

**REPORT TO:** Cabinet

**MEETING DATE:** 17 January 2023

**BY:** Executive Director for Council Resources

**SUBJECT:** Procurement Strategy 2023-2028

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## **1 PURPOSE**

- 1.1 To inform, and seek approval from, Cabinet for the East Lothian Council Procurement Strategy 2023-2028

## **2 RECOMMENDATIONS**

- 2.1 To approve the report East Lothian Council Procurement Strategy 2023-2028.

## **3 BACKGROUND**

- 3.1 The Procurement Reform (Scotland) Act 2014 requires contracting authorities:

- to prepare a procurement strategy setting out how they intend to carry out regulated procurements, and
- to review its procurement strategy for the current financial year and make such revisions to it as the authority considers appropriate

- 3.2 Many elements of the current Corporate Procurement Strategy 2017-2022 remain relevant.

- 3.3 ELC Procurement Strategy 2023-2028, aims to build on those ambitions and achievements, while making it applicable to the 2022 operating environment.

- 3.4 The new Procurement Strategy (see appendix to this report) provides details of 5 key strategic objectives:

- Contributing to the Council's Net Zero Climate change targets
- Delivering Best Value and Continuous Improvement
- Ensuring Compliance and Good Governance

- Increasing Sustainability and Community Benefits
- Supporting Economic Recovery

- 3.5 Delivery against the strategic objectives outlined above should help us to achieve our vision for Procurement: *“To provide excellent services that deliver best value procurements with community benefits that support recovery and renewal, reduce poverty and inequality and respond to the climate emergency”*.
- 3.6 The Procurement Strategy will be reviewed on an annual basis to ensure continued alignment with supporting the delivery of the council’s priorities and outcomes.
- 3.7 This strategy has been developed in consultation with key internal stakeholders and external partners Scotland Excel (the Centre of Procurement Expertise for the local government sector) to gain a national perspective.
- 3.8 Any significant refresh of the Procurement Strategy and the associated Action Plan will be reported to and approved by Cabinet.
- 3.9 The Annual Procurement Report that records the performance against the Procurement Strategy will be detailed in a Members Library report and will include:
- a summary of the regulated procurements completed during the year
  - a summary of community benefits and Fair Work First performance; and
  - a summary of future regulated procurements.
- 3.10 Performance against the Action Plan will be monitored by the Procurement Service Manager and with updates reported regularly to CMT.
- 3.11 The Council’s procurement performance is also subject to external PCIP assessments. Due to the impact of covid-19 PCIP assessments were put on hold, with a view to recommencement in 2023.
- 3.12 The procurement actions detailed within the Strategy and Action Plan are aligned to both the national procurement objectives and the PCIP programme which supports continuity and continuous improvement.

#### **4 POLICY IMPLICATIONS**

- 4.1 The Council requires to use UK and Scottish regulations, policies, guidance and tools concerning public procurement activity, in conjunction with the council’s own regulations, policies, guidance and tools concerning procurement activity. Details of these Regulations, Policies, Guidance and Tools are provided on p17 of the Procurement Strategy.

## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report has been through the Integrated Impact Assessment process and no negative impacts have been identified.

## **6 RESOURCE IMPLACATIONS**

- 6.1 Financial - None  
6.2 Personnel - None  
6.3 Other – N/A

## **7 BACKGROUND PAPERS**

- 7.1 East Lothian Council Annual Procurement Report 2021-2022 – Members Library Report 134/22  
7.2 IIA Procurement Strategy 2023-2028

Appendix - East Lothian Council Procurement Strategy 2023-2028

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<b>DATE</b>	29 November 2022





East Lothian  
Council

# PROCUREMENT STRATEGY

2023–28

Promoting economic, environmental and social outcomes which support recovery and growth.



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## Foreword

East Lothian is widely recognised as a fantastic place to live, work and study. However, pressure on public finances means that the council must also make significant savings, and ensuring that the council uses its considerable spending power to maximise value for its communities is key.

The launch of the council's new Procurement Strategy will help promote the economic, environmental and social outcomes that support growth, and address those challenges the council is facing.

Closer working relationships with key stakeholders is central to the successful delivery of the strategy, building on existing networks to improve engagement with communities, businesses, third sector organisations and strategic partners.

The strategy also builds on a strong foundation of achievements delivered in previous years. These achievements will still be important in the coming years, and the principles remain a core element of the strategy, but as the council looks to address key challenges of poverty, citizen well-being and climate change the central priorities for the council's procurements must align and support wider outcomes.

The core focus moving forward will be:

- Contributing to the council's Net Zero Climate change targets
- Delivering Best Value and Continuous Improvement
- Ensuring Compliance and Good Governance
- Increasing Sustainability and Community Benefits
- Supporting Economic Recovery

By delivering in these areas and continuing to seek financial savings and Best Value outcomes, the council can be confident that its procurement activity will benefit our stakeholders.

### **Monica Patterson**

East Lothian Council Chief Executive



## Introduction and procurement vision

East Lothian is one of the fastest growing council areas in Scotland with a population increase between 1998 and 2020 of 22%. The county is widely recognised as a desirable place to live with a beautiful coast and countryside, attractive and distinctive towns, good quality housing, schools and services, and proximity to Edinburgh's jobs, businesses and attractions. East Lothian is part of the Edinburgh city region and its key economic sectors include tourism, agriculture, food and drink, power generation, manufacturing, and education. Over the next 10 years it is anticipated that East Lothian will undergo further significant change.

Population and housing growth means that the demand for council services is increasing at a time when the pressure on public finances requires us to make significant savings. The procurement service must continue to ensure the council secures Best Value by purchasing only what we need and managing our suppliers effectively through robust contract management.

Following the Covid-19 pandemic and post-Brexit, the Procurement Service is evolving to change its focus from operational to strategic procurement. We will support the transition to a low carbon economy, and manage the impacts and opportunities arising from technological change and a fast-growing local authority area.

This strategy takes account of that wider context, and recent developments in the local and national policy framework, that now more clearly recognise the important role that public sector procurement has in delivering key outcomes.

The procurement service has a strong focus on compliance with the regulatory framework, and the council's internal controls and this strategy will help ensure the council's purchasing activity supports sustainable growth and protects our environment, while also confronting the challenges that East Lothian is facing.

### Council Vision

*An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish. Council Plan 2022-2027*

#### Vision

To provide excellent services that deliver best value procurements with community benefits that support recovery and renewal, reduce poverty and inequality and respond to the climate emergency.

#### Mission

The procurement team will strive to deliver effective, efficient and excellent services to support the council's strategic vision and aims, by contributing to the council's net zero climate change targets, delivering best value and continuous improvement, ensuring compliance and good governance, increasing sustainability, community benefits and supporting economic recovery.

### Sarah Fortune

Executive Director of Resources, East Lothian Council

## Strategy rationale and context

Recent changes to procurement regulations and statutory duties are now embedded and public sector procurement has a greater role than ever before in supporting delivery of key social, economic and environmental outcomes. The potential impact of Brexit will not bring immediate change to these regulations and duties but may have a bearing on markets we engage with.

This strategy has been developed to enable us to respond and adapt to changes in our environment. However, during its life changes are expected, for example, development of a National Procurement Strategy for Scotland. In line with the Reform Act and to ensure our Annual Procurement report details our performance against strategy, this strategy will be subject to annual reviews. This will take account of any changes to organisational objectives and Scottish Government policies and strategies.

The council currently spends an average of £140million per annum on goods, services and works. In supporting this programme it is critical that the spending power of the council is utilised to influence and actively promote positive change.

Enabling Good Growth is a key area of our Economy Strategy. Where procurement has potential influence, we will include the council's commitments to Fair Work practices, low carbon economy, supporting benefits through City Region Deal and other capacity building projects.

The previous Corporate Procurement Strategy 2017-2022 was aligned to the Council Plan 2017-2022 and the Procurement Improvement Programme (PIP). Many improvements and benefits were delivered and are detailed in Appendix 2.

