

Appendix 1 – Annual Procurement Report 2023/24 Summary

1. Organisation and report details

a) Contracting Authority Name

Scottish
Canals

b) Period of the annual procurement report

2024/2025

c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)

Yes

2. Summary of Regulated Procurements Completed

a) Total number of regulated contracts awarded within the report period

68

b) Total value of regulated contracts awarded within the report period

£15,704,182

c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period

43

i) how many of these unique suppliers are SMEs

38

ii) how many of these unique suppliers how many are Third sector bodies

0

3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy

68

b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy

1

4. Community Benefit Requirements Summary

Use of Community Benefit Requirements in Procurement:

a) Total number of regulated contracts awarded with a value of £4 million or greater.

0

b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.

0

c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements

39

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (<i>Each contracting authority sets its own priority groups</i>)	0
e) Number of Apprenticeships Filled by Priority Groups	4
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	4
h) Total Value of contracts sub-contracted to SMEs	£2,000,000
i) Total Value of contracts sub-contracted to Social Enterprises	0
j) Total Value of contracts sub-contracted to Supported Businesses	0
k) Other community benefit(s) fulfilled	£35,000

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	68
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	68
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	

6. Payment performance

a) Number of valid invoices received during the reporting period.	5684
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in	99.9%

the contract terms.)

c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	39
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	2
b) Total spend with supported businesses during the period covered by the report, including:	£46,413
i) spend within the reporting year on regulated contracts	£46,413
ii) spend within the reporting year on non-regulated contracts	0

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£24,927,558
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£20,110,882
c) Total procurement spend with Third sector bodies during the period covered by the report.	£56,000
d) Percentage of total procurement spend through collaborative contracts.	£6,064,244
e) Total targeted cash savings for the period covered by the annual procurement report	£200,000
i) targeted cash savings for Cat A contracts	£100,000
ii) targeted cash savings for Cat B contracts	
iii) targeted cash savings for Cat C contracts	£100,000
f) Total delivered cash savings for the period covered by the annual procurement report	
i) delivered cash savings for Cat A contracts	£363,419
ii) delivered cash savings for Cat B contracts	
iii) delivered cash savings for Cat C contracts	£427,892

g) Total non-cash savings value for the period covered by the annual procurement report

9. Future regulated procurements

a) Total number of regulated procurements expected to commence in the next two financial years

65

b) Total estimated value of regulated procurements expected to commence in the next two financial years

£15,528,854

SCOTTISH CANALS
ANNUAL PROCUREMENT REPORT
2024 / 2025

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1.Introduction

Scottish Canals is the operating name of the British Waterways Board in Scotland. The Transport Acts of 1962 and 1968 set out Scottish Canals' core statutory duties, and it is constituted as a non-departmental public body sponsored through Transport Scotland, an agency of the Scottish Government, and receives Grant-In-Aid funding from the Scottish Government to make a valuable contribution to the delivery of Scottish Government's strategic objectives as set out in the National Performance Framework.

Our vision is for '*Scotland's canals to be a world-class waterway network with a thriving natural environment built upon 250 years of history that benefits communities and all users who live, work, visit and play along our canal*'. This is supported by four strategic priorities:

1. Transform our canals

We maintain and restore our historic canals for all to use and enjoy, while safeguarding and nurturing the environment

2. Create opportunities

Scottish Canals makes a broader contribution to the economy of Scotland and its people

3. Excel in what we do

Scottish Canals excels in ensuring best practice in governance and financial resilience and demonstrates an agile approach to what we do.

