

Sustainable Procurement Strategy

March 2020 to March 2025 (rev. Sept. 2023)

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Foreword



Edinburgh is one of the best cities in the world in which to live, work and study. It is also the fastest growing city in Scotland, with more than 50,000 new residents expected over the next 20 years. While this is undoubtedly a sign of the city's success, it is not without challenges and consequent pressures on our communities, on housing, schools,

care services, and on the infrastructure we all rely on. It will therefore be critical how the Council uses its considerable spending power to manage the impact of these pressures, particularly difficult financial pressures, while delivering commitments to make our city greener and fairer.

The updated Sustainable Procurement Strategy continues to put sustainability at the heart of the procurement programme from now until 2025. Sustainability delivered through Council spend will help promote the economic, environmental and social outcomes that support growth, and address those challenges the city is facing.

Closer working with key stakeholders is central to the 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, including over £190m of savings since 2012, increased capacity and skills,

embedded co-production and collaboration and improved sustainable outcomes. 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:

- Fair Work First– improving ethical employment, including suppliers paying the Living Wage and encouraging diversity in the workplace
- Net zero city – taking dramatic steps to make sure we reach our Net Zero 2030 target through embracing new technologies and ways of delivering services through close working with key partners
- local spend – improving growth in the city by helping small and medium sized enterprises (SMEs), social enterprises, the voluntary sector and supported business to grow with support for tendering
- community benefits – supporting local jobs, training and the capacity building of local supply chains

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 all stakeholders.

Councillor Mandy Watt

Convener of Finance and Resources Committee

Introduction and procurement vision



Edinburgh is a city full of vibrancy and opportunity. As a Council, we are working hard to ensure that all residents can share in Edinburgh's success. However, despite economic growth, over 20% of our children remain in poverty and one in six households still have no adult in work. Supporting the most disadvantaged in our society to progress and prosper remains one of the most critical challenges the city faces. At the same time, the

environment within which Edinburgh's economy operates is undergoing significant change. We need a refreshed strategic approach to the Council's procurement activity, to help the city adapt to new economic relationships emerging post-Brexit, to transition to a low carbon economy, and to manage the impacts and opportunities arising from technological change and a growing city.

Importantly, with the well-documented pressure on public finances, we also need to continue to ensure we are securing Best Value by purchasing only what we need to and managing our suppliers effectively through robust contract management.

This strategy takes account of that wider context, and the recently published Public Procurement Strategy for Scotland 23-28, the first national procurement strategy, recognises the central role that public sector procurement has in assisting the Council to deliver its key outcomes, putting procurement at the heart of a sustainable economy to maximise value for our local communities.

Backed by a strong focus on compliance with the regulatory framework, and the Council's internal controls, this strategy will help ensure the Council's purchasing activity supports sustainable growth and protects our environment, while also confronting the challenges that Edinburgh is facing.

Dr Deborah Smart
Executive Director of Corporate Services

Council's Procurement Vision

To be a leader in Scottish public sector procurement and contract management, with a high-performing customer-focused Commercial and Procurement Services team that identifies, creates and secures significant financial and non-financial benefits for the city of Edinburgh. A team that works collaboratively with colleagues, key partners and citizens, and visibly drives positive change within the Council.

This vision statement has been developed by the Council's procurement team to support implementation of this strategy and delivery of its key objectives.

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 impact of Brexit has not brought about immediate change to these regulations and duties but has had a bearing on markets we engage with to support Council objectives. In 2019 the Council launched a new programme of change designed to respond to the opportunities and challenges facing the city, now and in the future. Following the pandemic, new and unexpected challenges have been faced as we transition into a phase of recovery. The war in Ukraine and the emerging cost of living crisis mean that more than ever the Council needs to make best use of our significant public procurement spend to promote a green and just economic recovery.

The Council has recently approved a new Business Plan for the period 2023-27. With a particular focus on tackling poverty, delivering a net zero city by 2030 and improving residents' wellbeing by creating good places to live and work, it is designed to guide all savings and spending decisions the city makes between now and 2027.

This Business Plan sets out the three priorities for the next phase of the city's development and for the way we will reform our services. We will use this plan to guide our budget and investment decisions, ensuring that spending is focused on those activities with the biggest impact.

The first Public Procurement Strategy for Scotland has been published with the aim of delivering a wellbeing economy and using public procurement spending power to deliver sustainable and inclusive economic growth. This Strategy

aligns closely with the aspirations set out in national Strategy and aims to help deliver those objectives.

The Council currently spends over £800million per annum on goods, services and works and in supporting this programme it is critical that the spending power of the Council is utilised to influence and actively promote positive change.

The Council supports the principles and implementation of Community Wealth Building as an inclusive approach to economic development. This commitment to developing Community Wealth Building approaches is incorporated as an action within the Edinburgh Economy Strategy, agreed in 2021, as well as the Council's new Business Plan. Key principles of Community Wealth Building where procurement has potential influence include the Council's commitment to Fair Work practices, the progressive procurement of goods and services and making financial power work for local places including a low carbon economy, supporting benefits through City Region Deal and other capacity building projects.

The previous strategy was aligned to the Council's Business Plan 2016-2020 and the Commercial Excellence Programme and delivered many improvements and benefits.

These included:

- saving and Best Value outcomes
- improvements in processes and policies
- increased expertise, capacity and effectiveness
- more co-production of services
- sustainability focus
- innovative ways of working.

Public Procurement Strategy 2023 to 2028 - vision and roadmap. Which all public sector bodies can align to and deliver against



The strategy will also support delivery of the Scottish Government’s National Outcomes. In particular, using the Scottish Government’s National Performance Framework aims to:

- Create a more successful country.
- Give opportunities to all people living in Scotland.
- Increase the wellbeing of people living in Scotland.

- Create sustainable and inclusive growth.
- Reduce inequalities and give equal importance to economic, environmental and social progress.

