

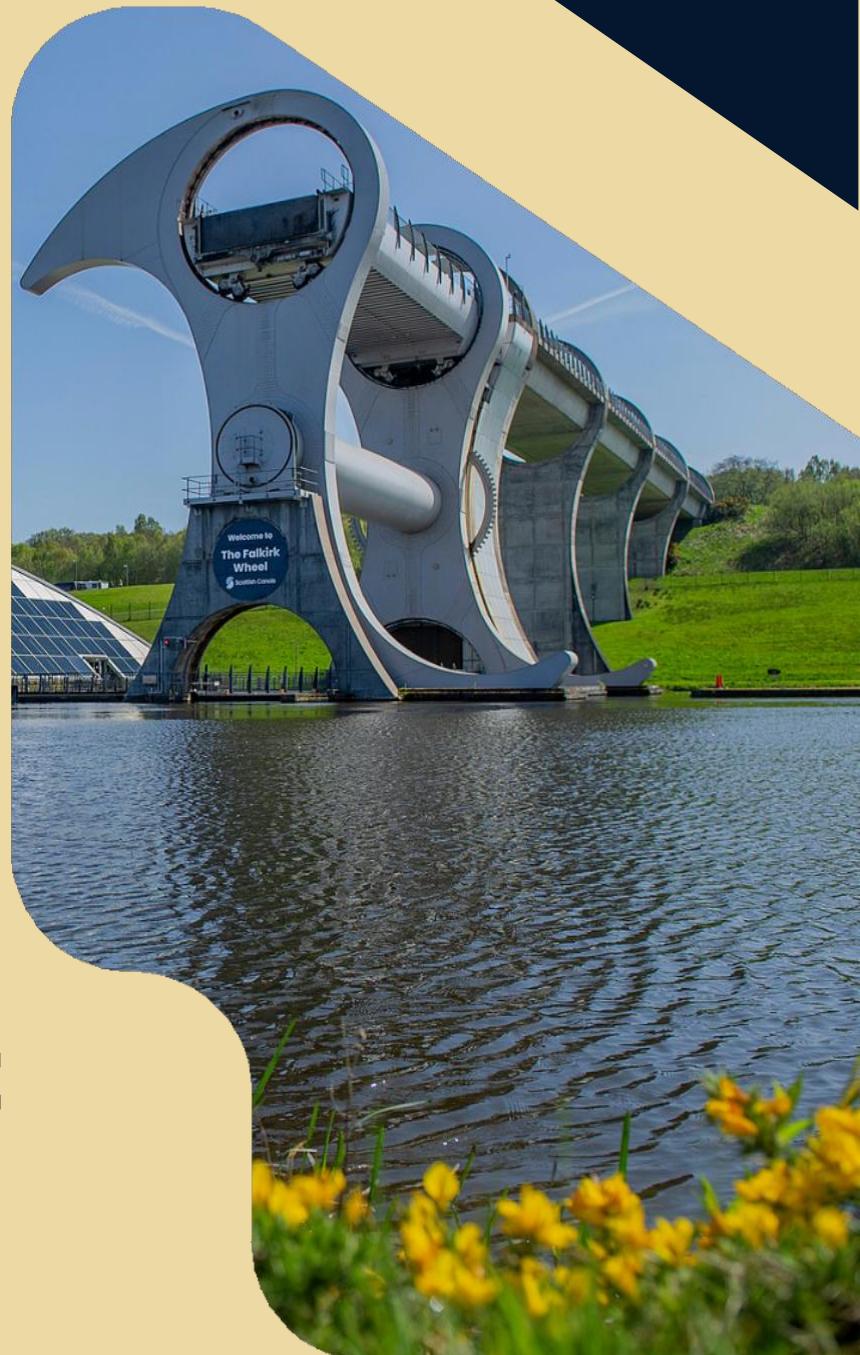


Scottish
Canals

Procurement Strategy

2023-2027

**Supporting the delivery
of 'Vibrant canals for
people, heritage and
nature'**



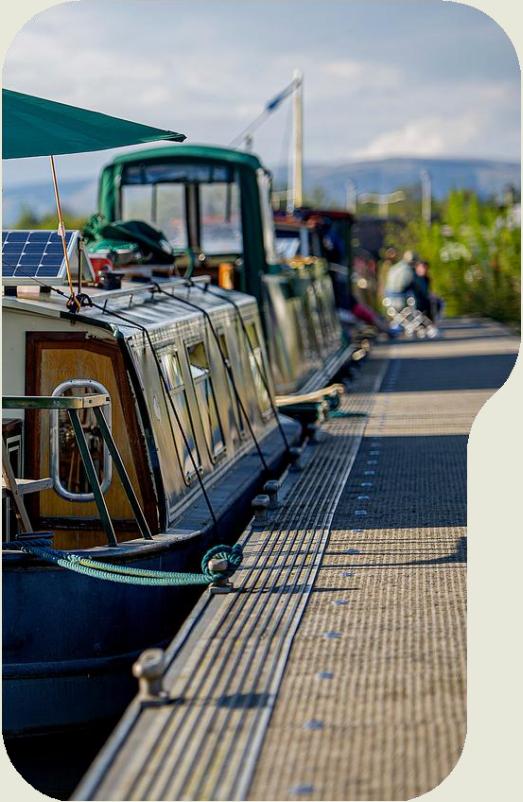


Table of Contents

Executive Summary	3
Purpose	4
Our Vision, Mission, and Values	5
Governance	6
Corporate Commitments	7
Policy and Procedures	8
Procurement Priorities	10
Procurement Annual Report	11
Governance and Measuring Success	12

Procurement and commercial capability are key enablers to successfully delivering Scottish Canal's corporate aims and objectives by obtaining best value for the budget and capitalising on commercial opportunities.

Part of our financial resources are from the Scottish budget which is currently set on an annual basis to support the delivery of the Scottish Governments National Outcomes to create a sustainable, inclusive, safe and accessible canal network, which in turn will help to deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors. Scottish Canals plays a key role in delivering these outcomes which also form the basis of the organisation's core values of creating innovative solutions to conserve and enhance our canals, caring ensuring our canals thrive to benefit people and communities and collaborating with stakeholders to value contributions and experiences – also known as Scottish Canals three C's!

Scottish Canals budget is made up of grant in aid funding from Scottish Government, third party grants and self-generated income from Scottish Canals commercial portfolio which includes income from property and visitor attractions. In 2023/24 the procurement spend was £23m with approximately 51% of this on capital projects.



As a Scottish Government Non-Departmental Public Body, and in line with the Procurement Reform (Scotland) Act 2014, we have reviewed and updated our Procurement Strategy highlighting the success of 2024/25 and detailing what we want to achieve in 2025/26. The procurement activity ensures the continued support to allow the Scottish Government to achieve its goals and procurement priorities.