Key successful outcomes include:

- Increased engagement with local Small Medium Enterprises (SMEs) and awareness of our tendering opportunities
- Applying prompt payment in the supply chain, as appropriate
- Successful and targeted people and Community Benefits delivered in line with the needs of our communities
- Added value obligations included in contracts to support ELC Climate Change Strategy (2020-2025)
- Increased capacity (resource levels) aligning with strategic procurement priorities, contracted expenditure and business needs
- Contract and Supplier Management (CSM ) training delivered to Service Users across the council
- Annual surveys to capture the views and understand levels of satisfaction of internal customers and suppliers
- New software for contract register and recording and reporting on contract obligations, benefits and performance
- £1.3m cash savings delivered by the Procurement Improvement Programme (PIP)
- Procurement team developed skills in relevant areas e.g. negotiation, project management, Chartered Institute of Procurement & Supply (CIPS) qualifications, Contract and Supplier Management (CSM), Competition and Markets Authority (CMA) e-learning on bid rigging and Climate Literacy Training
- Procurement training included in Elected Member Induction
- Review and update of the council's standing orders and procurement procedures.

Areas for on-going improvement include:

- Optimising systems / identification of gaps in tracking spend
- Utilising the new Contract Register to detail contract obligations
- Implementing contract management into lifecycle of key contracts
- Supporting the P2P (purchase-to-pay) project to deliver consistency and accuracy related to downstream processes
- Collaborating with Service Managers to plan value added procurements
- Digitising procurement processes
- Embedding the sustainable procurement duty - continual improvement of the economic, social and environmental wellbeing of East Lothian people.

## Community Wealth Building

The Centre for Economic Strategies (CLES) states that community wealth building is based on five key principles:

- Plural ownership of the economy
- Making financial power work for local places
- Fair employment and just labour markets
- Socially productive use of land and property
- Progressive procurement of goods and services

Anchor Institutions are central to the concept of community wealth building as a result of the scale of the jobs they provide, the scale of spend through procurement, their land and assets.

The Lothian Strategic Development Framework sets out aspirations for the Lothian Health and Care System (LHCS) to work as an anchor institution. The LHCS includes East Lothian Integration Joint Board; Edinburgh Integration Joint Board; Midlothian Integration Joint Board; NHS Lothian; and West Lothian Integration Joint Board.

The Scottish Model of Procurement (procurement that is business friendly and socially responsible) aligns well with these principles and is already at the core of procurement practices across the Scottish public sector.

In line with the Council Plan 2022-2027, we will support community wealth building through an approach to procurement that prioritises local jobs and promotes diversity.

We will work across the council and with our partners to develop and implement the councils Community Wealth Building approach and action plan and ensure continued alignment with the LHCS anchor institution aspirations set out above.

## East Lothian Health and Social Care Partnership (ELHSCP)

East Lothian Health and Social Care Partnership (ELHSCP) has developed its Commissioning Strategy 2023 – 2025. Their Commissioning Strategy will be future proofed in line with the Independent Review of Adult Social Care which recommends that Integration Joint Boards should continue to develop strategic commissioning plans, and should be given direct responsibility for procurement, holding contracts and contract monitoring.

The council's procurement service, through the work of the Commissioning Board, will be involved in this work to support colleagues to commission and procure services in a way that gives the best chance of achieving the desired outcomes and in line with the principles of the ELHSCP Commissioning Strategy.

ELHSCP procurements will comply with guidance on the Procurement of Care and Support Services 2016 (Best Practice), making use of the provisions of the Light Touch Regime (LTR), where appropriate, under the Public Contract (Scotland) Regulations 2015. The LTR allows consideration of wider factors when sourcing Health, Social Care and Education and legitimises their influence in decision making. ELHSCP procurements will be in line with and be sensitive to the expected national direction from the Scottish Government and the National Care Service.

## Children and Young People

We will ensure that council commitments to the Children and Young People (Scotland) Act 2014 (Corporate Parenting responsibilities) and Article 12 of the UN convention on the Rights of the Child are reflected in our commodity strategies.

This will include, where relevant, that the voice of children and young people is reflected in our commodity strategies (requirements gathering) and / or Community Benefits that support Corporate Parenting are included in our wish list.

## Procurement equality duties

All public bodies are legally required in the exercise of their functions, to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- foster good relations between people who share a protected characteristic and those who do not

These duties are set out in The Equality Act 2010 and The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

## Specific duties on procurement

Specific duties apply when a public authority awards a contract or framework agreement which is covered by the Public Contracts (Scotland) Regulations 2015. These are:

- when a public authority awards a contract or framework agreement on the basis of the most economically advantageous offer, it must have due regard to whether the award criteria should include considerations to enable it to better perform the equality duty
- when a public authority proposes to stipulate performance conditions in a contract or framework agreement, it must have due regard to whether the conditions should include considerations to enable it to better perform the equality duty

The Fairer Scotland Duty, Part 1 of the Equality Act 2010, came into force in Scotland in April 2018. This requires public authorities, in the exercise of their functions, to have due regard to how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.

## Scottish Government's National Outcomes

The strategy will also support delivery of the Scottish Government's National Outcomes. In particular, using the Scottish Government's National Performance Framework, this strategy will help drive the National Outcomes.



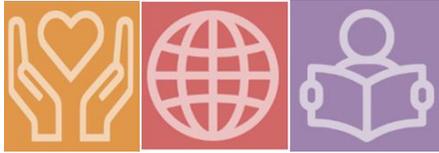
Note: The sections that follow show the specific links from the National Outcomes to this strategy (highlighted by the icons).

## Communities, Fair Work and Business, Human Rights and Poverty



- Considering sustainability and procurement equality duties and equality impact in commodity strategy development
- Embedding Sustainable Procurement tools
- Improving awareness of Fair Work First
- Continuing to include Fair Work First and Community Benefits Criteria within tenders, where proportionate and relevant
- Continuing to provide online information on community benefits for communities and suppliers
- Using new procurement software to capture, monitor and report on fair work first and community benefits obligations and their delivery as part of CSM
- Engaging with suppliers to meet the requirements of becoming an accredited Living Wage Employer

## Children and Young People, Economy and Education



- Embedding sustainable procurement tools
- Considering children and young people in commodity strategy development
- Actively participating in collaborative opportunities that support delivery of a sustainable economic recovery
- Increasing engagement and working with suppliers and the Supplier Development Programme to support 'meet the buyer' events raising awareness of contract opportunities and access to national frameworks
- Increasing % spend with local suppliers
- Using supplier feedback to improve access to our tendering opportunities
- Applying community wealth building principles to develop and maximise spend with local businesses
- Continuing to include Fair Work First and community benefits criteria, where proportionate and relevant, including employability opportunities for young people and adults

## Environment



- Sharing knowledge with service users from climate literacy training
- Working with the council's Sustainability and Climate Change Officer to:
  - deliver ELC climate emergency e-learning for service users
  - Embed Sustainable Prioritisation tool for social care, construction, ICT, waste and transport.
- Considering climate and circular economy in commodity strategy development
- Continuing to include Net Zero and circular economy criteria within tenders, where proportionate and relevant, i.e. reducing waste, etc. to meet the obligations of our council's Climate Change Strategy (2020-2025).

This new strategy builds on what was achieved under the previous version, reflecting the evolving nature of public sector procurement and the council's current priorities.

## Supporting Council Objectives

The 2022-27 Council Plan outlines how East Lothian council will strive to meet our Vision of: ***An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.***

This high level statement of objectives, priorities and strategic goals aims to meet the challenges the council, East Lothian and its residents and communities face. It sets out the values, principles and behaviours that guide how the council and its staff operate.

The 2022-2027 Council Plan is based around three overarching objectives that have been set in response to three fundamental challenges we face.

- ***Recovery and Renewal*** – recovering from the COVID pandemic by investing in regeneration and a sustainable future
- ***Reduce poverty and Inequality*** – supporting our communities to deal with the growing levels of poverty and inequality
- ***Respond to the Climate Emergency*** – meeting our net zero climate change targets

Beyond these three fundamental challenges we continue to face systemic, long-term challenges. In response to these challenges the previous Council Plan set out four thematic objectives which remain relevant.

- ***Grow our Economy*** – increase sustainable and inclusive growth as the basis for a more prosperous East Lothian
- ***Grow our People*** – give our children the best start in life and protect vulnerable and older people
- ***Grow our Communities*** – give people a real say in the decisions that matter most and provide communities with the services, infrastructure and environment that will allow them to flourish

- ***Grow our Capacity*** – deliver excellent services as effectively and efficiently as possible within our limited resources

The council has a well-established set of behaviours that help to drive continuous improvement towards the achievement of the Council Plan. These are known as The East Lothian Way:

- ***Focus on service*** – putting the customer first; providing excellent customer service; and, contributing to improvements in service.
- ***Explore the bigger picture*** – working together for a better East Lothian; understanding how our daily activities are linked to the council’s vision and priorities.
- ***Initiate solutions*** – striving for excellence; taking personal responsibility and ownership to be effective in our jobs.
- ***Share knowledge*** – demonstrating regular and effective team working; being open and honest.
- ***Deliver outstanding results*** – taking responsibility and seeing tasks through to successful completion.

