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ENVIRONMENT
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Historic Environment Scotland Annual Procurement Report 2022-23

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Section 1 – Introduction

Historic Environment Scotland is the **lead public body for Scotland’s Historic Environment**. Scotland’s historic environment is part and parcel of our daily lives: it is our castles, standing stones and landscapes; our factories, mills, and shipyards; our homes, our streets, and our stories. It is a catalyst for economic growth, driving tourism, regeneration and sustainable development and fuelling improvements.

HES is a Non-Departmental Public Body with charitable status (registered charity number SC202659) and is a public sector contracting authority, subject to the Procurement Reform (Scotland) Act 2014, and as such is required to produce an annual report on our regulated procurement activities and achievements in delivering our previously published Procurement Strategy. This Annual Report also includes the procurement activities of Historic Environment Scotland Enterprises Limited (HESE), the Trading Arm and wholly owned subsidiary of HES.

HES champions the Scottish Procurement Model through embedding sustainable procurement. Sustainable Procurement is “a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation but also to society, the economy and the environment”.

HES is pleased to publish our 2022-23 Annual Procurement Report, which allows us to record and publicise our performance and achievements in delivering our procurement strategy. It provides an opportunity to demonstrate to our stakeholders that our procurement spend is being used to best effect to achieve the key deliverables within our Procurement Strategy:

- Sustainability
- Value for Money and Efficiency
- Enhancing Capability
- Transparency
- Governance and Risk

HES will be assessed as part of the national Procurement and Commercial Improvement Programme (PCIP) sometime between April and June 2024.

IAIN JOHNSTON

Head of Procurement

lain.johnston@hes.scot

Section 2 – Summary of Regulated Procurement & Spend

As required under Section 18 (2) of the Procurement Reform (Scotland) Act 2014 requires contracting authorities to include a summary of the regulated procurements that have been completed during the year covered by the report.

A contract is a regulated procurement if the estimated value of the contract is equal to or greater than the contract threshold of £50,000 unless it is a works contract in which case the threshold is £2,000,000. A regulated procurement starts from the point of seeking offers, includes the selection of economic operators and all other steps in the process continuing through to the award of the contract

The principle of transparency requires HES to approach its public procurements in an open and inclusive manner. Information on each individual regulated procurement completed during the reporting period is attached at Annex 1. This information covers the period 1 April 2022 to 31 March 2023. This table shows 18 regulated procurements across a wide variety of goods, services and works with an overall estimated value of £12.481m.

These procurements include projects supporting: Various IT solutions, Bus and Ferry services for visitors to our properties in care, workwear and clothing for our visitor facing staff, conservation, general construction work and other HES Business as Usual (BAU) Requirements.

The table below shows the % split between Goods/Works/Services

Description	Total	No of Contracts
Goods	£1,468,982	1
Services	£6,893,406	11
Works	£4,119,094	6
Grand Total	£12,481,482	18

During the reporting period there were instance where alternative methods of procurement were used in line with the regulations, the HES Scheme of Delegation and Financial Regulations relating to Contracts (e.g., where there is only one known supplier). These single sources are tightly controlled and signed off by the Head of Procurement and the appropriate Senior Manager.

Section 3 – Review of Regulated Procurement Compliance

Strategic Aims and Objectives delivery - Contribution to functions and purposes of HES

Our Corporate Plan 2022 Onwards: *Heritage for All*, sets out five outcomes that we want to achieve that will help us work towards this vision:

1. The historic environment makes a real difference to people's lives.
2. The historic environment is looked after, protected, and managed for the generations to come.
3. The historic environment makes a broader contribution to the economy of Scotland and its people.
4. The historic environment inspires a creative and vibrant Scotland.
5. The historic environment is cared for and championed by a high-performing organisation.

HES's plans form part of a much broader ambition to build a more successful Scotland. We support the Scottish Government's purpose to "*focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive growth*". Our work contributed to the delivery of A Stronger & More Resilient Scotland: The Programme for Government 2022 to 2023

The procurement team worked with our principal delivery partners in the various HES business areas to support delivery of our strategic priorities, contributing to the achievement of the Scottish Government's strategic objectives and national outcomes.

The HES Procurement Team worked collaboratively throughout the year with several other public bodies to meet joint objectives.

Strategic Aims and Objectives delivery - Transparency of HES procurement

HES approached its procurement requirements in an open, proportionate, and inclusive manner to reduce barriers to participation. This included the use of PCS, publication of our Contracts Register and a new Sustainable Procurement Strategy document. HES complied with the requirements of the Procurement Reform (Scotland) Act 2014 in relation to the giving of reasons to unsuccessful participants and requests for further information.

