste Management	Waste	Treatment of Glass (separate and/or mixed)	05/07/2020	04/07/2024	£64,000
7.	19/06/2020	Regen Waste Limited	Waste	Treatment and Recycling of MRF Outputs	22/06/2020	04/09/2020	£112,769
8.	14/07/2020	Action for Children	Health & Social Care	School Age Counselling Service	01/08/2020	31/07/2023	£1,198,000
9.	26/08/2020	Barnardo's	Health & Social Care	Family Support Workers	01/10/2020	30/09/2021	£900,000
10.	21/09/2020	Ethitec	ICT	Community Equipment Stores Management System	21/09/2020	20/09/2023	£70,000

Date of Award		Supplier	Subject Matter (Commodity)	Title	Contract Start Date	Contract End Date With extensions	Estimated Contract Value
11.	25/09/2020	J & M Murdoch & Sons	Waste	Treatment and Disposal of Inert Wastes and Rubble	01/10/2020	30/09/2024	£60,000
12.	16/10/2020	Regen Waste Limited	Waste	Treatment and Recycling of MRF Outputs	19/10/2020	18/10/2024	£1,972,560
13.	26/10/2020	Barnardo's	Health & Social Care	Integrated Children's Service	01/11/2020	30/10/2022	£462,000
14.	02/12/2020	Meon UK	Traffic Management	Supply and Delivery of Cycle Lane Defenders	02/12/2020	02/02/2021	£59,123
15.	04/12/2020	Starter Packs Inverclyde	Health & Social Care	Starter Packs	01/04/2020	31/03/2022	£75,000
16.	15/12/2020	The Wise Group	Health & Social Care	iHeat	01/04/2020	31/03/2022	£220,000
17.	15/12/2020	Financial Fitness Resource Team	Health & Social Care	Financial Fitness	01/04/2020	31/03/2022	£120,000
18.	17/02/2021	Harley Haddow (Glasgow) Ltd	Consultancy	Civil and Structural Engineering Consultancy Adult Learning Disability Hub	17/02/2021	16/02/2023	£37,020
19.	19/02/2021	Davie + McCulloch Ltd	Consultancy	MEP Engineering Consultancy Adult Learning Disability Hub	19/02/2021	18/02/2023	£37,870
<b>Total</b>							<b>£7,221,826</b>

Table 2 – Orders with Non-Council Framework Suppliers amounting to more than £50,000 spend in 2020/21.

Supplier		Subject Matter (Commodity)	Framework Owner	Framework Name	Framework Start Date	2020/21 Spend
1.	Edmundson Electrical Ltd	Building Construction Materials	Scotland Excel	Electrical Materials	01/04/2020	£110,642
2.	GMC Corsehill	Catering	Scotland Excel	Catering Sundries	01/08/2020	£57,343
3.	McLays Ltd	Catering	Scotland Excel	Fresh Meat, Cooked Meats & Fresh Fish	01/10/2018	£61,095
4.	Brake Bros Ltd	Catering	Scotland Excel	Frozen Foods	01/07/2017	£62,022
5.	Brake Bros Ltd	Catering	Scotland Excel	Groceries & Provisions	01/05/2020	£348,075
6.	Unico Ltd	Cleaning	Scotland Excel	Janitorial Products	01/03/2019	£303,398
7.	Arco Ltd	Clothing	Scotland Excel	Personal Protective Equipment	01/05/2017	£115,374
8.	Hub West Scotland	Construction	Hub West Scotland	West Territory Partnering Agreement	26/04/2012	£2,731,387
9.	Sweco UK Ltd	Consultancy	Scotland Excel	Engineering Consultancy	18/03/2017	£65,064
10.	Tts Group Ltd	Education	Scotland Excel	Education Materials	01/08/2017	£60,702
11.	Yorkshire Purchasing Organisation	Education	Scotland Excel	Education Materials	01/08/2017	£58,277
12.	Crossreach (the Operating Name For The Church Of Scotland Social Care Council)	Health & Social Care	Scotland Excel	Children's Residential	01/05/2018	£707,811
13.	Spark Of Genius (training) Limited	Health & Social Care	Scotland Excel	Children's Residential	01/05/2018	£634,571