4. Respond to global challenges

Scottish Canals understands how it can mitigate and adapt to climate change risks

Scottish Canals operates and manages the five canals in Scotland: the Forth & Clyde, Union and Monkland Canals in the Lowlands, the Crinan Canal in Argyll, and the Caledonian Canal in the Highlands. Certain stretches and elements of the canals are classed as Scheduled Ancient Monuments. The Caledonian and Crinan Canals are classified as commercial waterways and the Forth & Clyde and Union Canals are classified as cruising waterways. The Monkland canal is a remainder canal. Scottish Canals stimulates economic regeneration and drives tourism activity in key locations across the canal network of Scotland to deliver public value and build its financial sustainability, through working with a range of partners across the public, private and third sectors, collectively raising awareness of the contribution that the inland waterways make to Scotland's economic, social, and environmental prosperity.

The Scottish Canals Procurement Strategy, as required by the Procurement Reform (Scotland) Act 2014 (the Act), was first published in September 2016 and promotes the use of the Procurement Journey as well as best practice, including collaborative procurement opportunities and the use of electronic purchase to pay methods. The strategy aligns with the visions of Scottish Canals Corporate Plan 2023 – 2028.

This Annual Report compliance with this Strategy and the Act.

2.Summary of Regulated Procurement

The Procurement Reform (Scotland) Act 2014 (the Act) introduced an additional category of expenditure - Regulated Procurement. Regulated Procurement is defined by the Act as Supplies and Services where the total contract value is greater than fifty thousand pounds (£50,000), and a construction works project greater than two million pounds (£2,000,000) over the life of the contract.

Public Contracts Scotland (PCS) is the Scottish Government portal where Contract Notices for Regulated Procurement activity is published. When a Contract Award Notice is published on PCS, an entry is automatically created on the Scottish Canals Contract Register.

Scottish Canals has let 68 regulated contracts awarded during the period covered by the report.

During FY2024/2025, of the 68 regulated contracts awarded 39 of the contracts were call-off from Scottish Canals Contractors framework.

3. Review of Regulated Procurement

The contracts shown in Table 1 below were awarded during this period and were compliant with the Scottish Canals Procurement Policy.

There was a spend of £63,600 with a supplier that did not comply with the regulated procurement legislation. This spend was with Lang Syne Publishers for the purchase of gifts for resale in the Falkirk Wheel gift shop. During the next 12 months Procurement will be working with the Destinations team to review all purchases and to identify the most optimum contracts to allow for flexibility and maximise profit. This equates to less than 1% of the spend.

4.Summary of Community Benefits, Fair Work First and Supported Businesses

Community Benefits

As per the Procurement Reform (Scotland) Act, if the estimated value of this contract is equal to or greater than £4m, the contracting authority must consider whether to impose community benefit requirements as part of the procurement. In FY2024/2025, all the Scottish Canals regulated procurement activity fell below this threshold.

It is worthwhile noting that where relevant and proportionate to the procurement being undertaken, Scottish Canals have continued to include Community Benefits as part of the quality assessment for procurement activities under the £4m threshold.

Other community benefits include items such as charitable donations (including cash, raw material, and equipment donations), and volunteering hours for local community projects in addition to school and career development and mentoring support.

Scottish Canals worked with the haulage contractor to maximise the scrap value of the abandoned vessel removed from the Canal. This equated to a donation of £500 to SC's chosen charity, Beaston Cancer Research.

An excellent example of where Scottish Canals contracts supported the local community was at Lock 16 in Falkirk. A project to upgrade certain parts of the canal was undertaken. Part of

the contract was the prime contractor to liaise with community of how they could support during the period of the contract with a fund of £50,000 available to local groups and charities.

Fair Work First

[Fair Work First](#) is the Scottish Government's flagship policy for driving high quality and fair work across the labour market in Scotland by applying fair work criteria to grants, other funding and contracts being awarded by and across the public sector where relevant.

Through this approach the Scottish Government is asking employers to adopt fair working practices, specifically:

- appropriate channels for effective voice, such as trade union recognition;
- investment in workforce development;
- no inappropriate use of zero hours contracts;
- action to tackle the gender pay gap and create a more diverse and inclusive workplace;
- payment of the real Living Wage;
- flexible and family friendly working practices for all workers from day one of employment; and
- opposition of the use of fire and rehire practice.