### Procurement’s Role in Delivering These

Procurement will support services across the council by ensuring the requirements for goods, services and works are procured in a way that supports the council objectives and delivers the solutions that work best for East Lothian and deliver Best Value.

## Key strategic objectives

This strategy sets out the council's key strategic procurement objectives:

1. Contributing to the council's Net Zero and climate change targets
2. Delivering Best Value and Continuous Improvement
3. Ensuring Compliance and Good Governance
4. Increasing Sustainability and Community Benefits
5. Supporting Economic Recovery

The strategic objectives identified align with council aims to tackle poverty and inequality. Procurement will do this by including contractual obligations relating to employability opportunities, Fair Work and the Real Living Wage. To progress Community Wealth Building and focus on local economy development initiatives that grow opportunities and capacity in the region and deliver community benefits that support disadvantaged communities and contribute to mitigation and adaptation of climate change.

### 1. Contributing to the Council's Net Zero and climate change targets

#### Net Zero Climate change targets

##### Aim:

- Support the council targets by delivering opportunities that help tackle climate change, progress towards Net Zero and the circular economy agenda

##### We will do this by:

- Using learning from climate literacy training to transfer knowledge to and support service users when progressing procurement projects
- Working with the council's Sustainability and Climate Change Officer to deliver ELC climate emergency e-learning to service users
- Collaborating with the council's Sustainability and Climate Change Officer and service users to implement and embed Sustainable Prioritisation tool for social care, construction, ICT, waste and transport.
- Considering climate change mitigation and adaptation, and circular economy at an early stage as part of commodity strategy development
- Supporting the council to deliver opportunities that help tackle the climate emergency, progress towards Net Zero and the circular economy agenda, e.g. by including obligations in relation to the environment and sustainability, i.e. reducing waste, etc. to meet the obligations of our council's Climate Change Strategy (2020-2025).

##### What success looks like:

- Annual reporting of procurements influence and contribution that supports Net Zero, mitigation and adaptation of climate change and the circular economy agenda

## 2. Delivering Best Value and Continuous Improvement

### Best value

#### Aim:

- Support the council to deliver best value

#### We will do this by:

- Strategic Sourcing: market analysis and scoping to identify critical supply routes that support the council and procurement strategy
- Ensuring market engagement & understanding
  - monitoring supply markets and trends
  - market testing of/for commodity strategy
  - share market intelligence with finance colleagues to help with budget development & monitoring
- Continuing to deliver collaborative procurements and achieve best value

#### What success looks like:

- Ensuring spend is within council budgets
- Increasing participation in collaborative opportunities (National Frameworks, sector-based Collaboration Frameworks and working with other councils with a similar requirements)

### Continuous Improvement

#### Aim:

- Support the council to deliver budget savings and key corporate and transformation projects (that procurement can influence)
- Participate in the Procurement and Commercial Improvement Programme (PCIP)

#### We will do this by:

- Implementing new Procurement Software to support and document contract and supplier management
- Implementing contract management into the lifecycle of key contracts across the council
- Embedding Contract and Supplier Management: Ongoing analysis and feedback to / from suppliers to enhance the working relationships
- Transitioning towards digital procurement forms, process and procedures
- Develop procurement performance reports for Heads of Service and Service Managers
- Supporting P2P (purchase-to-pay) project and the wider council in delivering consistency and accuracy related to downstream processes
- Sharing and using post-project and lessons learned to implement required improvements to our forms, processes and procedures
- Maximize opportunities for innovation and collaboration to enable delivery of the council's key corporate projects, e.g. Transformation, Digital and Asset Review
- Implementing and reporting on improvements plans that flow from Procurement Commercial Improvement Programme (PCIP)

#### What success looks like:

- Embedded contract and supplier management approach;
- Report on performance and value delivered by our contract and supplier management approach
- Report on procurements contribution to identifying, securing and delivering savings / efficiencies
- Improvement against Procurement Commercial Improvement Programme (PCIP)

### 3. Ensuring Compliance and Good Governance

#### Spend Analysis and Compliance

##### Aim:

- Spend analysis undertaken across spend categories
- Spend data is understood and opportunities to improve are prioritised and progressed
- Ensure emerging Scottish Government policy is embedded in Procurement policies, objectives and actions

##### We will do this by:

- Driving efficiencies and best value to support the financial sustainability of the council
- Understanding and challenging the need to buy
- Continuing to identify / reduce spend which doesn't follow the defined purchasing policies and manage demand
- Using a category management approach to monitor, manage and report to senior leaders on spend for dedicated areas / commodities
- Optimising current systems
  - evaluating needs to track on / off contract spend
  - implementation related recommendations
- Develop, improve and automate procedure for creation of Annual Procurement Report; Publish Annual procurement Report
- Horizon scanning: on-going analysis of the public procurement environment to identify important developments, e.g. emerging Scottish Government policy and ensure the council is prepared for potential opportunities and threats and where relevant developments are embedded in Procurement policies, objectives and actions
- Annually reviewing and updating council standing orders and procurement procedures to ensure appropriate internal controls and awareness of the procurement and financial rules
- Annually reviewing and updating (as required) our forms, processes and procedures, including checking for accessibility
- Developing and implementing e-learning module to provide council staff with an introduction to procurement, policies and procedures

##### What success looks like:

- Spend is compliant with regulations and internal governance
- Regular and timely publication of Contract Award Notices
- Forms, processes and procedures take account of any changes to our objectives and Scottish Government policies and strategies

## Good Governance

### Aim:

- Engage and influence leaders to achieve outcomes
- Raise the profile of procurement and improve stakeholder engagement
- To assess, monitor and manage risks within procurement activity in line with the council's Risk Management Monitoring and Reporting Process

### We will do this by:

- Improving representation of Procurement at senior leadership level with increased influence over procurement activity
- Annually reviewing and updating Procurement Service Plan (Action and Improvement Plan), reporting progress to CMT
- Working with communications team to raise the profile and ensure key procurement messages and updates are communicated
- Ensuring that all leaders understand their role in driving and enabling impactful procurement
- Undertaking annual surveys to capture feedback and satisfaction levels from internal customers and suppliers
- Continuing to use national procurement competency framework to assess team skills, identify training needs & support career planning as part of annual Performance Review and Development (PRDs) process
- Ensuring capacity (resource levels) align with strategic procurement priorities, contracted expenditure and business needs.
- Ensuring workload (contract requirements) are managed using a consolidated work plan and prioritisation tool ensure work addresses business needs and meets demand across the council
- Providing guidance and support to stakeholders to identify, assess and manage risks within procurement activity
- Considering procurement risks early during commodity strategy development, as part of market condition analysis
- Learning from the Competition and Markets Authority (CMA) e-learning on bid rigging in public procurement is used to flag any specific risks arising from the supply chain
- Capturing, procurement risks in the Procurement Service risk register and feeding into the corporate risk register, where relevant
- Monitoring, managing and reporting on corporate risks using the councils new risk management software

### What success looks like:

- Leaders and stakeholders are more engaged with procurement
- Successful delivery of annual Action Plans
- Risks are monitored, managed and reported on procurement activity
- Risks and impacts to the council are mitigated

## 4. Increasing Sustainability and Community Benefits

### Sustainability

#### Aim:

- Implement and embed Sustainable Procurement tools that maximise the impact and delivery of the sustainable outcomes for the economic, social and environmental wellbeing of East Lothian
- Ensure Fair Work First outcomes are promoted and procurement is used to influence and increase positive fair work and socially responsible outcomes which reduce poverty and inequality

#### We will do this by:

- Considering children, young people, procurement equality duties, equality impact and sustainability at an early stage as part of commodity strategy development
- Using the tools detailed below to support the delivery of prioritised sustainable outcomes
  - Flexible Framework assessment tool
  - Prioritisation Tool
  - Sustainability Test
  - Capturing, monitoring and reporting on key sustainable priorities
- Improving awareness for council staff and suppliers of Fair Work First
- Continuing to include Fair Work First Criteria within tenders where proportionate and relevant
- Using the new Procurement software to capture, monitor and report on fair work first obligations and their delivery
- Engaging with suppliers to meet requirements of becoming an accredited Living Wage Employer