This strategy will help drive delivery of the National Outcomes which in turn reflect our obligations under the Sustainable Procurement Duty requires us to buy in a way which is:

- Good for business and employees.
- Good for society.
- Good for places and communities.
- Open and connected.

Supporting Council objectives

The City of Edinburgh Council's Business Plan has three strategic priorities which shape our work during 2023 to 2027. The three core priorities are to:

1. Create good places to live and work in Edinburgh
2. Take all the local actions needed to end poverty in Edinburgh, and
3. Work to deliver a net zero city by 2030

Our three core priorities are interlinked and interdependent. They connect all the major strategies and Council policies agreed in the past few years, through the shared goals and commitments of the [Edinburgh Partnership](#) and towards our long-term ambitions for Edinburgh to be a fair, welcoming, pioneering, and thriving city, as expressed by the [2050 Edinburgh City Vision](#).



Procurement's role in delivering this

Strategic procurement will support the delivery of these priorities by ensuring the requirements for goods, services and works are procured in a way that supports the Council objectives and maximises the opportunity for effective and efficient successful outcomes that deliver Best Value.

The key priorities that have been identified are those that align with Council aims to tackle poverty through Fair Work, initiatives that grow opportunities and capacity in the city. To use community benefits to support community wealth building and prioritise assisting the delivery of the Council's net zero target and accelerate our just transition to a net zero economy.

Key strategic objectives

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

- 1 Making procurement spend more accessible to local small businesses and third sector
- 2 Improving Fair Work practices adopted by suppliers
- 3 Maximising the impact of procurement in achieving social and economic outcomes and increasing community benefits delivered by suppliers
- 4 Contributing to the Council's 2030 net zero city target
- 5 Deliver savings and Best Value outcomes
- 6 Ensuring legal compliance and robust and transparent governance
- 7 Promoting innovative and best practice solutions

1 Making procurement spend more accessible to local small businesses and third sector

Aim

- To ensure the procurement team and wider council officers consider how we support the recovery of the local economy post Covid by making proportionate decisions about the market options for local business and third sector organisations to access public spend.
- To develop community wealth building approaches in public procurement

We will do this by

- Increasing engagement, working with key business and third sector to support “meet the buyer” events, workshops and awareness of contract opportunities
- Work with community planning partners and other anchor institutions in the development of community wealth building approaches in public procurement
- Working with Council partner organisations such as Business Gateway, Supplier Development Programme, Federation of Small Businesses and the Edinburgh Third Sector Interface to support these objectives
- Continuing to apply lotting strategies that support small business
- Supporting facilitation of sub-contract opportunities by suppliers

- Continue to improve prompt payment in the supply chain for public sector contracts, including the use, where appropriate, of project bank accounts.
- Considering longer contract advertising periods where consortia opportunities exist.
- Consider innovation for all regulated procurements, continuing to innovate procurement processes to broaden engagement of SMEs.
- Improve commercial opportunities for supported businesses.

We will demonstrate delivery by

- Maintaining and improving the volume of local businesses accessing and being successful in Council procurement opportunities

2 Improving Fair Work practices adopted by suppliers

Aim

- To ensure Fair Work outcomes are promoted internally and externally and procurement is used to influence and increase positive fair work and socially responsible outcomes which benefit the city by addressing poverty and inequality.

We will do this by

- Requiring suppliers pay employees delivering Council contracts the [Real Living Wage](#)
- Applying the [Fair Work First criteria](#) to every tender with a wider focus on ethical practices including security of pay and contracts, flexible working and targeted recruitment and training requirements, is the main way in which we use public procurement to tackle in-work poverty and by extension, child poverty.
- Improving training and awareness for Council colleagues and bidding organisations
- Applying appropriate weightings in the evaluation of tenders
- Continue to record all commitments made by suppliers on Fair Work outcomes and commitments to pay the real Living Wage in our contracts and frameworks. This includes asking bidders if they are signatories to the Living Wage accreditation.
- Delivering Council commitments to modern slavery and construction industry practices

- Applying the [Construction Charter Commitments](#) (“the Charter”) to Council procurement activity.
- Working with suppliers to raise awareness of the need to reduce the pay gap and create a more diverse and inclusive workplace

We will demonstrate delivery by

- Increasing the number of more socially responsible businesses delivering Council contracts and an increase in supplier living wage accreditation

3 Maximising the impact of procurement in achieving social and economic outcomes and increasing community benefits delivered by suppliers

Aim

- Continue to use public procurement as a means to drive a wellbeing economy by creating quality employment and skills and providing opportunities for local SMEs, third sector and supported businesses to bid for public contracts and to participate in public sector supply chains.
- To build on community benefits delivered to date by increasing the volume and value added to local communities through wider social, economic and environmental outcomes.

We will do this by

- Increasing awareness and education of community benefits through early engagement in tender opportunities
- Consider community benefit opportunities at the development stage of our regulated procurements and where appropriate, request either mandatory or voluntary community benefits.
- Working with stakeholders such as City Region Deal partners to ensure consistency in application and priorities
- Tailoring the community benefits being sought to the sector involved and the priorities for the Council with an emphasis on outcomes that can easily be delivered

- Support the principles of the [No One Left Behind](#) delivery plan through targeted equality and employability-related Community Benefits in Procurement
- Reviewing scoring methodologies and applying best practice to achieve added value outcomes for the city

We will demonstrate delivery by

- Increasing the volume and value of community benefits secured through Council contracts

4 Contributing to the Council’s 2030 net zero city target

Aim

- To address the climate and nature crises and support the delivery of the Councils 2030 net zero target we will work with Council officers and external partners to deliver opportunities that help address the climate and nature emergency and the circular economy agenda.

