



Procurement Annual Report 2024 to 2025

A Perth and Kinross where everyone can live
life well, free from poverty and inequality

Procurement Annual Report 2024 to 2025

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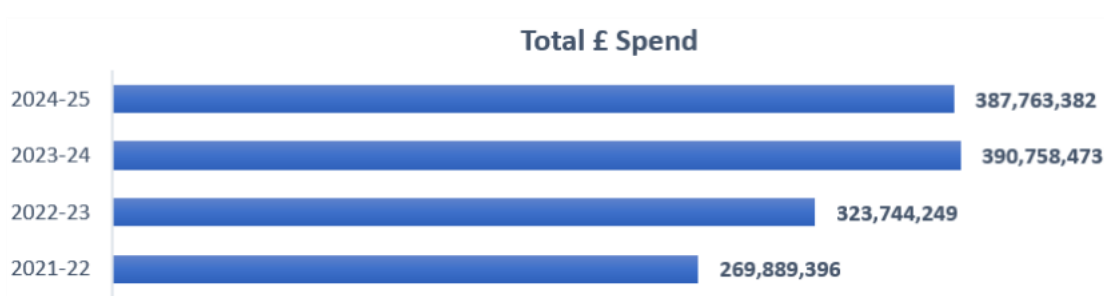
Introduction

This Annual Procurement Report sets out how the Council has used its purchasing power in 2024/25 not only to deliver essential goods, works and services, but to support strategic change, promote local economic growth, and contribute to a fairer, greener and more resilient Perth and Kinross.

In June 2024, the Council approved a new a five-year Sustainable Procurement Strategy, placing sustainability at the heart of our public procurement. This strategy marked a deliberate shift from transactional purchasing to a more strategic, data-driven and value-based approach. It recognises procurement as a key enabler of the Council’s Corporate Plan priorities — tackling poverty, supporting sustainable places, and improving wellbeing across our communities.

During the reporting period, the Council spent approximately **£387 million** with third parties, including commissioned services via arm’s length organisations and collaborative arrangements, as well as capital investment. This figure reflects a modest reduction (approx. **£3million**) from the previous year.

The chart below shows the total spend over the last four years.



In line with the Strategy, over the course of the reporting period, through a programme of transformation and change, we have been aligning our public procurement activity around six strategic aims:

- **Economy and Local Wealth Building:** With a focus on supporting local businesses, creating jobs and reducing poverty.
- **Protecting Our Environment:** Integrating sustainability into our contract specifications where appropriate, to reduce emissions, minimise waste and promote energy efficiency.

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- **Financial Sustainability:** Enhancing spend data and oversight to identify opportunities for savings or cost avoidance and to get better public value from our spend.
- **Good Governance:** Ensuring fairness and transparency, legal compliance and effective procurement performance and risk management.
- **Sustainable Service Design and Delivery:** Supporting services to procure the services that best meet community needs and foster innovation.
- **Strategic Partnership:** Working across services and with suppliers to maximise value and impact from our public procurement.

The Council is making good progress in embedding the new Strategy. Highlights include the development of a new operating model for the strategic procurement function, increased local supplier engagement. The Council became the first local authority to adopt the Scottish Government's [Management Information Platform Scotland](#) (MIPS), enhancing its ability to demonstrate the impact of procurement on local and national outcomes.

From the award of contracts that deliver Community Benefits and Fair Work First commitments, to the integration of carbon reduction targets in major infrastructure projects, we are using our public procurement as a lever for positive change.

This report provides assurance to the Council and the communities that we serve, that our procurement activity continues to meet the requirements of the Procurement Reform (Scotland) Act 2014 and associated regulations and that our public procurement is lawful, fair, open and transparent. It also demonstrates the Council's commitment to purposeful procurement - maximising the value of every public pound that we spend.

Context

The Council operates in a context of increasing complexity and demand. For example:

- **Rising Demand for Services:** Services such as social care, education, and housing are under growing pressure due to demographic shifts and post-pandemic recovery needs.
- **Aging Population:** Perth and Kinross has a higher proportion of older residents, increasing demand for adult social care, accessible transport and infrastructure.
- **Cost of Living Crisis:** Inflation, energy costs, and economic uncertainty have led to more households experiencing financial hardship and poverty, increasing reliance on public services.
- **Supply Chain Disruption:** Global and national supply chain volatility — driven by geopolitical tensions, climate events, and market instability — has impacted availability, pricing, and reliability of goods and services.
- **Climate Change:** Severe weather events and environmental degradation are affecting infrastructure, service delivery, and community resilience.

These challenges are not isolated — they intersect and compound, placing significant strain on public resources; requiring innovative and collaborative responses.

The Strategic Role of Procurement

In this landscape, public procurement is well positioned to support delivery of targeted, impactful solutions:

- **Meeting Complex Needs:** Through strategic sourcing and category management, procurement can support the organisation to design, deliver or commission services that best meet community needs; improving outcomes and efficiency.
- **Supporting Local Economies:** By increasing local spend and supplier development, procurement can help create local jobs, build resilience, and reduce poverty.
- **Driving Sustainability:** Procurement can build environmental considerations into specifications, promote circular economy principles, and support the Council's net zero ambitions.

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- **Enhancing Social Value:** Community Benefits clauses and Fair Work First policies ensure contracts deliver wider societal gains, including training, apprenticeships, and wellbeing initiatives.
- **Improving Financial Sustainability:** Data-driven procurement enables better spend analysis to identify opportunities for cost reduction or avoidance and to deliver better value for money — essential in a constrained fiscal environment.
- **Mitigating Risk:** Strong governance, supplier engagement, and market intelligence help manage supply chain risks and ensure continuity of essential services.

Transformation in Action

Through the **Strategic Procurement Transformation Programme**, we are embedding this strategic approach set out in the Sustainable Procurement Strategy. Key developments include:

- Consolidation of transformation workstreams into value-based domains; Social Value, Environmental Value, Economic Value and Organisational Value
- Implementation of digital tools for contract management and procurement reporting to improve efficiency and provide better quality data to support better procurement planning to optimise our purchasing power
- Increased local spend
- Reducing costs through efficiencies / savings / cost avoidance
- Enhanced supplier engagement and community benefit delivery to increase local economic and social value
- Piloting of national sustainability assessment tools to support the Council's climate change ambitions

A more detailed update of our transformation and change activity and progress in implementing the new Sustainable Procurement Strategy is set out in Appendix C of this Annual Report.

Delivering our Sustainable Procurement Strategy

Our Strategy sets out six high level aims, and our programme of transformation and change is aligned to this, shaping how we as an organisation use our public procurement function to deliver maximum public value.

Within the body of this report we highlight how we have performed in the year 2024/25 in relation to our Strategy aims. *Appendix B* is the statistical return which we are required to submit to Scottish Government which details our performance in relation to public procurement activity. As stated above, *Appendix C* provides a detailed update as the various transformation and improvement activities that are also being undertaken; all of which align with optimising the value of our public procurement function.

A new way of working

Critical success factors in implementing the Strategy and delivering greater public value, is the redesign of the core professional procurement function and behavioural shift across the organisation.

Our transformed operating model recognises that public procurement is no longer just about compliance — it is a strategic function that can enable Perth & Kinross Council to respond to complex challenges, deliver better services, and build a fairer, greener, and more resilient future. Continued investment in people, processes, and technology will be essential to sustain this transformation and ensure that we maximise the impact of every public pound spent.

AIM: Economy and Local Wealth Building

Using our buying power to promote local economic growth, to then create jobs and help tackle poverty within our area.

Highlights:

- ✓ **23%** of overall procurement spend was with local suppliers
- ✓ **45%** of contracts awarded were to Perth & Kinross businesses
- ✓ **88%** of the Perth and Kinross businesses who were awarded contracts were **SMEs**
- ✓ Local spend in 2024/25 increased by circa **£4.4 million** as compared with 2023/24

Contracting Activity for the Period 2024/25

Each financial year, the Council publishes a Contract Delivery Plan derived from the budget planning process. This plan sets out, in broad terms, the intended procurement work over the reporting period, and includes some longer-term projects. The purpose of the plan is to alert the market and provide them with time to prepare to take advantage of contracting opportunities with the Council. The Plan represents a snapshot in time and numbers change throughout the year in response to circumstances, emerging risks and new opportunities.