HES procurement activity is aligned with the Scottish Government Procurement Journey and the HES procurement strategy has a planned refreshed covering the 2022-26 period.

Key deliverables and Performance Indicators for the Procurement Unit are set as internal targets at the start of each financial year within the annual Work Plan. These deliverables and indicators are produced as part of the Procurement Action Plan which is produced in response to the Procurement Capability Improvement Programme (PCIP) report.

The PCIP focuses on the policies and procedures driving procurement performance and, more importantly, the results they deliver. The PCIP regime assesses organisations by measuring and reporting on their levels of procurement delivery through the provision of evidence, based around a series of set questions and other evaluation methods.

The PCIP comprises four sections - Leadership and Governance, Development and Tender, Contract and Purchasing Processes - with a total of 24 questions, seven of which are pre-assessed. Several new areas are covered by the assessment, including fraud prevention and commercial acumen.

The last PCIP assessment was carried out at Historic Environment Scotland (HES) by two representatives of Scottish Procurement on 26 April 2019. The outcome of this assessment was that HES achieved a rating of 72% putting the procurement function in the top PCIP large-sized organisation performance banding, P1.

Some areas for development were identified, in particular Contract Management and this is an area which will be addressed in the first couple of years of the refreshed procurement strategy. The assessors were encouraged to note the strengths in Leadership and Governance, for example the procurement policy, procedure and financial control administered by the procurement team.

The Scottish Government Procurement Journey and the HES procurement strategy apply to all contracts entered into by HES. In some circumstances however, exceptions may be granted. All requests must be made in writing, following the procedure detailed in the HES Internal Scheme of Delegations. The grounds for any request to operate outside the limits for regulated procurement must be clearly identified and authorised by the Director of Finance or the Chief Executive depending on the value. Approvals must be recorded in writing and given prior to any action. In such an event, the requirement to comply with the Scottish Regulations remains.

Our procurement activity, through the contracts awarded as detailed in Annex 1 and through contracts awarded prior to this year, supported the wider organisational aims

and objectives. Through our procurement activities and our work with our partners and stakeholders, we ensure that the historic environment thrives and delivers economic and social benefits for the people of Scotland.

Covid-19 has had a significant impact on everyone. The historic environment and Historic Environment Scotland are no exceptions, despite having such a challenging year here are some examples of HES valuable contribution to Scotland.



Generated £640m for the Scottish economy from heritage tourism



We spent more than £30m with Scottish suppliers and contractors in 2022-23 through procurement and we have invested £12.5m through our grants programme.



Commercial Income of £49.7m was generated. Invested £40.3 million in Properties in Care.



Digitised and made available more than 123,000 images and files.



Welcomed 3.3 million visitors to our staffed sites, we have 7.3 million users visiting HES websites. 184,000 members.



Climate Action Plan published March 2020. Our carbon emissions are now 20% lower than 2019-20,

Strategic Aims and Objectives delivery – Prompt payment

Standard supplier payment terms are generally 30 days, but HES follows the Scottish Government target for payment of invoices within 10 working days of their receipt.

2022-23:

90% of invoices paid within 10 working days (88% in 2021-22)

96% of invoices paid within 30 days (95% in 2021-22)

Strategic Aims and Objectives delivery - Community Benefits approach

Strategic Aims and Objectives delivery - Sustainable Procurement Duty

There were no contracts that had community benefit requirements imposed as part of regulated procurements during the period covered by the report.

However, as part of the HES sustainable procurement duty, the procurement programmes for all regulated procurements consider what sustainable elements can be included within the project. This is done where relevant using the Sustainability Test in conjunction with the Prioritisation tool. Using this approach helps us to identify any opportunities to improve the economic, social, and environmental wellbeing of the area in which the project is located.

Strategic Aims and Objectives delivery - Equal treatment of Suppliers and Contractors

Strategic Aims and Objectives delivery - Consultation and engagement

HES have always recognised the need to engage with small and medium sized businesses to meet our geographically spread and diverse range of requirements. We have removed the need to demonstrate requirements to demonstrate a high financial turnover, high indemnity insurance thresholds, all which act as barriers to SME participation.

HES have undertaken Supplier engagement activities including attending Virtual Meet the Buyer events over the past year to encourage Suppliers to get in touch with our business areas to see what opportunities may be available to them. These have focussed on small and medium sized businesses and the feedback has been quite positive with many of the suppliers we talked to were unaware of the wide range of activities that HES is involved in. With our delegated system of purchasing and regional offices acting as discrete operational units it has made sense to retain some of the historical groupings for some requirements e.g., grounds maintenance which is procured as regional clusters of monuments. This can encourage a range of SMEs to bid for business appropriate to their capacity, specialism, and location.

