



MORAY COUNCIL
ANNUAL PROCUREMENT REPORT
2023/2024

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1 Introduction

As a public sector authority with an annual spend greater than £5 million, Moray Council (Council) is required to produce an annual procurement report under s 18 of the Procurement Reform (Scotland) Act 2014 (Act). The Council's annual procurement report (procurement report) covers the period from 1 April 2023 to 31 March 2024.

This report details how the Council has complied with its obligations under the Act, and provides a summary of the Council's procurement activities within the reporting period, detailing how these have aligned with the Council's [procurement strategy for 2023-2026](#) (procurement strategy). The Council's procurement activities are conducted according to the Act, which establishes the statutory and legislative framework for sustainable public procurement that supports Scotland's economic growth.

The Council uses its spending power through goods, works and services to make Moray a great place to work and do business. Our published procurement strategy details the six council objectives for procurement being:

- ❖ Savings
- ❖ Contracts
- ❖ Compliance
- ❖ Accessibility
- ❖ Community benefits
- ❖ Sustainability

The procurement strategy aligns with the [corporate plan](#) that sets the vision and priorities of the Council. This vision is of a Moray where people prosper, free from poverty and inequality; our young people grow up safe, well-educated and reach their full potential; people lead healthy lives and have access to quality care when they need it; our businesses and communities prosper; and our natural environment thrives for the betterment of all

The Council continues to face significant challenges and is impacted by external events including conflict in Ukraine and Russia, the cost-of-living crisis, an increased demand for services and reduced budgets. The procurement team continues to work closely with departments to plan and streamline processes and secure savings. The procurement team is dedicated to improving good outcomes for Moray and acknowledges the broader role of procurement in supporting service delivery and realising Council priorities.

2 Summary of regulated procurements

The table below provides a summary of the number and value of live contracts in 2023/24 by contract category. This is comprised of awards under local and national frameworks which includes new requirements, extensions and re-tenders/collaborations with other public bodies.

Table 1 – Live contracts in 2023/24

Contract Type	2023/24	
	Quantity	Estimated annual value
Category A (national)	31	£6,296,778
Category B (sectoral)	167	£48,685,014
Category C (local Single Supplier)	161	£37,611,727
Category C (framework)	7	£4,763,337
Category C1 (local collaboration)	13	£1,100,044
Category O (other)	141	£8,893,071
Non advertised	112	£32,723,962
Quick quotes (under £50,000)	79	£2,238,821
2023/2024 Total	711	£142,312,754

In total there were 711 contracts listed on the Council's contract register in the reporting period. There were 587 unique suppliers and of these unique suppliers a total of 423 were SMEs. There were 264 regulated procurements in the reporting period at an estimated total value of £54,311,000. In addition to this, there were 48 quick quotes published on the Public Contracts Scotland (PCS) portal in order to source competitive quotes for low value/low risk procurement exercises (below £50,000).

There has been a year-on-year increase in contractual volume post-pandemic with figures increasing since the 2021/22 financial year. Alternative methods of procurement in line with the regulations and the Council's corporate policy and procedure were used on occasion to meet specialist or urgent need.

To provide transparency of contracts held by the Council, we publish a [contract register](#) on our website which contains information on live contracts and is regularly updated to include new awards.

3 Review of procurement compliance

Section 17 of the Act requires the Council to carry out regulated procurement activity in accordance with the Council's procurement strategy. The [procurement strategy 2023-2026](#) contains our procurement responsibilities in line with the Act and details our commitments including to ethical procurement, community benefits, health and safety, living wage and a positive workforce culture. The vision statement is to:

“Embed commercial excellence throughout the organisation, ensuring that our services always deliver best value for Moray through the consistent application of this strategy, embedding community benefit and climate focus in our procurement processes to deliver the corporate priorities of our people, our place and our future, supporting an economy based on wellbeing and inclusion”

In addition to the procurement strategy and procurement policy, the Council's procurement procedures outline the procedures to be followed by all staff when procuring/purchasing goods, services and works. Procurement support is provided for all regulated procurements over £50,000, and quick quotes (under £50,000) are reviewed before publication. This level of advice and oversight ensures compliance with regulations, legislation and Council policy, with procurement limits determining the procurement pathway:

- Up to £10,000 = best price
- £10,000 to £50,000 = quick quote
- £50,001+ = regulated tender for goods and services
- £2,000,000+ = regulated tender for works

All procurements have an individual procurement strategy developed through collaboration between the procurement team and the lead officer. This joint approach ensures full consideration of the requirements, options, potential for added value and the inclusion of wider opportunities. This also provides an avenue to focus on and generate supplier development opportunities, fair work first, climate change, non-cash benefits and innovation considerations. Checks are also carried out for serious organised crime links and mandatory exclusions.

Procurement targets and procurement strategic action plan

Key achievements and progress against the procurement strategy's six procurement objectives is summarised below, with further detail provided at **Appendix A** and **B**.

These procurement measures along with the procurement strategic action plan (PSAP) aim to support and evidence the delivery of the procurement strategy which sets out how procurement activity will be undertaken in line with Council plans/policy and duties under the Act. A review of the 2023/24 PSAP activities are provided at **Appendix B** and the PSAP for the next two years (2024-2026) is provided at **Appendix C**.

Table 2 – Summary of procurement strategy objectives and achievements

Savings	<ul style="list-style-type: none"> • Total savings achieved for 2023/24 = recurring (£1,729,311) and actual in year (£1,524,504) – summary in Section 7 • Non-cash benefits that have been recorded in contracts awarded in the year - refer below and Section 7 • In November 2023 the Council expanded the use of purchase cards (embedded) for the purchase of education supplies. As a result, the Council now achieves a rebate for purchase card transactions which is 0.796% of card spend
Contracts	<ul style="list-style-type: none"> • The annual departmental procurement action plan was completed in January 2024 and forward plans were developed in partnership with departments • There were 180 unplanned procurement activities during the year which reflects the overall increase in workload.
Compliance	<ul style="list-style-type: none"> • 75.87% of accounts payable transactions with a purchase order number during the year which meets our target of 75% • The procurement team continued to work with and report to the Climate Change Board to meet climate change action plan expectations and the procurement specific actions within the climate change action plan
Accessibility	<ul style="list-style-type: none"> • 50.50% value of annual spend with SMEs during the year. 32.2% of contracts commenced during the year to SMEs, which exceeded our target of 30%.
Community benefits	<ul style="list-style-type: none"> • 256 contracts commenced during the year which have a non-cash benefit by category • Using the wider context of local, we measure the spend between Aberdeen City and Shire, Moray and the Highland borders. This is a measure that fluctuates between years but remains constantly in the 50% range
Sustainability	<ul style="list-style-type: none"> • 5.68% of contracts commenced during the year which have a sustainable target. With further focus on this we should see an increase in the future with more benefits being delivered

Non-cash benefits

The Council considered a wide range of non-cash benefits when developing tender specifications that is wider than the social, environmental or economic factors (also referred to as community benefits) required under the Act. A summary is provided in **Table 3** below which includes added value benefits such as process efficiencies and price stability. The Act only requires community benefits inclusion in tenders with a value of over £4 million, however the Council considers inclusion wherever possible in all procurement activities.

Table 3 – Non-cash benefits

Benefit Category	# of contracts	Sub-category
Collaboration/tender process	217	210 in procurement development time 7 digital processes
Cost avoidance	8	2 added value 2 price increase rejection 4 price vs. market savings
Purchase to pay process	7	6 e-invoicing 1 consolidated billing
Demand/rationalisation	11	7 specific contract issues 1 rationalised lists 3 rebates
Community	54	11 apprentices 7 school visits 20 training 16 CBC clause
Environmental	22	11 greenhouse gases 6 waste 3 energy 2 sustainable construction
Social	13	2 sub-contracting programme 6 fair work issues 4 other – wide ranging 1 participatory budget
Living wage and fair work first	128	36 accredited 5 working to accreditation 67 paying living wage 5 not paying living wage but will commit to pay within contract 13 neither paying or accredited

4 Community benefits and the real living wage

The Council is committed to maximising community benefits from procurement activities along with delivering wider benefits for the community when purchasing goods, services and supplies for Moray.