The 2024/25 Contract Delivery Plan published in June 2024 anticipated 220 distinct pieces of procurement work with **241** being concluded during the reporting period. It is worth noting that some budget commitments listed in the Contract Delivery Plan relate to contracts that can be concluded through use of existing commercial agreements, removing the requirement for the Council to carry out a full procurement exercise. Below is a quick summary of contracts awarded in the reporting period.



An overview of all **contracts awarded in 2024/25** is attached in **Appendix D**.

Local Supplier Support

In addition to our transparent approach to the publication of contract opportunities, in line with our Corporate Priorities to tackle poverty and improve the local economy, the Council works to support and upskill local businesses to ensure they are better equipped to access and be successful in public procurement exercises.

Local pre-tender engagement events

Perth & Kinross Council have engaged with local suppliers through tender specific events to encourage more local bids for upcoming tender opportunities.

Case study – Enhanced Voids/Buy Backs – contract for works

At the contract strategy stage, it was identified that there was a potential local supply market. A targeted supplier engagement event was held raising awareness of the contract and providing information about and encouragement to participate in the upcoming procurement process. This resulted in a local supplier, QTS Contracts North Ltd, successfully bidding and being awarded the **£6 million contract**.

“Our experience with the Enhanced Void and Buy Back Tender was a seamless process. We felt that by having a Meet the Buyer Event, we were informed well about the clients processes, which provided an in depth look into the tender procedure too. This was the first time we had used the PCS Tender Portal as all of our Tender submissions were through Public Contract Scotland Website. The PCS Tender Portal was very easy to navigate around and prompted you whenever something was not correctly filled in or not filled in. We felt that this was a very straight forward process and saved time. The SOR’s that we had completed were again easy to complete and, in my opinion, covered all bases for this particular contract. If I was to sum up the whole process, then I would say that by having a Meet the Buyer Event first is a good way for all parties to be introduced and to gain knowledge and understanding about the clients needs and expectations.” Director, QTS Contracts North Ltd

More tender specific Meet the Buyer events will be held in the future where a market is identified. This supports local suppliers by providing tender specific information to them.

Other examples of local supplier success include:

- Triple Glazing - £8 million
- Distress Brief Intervention - £150,000

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Tayside “Meet the Buyer”

Perth & Kinross Council is an active participant in the Supplier Development Programme and the annual Tayside “Meet the Buyer” event which attracts exhibitors from across the Tayside public sector, as well as large contractors working in the Tayside area. The events are typically attended by local SMEs and Supported Businesses, generating very positive feedback, along with spin-off one to one sessions being provided to individual delegates to assist them in bidding for future public sector opportunities.

Partnership Working

At the 2025 annual Tayside Meet the Buyer event, the Procurement Team worked alongside officers from the Council’s Economic Development Team. The event was attended by **176 Scottish SME’s, 21% of those from Perth and Kinross**. This was an opportunity to engage with suppliers, offer information on future tendering opportunities with Perth & Kinross Council and provide tendering advice and to get more information from the Economic Development Team regarding further opportunities and support.

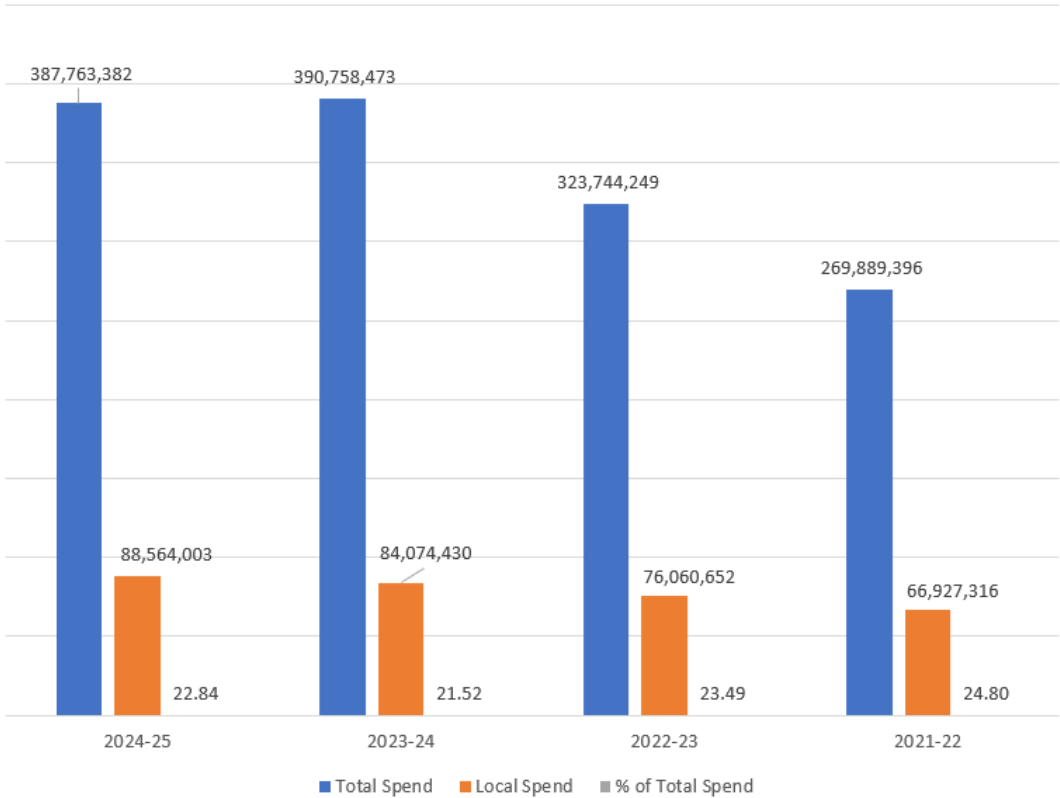
Throughout the year the Procurement Team have also worked in partnership with Perth & Kinross Business Network and Perthshire Chamber of Commerce to build stronger relationships with local suppliers and to further support our local businesses to prepare them for future tender opportunities.

Local Supplier Spend and Registrations

In the reporting period **£88,564,003 (22.8%)** of Council spend was recorded as being with local suppliers. This is an **increase of circa £4.4m** from 2023/24.

The graph below shows the total local supplier spend compared with total spend over the last four years.

FOUR YEAR LOCAL SPEND ANALYSIS



The table below shows a year-on-year increase of direct local supplier spend.

Financial Year	Local Supplier Spend	
2024/25	£88,564,003	+5.3%
2023/24	£84,074,430	+10.5%
2022/23	£76,060,652	+13.6%
2021/22	£66,927,315	+13.3%

Work is ongoing to enable reporting of **local sub-contractor spend** in future years. Some examples that demonstrate substantial local spend outwith the above figures are:

- ✓ **£124,245** local sub-contractor spend during 2024/25 through the Comrie Flood Prevention Scheme
- ✓ **£33.8 million** spent locally through the Cross Tay Link Road (Destiny Bridge) project.

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The table below shows the number of suppliers on Public Contracts Scotland (PCS) (the Scottish national contracts portal), registered as located in Perth and Kinross.

Financial Year	PCS local supplier registrations
2024/25	921
2023/24	926
2022/23	891
2021/22	826

2024/25 shows a small decline in registrations. The reasons are unknown; however, it may be accounts have expired due to a period of inactivity, or suppliers doing housekeeping where they have multiple accounts registered.

Local Micro, Small and Medium Enterprises

Of the suppliers registered on the portal from Perth and Kinross, 92.2% are defined as micro, small and medium-sized enterprises (SMEs).

The range, in terms of employee numbers, of the Perth and Kinross based businesses registered on the portal is set out in the table below.

