
Report to Resources & Audit Committee

Date of Meeting: February 2015

Subject: Procurement Annual Report

Report by: Head of Resources & Governance

1.0 Purpose

- 1.1. This report updates the committee on key procurement activity and statistical performance during the Financial Year 2013-14 and provide an update on the Procurement Capability Assessment in 2014.

2.0 Recommendations

- 2.1. It is recommended that Committee notes the report, commenting and challenging as appropriate.

and

- 2.2. Notes that a paper will be presented to Council on the Revision of Contract Standing Orders.

3.0 Considerations

- 3.1. The report is the second report presented to the Committee to provide Elected Members with greater visibility of all the Council's procurement activity.
- 3.2. The Report gives a snap shot on how procurement is organised within Clackmannanshire Council and resources are being utilised to deliver effective procurement.
- 3.3. The financial analysis has been carried out using the Spikes Cavell tool (observatory) with financial data supplied from the Council's Strategix System for the 2013-14 financial year. The observatory is a unique collaborative project designed to enable public sector organisations across Scotland to gather comprehensive supplier, spend and performance information.
- 3.4. In addition the report provides:

A high level view of the Procurement Capability Assessment for 2014.

- Exception reports

- Scottish Procurement Savings
- Scotland Excel savings
- Spike Cavell Charts detailing key statistics

3.5 Key issues identified in the report are:

- Approval for a replacement financial system has been granted by the Council and we have started to scope out the requirements of a new financial system which we intend to be in place within the next few years. The replacement of the system will realise benefits of end to end processing by fully supporting the e-procurement (purchase to pay process) and will also enhance the procurement and finance governance arrangements.
- The Procurement Matters Group recommended changes to paperwork (Tender Accepted and Contract Award Report) to help identify savings and efficiency gains. This should make it easier to work with Finance when budgets need to be realigned and also helps to capture true spend.
- Several training courses have been delivered both internally and externally with the Procurement Matters Group and contract management training is being undertaken to 16 staff.

4.0 Sustainability Implications

- 4.1. The report refers to maximising the local benefit of procurement by engaging with local businesses to increase awareness of opportunities to provide the council with services or supplies.
- 4.2. Figures suggest that we have improved the annual share of spend with local suppliers from 25.3% to 29.72%, an increase of 4.4% in the last financial year.
- 4.3. We will continue to provide support to local businesses to ensure they are able to respond to opportunities to provide the council with services or supplies.

5.0 Resource Implications

5.1. *Financial Details*

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

5.4. *Staffing*

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes NA

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Procurement Update Report

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

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Resources and Governance Procurement

Update report January 2015



Making Clackmannanshire Better

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1. Purpose

This report provides an update on procurement activity within Clackmannanshire Council and provides an overview of the resources that are available to deliver effective procurement and the actions taken to ensure that procurement conducted is effective and efficient as possible.

2. Introduction

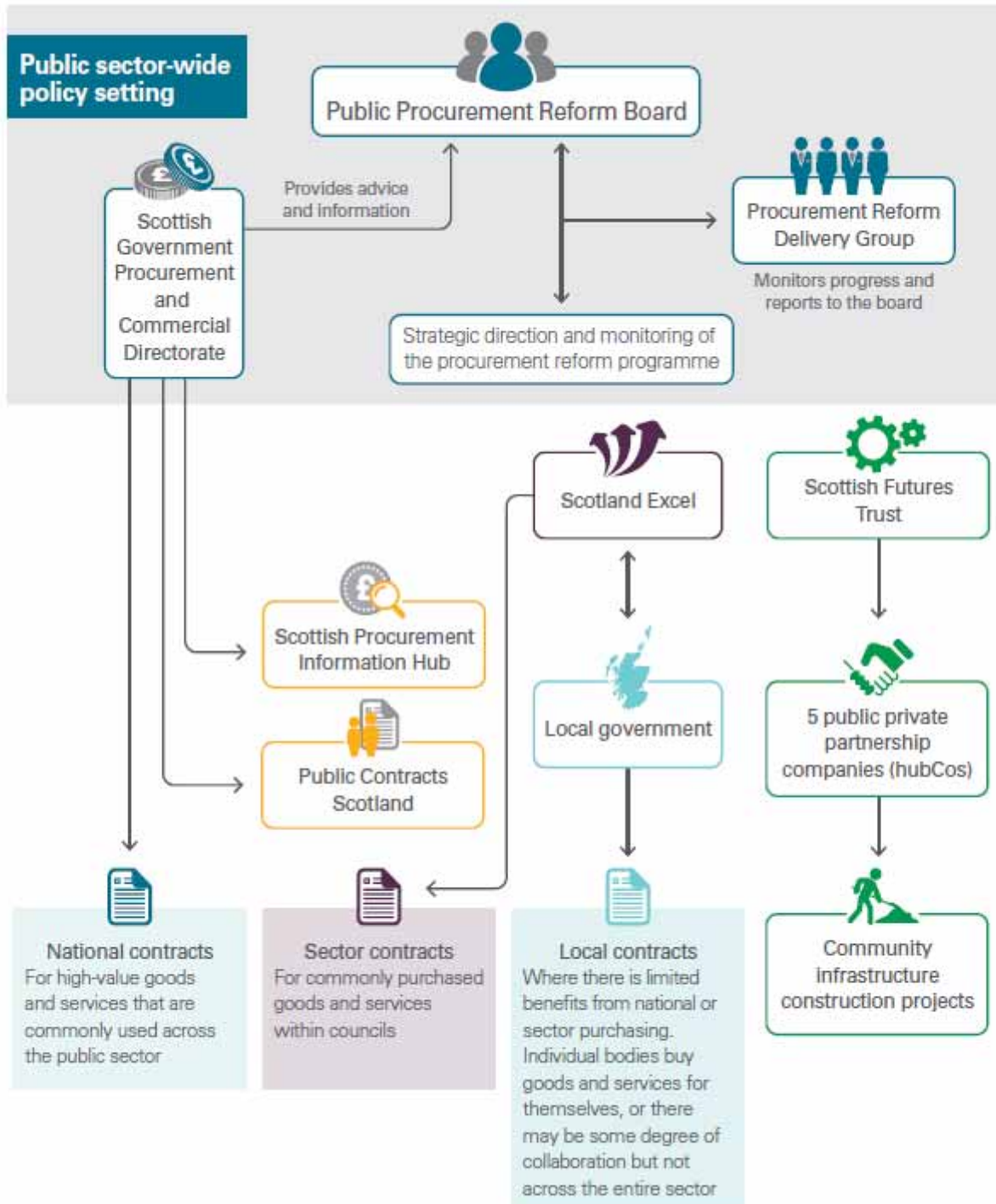
Since 2006, Scottish Government and Scotland Excel initiatives have led to significant changes in Councils' procurement practices. In March 2006, the Scottish Government published the Review of Public Procurement in Scotland (The McClelland Report). The report concluded that public sector structures, people and technology were not in place to improve how the public sector buys goods and services and that the public sector needed to improve quickly.

Since then, the Scottish Government has implemented several measures that have changed the organisation of public sector procurement and have established a new procurement landscape (**figure 1**). this includes:

- The Public Procurement Reform Board (PPRB) – established in 2006, the PPRB brings together leaders from across the public sector. Although it has no formal powers to direct public bodies, its members promote procurement reform and influence their sectors.
- The Scottish Procurement Information Hub (The Hub) – also established in 2006, the Hub uses data from public bodies' payment systems to produce a broad picture of public sector spending. It provides a starting point for public sector bodies to identify areas of spend common suppliers and spend with small and medium-sized enterprises (SMEs). Councils also populate the Hub with information on their Best Practice Indicators (BPIs)
- Public Contracts Scotland – launched in 2008, this website is the platform for all public bodies in Scotland to advertise and tender public sector contracts. It aims to promote efficiency and to give suppliers open access to contract opportunities.
- The Scottish Futures Trust (HUBCO) – established in 2008 as a limited company, and wholly owned by Scottish ministers. Its purpose is to facilitate and improve the procurement and delivery of public sector construction projects.
- The Single Point of Enquiry – this was established in 2008 as an independent, impartial and confidential service for suppliers. It offers advice on procurement rules and works with suppliers and public sector bodies to resolve concerns about tender exercises.
- The Procurement Capability Assessment (PCA) – in 2009, the Scottish Government introduced a new tool to assess all public bodies' purchasing activity and to promote improvement.

In addition to councils and groupings of councils, other organisations are involved in supporting improved procurement in councils. The main ones are the Scottish

Government, Scotland Excel and the Scottish Futures Trust . Councils also have access to frameworks and framework contracts set up by councils and groups of councils in Scotland and the rest of the UK. These relationships are illustrated in Figure 1.