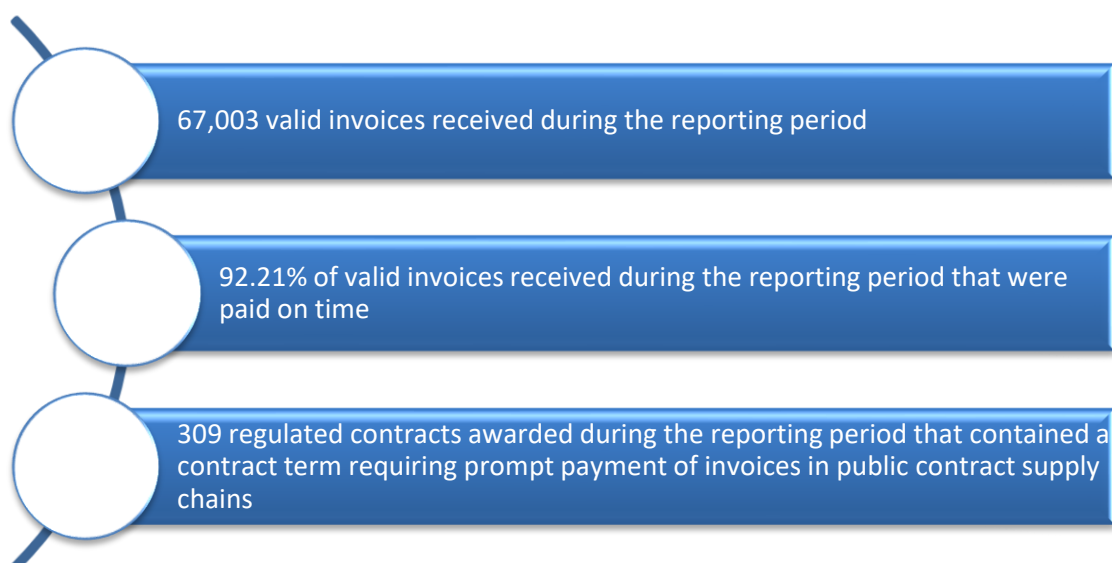
As detailed in **Section 3**, the Council considers a wide range of non-cash benefits when developing a tender specification that is broader than the community benefits that is required by the Act. The Act requires community benefits inclusion in tenders with a value of over £4 million, however Moray considers inclusion wherever possible in all supported tenders over £50,000.

The Council has a [community wealth building strategy](#) which, as a progressive economic approach, aims to retain and circulate wealth within local communities. The procurement team remains a partner to the objectives of growing the percentage of procurement spend with Moray based suppliers from each anchor, increasing anchor spend with community led or third sector businesses, and supporting delivery of fair work first through anchor spend.

Total number of regulated contracts awarded with a value of £4 million or greater	3
Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements	1
Total number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements	28

The Council secured living wage accreditation in September 2022 and continues to encourage the real living wage within the supply chain, through its procurement activities. In the reporting period there were 113 contracts awarded that were either accredited living wage, working towards accreditation, already paying the living wage, or committed to paying the living wage.

5 Payment performance



6 Supported businesses summary

Public organisations can reserve the right to participate in procurement for the award of a public contract/framework to a supported business. A supported business is an organisation with a main aim of integrating disabled or disadvantaged persons and where at least 30% of those employed and engaged with the programme have a disability or are disadvantaged.

The Council spent an estimated total of £1,113,000 with the following supported businesses in the reporting period:

- Moray Reach Out (Training Places & Waste Watchers) = £392,404
- Out of the Darkness = £148,871
- Living Ambitions (Previously Lock Park Rural Skills = £558,512
- Scotland's Bravest Manufacturing Company = £443
- Hey Girls = £11,877
- Scott Direct = £712

Not all of these suppliers formally meet the supported business employment criteria under the Act, but they meet the engagement element, and the Council is confident that the use of these suppliers goes some way to meeting the Act requirements.