Size of businesses in Perth and Kinross registered on PCS	
Large (over 250 employees)	58
Medium (50-249 employees)	75
Small (10-49 employees)	192
Micro (1-9 employees)	583
Not Specified	13
Total	921

Fair Working Practices

Living Wage Accreditation

The Council is proud to be an accredited Living Wage employer since April 2016. As part of this accreditation, we made the commitment to develop our understanding of Fair Work practices, including [payment of the Living Wage](#) in our supply chain. We include questions on the approach to Fair Work when engaging with prospective suppliers for services. Where new contracts are formed, bidders are required to provide information on their approach to Fair Work and the payment of the Living Wage.

To ensure the highest standards of service quality in our contracts, we expect suppliers to commit to progressing towards adopting the seven Fair Work First criterion implemented by the Scottish Government in 2021. These are reflected in our contract strategies and tender documents for all regulated procurements.

In 2024/2025, **68** of the Contracts awarded were awarded to Accredited Living Wage Providers. We are aware that other suppliers pay the Living Wage, although not accredited.

Payment Terms

The Council is committed to ensuring that all contracted suppliers are paid within 30 days. Prompt payment clauses requiring a 30-day payment term are embedded within the Council's standard contractual terms and conditions.

It is important however to also ensure that sub-contractors supporting a Council contract receive prompt payment to support their own cashflow. We therefore look to ensure that our first tier suppliers apply the same terms and conditions to their sub-contractors.

During the reporting period the Council paid 61,311 invoices with **95%** of invoices paid within agreed timescales.

AIM: Protecting our Environment

Supporting a fair transition to net zero and minimising our environmental impact.

Highlights

- ✓ Using procurement process to build carbon reduction into building design and construction contract specifications, e.g. CTLR (Destiny Bridge) / Riverside Primary School
- ✓ BMS contract has delivered substantial savings and energy efficiency
- ✓ School janitorial supplies – reduced paper consumption by **33%**

Public sector procurement is now viewed as a key partner and enabler in our just transition to net zero. An action plan is in place to help the Council deliver on its corporate priority to tackle climate change. Progress against the Climate Change Actions is reported annually in line with statutory requirements. Several actions relate to the public procurement function and the need to demonstrate how our procurement policies and activities are contributing to carbon emissions reduction targets, climate change adaptation and sustainability.

Reduction in Carbon Emissions

One area where the procurement function can support the Council to achieve its climate change aspirations is through our construction contracts; whether that be through the design specification (e.g. Passivhaus specification) or by building carbon reduction as part of the construction specification.

Within the reporting period two significant construction projects were completed where carbon reduction was an integral element in the procurement specifications for their design and build; CTLR (Destiny Bridge) and Riverside Primary School.

Cross Tay Link Road Design and Construction – Carbon Management

Destiny Bridge opened to the public during the reporting period. Carbon reduction was a key consideration from the inception of the design and construction of the now Destiny Bridge (CTLR). By integrating the carbon management process within PAS 2080 (the world’s first specification for addressing carbon in the built environment), into design choices and decision making then further through the procurement

process and the delivery stages, we significantly reduced the carbon footprint associated with the project.

*Tenderers were challenged to propose projects that would result in a minimum saving of 14,100 tCO₂e of CO₂e (representing a ground-breaking **30%** of the specimen design) compared with the specimen design carbon footprint. By giving this element a weighting of 15% of the evaluation criteria we ensured that this was a substantial area of focus for potential contractors.*

To ensure that these carbon savings were delivered, the successful Contractor's tendered baseline was then incorporated into the contract as the commitment to be delivered throughout the design and construct contract.

Whilst 21% carbon reduction was achieved through the design phases of the project, carbon reduction was embedded as part of the procurement process for each contractor/sub associated with the build; with each Contractor demonstrating at least 30% carbon reduction.

As well as the positive impact the procurement process had on reducing carbon emissions associated with the project, the project team have been able to share the success of the project with a wider audience, promoting how carbon reduction can be embedded successfully in the procurement process.

The Destiny Bridge project has been included as a case study for carbon in procurement in the guidance document of the revised PAS 2080 – Carbon Management in Buildings and Infrastructure. The new standard (April 2023) introduced Procurement as a clause for the first time.

Waste Minimisation

Improved recycling: Grey bin

A significant contract implemented during the reporting period was the introduction of the new grey bin which allowed paper/cardboard to be separated from cartons, cans and plastic reducing contaminations and improving the quality for recycling. The contract also allowed soft plastics (film etc) and aluminium foil to be recycled at the kerbside for the first time.

Mattress Reuse

Two new containers were procured for Friarton Recycling Centre for the specific purpose of accepting donated mattresses for reuse. The mattresses are then collected by local charity PUSH and are cleaned and sanitised at their warehouse before being sold in their shop.

Sustainable Sourcing

In the first year of implementing the Strategy, the Procurement Team have successfully piloted approaches in relation to some universal items which have delivered not only savings in terms of reduced costs but also environmental benefits.

Janitorial supplies (school estate)

Procuring and installing a controlled dispensing system for hand towels, toilet tissue and soap across schools resulted in £7,000 cost avoidance and a 33% reduction in paper consumption.

In the last quarter of the reporting period a pilot contract was awarded for universal janitorial supplies. The products available to buy were rationalised to ensure best pricing was achieved. Schools were satisfied with the performance of the contract, and the Procurement Team are now working collaboratively with Tayside Contracts, Angus Council and Dundee City Council to award a new contract in 2025/26 which will be extended to all Council establishments.

Energy efficient service solutions

Building Management Systems

In 2024/25, Perth & Kinross Council awarded a £5 million contract to enhance energy efficiency across its buildings through advanced Building Management Systems (BMS). These smart systems monitor and control heating, ventilation, and hot water - ensuring buildings are more sustainable, cost-effective, and comfortable.

The contract ensures every site receives annual servicing, with rapid response to faults and proactive maintenance that prevents issues before they escalate. Real-

time data monitoring helps identify inefficiencies - like boilers running unnecessarily - allowing swift action to cut energy use and reduce emissions.

The system allows us to use performance data to target improvements where they're needed most; for example is a schools starts showing unexpectedly high energy use – we can immediately investigate and make changes.

A key element of the contract is the partnership approach between the Council and Contractor. Through a direct service contract, the Contractor can diagnose issues remotely which has reduced the number of call outs required and saved time and resources in remedying issues.

This BMS contract is a vital tool in managing our property estate more effectively and it supports the Council's commitment to climate action, supporting lower carbon emissions, smarter energy use, and the provision well-maintained public facilities for our communities.

Biodiversity

Ecology and Environmental Impact Surveys

Construction and maintenance projects have the potential to significantly impact on our environment. We regularly procure ecological and environmental surveys to establish whether there are any protected species in the proposed project area. These surveys help us to plan and execute construction and maintenance activities in a planned way to minimise impact on these species and to ensure compliance with our legal obligations and ecological aims.

AIM: Financial Sustainability

Contributing to the financial robustness of the organisation.

Against the backdrop of growing demand for services in many areas and increasing costs across the supply chain, delivering recurring savings is hugely challenging. Through a more strategic approach to our public procurement we are supporting the organisation to mitigate financial risks as much as possible, through cost reduction or avoidance or by facilitating more innovative solutions through partnership and collaboration.

During the reporting period we continued to see significant price increases across all categories. The utilisation of collaborative arrangements with Scottish Procurement, Scotland Excel and other collaborative bodies mitigated against some of this.

The estimated savings through use of Scottish Procurement and Scotland Excel framework agreements used by Perth & Kinross Council for 2024/25 are reported as follows:

Scottish Procurement:

- BT1 Direct Price Based Savings * £77,750
- BT2 Price Versus Market Savings* £1,640,328

Scotland Excel:

- BT1 Direct Price Based Savings £79,200

***BT1 Direct Price Based Savings** - a measurement of how much money an organisation has saved through the new contract as compared with what the previously paid in the case of recurring requirements.

***BT2 Price Versus Market Savings** – a measurement of how much cost has been avoided by using a professional procurement process as compared to what is might have paid had a contract been awarded without competition. This helps to demonstrate the value of the skilled procurement team within an organisation.