We will do this by

- Seeking expert support such as from Zero Waste Scotland and in educating and awareness raising for Council staff involved in tendering and managing contracts
- Engaging with suppliers and experts to understand carbon-reducing actions that can be delivered in different contract sectors and building into specifications and ensuring that suppliers are committed and actively engaged in supporting a Just Transition to net zero
- Actively consider the impacts of Climate Change, the nature emergency and related environmental considerations early in procurements and commissioning activity, and apply relevant criteria in all procurement processes, where relevant and proportionate to do so
- Increasing whole-life costing approach to evaluation criteria and learn from others through best-practice forums
- Considering potential for reuse, repair and recycling of goods and materials in scoping requirements on a routine basis to prevent waste

- Adopting industry standards to ensure consistency in approach with the market and clear measurement tools understood by all
- Ensuring the procurement team have undertaken up to date carbon literacy training

We will demonstrate delivery by

- Identifying and reporting on % of influenceable procurements covered by a Scottish Procurement climate change plan to build awareness of the climate change emergency and record how Council suppliers will respond

5 Delivering savings and Best Value outcomes

Aim

- To support the Council budget savings and improve the value achieved from third party delivery we will work closely with our customers and key stakeholders to improve efficiency and reduce expenditure.

We will do this by

- Working together to identify opportunities and challenge current models of delivery
- Supporting the delivery of the Council’s Medium Term Financial Plan
- Challenging the demand for goods and services and seeking to rationalise core requirements
- Engaging markets, benchmarking values and collaborating when appropriate with city partners or wider

- Supporting robust contract management actions to ensure contracts deliver to financial and non-financial performance requirements, including contractual commitments around social value and community benefits
- Applying whole life costing models to ensure end-to-end requirements are included

We will demonstrate delivery by

- Identifying and reporting on procurement contribution to effective and efficient outcomes that achieve savings targets

6 Ensuring legal compliance and robust and transparent governance

Aim

- To ensure all procurement staff and Council officers involved in procurement processes have full awareness of the impact of the regulations and contract standing orders which apply to procurement activity.

We will do this by

- Training officers in the procedures and policies which must be considered to ensure compliance requirements are met
- Providing regular updates for specialist staff on changes to regulations, case law, statutory guidance, policy and social value outcomes
- Reviewing standard documentation to reflect regulatory changes and best practice

- Reviewing and improving controls within the procurement remit to ensure compliance with purchase systems and procedures, including the Contract Standing Orders
- Ensuring regular reporting of procurement activity and compliance to committee
- Regular review of audit actions, and updating of risk register and processes

We will demonstrate delivery by

- Submitting the annual procurement report to committee each year, submitting regular reports to committee on contract awards and giving confidence internally and externally that regulations are complied with and mitigate the scope for procurement challenge

7 Promoting innovative and best practice solutions

Aim

- To seek opportunities for innovative solutions for products, services or works required by the Council and challenge the market to offer improved solutions.

We will do this by

- Engaging with clients and suppliers at early stages of identification of need and scoping
- Direct suppliers to the supplier-led National Innovation Service
- Seeking relevant examples of market innovations and sharing models and best practice

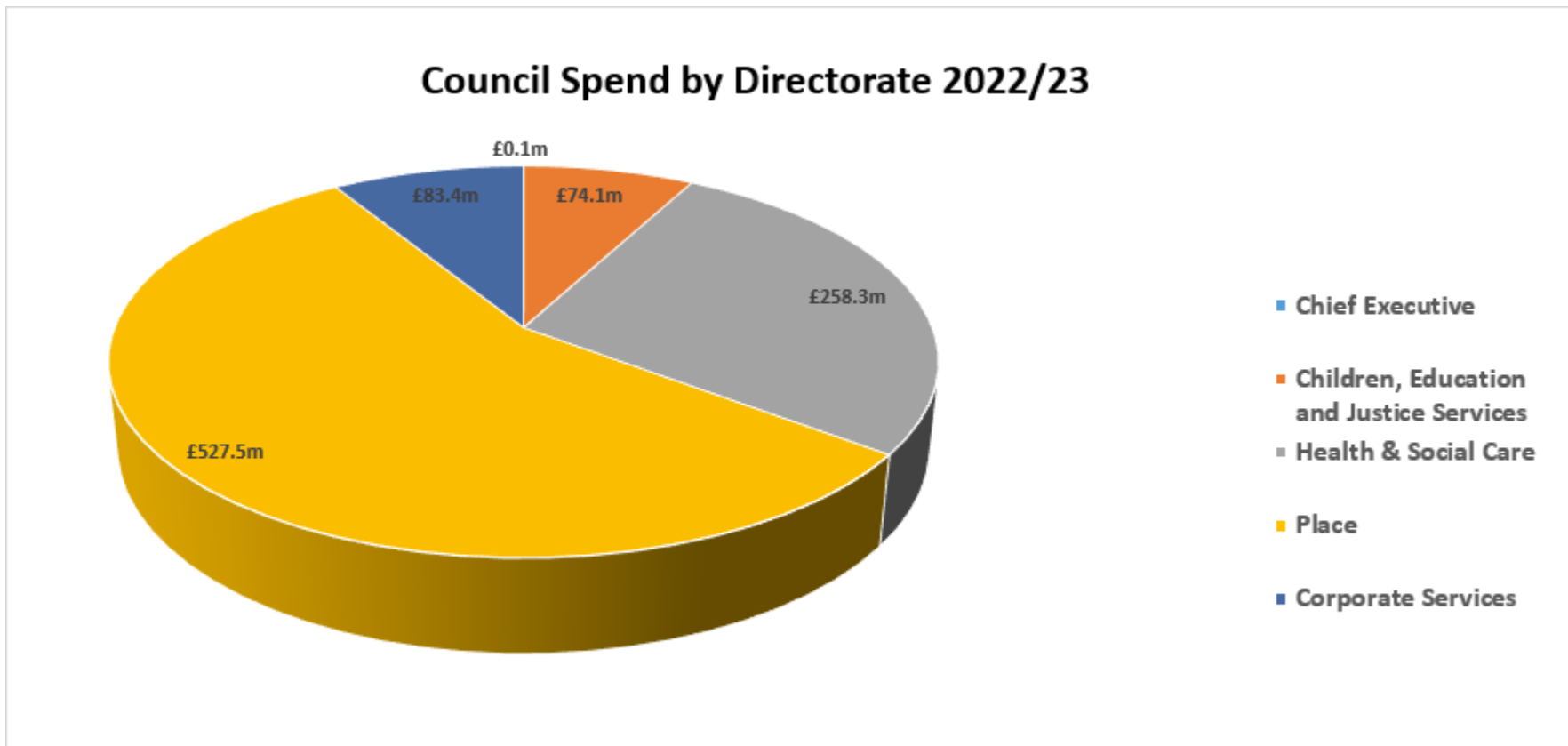
- Knowledge sharing and creation of innovation network with Edinburgh anchor organisations such as universities
- Allowing the opportunity for variant bids where there is potential technological and market advancement
- Challenging the status quo

