



City Building (Contracts) LLP

Annual Procurement Report for Regulated Procurement Activity 1st April 2025 – 31st March 2026

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1. Introduction

City Building (Contracts) LLP (City Building) was incorporated on 2nd October 2006 to provide construction and repairs services. It is a wholly owned Arms Length External Organisation of Glasgow City Council. It plays an important role in delivering for Glasgow and contributing to the common priorities of our member, Glasgow City Council and other housing associations within the Glasgow area. supports the GCC's Capital Programme by delivering projects valued at a few £1,000's to major projects of over £20m together with various repairs , maintenance and investment services to Housing Associations through our Housing Association Management Services.

For GCC these works include:-	For housing associations these works include:-
➤ Larger responsive Repairs ➤ Emergency Repairs ➤ Planned compliance Works ➤ Temporary Accommodation (TAD) void work ➤ Scottish Welfare fund furniture manufacture ➤ Election support 	➤ Responsive repairs ➤ Kitchens ➤ Bathrooms ➤ Windows ➤ Gas safety ➤ Electrical inspections ➤ Lift maintenance services ➤ Void repairs. 

Our apprentices are recruited via our related entity City Building (Glasgow) LLP (CBG) who undertake some of their training in City Building (Contracts) LLP (CBC) projects to support their development.

City Building works in collaboration with RSBi, the manufacturing division of City Building (Glasgow) LLP, Europe's largest supported business and a leading UK social enterprise. Based in Springburn, over half of RSBi's 180 employees have a disability.

RSBi manufactures a wide range of high-quality products, including kitchen units, adapted furniture, integrated plumbing system cubicles, and uPVC windows and doors. RSBi delivers social value by creating inclusive employment opportunities for people who have disabilities, equipping individuals with skills and confidence while contributing to Scotland's economy through high quality manufacturing and services.

As required under section 15 of the Procurement Reform (Scotland) Act 2014 ("the Act"), a contracting authority must publish a Procurement Strategy and subsequently, under section 18 of the Act, produce an Annual Procurement Report ("the Report"). The Report monitors the Authority's regulated procurement activities against delivery of its procurement strategy and is published as soon as is reasonably practicable after the end of the financial year.

The benefits of an annual procurement report are noted below: -

- It provides assurance that procurement spending is being used to best effect.
- Records and publicises achievements.
- Demonstrates impact.
- Suppliers have often reported of being aware of tender opportunities because of the annual procurement report.

In accordance with the Act, City Building has produced this Report. The content of this Report covers all regulated procurements completed during the period 1st April 2025 to 31st March 2026 and details how those procurements supported the objectives included within City Building's Procurement Strategy. Looking forward this Report covers all regulated procurements planned for the next two financial years.

Alongside monitoring regulated procurements in line with the Act, the aim of City Building Procurement was to further enhance the procurement model already in place, with a view to:

- ◇ Setting out clear strategic objectives.
- ◇ Delivering and demonstrating real cash savings.
- ◇ Ensuring we continue to improve our procurement methods.
- ◇ Maximising efficiency and collaboration with partners.
- ◇ Continuing to improve access to public sector contracts, particularly for Small and Medium sized Enterprises (SMEs), other Supported Businesses, Co-operatives, Social Enterprises, and the Third Sector.
- ◇ Continually focusing on improving City Building's sustainable procurement performance, which contributes to reducing inequality.
- ◇ Increased focus on sustainable procurement including the more innovative use of Community Benefits Clauses and targeting suppliers' own corporate social responsibility policies.
- ◇ Innovation
- ◇ Balancing competing requirements

This Report details how the requirements of the Act have been met and enhances City Building's unique social ethos of "Building a Sustainable Future" which underpins everything we do. Our work with others is based around our Corporate Values which are detailed in the next section.