Strategic Aims and Objectives delivery – Living Wage approach

People – HES received accreditation as a Living Wage Employer as recognised by the Poverty Alliance, the Living Wage Foundation, and the Scottish Government. The Living Wage is reviewed annually to ensure it meets the cost of living in Scotland.

Section 4 – Community Benefit Summary

The Act requires the Annual Report to provide a summary of any Community Benefit requirements imposed as part of a regulated procurement that were fulfilled during the reporting year.

The aim of Community Benefit clauses within suppliers' contracts of significant value or duration is to provide means of achieving sustainability objectives, e.g., local recruitment, training, SME development, community engagement etc. Under the Act, Community Benefits must be considered for contracts with a value above £4 million but could also be applied where relevant below this threshold.

There were no contracts awarded above £4m during the reporting period however there was a number of regulated procurements (less than £4m) that had community benefits included in the requirement.

Benefits Delivered from the Contracts include:

Holyrood Park Grounds Maintenance Contract

Recruitment of apprenticeships throughout the contract. Contractor will provide 45 hours per annum of path and road gritting and snow ploughing, maximising site safety for residents and service users. 100% of spend for this contract will remain within a 15-mile radius of site, maximising economic benefit to the local area and increasing business opportunities for local companies.

Work with local printer for leaflets and brochures. Introducing potential workers into the textile industry. Working with charities and sponsoring children day trips.
Taking local children to activities

Provision of Labouring Services Contract

Through the duration of the contract the contractor has committed to some environmental community benefits around creating wildflower meadows on disused land, donating materials and labour to a local community market, along with creating Beehive projects.

Provision of Painting Services Contract

The contractor is committed towards a number of community benefits including Foodbank support, offering apprenticeships and work experience to local residents, local environmental projects, and working with SME's.

Provision of Workwear and Corporate Clothing Contract

The supplier is committed towards a number of community benefits during the life of the contract, this covers introducing potential workers into the textile industry, working with charities and sponsoring children for day trips. They will work with a local printer for promotional leaflets and brochures.

Section 5 – Supported Businesses Summary

The Act requires the Annual Report to provide a summary of any steps taken to facilitate the involvement of Supported Businesses in regulated procurements during the reporting period.

Article 20 of the EU Directive 2014/24/EU allows for the direct award of contracts and includes businesses where 30% of the workforce is considered disadvantaged or disabled. HES have ordered goods and services directly under Article 20 and call-off from the Scottish Government's Supported Businesses Framework. A summary of expenditure with supported businesses is shown below.

HES has a contract in place with Keela for the supply of staff uniforms and workwear, the estimated annual contract value £270k.

Additional benefits from the contract include working with local printer for leaflets and brochures. Introducing potential workers into the textile industry. Working with charities and sponsoring children day trips.

Section 6 – Sustainable Procurement

Circular Economy

Implementing circular economic principles and supporting the wider transition to a circular economy is a key work area. This year we commissioned a study to take a deeper look into our material flows and identify areas where we can reduce the environmental impact. Progress in 2022-23 includes:

- In 2022–23 our recycling rate decreased from 65% to 53%. This is due to a change in the types of waste we dispose of. Our estate-wide waste broker contract which delivers 92% recycling for construction waste. We also reduced landfilled waste from 5% to 2%, although waste incinerated with energy recovery increased from 30% to 44%.
- We have been working with a Scottish start-up company to develop a new gift shop magnet made from locally sourced post-consumer plastic waste. Part of this support was to help them invest in new machinery.
- We developed a temporary travelling exhibition where all display materials sourced were either reused, or reusable, opting for reusable picture frames rather than plastic boards for interpretation, sourcing reused wooden easels and borrowing lighting from another HES department.
- We have teamed up with Good Journey to encourage car-free travel to our properties around the country. Launched in March this year, car-free travel ideas are promoted at 12 sites and visitors arriving by public transport, cycle or on foot receive a 25% discount on tickets.
- We have installed Electric Vehicle charging infrastructure at Elgin and Fort George Depots to support the transition of our fleet to electric vehicles. A supply upgrade has been completed at Kerse Road Depot in Stirling to allow Electric Vehicle chargers to be installed and a planning application submitted to improve electric vehicle charging facilities at Longmore House.
- Assisted by our fleet management supplier (EVP Solutions) we are developing a fleet strategy that defines how we transition to low emission vehicles while maintaining an efficient and effective service. This strategy is currently in final draft and articulates the opportunities available to us based on the age of the fleet and current usage.
- We purposefully used sustainably and locally sourced timber and stone to build a new bridge by Doune Castle as part of a partnership project with the council and local groups.
- We expanded our dimensional stone carbon calculator to include granite and promoted its use to other public sector organisations.