We will demonstrate delivery by

- Identifying and reporting on procurement contribution to new ways of delivering improved services and products that demonstrate improved value for the Council and citizens

Council spend

In 2022/23 the Council's spend with third parties was approximately £943 million. The first pie chart on this page shows the spend for each Council Directorate in 2022/23. The highest Directorate spend was in the Place Directorate (with £527m) followed by Health and Social Care Partnership (with £258m), Corporate Services (with £83m) and then the Children, Education & Justices Services Directorate (with £74m).



Monitoring, reviewing and reporting

The strategy will be reviewed annually and reported to the Finance and Resources Committee.

The strategy has been the subject of public consultation and developed in consultation with key stakeholders, including the Federation of Small Businesses, Edinburgh Voluntary Organisations Council, Edinburgh Social Enterprise, Council officers and Council suppliers.

The Council will publish an annual procurement report on its procurement activities following the end of each financial year and submit the report to the Scottish Government by the end of August. The report will include:

- a summary of the regulated procurements completed during the year
- a review of compliance with the strategic procurement objectives
- details where compliance was not achieved and actions to address that
- the community benefits imposed and delivered
- a summary of the regulated procurements expected to commence in the next two financial years.

Performance in delivering the strategic objectives set out in this strategy will be monitored using an action plan (Appendix

3). The action plan will inform the Annual Report which will be reported to the Corporate Leadership Team (CLT) and Finance and Resources Committee

In addition:

- a six-monthly report on contracts awarded under delegated authority and the contract standing orders will be reported to Finance and Resources Committee
- a regular report to Finance and Resources Committee setting out regulated recurring contracts expiring in the next year and a pipeline of procurements currently in-hand
- regular monitoring of procurement activities will be reported on dashboard reports to the relevant Executive Directors and their management teams
- Annual reporting on the procurement questions as part of the Public Bodies Climate Change Report to the Scottish Government
- Sustainable Procurement updates in the annual Council Emissions Reduction Plan
- Percentage of suppliers paying the Real Living Wage
- delivery of this strategy will be regularly reviewed by the Head of Commercial and Procurement Services.

Supplier support

The Council website 'Business' page provides information and further links to support for those interested in doing business with the Council.

The website contains key information including:

- Links to Public Contracts Scotland, the main portal used to advertise contract opportunities
- Details of key organisations the Council collaborates with on framework agreement opportunities including Scotland Excel and Scottish Procurement
- The Council contract register which provides details of 'live' contracts along with the dates these are due to end providing insight to future tenderers
- Details of the regulations that govern procurement activity
- Details about the Council payment terms and how to submit a valid invoice
- Details about the standard terms and conditions of contract

- The Council's Contract Standing Orders.

Wider support to those new to tendering for public contracts is available including:

- [Business Gateway](#)
- [Supplier Development Programme](#)
- The Scottish Government's [Supplier Journey](#).

The Council supports annual 'Meet the Buyer' events and will look to accommodate more local events which target support aligned to key priorities.

Future engagement will include opportunities for suppliers to feedback to the Council on an ad-hoc basis through dedicated supplier email account, in addition to the regular market engagement for specific projects and organised events.

Capacity and skills

To deliver the Council strategy the capacity and skills of procurement professionals and other officers will continue to be managed through:

- providing opportunities for modern apprentices and trainees to develop the skills needed
- supporting continuing professional development of experience individuals using the Scottish Government Competency Framework to ensure knowledge is up to date and aligned to developments in the sector
- engaging with other local authorities, public sector organisations and other relevant organisations to support knowledge transfer
- providing mentoring, coaching and work shadow opportunities
- developing and delivering in-house workshops, training and guidance to support commercial awareness and legislative knowledge
- continuing to assess procurement standards using the PCIP model and other self-assessment tools such as CIPFA benchmarking to ensure continuous improvement
- providing training and support in use of tendering applications such as Public Contracts Scotland and PCS-t (electronic tender, evaluation and contract management system)
- providing training and support around contract management.
- Using the Scottish Government sustainability and Fair Work practice tools and guidance and provide support to colleagues across the Council on the application of these to ensure best practice is achieved through procurement activity to drive forward these important enablers.

Ownership and contact details

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Appendix 1 – Additional influencing factors

Legal framework

Public procurement activity in Scotland is governed by a legislative framework which includes:

- European treaties and directives
- Procurement Reform (Scotland) Act 2014
- Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016
- Utilities Contracts (Scotland) Regulations 2016
- Concessions Contracts (Scotland) Regulations 2016
- Case law.

Procurement and Commercial Improvement Programme

The Council's procurement function is subject to regular audit by Scotland Excel on behalf of Scottish Government and endorsed by Audit Scotland. The Procurement and Commercial Improvement (PCIP) assessment reviews the strength of policies and procedures driving procurement performance in:

- leadership and governance
- development and tender
- contract
- key purchasing processes.