7 Spend and savings summary

The current economic climate continues to produce uncertainty in the supply chain and increased demand on certain markets. We continue to progress some tenders without any response to our publications, but we continue to work closely with the departments to provide the support they need.

Total procurement spend during the reporting period	£126,105,066
Total procurement spend with SMEs during the reporting period	£70,306,875
Total delivered cash savings delivered for the period of the report	£870,448

The Council records the cash (**Table 3**) and non-cash benefits (**Section 3**) of contracts along with recording cash savings under the following categories:

1. Cash saving anticipated – but budget not adjusted
2. Cash saving anticipated – budget adjusted
3. No baseline – savings cannot be established, review of contract on anniversary of award to reassess
4. No savings anticipated
5. Non-cash benefits

6. Capital – projects delivering savings against estimate/budget, total saving taken in the year the project was awarded
7. Rebate – centralised collection of contract rebates

Table 3 – Cash savings

Category	Recurring savings		Annual savings	
	2023/24	2022/23	2023/24	2022/23
Budget not adjusted	£791,405	£654,056	£688,000	£627,000
Budget adjusted	£937,906	£870,448	£951,000	£935,000
Total	£1,729,311	£1,524,504	£1,638,000	£1,562,000
Capital	N/A	£879,097	N/A	£3,470,000
Rebate	N/A	£76,107	N/A	£67,000

Overall cash savings recorded for 2023/24 are contained in the report and detailed in the table below. The Council has maintained a savings target of £1M for a number of years in the expectation that it would become harder to achieve savings from recurring contractual award. As we re-let contracts it becomes harder to deliver on cash savings particularly in the current inflationary market.

These savings are calculated using the estimated values at point of contract award. The values are only amended for any annual increases applied to long term service contracts, if the team are made aware of such changes.

Maintaining the value for budget adjusted makes the most difference to the Council’s budget. However, any category of saving achieved from the procurement process means that the contract starts from a much better position and even if increases are imposed, they start at a lower level. Given the challenges outlined above it is encouraging that savings continue to be made at a significant level.

8 Future regulated procurements

The procurement team worked with Heads of Service during the reporting period to develop a departmental procurement action plan (DPAP) for their service that identified the Council’s procurement activity for the year ahead. The DPAP was completed in January 2024 for the 2024/25 financial year.

The DPAP includes information from the expiring contract register, capital plan and other projects to inform the forward plan at **Appendix D** and which can also be found on [our website](#). The publicly available [Forward Plan](#) and the [Capital Plan](#) informs the market of our intentions but cannot guarantee that all projects listed will result in a competitive tender. It also directs attention to those projects that may benefit from climate change and a community wealth building focus.

Between April 2024 to 2026 the Council is estimated to have:

- Number of contracts expiring in the period = 258
- With total estimated value of these expiring contracts being = £246,253,834

The above statistics are taken from the contract register. This list contains all contracts with an end date between April 2024 to March 2026, however it should be noted that some may be subject to possible extensions, and some may not be re-let. Decisions about the direction for each requirement are taken during the annual planning process with Heads of Service.

9 Appendices

Appendix A – Procurement targets

	Savings measure	Target	Achieved 23/24	Achieved 22/23
1	Percentage of all council expenditure covered by contracted suppliers Total commercial spend = contract register annual estimated values for live contract in a year	95%	99.25%	90.73%
2	Value of procurement savings achieved through contracts live during the year	£1 million	£1.729 million	£1.638 million
3	Number of collaborative contracts awarded as a percentage of all commenced in year	40%	55.30%	55.03%
4	Percentage of contracts (including call off from framework) commenced in year that contain a contract benefit (all categories)	85%	96.97%	96.83%
5	Percentage of unplanned contract activity during the year	25%	53.65%	61.42%
6	Percentage of account payable transactions with a purchase order (where relevant i.e. non-recurring) number during year	75%	75.87%	74.79%
7	Percentage of contracts (excluding call offs) commenced during year to SMEs	30%	32.20%	21.69%
8	Percentage value of annual spend with SMEs for year	55%	50.50%	53.61%
9	Percentage value of spend with Moray, Highland and Aberdeen council areas	50%	43.90%	42.98%
10	Number of “events” held or participated in during year	10	9	18
11	Percentage of commenced contracts within the year that have a community benefit	20%	10.98%	11.11%
12	Percentage of collaborative contracts commenced in the year that have a community benefit	20%	8.33%	10.05%
13	Percentage of contracts commenced in the year that have incorporated a sustainable target	20%	5.68%	9.52%
14	Score on flexible framework	Level 3	Level 3	Level 3