It should also be noted during the reporting period that City Building has introduced new financial governance documents which support procurement activity. These include: -

- Scheme of Delegations – City Building (Contracts) LLP
- Financial Controls and Procedures Manual
- Scheme of Delegations – Operations
- New quality procedures.

Our PURPOSE

Making Glasgow a great place to live.



Our VISION



Our residents, customers and partners will recognise us as delivering outstanding levels of customer focus, quality and value.

We will deliver for the citizens of Glasgow through high-quality, fair-paying jobs, and training opportunities which build the skills to support a more sustainable city. We will play a key role in reducing inequalities and improving the quality of life for the people and communities of Glasgow.

Our VALUES

Excellence

to deliver quality in everything we do.

Honesty

to be open, honest and transparent with all stakeholders, promoting partnerships and sustainability.

Trust

to be trusted by our employees, clients and partners.

Inclusion

we are a welcoming, diverse and supportive organisation, that supports all to reach their full potential by building trust.

Community

to play an important role in the communities of Glasgow we serve Providing first class services together with jobs and training opportunities for local people.

Ambition

to build a culture of excellence, through continuous improvement to deliver outstanding services for all of our customers. All whilst being an employer of choice within the city providing high quality and skilled jobs.



Challenges in common with the wider construction industry has highlighted the importance of our organisational values and how our values are translated by our Leaders and workforce in continuing to deliver, as a priority, for our customers and other stakeholders.

Our values, which drive our purpose of building a better society by using our commercial success to deliver socially inclusive practices, responsible business and fair working practices all contribute to positive economic growth.

City Building is committed to “Building a Sustainable Future” for our clients, partners, and workforce. Through constant engagement with our customers, we ensure we have a detailed understanding of their aspirations and needs.

Our mission is to contribute excellence in construction, repairs, maintenance, manufacturing and training to customers, our workforce, suppliers, and the local communities in which we work. To always give back to the communities is central to our core values.

Our unique social ethos will continue to underpin everything we do and will drive the creation of training and employment opportunities for a diverse range of people, including ethnic minorities and other under-represented groups across Glasgow and beyond. We continue to be the country’s leading employer of female and BME construction apprentices and this is something we are very proud of.

We will continue to contribute to build a better society by using socially inclusive practices, and delivering effective, accountable products and services which offer value for money and enhance the quality of life, safety, and wellbeing of our stakeholders.

2. Sustainable Public Procurement Prioritisation Tool (“SPPPT”)

The Scottish Government have designed a public procurement prioritisation tool to bring a standard approach to the assessment of spend categories. This is a risk and opportunities matrix which can be utilised to identify relevant risks and opportunities, scope to improve and areas whereby City Building can influence the supply market. This is used to inform procurement strategies and market engagement strategies and clarify specific sustainable outcomes for contracts/commodities. City Building continues to embed the use of the (SPPPT) in the first stage of each procurement commodity, where applicable, scoping to provide a structured approach to:

- ◇ Prioritising commodities of spend based on sustainability risk and opportunity.
- ◇ Developing an understanding and creating a focus on priority commodities with the most risk or opportunity;
- ◇ Establishing and undertaking mitigating action for relevant risks and maximising and capturing opportunities for sustainability.
- ◇ Implementing the use of the sustainability test for all high, medium risk value frameworks and contracts, and
- ◇ Developing commodity strategies and contract requirements based on evidence and market engagement.

The outcomes of the SPPPT review will allow City Building to focus resources to generate sustainable outcomes, such as delivery of community benefits, reduction of carbon footprint and improved fair working practices.

3. Sustainability Test

The sustainability test is a tool which has been designed by Scottish Government to support delivery of outcomes achieved when using the SPPPT. City Building will incorporate the Sustainability Test in the development of commodity strategies where appropriate to identify specific risks and opportunities this will also be applied for appropriate individual contract strategies to identify actions and anticipated outcomes.