Source: Audit Scotland

3. Clackmannanshire procurement position background & key statistics

The financial analysis and procurement category of spend has been carried out using The Scottish Procurement Information Hub (The Hub) supported by Spikes Cavell with financial data supplied from the Council's Strategix system for the 2013/14 financial year. The Hub is a unique collaborative project designed to enable Scottish public sector organisations to gather comprehensive supplier, spend and performance information and to use that data to share best practice, improve joint working and increase efficiency.

Tables 1 and 2 summarise the key statistics for the 2013/14 on the Council spend on goods, services and works with trade creditors.

Table 1: Key Statistics

Number of Suppliers - Trade Creditors	2,736
Total Value of Procurement Spend	£65,203,206
Number of Invoices	49,825
% Spend with SMEs	63.65%
% Spend Locally	22.05%*

* This does not include expenditure via The Scottish Futures Trust (HUBCO) with local construction suppliers valued at just under £5m.

Table 2: Procurement activity in Public Contracts Scotland Portal

Quick Quotes	
Quick Quotes Distributed	29
Quick Quote Awards	28
Site Notices	
Site Contract Notices Published	27
Site Contract Award Notices	39

A summary of Clackmannanshire's overall spend in percentage terms is shown in Table 3. approximately:

- 34% of expenditure is in the Civil / Works Sector
- 30 % of expenditure is in the Social Services Sector
- 12% of expenditure is in the Facilities Management Sector

Table 3: Overall Spend

Proclass Level 1	Total Spend £	Total Transactions	Total Suppliers	Cost Centres	% Of Spend	% Of Invoices
Social Community Care	16,489,391	2,722	93	39	26.93	5.96
Development Agencies - HUBCO	10,116,045	272	14	44	16.52	0.60
Construction	9,632,345	2,759	111	199	15.73	6.05
Utilities	5,332,322	3,640	15	132	8.71	7.98
Information Communication Technology	2,807,541	5,693	104	349	4.58	12.47
Construction Materials	2,524,955	8,892	95	148	4.12	19.48
Facilities & Management Services	2,489,141	3,139	76	223	4.06	6.88
Environmental Services	1,893,804	1,283	43	137	3.09	2.81
Vehicle Management	1,814,150	1,578	61	44	2.96	3.46
Public Transport	1,553,434	788	31	53	2.54	1.73
Human Resources	1,396,516	1,734	60	108	2.28	3.80
Catering	1,181,510	4,489	35	144	1.93	9.84
Financial Services	1,042,835	1,216	31	158	1.70	2.66
Furniture & Soft Furnishings	547,824	815	19	64	.89	1.79
Education	337,050	1,078	54	152	.55	2.36
Legal Services	274,249	74	14	27	.45	0.16
Healthcare	266,348	1,064	42	35	.43	2.33
Horticultural	261,477	258	25	17	.43	0.57
Street & Traffic Management	214,927	185	10	15	.35	0.41
Consultancy	185,581	133	21	61	.30	0.29
Cleaning & Janitorial	164,393	981	19	144	.27	2.15
Arts & Leisure Services	143,132	88	17	31	.23	0.19
Highway Equipment & Materials	126,955	125	13	29	.21	0.27
Mail Services	122,672	238	7	19	.20	0.52
Stationery	122,601	1,404	12	171	.20	3.08
Clothing	69,118	587	9	44	.11	1.29
Sports & Playground Equipment & Maintenance	53,305	96	12	31	.09	0.21
Health & Safety	50,475	233	4	47	.08	0.51
Domestic Goods	17,047	54	4	28	.03	0.12
Cemetery & Crematorium	7,057	16	2	2	.01	.04
Housing Management	3,060	4	1	1	.01	.01

Appendix 1 provides more detail of the categories of spend and detail of the expenditure with individual suppliers.

Table 4 provides the range of invoice values. A large number of invoices are being processed for relatively low values that create an administrative cost to the council. Plans will be made to analyse the lower value spend and consolidate smaller payments on to fewer invoices with suppliers.

Overall, spend is relatively evenly distributed amongst small and medium sized enterprises and where possible Clackmannanshire Council seeks to place orders locally and performance compares favourably with other Local Authorities. Spend by locality does not include £5m of local expenditure via Hubco on infrastructure projects which, if included, raises the overall local expenditure to 29%.

Table 4: Invoice distribution by range of invoice values

Invoice Range	Number	% of Invoices	Value £	% of Spend
More than £250,000	21	0.04	11,060,432	17.07
£50,001 to £250,000	152	0.33	15,254,289	23.54
£10,001 to £50,000	839	1.79	17,652,058	27.24
£1,001 to £10,000	5,369	11.48	14,799,886	22.83
£501 to £1,000	4,308	9.21	3,116,441	4.81
£101 to £500	14,281	30.54	3,350,667	5.17
£51 to £100	6,210	13.28	460,868	.71
Less than £51	14,439	30.87	321,358	.50
Credits	1,150	2.46	-1,203,201	-1.86

Table 5: Percentage of spend by supplier size.

Supplier Size (Composite)	% Of Spend	% Of Invoices	% Of Suppliers
Large Company	36.35	50.13	23.11
Medium Company	28.70	22.63	30.18
Small Company	34.95	27.24	46.70
SME	63.65	49.87	76.89

Table 6: Percentage of spend by Locality.

Proximity	% Of Spend	% Of Invoices	% Of Suppliers
Elsewhere	78	81	88
Local*	22	19	12

4. Annual procurement savings achieved

Appendix 2 illustrates Clackmannanshire's participation in national contracts under the Category A, Scottish Government procurement savings, Category B, Scotland Excel procurement savings and Category C, Clackmannanshire savings

Scottish Government procurement (Cat A) savings

The Scottish Government provide a contract by contract cash saving description using various methods depending on the contract type. A full breakdown of Scottish Procurement Savings nationally is at Appendix 5.

Scotland Excel - Local authority sector contracts (Cat B) savings

Scotland Excel estimate potential savings for each new collaborative contract. It bases its calculations on the total spend of participating councils in the previous year(s) and current market data. It works closely with the council to develop its savings estimates and the council agree these estimates during the contract development process.

Scotland Excel calculates savings using the percentage saving that the council might achieve if it opted for the best value supplier in a framework agreement. When the contract becomes operational, Scotland Excel collects spend information from suppliers and applies the expected percentage saving to the actual spending on the contract.

Scotland Excel reports savings to councils through quarterly business review reports and to its governance committees. Its method of calculating savings may not always reflect the savings achieved by councils for the following reasons:

- The cheapest option in the framework may not be available to the council.
- The council may not choose the cheapest supplier from those in the framework, for example they may not choose the cheapest tyres in a framework contract if higher cost but better quality tyres have a lower whole-life cost to the council.
- A council may join a contract after Scotland Excel has awarded it and the saving may be higher or lower depending on the price in the council's predecessor contract.

A full breakdown of Scottish Excel Savings is at Appendix 6.

Clackmannanshire procurement (Cat C) savings

The business case for Corporate Procurement clearly outlines the opportunities to maximise value for money by identifying service benefits and efficiencies through a consistent and corporate approach to procurement. To drive the progress of the business case the Procurement Matters Group (see Section 6) was developed to bring together key professionals from the council with procurement responsibilities.

A breakdown of Clackmannanshire Council Savings is at Appendix 7

Scottish Procurement Best Practice Indicators (BPIs)

The McClelland Report stated that:

'the absence of consistent and reliable data will inhibit understanding, proper attention and essential action. Indeed, without the reported information ... it is difficult to create an environment in which performance can be properly assessed and its improvement encouraged'.

To address this, it was agreed that a common, core set of National Procurement Best Practice Indicators (BPIs) should be developed. The set of BPIs have been designed to be applicable and useful to procurement teams across the Scottish public sector and are aligned to key performance areas, which are:

- Core Deliverables
- Organisational Capacity
- Key Processes

Figure 2 is the balanced scorecard of BPIs and their corresponding key performance Areas. The BPIs are designed to help managers and public procurement officials monitor progress against the key performance areas and national vision. The BPIs are not ranked so no league table has been developed however the average Local Government score is calculated so comparison across Local Authorities is possible.

Clackmannanshire's comparative performance is illustrated in Table 8. Some BPIs are missing from Table 8 are because the performance data is not yet available.