Rebates from spend with Scotland Excel framework suppliers and the use of Scottish Procurement Alliance (SPA) frameworks during 2023/24 and payable in 2024/25 were accumulated to the value of circa **£99,000**.

The use of collaborative arrangements also delivers significant non-cashable benefits in terms of time and staff resources from the Council not having to carry out their own tendering activity for these requirements. The Council currently participates in 57 out of 66 Scotland Excel frameworks.

AIM: Good Governance

Upholding strong procurement governance to ensure public trust.

Transparency and governance arrangements

Transparency and good governance are key to effective public sector procurement. Perth & Kinross Council uses the national advertising portal Public Contracts Scotland to ensure that contract opportunities are visible to market. For the reporting period all Council contract opportunities with a contract value greater than £50,000 (goods and services) and £250,000 (works) were publicly advertised where there was no existing formal arrangement available. Those contract opportunities with a value lower were issued using a “Quick Quote” process through the same portal.

The legal and internal governance requirements for our procurement activity are set out in legislation and within our Contract Rules and these vary according to the value of the contract.

- Those above a Regulatory defined threshold must be tendered following the Public Contracts (Scotland) Regulations 2015.
- Contracts between £50,000 (goods & services) and £250,000 (works)* and the Regulatory threshold must follow the procurement approach as set out in Procurement (Scotland) Regulations 2016.
- For contracts valued between £5,000 and £50,000 (goods & services) and £250,000 (works) we will invite quotations from a minimum of 3 bidders as set out in the Council’s Contract Rules.

****The threshold for the use of “Quick Quotes” for works contracts was raised to £250,000 (from £50,000) to simplify the process and make it more accessible for small local suppliers.***

Contract Delivery Plan 2025

Publication of the [Contract Delivery Plan](#) is a statutory requirement and was approved by Finance & Resource Committee in June 2025. This is published to encourage potential suppliers to identify opportunities they may be interested in tendering for in the future. The Contract Delivery Plan supports local suppliers by giving advance notice of opportunities, allowing them time to plan and prepare for tendering.

Contracts Register

To ensure openness and transparency, we also publish a [Contracts Register](#). A searchable format of the Register can be viewed via Public Contracts Scotland website.

The search functions on Public Contracts Scotland can be used as a data source for exploring the contracting plans of a wide range of public bodies, including [Perth & Kinross Council](#). It is possible to search for specific contracts or themes and the data can also be downloaded as an Excel spreadsheet or a .csv file. This helps suppliers understand potential opportunities and also provides useful data to the Council and partners to identify potential collaborations.

Electronic Tools and Process Efficiency

To meet national requirements, all procurement communications with suppliers are conducted digitally. This approach significantly reduces the cost of doing business for both suppliers and the Council, while also accelerating payment processes and enhancing performance management efficiency.

All competitive procurement activities are published via the national portal, **Public Contracts Scotland**, ensuring that suppliers can access all public contracting opportunities in one central location. The use of electronic systems and digital tools—such as **PCS-Tender**—streamlines the entire tendering process, with all tenders issued and managed electronically.

We now also offer suppliers the option to adopt **e-invoicing** and **procurement card payments**, providing flexible, efficient alternatives that support faster transactions and improved financial control.

Collaborative Contracts

During the reporting period, in addition to directly procured contracts issued on behalf of the Council, we also made use of a range of contractual agreements awarded in collaboration with other bodies. The Council continues to make significant use of collaborative contracts:

- those delivered for the **whole of the public sector** by Scottish Government, Hubco, Westminster (Crown Commercial Services), and other public sector bodies (Procurement for Housing, SCAPE, Scottish Procurement Alliance)
- those delivered for the **Scottish local authority sector** by Scotland Excel

Collaborative spend includes:

- Scotland Excel **£14,222,468**
- Hubco **£51,578,565**
- Procurement for Housing **£559,018**
- Scottish Procurement Alliance **£3,639,629**

Value from these collaborative arrangements is promoted through access to the enhanced buying power of working together with other Councils, either locally or nationally. Robust benchmarking of prices and costs is undertaken using data on market rates, comparable projects and internal information on performance.

Collaboration: Glass recycling – income generation

Perth & Kinross Council Waste Services Team led on a collaborative procurement with Angus and West Lothian Councils for the processing and recycling of glass from our residents and commercial customers. Due to the large, combined tonnage of glass from the three local authorities an income almost three times higher than the previous non-collaborative contract was received.

AIM: Sustainable Service Design & Delivery

Helping the Council design and deliver effective services solutions that better meet the needs of our community.

Scottish public procurement is increasingly recognised as a lever for designing and delivering sustainable services that meet the evolving needs of our communities and for delivering social value.

Social value refers to the wider positive impacts that our activities can have on society, the economy, and the environment, beyond simply delivering the core goods or services being purchased.

In the context of our public procurement, social value is about using our spending power to achieve additional benefits for communities which go beyond the core deliverables of the contract. This can include creating local jobs and apprenticeships, supporting small businesses and social enterprises, promoting fair work practices, improving environmental sustainability, and enhancing community wellbeing.

Community Benefits in Procurement

Under the Procurement Reform (Scotland) Act 2014, contracting authorities are encouraged to embed community benefit requirements - such as targeted recruitment, training, and support for local enterprises etc - into regulated procurements, particularly those exceeding £4 million.

We are committed to work with local communities and businesses to create a positive social impact from our contracted spend. In the reporting period 2024/25 we delivered 68 benefits. In implementing our Sustainable Procurement Strategy, we are looking to optimise Community Benefits by embedding requirements in as many contracts as possible regardless of value; but also to ensure that in high value contracts, meaningful benefit and real tangible value is delivered

Financial Year	Benefits Delivered	Adjusted Figure*
2024/25	68	75
2023/24	92	120
2022/23	63	63
2021/22	34	45

** The adjusted figure includes Community Benefits identified as delivered after the annual report was approved.*

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Scottish Procurement Alliance Community Benefit Funding

Perth & Kinross Council was one of the founder partners on the SPA Executive Committee when the Scottish procurement Alliance (SPA) began operating in Scotland in 2016.

SPA is a not-for-profit organisation, meaning any surplus generated over the financial year is re-distributed into SPA's Community Benefits Fund.



Each Executive Committee member accesses £10,000 per year in funding which can be allocated to an eligible community project of their choice. Projects and causes must meet specific criteria determined by partners to ensure the Fund is used to support local needs and communities.

In 2024/25 the **Y Enterprise** programme was Perth & Kinross Council's allocated project and from £10,000 funding delivered **£41,247 social value**, evidenced using HACT outcomes.

The Y Enterprise programme supported young people aged 14 and over who were either at risk of becoming NEET or already disengaged from education, employment, or training. Delivered in a dynamic Dragons' Den-style format, the programme aimed to:

- Enhance confidence
- Build employability and entrepreneurial skills
- Support achievement of an Employability Level 4 qualification
- Help participants progress toward a positive destination

The engaging format encouraged creativity, teamwork, and practical skill-building, empowering young people to take meaningful next steps in their personal and professional development.

The project is featured in SPA's Community Benefit Fund video. **To watch, Ctrl + Click on the image below.**



Effective Demand Management

Demand management plays a key role in delivering services efficiently within limited budgets and supporting the achievement of our strategic aims and objectives.

Effective demand management involves:

- **Analysing data:** Understanding what’s being bought, how often, and by whom. This helps spot patterns, inefficiencies, or areas of overspend.
- **Forecasting needs:** Looking ahead to predict future demand - especially for IT, digital services, or social care - so procurement can be planned, not reactive.
- **Engaging with services:** Working closely with departments to challenge assumptions, clarify requirements, and ensure purchases are truly necessary.
- **Strategic sourcing:** Using the insights above to shape procurement strategies that are cost - effective and aligned with Council priorities.
- **Reducing duplication:** Coordinating across teams to avoid buying the same thing multiple times or from different suppliers at a different price.

Digital Category Strategy

Whilst IT and digital goods and services constitute less than 3% of our overall spend (with 225 suppliers), these goods and services are essential to the efficient and effective operation of the Council, the delivery of our services and the achievement of our Corporate Plan objectives.