Supplier		Subject Matter (Commodity)	Framework Owner	Framework Name	Framework Start Date	2020/21 Spend
14.	Care Visions Group Limited	Health & Social Care	Scotland Excel	Children's Residential	01/05/2018	£437,079
15.	Kibble Education & Care Centre	Health & Social Care	Scotland Excel	Children's Residential	01/05/2018	£392,883
16.	Inspire Scotland Ltd	Health & Social Care	Scotland Excel	Children's Residential	01/05/2018	£148,547
17.	Hillside School (aberdour) Limited	Health & Social Care	Scotland Excel	Children's Residential	01/05/2018	£138,179
18	Barnardo's	Health & Social Care	Scotland Excel	Fostering	25/03/2017	£160,386
19.	Kibble Education & Care Centre	Health & Social Care	Scotland Excel	Secure Care	01/04/2020	£174,267
20.	Edenred UK Group Ltd	Human Resources	Crown Commercial Services	Employee Benefits - Childcare Vouchers	30/08/2019	£50,517
21.	Randstad Public Services Limited	Human Resources	Scotland Excel	Social Care Agency Workers	01/08/2018	£240,479
22.	HP UK Ltd	ICT	Procurement Scotland	Desk Top Client Devices	01/01/2020	£779,978
23.	HP UK Ltd	ICT	Procurement Scotland	Mobile Client Devices	16/11/2015	
24.	Konica Minolta Ltd	ICT	Procurement Scotland	Office Equipment - Multifunctional Devices & Services	03/06/2017	£250,730
25.	Lyreco	ICT	Procurement Scotland	Stationery and Office Paper	01/06/2016	£139,367
26.	XMA Limited	ICT	Procurement Scotland	Web based and proprietary devices	30/11/2019	£62,062
27.	Avm Impact Ltd	ICT	Scotland Excel	Audio Visual	01/04/2019	£692,210

Supplier		Subject Matter (Commodity)	Framework Owner	Framework Name	Framework Start Date	2020/21 Spend
28.	Hawthorn Heights Ltd	Outdoor Surfaces	Scotland Excel	Outdoor Play Equipment and Artificial Surfaces	01/05/2017	£104,434
29.	Hillhouse Quarry Group Ltd	Roads	Scotland Excel	Roadstone	01/07/2018	£415,979
30.	The Irish Salt Mining & Exploration Company (T/A Salt Sales Company)	Roads	Scotland Excel	Salt for Winter Maintenance	01/07/2018	£134,387
31.	Mitie Security Ltd	Security	Scotland Excel	Security Services and Cash Collection	16/09/2019	£137,499
32.	Securigroup Limited	Security	Scotland Excel	Security Services and Cash Collection	16/09/2019	£73,841
33.	EDF Energy Customers Ltd	Utilities	Procurement Scotland	Electricity	01/04/2019	£1,625,096
34.	Certas T/A Scottish Fuels	Utilities	Procurement Scotland	Fuel	14/10/2019	£362,549
35.	Total Gas & Power	Utilities	Procurement Scotland	Gas	01/04/2020	£695,173
36.	Western Automobile Company Ltd t/a Western Commercial	Vehicles	Scotland Excel	Heavy Vehicles	01/01/2018	£1,967,739
37.	Motus Group (uk) Limited T/a Imperial Commercials	Vehicles	Scotland Excel	Heavy Vehicles	01/01/2018	£103,225
38.	McConechy's tyre service Ltd	Vehicles	Scotland Excel	Tyres for Vehicles & Plant	01/11/2017	£66,956
39.	Renault UK Ltd	Vehicles	Scotland Excel	Vehicle Purchase RM6060	02/12/2018	£322,899
40.	Enva Organics Recycling (formerly Gp Green Recycling)	Waste	Scotland Excel	Organic Waste	01/08/2017	£108,941
<b>Total</b>						<b>£15,101,163</b>

## **Appendix 2 – Requirements of the Act**

Procurement Reform (Scotland) Act 2014 asp 12 Part 2 General duties Section 8

### **8 General Duties**

- (1) A contracting authority must, in carrying out a regulated procurement –
- (a) treat relevant economic operators equally and without discrimination,
  - (b) act in a transparent and proportionate manner.
- (2) A contracting authority must also comply with the sustainable procurement duty.
- (3) However, a contracting authority must not do anything in pursuance of subsection (2) that would conflict with its duty under subsection (1).
- (4) A relevant economic operator is an economic operator who is a national of, or is established in –
- (a) A member State, or
  - (b) Iceland, Liechtenstein or Norway.
- (5) Subsection (1) does not apply in relation to an EU-regulated procurement