#### What success looks like:

- Sustainability test embedded and used in all relevant and proportionate contracts and Frameworks
- Supporting delivery of the Fair Work and the Real Living Wage obligations of our East Lothian Poverty Plan 2021-2023: Fair Work First Criteria included within tenders where proportionate and relevant.
- Completion of procurement actions associated with our aim to become an accredited Living Wage Employer

### Community Benefits

#### Aim:

- Refresh the council's approach to Community Benefits and build on what has been delivered to date

#### We will do this by:

- Enhancing the council's approach to community benefits to build on what has been delivered to date: continuing to contribute to outcomes relating to employability, skills and tackling inequalities by focusing on under-represented groups.
- Including commitments to Article 12 of the UN convention on the Rights of the Child and the Children and Young People (Scotland) Act 2014 Corporate Parenting responsibilities in wish list
- Continuing to improve information on our Community Benefits approach to share with communities and suppliers on our website showing where the benefits go/who receives them
- Using new procurement software to increase and improve monitoring and reporting of community benefits obligations and their delivery as part of CSM
- Increasing awareness of community benefits through tender opportunities

#### What success looks like:

- Refreshed approach to community benefits adopted, implemented and embedded
- Increasing the number of community benefits secured and delivered through contracts

## 5. Supporting Economic Recovery

### Economic Recovery

#### Aim:

- Implement and embed sustainable procurement tools that support a sustainable economic recovery
- Ensure local economy considerations are factored in to market options at commodity strategy stage
- Support suppliers & communities
- Support to Local SMEs to access public sector opportunities

#### We will do this by:

- Implementing and embed sustainable procurement tools that support a sustainable economic recovery
- Considering sustainability and circular economy at an early stage as part of commodity strategy development
- Actively participating in collaborative working opportunities that supports the delivery of a sustainable economic recovery
- Increasing engagement, working suppliers and the Supplier Development Programme to support 'meet the buyer' and 'meet the supplier' events and in raising awareness of contract and sub-opportunities, including access to national frameworks
- Increasing % of spend with local suppliers
- Using supplier feedback from annual surveys to continually improve access to our tendering opportunities
- Applying community wealth building principles to develop and maximise spend with local businesses

#### What success looks like:

- Sustainability test is embedded and used in all relevant and proportionate contracts and Frameworks
- Increase the number of and spend with local Small and Medium Enterprises (SMEs) and third sector businesses being awarded council contracts

## Regulations, Policies, Guidance and Tools

The council requires to use UK and Scottish regulations, policies, guidance and tools concerning public procurement activity, in conjunction with the council's own regulations, policies, guidance and tools concerning procurement activity including but not limited to:

UK and Scottish regulations, policies, guidance and tools	Scottish Government's tools	Council's regulations, policies, guidance and tools
<ul style="list-style-type: none"> <li>• Procurement Reform (Scotland) Act 2014</li> <li>• Public Contracts (Scotland) Regulations 2015</li> <li>• Procurement (Scotland) Regulations 2016</li> <li>• Utilities Contracts (Scotland) Regulations 2016</li> <li>• Concessions Contracts (Scotland) Regulations 2016</li> <li>• Case law</li> <li>• Scottish Procurement Policy Notes (SPPN's) and Construction Policy Notes</li> <li>• Sustainable procurement duty</li> <li>• Fair Work First</li> <li>• Procurement equality duties set out in The Equality Act 2010 and The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012</li> </ul>	<ul style="list-style-type: none"> <li>• Public Contracts Scotland</li> <li>• Public Contract Scotland - Tender Portal</li> <li>• Procurement Journey</li> <li>• Supplier Journey</li> <li>• Sustainable Procurement Tools</li> <li>• Climate Literacy For Procurers</li> </ul>	<ul style="list-style-type: none"> <li>• Scheme of Delegation</li> <li>• Standing Orders</li> <li>• Financial Regulations</li> <li>• Risk Management, Monitoring and Reporting Process</li> <li>• East Lothian Council Plan 2022-2027</li> <li>• ELC_Recovery__Renewal_Plan_2021</li> <li>• East Lothian Council Poverty Plan 2021-2023</li> <li>• East Lothian Council Equality Plan 2021-2025</li> <li>• Climate Change Strategy 2020-2025</li> <li>• Sustainable Procurement Charter and Policy</li> <li>• Financial and Capital Strategy 2022/23-2026/27</li> <li>• East Lothian Economic Development Strategy 2012-2022</li> <li>• East Lothian Health and Social Care Partnership Commissioning Strategy 2023 – 2025</li> <li>• East Lothian Council Digital Strategy 2022-2027</li> <li>• East Lothian Way</li> <li>• Lothian Strategic Development Framework</li> </ul>

Procurement is governed by many legal sources, principally derived from the EU Treaty principles. The “Fundamental Principles” (Proportionality, Mutual Recognition, Non-discrimination, Equal treatment and Transparency) apply to all procurement activity regardless of the value. All contracts let by or on behalf of the Council must be done so in a proportionate manner that demonstrates compliance with the above principles to all parties having an interest in that procedure. All contracts let by or on behalf of the Council must also follow the council's Procurement Procedures (Standing Orders) and internal Working Instructions.

## Procurement and Commercial Improvement Programme (PCIP)

The council's procurement service is subject to regular assessment by Scotland Excel on behalf of Scottish Government and endorsed by Audit Scotland. The PCIP assessment reviews the strength of policies and procedures driving procurement performance in:

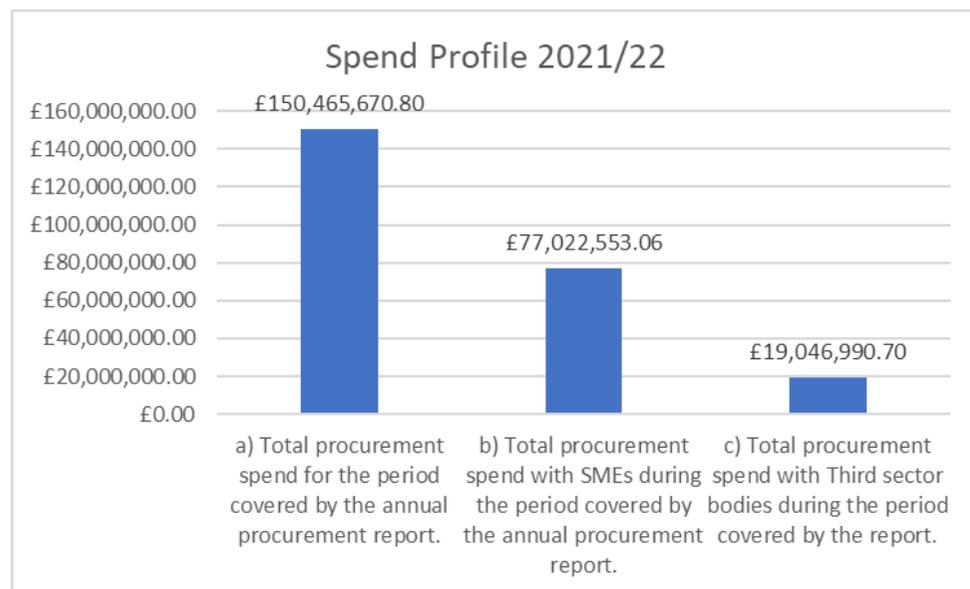
- Leadership and governance;
- Development and tender;
- Contract; and
- Key purchasing processes.

East Lothian Council is always striving to improve and develop its procurement procedures and practice.

PCIP is a helpful tool used to promote best practice within public sector procurement. At the last assessment in 2019, East Lothian Council scored 62%. East Lothian Council shall continue to work towards improving and embedding good procurement practice throughout the organisation and will continue to engage with the PCIP programme.

## Council spend profile

The information below details the council's overall spend profile for 2021-2022. The highest areas of spend are social care and construction.