Appendix B – Procurement strategic action plan – review of 2023/24

Action	Timetable	Progress
1	To develop existing contract register to improve data access and meet statutory/council requirements	March 2024 First round of upgrades complete but not yet launched. Further developments are planned for 2024/25
2	Work with Scotland Excel to compare contract spend with actual supplier spend	Sept 2023 Complete for 2023/24. Meeting attended by procurement team and Scotland Excel
3	Expand the current purchasing card (embedded) process to education materials supplier	Sept 2023 Complete and went live in November 2023. In November 2023 the Council expanded the use of purchase cards (embedded) for the purchase of education supplies. As a result, the Council now achieves a rebate for purchase card transactions which is 0.796% of card spend
4	Health & Social Care (MIJB) Support	Ongoing Ongoing. Support and engagement continue along with contract maintenance activities in partnership with H&SC
5	Review and update the procurement procedures to reflect the inclusion of commissioning teams within H&SC and children's services	March 2024 Ongoing, but engagement continued throughout 2023/24 with further actions planned for 2024/25 to identify the workflow with commissioning, and implement any required procedural changes
6	Supplier development program (SDP)	Throughout the year Continued to support the SDP and embed community identified benefits system into relevant projects to meet CWB expectations
7	Review the procurement savings strategy (written in 2016)	March 2024 Deferred to 2024/25. To establish if still relevant and consider level of savings sought from each tender (currently 3%)
8	To support and deliver requirements identified in the Climate Change Action Plan	Ongoing Ongoing. To meet climate change action plan expectations and the procurement specific actions within the climate change action plan
9	Review the requirement for Equalities Impact Assessments for each contract	Dec 2023 Deferred to 2025/26
10	Review the GDPR requirements and review impacted areas	Dec 2023 Deferred to 2024/25

Appendix C – Procurement strategic action plan for 2024-2026

2024/25

- 1 Prepare and publish the Council’s annual procurement strategy including continued alignment with ethical procurement, modern slavery, CWB, fair work and other requirements of the Best Value sustainability requirement
- 2 Review the internal project procurement strategy (PR08) to facilitate planning, options and alignment with strategic objectives, the responsibilities under the statutory framework
- 3 Review and develop a new departmental procurement action plan process, exploring options to further plan procurement activity and focus on savings through streamlining process.
- 4 Review the procurement savings strategy, contract register and data capture to align with statutory reporting requirements
- 5 Review the contract register and data capture to align with statutory reporting requirements
- 6 Investigate options for a new e-signing process
- 7 To support and deliver requirements identified in the climate change action plan and align with the Scottish Government statutory framework on climate change
- 8 Research/investigate scope for including cyber security requirements in procurement processes
- 9 Health & Social Care (MIJB) support
- 10 Review and update the procurement procedures to reflect the inclusion of commissioning teams within H&SC and children’s services

2025/26

- 1 Review the council procurement policy and associated procedures
 - 2 Review the requirement for equalities impact assessments for each contract
 - 3 Review the GDPR requirements and meet with the records officer and review the areas which are impacted by GDPR (care, etc)
 - 4 Continue to action items assigned items under the Community Wealth Building Strategy
 - 5 Increased engagement across the Council and with procurement partners
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Appendix D – Planned procurement activity for 2024-2026