### **9 Sustainable Procurement Duty**

- (1) For the purposes of this Act, the sustainable procurement duty is the duty of a contracting authority –
- (a) before carrying out a regulated procurement, to consider how in conducting the procurement process it can –
    - (i) improve the economic, social, and 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, and
  - (b) in carrying out the procurement, to act with a view to securing such improvements identified as a result of paragraph (a)(i).
- (2) The contracting authority must consider under subsection (1) only matters that are relevant to what is proposed to be procured and, in doing so, consider the extent to which it is proportionate in all the circumstances to take those matters into account.

(3) In this section –

- “small and medium enterprises” means businesses with not more than 250 employees,
- “third sector bodies” means organisations (other than bodies established under an enactment) that exist wholly or mainly to provide benefits for society or the environment.

(4) In this section, references to the wellbeing of the authority’s area include reducing inequality in the area. Procurement Reform (Scotland) Act 2014 asp 12 Part 2 Procurement strategy and annual report Section 15.

### 15 Procurement Strategy

(1) A contracting authority which expects to have significant procurement expenditure in the next financial year must, before the start of that year –

(a) prepare a procurement strategy setting out how the authority intends to carry out regulated procurements, or

(b) review its procurement strategy for the current financial year and make such revisions to it as the authority considers appropriate.

(2) Subsection (3) applies where a contracting authority –

(a) has not, in relation to a financial year, prepared or reviewed a strategy under subsection (1), and

(b) becomes aware of the likelihood of having significant procurement expenditure during that year.

(3) The contracting authority must, as soon as practicable after it becomes aware of the likelihood of having significant procurement expenditure –

(a) prepare a procurement strategy setting out how the authority intends to carry out regulated procurements, or

(b) review its most recent procurement strategy and make such revisions to it as the authority considers appropriate.

(4) An authority has significant procurement expenditure in a year if the sum of the estimated values of the contracts to which its regulated procurements in that year relate is equal to or greater than £5,000,000.

(5) The procurement strategy must, in particular –

- (a) set out how the authority intends to ensure that its regulated procurements will
- (i) Contribute to the carrying out of its functions and the achievement of its purposes
  - (ii) deliver value for money, and
  - (iii) be carried out in compliance with its duties under section 8,
- (b) include a statement of the authority's general policy on
- (i) the use of community benefit requirements,
  - (ii) consulting and engaging with those affected by its procurements,
  - (iii) the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements,
  - (iv) promoting compliance by contractors and sub- contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act, and
  - (v) the procurement of fairly and ethically traded goods and services,
- (c) include a statement of the authority's general policy on how it intends its approach to regulated procurements involving the provision of food to –
- (i) improve the health, wellbeing and education of communities in the authority's area, and
  - (ii) promote the highest standards of animal welfare,
- (d) set out how the authority intends to ensure that, so far as reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented –
- (i) payments due by the authority to a contractor,
  - (ii) payments due by a contractor to a sub-contractor,
  - (iii) payments due by a sub-contractor to a sub-contractor,
  - (e) address such other matters as the Scottish Ministers may by order specify.
- (6) The Scottish Ministers may by order modify subsection (4) so as to substitute for the figure specified there for the time being such other figure as they consider appropriate.
- (7) In subsection (5)(b)(iii), a "living wage" means remuneration which is sufficient to ensure an acceptable standard of living.