Figure 2: Best Practice Indicators - Balanced Scorecard

	Key Performance Area	Best Practice Indicator
Core Deliverables	<ul style="list-style-type: none"> To provide a value-for-money service that delivers financial savings 	1. Total savings achieved year-on-year
Key Processes	<ul style="list-style-type: none"> Working effectively across public procurement sectors and organisations Ensuring effective contract and supplier management Communicating effectively and ensuring productive stakeholder and customer relations 	<p>4. % of annual procurement spend that is channelled through a collaborative contract with other publicly funded bodies</p> <ul style="list-style-type: none"> Supplier Satisfaction Questionnaire (<i>Specific question on procurement function's engagement with suppliers during the life of a contract</i>) Customer Satisfaction Questionnaire (<i>Specific question on visibility and helpfulness of procurement team/guidance</i>)
	<ul style="list-style-type: none"> Ensure compliance with good procurement practice 	<p>5. Compliance (to identify 'maverick' spend) -</p> <ul style="list-style-type: none"> 5(a) % procurement spend with contracted suppliers 5(b) % procurement spend with contracted suppliers on contract (will be implemented in future)
Organisational Capacity	<ul style="list-style-type: none"> Ensure effective governance and accountability of procurement 	<p>7(a) % of procurement officers who hold the professional procurement qualification, Member of Chartered Institute of Purchasing and Supply (MCIPS)</p> <p>7(b) % of procurement officers with an appropriate procurement qualification</p> <p>7(c) % of procurement spend actively influenced by procurement professionals</p>
	<ul style="list-style-type: none"> Ensuring the procurement process is resourced by skilled staff appropriate to spend and commodity 	<p>8. % procurement officers (FTE) who are undertaking any formal training towards a procurement qualification.</p> <p>Supported by the financial indices:</p> <ul style="list-style-type: none"> Number of Procurement Staff (FTE) (Financial Index) Procurement Department Cost per £ of Spend (Financial Index) Procurement Department Spend per professionally qualified procurement officer
	<ul style="list-style-type: none"> Adopting and end-to-end e-procurement service 	<p>9. The following measures will be recorded individually, and automatically combined into an overall e-procurement maturity level for each organisation:</p> <p>a. % electronic contract notice</p> <p>b. % electronic award notice</p> <p>c. % contracts through e-sourcing (e.g. electronic tendering)</p>

		systems) d. % total transactions that are e-transactions (through an e-procurement system) e. % payments processed via e-payment system (i.e. through e-invoicing, e-consolidated billing/self billing, and first time automated match from purchase order to invoice)
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Table 7: Clackmannanshire Council Best Practice Scorecard.

BPI	Scottish Local Authority Average	Clackmannanshire Council
BPI1 - % Total cash savings	0.87 %	1.62 %
BPI4 - % procurement spend through collaborative contracts	8.68 %	9.62 %
BPI5 - % procurement spend with contracted suppliers	38.42 %	32.26 %
BPI7c - % of procurement actively influenced by a procurement professional	48.43 %	49.80 %
BPI 7d - % procurement officers with delegated purchasing authority	19.23 %	14.29 %
BPI9a - % electronic contract notice	89.18 %	81.60 %
BPI9b - % electronic award notice	87.90 %	67.74 %
BPI9d - % e-transactions	27.97 %	8.19 %
BPI9e - % payments processed via e-payment system	18.99 %	21.40 %

Action is being taken to improve scores specifically on the purchase to pay process. As there is no dedicated electronic purchasing system within the Council the requirements for a new financial system are being scoped. This will improve considerably procurement practice and drive up a number of the BPI's e.g. e-transactions, electronic awards.

5. Procurement capability assessment

The Scottish Government introduced the Procurement capability assessment (PCA) to assess procurement capability in important areas against common criteria and standards and to help councils continuously improve. The PCA process involves an annual assessment visit by Scotland Excel staff.

The PCA uses 52 questions in eight sections. to assess councils' capability. For each question, Scotland Excel rates councils' capability from level 0 to level 3 and calculates a percentage score for each section and an overall percentage. Ratings are:

- 0–24 per cent – non-compliance
- 25–49 percent – compliance
- 50–74 per cent – improved performance
- 75 per cent or over – superior performance.

The Council scored 45% in 2014-15 which shows continuing improvement.

Table 8: Procurement Capability Assessment

KPI	2012/13	2013/14	2014/15
Percentage score in procurement capability assessment	31%	37%	45%

Clackmannanshire is one of four councils who have not yet achieved the 'improved performance' target level of 50% set by the PPRB (Clackmannanshire, East Dunbartonshire, Orkney Islands and Shetland Islands).

However, the assessment has clearly demonstrated that the Council had improved significantly in the following areas:

- Defining the supply need: from 33% to 44% an improvement of 11%
- Procurement commodity / project strategies & collaborative procurement: from 47% to 53% an improvement of 6%
- Contract and supplier management: from 10% to 24% an improvement of 14%
- Key purchasing processes and systems: from 7% to 13% an improvement of 6%
- People: from 44% to 56% an improvement of 12%
- Performance measurement from 44% to 56% an improvement of 12%

A summary diagram and assessors' comments showing the progress of Clackmannanshire against the PCA criteria is at Appendix 3.

6. Effective corporate procurement

In December 2012 a paper, outlining the business case for opportunities to maximise value for money through effective corporate procurement was agreed. The preferred solution was to introduce a matrix management approach to drive forward business improvements using a service-based approach.

A project implementation plan was subsequently developed to support a council-wide approach to procurement covering all service areas. Key procurement staff has been identified and the "Procurement Matters Group" is now functioning.

28 staff was initially identified although this is being rationalised so a more focussed group can operate.

Briefing sessions to discuss and consider the way in which the objectives of the business case and associated savings can be delivered have been undertaken with £100k of savings identified for 2014 -15.

Several training courses have been delivered to the identified employees.

A central contract register has been created with responsibility for update and maintenance being shared between those employees with procurement responsibility.

The key benefits expected from are highlighted in Table 9.

Table 9: PMG Benefits Plan

Service	Council
<ul style="list-style-type: none"> • Services will benefit from savings achieved through a consistent and corporate approach to procurement • Services will maintain expertise and knowledge at service level but will benefit from improved training and support of the procurement function. • Relationship management (supplier) takes place at the centre, freeing up service resource 	<ul style="list-style-type: none"> • Council will be achieving Best Value • A corporate approach to procurement will deliver savings that will assist the council to operate within the reduced funding levels in future years. • Risk of challenge for non-compliance with procurement legislation is reduced. • Improved Management Information available for all stakeholders.

Actions to date

- Changes to Form 2 (Tender Accepted and Contract Award Report) to make it more efficient for finance to re-align budgets as necessary and attribute savings. This approach has led to savings being properly allocated to service budgets providing a better reflection of where savings can be delivered when budgets are set.
- Identification of £100k of savings for 2014/15 and has been reflected in service budgets.
- The tender and quote templates have been amended. These now provide a consistency of approach across the Council and also has made documentation easier for suppliers to use.
- Competency questionnaires have been completed and specific training plans developed for individuals. This resulted in contract management training being undertaken by 16 staff and a number of individual specific training having been undertaken.
- Meetings take place every month with every second meeting dealing with a specific topic. These to date have been on:
 - The Procurement Journey - Specifically the forms and templates that are used
 - The Quick Quote Process - Focusing on supplier selection
 - The Procurement Capability Assessment - Specifically explaining the types and quality of evidence required
- A Forth Valley Meet the Buyer event in Alloa Town Hall was staged on 6th November 2014 with neighbouring Councils and a number of national institutions.
- A weekly drop in session in Kilncraigs for potential suppliers have now been established.

Areas for improvement:

- Identification of future tendering plans - this will allow greater collaboration internally as well as externally.
- Contract management - the majority of appropriate contracts need to have an implementation plan that include targets and timescales to ensure uptake.
- There requires to be plans in place to deal with off-contract spend. With on /off contract spend based on analysis of organisational spend data.
- Consumption to be monitored against forecasts.
- Increase supplier reviews to improve ad hoc service, process or product improvements.

7. Procurement strategy

In January 2009, the Council approved the procurement strategy and an accompanying procurement improvement plan. The strategy provided a common framework for all procurement management where greater efficiency, accessibility and flexibility are priorities. The strategy was not an end in itself, but the framework by which the Council's aspirations and priorities could be progressed. The strategy and its appendices, provides a coherent approach to the adoption and application of innovative procurement practices.

A paper will be prepared for Council in 2015 which will provide an update on the current strategy and will make proposals for a procurement strategy for 2016 - 2019, which will comply with the procurement reform bill once the consultation and the statutory guidance has been published and changes to the EU procurement directive.