4. Sustainable Communities

- ◇ We will continue to embrace the circular economy through our recycling activities on behalf of our clients in our day-to-day operational activities working alongside community housing associations, social enterprises and the third sector.
- ◇ Our Corporate Values of Excellence, Honesty, Ambition, Trust and Community underpin all our work to build more sustainable communities through social, economic and community engagement.

Our mission is to contribute excellence in construction, repairs, maintenance, manufacturing and training to customers, our workforce and the local communities in which we live and work.

- ◇ City Building is committed to “Building a Sustainable Future” for our clients, customers, partners and workforce.
- ◇ Our mission is to contribute excellence in construction, repairs, maintenance, manufacturing and training to customers, our workforce, suppliers, and the local communities in which we work.
- ◇ Our unique social ethos will continue to underpin everything we do and will drive the creation of training and employment opportunities for a diverse range of people, including minorities and other under-represented groups across Glasgow and beyond.

We will continue to contribute to build a better society by using socially inclusive practices, and delivering effective, accountable products and services which offer value for money and enhance the quality of life, safety and wellbeing of our stakeholders.

The format of this year's Report followed guidance from the Scottish Government's overview of procurement activity across the public sector and subsequent guidance on annual procurement reports received via SPNN7/2020, SPPN5/2022, SPPN2/2023, SPPN 2/2025 and SPPN 1/2026. The SPPN's in the reporting period are noted below:-

SPPN	Topic	Issue Date
SPPN 1/2025	Reserving Contracts for Supported Businesses	29 th May 2025
SPPN 2/2025	Annual Procurement Reports for 2024 – 2025	12 th June 2025
SPPN 3/2025	Consultation on amending the Act's thresholds	16 th October 2025
SPPN 4/2025	Updates to Thresholds Derived from the GPA	3 rd November 2025
SPPN 1/2026	Annual Procurement Reports for 2026 to 2027	19 th January 2026
SPPN 2/2026	Reserving Contracts for Qualifying Organisations – CRS Act	2 nd February 2026
SPPN 3/2026	Grounds for Exclusion Relating to Human Rights and Grave Professional Misconduct	5 th February 2026
SPPN 4/2026	Changes to Public Procurement Arising from the UK's International Agreements with India and Iraq	11 th February 2026
SPPN 5/2026	Cross-border Co-operation Within the UK	18 th February 2026

City Building is satisfied that this Report covers all areas that should be included within a public sector Annual Procurement Report. In future City Building will continue to monitor the Scottish Government's guidance on Annual Procurement Reports and best practice and will update its Annual Procurement Reports accordingly.

5. Market Conditions

In common with the wider construction industry, and business generally, City Building faced challenges throughout the reporting period of the report - 1st April 2025 to 31st March 2026. While there is optimism and underlying market resilience there are concerns at time of reporting that markets are entering a period of uncertainty. This contrasts with the last annual procurement report, which was more cautiously positive.

Construction had stabilized and there was genuine hope that markets were nearing more "normal" times from the past. However, since the Iran War a feeling of uncertainty is noticeable with the situation changing daily. However, businesses and procurement professionals have recent experience of operating through, and dealing with, the impact of Covid 19 so there are learned

experiences combined with our supply chain. As such the lessons from those periods must be remembered, with collaboration being key for positive outcomes.

While price increases will be inevitable, businesses should be alert for those which are premature and where suppliers are unnecessarily taking advantage of world events. The recent increases should hit oil-retentive industries, but the consequential effect remains to be seen. Reactionary price increases should be managed accordingly.

Some research conducted by City Building Procurement in late 2025 made the reasonable assumption that the overall UK Consumer Prices Index (CPI) inflation is expected to fall from an average of around 3.2-3.5% in 2025 to a range of 2.1-2.6% in 2026. Markets are saying overall there will be a 15% increase on construction materials up to 2030, but it remains to be seen what the annual increments will be. At the time it was suggested construction materials may increase by 3-5% but it is anticipated that the impact of the Iran War may result in increases in the region of 7.5% in 2026/27.