The Council is in the highest PCIP performance band and above the local authority average in 2019. Our procedures are designed around this programme which identifies best practice in the sector.

The Council will continue to engage with this programme and its future iterations.

Appendix 2 – Mandatory requirements of the Procurement Reform (Scotland) Act 2014 and Statutory Guidance Obligations

The Act specifies that the Council’s procurement strategy must include certain minimum requirements as to how the Council intends to ensure that its procurement activity will achieve particular outcomes.

Requirements	Council response
<p>Procurements will contribute to the Council carrying out its functions and the achievement of its purposes</p>	<ul style="list-style-type: none"> ▪ Consultation was undertaken with lead officers in the Council to ensure the strategy was aligned to Council priorities and national outcomes and supports Council objectives ▪ Discussions and input from key stakeholders including Federation of Small Businesses, Social Enterprise Edinburgh, Edinburgh Poverty Commission, EVOC, Council suppliers and public consultation via the Council website resulted in high support for the key priorities which align to the economy and net zero carbon strategies of the Council ▪ Effective consultation will continue to deliver the strategy and will also take place during procurement exercises to ensure priorities and Council outcomes continue to be delivered ▪ The delivery of regulated procurements against the strategy will be monitored to support achievement of the outcomes
<p>Procurements will deliver value for money</p>	<ul style="list-style-type: none"> ▪ Delivering savings and Best Value outcomes is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 5 ▪ Value for money will be delivered by ensuring the best balance of cost, quality and sustainability is applied to each procurement ▪ Whole life costing will be a key consideration on procurements ▪ Early engagement on market insights, innovations and benchmarking will inform purchasing strategies ▪ Proportionate application of regulations will ensure relevant markets are engaged, including SME, third sector and supported businesses ▪ In determining purchasing strategies there will be challenge of demand and identification of benefits and opportunities, including income generation ▪ Application of a robust contract management framework and guidance suite will deliver best practice approach to managing contract performance ▪ Added value will be delivered from community benefits

Requirements	Council response
Procurements will treat relevant economic operators equally and without discrimination	<ul style="list-style-type: none"> ▪ Ensuring legal compliance is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 6 ▪ Procurement activity will be delivered in accordance with the Council Contract Standing Orders which embed the key principles of relevant procurement legislation ▪ There will be engagement with economic operators who require extra support with bidding, building partnerships or consortia with support offered by Business Gateway, Supplier Development Programme, Social Enterprise Edinburgh, EVOG, Partnership for Procurement (P4P), British Association for Supported Employment (BASE) and other appropriate agencies
Procurements will be conducted in a transparent and proportionate manner	<ul style="list-style-type: none"> ▪ Ensuring legal compliance is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 6 ▪ Procurement activity will be delivered in accordance with the Council Contract Standing Orders which embed the key principles of relevant procurement legislation ▪ There will be work with sectors who identify barriers to participation in Council procurements to ensure proportionate approaches are applied in line with the key objectives to support SME, social enterprise, voluntary sector and supported businesses ▪ There will continue to be regular reporting to committee and publishing of contract opportunities and required information ▪ There will be the exploration of additional advertising opportunities to engage organisations more widely
Procurements will comply with the Council's sustainable procurement duty	<ul style="list-style-type: none"> ▪ This is met by a number of the strategic objectives of the Council, further information being given earlier in key strategic objectives 1, 2, 3, 4 and 6 ▪ There will be engagement with the Scottish Government and the application of new sustainability tools to support prioritisation and identification of opportunities for environment, social and economic outcomes ▪ Implementation of the strategic objectives in the strategy will deliver on key priorities which include Fair Work practices, positive local economic impact, increased community benefits and support to the climate change ambitions of the Council ▪ There will be improved monitoring, measurement and reporting on climate change and circular economy outcomes which procurement processes will enable Council service areas to achieve
A statement on the Council's general policy on the use of community benefit requirements	<ul style="list-style-type: none"> ▪ Increasing community benefits is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 3.

Requirements	Council response
	<ul style="list-style-type: none"> ▪ The Council will increase the volume and value of community benefits secured and delivered by Council suppliers, further information being given earlier in key strategic objective 3 ▪ There will be improved monitoring and reporting using Cenefits software solution ▪ There will be guidance and engagement on proportionate opportunities to support local communities and other target groups
<p>A statement on the Council’s general policy on consulting and engaging those affected by its procurements</p>	<ul style="list-style-type: none"> ▪ The Council has embedded co-production in its procurements using different approaches that align with the requirements and impact of change where appropriate. This is included in the Contract Standing Orders and will continue in the new strategy ▪ To ensure effectiveness, reviews will take place to identify what is working well and what can be improved to ensure communities, users of Council services and interest groups are involved in key procurements e.g. the provision of care to children and adults
<p>A statement on the Council’s general policy on the payment of a living wage by suppliers</p>	<ul style="list-style-type: none"> ▪ Improving Fair Work practices is one of the strategic objectives of the Council, further information being given earlier in key strategic objective 2 ▪ Payment of the Real Living Wage by suppliers is now a mandatory requirement in Council regulated contracts, where conditions are appropriate. As part of the Council’s Living Wage City status suppliers are encouraged to become accredited with the aim of doubling the number of Living Wage accredited businesses to over 900 across the city over the next few years Monitoring is embedded in procurement procedures and will continue to be reported ▪ The Fair Work First (FWF) initiative (an extension of the Fair Work Convention’s Framework to drive success, wellbeing and prosperity for individuals, businesses, organisations and society) has been adopted to improve ethical work practices and Living Wage accreditation.
<p>A statement on the Council’s general policy on promoting compliance by contractors and sub-contractors with Health and Safety at Work etc Act 1974.</p>	<ul style="list-style-type: none"> ▪ Health and Safety, and the protection of workers and members of the public, is a very important consideration for the Council, and it is expected that Council contractors and sub-contractors will share the same approach ▪ Health and Safety criteria are included in the assessment of appropriate contracts and embedded in the procurement process and procedures ▪ Suitable terms and conditions to secure the necessary controls around Health and Safety are included in Council contracts ▪ The Council has adopted the Construction Charter, which is promoted and adopted in procurements, with related activity reported to Committee