8. Local suppliers

Local suppliers are important stakeholders in the community and setting up and encouraging two-way communication with them helps to fulfil the Council's broader social objectives as follows:

- The use of Community Benefit (CB) clauses provides a method of including social and economic matters in public contracts for the supply of goods, services or works. CB clauses need not cost more and they require contractors working on public sector contracts to put something back into the community.
- The identification of new suppliers where there may be shortages or lack of competition
- Help local suppliers sell themselves to major companies as potential sub-contractors when large contracts are due to be let by the Council
- Expose the Council to new ideas, products and services from local suppliers and allow them to be routed to the appropriate officer

Work continues with local suppliers to provide where possible opportunities to work with the Council. There have been a number of events with Clacksfirst bid team and Clackmannanshire works which have met with positive feedback.

64% of spend is with SME's which is 11% greater than the Scottish local authority average spend and 30% of our spend is with local suppliers which is 2.7% greater than the Scottish local authority average.

9. Contract standing orders

The Council's Procurement processes and procedures are documented in Contract standing orders and financial regulations. These standing orders are made under Section 81 of the Local Government (Scotland) Act, 1973 and apply to the making of all contracts by or on behalf of Clackmannanshire Council. The standing orders are subject to any overriding requirements of the European parliament on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts and The Public Contracts (Scotland) Regulations 2012.

Contract standing orders set out a framework of procedural rules, behaviours and standards applicable to procurement activity. Compliance ensures value for money, propriety and the proper spending of public money and ensures that the Council is fair and accountable in its dealings with contractors and suppliers.

These were due for a full review in 2014 but due to significant changes in EU Procurement Legislation and Scottish Procurement Legislation (Procurement Reform Bill) a lighter touch will be undertaken to address any issues in their operation since their last review. Once the full implications of the legislative changes are clear and advice is provided by the Scottish Government on how to implement these changes a full review will be undertaken and a report to Council submitted for consideration.

Exceptions to contract standing orders are documented and a full report on the exceptions noted in 2013/14 is at Appendix 4.

10. Purchasing system

There is no dedicated electronic purchasing system within the Council. Approval for a replacement financial system has been granted and work has started to scope out the requirements of a new financial system, which is planned to be in place during 2016/17. The replacement system will realise benefits of end to end processing by fully supporting the e-procurement (purchase to pay process) and will also enhance the procurement and finance governance arrangements. However, the manual purchasing process currently in place is consistently applied.

Purchasing cards have been used successfully in Property Services, Catering, Education and Corporate Services with the cards being accepted by many suppliers leading to significant reductions in the numbers of invoices processed, processing costs and payment times to suppliers.

11. Purchasing cards

Due to its manual invoice, system the Council found difficulties in meeting national performance indicators to pay suppliers within 30 days. Since 2003, a partnership with Barclaycard through the Government Procurement Card (GPC Visa) contract has enabled authorised staff to conduct low-value transactions quickly and to consolidate large numbers of invoices from multiple suppliers into a single monthly invoice, thus removing process costs and improving management information. There is a potential efficiency saving of £28 per transaction compared to the full manual process.

As GPC pays suppliers in as little as four days it allows the Council to support the Scottish Government's pledge to pay SME's within 10 days.

The arrangement also makes it easier to monitor compliance with procurement policies such as delegated authority levels as the following can be set:

- different levels of purchasing authority for staff
- built-in safeguards such as monthly credit limits
- business sector category restrictions

In 2013 -14 the Council made 33,076 purchase card transactions with a net aggregated spend of £2.4m with 58 cardholders

Table 10: Top 20 suppliers and business sector of spend by total expenditure

Supplier Name	Transaction Value £	Lines	Business Sector
Brake Grocery	383,192	12,357	Food, Beverage & Catering
GRAHAM	283,736	3,054	Construction
Jewson Ltd	108,283	2,204	Construction
BUNZL CATERING SUPPLIES	102,308	1,379	Food, Beverage & Catering
SMITH & FRATER	97,850	66	Construction
Edmundson Electrical Limited	92,663	605	Construction
McLays Ltd	83,282	762	Food, Beverage & Catering
BSS PTS	75,148	1,450	Construction
PLUMB CENTER UM	69,013	376	Construction
CONTOUR SHOWERS LTD	63,198	96	Facilities Management
JOHNSTONES DEC CTR	61,287	740	Construction
JOINERY & TIMBER CREAT	55,134	32	Facilities Management
REXEL SENATE DUNFERLIN	46,242	37	Construction
ROSS ELECTRICAL	41,590	380	Construction
HTTP://WWW.HOMEVENTILA	40,543	18	Marketing & Media
WHITE MILNE AND CO	38,972	1,424	Construction

Beatson Building Supplies Limited	38,034	359	Construction
Tesco Stores Ltd	36,991	501	Retail & Wholesale
WWW.UK.INSIGHT.COM	30,740	38	ICT
Thornbridge Sawmills Limited	29,906	232	Construction

A further benefit of a new finance System, is a reduced reliance on purchase cards to meet the national performance indicators and to undertake smaller transactions. Whilst GPC cards have obvious business benefits some categories of spend, require closer management as the average transaction costs in some cases cannot be considered low value. Further monitoring of the used of GPC cards will need to take place to ensure compliance with procurement standards and value for money is being achieved.

12. The Scottish procurement agenda

Several new pieces of legislation will be changing the regulatory framework for public procurement across the Scottish public sector:

- Procurement Reform (Scotland) Act 2014
- Three new EU Directives:
 - EU Procurement Directive (Classic) – on public procurement
 - EU Procurement Directive (Concessions) - on the award of concession contracts
 - EU Procurement Directive (Utilities) - on procurement by entities operating in the water, energy, transport and postal services sectors

The Act provides Ministers with powers to make regulations and to issue statutory guidance on issues such as workforce matters and the sustainable procurement duty. The new duties will not come into effect until a commencement order and further regulations are in place, likely to be towards the end of 2015.

Work on the development of the regulations and the supporting statutory guidance is being taken forward together with work on the regulations that are required to ‘transpose’ the three new EU Directives into Scots law.

Key milestones and timescales for implementation

- EU Procurement Directives came into force on 17 April 2014
- Procurement Reform (Scotland) Act 2014 received royal assent on 17 June 2014
- Stakeholder engagement with interested parties throughout 2014
- A formal 12-week consultation towards the end of 2014 early 2015, covering:

- Regulations required to fully implement the Act and
- Policy principles and options available to member states through the directives
- Responses to the consultation will be considered and inform the policy principles for inclusion in the new regulations
- The new regulations are expected to be in place towards the end of 2015

In addition to this, Scottish procurement recently published information on the implementation of the EU Directive for [electronic invoicing in public procurement](#) which came into effect 16 April 2014 and is to become law by amendment to the Scottish Regulations ([Public Contracts \(Scotland\) Regulations 2012](#)) no later than 27 November 2018.

While central government and the NHS must comply by this deadline, The Council may have up to a further 12 months.

The directive requires that contracting authorities are able to receive e-Invoices and make payment electronically for all contracts regulated under the EU procurement directives. However, while the acceptance of e-Invoices by all contracting authorities is mandatory, the exchange of invoices in other formats will still be allowed if both the contracting authority and supplier agree.

A formal 12-week consultation with stakeholders will take place by the end of 2017.

Guidance will be developed for contracting authorities, suppliers and others affected by the directive e.g. trade bodies, buyer community, etc. The guidance will be designed to aid compliance with the new legislation. This will lead to further changes to the regulatory framework for public procurement across the Scottish public sector.

13. Other activities - Looking forward

Procurement journey documentation

Changes to documentation, notably the Council's Form 1 and Form 2 will ensure that budgetary authority is given before and after tenders are sought and awarded. This provides a more structured and procedurally compliant approach across the council and will identify savings at the outset of the procurement project.

Finance system reporting functionality

The existing finance system has enhanced reporting functionality that assists in preparing the Council's Spikes Cavell annual supplier and spend analysis requirement. The Spikes Cavell report breakdown is at Appendix 8.

There have been a number of transactions which have in the past been mis-coded, and data entry validation processes are being strengthened to reduce the possibility of this occurring in the future.

Currently only transactions from purchase order invoices and purchase invoices entered directly into the purchase ledger are considered for the Spikes Cavell return. Other types of spend, recorded on other Council systems or entered directly into the general ledger will be considered for inclusion in future returns.

The Current supplier file has over 50,000 records and has over the years been given a number of different categorisations. The file requires to be cleaned and the number of categories available to anyone setting up a new supplier or editing the records has been restricted.

Contract register

The contract register is now publically available and is updated on a regular basis

Spotlight on Spend

"Spotlightonspend" (<http://www.clacksweb.org.uk/council/spotlightonspend/>) is an on-line platform that seeks to deliver meaningful visibility of Clackmannanshire Council's spending on goods and services bought from suppliers in the last financial year.

The website is run by Spikes Cavell, a private company that classifies payment data into clear and consistent categories that makes spending information more accessible. Significant effort is required to improve the raw financial data so that it is accessible, relevant and of value to the general public.