City Building Procurement undertook some of its own analysis of possible effects of the Iran War. Whilst it may seem to be business as usual (BAU) for several of the supply chain at the time of reporting, with no imminent changes in terms of availability of stock and increased prices, changes may be more apparent late Q3 and Q4 of 2026. City Building's supply chain is in constant dialogue, with some manufacturers updating us daily on the position. However, City Building Procurement is noting the introduction of temporary sub-charges and levies which are shown separately on supplier invoices and bills highlighting the costs because of the conflict as opposed to permanent increase pricing. The use of such charges may widen across the supply chain if the conflict continues. City Building is also monitoring fluctuations in shipping costs and any impact on prices overall. Whilst requested price increases are typical on some contracts and their lifecycle, these are more in general terms rather than associated with the Iran War. This is a fast-moving picture at the time of reporting.

As noted above, increases are more certain in relation to fuel and those commodities reliant on fuel. City Building's fuel provider has already seen prices trending upwards from February to March of this year although stock is still readily available. At the time of reporting, they have advised that they are focused on maintaining a weekly average of around 80% capacity and have instructed vigilance and enhanced security measures to protect fuel from theft as it has become such a valuable commodity. Unsurprisingly, City Building's Group plant contract has also been impacted by additional surcharges on fuel. There have been increases in copper which City Building Procurement is communicating to relevant business areas. Increases are expected in steel, aluminum, PVC, plastics products and shipping costs. As we experienced during Covid 19, there may be global shortages of electrical (semiconductor) chip production on the horizon.

In the reporting period the business in conjunction with the Group issued and awarded tenders for key business contracts including key Operations tenders such as fleet provision, plumbing, gas installations/maintenance and flooring materials in addition to key operational contractor procurements and IT contracts.

It should be noted that in some cases our sister company City Building (Glasgow) LLP include City Building in its tenders as related parties and we can call-off on those independently.

City Building Procurement has developed a robust work plan to address and identify compliant procurement routes for all tender opportunities. Procurement regulation 72 sets out in the Public

Contracts (Scotland) Regulations 2015 allowed for some existing contracts during the period to be extended. However, with added resources now embedded into the procurement team and a more stable supported workplan, there is less dependency on unplanned extensions. Where contracts have been extended this is to maintain a valid contractual position and for operational security and continuity where circumstances dictate.

Considering the landscape over the period of this report there are many factors distorting normality; the continued aftermath of Covid-19 despite 6 years now elapsing, US Tariffs, soaring energy costs, Brexit, the war between Israel and Palestine, the war in Ukraine, the US-China Trade War, UK Government Budgetary Decisions and now the Iran War. City Building continues to liaise with its key suppliers to ensure price stability and minimal disruption to Operations, whilst maintaining commercial value. However, the markets have been largely subject to change/fluctuation and as such City Building continues to undertake regular reviews of events and their impact.

The Scottish construction industry in 2026/27 is defined by £30 billion in planned capital investment through to 2030. There are real targets for affordable housing and funding for renewables. City Building must stay at the forefront of this while still delivering their repairs and maintenance, capital and investment programmes. The business plan for City Building sets out the challenges in this area and how the business will look to overcome it.

Challenges remain in the Scottish Construction Industry but there is some optimism ahead. The industry is grappling with an ongoing skills shortage, prompting a push toward technological transformation and modernized construction methods. The business will continue to focus on key objectives in terms of labour shortages and continue its investment in its workforce and work alongside City Building (Glasgow) LLP in the apprentice programme. In terms of procurement staff, a programme is in place to upskill existing staff with the introduction of training days and clearly defined role profiles and Personal Development Plans (PDP's) making our team fit for the future.

The business continues to focus on serving the needs of its member and customers and delivering value for money. The aim has been where possible not to pass cost pressures onto our clients and customer base. That said there is an understanding of the fluctuating market the business finds itself in and a collaborative approach to the challenges we face.