Requirements	Council response
<p>A statement on the Council’s general policy on the procurement of fairly and ethically-traded goods and services</p>	<ul style="list-style-type: none"> ▪ The Council has a Fair Trade policy which promotes the purchase of fairly and ethically-traded goods and services, and Council procurement activity is aligned to that, the policy being kept under review and performance reported annually to committee ▪ The Council has also signed up to the International Fair Trade Charter
<p>A statement on the Council’s general policy on how it intends its approach to the procurement of food to improve health, wellbeing and education of its communities and promote the highest standards of animal welfare</p>	<ul style="list-style-type: none"> ▪ The Edible Edinburgh approach is applied to procurements for the provision of food, and supports the improvement of health, wellbeing and education of communities and high standards of animal welfare ▪ Opportunities for sustainable food purchasing will be considered and adopted where appropriate ▪ The Council will ensure all legislative requirements around food purchasing are complied with
<p>Payments will be made so far as practicable to contractors and sub-contractors no later than 30 days after invoice</p>	<ul style="list-style-type: none"> ▪ The Council’s 30-day payment target is being achieved in approximately 95% of invoices and potential system improvements are being considered within the financial system upgrade programme ▪ Purchase cards are utilised to support speedy payment for small local purchasing where appropriate ▪ Project Bank Accounts are adopted for appropriate contracts to help secure sub-contractor payments ▪ Suitable contract terms and conditions are adopted with prompt payments required where sub-contracting is most likely to utilised

Appendix 3 – Strategy Delivery Plan

1	Making procurement spend more accessible to local small businesses and third sector		
Objective	Delivery Actions	Proposed Milestones/Steps	Owner
<ul style="list-style-type: none"> To ensure the procurement team and wider council officers consider how we support the recovery of the local economy post Covid by making proportionate decisions about the market options for local business and third sector organisations to access public spend. To develop community wealth building approaches in public procurement 	1) Increasing engagement, working with key business and third sector to support “meet the buyer” events, workshops and awareness of contract opportunities	Event / Meet the Buyer / Workshop delivered with local/third sector business focus in 2023/24.	Commercial and Procurement Service (CPS); Service areas; Partner agencies
	2) Work with community planning partners and other anchor institutions in the development of community wealth building approaches in public procurement	Engage with Business growth team with links to Edinburgh partnership groups to agree procurement enablers which support community wealth building.	CPS; Service areas; Partner agencies
	3) Working with Council partner organisations such as Business Gateway, Supplier Development Programme, Federation of Small Businesses and the Edinburgh Third Sector Interface to support these objectives	Review stakeholder engagement strategy and plan, monitor and report activities. Facilitate wider team awareness sessions	CPS; Service areas; Partner agencies
	4) Continuing to apply lotting strategies that support small business	Strategy/plans for each tender considers small business and lotting approach	CPS; Service areas;
	5) Supporting facilitation of sub-contract opportunities by suppliers	Where market engagement identifies delivery scope for sub-contracting, arrange facilitation as appropriate	CPS; Service areas; Suppliers; Partner Agencies
	6) Continue to improve prompt payment in the supply chain for public sector contracts, including the use, where appropriate, of project bank accounts.	Where appropriate, include prompt payment criteria in relevant tender and/or project bank administration	CPS; Service areas; Financial service team
	7) Considering longer contract advertising periods where consortia opportunities exist.	Review at strategy/planning stage, market knowledge/engagement to set appropriate timeline	CPS; Service areas;

1 Making procurement spend more accessible to local small businesses and third sector			
Objective	Delivery Actions	Proposed Milestones/Steps	Owner
	8) Consider innovation for all regulated procurements, continuing to innovate procurement processes to broaden engagement of SMEs.	Consider wider engagement options to direct SMEs to opportunities, working with stakeholders and lessons/good practice from other authorities. Document in plans.	CPS; Service areas;
	9) Improve commercial opportunities for supported businesses.	Review supported business register on a regular basis, engage and promote through supply chains.	CPS; Service areas;

2 Improving Fair Work practices adopted by suppliers			
Objective	Delivery Actions	Proposed Milestones /Steps	Owner
To ensure Fair Work outcomes are promoted internally and externally and procurement is used to influence and increase positive fair work and socially responsible outcomes which benefit the city by addressing poverty and inequality.	1) Requiring suppliers pay employees delivering Council contracts the Real Living Wage.	Document within the strategy/ensure market insight and apply using appropriate criteria.	CPS; service area; Partner agencies
	2) Applying the Fair Work First criteria to every tender with a wider focus on ethical practices including security of pay and contracts, flexible working and targeted recruitment and training requirements, is the main way in which we use public procurement to tackle in-work poverty and by extension, child poverty.	Review seven elements of Fair Work First criteria at planning stage of every tender; Review market and use sector insight to shape priority order/elements; Apply Fair Work criteria to tender documentation	CPS; service area
	3) Improving training and awareness for Council colleagues and bidding organisations	Fair Work criteria guidance provided to colleagues and bidding organisations – include Edinburgh specific detail	CPS; partner agencies
	4) Applying appropriate weightings in the evaluation of tenders	Default of not less than 5% quality weighting; higher where sector issues have been identified.	CPS; service area
	5) Continue to record all commitments made by suppliers on Fair Work outcomes and commitments to pay the real Living Wage in our	Management information collected and reported in recommendation report and annual report.	CPS; service area