As with any classification, some expenditure can end up in unexpected categories. This is likely to happen when more than one kind of item is procured from the same supplier. Despite this, the method of presentation still provides the public with good quality, easily accessible information on Council spending and has already provided positive feedback from suppliers and has led to a reduction in the time taken on separate freedom of Information enquiries.

Appendix 1 Top 50 categories of spend by total expenditure

The Thomson classification is based on the core business of the supplier

Trade Classification (Thomson)	Total Spend	Total Transactions	Total Suppliers	% Of Spend
Development Agencies (HUB EAST CENTRAL SCOTLAND LTD)	10,024,491.16	33	3	16.37
Nursing Homes	6,282,336.77	647	22	10.26
Home Care Services	3,339,375.16	326	6	5.45
Property Maintenance & Repairs	2,754,676.56	187	6	4.50
Adoption & Fostering	1,850,346.08	670	11	3.02
Residential Care Homes	1,584,952.70	418	24	2.59
Civil Engineers	1,508,640.65	76	7	2.46
Water Companies	1,434,533.01	119	2	2.34
Social Services	1,383,405.06	361	12	2.26
Gas Companies	1,370,542.18	1,168	3	2.24
Builders	1,317,172.94	172	6	2.15
Electricity Companies	1,310,107.32	2,289	6	2.14
Facilities Management	1,278,524.25	29	2	2.09
Disability & Special Needs - Services	1,112,391.18	173	10	1.82
Computer Systems & Software (development)	1,080,270.66	279	42	1.76
Childcare Services	926,020.59	112	4	1.51
Employment & Recruitment Agencies	924,098.24	1,278	12	1.51
Coach Hire	846,094.46	208	5	1.38
Waste Disposal Services	844,445.86	103	5	1.38
Solar Energy Equipment	811,932.45	17	1	1.33
Building Refurbishment & Restoration Contractors	774,507.42	11	2	1.26
Insurance - Other	736,807.03	21	3	1.20
Recycling Services	462,244.71	80	2	.75
Electricians & Electrical Contractors	447,831.83	307	6	.73
Roofing Services	419,935.67	134	6	.69
Quarries	415,455.50	698	2	.68
Catering Food & Drink Suppliers	414,008.16	815	2	.68
Plumbers' Merchants	405,940.54	1,287	6	.66
Energy Efficient Products & Services	397,568.72	20	4	.65
Oil Fuel Distributors	395,659.87	40	1	.65
Building Services	383,305.03	51	6	.63
Commercial Vehicle Dealers	355,825.40	118	3	.58
Taxis & Private Hire	351,569.95	460	17	.57
Builders' Merchants	338,521.49	1,758	7	.55
Electrical Wholesalers	336,742.88	1,098	11	.55

Computer Systems & Software (sales)	309,074.82	256	14	.50
Mini Bus Hire	307,575.53	25	1	.50
Office Equipment Mnfrs & Distributors	279,059.72	1,370	2	.46
Insulation Installers	262,226.00	7	1	.43
Furniture - Retail	244,845.74	636	2	.40
Solicitors	237,751.21	44	7	.39
Commercial Vehicle Bodybuilders & Repairers	229,953.74	25	3	.38
Computer Support & Services	224,485.35	55	8	.37
Office Furniture & Equipment	222,410.25	107	7	.36
Petroleum Products - Mnfrs	222,146.15	12	1	.36
Plant & Machinery Hire	220,855.96	243	7	.36
Motor Factors	217,494.22	407	2	.36
Traffic Management Systems	212,461.53	184	9	.35
Computer Mnfrs	198,904.45	54	4	.32
Security Equipment Installers	189,631.76	252	2	.31

Top 50 Suppliers by total expenditure

Supplier Name	Aggregate Spend	Transactions	Average Invoice Value
HUB EAST CENTRAL SCOTLAND LTD	10,019,346.16	29	345,494.70
Kingdom Care (Hillview) Ltd	3,318,060.88	177	18,746.11
INDEPENDENT LIVING SERV	3,200,090.81	127	25,197.57
Mitie Property Services(Scotland)Ltd	2,299,930.57	12	191,660.88
Business Stream	1,433,418.49	118	12,147.61
Clackmannanshire Educ Partnership Ltd	1,262,393.16	26	48,553.58
J H Civil Engineering Ltd	1,164,136.04	42	27,717.52
EDF Energy 1 Ltd	1,074,755.11	1,556	690.72
Marshall Construction Limited *	987,778.27	89	11,098.63
HC-One Limited Orchard NH	921,076.75	110	8,373.43
CARING HOMES LTD	916,333.68	79	11,599.16
British Gas Trading Ltd	884,034.93	79	11,190.32
EDISON ENERGY LTD	811,932.45	17	47,760.73
AVONDALE ENVIRONMENTAL LIMITED	796,963.78	24	33,206.82
Meallmore Ltd	751,856.70	53	14,185.98
MARSH UK LIMITED	718,438.60	18	39,913.26
Ailsa Building Contractors Ltd	670,422.57	6	111,737.10
Crossroads Caring Scotland-Clacks	654,035.52	57	11,474.31
Action for Children	574,074.59	14	41,005.33
M-Line International	524,507.30	57	9,201.88
Aberlour Child Care Trust	482,081.89	66	7,304.27
Total Gas & Power Limited	461,921.41	1,032	447.60
Ace Recycling Group CIC	416,318.66	48	8,673.31
Brake Grocery	412,808.80	801	515.37
Tillicoultry Quarries Limited	412,104.96	694	593.81
SCOTTISH FUELS	395,659.87	40	9,891.50
Mark Group Ltd	391,927.04	6	65,321.17

NAS Services Limited	357,585.42	20	17,879.27
A.M. Phillip Ltd.	345,199.93	73	4,728.77
WAVE Ltd	307,575.53	25	12,303.02
P H JONES LTD	299,353.27	1	299,353.27
Core Assets Consultancy & Resourcing Ltd	289,206.55	123	2,351.27
SWIIS Foster Care Scotland Limited	288,009.40	332	867.50
GRAHAM	283,736.40	815	348.14
Ricoh UK Ltd	277,446.03	1,361	203.85
Carillion Energy Services Scotland	262,226.00	7	37,460.86
Maclay Civil Engineering Ltd	255,642.83	5	51,128.57
BRIGGS AMASCO LIMITED	253,012.50	7	36,144.64
KIBBLE EDUCATION AND CARE CENTRE	247,452.00	18	13,747.33
THE FURNISHING SERVICE LIMITED	242,675.73	631	384.59
BOFA Electrical Ltd	239,383.83	105	2,279.85
PERTEMPS INVESTMENTS LTD	236,769.46	573	413.21
Balmyre House	235,092.00	26	9,042.00
MacDonald McEwan	233,949.66	144	1,624.65
BURNFIELD BUILDERS & DEMOLISHERS	232,655.29	5	46,531.06
HARVEST ENERGY LIMITED	222,146.15	12	18,512.18
The Richmond Fellowship Scotland	221,953.00	88	2,522.19
Treka Bus Limited	221,715.35	16	13,857.21
HUNTERS EXECUTIVE COACHES LTD	221,416.01	33	6,709.58
Bridge Motor Factors Ltd	214,960.20	382	562.72

* In addition to the figure shown just under 5million GBP has been spent with local construction suppliers via The Scottish Futures Trust (HUBCO) arrangement

Appendix 2 Participation in National Contracts

Scottish Government procurement (Cat A)

Summary

No of contracts available in the reporting period: 32

No of contracts participating: 21

Contract	Used / Not Used	Reasons for non Use
General stationery and office paper	Used	
IT consumables	Used	
Postal Service	Used	
Courier Service	Not Used	No Significant Spend
Travel Services	Not Used	No Significant Spend
eProcurement service management	Used	
Collaborative content management	Used	
Professional buying tools (eSourcing)	Not Used	System Compatibility Issues
National Advertising Portal	Used	
Framework for Supported Factories and Businesses	Used	
Mobile computing	Not Used	Pre existing arrangement
Desktop computing	Not Used	Pre existing arrangement
IT Peripherals	Used	
Office Equipment inc MFD's	Used	
Tablet Devices - Corporate	Used	
Tablet Devices - Education	Used	
IT Managed Services	Not Used	Not required @ this time
Oracle licensing	Used	
Marketing services multi Lot	Used	
Marketing services fully managed Service	Not Used	Not required @ this time
Fixed telephony	Used	
Web conferencing	Not Used	Not required @ this time
SIP and IP Handsets and Associated Licences Framework Agreement	Not Used	Not required @ this time
Overpayment recovery service	Not Used	Not required @ this time
Bureau Services and Energy Solutions	Not Used	Not required @ this time
Temporary and interim staff	Used	
Electricity	Used	
Natural gas	Used	
Water and waste water	Used	
Biomass (Energy Supply Agreements)	Not Used	Not required @ this time
Biomass (fuel only)	Used	
Liquid fuels Liquid Fuel - Heating oil (Central)	Used	