\*\* Figures taken from Spend Analysis Hub

East Lothian Council Procurement Spend Profile 2021-2022	
<b>Total Procurement Spend</b>	<b>£150,465,670.80**</b>
SME Spend	£77,022,553.06 (217 suppliers)**
Third Sector Spend	£19,046,990.70 (32 suppliers)**
Total Local Spend	£30,111,584.08 (99 suppliers)**

\*\* Figures taken from Spend Analysis Hub

## Savings, Benefits and Added Value

Delivering value through procurement is a key element and driver of continual Service Improvement. Savings and benefits definitions are defined as follows:

### Savings

- Cashable Savings
- Cost Avoidance
- Commercial and Operational Efficiencies

### Benefits and Added Value

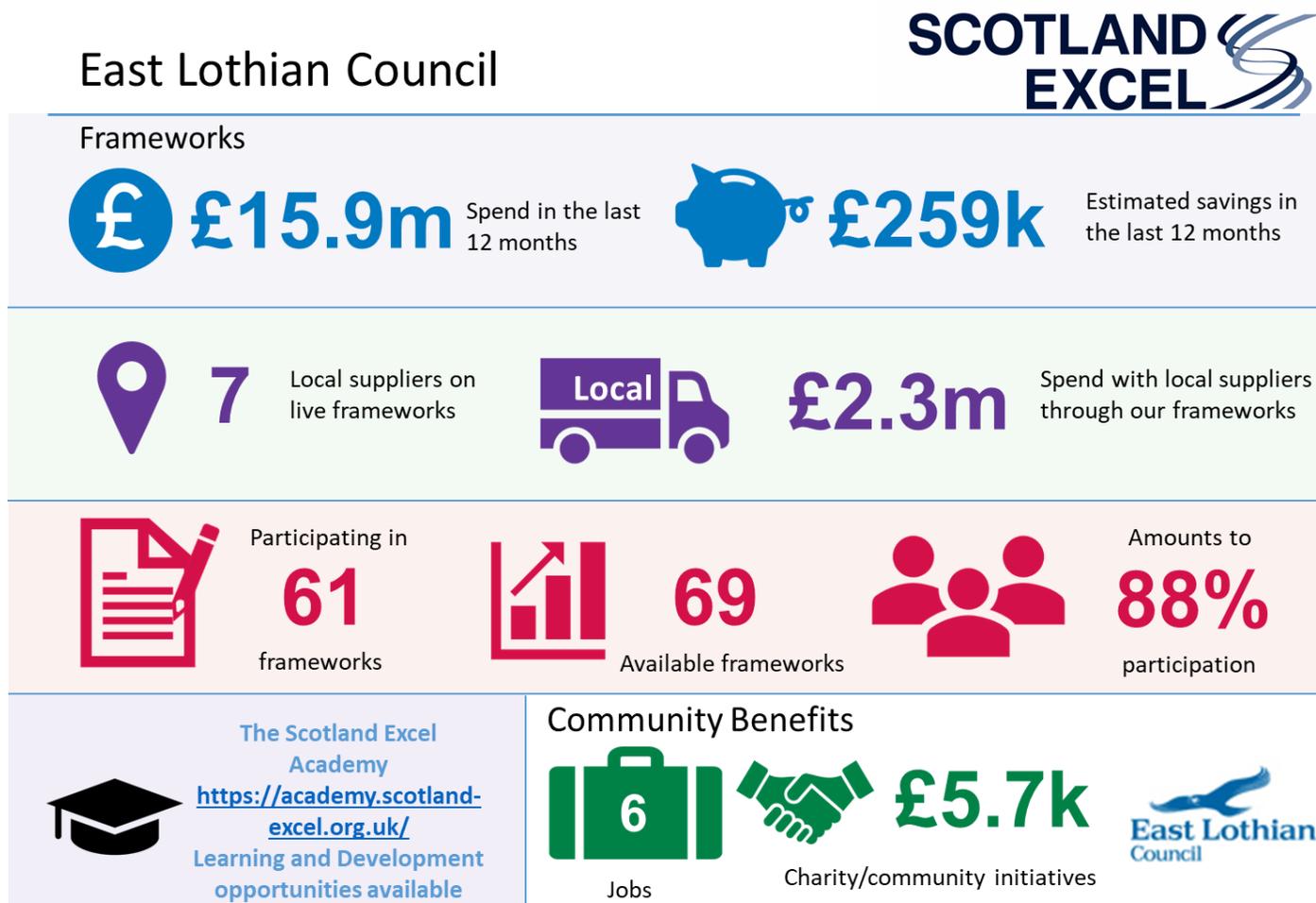
- Community Benefits
- Sustainability
- Innovation

A more formal approach to tracking cost savings has been introduced. Our new procurement software will be used to enhance our ability to capture, monitor and report on contract obligations, performance, savings and benefits (added value) delivered by procurement from April 2023.

Total delivered cash savings for the period covered by the Annual Procurement Report (2021/2022)	£2,105,888.00
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## Collaboration and strategic partnerships

50.49% of all contracts during the reporting period utilised a collaborative Framework. 11% of all contracts are through a collaborative Scotland Excel Framework. The council is participating 61 of the 69 available Scotland Excel Frameworks, resulting in the following achievements:



Framework information at Q4 2021/22; savings figure does not include social care service frameworks; rebates for 20/21. L&D refers to accredited courses. Community benefits Total= Apr 13 to March 2021. Living Wage is reflective of the status at point of SXL 21-22 Annual Procurement Report.

## Monitoring, reviewing, transparency and reporting

We are committed to being transparent about how we spend public money and improving accountability, by publishing information about our procurement activity.

This is in line this commitment, we:

- have developed this strategy in consultation with key internal stakeholders (staff, service users, senior management and elected members) and external partners Scotland Excel (the Centre of Procurement Expertise for the local government sector) to gain a national perspective
- will monitor the strategic aims, objectives, priorities and targeted outcomes using the Action Plan in Appendix 1.
- Performance against the Action Plan will be monitored by the Procurement Service Manager and reported to CMT. Reporting will include Performance Indicators' linked to the Action Plan and the Performance Indicators will monitor, track and measure continuous improvement.
- will publish this procurement strategy
- will review and update the strategy on an annual basis, to ensure continued alignment with supporting the delivery of the council's priorities and outcomes
- will refresh the Procurement Strategy and the associated Action Plan and these will be reported to and approved by Cabinet
- will produce an annual procurement report that records the performance against the Procurement Strategy. This will be reported to Cabinet and will include:
  - a summary of the regulated procurements completed during the year
  - a summary of community benefits and Fair Work First performance; and
  - a summary of future regulated procurements
- will publish annual procurement reports
- use the Public Contracts Scotland website to advertise regulated contracts and publish award notices
- promote transparency and greater openness through, for example, the use of procurement strategies

The council's procurement performance is also subject to PCIP assessments.

Please note that due to the impact of covid-19 PCIP assessments were put on hold, with a view to recommencement in 2023.

The procurement actions detailed within this strategy and Appendix 1 are aligned to both the national procurement objectives and the PCIP programme which supports continuity and continuous improvement.

## Supporting Suppliers, Third Sector and Communities

Information is provided on the council's website <https://www.eastlothian.gov.uk/info/210594/procurement> and in related downloads to support those interested in doing business with the council. The website contains key information including:

- Information on how to do business with the council;
- Links to Public Contracts Scotland, the main portal used to advertise contract opportunities;
- Details of contract authorities for collaborative framework agreements and dynamic purchasing systems;
- The council contract register
- Community Benefits in Procurement
- Sustainable Procurement
- The Supplier Development Programme (SDP)
- Details about the standard terms and conditions of contract

Procurement

- Contract opportunities
- Community benefits
- Useful information for suppliers
- Our contract register
- Who does the buying?
- Best value

Business opportunities

- Finding contract opportunities
- Supplier Development Programme

More on business opportunities

Quotations and tenders

- The tendering process
- Responding to a contract opportunity
- Submitting your quotation or tender

More on quotations and tenders

Procurement procedures

- Procurement procedures
- Terms and conditions
- Current and future developments

More on procurement procedures

External organisations support for those looking to do business with the council can be sought from:

- Business Gateway;
- Supplier Development Programme (SDP);
- The Scottish Government's Supplier Journey; and
- Access to other business support organisations.

In addition to the above external organisations that support those looking to do business with the council, the council's Procurement team will continue to attend future Scotland Excel and SDP Meet the Buyer events; as well as identifying more local events which target support aligned to the delivery of the council's priorities.



Supplier Journey

## Capacity and skills

To support the delivery of the procurement strategy and to ensure best practice is being achieved through the council's procurement activity, the capacity and skills of procurement professionals and delegated procurement officers will be supported and managed by:

- Providing opportunities to develop the skills of our service users
- Providing graduate opportunities where possible
- Supporting continuing professional development of professionals to ensure expertise is relevant and current
- Continuing to maximise collaboration opportunities with other organisations when they are shown to add value and/or make commercial sense
- Continuing to develop and implement training and guidance to support compliance and excellence in procurement
- Continuing to participate in the PCIP to support continuous improvement and identification of areas for improvement;
- Continuing to use the national procurement competency framework and associated online tool to assess team skills, identify training needs and support career planning. This will be carried out annually as part of the Performance Review and Development (PRD) process
- Developing processes and templates to support compliance and best practice

## Stakeholder Engagement

The procurement service engages with service users under a business partnering approach where we aim to build long-term relationships. We understand the influence we have and aim to identify opportunities, target efforts, and drive best value. Going forward we aim to increase the use of category management, where relevant.

