Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

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**The Sustainable Procurement Strategy 2023-2027
Bi Annual Performance Update**

Purpose of Report:
To inform the committee of the progress, to date, against the delivery of the Sustainable Procurement Strategy 2023-2027.

Recommendations:

It is recommended that the committee notes the content of this report.

Ward No(s):   Citywide: ✓

Local member(s) advised: Yes ☐ No ☐   consulted: Yes ☐ No ☐

1.   **Introduction and Background**

1.1   The City Administration Committee approved the Sustainable Procurement Strategy 2023-2027 (Strategy) at its meeting on the 23 March 2023, Committee Information – Sustainable Procurement Strategy 2023-2027.

1.2   Within the Strategy, it was proposed that the Corporate Procurement Unit (CPU) would provide a bi-annual performance update on the delivery of the Strategy to the Contracts and Property Committee, or as and when required.

1.3   In addition, as part of the council's Procurement Governance Structure, the delivery of the Strategy is monitored, via a comprehensive action plan, by two officers groups; the Corporate Procurement Advisory Board (CPAB), which is held every eight weeks and is chaired by the Director of Legal and Administration and the Corporate Procurement Asset Board which has representation from across the council family and is held quarterly. The Action Plan details all the deliverables, including the associated target dates until 2027. A full copy of the action plan, including the status of each action, is set out in Appendix A.

1.4   The Strategy was developed to support delivery of the council's Strategic Plan 2022-2027 and to focus on the development areas identified via two internal and external consultations. The Strategy has six key Strategic Procurement objectives and twenty nine actions, with more than 50% of the actions having a sustainable theme.

2   **Actions Delivered in 2024**

2.1   Eight actions were targeted for completion by December 2024 and seven actions were delivered within the agreed timelines. One action was slightly delayed and completed in February 2025. These support delivery of five of the six key Strategic Procurement Objectives and are set out below:

2.1.1 **Procurement Objective - Support the Council's Net Zero, Ecological and Adaptation Ambitions**

       Action 1.06 – *We will review our Community Benefits process and menu to explore how we can include support for relevant projects and activities that support our adaptation, climate resilience, net zero objectives and reducing poverty.*

       The CPU have engaged with the Glasgow City Region and the council's Climate Emergency and Adaptation Resilience Group to identify what projects can be supported via council tenders and contracts to support this action e.g. tree planting and local food growing.

       The council's outsourced Community Benefits (CB) monitoring system, known as 'Cenefits', has been updated to allow suppliers to label its community benefit

outcome to show when these support this objective i.e. the system has drop downs such as climate resilience, net zero objectives or reducing poverty.

The Community Benefits Menu, issued as part of the tender, has been updated to allow suppliers the ability to confirm the level of local SME's, Social Enterprises, Supported Businesses, voluntary Sector or Community Owned Organisations that are utilised as part of its supply chain. This information will help to determine a clearer understanding and impact of procurement to the council's net zero objectives.

The Community Benefits Steering Group will continue to explore how the CB process and menu can be utilised to continue support this objective and will reconsider and expand the membership of the group, as appropriate.

2.1.2 **Action 1.07 –** *Continue to build on our approach in utilising life cycle mapping, whole life costing and circular economy throughout the procurement process.*

The CPU Commodity Sourcing Strategy template has been updated to ensure a greater focus on whole life costing and circular economy.

The procurement officers will continue to incorporate these areas into the tender pre-selection, evaluation criteria, specification requirements, award criteria and contract and supplier management Key Performance Indicators (KPI's).

The CPU Sustainable Procurement Register has also been updated to capture projects with whole life costing and circular economy outcomes.

This action does not apply to social care provision.

2.2   Procurement Objective - To Provide Sustainable and Effective Procurement for our Stakeholders

2.2.1 **Action 2.02** - *Engage with Suppliers and Stakeholders to identify how we can improve and streamline our processes and inform mobilisation and exit strategies.*

An Annual Procurement Survey has been developed and issued to Service Areas to support process improvement. Relevant proposals have be considered and implemented into our business-as-usual processes. The Key improvement areas relate to improved connect pages such as the toolkit, online procurement training to improve understanding of process and associated timelines.