### Appendix 3 – Community Benefit Outcomes

<b>Theme</b>	<b>Outcome</b>	<b>Number Delivered</b>
New Entrant Positions	New Starts	4
Workplace Visits and Careers Events	Construction Curriculum Support – career support and site visit.	2
Community Engagement & Funding	Flower boxes, supplied and maintained for 2 years, equivalent to £5,000	1
<b>Total</b>		<b>7</b>

## Appendix 4 – Future Regulated Procurements (From April 2021 to March 2023)

Subject Matter (Commodity)		Title of Contract	Estimated Contract Start Date	Estimated Total Contract Value	Type
1.	Business Development	Business Gateway Services in Inverclyde	16/09/2021	£180,000	Ongoing
2.	Construction	Lift Maintenance	31/05/2021	£75,000	Ongoing
3.	Construction	Inverkip (City Deal)	01/10/2021	£3,250,000	One Off
4.	Construction	Maintenance & Minor Works for Fencing, Balustrades & Blacksmiths	01/11/2021	£416,000	Ongoing
5.	Construction	Community Learning Disability Hub	01/02/2022	£6,700,000	Ongoing
6.	Construction	Drainage Cleaning and Repair	05/02/2023	£250,000	Ongoing
7.	Consultancy	Carbon Neutral Consultancy Service	26/11/2021	£61,350	Ongoing
8.	Health & Social Care	National Care Home Contract	01/04/2021	£14,000,000	Ongoing
9.	Health & Social Care	Early help from Police Custody.	01/07/2021	£880,000	Ongoing
10.	Health & Social Care	Starter packs for vulnerable individuals	01/10/2021	£50,000	Ongoing
11.	Health & Social Care	Dementia	01/11/2021	£60,000	Ongoing
12.	Health & Social Care	Housing Information & Advice Service	11/12/2021	£275,000	Ongoing
13.	Health & Social Care	Supported Living Services	06/02/2022	£13,600,000	Ongoing
14.	Health & Social Care	Case management system for the Integrated Advice Service	01/04/2022	£67,125	Ongoing
15.	Health & Social Care	Distress Brief Intervention	01/04/2022	£100,000	Ongoing
16.	Health & Social Care	Information, Advice and Support Service, Respite Group Holidays, Sitter Service, Short Breaks	01/04/2022	£1,500,000	Ongoing
17.	Health & Social Care	Peer Support, Early Intervention and Recovery Development Co-ordinator services.	01/04/2022	£480,000	Ongoing
18.	Health & Social Care	Post Diagnostic Support.	01/04/2022	£78,000	Ongoing

Subject Matter (Commodity)		Title of Contract	Estimated Contract Start Date	Estimated Total Contract Value	Type
19.	Health & Social Care	Sheltered Housing	01/04/2022	£1,200,000	Ongoing
20.	Health & Social Care	Homecare Services in Inverclyde	02/04/2022	£8,100,000	Ongoing
21.	Health & Social Care	Daycare	01/07/2022	£1,500,000	Ongoing
22.	ICT	Social Care Replacement System	01/04/2021	£1,600,000	Ongoing
23.	ICT	Corporate Microsoft Licences	01/09/2021	£900,000	Ongoing
24.	ICT	Printing, Binding, Enveloping & Mailing Service	02/09/2021	£240,000	Ongoing
25.	ICT	Electronic Monitoring System for Care at Home.	01/07/2022	£129,000	Ongoing
26.	Traffic Management	Parking Management System Services	16/10/2021	£150,000	Ongoing
27.	Vehicles	Hire of Surfacing Plant & Roads Related Services	03/04/2021	£1,600,000	Ongoing
28.	Waste	Food Waste	30/06/2021	£200,000	Ongoing
29.	Waste	Treatment of Mixed Scrap Metal	01/09/2021	£65,000	Ongoing
30.	Waste	Treatment and Disposal of Recyclable and Residual Waste	02/09/2022	£12,400,000	Ongoing
31.	Waste	Treatment & Disposal of Street Sweepings & Gully Waste	01/01/2023	£134,400	Ongoing
32.	Workforce Development	Employability Services	01/04/2022	£4,100,000	Ongoing
<b>Total</b>				<b>£74,340,875</b>	

Please Note: Ongoing spend analysis task will identify areas of non-compliance that will be added to the pipeline of future procurements on an ongoing basis.



## Appendix 5 - Purchase Card Spend Equating to more than £25,000

Supplier	Spend	Spend Compliance
1. MOTEL AIR	£163,032	Non-Complaint
2. ELECTRIC CENTER	£122,962	Complaint
3. MCCONECHYS GREENOCK	£113,946	Complaint
4. AMAZON	£71,443	Non-Complaint
5. TESCO STORES	£45,237	Non-Complaint
6. ARNOLD CLARK FINANCE	£33,214	Complaint
7. BURNT TREE GROUP	£25,875	Non-Complaint
8. THE PLUMBERS M8 LTD	£25,103	Non-Complaint
<b>Total</b>	<b>£600,812</b>	

## **Appendix 6 – Glossary**

### **Best Value**

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.