## Scottish Public Sector Procurement Blueprint Benchmarking 2022

The council participated in the Scottish Public Sector benchmarking exercise which was conducted by the Scottish Government between January and September 2022. It focussed on three key areas of organisational design:

- People
- Operating Models, and
- Organisation Models

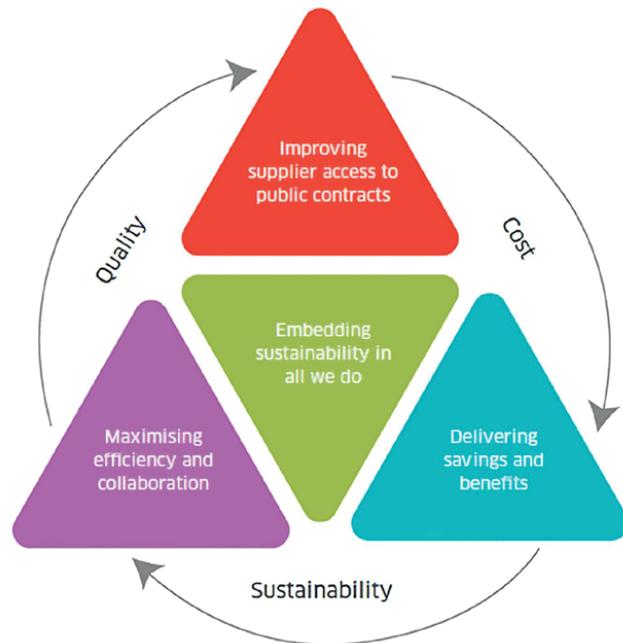
The results enable the council to understand how we compare to our peers within their sectors, and across the Scottish public sector.

For East Lothian Council, this highlighted that:

- We have an above average number of staff studying towards Membership of a Professional Body
- There is an opportunity for us to move towards a fully Distributed operating model where service staff have Delegated Purchasing Authority (DPA) for procurements above the current agreed threshold of £15k and are supported by training and enhanced internal control systems. Currently, for procurements above the £15k threshold, service staff mainly have responsibility for Contract and Supplier Management (CSM)
- The cost of our service per FTE and the cost of our service as a Percentage of Third Party Spend is below average

## Ownership and contact details

This Corporate Procurement Strategy has been approved by the Corporate Management Team (CMT) and full council. It reflects the Council Plan, Scottish Model of Procurement, Local Economic Agenda and National Outcomes. An initial Action Plan is included in Appendix 1 and will be managed and updated annually. Progress reports will be provided to CMT quarterly with priorities agreed with Heads of Service/CMT, as required.



All staff within the council have a role in ensuring compliance with the Procurement Strategy's objectives. Key internal stakeholders in East Lothian Council are:

- **Council Management Team (CMT):** This group will oversee implementation and delivery of the Procurement Strategy.
- **Service Managers:** The central Procurement Team cannot fulfil the critical roles of savings identification /contract management/CBIP opportunities without the support and co-operation of staff in service areas. Service Managers are essential to the successful implementation of the Procurement Strategy and for providing relevant and timely information regarding their future procurement requirements. After contract award, both Contract and Supplier Management are critical activities that rely heavily upon effective Service Manager Engagement.
- **Service Users:** A well-informed and adequately skilled user base is another vital component for successful delivery of the Procurement Strategy.

### Michelle Coyle

Service Manager Procurement, East Lothian Council

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[www.eastlothian.gov.uk](http://www.eastlothian.gov.uk)

## Appendix 1 – Procurement Strategy Action Plan 1 April 2023 until 31 March 2024

Strategic Objective		Procurement Aims	Priorities	Target Date	Status (On Target, Delayed, Off Target, Closed)	
1	Contributing to the council's Net Zero and climate change targets	Net Zero and climate change targets	Support the council's targets by delivering opportunities that help tackle climate change, progress Net Zero and the circular economy agenda	Using learning from climate literacy training to transfer knowledge to, and support service users when progressing procurement projects	March 2024	On Target
				Working with the council's Sustainability and Climate Change Officer to deliver ELC climate emergency e-learning to service users	March 2024	On Target
				Collaborating with the council's Sustainability and Climate Change Officer and service users to implement and embed Sustainable Prioritisation tool for social care, construction, ICT, waste and transport.	Dec 2022	On Target
				Considering climate change mitigation and adaptation, and circular economy at an early stage as part of commodity strategy development	March 2024	On Target
				Supporting the council to deliver opportunities that help tackle the climate emergency, progress towards Net Zero and the circular economy agenda, e.g. by including obligations in relation to the environment and sustainability, i.e. reducing waste, etc. to meet the obligations of our council's Climate Change Strategy (2020-2025).	March 2024	On Target
2	Delivering Best value and Continuous Improvement	Best value	Support the council to deliver best value	Strategic Sourcing: Market analysis and scoping to identify critical supply routes that support the council and procurement strategy	March 2024	Not Started
				Ensuring market engagement and understanding <ul style="list-style-type: none"> <li>monitoring supply markets and trends</li> </ul>	March 2024	Not Started

			<ul style="list-style-type: none"> <li>market testing of/for commodity strategy</li> <li>share market intelligence with finance colleagues to help with budget development and monitoring</li> </ul>			
			Continuing to participate in collaborative procurements and achieve best value	March 2024	On Target	
	Continuous Improvement	Support the council to deliver budget savings and transformation projects (that procurement can influence)	Implementing new procurement software to support and document contract and supplier management	Dec 2022	On Target	
			Implementing contract management into the lifecycle of key contracts across the council	March 2024	On Target	
			Embedding Contract and Supplier Management: Ongoing analysis and feedback to / from suppliers to enhance the working relationships	March 2024	On Target	
			Transitioning towards digital procurement forms, process and procedures	March 2024	On Target	
			Develop procurement performance reports for Heads of Service and Service Managers	March 2024	On Target	
			Maximise opportunities for innovation and collaboration to enable delivery of the council's key corporate projects, e.g. Transformation, Digital and Asset Review	March 2024	On Target	
			Supporting P2P (purchase-to-pay) project and the wider council in delivering consistency and accuracy related to downstream processes	March 2024	On Target	
			Sharing and using post-project and lessons learned to implement required improvements to our forms, processes and procedures	March 2024	On Target	
			Participate in the Procurement and Commercial Improvement Programme (PCIP)	Implementing and reporting on improvements plans that flow from PCIP	March 2024	On Target
3			Spend analysis undertaken across spend categories	Driving efficiencies and best value to support financial sustainability of the council	March 2024	On Target

Ensuring Compliance and Good Governance	Spend Analysis and Compliance		Understanding and challenging the need to buy	March 2024	On Target
			Continuing to identify and reduce maverick spend as well as manage demand	March 2024	On Target
			Using category management to monitor, manage and report to senior leaders on spend for dedicated areas / commodities	March 2024	Not Started
		Spend data is understood and opportunities to improve are prioritised and progressed	Optimising current systems <ul style="list-style-type: none"> <li>evaluating needs to track on / off contract spend</li> <li>implementation related recommendations</li> </ul>	March 2024	On Target Not Started
		Ensure emerging Scottish Government policy is embedded in procurement policies, objectives and actions	Develop, improve and automate procedure for creation of Annual Procurement Report; Publish Annual procurement Report	Sept 2023	On Target
			Horizon scanning: on-going analysis of the public procurement environment to identify important developments, e.g. emerging Scottish Government policy and ensure the council is prepared for potential opportunities and threats and where relevant developments are embedded in Procurement policies, objectives and actions	March 2024	On Target
			Annually reviewing and updating council standing orders and procurement procedures to ensure appropriate internal controls and awareness of the procurement and financial rules	Sept 2023	On Target
	Annually reviewing and updating procurement forms, processes and procedures		Aug 2023	On Target	
		Developing and implementing e-learning module to provide council staff with an introduction to procurement, policies and procedures	Jan 2023	On Target	
	Good Governance	Engage and influence leaders to achieve outcomes	Improving representation of procurement at senior leadership level with increased influence over procurement activity	March 2024	On Target