All centrally managed procurements consider whether it is relevant and proportionate to include Fair Work First evaluation criteria as part of the procurement tender process. In terms of Regulated procurements during this reporting period, procurement contracts incorporated this criterion as part of the contract award decision making process.

Supported Business

Supported Businesses are defined as Social Enterprises who aim to integrate disabled or disadvantaged people socially and professionally.

Scottish Government is committed to promoting the use of Supported Businesses where possible through spend in the Public Sector. More information including the definition of a Supported Business can be found on the Scottish Government website link shown below.
<http://www.gov.scot/Topics/Government/Procurement/buyer-information/SuppBus>

In the period covered by this report, Scottish Canals engaged with 2 supportive business for Protective Clothing and Signage.

During this period the Procurement Team attended NEC training to further support the business with awarding Engineering and Construction Projects.

It should be noted that there has been expenditure of circa £56k in this reporting period with Charitable Trust and Social Enterprise organisations and local volunteering opportunities.

5.Summary of Regulated Procurement Expected

In the period to 31st March 2028, it is anticipated that Scottish Canals will carry out several regulated procurement exercises. Currently the number of identifiable procurement exercises are at a value of £9m.

Table 2 below shows the details of this procurement pipeline. Whilst an indicative procurement route to market has been listed below, this will be influenced by a number of factors including the specification of what is required, the availability, viability & fit of any available external collaborative Framework agreements, the anticipated value of requirements, any applicable market research, and opportunities for developing SMEs and supported businesses.

Ultimately, procurement routes will be considered and evaluated against a number of factors to ensure the optimal route to market is selected that will meet Scottish Canals needs, deliver best value for money, and ensure compliance with Regulations and best practice.

6.Key Performance Indicators (KPIs) Measurement

In the period of 24/25 five KPIs were set as a measurement of how effective Scottish Canals Procurement Team were in supporting Scottish Canals achieve their goals by providing a professional service to ensure compliance to all regulations and legislation whilst delivering value for money and sustainable solutions.

KPI 1 - Compliance with Procurement Regulations with 100% required compliance. For the period of 24/25 there have been no challenges against any tenders, and 99. % of the spend over £50,000 is under contract. One supplier had a spend of £63,600 which was not covered by a contract or a framework. This is being addressed.

The target remains at 100% for 25/26.

KPI 2 – Compliance with Scottish Canals Procurement Policy with a target of 95%. For FY 24/25 less than 2% of the contracts awarded did not meet the policy and were deemed as minimal risk.

The target for is 96% for 25/26.

KPI 3 – Savings – A savings target reported in the Annual Report 23/24 was set at £200,000 for FY23/24. Savings of £791,892 were achieved. The majority of savings were made via negotiation for the Contractors Framework which resulted in limiting the price increase for the remainder of the term.

The target for 25/26 will be to achieve savings in the region of £500,000.

KPI 4 – There was a target to utilise two supported businesses and Charitable/3rd Party suppliers during the period of 24/25. This was achieved by the continued use of the Signage Contract with the Royal British Legion and procuring our Protective Clothing with Scott Direct Ltd. Scottish Canals continue to use the charity organisation Go Forth and Clyde to manage our Volunteering activities. Furthermore, fair trade products now are part of the Food Contract.

The target for 25/26 is to retain the minimum of 2 contracts with supported businesses and Charitable/3rd Party suppliers.

KPI 5 – Sustainable considerations to be included in the tender strategies with 50% of tender documents to have a sustainable criterion. This target was met and has now become a deliverable criterion for the Contractors Framework (see case study Annex 1). Procurement is working closely with the sustainability team and have embedded the Scottish Government tools.