Given the importance of this area of spend and the limited budget, we have developed a Digital Category Strategy to ensure a more cohesive and strategic approach to the procurement of goods and services related to IT and digital technologies. Given our reliance on technology, we need to be particularly mindful of the security and data risks which the introduction of new systems and applications may have, and these potential risks also need to be managed through the strategic procurement process.

The Strategy is purposely broad in nature due the rapidly evolving digital technology environment in which we are operating. Due to the broad range of good and services that are covered, (see below), the next step is to develop specific Commodity Strategies for selected sub-categories of spend.

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The scope of the Digital Category is wide ranging and includes, but is not limited to:		
Hardware/Devices	Software/ Systems/ Platforms	Communications/ Connectivity
<ul style="list-style-type: none"> • User devices • Datacentre, network, server and storage equipment • Smart technologies, e.g. sensors, IoT 	<ul style="list-style-type: none"> • Microsoft 365 environment • Adult social care, online services and mobile working platforms • everything from small apps to enterprise-wide solutions • licences, subscriptions, portals, Software as a Services (SaaS) 	<ul style="list-style-type: none"> • radio systems • broadband and WiFi infrastructure / connectivity • mobile and fixed telephony devices / connections
Data and Analytics	Services	Digital Marketing
<ul style="list-style-type: none"> • standard data architecture, platforms and tools • business intelligence 	<ul style="list-style-type: none"> • innovation, design and implementation • upgrades, support & maintenance • managed services • consultancy • upskilling 	<ul style="list-style-type: none"> • website hosting, design integration and development

Fostering Innovation

Like with most other authorities, spend data accessibility presents a significant challenge due to the various distinct systems in which spend and contract information is stored and managed. As part of the transformation programme, we are exploring the use of technology to address this challenge.

We have developed a **Spend Analysis PowerBI** tool to provide easier access to spend information to help support more effective procurement planning and identify potential opportunities for improvement across the organisation. The platform provides four full years spend data in one place which can be analysed in multiple ways – by supplier, service area, geographically, time. It can also provide statistics such as spend with PO, spend on contract, top suppliers, etc.

We have also used PowerBI to redesign **Service Procurement Performance Reporting**. The platform now provides a self-service tool for each Strategic Lead portfolio; providing senior managers with information such as spend from revenue; total spend; contracted spend; local spend; SME spend; PO spend; breakdown of spend by vcode business sector and organisational level.

Perth & Kinross Council are also the first authority to adopt **Management Information Platform Scotland (MIPS)** developed by Scottish Government. MIPS is a procurement management information platform designed to improve data standards, demonstrate the impact of public sector procurement on Scotland's economy – identifying opportunities to maximise delivery of outcomes at a local and national level.

As we continue our transformation and improvement journey, this more detailed information, now available per service area and organisation wide, will be used to identify further opportunities for greater efficiency, collaboration, better value and more innovative service solutions.

AIM: Strategic Partnering

Working with services to help optimise the value of their procurement.

Strategic Partnering refers to the deliberate and collaborative relationship-building between the professional procurement function and key internal stakeholders, suppliers, and external partners to achieve long-term value beyond traditional cost savings.

As part of that process, through the new Sustainable Procurement Strategy we are better aligning procurement objectives with our corporate priorities and looking to build organisational resilience and co-develop sustainable service solutions to meet the needs of our communities.

Through Strategic Partnering our procurement professionals are moving from what has in the past been perceived as a transactional roles to becoming trusted advisors who can contribute to shaping business priorities, managing risk, and unlocking competitive advantage through deeper engagement with the supply market and internal business units.

Strategic Partnering will support more effective procurement planning, cross-service collaboration and identify potential opportunities for innovation and value creation.

Roll out of this new approach commenced during 2024/25 across three strategic service areas:

- **Environment and Infrastructure**
- **Property**
- **Economy, Development & Planning Services**

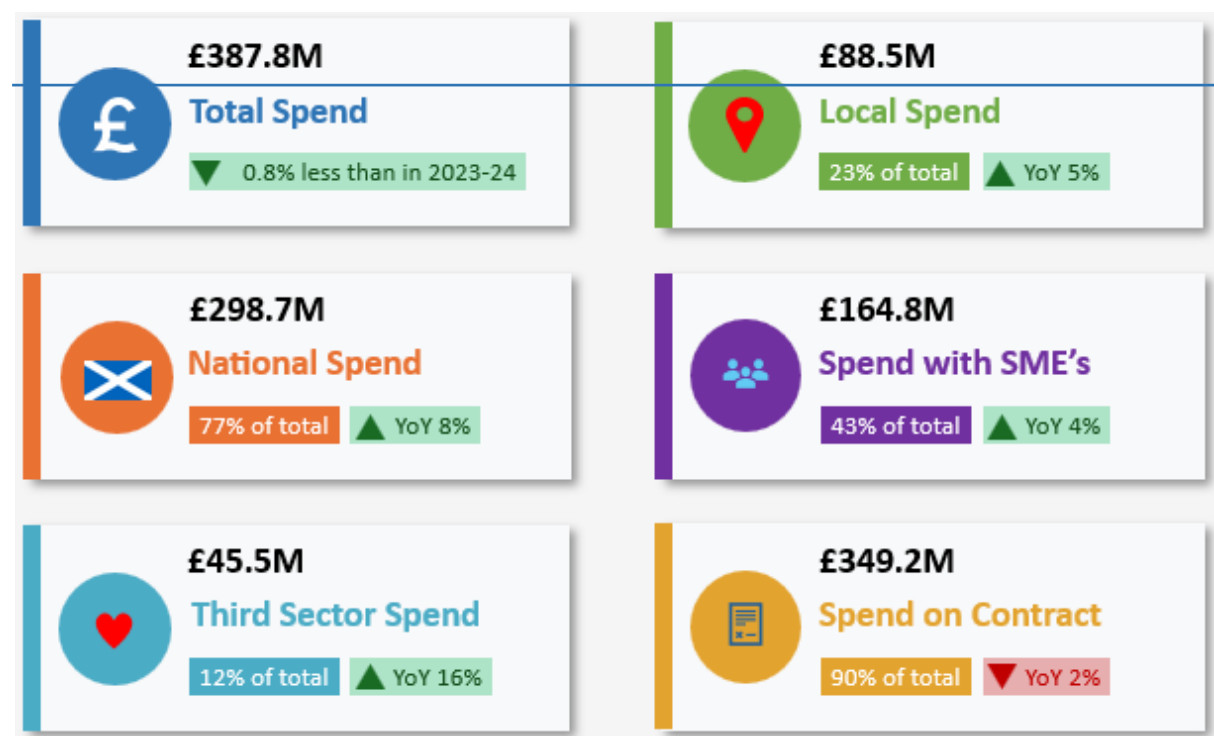
As many of the contracts in these areas are recurring due to the nature of the services (e.g. routine maintenance, fleet, compliance etc), an initial focus has been on value creation; identifying local supply market opportunities, strategies to encourage more local bids, increasing support available to local suppliers tendering for contracts, and ensuring they have all the necessary tools and guidance required.

The Procurement Team are partnering with Economic Development to ensure a consistent and improved approach to supplier support.

During 2025/26 the Strategic Partnering offer will be rolled out further across the remaining strategic service areas.