Participation in National Contracts

Scotland Excel - Local Authority sector contracts (Cat B)

Summary

No of contracts available in the reporting period: 40

No of contracts participating: 34

Contract	Used / Not Used	Reasons for non Use
Asbestos	Used	
Bitumen Products	Used	
4010 Building and Timber materials	Used	
Catering Sundries	Used	
Domestic Furniture and Furnishings (SWF)	Used	
Domestic Furniture and Furnishings (TA)	Used	
Education & Office Furniture	Used	
Educational Materials	Used	
Electrical Materials	Used	
0111 Engineering Consultancy	Not Used	Pre existing arrangement
Fostering	Used	
Frozen Foods	Used	
Groceries & Provisions	Used	
0213 Heavy Vehicles	Used	
0812 Household WEEE and Batteries	Used	
Hygiene Products	Used	
Library Books & Textbooks	Used	
Light Vehicles	Used	
Meats - Fresh, Prepared and Cooked	Used	
Milk	Used	
Organic Waste	Used	
3810 Paint No 12	Used	
Personal Protective Equipment	Used	
Plumbing Materials	Used	
1010 Prepared Meals	Not Used	Pre existing arrangement
Presentation and Audio Visual Equipment	Used	
Recycle/Refuse Containers	Used	
Road Maintenance Materials	Used	Not required @ this time
0410 Salt for Winter Maintenance	Not Used	Pre existing arrangement
Secure Care	Used	
1210 Security	Not Used	
0610 Signage	Not Used	Pre existing arrangement
Street Lighting Materials	Not Used	Pre existing arrangement
Telecare Equipment	Used	
Trade Materials	Used	
Tyres	Used	
Vehicle & Plant Hire	Used	
Vehicle Parts	Used	
Washroom Solutions	Used	
Waste Disposal Equipment	Used	

Appendix 3. Procurement Capability Assessment 2014

Scotland Excel assessors findings and Comments

I am pleased to confirm your score is 45% this year compared to 37% in 2013. This 8% increase is your highest annual increase in score to date and reflects the work that the Procurement Manager and the Procurement Matters Group have undertaken last year. That said, your overall score is still behind the local government average of 62% and there are significant challenges to overcome before reaching the Scottish Government 2012 ambition to have every public sector body in improved category with a score of 50% or more.

The assessors have been able to see the positive outcome of your investment in the further roll out of standardised corporate templates and the establishment, development and utilisation of the Procurement Matters Group. They were also pleased to see that the council is reviewing the need for a new financial system with integrated procurement functionality.

Moving forward the PCA highlighted a number of areas requiring further improvement:

- Additional training and development of the Procurement Matters Group to ensure a consistent, high quality application of the corporate processes including rigorous supply market research and analysis.
- The need for further investment and emphasis on the embedding of appropriate contract and supplier management processes across the council. This work will provide opportunities to deliver significant benefits and allow a more commercially focused relationships with key suppliers to be established.
- Developing and delivering a clear statement of procurement management information and automation needs as part of the corporate ICT strategy as a key enabler for delivering greater value to your customers and for reducing risks.

As you know, councils continue to face ongoing unprecedented challenges to deliver vital services to their communities. As highlighted last year, one of the challenges continues to be maintaining the support and continued investment in strategic procurement to take it to the next level of development. A number of councils have already embarked on a journey to develop a more commercially focussed approach right across the organisation, not just in the procurement team, to deliver tangible benefits to their organisations.

As you may be aware, this is the last year for the PCA in its existing form and my organisation is working with your team to keep them fully involved in these changes. I will write to you later in the year when we fully understand the implications to your organisation.

I hope this brief update is helpful. I am currently scheduling meetings with all chief executives and joint committee members to both meet and hear their views on the strategic direction for Scotland Excel. As per previous years, we are also happy to offer a PCA debriefing by our assessors and can co-ordinate these if required.

Organisation	Clackmannanshire Council
Date of assessment	Thursday 11 December 2014

SECTIONS

Sections		Assessed Status			
		Developing	Conformance	Improved Performance	Superior Performance
Procurement Leadership and Governance	47%				
Procurement Strategy and Objectives	60%				
Defining The Supply Need	44%				
Procurement Commodity / Project Strategies & Collaborative Procurement	53%				
Contract and Supplier Management	24%				
Key Purchasing Processes and Systems	13%				
People	56%				
Performance Measurement	56%				
Overall Procurement Status for the Organisation	45%				
		Developing	Conformance	Improved Performance	Superior Performance

Appendix 4 Exception reports

Contract standing orders apply to all contracts entered into by procurement officers. In some circumstances however, exceptions may be granted. All requests must be made in writing, following the procedure detailed in Appendix 1 of CSO's, identifying the grounds for the request. Approvals must also be recorded in writing and given prior to any action not in accordance with CSO's being taken.

In such an event, the requirement to comply with the Scottish Regulations remains. A voluntary award notice without competition are published in Public Contracts Scotland where appropriate for any exception granted, and where the exemption granted is above threshold, the procedures leading to the award under the Scottish Regulations are followed.

CLIENT	FILE NO.	DESCRIPTION	GRANTED/ DECLINED
Education	2/6/1222	Renewal of existing early years education provision	Granted
Housing	2/6/1225	Authorisation to employ tenants information services (TIS)	Granted
Social Services	2/6/1228	Appointment of north east autism society to deliver care services to support one individual client with complex care needs	Granted
Social Services	2/6/1229	Appoint Clackmannanshire healthier lives programme to engage with individuals and groups across Clackmannanshire focusing on those experiencing most disadvantaged	Granted
Social Services	2/6/1230	Appointment of reachout with arts in mind to support people experiencing ill mental health	Granted
Facilities Management	2/6/1242	Tillicoultry community centre property damage	Granted
Facilities Management	2/6/1246	Exception report to permit the appointment of Edison energy to supply & install energy efficiency measures within traditional and non- traditional residential homes within Clackmannanshire. Over a 1 year period to the value of £103,318	Granted
Facilities Management	2/6/1250	Emergency demolition of Fairfield school Sauchie	Granted
Social Services	2/6/1251	Appointment of national autistic society Scotland Daldorch house school to provide residential school placement for 1 child	Granted
Social Services	2/6/1252	Action for children Tayavalla to provide respite services for children affected by disability	Granted
Social Services	2/6/1253	Exception Report to request appointment of May Martingdale on behalf of ADSW Partners for Change to provide Interim management services	Granted

Facilities Management	2/6/1275	Appointment of contractor to carry out various works associated with home energy efficiency programme	Granted
Facilities Management	2/6/1262	Exception request - appointment of SSE to provide insulation and heating measures	Granted

Appendix 5 Scottish Procurement savings report

Supplier	Q1 Spend	Q1 Cash Saving	Q2 Spend	Q2 Cash Saving	Q3 Spend	Q3 Cash Saving	Q4 Spend	Q4 Cash Saving	2013/2014 Spend	2013/2014 Saving
Hewlett Packard UK Ltd	£5,660.00	£4,582.20	£5,552.00	£3,647.07	£12,240.00	£7,052.58	£30,297.70	£18,911.06		
Office Depot UK Ltd	£27,157.77	£863.62	£21,197.20	£674.07	£22,377.88	£711.62	£23,041.49	£732.72		
Spectrum Computer Supplies Ltd	£4,113.22	£827.99	£3,645.04	£733.75	£2,275.13	£457.98	£5,009.76	£1,008.46		
Misco (UK) Ltd	£307.50	£47.29	£295.11	£38.72	£260.60	£34.20	£1,111.40	£145.84		
Harvest Energy	£0.00	£0.00	£0.00	£0.00	£94,971.00	£3,735.00	£187,355.00	£7,470.00		
Scottish Fuels	£0.00	£0.00	£0.00	£0.00	£13,072.00	£66.00	£9,289.00	£49.00		
The Sign Factory	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£328.80	£0.00		
XMA Limited	£0.00	£0.00	£5,621.00	£340.92	£0.00	£0.00	£0.00	£0.00		
XMA Limited	£13,415.08	£2,376.47	£213.06	£5.30	£2,157.00	£318.69	£23,759.65	£4,310.04		
All Suppliers (Temp and Interim)	£54,115.00	£4,600.00	£58,365.89	£4,961.10	£0.00	£0.00	£61,292.65	£5,209.88		
Business Stream	£85,895.65	£10,880.24	£85,895.65	£10,880.24	£92,581.40	£11,876.26	£100,625.84	£13,020.81		
	£190,664.22	£24,177.80	£180,784.95	£21,281.17	£239,935.01	£24,252.32	£442,111.29	£50,857.82	£1,053,495.48	£120,569.11