- We launched a Made in Scotland Policy to increase the number of locally made and Scottish made products in our shops.
- We have undertaken a Materials Flow Account of our supply chain to gather data that helps us to understand how we can tackle the negative environmental impacts of our goods and services. This exercise has estimated that the embedded carbon from our purchased goods and services makes up 79% of our total carbon footprint (this total figure does not include visitor travel as this overshadows other emissions). Key outcomes from this work will be prioritising suppliers to engage with and starting to request and gather environmental data directly from suppliers which will help us to measure progress more actually going forward.
- We continued to use the Sustainable Procurement Tools for our larger contracts, to ensure that we build sustainable criteria into the specification of the product/services where possible and link this to evaluation criteria.
- We worked in partnership with Zero Waste Scotland to expand the scope of our carbon calculator for stone and have circulated it to the Scottish Government Procurement Forum for consideration within their guidance documents and upcoming procurement activities

Archive House Building Design

The development of the Archive House building design has been guided by ambitious standards including the PassivHaus standard for retrofit (EnerPHit) and the Net Zero Public Building Standard (NZPBS).

This has required a high degree of innovation due to the unique nature of the building function. Archive House is the first building to be designed under the NZPBS which considers not only the carbon emissions while in use but also the emissions associated with the building materials and maintenance.

To ensure this is achieved, an enhanced level of energy and carbon modelling has been carried out at early design stages to influence the development of the design.

We are also developing measures to maximise sustainable travel opportunities with dedicated cycle storage and charging points for electric cars and bikes. Biodiversity will be maximised on this small site by creating habitat for native species of bats, birds, and insects.

Section 7 – Future Regulated Procurements Summary

The Act requires this Report to provide a summary of the regulated procurements HES expects to commence in the future. This is attached at Annex 2 and includes:

- the subject matter
- whether it is a new, extended or re-let procurement
- the expected contract notice publication date
- expected award date
- expected start date
- the estimated value of the contract

Section 8 – Additional information

Contract and Supplier Management – As noted in Section 3, areas for development were identified, in particular Contract Management. This is an area which will be addressed during the period 2023-2024 through a root and branch review of all contract and supplier management, processes, and procedures. Training on the current contract and management process is delivered by the Procurement team to those with responsibilities for managing contracts.

Website – The procurement page on the HES website is reviewed and updated where required throughout the year. These pages provide key information on doing business with HES, from procurement rules to using the Public Contracts Scotland portal.

Annex 1 – Regulated Procurements 2022-23

Date of Award	Supplier Name	Contract Description	Estimated value	Start Date	End Date
05.04.22	Dacoll Ltd (GB)	EPOS Maintenance Services	£143,251	01.04.22	31.03.25
22.04.22	Northern Steeplejacks (Edinburgh) Ltd (GB)	Steeplejack and Associated Services	£120,000	01.05.22	30.04.26
09.05.22	seahunter marine (GB)	Inchcolm Island ferry and Grounds Maintenance Services	£111,200	09.05.22	08.05.27
16.05.22	City Access Scaffolding Ltd (GB)	Scaffolding Services at various HES Regions	£818,000	23.05.22	22.05.27
16.05.22	Orkney Community Transport Organisation (GB)	Maeshowe Shuttle Bus	£288,000	16.05.22	15.05.24
02.08.22	DataVita Limited (GB)	Data Centre Hosting Services	£2,100,000	21.07.22	20.07.25
03.08.22	Murdoch MacKenzie Construction Ltd (GB)	Labouring Services Edinburgh Region	£651,120	08.08.22	07.08.27
11.08.22	Ilasco Ltd (GB)	Workwear and Corporate Clothing	£1,468,982	01.07.22	30.06.26
12.09.22	SM Electrical Services (Scotland) Ltd (GB)	Switchboard and Sub Metering Upgrade	£193,680	01.08.22	31.07.23
26.09.22	Forth Stone Limited (GB)	Masonry Services at Edinburgh castle and other sites in Edinburgh	£900,000	26.09.22	25.09.27
01.11.22	AOC Archaeology (GB)	Minor Archaeological Services	£208,750	01.11.22	31.10.26
06.12.22	Idox Software Ltd (GB)	Development of NCAP GeoPortal	£405,485	25.11.22	24.11.26
07.12.22	Living History Scotland (GB)	Costumed Performers at Stirling Castle	£1,647,600	01.03.23	31.03.28
16.12.22	Industrial Access Systems Ltd (GB)	Access Services to HES Estate	£800,000	04.01.23	03.01.27
01.02.23	Automated Document Services Ltd (GB) / UK Archiving (GB) / Max Communications Ltd (GB)	Archive Digitisation Framework	£400,000	01.02.23	31.01.26
24.02.23	Orkney Builders (Contractors) Ltd (GB)	Orkney Hub Project	£1,301,445	09.01.23	09.08.24
24.02.23	Viltra (GB)	New Sewage Treatment Plant – Dunstaffnage Castle	£222,515	01.03.23	31.03.24