Contract Title	Project start
Wash Dry Toilets	tbc
Day Opportunities	tbc
OT Aids	tbc
Early Years Science, Technology, Engineering and Mathematics Centre at Elgin Library	tbc
Delivery of Digital Community Engagement Platform for Moray Council	tbc
Treatment of Paper, Cardboard, News and PAMs (Separate and/or Mixed)	tbc
Treatment of Glass (Separate and/or Mixed)	tbc
Treatment of Mixed Plastic Containers	tbc
Vegetation clearance – Gibb’s Lane, Buckie	tbc
Structural Engineering Inspections	tbc
Forres 3G Astro turf facility development	tbc
Westview - Care at Home & Housing Support	tbc
Asbestos Software	tbc
Cashless Parking	tbc
Checkpoint Security Products and Associated Services	tbc
Annual Inspection of Moray Managed and Maintained Play Areas	tbc
Window Replacement 123 Addresses Moray Wide	tbc
A941 Longmorn – Hardstanding for Road Safety Camera Van	Q3, 2023-24
Elgin Town Hall Integrated Design Team, Architect Lead Team	Q3, 2023-24
Moray's Routes	Q2, 2023-24
Phase One: Elgin Town Hall - Main Works Contractor	Q3, 2023-24
Phase Two: Grant Lodge- Enabling Works / Fabric Repairs	Q3, 2023-24
Overarching Agreement for child placements at Keilhill	Q3, 2023-24
Functional Family Therapy Service	Q3, 2023-24
Restorative Family Support Project	Q3, 2023-24
Insurance Services	Q3, 2023-24
Sheriff Officer Services	Q3, 2023-24
Advertising Services	Q3, 2023-24
VMware Support	Q3, 2023-24
Annual IT Security Testing	Q3, 2023-24
Solarwinds IPAM and CatTools Support	Q3, 2023-24
PSN Core Services	Q3, 2023-24
Servicing and Provision of Parts for Changing Room Lockers	Q3, 2023-24
CO2 Gas for Swimming Pools	Q3, 2023-24
Maintenance of School Synthetic Turf Pitches	Q3, 2023-24
Pest Control Services and Associated Products	Q3, 2023-24
Employability Services	Q3, 2023-24
Bus Revolution - Booking App and Scheduling/ Tracking Software	Q3, 2023-24

Harbour Structural Inspections	Q3, 2023-24
Multi-Carrier SIM Cards	Q3, 2023-24
Cooper Park Pond	Q3, 2023-24
Cooper Park café	Q3, 2023-24
Blackhills Culvert	Q3, 2023-24
CT2675 Professional Services Framework	Q3, 2023-24
Energy Performance Certificates Non Domestic Properties	Q3, 2023-24
Maintenance & Repair of Fire & Security Systems & Equipment	Q3, 2023-24
ASHP Upgrade and PV-Solar Panels	Q3, 2023-24
Smoothwall	Q3, 2023-24
Glazing Maintenance	Q3, 2023-24
Road Marking Works	Q4, 2023-24
HiTrans	Q4, 2023-24
Scottish Road Works Commissioner	Q4, 2023-24
Waste Facilities (SEPA)	Q4, 2023-24
Core Local Area Network (LAN) Equipment Refresh - Phase 1	Q4, 2023-24
Occupational Health, Employee Assistance Programmes and Eye Care	Q4, 2023-24
Records Information Mgt, Digital Solutions and Assoc Services	Q4, 2023-24
Multiply Fund LEAD	Q4, 2023-24
Moray Multiply Project Numeracy	Q4, 2023-24
Forres Conservation & Heritage Scheme	Q4, 2023-24
Elgin Saw SWMP	Q4, 2023-24
Sanquhar Footbridge	Q4, 2023-24
Phase Zero: External Works/Public Realm - D&B / Landscape Designs and Small Works Contract	Q4, 2023-24
A941/340 New Bishopmill Bridge	Q2, 2023-24
Salt Barn Keith	Q4, 2023-24
AI Digital Assistant to integrate with the Council Website to provide 24/7	tbc
Deposit Return Scheme - Reverse Vending Machine	tbc
Agency Framework	tbc
Multi-Disciplinary Design Team to undertake design work for Milbuies Land Development	Q1, 2025/26
Batchen Lane MSCP Resurfacing, replacement expansion joints and surface water drainage – Phase 2	tbc