Appendix A – Key Statistics 2024/25

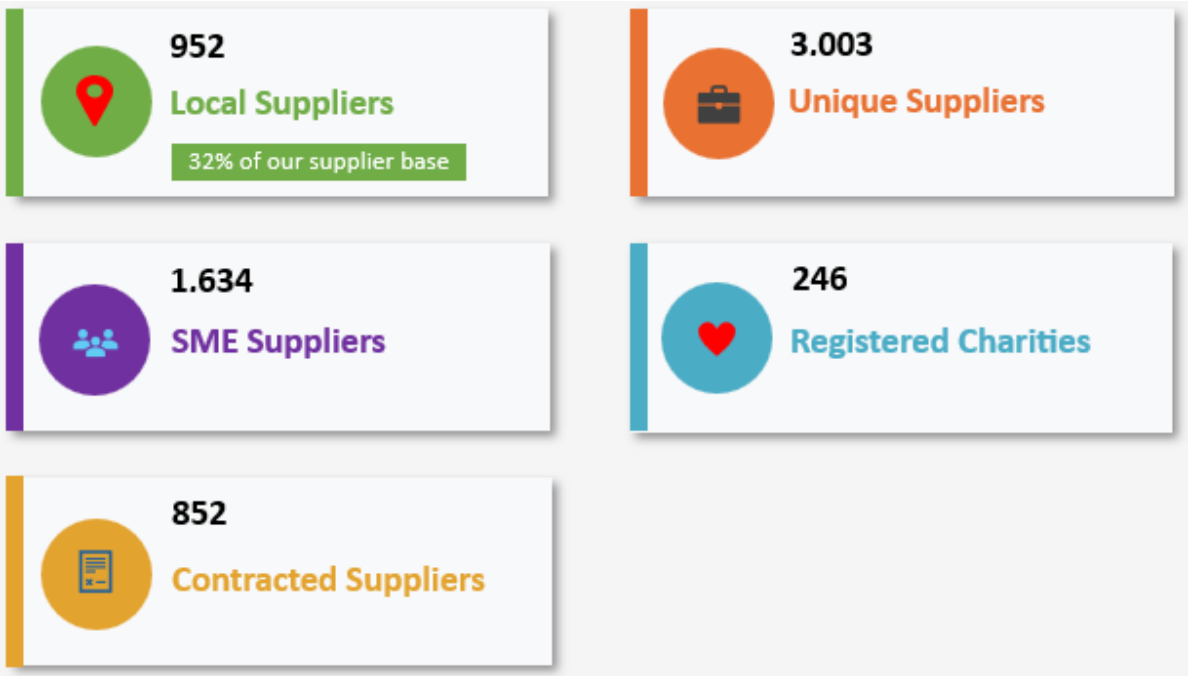
Spend Summary



Regulated Contracts



Supplier Profile (Based on Spend)



Community Benefits



Appendix B – Annual Statutory Statistical Return 2024/25

Annual Procurement Report template 2024/25

[NOTE: reference to contract is also to be construed as meaning a framework agreement]

1. Organisation and report details	
a) Contracting Authority Name	Perth & Kinross Council
b) Period of the annual procurement report	2024/2025
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
2. Summary of Regulated Procurements Completed	
a) Total number of regulated contracts awarded within the report period	109
b) Total value of regulated contracts awarded within the report period	144,552,539
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	128
i) how many of these unique suppliers are SMEs	85
ii) how many of these unique suppliers are Third sector bodies	4
3. Review of Regulated Procurements Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	109
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
4. Community Benefit Requirements Summary	
Use of Community Benefit Requirements in Procurement:	
a) Total Number of regulated contracts awarded with a value of £4 million or greater.	5
b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	4
c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements	17

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Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:	
d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	Data not held
e) Number of Apprenticeships Filled by Priority Groups	Data not held
f) Number of Work Placements for Priority Groups	Data not held
g) Number of Qualifications Achieved Through Training by Priority Groups	Data not held
h) Total Value of contracts sub-contracted to SMEs	Data not held
i) Total Value of contracts sub-contracted to Social Enterprises	Data not held
j) Total Value of contracts sub-contracted to Supported Businesses	Data not held
k) Other community benefit(s) fulfilled	75
5. Fair Work and the real Living Wage	
a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	Data not held
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	0
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.	37
6. Payment performance	
a) Number of valid invoices received during the reporting period.	61,311
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	95%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	109
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0
7. Supported Businesses Summary	
a) Total number of regulated contracts awarded to supported businesses during the period	0

b) Total spend with supported businesses during the period covered by the report, including:	11,509
i) spend within the reporting year on regulated contracts	0
ii) spend within the reporting year on non-regulated contracts	0
8. Spend and Savings Summary	
a) Total procurement spend for the period covered by the annual procurement report.	387,763,382
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	164,763,823
c) Total procurement spend with third sector bodies during the period covered by the report.	45,489,943
d) Percentage of total procurement spend through collaborative contracts.	18%
e) Total delivered cash savings for the period covered by the annual procurement report	Data not held
f) Total non-cash savings value for the period covered by the annual procurement report	Data not held
9. Future regulated procurements	
a) Total number of regulated procurements expected to commence in the next two financial years	234
b) Total estimated value of regulated procurements expected to commence in the next two financial years	100,242,651

Appendix C – Annual Progress Update 2024/25



Sustainable Procurement Strategy 2024 to 2029

2024/25 Annual Progress Update

Procurement Annual Report 2024 to 2025

Aim 1: Economy and local wealth building - Using our procurement to promote local economic growth, to then create jobs and help tackle poverty within our area.

Rationale: To support the Council to deliver on its Corporate Priorities to tackle poverty and develop a resilient, stronger and greener local economy.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
1.1 Increased local spend	Increase in £ spend with local contractors	1.1.1	Spend and market analysis.	Local spend 88,564,003 (22.8%), an increase of £4,489,573 on FY 2023/24.
	Increase in the use of local sub-contractors on large contracts	1.1.2	Identify local supply chain opportunities.	Working with Strategic Lead areas to identify upcoming contracts with local supply opportunities. Held tender specific meet the buyer events to encourage local supplier participation.
		1.1.3	Encourage greater indirect local spend.	2025/26 activity being reviewed to identify potential opportunities for local suppliers. Working with Economic Development to identify support requirements for local businesses. Contract managers encouraged to engage with suppliers through the contract and supplier management process. This will be audited and reported as part of the 2025/26 annual update.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
1.2 Help create more local jobs	New apprenticeship, training and development opportunities available to local people	1.2.1	Prioritise training, development, apprenticeships opportunities as community benefits.	To be taken forward during latter half of 2025/26.
1.3 Enhanced Local Supplier development	Increase in number of opportunities for local suppliers to bid for contracts	1.3.1	Work with Economic Development, Perthshire Chamber of Commerce and Supplier Development Programme (SDP) to shape new and existing local businesses that are relevant to the Council's Contract Delivery Plan.	<p>PKC participated in the Annual Tayside Meet the Buyer. The Procurement Team presented at Perthshire Business Network event and it is intended to participate in future events.</p> <p>Tender specific Meet the Buyer events have been held to encourage local suppliers to participate in tenders. It is intended to increase these during 2025/26.</p>
	Increased bid opportunities for local and regional SMEs, third sector and supported businesses	1.3.2	Support local and regional SMEs, third sector and supported businesses to participate in procurement opportunities.	<p>Continued work with Supplier Development Programme to support businesses to participate through Meet the Buyer events and training.</p> <p>Increased engagement with Economic Development to identify support required from potential tenderers</p>
		1.4.1	Promote Fair Work First policy requirements in	The team include scored Fair Work First criteria included in all publicly advertised tenders.

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Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
1.4 Fair Work First	Increase in contractors paying the Real Living Wage		our procurement processes.	Tenderers asked to confirm if they are accredited Living Wage Employers, pay the Living Wage or intend to do so during the contract period. Contract Managers are required to ensure this is continually delivered during the contract period.
		1.4.2	Encourage suppliers to adopt Fair Work First policies.	Contract managers encouraged to engage with suppliers through the contract and supplier management process. This will be monitored and reported as part of the 2025/26 annual update.

Aim 2: Environment - Supporting a fair transition to net zero and minimising our environmental impact.

Rationale: To support the Council to deliver on its Corporate Priorities to tackle climate change and support sustainable places; and to develop a resilient, stronger greener economy.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
2.1 Influence the reduction of carbon emissions	Lower emissions Opportunities for innovation	2.1.1	Build environmental sustainability considerations into tender specifications where possible.	Environmental requirements built into specification and scored award criteria as appropriate for individual contracts. Started work with Climate Change Team to increase climate change requirements in tender specifications throughout 2025/26.
		2.1.2	Ensure any vehicles purchased/leased/hired have low emissions of greenhouse gases and pollutants.	All Vehicle specifications require Vehicles to be Euro Compliant.
		2.1.3	Work with supply chain to identify opportunities to reduce scope 3 emissions.	Procurement Team and Climate Change Team working together to identify suppliers from Scope 3 Emissions Report and Contract Delivery Plan. Engaging with Contract Managers and suppliers.