			Ensuring that all leaders understand their role in driving and enabling impactful procurement	March 2024	On Target
			Continuing to use national procurement competency framework to assess team skills, identify training needs and support career planning as part of annual Performance Review and Development (PRDs) process	March 2024	On Target
			Ensuring capacity (resource levels) align with strategic procurement priorities, contracted expenditure and business needs.	March 2024	On Target
		Raise the profile of procurement and improve stakeholder engagement	Annually reviewing and updating Procurement Service Plan (Action and Improvement Plan), reporting progress to CMT	May 2023	On Target
			Working with communications team to raise the profile and ensure key procurement messages and updates are communicated	March 2024	On Target
			Undertaking annual surveys to capture feedback and satisfaction levels from internal customers and suppliers	Nov 2023	On Target
		To assess, monitor and manage risks within procurement activity in line with the council's Risk Management Monitoring and Reporting Process	Providing guidance and support to stakeholders to identify, assess and manage risks within procurement activity	March 2024	On Target
			Considering procurement risks early during commodity strategy development, as part of market condition analysis	March 2024	On Target
			Learning from the Competition and Markets Authority (CMA) e-learning on bid rigging in public procurement is used to flag any specific risks arising from the supply chain	March 2024	On Target
			Capturing, procurement risks in the Procurement Service risk register and feeding into the corporate risk register, where relevant	March 2024	On Target

				Monitoring, managing and reporting on corporate risks using the council's new risk management software	March 2024	On Target	
4	Increasing Sustainability and Community Benefits	Sustainability	Implement and embed sustainable procurement tools that maximise the impact and delivery of the sustainable outcomes for the economic, social and environmental wellbeing of East Lothian	Considering children, young people and sustainability at an early stage as part of commodity strategy development	March 2024	On Target	
				Using the tools detailed below to support the delivery of prioritised sustainable outcomes <ul style="list-style-type: none"> <li>• Flexible Framework assessment tool</li> <li>• Prioritisation Tool</li> <li>• Sustainability Test</li> <li>• Capturing, monitoring and reporting on key sustainable priorities</li> </ul>	March 2024	On Target	
				Ensure Fair Work First outcomes are promoted and procurement is used to influence and increase positive fair work and socially responsible outcomes which reduce poverty and inequality	Improving awareness for council staff and suppliers of Fair Work First agenda	March 2024	On Target
					Continuing to include Fair Work First Criteria within tenders where proportionate and relevant	March 2024	On Target
					Using the new procurement software to capture, monitor and report on fair work first obligations and their delivery	March 2024	On Target
		Engaging with suppliers to meet the requirements of becoming an accredited Living Wage Employer	April 2023	Not Started			
		Community Benefits	Refresh the council's approach to community benefits and build on what has been delivered to date	Enhancing the councils approach to community benefits to build on what has been delivered to date	April 2023	On Target	
				Including commitments to the Children and Young People (Scotland) Act 2014 Corporate Parenting responsibilities in our wish list	April 2023	Not Started	
				Continuing to improve information on our community benefits approach shared with communities and suppliers on our website	March 2024	On Target	
				Using new procurement software to increase and improve monitoring and reporting of community	March 2024	On Target	

				benefits obligations and their delivery as part of CSM		
				Increasing awareness of community benefits through tender opportunities	March 2024	On Target
5	Supporting Economic Recovery	Economic Recovery	Implement and embed sustainable procurement tools that support a sustainable economic recovery	Implementing and embed Sustainable Procurement tools that support a sustainable economic recovery	March 2024	On Target
			Ensure local economy considerations are factored in to market options at commodity strategy stage	Considering sustainability and circular economy at an early stage as part of commodity strategy development	March 2024	On Target
			Support suppliers and communities	Applying community wealth building principles to develop and maximise spend with local businesses	March 2024	Not Started
			Support to local SMEs to access public sector opportunities	Increasing engagement, working suppliers and the Supplier Development Programme to support 'meet the buyer' and 'meet the supplier' events and in raising awareness of contract and sub-opportunities, including access to national frameworks	March 2024	On Target
				Increasing % of spend with local suppliers	March 2024	On Target
				Using supplier feedback from annual surveys to continually improve access to our tendering opportunities	March 2024	On Target

## Appendix 2 – East Lothian Council Corporate Procurement Strategy 2017-2022: Successful Outcomes Delivered

Growing Our Economy	Successful Outcome
Improve ability of local businesses to access East Lothian Council contracts.	<ul style="list-style-type: none"> <li>• Increased engagement with local SMEs, and awareness of our tendering opportunities</li> <li>• Participated in full-day virtual national meet the buyer event</li> <li>• Improvement of payment terms within supply chains</li> <li>• Use of lots to enable SME and local contractor engagement.</li> <li>• Local suppliers contracting with ELC</li> <li>• ELC contract register and contracting opportunities are published</li> <li>• Enhanced guidance to buyers to increase the number local suppliers participating in our tendering opportunities</li> <li>• Supplier Development Programme promoted as resource for suppliers</li> </ul>
Assisting the supply chain	<ul style="list-style-type: none"> <li>• Mapping the supply chain using Government's 'Grow Local platform' to see which local companies are available to provide services / products in demand by the council.</li> <li>• Applying prompt payment in the supply chain public procurement policy as appropriate (SPPN 2/2022)</li> </ul>
Growing our Communities	Successful Outcome
Consult with the communities concerning our procurement activity	<ul style="list-style-type: none"> <li>• Community benefit wish list developed for proportionate use in contracts over £50k. Wish list populated by community councils to reflect needs of the local community and widens the scope of assistance contracted suppliers can offer. This forms part of tender requirements for potential bidders used on a proportionate basis.</li> <li>• Successful and targeted community benefits are delivered in line with the need of communities in East Lothian.</li> </ul>
Enhance recording of community benefits	<ul style="list-style-type: none"> <li>• Improved management information, e.g. where CBIP has taken place and where gaps in provision lie</li> </ul>
Growing our People	Successful Outcome
Ensure Best Value in contracts let for our Adult and Children's wellbeing directorate	<ul style="list-style-type: none"> <li>• Commodity strategies signed off identifying spend and potential savings.</li> </ul>
Growing the Capacity of our Council	Successful Outcome
Ensure all contract requirements are known for the next 3 years	<ul style="list-style-type: none"> <li>• Majority of contract requirements known and are captured in a team work plan</li> <li>• Ability to highlight Risk of Overdue Procurements and to resource appropriately</li> <li>• Recognition of collaborative opportunities and allowing identification of savings</li> <li>• ELC Public Contracts Register on Public Contracts Scotland is available and updated</li> </ul>

	<ul style="list-style-type: none"> <li>• Added value obligations in contracts in relation to the environment and sustainability, e.g. reducing waste to support delivery against ELC Climate Change Strategy (2020-2025).</li> <li>• Increased capacity (resource levels) aligning with strategic procurement priorities, contracted expenditure and business needs.</li> <li>• Clarity on roles and responsibilities, career pathways and succession planning</li> </ul>
Initiate improved Contract and Supplier Management	<ul style="list-style-type: none"> <li>• Contract and Supplier Management (CSM ) training delivered to Service Users across the council to enable: <ul style="list-style-type: none"> <li>○ Early identification of risks to contract provision, and ability to react to those.</li> <li>○ Achieve better value from contracts by proper management.</li> <li>○ Enhanced relationships with suppliers and stakeholders.</li> </ul> </li> <li>• Annual surveys to capture the views and understand levels of satisfaction of internal customers and suppliers</li> <li>• New software for contract register and recording and reporting on contract obligations, benefits and performance</li> </ul>
Introduce benefits tracking into contracts	<ul style="list-style-type: none"> <li>• The contribution procurement has made to services and their budgets are quantified and recorded</li> </ul>
Review and improve on the current systems to allow better tracking of no/off contract spend throughout the council.	<ul style="list-style-type: none"> <li>• Greater representation of procurement at senior leadership level with increased influence over procurement activity.</li> <li>• Improved knowledge of on/off contract spend allowing the Contracts Register to be more up to date.</li> <li>• More opportunities for local suppliers to compete for.</li> <li>• Improved controls on spend allowing for more targetted savings objectives to be set.</li> <li>• £1.3m cash savings were delivered by the Procurement Improvement Programme (PIP).</li> <li>• Contract coverage is above 80% and we continue to identify and reduce maverick spend as well as manage demand</li> <li>• Calling off from National Frameworks, utilising Sector based Collaboration Frameworks, working with other councils with similar requirements and procuring as a single organisation. In 2021/22 ELC participating 61 of 69 Scotland Excel Frameworks</li> </ul>
Training delivered across all service departments, Elected Members and new employees	<ul style="list-style-type: none"> <li>• Procurement awareness and compliance for all departments.</li> <li>• Education of risks of non-compliance, highlighting procurement requirements from service users.</li> <li>• Using national procurement competency framework to assess team skills, identify training needs and support career planning as part of the annual Performance Review and Development (PRD) process</li> <li>• Procurement team continue to access training resources to maintain and develop skills in relevant areas e.g. negotiation, project management, CIPS qualifications, Contract and Supplier Management (CSM), Competition and Markets Authority (CMA) e-learning on bid rigging and Climate Literacy Training</li> </ul>