Our overall Procurement Strategy sets out the strategic direction of Scottish Canal's procurement activity for 2023-2027 taking account of our legal obligations, ensuring that we make the best use of public money, whilst protecting our climate and improving lives. Scottish Canals publishes an Annual Procurement Report on the performance of our regulated procurements. This report is available each year from October on Scottish Canals website.

This strategy is intended to meet the following objectives:

- Support the delivery of Scottish Canals 2023-2028 Corporate Plan
- Align with Scottish Governments National Outcomes
- Support the delivery of the four key objectives as defined in the Public Procurement Strategy: "Putting Public Procurement at the heart of a sustainable economy to maximise value for the people of Scotland" by managing the delivery of the four key objectives through the procurement activity:
 1. Good for business and their employees
 2. Good for places and communities
 3. Good for society
 4. Open and connected
- Set out the framework in which we will ensure that procurement delivers value for money and sustainability, offering a professional service and in accordance with the relevant legislation
- Contributing to the wider public service reform agenda
- Scottish Canals Net Zero targets
- This strategy complements Scottish Canals 2023-28 Corporate Plan, *Better lives by water*.



Scottish Canals' vision

Vibrant canals for people, heritage, and nature

Procurement's vision

To deliver commercially effective, compliant, and sustainable contracts to support the delivery of services.

Scottish Canals mission

Investing in Scotland's canals to generate lasting benefit for people and communities.

Procurement mission

To develop a culture where efficiency and continuous improvement are at the heart of how we do business.

Our values

We care – ensuring our contracts allow the canals to thrive, benefiting people and communities.

We create – innovating and finding solutions in awarding our contracts to conserve and enhance our canals.

We collaborate – working together, valuing contributions and experiences.

Procurement is an integral part of the project delivery process in Scottish Canals and consequently not all activity is undertaken by a centralised procurement function. Contracts under the value of £10,000 are conducted by staff with appropriate skills and expertise and follow Scottish Canals Procurement Policy. Support is provided where necessary by a central procurement team.