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Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
2.2 Waste minimisation	Reduction in new goods purchased	2.2.1	Build waste minimisation requirements into specifications.	Suppliers are required when tendering to provide details on recycling and reuse processes.
	Increase in re-use/ repair and repurposing of goods			Contract Managers are encouraged to monitor this during the contract period to ensure requirements are delivered.
	Increase in use of recyclable materials	2.2.2	Implementing a circular economy approach in procurement to encourage the use of products that can be reused, repaired, or recycled.	Suppliers are required to provide details on recycling and reuse processes during the tendering process.
	Reduction in waste going to landfill			Stationery amnesty introduced with reuse store; budget (non-schools) centralised; and product list of allowed new items rationalised.
	Potential cost savings			
2.3 Sustainable sourcing	Progress towards achievement of Corporate Plan and Public Procurement Strategy for Scotland ambitions	2.3.1	Procure goods, works and services that minimise environmental damage throughout their lifecycle. Ensure that our sourcing strategies and tender evaluation criteria align with our desired climate change and sustainability outcomes.	The Procurement Team is Working collaboratively with Climate Change Team, future projects were identified from contract delivery plan and engagement with technical specialists from Services has commenced.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
2.4 Energy efficient service solution	Reduction in energy consumption	2.4.1	Build energy efficiency into specifications where appropriate.	Future Development
	Lower operating costs Reduction in greenhouse emissions	2.4.2	Include energy efficiency as a key criterion in tender evaluation where possible and appropriate.	Future Development

Procurement Annual Report 2024 to 2025

Aim 3: Financial Sustainability - Contributing to the financial robustness of the organisation.

Rationale - To ensure that the Council can continue to meet their obligations and serve their communities effectively, now and in the future.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
3.1 Improve the quality of spend data	Better oversight and control	3.1.1	Introduce operational policy of “No PO/No Pay”.	Finance leading.
	Demonstrable compliance	3.1.2	Implement consistent approach to data input.	Engagement with Contract Managers to understand what data is currently collected, format stored, quality of data, systems used complete. Long, term and medium actions identified to improve data landscape and incorporated into transformation plan.
	Drive more value from contracts	3.1.3	Ensuring centralised oversight of contract spend.	Research has been carried out to identify current practice. Short, medium and long term actions have been identified and embedded into Transformation Project.
3.2 Increase opportunities for commercial savings	Support informed decision-making			
	Cost reduction	3.2.1	Review specifications.	Work has been undertaken to improve planning of procurements to ensure sufficient time allowed to review specifications and identify improvements.
	Market leverage	3.2.2	Review current contract terms	No work undertaken to date. Planned activity for 2026/27.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
		3.2.3	Category Sourcing Strategies.	Test of change carried out for Digital. Digital Category Strategy approved and Action plan for delivery of strategy developed and awaiting approval.
		3.2.4	Ensure use of whole life cycle costing.	Early engagement has started with Services and a Presentation provided to Procurement Board. Work to Continue through future years.
3.3 Value for money	<p>Economic use of resources</p> <p>Reduced costs</p> <p>Better value/economies of scale</p> <p>Opportunities to increase community benefits</p>	3.3.1	Challenge operational costs.	<p>Suite of non-critical but high volume categories identified where costs can be reduced through changing buying behaviour. Mini-competition conducted for janitorial supplies in schools, stationery amnesty introduced and restriction of stationery items available to buy new. Additional work planned for 2025/26 and 2026/27.</p> <p>The Strategy Process Map has been updated to include early engagement from Procurement Officers during the development stage. This is to allow the need to be challenged and encourage teams to consider their requirements and discuss alternative delivery methods.</p>
		3.3.2	Optimise frameworks through use of mini-competition where appropriate.	100 contracts awarded were via the use of existing frameworks. Work is ongoing to ensure where frameworks are available and offer best value they are used.

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Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
		3.3.3	Reduce varieties of universal items and bulk buy where appropriate.	<p>A stationery amnesty was introduced with a reuse store; The budget (non-schools) has been centralised and a product list of allowed new items rationalised, aiming to reduce spend by 20%.</p> <p>A mini-competition has been carried out and Janitorial supplies for schools rationalised and a commitment contract awarded as a test of change. This has received positive feedback from schools, who wish to expand on this change. A new collaborative opportunity will be developed expanding to the whole Council.</p>
		3.3.4	Pursue opportunities for collaborative contracting.	<p>PKC are continuing to work collaboratively with Tayside Contracts, Angus Council and Dundee City Council. We continue to identify potential new collaborative contracts.</p> <p>The Council continues to use frameworks put in place by Collaborative organisations including Scotland Excel, Scot Gov, SPA, HubCo etc.</p>
3.4 Align spend with need	Resource optimisation Risk mitigation	3.4.1	Proactive procurement planning.	<p>Strategic Partnering meetings have been introduced to improve forward planning and ensure sufficient time is available to incorporate sustainable procurement outcomes.</p> <p>New timescales and improved processes have been implemented for 2025/26 to allow time to add value to the tendering process and achieve best value.</p>

Aim 4: Governance - Upholding strong procurement governance to ensure public trust.

Rationale - Ensures that our procurement processes are open, fair and transparent; and that as public body, we are held to account. It provides assurance to the people of Perth and Kinross of our integrity in the use of public funds.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
4.1 Strategic Alignment	Spend can be targeted where it is needed most	4.1.1	Ensure procurement policies and contracting strategies support delivery of the Council's strategic outcomes and corporate priorities.	Contract strategies for all Contracts over £50,000 continue to be developed to support delivery of the Council's strategic outcomes and corporate priorities.
	Community benefits can be prioritised and optimised to deliver greater social value Identify opportunities for savings and efficiencies	4.1.2	Develop an operating model to implement sustainable procurement strategy.	Extended threshold for Quick Quotes (works). Performance reporting simplified/ automated in parts. New Strategy embedding. Procurement documentation being streamlined / automated where possible.
4.2 Efficient and effective processes	Procurement processes are less complex and time-consuming Audit trail for compliance	4.2.1	Streamline and automate transactional processes.	Procurement processes have been reviewed and fully mapped to allow work to commence with IT in identifying an improved solution for templates.

Procurement Annual Report 2024 to 2025

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
4.3 Data-driven decision-making	Better informed purchasing decisions Better informed purchasing strategies	4.3.1	Develop and use procurement analytics.	Implementation of national Management Information Platform (MIPS) making annual procurement performance reporting more consistent and efficient. Redesign of Procurement Service Performance Reporting and working with Services to further develop to meet their needs. Redesign of Spend Analysis tool to be more user friendly to officers developing contract strategies.
		4.3.2	Build and analyse data in relation to supplier performance and market dynamics.	Implementation of contract and supplier management toolkit first step in improving performance data.
4.4 Robust risk management	Accuracy and integrity of purchasing processes	4.4.1	Develop internal controls.	Implementation of contract and supplier management toolkit is the first step in improving performance data and gaining central oversight of contract performance.
	Future proofing supply chain risk	4.4.2	Develop appropriate procurement risk mitigation measures.	Supply chain risk identified within Contract Strategy, and followed through to Contract and Supplier Management. CSM Toolkit implemented and training currently being rolled out.
	Minimise risk of legal challenge	4.5.1	Develop sustainable procurement and compliance training offer.	In 2024/25 a total of 244.5 hours training was delivered to end users within Council Services. Delivery of training is ongoing for both new and existing employees.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
4.5 Regulatory compliance	Promotes transparency and accountability Builds and maintains public trust	4.5.2	Develop guidance and toolkits.	<p>Contract and Supplier Management Toolkit and developed and implemented. Training will be rolled out during 2025/26.</p> <p>The first e-Learning module was developed for Procurement for Quick Quotes. This has resulted in reduction of resources required from the Procurement Team to deliver regular training sessions.</p> <p>There are future plans to develop other e-learning Procurement Modules.</p> <p>Following consultation with Corporate Procurement Group and Procurement & Commissioning Board, Templates and process maps have been updated. Further work to be carried out to improve template format to make them easier to use.</p>
		4.5.3	Ensure core Governance documents are updated and revised as required.	The Contract Rules are currently being reviewed with recommendations. It is planned to be republished these during 2025/26. The main areas being reviewed are Delegated authority and Quick Quote threshold for works.