Supplier and Stakeholder Smart Surveys have been developed and implemented. These will be issued after key tenders have been concluded and this will allow us to gather information on how the process can be streamlined and further improved for Service Areas and suppliers, which in turn, will further support the SME agenda.

HSCP now conduct meetings and telephone calls with suppliers after tender exercises are complete to gather feedback on the areas that worked well and to identify further areas of improvement.

2.3 Shape and Drive Innovation

2.3.1 *Action 3.03 – Ensure Specifications take account of market challenges such as availability of materials and services and are more outcome driven.*

We have increased early market engagement activities to help update our key stakeholders and Service Areas of market challenges that can then be considered when developing the specification and tender evaluation criteria, where relevant. This will help to ensure our tenders, and commercial models, are representative of market conditions and supplier positions. This improved understanding will also support the opportunity to deliver our workplan in a timely and efficient manner.

The above information will also be communicated via the CPU's Supply Chain Analysis Report which is issued to Service Areas on a quarterly basis.

The CPU Sourcing Strategy template has been updated to ensure market challenges are considered prior to concluding the specification and publishing the tender opportunity.

The HSCP Commodity Sourcing Strategy has been updated to ensure social care market challenges and risks are considered.

2.4 Procurement Objective - Procurement to be a Strategic Partner

2.4.1 **Action 5.01 -** *Promote and create a better understanding of the procurement process and procedures across the council.*

We have created an online procurement course, via the council internal training platform, known as GOLD. This will allow council staff and elected members to gain a greater understanding on the legislative requirements, minimum timelines, processes and procedures that must be followed when undertaking a procurement exercise – Implemented February 2025.

Promote external procurement courses to Service Areas to allow a greater understanding on procurement legislation, process and procedures.

The CPU recently provided a procurement workshop to the FICT stakeholders team and Glasgow City Region to help develop their understanding of the strategic procurement process and the roles of the client and the procurement officer.

The CPU and HSCP will continue to develop and update the procurement connect pages as a mechanism to share procurement guidance.

2.4.2 **Action 5.03 -** *Look to Develop Interactive Ways of Sharing Data.*

The CPU and the HSCP are working with the Strategic Information Innovation and Technology (SITT) team to develop the council's procurement connect pages and to provide interactive ways of sharing data via Power BI software. This will provide Service Areas with real time procurement related data and will support informed decisions to be made.

The CPU have updated our Savings and Opportunity Analysis Report (SOAR) from excel to Power BI. This allows for a far more interactive end user experience.

In addition, we have developed a Power BI Procurement Workplan Report for Neighbourhoods Regeneration and Sustainability (NRS)_and this format will be rolled out to all key service areas in 2025.

A further Power BI report has been developed that provides procurement staff with real time data covering areas such as spend and supplier locations.

2.4.3 **Action 5.05 –** *Increase understanding on what can be delivered under partnerships/grant funding and what is governed by the procurement rules.*

Legal services have created guidance to improve service areas understanding on what can be delivered under grant funding/partnerships and is exempt from the procurement rules. This document has been added to the procurement connect pages.

Social care guidance on grants has also been approved via the Integration Joint Board in January 2024.

2.5 Support the Councils Financial Challenges.

2.5.1 ***Action 6.02 -*** *Look to develop opportunities for open book/gain sharing incentivisation models approach across our workplan.*

The CPU have engaged and will continue to enter into dialogue with other Local Authorities and public sector organisation to benchmark and gain a greater understanding on their approach to help identify opportunities which we can incorporate into our workplan moving forward.

The CPU and HSCP attended a training session on open book costing/gain share models to increase our awareness and understanding of this commercial process. We have updated our sourcing strategy template to ensure this approach is considered when developing our commercial models.