- Procurement training delivered as part of Elected Member Induction
- CSM and general ad-hoc procurement training delivered to Service Users across the council.
- Review and update of the council's standing orders and procurement procedures
- Knowledge transfer to service users:
  - Risks considered in commodity strategies, as part of market condition analysis and, where relevant, captured in the Procurement Service risk register / corporate risk register, as required
  - Development of a Sustainable Prioritisation tool for social care, construction, ICT, waste and transport.
- Post-project review: lessons shared with team, documented in central log and shared wider (with service users) where appropriate. As well as implementing any required improvements/simplifications to forms, processes and procedures.
- Commodity strategies align with good practice, legislative requirements and ensure consideration of market intelligence, previous lessons learned, exit strategies, evaluation criteria and the sustainable procurement duty.
- Facilitating tender evaluation (moderation/consensus) panels, as required and for high-value, high-risk procurements evaluator guidance is supported by a facilitated training session

## Appendix 3 – Glossary

Term	Definition
<b>Award</b>	A decision to accept a tenderer's offer to supply / provide specified goods/services/works according to agree terms & conditions thereby creating a legally binding contract
<b>Best Value</b>	The duty under the Local Government Act in Scotland 2003 to secure continuous improvement in the economy, efficiency and effectiveness with which they exercise their functions.
<b>Bid</b>	Another word for a tender submission. Can also mean an in-house tender.
<b>Call-off contracts</b>	Agreements, sometimes called framework contracts, without full commitment. The undertaking is that all requirements of the specified nature which are required during the duration of the agreement, will order from these contracts / agreements. Also known as preferred supplier list.
<b>Category Management</b>	Category management involves applying the end-to-end procurement process to a specific range of goods or services. This involves pre-award processes such as category analysis and demand management, sourcing and contract negotiation, and the post-award processes such as performance management.
<b>Circular economy</b>	A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life.
<b>Climate change mitigation</b>	Reducing the amount of greenhouse gases in the atmosphere that leads to global warming and climate change
<b>Climate change adaptation</b>	Adjusting and building resilience to the current and expected impacts of climate change
<b>Collaboration</b>	When two or more groups of people or organisations engage in procurement work together for mutual benefit
<b>Commodity</b>	Taxonomy (classification) for the entire council, to give the council the ability to accurately describe the primary business activities of its suppliers
<b>Commodity [or Service] Strategy</b>	A document that shows the preparatory thinking that is done about a procurement process, including sustainability considerations, stakeholders to be involved, risks etc.
<b>Community Benefits</b>	Requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to jobs, training and other social-economic and/or environmental benefits
<b>Continuous Improvement</b>	Continuous improvement is encouraging all employees to look for ways to enhance the business's operations. This includes suggesting ideas to improve efficiencies, evaluating current processes, and finding opportunities to cut unproductive work

Term	Definition
<b>Contract</b>	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
<b>Contract Management</b>	The process of monitoring the performance of a supplier to contract
<b>Fair Work First</b>	Working with employers and partners to deliver investment in skills and training, no inappropriate use of zero hours contracts, action on gender pay, genuine workforce engagement, including with trade unions, and payment of the Real Living Wage
<b>Framework agreements</b>	Arrangements (sometimes referred to as standing offers) in which terms & conditions are agreed, and the client may or may not subsequently place orders (no commitment). Also a consortium can agree terms & conditions and the members may subsequently place orders.
<b>Framework contracts</b>	Agreements (sometimes called call-off contracts) in which clients accept some commitment without immediately placing orders, e.g. by undertaking to order, later, all jobs of a specified type from that contract.
<b>Horizon scanning</b>	The systematic analysis of potential threats and opportunities and likely future developments
<b>Local SMEs</b>	Local means East Lothian first, expanding to the Lothians, which includes Edinburgh, Midlothian and West Lothian and finally expanding to the Edinburgh and South-East Scotland City Region, which includes Fife and Scottish Borders local authorities.
<b>National Outcomes</b>	Describe what the Government wants to achieve over the next ten years, articulating more fully this Government's purpose. They help to sharpen the focus of government, enable our priorities to be clearly understood and provide a clear structure for delivery. <a href="#">National Outcomes   National Performance Framework</a>
<b>Net Zero</b>	The term net zero means achieving a balance between the carbon emitted into the atmosphere, and the carbon removed from it. This balance – or net zero – will happen when the amount of carbon we add to the atmosphere is no more than the amount removed.
<b>Public Contracts Scotland (PCS)</b>	The advertising portal provided by the Scottish Government for the advertising of public contract opportunities using a Contract Notice, and for the award of contracts via a Contract Award Notice.
<b>Procurement Legislation</b>	<a href="#">The Procurement (Scotland) Regulations 2016</a> , <a href="#">The Public Contracts (Scotland) Regulations 2015</a> and the <a href="#">Procurement Reform (Scotland) Act 2014</a> (“The Act”).
<b>Procurement Strategy</b>	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 £50,000 (excluding VAT) for supplies for supplies & services (or £2,000,000 excluding VAT for a public works contract).
<b>Real Living Wage</b>	A wage rate per hour that is based on the cost of living and is currently voluntarily paid by UK organisations. The rates are reviewed and updated annually, each April. Organisations can gain accreditation of this with the Living Wage Foundation

Term	Definition
<b>Regulated Procurements</b>	Contracts above the GPA contract threshold values where the relevant GPA regulations apply (greater than £50,000 (excluding VAT) for supplies for supplies & services, or £2,000,000 excluding VAT for a public works contract).
<b>Regulated Spend</b>	Spend above the GPA contract threshold values where the relevant GPA regulations apply (above £50,000 for supplies and services contracts and above £2,000,000 for works contracts).
<b>Small Medium Enterprise (SME)</b>	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.
<b>Social Enterprise</b>	A revenue-generating business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners.
<b>Stakeholder</b>	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.
<b>Supplier /Contractor</b>	An entity who supplies goods or provides services or execution of works.
<b>Supported Business</b>	Either the organisation's main aim should be the social and professional integration of disabled or disadvantaged persons, or the contract should be performed within a sheltered employment programme.
<b>Sustainability</b>	Supporting economic, social and environmental health to meet the present needs without compromising the ability of future generations to meet their needs
<b>Sustainable procurement</b>	A process whereby organisations meet their needs for supplies, 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.
<b>Tender</b>	An offer, or bid, by a tenderer in response to an invitation to tender (ITT) or a mini-tender in a framework agreement
<b>Third Sector</b>	Part of an economy or society comprising non-governmental and non-profit-making organisations or associations.
<b>Work plan</b>	List of upcoming procurement activity including re-tenders, extensions, and new activity
<b>Works</b>	The term used in the Procurement Legislation for a building or civil engineering project or piece of work and as defined by CPV codes in Schedule 1 of <a href="#">The Public Contracts (Scotland) Regulations 2015</a>

## Appendix 4 – Procurement Strategy Map

Vision				
To provide excellent services that deliver best value procurements with community benefits that support recovery and renewal, reduce poverty and Inequality and respond to the climate emergency				
Mission				
The procurement team will strive to deliver effective, efficient and excellent services to support the council’s strategic vision and aims, by contributing to the councils net zero climate change targets, delivering best value and continuous improvement, ensuring compliance and good governance, increasing sustainability, community benefits and supporting economic recovery.				
East Lothian Way (Behaviours)				
Focus on service	Explore the bigger picture	Initiate solutions	Share knowledge	Deliver outstanding results
Key Strategic Objectives				
Contributing to the council’s Net Zero and climate change targets	Delivering Best Value and Continuous Improvement	Ensuring Compliance and Good Governance	Increasing Sustainability and Community Benefits	Supporting Economic Recovery



Versions of this leaflet can be supplied in Braille, large print, audiotape or in your own language. Please phone Customer Services if you require assistance on 01620 827199

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