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Aim 5: Service design and delivery - Helping the Council design and deliver effective services.

Rationale - Ensure that we can procure the goods, works and services, at a competitive price, to meet the needs of our communities now; and foster innovation to design the service solutions for the future, to enable them to live life well, free from poverty and inequalities.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
5.1 Strategic Sourcing	More competitive pricing	5.1.1	Capture data to develop a comprehensive understanding of Council's needs and the market.	Consideration is being given to publishing a Prior Information Notice for every Publicly advertised tender. These are used for Market research purposes to inform the decision on the most appropriate Procurement Route.
	Better align spend with need			Contract and Supplier Management Toolkit and developed and implemented. This includes guidance, processes and templates and encourages proper documentation of all contract management activity. Training will be rolled out during 2025/26.
	Risk mitigation			
	Build community resilience			
	Supports us to deliver services to our communities, efficiently and effectively			
	Helps children and young people achieve their full potential			
	Helps ensure that our most vulnerable people	5.1.2	Develop Category Management approach where appropriate.	A Digital category strategy has been developed and Approved as part of the wider Business Systems Rationalisation project led by IT. An Action plan has been drafted for consultation and approval.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
	<p>are protected and cared for</p> <p>Helps promote physical and mental wellbeing within our communities</p>	5.1.3	Identify collaborative procurement initiatives to leverage combined purchasing power and expertise.	<p>The Team have commenced business partnering meetings with Strategic Lead management teams. Sessions arranged to identify suitable opportunities for internal and external collaboration from Contract Delivery Plan.</p> <p>Work is continuing to work with Tayside Contracts, Angus Council and Dundee City Council to identify new Collaborative opportunities.</p>
		5.1.4	Support the Health and Social Care Partnership to implement its Strategic Commissioning Plan.	<p>Support is provided on an ongoing basis to HSCP to increase compliance. This includes delivery of training sessions developed specifically for HSCP.</p> <p>The Procurement Team supported the tendering process for Care at Home which was awarded with a value of £56 Million.</p>
5.2 Social Value	<p>Cost efficiency and effectiveness</p> <p>Deliver community benefits that are aligned with local projects and community needs</p>	5.2.1	Integrate social, economic, and environmental considerations into procurement decisions.	<p>Changes in processes will allow additional time for the Procurement Team to input to Contract Strategies. This is ongoing as we continue to move from a re-active to pro active approach.</p> <p>The introduction of the Contract and Supplier Management Toolkit provides support to contract managers, ensuring that social, economic and environmental considerations are carried through to contract management stage.</p>

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Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
	Improved community engagement and resilience	5.2.2	Engage proactively with suppliers to deliver Community Benefits.	Community Benefits requirements are included as a scored questions in the award criteria for all tenders over £50,000. It is planned to improve the Community Benefits process during 2025/26 with the introduction of a working group.
	Help tackle poverty			
	Help tackle climate change and support sustainable places			It is the Contract Managers responsibility to monitor delivery of these during the contract period.
	Help build a more resilient, stronger and greener economy	5.2.3	Ensure robust contract management.	Contract and Supplier Management Toolkit developed and rolled out across all service areas. Toolkit includes guidance, templates and process maps. Training will be rolled out during 2025/26.
5.3 Effective demand management	Reducing over-supply	5.3.1	Analyse spending data to identify opportunities for cost savings and efficiency improvement.	Work commenced on schedule of mini-competitions for routine goods and services, and rationalisation of routine goods available to purchase.
	Financial and operational efficiencies			Spend Analysis PowerBI tool has been developed to allow buyers to access and interrogate spend data when developing strategies.
	More effective expectation management			
		5.3.2	Implement category management to optimise the procurement processes.	The Digital Category Strategy has been approved with an action plan in place.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
		5.3.3	Encourage responsible consumption and reduce waste through education and policy.	Work has commenced with Climate Change Team with a focus on Reduce, reuse and recycle. Tender specific criteria will be developed with appropriate questions and scoring incorporated into award criteria.
5.4 Foster innovation	Community engagement	5.4.1	Create an environment that encourages suppliers to propose innovative solutions.	Future development
	Risk mitigation			
	Improved supply chain resilience	5.4.2	Explore new technologies and practices that can enhance procurement processes.	Future development
	Opportunities to create additional social value			
	Help promote local economic growth	5.4.3	Identify opportunities to partner with local businesses and startups to pilot new ideas and approaches.	Future development

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Aim 6: Strategic Partnership - Working with services to help optimise the value of their procurement.

Rationale - To drive the greatest value from our purchasing power, procurement must be valued as key strategic function. By partnering with business areas procurement can enhance effective internal collaboration, strategic thinking and value creation, benefiting both the Council and the communities that we serve.

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
6.1 Strategic procurement planning	Effective and efficient delivery of services	6.1.1	Work with services to gain comprehensive understanding of their procurement needs.	Strategic Partnering meetings have been introduced to improve forward planning and ensure sufficient time is available to incorporate sustainable procurement outcomes.
	Better informed decision-making	6.1.2	Help services shift from reactive transactional procurement to a more proactive value-based activity.	Strategic Partnering meetings have been introduced to improve forward planning and ensure sufficient time is available to incorporate sustainable procurement outcomes.
	Helps children and young people achieve their full potential			The Procurement Board have been key in driving forward and supporting changes to the planning process of procurement activity.
	Helps ensure that our most vulnerable people are protected and cared for	6.1.3	Support the Health and Social Care Partnership to implement their Strategic Commissioning Plan and address any potential areas for market failure.	The Procurement Team work closely with the Health and Social Care Partnership to support the implementation of their Strategic Commissioning Plan and aim to further improve partnership working through the new Strategic Partnering approach.
	Helps promote physical and mental wellbeing within our communities			

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
6.2 Cross-service collaboration	Cost optimisation Value for money Embeds procurement as a valuable strategic function	6.2.1	Identify opportunities for joint procurement.	The Team work with various groups included Procurement & Commissioning Board, Corporate Procurement Group and Strategic Partners to identify opportunities for collaboration.
		6.2.2	Actively engage all services including schools in strategic procurement planning.	The Team work with various groups including Procurement & Commissioning Board, Corporate Procurement Group and Strategic Partners to identify opportunities for collaboration.
		6.2.3	Develop appropriate governance operating model to develop and implement “one Council” approach to procurement spend.	Through the Strategic Procurement Transformation Programme additional temporary funding (March 25) has been made available to develop and test a new operating model for the strategic procurement function. A business case is now being developed to make the redesigned service structure permanent to ensure that the core procurement team can support the Council to deliver the aims of the Sustainable Procurement Strategy and continue with the Transformation & Change Programme.
6.3 Innovation	Helps build a more resilient, stronger, greener economy	6.3.1	Support services to develop contract strategies and specifications which provide additional social,	As a result of improvements in planning processes this will allow time for this activity to be delivered.

Procurement Annual Report 2024 to 2025

Objective	Outcome	Action Ref	Activities	2024/25 Progress Update
and value creation	Helps tackle climate change and support sustainable places		environmental and economic value in line with our Corporate Plan.	
	Encourages closer working with and within our communities	6.3.2	Develop better understanding of market dynamics to assess risk.	An increase in the number of Prior Information Notices Issued has allowed an improved understanding of the market for potential tender opportunities.
	Builds good supplier relationships	6.3.3	Encourage suppliers to develop innovative solutions to mitigate against the risk of market failure.	Future Development

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