3 Key Performance Indicators

3.1 The effectiveness of the Strategy Action Plan is measured via several Key Performance Indicators (KPIs), as set out in the Action Plan (Appendix A). These indicators are monitored on a quarterly basis and form part of the information provided in the council's statutory Annual Procurement Report

(APR). The council's APR for FY24/25 (April 24 - March 25) will be reported to committee in August 2025.

3.2   The committee will also be provided with an interim update on the KPIs as part of the bi-annual Strategy Performance Update report in August 2025. This will cover the period April 25 – August 25).

4   Policy and Resource Implications

Resource Implications:

Financial:	One of the Key Strategic Objectives of the Strategy is to support the council's financial challenges.
	Since commencement of the Strategy in May 2023, we have achieved cashable savings of £5.08m and non-cashable savings of £11.42m.
Legal:	The Strategy will continue to be implemented in line with legislation, the Council's Standing Orders Relating to Contracts and the Corporate Procurement Manual.
Procurement:	Implementation and delivery of the Strategy.
Council Strategic Plan: **Equality and Socio-Economic Impacts:**	This Strategy has been created to support the delivery of the council's Strategic Plan.
Does the proposal support the Council's Equality Outcomes 2021-25	Yes - the Strategy complies and supports the requirements of the Sustainable Procurement Duty. The duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.
What are the potential equality impacts as a result of this report?	An EQIA screening has been undertaken and can be accessed on the council's website.

EQIA link |
| *Please highlight if the policy/proposal will help address socio economic disadvantage.* | The Strategy supports several socio- economic and environmental areas via our application of Community Benefit clauses and Fair Work First evaluation criteria, details as follows: |

Fair Work First evaluation criteria is included, as standard practice, within all relevant procurement exercises.

Community Benefit outcomes is included, as standard practice, within all relevant procurement exercises and will be broadened to ensure increased opportunities for local communities are available. This will also support the council's aim for a reduction in poverty and a better quality of life within local areas.

A community Wishlist has been developed to allow local communities to have a greater input into what can be achieved via community benefits in council contracts.

The Strategy supports outcome 1 of the councils Equality Outcomes 2021 to 2025.

Climate Impacts:
Does the proposal support any Climate Plan actions? Please specify:

Yes – The Strategy includes a key objective to Support the Council's Net Zero, Ecological and Adaptation Ambition and seven actions which aim to:

- Support the council's net zero target by 2030 and
- To reduce scope 1,2 and 3 carbon emissions within our supply chain.

What are the potential climate impacts as a result of this proposal?

The actions detailed within the Strategy Action Plan will provide a positive impact on climate.

Will the proposal contribute to Glasgow's net zero carbon target?

Yes - the Strategy and supporting Action Plan have a strong focus on sustainability and will support the council's Climate Plan and target to achieve net zero by 2030.

Privacy and Data Protection impacts:

No data protection impacts identified.

5   Recommendation

The committee notes the content of this report.

Appendix A – Strategy Action Plan

Objectives	Key Performance Indicators	Action Reference	Proposed Action	FY	Owner	Action Status	RAG Status
1. Support the Council's Net Zero, Ecological and Adaptation Ambitions							
1. Support the Council's Net Zero, Ecological and Adaptation Ambitions	Improvement in performance level of sustainable procurement as identified via the FFSAT	1.01	Ensure our sourcing strategies and tender evaluation align and support suppliers which have net zero goals	2025	CPU/HSCP/Service Areas	New	Green
1. Support the Council's Net Zero, Ecological and Adaptation Ambitions		1.02	We will work with the Scottish Government/Council Depts and partners such as Skills Development Scotland and Chamber of Commerce to identify and consider practicable carbon counting methodologies that allow suppliers to quantify embodied carbon within the procurement process.	2025	CPU Dev Team/HSCP/SSG	BAU	Green
1. Support the Council's Net Zero, Ecological and Adaptation Ambitions		1.03	We will work with our suppliers to improve the climate resilience of our supply chains and reduce their vulnerability to climate risks.	2025	CPU/HSCP/NRS	New	Green