### **Commodity**

Taxonomy (classification) for the entire Council, to give the Council the ability to accurately describe the primary business activities of its suppliers the commodity approach presently used by the Council was defined back in 2006 and was reviewed and refined as part of the 2016 to 2018 Strategy. Commodity ownership, definitions and scope will continue to be developed as part of the Council's Corporate Procurement and Commercial Improvement Strategy 2018 to 2022.

### **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.

### **Commodity**

A group of goods or services that have shared characteristics

### **Contract**

An agreement concluded between the Council and the supplier that is legally binding, containing terms of the agreement, any schedules and appendices, the Tender Specification and any other specifications, drawings, official purchase order(s) and other documents which are relevant to the Contract.

### **COSLA**

The Convention of Scottish Local Authorities, is the representative voice of Scottish local government, lobbying on behalf of member Councils. COSLA works directly with the Scottish Government and Parliament to influence public policy and practice, and to ensure that local government has the necessary resources to implement policy on behalf of its communities.

### **Fair Work Practices**

Employment practices that support wellbeing e.g. training and development, equality of opportunity.

### **Framework**

An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.

### **Procurement Strategy**

A document required as part of Scottish Procurement Regulations that sets out how the Council intends to carry out its regulated procurements i.e. procurements with an estimated value equal to or greater than £50k (excluding VAT) for goods & services (or £2,000,000 excluding VAT for a public works contract).

**Public contracts Scotland**

The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.

**Public Contracts Scotland Tender**

The national advertising portal used to tender all Scottish Government goods, services or works contract opportunities.

**Real Living Wage**

A wage rate per hour that is based on the cost of living and is currently voluntarily paid by UK organisations. The current rate per hour for Financial Year 2020/21 is minimum £9.50 across the UK and £10.85 in London, for ages 18 and older. Organisations can gain accreditation of this with the Living Wage Foundation.

**Regulated Procurement**

Contracts above the EU contract threshold values where the relevant EU regulations apply (above £50,000 for goods and services contracts and above £2,000,000 for works contracts).

**Regulated Spend**

Spend above the EU contract threshold values where the relevant EU regulations apply (above £50,000 for goods and services contracts and above £2,000,000 for works contracts).

**Stakeholder**

Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.

**Supplier**

An entity who supplies goods or services; often used synonymously with “vendor”.

**Supported business**

An organisation whose main aim is the social and professional integration of disabled or disadvantaged persons.

**Small and Medium Enterprises (SME's)**

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.

**Third Sector**

The part of an economy or society comprising non-governmental and non-profit-making organisations or associations.

**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.

**Tender Work plan**

List of upcoming procurement activity including re-tenders, extensions, and new activity.

## Appendix 7– Key Statistics

Key Statistics in relation to Regulated spend and procurement's (above £50,000 for goods and services or £2,000,000 for works).

<h3>Contracts</h3> 	<h3>Suppliers</h3> 	<h3>Community Benefits</h3> 
<p><b>19</b> Council Contracts Awarded</p>	<p><b>139</b> Suppliers Used</p>	<p><b>7</b> Community Benefits Delivered</p>
<p><b>118</b> Contracted Suppliers</p>		<p><b>2</b> Workplace Visits and Careers Events</p>
<p><b>£7.22m</b> of Council Contracts Awarded</p>	<p><b>95</b> Suppliers Used Based in Scotland</p>	<p><b>4</b> New Entrant Positions</p>
<p><b>36</b> Collaborative Frameworks Used</p>	<p><b>60.79m</b> Spend with Suppliers Based in Scotland</p>	<p><b>1</b> Community Engagement &amp; Funding</p>
<p><b>15</b> Council Contracts Awarded with Commitments to Fair Work First</p>	<p><b>31</b> Suppliers Used Based in Inverclyde</p>	<p><b>0</b> Work Experience Placements*</p>
<p><b>1</b> Council Contracts Awarded that contain Community Benefits</p>	<p><b>16.7m</b> Spend with Suppliers Based in Inverclyde</p>	<p><b>15</b> Supplier awarded Council contracts that as a minimum pay the ((Real) Living Wage)</p>

\*7 Work Experience Placements were also offered during the reporting period. However they were unable to be delivered due to the ongoing Covid-19 Pandemic.