2 Improving Fair Work practices adopted by suppliers			
Objective	Delivery Actions	Proposed Milestones /Steps	Owner
	contracts and frameworks. This includes asking bidders if they are signatories to the Living Wage accreditation		
	6) Delivering council commitments to modern slavery and construction industry practices	Modern Slavery/Construction sector Charters reviewed for updates; included guidance.	CPS
	7) Applying the construction Charter commitments (the Charter) to council procurement activity	Modern Slavery/Construction sector Charters included with tender documents / Fair Work criteria shaped to address and ensure legal requirements met.	CPS
	8) Working with suppliers to raise awareness of the need to reduce the pay gap and create a more diverse and inclusive workspace	Work with HR and other stakeholders to review diversity and inclusivity criteria and industry best practice; apply as appropriate	CPS; service area;

3 Maximising the impact of procurement in achieving social and economic outcomes and increasing community benefits delivery by suppliers			
Objective	Delivery Actions	Proposed Milestones/Steps	Owner
a) continue to use public procurement as a means to drive a wellbeing economy by creating quality employment and skills and providing opportunities for local SMEs, third sector and supported businesses to bid for public contracts and to participate in	1) Increasing awareness and education of community benefits through early engagement in tender opportunities	Regular updates via staff newsletters via the Orb on the community benefits being delivered by council suppliers; contract manager forum updates.	CPS; service areas
	2) Consider community benefit opportunities at the development stage of our regulated procurements and where appropriate, request either mandatory or voluntary community benefits	Assessment based on requirement, value and term to ensure maximum impact; document assessment and decision; approval by senior officer.	CPS; service areas
	3) Working with stakeholders such as City Region Deal partners to ensure consistency in application and priorities	Regular engagement on community needs and projects in place; attend community benefit forums via partner agencies to share good practice application	CPS; service areas; partner agencies

3			
Maximising the impact of procurement in achieving social and economic outcomes and increasing community benefits delivery by suppliers			
Objective	Delivery Actions	Proposed Milestones/Steps	Owner
public sector supply chains b) To build on community benefits delivered to date by increasing the volume and value added to local communities through wider social, economic and environmental outcomes.	4) Tailoring the community benefits being sought to the sector involved and the priorities for the Council with an emphasis on outcomes that can easily be delivered	Assess at early stage what relevant sectors deliver well and which align to council priorities; target mandated outcomes which are easy to achieve to avoid poor outcome	CPS; service areas
	5) Support the principles of the No One left behind delivery plan through targeted equality and employability-related Community Benefits in Procurement	Mandate job outcomes for priority groups in relevant tenders which will provide longer term opportunity for employment outcomes – high value/term contracts/ local infrastructure.	CPS; service areas
	6) Reviewing scoring methodologies and applying best practice to achieve added value outcomes for the city	Model scoring methods to ensure they influence the desired outcome but maintain best value.	CPS

4			
Contributing to the Councils 2030 net zero target			
Objective	Delivery Actions	Proposed Milestones/Steps	Owner
To address the climate and nature crises and support the delivery of the Councils 2030 net zero target we will work with Council officers and external partners to deliver opportunities that help address the climate and nature emergency and the circular economy agenda	1) Seeking expert support such as from Zero Waste Scotland and in educating and awareness raising for Council staff involved in tendering and managing contracts	Carbon reduction tools and learning events incorporated into development plans for staff in specialist procurement and contract manager posts.	CPS; service area
	2) Engaging with suppliers and experts to understand carbon-reducing actions that can be delivered in different contract sectors and building into specifications and ensuring that suppliers are committed and actively engaged in supporting a Just Transition to net zero	Zero waste prioritisation plan and sustainability tools used to support supplier engagement on relevant opportunities to reduce carbon. Carbon reduction plans identified and relevant to the sector.	CPS; service area
	3) Actively consider the impacts of Climate Change, the nature emergency and related environmental considerations early in procurements and	Assessment made at commissioning and planning stage of each tender; risks and	CPS; service area

4			
Contributing to the Councils 2030 net zero target			
Objective	Delivery Actions	Proposed Milestones/Steps	Owner
	commissioning activity, and apply relevant criteria in all procurement processes, where relevant and proportionate to do so	opportunities documented to support criteria application or non-application as appropriate. Strategy/Plan documentation approved by senior officer.	
	4) Increasing whole-life costing approach to evaluation criteria and learn from others through best-practice forums	Develop criteria as best practice emerges; carbon reduction measures/tools adopted in line with statutory guidance	CPS; service area
	5) Considering potential for reuse, repair and recycling of goods and materials in scoping requirements on a routine basis to prevent waste	Review specification and evaluation criteria to ensure application as required; review at relevant gateway stages and report outcome.	CPS; service area
	6) Adopting industry standards to ensure consistency in approach with the market and clear measurement tools understood by all	Access standard sustainability tools and case studies to ensure measures applied are clear and consistent with market/sector practice.	CPS; service area
	7) Ensuring the procurement team have undertaken up to date carbon literacy training	Training record maintained; new training and refresh where appropriate	CPS

5			
Delivering savings and Best Value outcomes			
Objective	Delivery Actions	Proposed Milestones / Steps	Owner
To support the Council budget savings and improve the value achieved from third party delivery we will work closely with our customers and key stakeholders to improve	1) Working together to identify opportunities and challenge current models of delivery	Consider a range of options to meet current delivery need; explore alternative models reaching out to partner agencies as appropriate;	CPS; service area
	2) Supporting the delivery of the Council's Medium Term Financial Plan	Analysis of spend activity; assess alternative options; engage stakeholder groups to explore opportunities and escalate where required.	CPS; service area