Appendix 6 Scotland Excel savings report

Member Contract Spend and Estimated Savings Report

Clackmannanshire Council

Breakdown of Spend by Contract - Year To Date as at: Q4 (Jan 2014 - Mar 2014)



Contract	Contract Start Date	Join Date	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total			
			Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Forecast Spend (£)	Actual v Forecast %
Light Vehicles	16/07/2013	11/07/2013			205,346	4,191	82,491	1,683	0	0	287,837	5,874	191,100	150.6%
Groceries & Provisions	01/05/2012	01/10/2012	38,372	9,001	38,590	9,052	48,895	11,469	50,191	11,773	176,047	41,295	115,020	153.1%
Frozen Foods	01/07/2013	01/07/2013			40,514	1,517	60,354	2,260	61,636	2,308	162,504	6,086	122,897	132.2%
Secure Care	01/07/2013	01/07/2013			44,949	-1,011	32,748	-736	68,541	-1,541	146,238	-3,288	230,175	63.5%
Milk	01/03/2010	01/05/2012	33,080	334	17,226	174	31,717	320	39,268	397	121,291	1,225	99,000	122.5%
Educational Materials	01/04/2013	01/04/2013	32,729	2,350	23,335	1,676	18,654	1,340	32,597	2,341	107,315	7,706	96,505	111.2%
Hygiene Products	01/05/2011	01/04/2012	19,124	1,891	17,830	1,763	20,743	2,052	26,060	2,577	83,757	8,284	91,000	92.0%
Meats - Fresh, Prepared and Cooked (incl. Fres	01/10/2010	01/04/2012	15,270	0	14,418	0	19,358	0	20,510	0	69,557	0	20,000	347.8%
Secure Care	01/07/2011	01/07/2011	65,340	1,333							65,340	1,333	31,544	207.1%
Fostering	28/03/2013	01/03/2014	0	0					63,488	0	63,488	0	2,500	2539.5%
Telecare Equipment	12/01/2012	12/01/2012	16,016	1,545	8,495	820	21,900	2,113	9,205	888	55,617	5,367	82,080	67.8%
Sacks and Liners	01/06/2010	01/07/2010	25,786	7,188	22,518	6,277	0	0			48,304	13,466		
Frozen Foods	01/07/2009	01/10/2012	47,551	0							47,551	0	0	
Organic Waste	01/04/2013	01/04/2013	0	0	15,694	8,714	15,331	8,512	15,875	8,814	46,901	26,040	50,818	92.3%
Tyres	01/11/2009	01/02/2012	19,133	390	20,311	415	6,187	126			45,631	931		
Tyres	01/11/2013	01/11/2013					9,961	961	23,189	2,238	33,150	3,199	38,760	85.5%
Library Books & Textbooks	01/11/2013	01/11/2013					17,380	373	15,455	332	32,834	704	19,580	167.7%
Recycle/Refuse Containers	01/11/2013	01/11/2013					0	0	30,598	6,490	30,598	6,490	5,253	582.5%
Waste Disposal Equipment	01/03/2012	01/03/2012	0	0	0	0	0	0	23,736	1,328	23,736	1,328	18,940	125.3%
Washroom Solutions	01/10/2010	01/10/2010	6,877	8,331	6,928	8,386	4,576	5,544	4,542	5,503	22,919	27,764		
Catering Sundries	01/10/2012	01/10/2012	5,785	298	5,514	284	5,633	290	5,657	291	22,589	1,164	14,265	158.4%
Domestic Furniture and Furnishings (TA)	13/05/2013	01/07/2013			4,212	401	6,135	585	10,767	1,026	21,114	2,012	54,780	38.5%
Personal Protective Equipment	01/04/2013	06/01/2014							16,828	610	16,828	610	6,393	263.2%
Asbestos	01/04/2011	01/04/2011	0	0	0	0	1,365	93	14,991	1,025	16,356	1,118	71,735	22.8%
Ironmongery	01/10/2009	01/07/2011	8,925	299	5,371	180					14,296	479		
Vehicle & Plant Hire	01/11/2012	01/11/2012	7,074	1,585	1,987	445	5,004	1,121			14,065	3,150	18,383	76.5%
Plumbing Materials	01/04/2012	06/01/2014							12,851	3,365	12,851	3,365	26,549	48.4%
Milk	01/03/2014	01/03/2014							11,891	-992	11,891	-992	20,746	57.3%
Library Books	01/08/2010	19/11/2010	7,898	640	3,251	264					11,149	904		
Light Vehicles	01/04/2009	01/04/2011	10,256	427							10,256	427	4,800	213.7%
Bitumen Products	01/03/2013	01/03/2013	4,186	1,286	3,280	1,008	2,238	687	403	124	10,107	3,105	6,732	150.1%
Electrical Materials	01/04/2012	06/01/2014							9,292	568	9,292	568	24,502	37.9%
Vehicle & Plant Hire	05/12/2013	01/11/2013					1,553	20	7,024	90	8,577	110	14,810	57.9%
Presentation and Audio Visual Equipment	01/04/2011	01/07/2011	5,746	791	225	31	0	0	0	0	5,971	822	66,804	8.9%
Textbooks	01/10/2010	01/10/2010	4,554	729	-17	-3					4,537	726		
Vehicle Parts	01/01/2013	01/01/2013	1,419	75	1,620	85	-4	0	1,261	66	4,295	226	22,800	18.8%
Domestic Furniture and Furnishings (SWF)	13/05/2013	13/05/2013	222	24	469	51	1,655	180	1,501	163	3,846	418	227,551	1.7%
Road Maintenance Materials	01/06/2010	01/01/2011	795	50	0	0	155	10	1,682	105	2,633	165		
Education & Office Furniture	01/03/2013	01/03/2013	381	35	360	33	407	38	590	55	1,738	161	18,300	9.5%
Trade Materials (ironmongery, trade tools, pai	03/03/2014	17/02/2014							1,084	178	1,084	178	20,959	5.2%
Trade Tools/Sundries	01/10/2009	01/01/2011	376	0	279	0					655	0	4,950	13.2%
Waste Containers	01/11/2009	01/01/2011	0	0	0	0	0	0			0	0	12,004	0.0%
Advertising Services	02/11/2009	01/09/2012			0	0	0	0			0	0	0	
Heavy Vehicles	01/01/2010	26/11/2010	0	0	0	0	0	0			0	0	297,240	0.0%
Household WEEE and Batteries	01/04/2013	01/04/2013	0	0	0	0	0	0	0	0	0	0		
Heavy Vehicles	13/01/2014	01/01/2014							0	0	0	0	75,000	0.0%

Member Contract Spend and Estimated Savings Report

Clackmannanshire Council

Breakdown of Spend by Contract - Year To Date as at: Q4 (Jan 2014 - Mar 2014)



Contract	Contract Start Date	Join Date	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total					
			Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Forecast Spend (£)	Actual v Forecast %		
Salt for Winter Maintenance	01/07/2010															
Signage	07/01/2011															0
Building and Timber Materials	01/04/2011	01/11/2013														0
Paint	02/05/2011	01/12/2013														0
Security	03/05/2011	01/04/2014														0
Street Lighting Materials	01/07/2011															0
Prepared Meals	15/09/2011															0
Engineering Consultancy	18/03/2013	01/08/2016														0
Totals:			376,895	38,604	502,701	44,754	414,437	39,041	580,713	50,123	1,874,745	172,523	2,224,475			84.3%

Notes:

1. Spend data is unavailable for Electrical Materials and Plumbing Materials.
2. Actual Spend - Total actual spend (net of saving) on contracts during the reporting period compiled using spend data returns provided by contracted suppliers.
3. Saving - Calculated using the estimated forecast saving percentage figure attributed to each contract as per Executive Sub-Committee reports (or variation thereof subsequently agreed with the customer).
4. Forecast Spend - Estimated total spend anticipated in the reporting period.