22.03.23	McGowan Environmental Engineering Ltd (GB)	Footpath repairs and Erosion control Services	£701,454	20.03.23	19.03.26
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Annex 2 – Regulated Procurements April 2023 – March 2025

Description	Status	Expected Publication date	Expected Award date	Expected Start Date	Estimated Contract Value
Adobe Licensing Renewal	Re-Let	Aug-23	Nov-23	Dec-23	£92,504.16
Historic Times Publication	Re-Let	Jun-23	Sep-23	Oct-23	£35,360.00
Sourcing & Booking of Meeting Rooms & Conference Venues	SG Framework Mini Comp/Direct Award	N/A	N/A	Sep-23	£120,000.00
Press Cuttings	Re-Let	Mar-23	Jun-23	Jul-23	£35,820.00
Mount Making	Re-Let	May-23	Sep-23	Oct-23	£200,000.00
Publishing, print and design (PPDAS) Framework - SP-17-028	SG Framework Mini Comp/Direct Award	N/A	N/A	Apr-23	£697,200.00
Temp administrative, catering, and manual – North Framework - SP-18-012	SG Framework Mini Comp/Direct Award	N/A	N/A	Apr-23	£348,000.00
Temp administrative, catering, and manual – South Framework - SP-18-013	SG Framework Mini Comp/Direct Award	N/A	N/A	Apr-23	£464,000.00
Interim Professional Staff Services Framework Agreement - SP-18-014	SG Framework Mini Comp/Direct Award	N/A	N/A	Apr-23	£380,000.00
Interim IT Staff Services Framework Agreement - SP-18-015	SG Framework Mini Comp/Direct Award	N/A	N/A	Apr-23	£46,000.00
Electricity (Supply of) SP-17-004	SG Framework Mini Comp/Direct Award	N/A	N/A	Apr-23	£4,785,000.00
Interpretive Exhibition Maintenance Framework	Re-Let	May-23	Sep-23	Oct-23	£57,068.00
Media Planning & Buying	SG Framework Mini Comp/Direct Award	N/A	N/A	Aug-23	£300,000.00
Civil & Structural Engineering Consultancy services	Re-Let	Oct-22	Jan-23	Mar-23	£120,000.00
Marketing Executive - Consumer Campaign Creative	Re-Let	Oct-23	Dec-23	Jan-24	£360,000.00
Provision of Display Cases	Re-Let	May-23	Aug-23	Sep-23	£240,000.00
Education - media support	Re-Let	Jul-23	Oct-23	Nov-23	£75,000.00
Stationery Contract	SG Framework Mini Comp/Direct Award	N/A	N/A	Apr-23	£90,000.00
Cash collection 2017	Re-Let	Apr-23	Jul-23	Aug-23	£225,000.00
Delivery and Facilitation of Learning Activities for Various Audiences at HES Sites	Re-Let	Jun-23	Sep-23	Octo-23	£240,000.00
Towards a National Collection - Digital Collections Training Materials	Re-Let	Jan-24	Apr-24	Jun-24	£150,000.00
Media Monitoring	Re-Let	Jan-24	Apr-24	Jun-24	£60,000.00

Design of HES Print Suite	Re-Let	Jun-24	Sep-24	Oct-24	£50,000.00
Vehicle Hire	SG Framework Mini Comp/Direct Award	N/A	N/A	Aug-24	£1,800,000.00
Electronic Purchasing Card	SG Framework Mini Comp/Direct Award	N/A	N/A	Jul-24	£3,900,000.00
Hire of Labour Stirling	Re-Let	Aug-24	Nov-24	Dec-24	£314,000.00
Jousting Events	Re-Let	Jan-24	Mar-24	Apr-24	£112,000.00
Statutory Inspections	Re-Let	Dec-24	Feb-25	Mar-25	£100,000.00
Scaffolding Design Services – National	Re-Let	Dec-24	Feb-25	Mar-25	£402,000.00