Scottish Canals policy is in house first, if Scottish Canals cannot service the requirement we will look use frameworks, with priority given to Scottish based frameworks in the first instance. If there is no framework to meet our requirement, and the value is less than £50,000, Scottish Canals will consider the use of the quick quote facility in Public Contracts Scotland. All tenders with an aggregated value over £50,000 will be an open tender published on Public Contracts Scotland. Individual Procurement Strategies will be developed for each tender over £10,000 by the procurement team to be approved by the stakeholder.

The Scottish Procurement and Property Directorate of the Scottish Government controls the publication and dissemination of best practice, process, and standards of procurement across the core Scottish Government and its Agencies, including Scottish Canals. The Scottish Government's Procurement Policy Manual sets out the requirement for Delegated Purchasing Authority (DPA) to be held by officials who are responsible for preparing contracts for goods, services and works.

Scottish Canals Chief Executive is the Accountable Officer who is responsible for the regularity, propriety and ensuring value for money of procurement activity in the agency. The Chief Executive has appointed the Director of Finance and the Head of Procurement to hold purchasing authority for all procurement relating to the management and operation of Scottish Canals. The Head of Procurement reports directly to the Director of Finance and is supported by the Procurement Manager. The Director of Finance has been given authority to sub-delegate purchasing authority to DPA holders in departments within Scottish Canal as considered appropriate. DPA holders are empowered to prepare terms to contractually commit Scottish Canal to enter a contract.

In the period of 24/25, Scottish Canals spend was approximately £25m with 51% attributed to capital projects. Procurement was engaged with 68 tenders.

Through effective engagement with all our stakeholders, both internally and externally procurement will drive compliance, best practice, and innovation via collaboration. Open and frank discussions, active listening and mutual respect will lead to the delivery of solutions to support Scottish Canals goals and our stakeholders' objectives.

We undertake internal stakeholder meetings on a regular basis to ensure all contracts are delivered to a satisfactory quality. Early engagement with our stakeholders allows us to plan for future activity via the contract pipeline, therefore allowing for efficient resource and budget planning.

We undertake supplier reviews on a regular basis to ensure best value for money and community benefits are being delivered. Procurement encourages innovative solutions and alternatives to be considered.

We collaborate closely with stakeholders when a contract is awarded by providing a detailed contract handover document detailing key aspects of the contracts including roles and responsibilities. Scottish Canals contract management is devolved into two areas, operational contract management is conducted by the stakeholders with procurement taking ownership of the commercial contract management which includes any variations or amendments to the contract. Procurement also is responsible for any contractual disputes.

Since 2023, Procurement is actively involved within the commercial activity working with Destinations, Placemaking and Estates teams to ensure the activity is compliant with regulations and optimising the profit from their investments. Scottish Canals is now utilising the Public Contracts Scotland portal to advertise these opportunities, ensuring full visibility and transparency.

Procurement actively works with the third-party funders to ensure compliance with any grant conditions and to support the funding parties to meet their objectives.

We work closely with other public organisations, especially in our cluster group. A close network from the cluster group has been set up to share ideas, templates, ask for advice and is used as sounding board. An example of the additional benefit this collaboration can bring is Scottish Canals used this forum to source an employment opportunity for our procurement modern apprentice who was coming to the end of his apprenticeship. This resulted in the individual gaining employment in one of the other members organisations.

We are cultivating relationships with Sustrans and Falkirk Council regarding third-party funding that is available. Funding from Sustrans was used to develop Scottish Canals property at Borron Street with the income generated from the rental income to be to maintain Stockingfield and Bowling. Scottish Canals has been working closely with Falkirk Council to promote The Kelpies working together to promote the attraction as an event venue and increase revenue income.

Policy and Procedures

The following policies are embedded into existing procurement processes in Scottish Canal and are intended to assist decision making, management and administrative functions. Monitoring, review, and reporting of the effectiveness of a policy is a key part of ensuring continuous improvement.

National policies

Scottish Canal staff involved in procurement are required to take account of the following national policies, legislation, and tools:

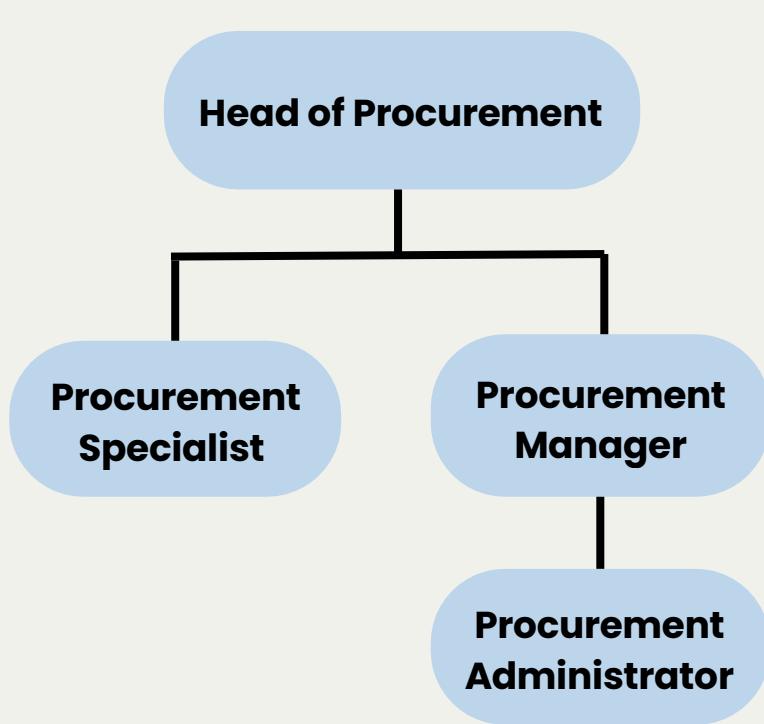
- Procurement Reform (Scotland) Act 2014
- The Public Contracts (Scotland) Regulations 2015
- Procurement (Scotland) Regulations 2016
- General Data Protection Regulations 2018
- Relevant environmental and health and safety legislation, such as the Construction (Design and Management) Regulations 2015
- Published Statutory Guidance to support the implementation of the Procurement Reform (Scotland) Act 2014
- The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 and subsequent duties under the Public Contracts (Scotland) Regulations 2015
- Scottish Government Construction Policy Notes (CPNs), published by the Scottish Government Construction Procurement Policy Unit
- Scottish Procurement Policy Notes (SPPNs), published by the Scottish Procurement and Property Directorate
- Scottish Government's Procurement Journey
- The Climate Change (Duties of Public Bodies :Reporting Requirements) (Scotland) Order 2015
- Scottish Government's National Performance Framework
- Public Procurement Group's Public Procurement Priorities
- Scottish Public Finance Manual
- The sustainable procurement duty tools developed by Scottish Government to assist public sector bodies to identify and address how they can optimise economic, social, and environmental outcomes of procurement activity.

Scottish Canal staff are required to take account of local policies and procedures when undertaking any procurement activity, including:

- The requirement for appropriate staff to have a suitable level of Delegated Purchasing Authority
- Scottish Canal's requirement that procurement policy is adhered and receive training and guidance
- Scottish Canals internal procedures to be followed
- Scottish Canals intend to pay all valid invoices within the 30-day period. Where applicable Scottish Canals require any main contractor to pay their sub-contractors within the same period. This is reflected in the terms and conditions of contract.



Procurement team structure



Procurement Priorities

PAGE 10

1 Communication

To provide clear direction of the procurement requirements that is concise and understandable to all stakeholders, customers, and end users. To standardise process, procedures, and documentation across Scottish Canals to reduce risk and improve the services offered. To provide consistent and professional leadership for the procurement function. To actively listen to the stakeholders, understand their concerns, challenges, requirements, and goals to develop the optimum strategies for supplier engagements.

2 Team

To develop the procurement team and the devolved buyers to ensure they have the right tools, skills, and support to deliver sustainable contracts and to foster relationships to allow for continuous improvement initiatives. To encourage the team to be innovative and confident in all aspects of their duties. To engage with colleagues on Scottish Government initiatives to ensure cross fertilisation of ideas, data, and application, especially on sustainable, net zero and community benefit initiatives.

3 Supply Chain Resilience and Net Zero Initiative

To factor resilience and risks in the supply chain when developing tendering strategies. To challenge requirements to consider whole life cycles including disposal and emissions. To collaborate with our strategic partners/suppliers to manage Tier one and two suppliers to identify savings, including carbon, innovation, community benefits and added value services.

4 Value for Money and Growth

To ensure contract offer best value for money, allowing for growth, innovation, and mutual benefits to all parties. To collaborate with the stakeholders to manage existing contracts to ensure they are delivering all contractual obligations, both soft and hard with Scottish Canals obtaining best value for money. For new opportunities, Procurement to challenge the requirements ensure all relevant parties from Scottish Canals are included in developing the strategies, to include Scottish sustainability goals, data protection (both personal and commercial) and Scottish Canals overall corporate objects.