5			
Delivering savings and Best Value outcomes			
Objective	Delivery Actions	Proposed Milestones / Steps	Owner
efficiency and reduce expenditure	3) Challenging the demand for goods and services and seeking to rationalise core requirements	Identify commercial drivers within the specification; benchmark and reduce as appropriate	CPS; service area
	4) Engaging markets, benchmarking values and collaborating when appropriate with city partners or wider	Use tools available to identify current cost/value of the requirement; ensure budget sufficient; identify best sourcing option.	CPS; service area
	5) Supporting robust contract management actions to ensure contracts deliver to financial and non-financial performance requirements, including contractual commitments around social value and community benefits	Ensure contract management framework adopted at handover; provide resources to support ongoing management; Cenefits access, monitoring and reporting; contract management forum/ learning events provided.	CPS; service area
	6) Applying whole life costing models to ensure end-to-end requirements are included	Use costing tools to support assessment of acquisition, implementation, maintenance, disposal elements for product and other relevant purchases to identify true cost.	CPS; service area

6			
Ensuring legal compliance and robust and transparent governance			
Objective	Delivery Actions	Proposed Milestones / Steps	Owner
To ensure all procurement staff and Council officers involved in procurement processes have full awareness of the impact of the regulations and contract standing orders	1) Training officers in the procedures and policies which must be considered to ensure compliance requirements are met	Regular checks in place at key gateway stages; gateway reviews on key projects to ensure policy addressed; issues address via regular training plan – reviewed annually or as required.	CPS; Legal & Risk
	2) Providing regular updates for specialist staff on changes to regulations, case law, statutory guidance, policy and social value outcomes	Policy and legislation updates communicated as and when received; register maintained of new policy notices.	CPS; Legal & Risk; Scottish Government;

6			
Ensuring legal compliance and robust and transparent governance			
Objective	Delivery Actions	Proposed Milestones / Steps	Owner
which apply to procurement activity	3) Reviewing standard documentation to reflect regulatory changes and best practice	Updated as required; register of changes maintained; document library current with older documents archived.	CPS;
	4) Reviewing and improving controls within the procurement remit to ensure compliance with purchase systems and procedures, including the Contract Standing Orders	System controls used to identify potential compliance issues for review on a case-by-case basis; procedure reflect current risk/audit requirements.	CPS; Legal & Risk
	5) Ensuring regular reporting of procurement activity and compliance to committee	Procurement reports to F&R committee in line with CSOs; Annual report meets statutory obligations	CPS;
	6) Regular review of audit actions, and updating of risk register and processes	Monthly review of audit actions, risk register reviewed quarterly or as required; improvement actions progressed in agreed time.	CPS;

7			
Promoting innovative and best practice solutions			
Objective	Delivery Actions	Proposed Milestones / Steps	Owner
To seek opportunities for innovative solutions for products, services or works required by the Council and challenge the market to offer improved solutions	1) Engaging with clients and suppliers at early stages of identification of need and scoping	Post Market engagement notices and wider communications including stakeholder networks, internet sources and CIPS	CPS; Service area
	2) Direct suppliers to the supplier-led National Innovation Service	Where relevant signpost or provide links to the Scottish Government resources via PCS.	CPS; Service area
	3) Seeking relevant examples of market innovations and sharing models and best practice	Market engagement, including stakeholder networks, internet sources, user intelligence groups and CIPS	CPS; Service area

7	Promoting innovative and best practice solutions		
Objective	Delivery Actions	Proposed Milestones / Steps	Owner
	4) Knowledge sharing and creation of innovation network with Edinburgh anchor organisations such as universities	Networking events e.g., meet the buyer, and other partnership engagement opportunities used to explore new initiatives	CPS; Service area
	5) Allowing the opportunity for variant bids where there is potential technological and market advancement	Use market engagement and sector updates from wider sources such as CIPS to support alternative bid options.	CPS; Service area
	6) Challenging the status quo	Use market insights to challenge standard specifications, delivery models to ensure best practice solution is identified	CPS; Service area

Appendix 4 – Glossary

Term	Definition
Best Value	The legal duty to secure continuous improvement in the performance of the Council's functions as set out in section 1 of the Local Government in Scotland Act 2003.
Circular economy	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.
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit
Commercial awareness	Evidence of commercial acumen. Awareness of the need for efficiency, cost-effectiveness, customer/stakeholder support, a knowledge of the sector and the services the organisation provides and will provide in the future, considering the strategic objectives, current economic climate etc. A track record of appropriate procurement skill and experience, evidence of on-going/continual training and development. (desirable and post/org specific) professional qualification/undertaking or willingness to undertake as appropriate.
Community Benefits	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.
Contract Management	The process of monitoring the performance of a supplier to contract.
Co-production	The real and meaningful involvement of citizens including future recipients of the service, key stakeholders and suppliers (both current and potential) in how and what community services and related goods and works are delivered with regard to the National Standards for Community Engagement.
Fair Work First	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.

Term	Definition
Flexible Framework	A self-assessment mechanism that allows organisations to measure and monitor their progress on sustainable procurement over time.
Framework Agreement	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
National Outcomes	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. Read more about the National performance Framework outcomes.
Public Contracts Scotland	The national advertising portal used to advertise all Scottish public-sector goods, services or works contract opportunities.
Regulated Procurements	Contracts above contract threshold values where the relevant regulations apply (above £50,000 for goods and services contracts and above £2,000,000 for works contracts).
Small Medium Enterprise (SME)	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.
Social Enterprise	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.
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.
Supplier /Contractor	An entity who supplies goods or provides services or execution of works.
Supply Chain	All activities, resources, products and the like involved in creating and moving a product or service from the supplier to the procurer.

Term	Definition
Supported Business	Either the organisation's main aim should be the social and professional integration of disabled or disadvantaged persons, or the contract should be performed within a sheltered employment programme.
Third Sector	Part of an economy or society comprising non-governmental and non-profit-making organisations or associations.
Whole Life Costing	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.