Objectives	Key Performance Indicators	Action Reference	Proposed Action	FY	Owner	Action Status	RAG Status
1. Support the Council's Net Zero, Ecological and Adaptation Ambitions	Continued increase in sustainable outcomes as captured in our sustainable register	1.04	To support the climate change agenda we will explore how we can reduce our carbon emissions within our supply chain regarding scope 1,2,3 emissions.	2025	CPU Dev Team/NRS/HSCP	New	Green
1. Support the Council's Net Zero, Ecological and Adaptation Ambitions		1.05	Increase the council's sustainable performance by utilising the council's Sustainable Steering Group and continuing to deliver the sustainable Procurement Action Plan as derived from the Scottish Government's Flexible Framework Tool.	2027	CPU Dev Team/HSCP/SSG	BAU	Green
1. Support the Council's Net Zero, Ecological and Adaptation Ambitions	Increase (year on year) in community benefits outcomes supporting poverty, net zero and climate resilience	1.06	We will review our community benefits process and menu to explore how we can include support for relevant projects and activities that support our adaptation, climate resilience, net zero objectives and reducing poverty	2024	CPU Dev Team/HSCP/Service Areas	New	Green
1. Support the Council's Net Zero, Ecological and Adaptation Ambitions		1.07	Continue to build on our approach in utilising life cycle mapping, whole life costings and circular economy throughout the procurement process	2024	CPU/HSCP/Service Areas	New	Green

Objectives	Key Performance Indicators	Action Reference	Proposed Action	FY	Owner	Action Status	RAG Status
2. To Provide Sustainable and Effective Procurement for our Stakeholders							
2. To Provide Sustainable and Effective Procurement for our Stakeholders	Reduction in blocked invoices percentage via price queries,	2.01	Review P2P processes and roles in conjunction with CBS and Service areas.	2023	CPU Dev Team/CBS	New	Complete
2. To Provide Sustainable and Effective Procurement for our Stakeholders		2.02	Engage with suppliers and stakeholders to identify how we can improve and streamline our processes and inform mobilisation and exit strategies	2024	CPU Dev Team/HSCP	New	Green
2. To Provide Sustainable and Effective Procurement for our Stakeholders	Increase in 3 way invoice match increase	2.03	Form closer working relationships with COE's, other LA's, Agencies, Organisations and Partners and to benchmark processes and procedures.	2025	CPU Dev Team/HSCP	New	Green
2. To Provide Sustainable and Effective Procurement for our Stakeholders		2.04	Streamline and standardise Social Work and Corporate Procurement Unit processes and documentation.	2027	CPU Dev Team/HSCP	BAU	Green

Objectives	Key Performance Indicators	Action Reference	Proposed Action	FY	Owner	Action Status	RAG Status
2. To Provide Sustainable and Effective Procurement for our Stakeholders	Annual survey content	2.05	Identify procurement Information and Communication Technology (ICT) development requirements and work with our SITT Team and ICT provider to identify opportunities to implement them.	2027	CPU Dev Team/HSCP/Legal Services/service areas	BAU	Green
2. To Provide Sustainable and Effective Procurement for our Stakeholders		2.06	Undertake a wider Legal review of the council's terms and conditions to ascertain if these can be more flexible and appealing to suppliers/contractors, reflecting volatile market whilst mitigating the opportunity of risk for the Council.	2026	CPU Dev Team/HSCP/Legal Services/service areas	New	Green
3. Shape and Drive Innovation							
3. Shape and Drive Innovation	Increase innovation - via 3 Pre Information Notices (PIN)	3.01	Identify the challenges facing the council which could be explored via the innovative partnership route to market and obtain a greater knowledge of the relevant evolving marketplace and global innovative solutions.	2027	Service Area	New	Green
3. Shape and Drive Innovation		3.02	Advocate the benefits of SCOTLAND INNOVATES PORTAL and look to incorporate variant bids and increase the utilisation of PIN notices and Early Market Engagement into our tender process.	2025	CPU/HSCP	New	Green