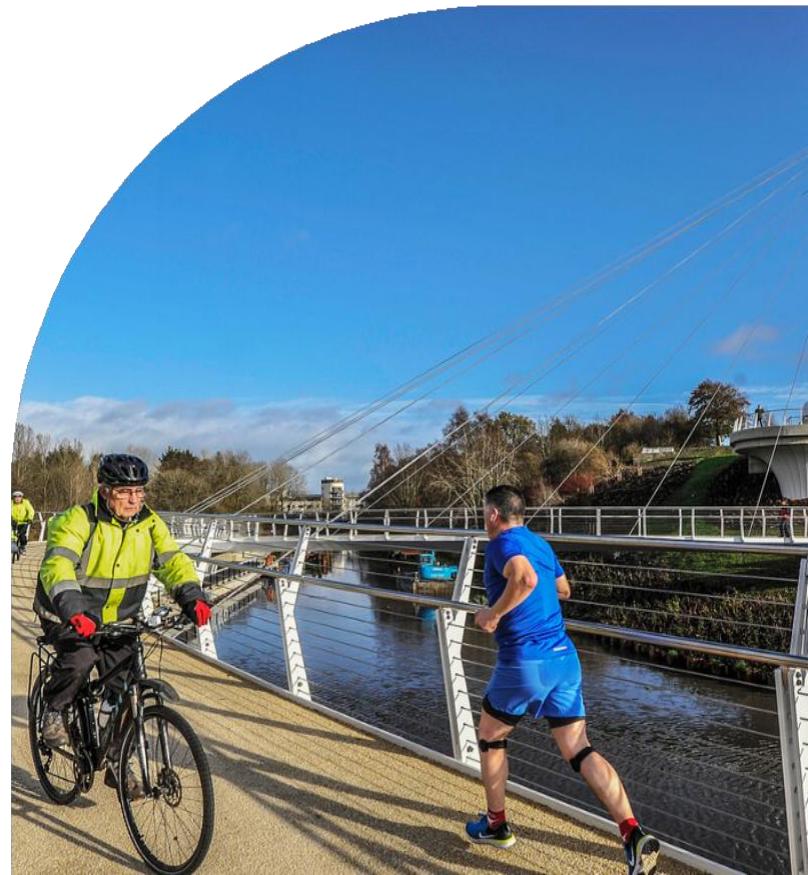
5 Professional Excellence

To strive for maintain the level of service as defined in the procurement capability assessment (PCIP) of 2024 and to implement the "best value" improvement identified by the Internal Audit.

To continue with a minimum of 35 hours PDP over the year to develop our skills and knowledge.

The Procurement Reform (Scotland) Act 2014 requires Scottish Canals to prepare an annual procurement report on our regulated procurement activity. Our last report was approved by the Board and published October 2025 in accordance with Section 18(2) of the Act. The Annual Procurement Report includes:

- A summary of the regulated procurements that have been completed during the year covered by the report
- A review of whether those procurements complied with our Corporate Procurement Strategy
- The extent to which any regulated procurements did not comply, and a statement detailing how we will ensure that future regulated procurements do comply
- A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the report period
- A summary of regulated procurements expected to commence in the next two financial years
- Reporting on other matters contained in this procurement strategy



Governance and Measuring Success

PAGE 12

Scottish Canals is committed to good governance and being open and financially sustainable. Procurement plays an integral role to support Scottish Canals in achieving this commitment by providing a professional service that ensure compliance to all regulations and legislation whilst delivering value for money and sustainable solutions.

Procurement set five Key Performance Indicators for FY 24/25 and have revised the targets for 25/26.

1

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 99.7% of the spend over £50,000 is under contract. This has been addressed and the spend is now under contract. The target remains at 100% for 25/26.

2

KPI 2 – Compliance with Scottish Canals Procurement Policy with a target of 96%. 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 25/26 is 96% of compliance.

3

KPI 3 – Savings – A savings target of £200,000 was set against FY24/25. The reported savings for 24/25 is £937,744. The saving target set for 25/26 will be £500,000.

4

KPI 4 – There was a target to award two contracts with supported businesses in the period of 24/25. This target has been achieved, the Signage Contract awarded to Royal British Legion and the volunteering was awarded a charity organization Go Forth and Clyde. 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 look to engage a 3rd.

5

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. Procurement is working closely with the sustainability team and have embedded the SG tools. The tender documentation now incorporates the Sustainable business practices support | Scottish Enterprise (scottish-enterprise.com) guidance to support our suppliers to be more sustainable. This directs all potential bidders to useful free information and tools.



Please visit our website for more information and all the latest Scottish Canals news



E: enquiries@scottishcanals.co.uk T: [@ScottishCanals](https://twitter.com/ScottishCanals) W: scottishcanals.co.uk