Cabinet Secretary for Finance and Economy  
Cabinet Secretary for Social Justice, Housing and Local  
Government  
Kate Forbes MSP  
Shona Robison MSP



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

T: 0300 244 4000

Local Authority Leaders  
COSLA Chief Executive

09 September 2021

## **FAIR WORK FIRST IN LOCAL GOVERNMENT**

Dear Local Authority Leader and COSLA Chief Executive,

The past eighteen months has been a time like no other, with the coronavirus pandemic impacting upon every area of life in Scotland. The action the Scottish Government and our local government partners have taken to tackle the pandemic and protect the NHS has been necessary and as we continue to lead the country out of the pandemic, we must also focus on our economic recovery and renewal and progress our ambition for Scotland as a wellbeing economy.

Therefore, we write to you now to re-state the Scottish Government's commitment to Fair Work. Throughout the pandemic we have continued to press the importance of Fair Work to protect the health and livelihoods of workers across Scotland and the collaboration between employers, workers and unions has been key to ensuring workers have been treated fairly. Now, we must continue to build momentum and focus in driving fair work practice across the public sector and wider labour market.

Ministers have made clear the public sector must lead the way on Fair Work and the Scottish Government remain committed to progressing fair work across the Civil Service sector, working in partnership with our public sector partners and the relevant trade unions. We will also apply Fair Work First in relevant grant and public contract funding as a priority. Public bodies across Scotland are also adopting our flagship Fair Work First approach.

We recognise that local government is also committed to Fair Work and taking positive action in this regard, including through Living Wage Accreditation. In particular, we welcome the shared commitment made in June by the Chief Officers to adopting our Fair Work First approach. In this context, we ask if you could initiate action for embedding Fair Work First principles in your employment practices during the current financial year, and work towards applying the criteria to grants, other funding and contracts awarded by your authority as soon

as is practicable by the start of the 2022-23 financial year. Specifically, Fair Work First asks for a commitment to:

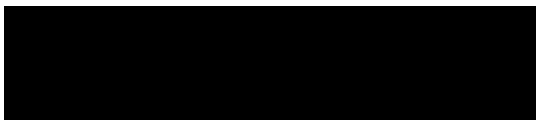
- appropriate channels for effective voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the gender pay gap and create a more diverse and inclusive workplace;
- payment of the real Living Wage;
- offer flexible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

The criteria for flexible working and fire and rehire practices are being introduced as part of our Manifesto commitments and come into effect from October 2021. It will be important to consider how these can be applied to your workplace policies and new procurement, grant and other funding decision-making processes, along with the existing criteria. Our Fair Work First Guidance is being updated to support the implementation of the new criteria and will be published in September; it is being developed with input from the STUC, COSLA, the Fair Work Convention, and business and third sector partners. We very much welcome COSLA's contribution. Revised procurement policy advice will also be published in line with this update.

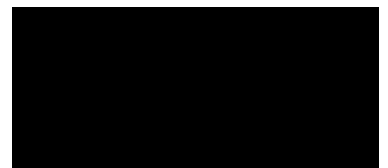
Local authorities will be best placed to determine how Fair Work First can be applied to local priorities. Delivery can be monitored within normal funding and contract management arrangements. Effective worker voice is the cornerstone of Fair Work and it will be important to maintain constructive engagement with workers and relevant trade union or other representatives as you progress fair work across your organisation. In this regard, the [Fair Work Employer Support Tool](#) can be used to self-assess fair work practice against the [Dimensions of Fair Work](#); the tool will be enhanced to incorporate the new criteria. You may also wish to encourage workers in your organisation and local area to use the [Fair Work Employee Self-assessment tool](#) to assess their own fair work experiences. Data gathered from these tools will help to inform our understanding of the successes and challenges in providing fair work.

Thank you for your continued support in helping us to realise our vision for Scotland to be a leading Fair Work Nation by 2025.

Yours sincerely



**SHONA ROBISON**



**KATE FORBES**