The Invitation to Tender documentation has now been updated to include a link to the [Sustainable business practices support | Scottish Enterprise](https://www.scottish-enterprise.com/sustainable-business-practices-support) ([scottish-enterprise.com](https://www.scottish-enterprise.com)) website which offer guidance to the suppliers on what they can do as an organisation to promote sustainability. This paragraph is included in all the Invitation to Tender's issued even if there is no sustainability criteria included.

Table 1

Contract Number	Contract Title	Supplier Name	Value	Route to Market	Contract Start Date
P20-0013	Water & Waste Water	Scottish Water Business Stream Ltd	£100,000	Framework - Direct Award	01/04/2024
Q22 0020	Life Jackets	Aspli Safety	£80,000	3 Quotes	05/07/2024
SC 0001	Laundry	Aberdeen Laundry	£120,000	GPA/WTO Tender	30/05/2024
SC 0030	Ice Cream	RM Reid & Son T/A Milk Barn	£180,000	Open Tender	01/10/2024
SC 0037	Slateford Viaduct	Balfour Beattie	£350,000	Framework - Direct Award	31/10/2024
SC 0050	Kelpie Experience	Zone Events	£101,016	Concession contract	13/05/2024
SC 0052	Electricity Supply	EDF	£1,200,000	Framework - Direct Award	01/04/2024
SC 0060	Replacement signage, including design, audit, m	Scotland Bravest Manufacture Company	£250,000	Supported Business Direct award	11/04/2024
SC 0061	Payroll & HR systems service	Moorepay Limited	£203,065	Open Tender	01/11/2024
SC 0065	Legal Services Framework	Morton Fraser MacRoberts LLP	£100,000	Framework - Mini comp	02/10/2024
SC 0076	Professional Multi-Disciplinary Design Team Ser	Dress for the Weather	£180,000	Open Tender	17/12/2024
SC 0078	Access to jobtrain software	JobTrain	£40,000	Framework - Direct Award	11/06/2024
SC 0079	Enterprise Risk Management	RSM UK Ltd	£50,000	Open Tender	03/11/2024
SC 0090	DSE Office Chairs and Occ Health Chairs	Posturite	£50,000	Framework - Direct Award	23/08/2024
SC 0091	Fuel Cards	Allstar	£400,000	Framework - Direct Award	01/10/2024
SC 0093	Barista Coffee and Tea supplies	Highland Roastery Ltd	£50,000	Framework - Direct Award	14/10/2024
SC 0098	Replacement Engines FKW Boats	Revolutionworks Ltd	£136,773	Open Tender	28/01/2025
SC0101 a	Plant & Grounds Equipment (Servicing and/or S	Fraser C Robb	£50,000	Framework - Direct Award	05/02/2025
SC0101 b	Plant & Grounds Equipment (Servicing and/or S	Ravenhill Limited	£50,000	Framework - Direct Award	05/02/2025
SC0101 c	Plant & Grounds Equipment (Servicing and/or S	Frank Nicol Farm & Garden Machinery Ltd	£50,000	Framework - Direct Award	05/02/2025
SC0101 d	Plant & Grounds Equipment (Servicing and/or S	Tudor (UK) Ltd t/a Tudor Environmental	£50,000	Framework - Direct Award	05/02/2025
SC0103	Cemar	Think Project UK	£75,000	Framework - Direct Award	03/03/2025
SC0108	MultiOne 5 & 7 series articulated mini loader's	ILH Groundplant	£110,000	OJEU Tender	14/02/2025
SC 0086	New Port Downie Customer Facilities	EC Specialists Contractors Ltd	£157,127	Open Tender	06/01/2025
SC0112	Battery powered Vegetaion Management Kit an	Tudor (UK) Ltd t/a Tudor Environmental	£49,268	Framework - Direct Award	10/04/2025
SC0122	Aquatic Weed Harvester	Aqua Mech Ltd	£150,000	Open Tender	30/04/2025
SC 0086	New Port Downie Customer Facilities	EC Specialists Contractors Ltd	£157,127	Open Tender	06/01/2025
SC0112	Battery powered Vegetaion Management Kit an	Tudor (UK) Ltd t/a Tudor Environmental	£49,268	Framework - Direct Award	10/04/2025
SC0122	Aquatic Weed Harvester	Aqua Mech Ltd	£150,000	Open Tender	30/04/2025