Objectives	Key Performance Indicators	Action Reference	Proposed Action	FY	Owner	Action Status	RAG Status
3. Shape and Drive Innovation		3.03	Ensure specification take account of market challenges such as availability of materials and services and are more outcomes driven	2024	Service Area	New	Green
4. Support Community Wealth Building and Increase Local Economic Growth							
4. Support Community Wealth Building and Increase Local Economic Growth	Increase the Percentage of spend with SMEs where possible	4.01	Further investigation for SME'S, Social Enterprises, supported businesses and third sector against workplan/commodities and engagement with Econ Dev/SDP and running a number of events during the year.	2025	CPU Dev Team/HSCP	New	Green
4. Support Community Wealth Building and Increase Local Economic Growth	Increase the Percentage of relevant quotes including SMEs, social enterprises and local suppliers	4.02	Work more closely with Economic Development and SDP to shape new businesses (SME, Third Sector and Social Enterprises) that are pertinent and relevant to the council procurement workplan.	2027	CPU Dev Team/HSCP/Econ Dev	New	Green
4. Support Community Wealth Building and Increase Local Economic Growth		4.03	Explore how procurement can support Community Benefits Wishlist's and community priorities such as poverty reduction and improve equality	2027	CPU Dev Team/Community Partnerships	New	Green

Objectives	Key Performance Indicators	Action Reference	Proposed Action	FY	Owner	Action Status	RAG Status
4. Support Community Wealth Building and Increase Local Economic Growth	Increase Percentage of spend with local suppliers where possible	4.04	Continue to support the national meet the buyer event, to hold at least one annual GCC meet the buyer event and relevant tender talk session in conjunction with the SDP.	2027	CPU/HSCP	New	Green
5. Procurement to be a strategic partner							
5. Procurement to be a strategic partner		5.01	Promote and create a better understanding of the procurement process and procedures across the council.	2024	CPU	New	Green
5. Procurement to be a strategic partner	Level of procurement engagement re the development of relevant strategies	5.02	Further develop our communication strategy for our internal and external stakeholders which aligns with the council's customer strategy.	2023	CPU Dev Team/HSCP	New	Complete
5. Procurement to be a strategic partner		5.03	Look to develop interactive methods of sharing data.	2024	CPU Dev Team/HSCP	New	Green

Objectives	Key Performance Indicators	Action Reference	Proposed Action	FY	Owner	Action Status	RAG Status
5. Procurement to be a strategic partner	Increase the number of strategic boards that procurement attend	5.04	Engage with Education to consider how we can promote procurement at career events with a view to grow our own and succession planning.	2025	CPU Dev Team/HSCP/Education	New	Green
5. Procurement to be a strategic partner		5.05	Increase understanding on what can be delivered under partnerships /grant funding and what is governed by the procurement rules.	2024	CPU Dev Team/Legal Services/Service Areas	New	Green
5. Procurement to be a strategic partner		5.06	Continue to support the delivery of Council strategy and policies and motions (e.g. climate plan, city deal sustainable, economic dev, RLW Employer) action to cover council strategy requirements.	2027	CPU/HSCP/Service Areas	New	Green
5. Procurement to be a strategic partner		5.07	Strategy Owners/Service Areas to engage with procurement to ensure procurement actions are achievable.	2027	CPU/HSCP/Service Areas	New	Green

Objectives	Key Performance Indicators	Action Reference	Proposed Action	FY	Owner	Action Status	RAG Status
6. Support Council Financial Challenges							
6. Support Council Financial Challenges	Reduction in non-contract spend via the soar process and non-contract spend within contracts mitigate price increases	6.01	Continue to target savings via demand management activities, rationalise and standardise products and monitor contract and non-contract spend via the SOAR process.	2027	CPU/Service Areas	BAU	Green
6. Support Council Financial Challenges		6.02	Look to develop opportunities for open book/gain sharing incentivisation models approach across our workplan.	2024	CPU/HSCP/Service Areas	New	Green