Appendix 7 Clackmannanshire procurement (Cat C) savings

TOTAL For Clackmannanshire Contracts	£ 236,242
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Contract Title		Budget or Previous contract Value	New Contract value	Potential Saving	Narrative
Multi Functional Devices				£ 40,000	Rental reduction
Ricoh Tender	Contract re tendered			£ 25,000	Reduction in Colour Print - reduced cost and restrictions on use £75,000 spent Jan to Jan on 2012 invoices Colour invoices to date £19,576.26 if we were to double that figure we should still realise £25,000 or potentially more
	Reduced consumption (500,000)			£ 2,124	Reduced paper consumption
Security & Concierge		£ 245,280			Current Cost: £14ph x 24hrs @ 2 blocks = £245,280- 17520hrs purchased p.a.
			£ 236,034	£ 9,246	Calculation for Year 1 £10ph x 24hrs @ 1 block for 11 months = £80,300. £10ph x 16hrs @ 2 blocks for 11 months = £107,066. £10ph x 16hrs @ 1 block for 6 months = £29,200. £10ph x 16hrs @ 1 block for 4 months = £19,468.
Citrix Xenapp Platinum Renewal	Re tendered this year	£ 82,523			
			£ 66,040	£ 16,482	Re tendered this year with modification to spec
Lotus Notes Software Subscription and Support	Re tendered this year	£ 140,729			Original Contract value
			£ 102,829	£ 37,899	New contract value
e-lending e-books service		£ 55,750			
			£ 23,850	£ 31,900	Contract re tendered and prices fixed for

					3 years including £12,000 for content
Bowmar Fencing		£ 140,000			
			£ 113,921	£ 26,079	Contract award - capital works
Spiers Centre Display cases		£ 30,000			form 1 details
			£ 29,802	£ 198	Contract award
Spiers Centre Furniture		£ 11,600			Form 1 details
			£ 10,834	£ 766	Contact award
Education anti virus Renewal		£ 19,000			Form 1 details
			£ 14,880	£ 4,120	Contact award
IBM Storwize Disk expansion		£ 11,000			Form 1 details
			£ 6,191	£ 4,809	Contact award
Sherriff Officers	Currently Two Suppliers				Tendered with other local authorities
	Scott & Co	£ 32,257			In respect of your offer for Clackmannanshire Council, East Dunbartonshire Council and The Highland Council.
	Adamsons	£ 5,361			the commission rate tendered is 0.0%.
		£ 37,618			no other additional charges will be levied in this respect.
			£ -	£ 37,618	Stirling Park New supplier No charge

Appendix 8 Spikes Cavell (The Hub) charts

Spend by Directorate

Directorate Description	Total Spend	Total Value (%)	Suppliers	Transactions	Departments	Cost Centres	Subjectives	Lines
Capital	22,401,220.64	34.36	199	1,174	14	84	25	1,176
Social Services	19,506,904.09	29.92	362	6,774	8	67	54	6,800
Facilities Management	7,863,549.06	12.06	497	11,382	32	189	71	11,408
Community & Regulatory Service	3,156,199.09	4.84	362	3,625	14	62	48	3,633
PCARD	2,347,387.86	3.60	629	11,300	1	1	1	33,076
Education Services	2,127,818.44	3.26	560	5,690	15	172	56	5,694
Housing	1,624,221.84	2.49	104	2,009	2	32	38	2,021
Revenue Funding	1,315,738.16	2.02	1	2	1	1	1	2
Support Services	1,177,306.09	1.81	125	1,610	18	48	40	1,610
Property Contracts STO	858,323.12	1.32	98	1,746	1	4	21	1,746
Suspense	837,221.58	1.28	47	168	6	17	8	168
Strategy & Customer Services	729,867.23	1.12	234	2,064	13	63	50	2,070
Housing HRA	620,283.71	.95	89	1,543	5	21	34	1,545
Requisition from Joint Boards	511,080.14	.78	101	513	2	4	37	513
Capital - Fleet Asset Mgt.	54,054.00	.08	1	2	1	1	1	2
Common Goods	50,613.47	.08	28	202	1	3	5	202
IT Capital	8,522.25	.01	1	1	1	1	1	1
Capital School Development	8,060.17	.01	3	3	2	2	2	3
Housing - Capital	2,683.95	.00	1	6	4	4	1	6
Education	1,201.28	.00	4	4	4	4	3	4
Property Asset Management	452.28	.00	1	1	1	1	1	1
Capital - Housing New Build	348.00	.00	1	1	1	1	1	1
Strategy & Cust. Services	145.00	.00	1	1	1	1	1	1
Support Services - IT	4.62	.00	1	1	1	1	1	1
Comm Reg - Roads	.29	.00	2	3	2	2	2	3

Top 50 spend by department

Directorate Description	Department Description	Total Spend	Total Value (%)	Suppliers	Transactions	Cost Centres	Subjectives	Lines
Social Services	Adult Care	14,470,389.91	22.19	204	4,116	15	35	4,134
Capital	General Services Capital	8,321,520.81	12.76	55	177	23	7	177
Social Services	Child Care	4,355,213.82	6.68	129	1,839	19	31	1,847
Capital	Property Asset Management Plan	3,857,132.00	5.92	62	210	13	12	212
Capital	Housing Capital	2,874,958.54	4.41	24	84	19	2	84
PCARD	PCARD	2,347,387.86	3.60	629	11,300	1	1	33,076
Capital	Modern Facilities & Services	2,301,134.57	3.53	2	14	3	2	14
Capital	Roads Asset Management Plan	2,033,692.88	3.12	49	297	6	7	297
Housing	Housing	1,624,207.84	2.49	104	2,008	31	38	2,020
Facilities Management	Waste Client	1,607,530.83	2.47	59	576	8	16	576
Revenue Funding	Non Domestic rates redistrib.	1,315,738.16	2.02	1	2	1	1	2
Facilities Management	Facilities Management PPP	1,230,939.63	1.89	4	17	3	2	17
Capital	Energy Efficiency	1,214,710.06	1.86	6	49	3	2	49
Facilities Management	FM Education	1,198,285.45	1.84	106	2,550	35	16	2,556
Facilities Management	Fleet Services	1,116,036.43	1.71	89	1,287	2	22	1,287
Community & Regulatory Service	Roads	916,881.53	1.41	73	330	15	15	332
Community & Regulatory Service	Roads Contracts	911,777.82	1.40	66	2,013	2	13	2,015
Property Contracts STO	Property Contracts	858,323.12	1.32	98	1,746	4	21	1,746
Education Services	Secondary Non-Devolved	644,323.59	.99	32	174	13	13	174
Community & Regulatory Service	Transportation	643,704.87	.99	19	149	8	3	149
Capital	IT Asset Management PAn	606,024.32	.93	39	236	4	12	236
Capital	Secondary Building Elements	559,348.24	.86	3	7	1	2	7
Facilities Management	FM Facilities Management	552,116.73	.85	88	1,109	13	13	1,109
Requisition from Joint Boards	Joint Boards	494,624.59	.76	90	469	3	34	469
Support Services	Revenues	463,593.02	.71	57	797	16	31	797
Education Services	Special Non-Devolved	436,785.28	.67	55	416	10	13	418

Suspense	Insurance suspense	430,619.03	.66	13	44	5	2	44
Support Services	IT	428,907.53	.66	25	166	8	14	166
Housing HRA	Repairs & Maintenance	417,052.49	.64	48	1,019	4	12	1,019
Community & Regulatory Service	Economic Development	407,116.24	.62	85	256	7	21	258
Social Services	Partnership	368,231.02	.56	22	135	7	11	135
Strategy & Customer Services	Business Improvement	350,065.94	.54	111	424	26	22	428
Facilities Management	FM Social Policy	349,318.44	.54	55	951	10	5	953
Facilities Management	Land Services Contract	335,611.36	.51	106	804	3	10	818
Facilities Management	Schools and Welfare	329,159.24	.50	42	813	9	18	813
Education Services	Secondary Devolved	319,138.08	.49	233	1,649	49	24	1,649
Suspense	Insurance	315,164.73	.48	2	15	5	2	15
Facilities Management	FM Strategy & Customer Service	285,947.53	.44	60	764	15	8	764
Education Services	Primary Devolved	276,028.73	.42	160	1,656	19	21	1,656
Capital	Land Asset Management Plan	270,493.50	.41	13	29	3	2	29
Capital	Healthy, Safe & Secure	265,886.50	.41	5	22	3	2	22
Strategy & Customer Services	Library Services	199,762.84	.31	79	645	4	26	645
Social Services	Criminal Justice	187,140.45	.29	48	353	7	25	353
Housing HRA	Supervision & Management	186,366.69	.29	46	402	8	27	402
Facilities Management	FM Leisure	184,983.80	.28	46	778	18	5	778
Support Services	Accounting & Budgeting	169,308.03	.26	16	243	3	14	243
Facilities Management	Asset Management	146,854.57	.23	21	93	2	11	93
Education Services	Sports Development	124,538.87	.19	59	337	20	15	339
Community & Regulatory Service	Sustainability+Implementation	118,596.26	.18	47	165	7	18	165
Facilities Management	Streetcare	111,090.70	.17	22	254	1	12	254