Table 2

Contract Reference Number	Contract Title	Estimated Value	Contract End Date
P20-0013	Water & Waste Water	£100,000	31/03/2027
P21 0071	Banking Services	£120,000	31/07/2026
P21 0072	WAN Services	£136,568	23/07/2026
P21 0080	Facilities Management Services	£2,409,948	01/11/2025
P21 0084	Economic & Socioal Impact Analysis	£150,000	05/09/2026
P22 0002	Group Insurance Policies	£1,592,928	01/04/2026
P22 0014	Multi Functional Devices	£59,345	08/07/2026
P22 0025	MCA compliance, Operating licence and Associated services	£100,000	23/12/2025
P22 0033 a	Diving Services framework	£120,000	06/03/2026
P22 0044	Janitorial Products	£150,000	31/03/2026
P22 0049	Smart Canals Model Calibration and Maintenance	£113,331	12/10/2025
P23 0004	Health Cashplan	£48,000	20/02/2027
P23 0008	Catering Agency Staff	£40,000	12/04/2027
Q22 0036	Dundashill property management	£37,800	09/05/2026
SC 0001	Laundry	£120,000	29/05/2026
SC 0004	Fundraising Consultancy	£50,000	25/06/2026
SC 0006	Stationary & Paper framework	£60,000	30/06/2027
SC 0007	Tree risk Assessment	£140,000	25/11/2026
SC 0015	NEC Contract Subscription Renewal	£7,800	19/06/2026
SC 0020	EV Charge points	£18,234	31/10/2026
SC 0022	Commercial Property Manager – The Treehouse	£11,436	31/03/2027
SC 0025	Social Media Monitoring & Marketing Comms	£37,854	28/10/2026
SC 0030	Ice Cream	£180,000	03/09/2026
SC 0033	Operational Training	£50,000	06/10/2026
SC 0037	Slateford Viaduct	£350,000	31/10/2025
SC 0038	Groceries and provisions	£600,000	12/11/2025
SC 0044	Frozen foods	£170,000	12/11/2025
SC 0045	Management Development	£50,000	04/02/2027
SC 0046	M&E Audit	£128,800	14/02/2026
SC 0047	First Aid & Fire Warden Training	£50,000	11/01/2027
SC 0049	VAT Consultancy services	£50,000	27/11/2026
SC 0055	Purchase of Loadall	£58,950	13/02/2026
SC 0058	Independent Designated Person - Port Marine Safety Code	£33,200	02/08/2026
SC 0059	Microsoft licence renewal	£229,424	31/03/2027
SC 0061	Payroll & HR systems service	£203,065	31/10/2026
SC 0064	Milk Supplier	£30,000	01/04/2026
SC 0065	Legal Services Framework	£100,000	01/10/2026
SC 0069	Electronic Point of Sale	£120,000	03/11/2027
SC 0073	Cash In Transit	£25,000	15/03/2026
SC 0078	Access to jobtrain software	£40,000	10/06/2026
SC 0079	Enterprise Risk Management	£50,000	02/11/2027
SC 0081	E Boats	£15,000	22/08/2026
SC 0087	Lock 16 Security	£27,000	03/10/2025
SC 0091	Fuel Cards	£400,000	20/02/2026
SC 0093	Barista Coffee and Tea supplies	£50,000	13/10/2026
SC 0095	Script and tour guide training	£50,000	17/11/2027
SC0103	Cemar	£75,000	30/03/2026
SC0105	Planning Consultancy Support	£50,000	31/03/2027
SC0110	Septic Tank Planned Preventative Maintenance	£160,000	09/08/2027
SC0137	Mobile Client Devices	£50,000	15/11/2025