Market intelligence from procurement framework update reports and the City Building supply chain is advising: -

- Despite market conditions question/challenge price increases. Have challenging conversations on this topic and seek real evidence. Oil-related disruption is real, but lots of construction activity isn't oil-intensive.
- Arm ourselves with data, understand our supplier's cost base, and ask them to explain why a proposed uplift is proportionate. Inflation happens every year - but it isn't, on its own, a reason for a one-off increase of 10% or more.
- Focus conversations not only on the unit cost of materials, but on the operational gains that can be achieved over the life of a contract. Saving a penny in the pound on a product is helpful but improving first time fix rates or reducing operative downtime can deliver far greater value. Material costs are only one part of the equation. Real savings come from working collaboratively with merchants and contractors to streamline processes and maximise productivity.
- Lock-in competitive pricing where possible.

- A positive factor with new government initiatives on more social housing projects we expect to see more of the supply chain moving from the private sector to the public sector.
- Look at material increases and keep a firm position.
- Monitor the market across all commodities being tendered for and look for any trends.
- Clear, open communication with preferred bidders.
- Liaise with Procurement teams early in requirements in order to gain best value.
- Provide clean, concise and robust scope of works and pricing schedules which cut back on tender clarifications and don't yield additional tender costs after award.

In order to mitigate against continued challenging times City Building Procurement and the business as a whole will:-

- Continue to engage and understand the full supply base.
- Utilise robust contract management and refresh any cost strategy models. Contracts must work for both parties so it's best if both contracting entities work in a fair and transparent manner, so prices and costings are visible and beneficial for both parties.
- Understand fully the origin of products and commodities. Be aware of such products which are liable for high energy costs, extended lead-times and understand the full manufacturing process.
- Review cost bases and consider the full life-cycle cost of contracts and commodities. Continue to identify initiatives that create value.
- Continuing to raise awareness across the whole business of the legal obligation to comply with the procurement regulations; ensuring those making purchasing decisions are properly supported
- Monitor global indicators. The London Metal Exchange is an important resource tracking the price of metals traded globally, such as copper and nickel, which heavily influence the cost of many components used in UK construction, from wiring to battery storage for solar PV. Copper, in particular, is a strong indicator of wider market demand and volatility.

6. Summary of Regulated Procurement

Section 18(2) (a) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: "a summary of the regulated procurements that have been completed during the year covered by the report"

Regulated procurement refers to any procurement above £50,000 for goods and services or £2,000,000 for works. A regulated procurement is complete when the award notice is published or where the procurement process otherwise comes to an end. Regulated procurements can refer to new contracts and framework agreements but also to mini-competitions and call-offs from existing framework agreements.

City Building (Contracts) LLP completed 2 regulated procurements during the reporting period with a total estimated value of **£8,687,033**.

Type	Volume	Value
Awards from Non-City Building Frameworks	1	£7,170,504

Appendix 1 shows a full list of each individual Regulated Procurement completed. Whilst there are only two there were also a great number of relatively high value procurements undertaken via City Building's Trades and Sub-Contractor Framework for works via mini-competitions which are below the £2million threshold to be reported.

During the reporting period there were instances where alternative methods of procurement were used in line with the regulations and City Building's Standing Orders relating to Contracts.

7. Climate Change and Sustainable Procurement

Public Sector procurement has been identified as having a pivotal role and being a key enabler in contributing to national climate change targets. Public bodies are required to report annually on how their procurement policies and activities have contributed to carbon emissions reduction targets, contributed to climate change adaptation and acted sustainably.

City Building holds ISO14001 Management System. City Building's objectives and targets are contained within our Environmental Plan. Having an Environmental Plan with objectives and targets is an important part of the ISO 14001 certification, and the plan is audited by an external organisation every six months to ensure compliance. City Building will continue to develop and set objectives/targets to further support and influence the climate change challenges. In addition, our Statement of Intent above highlights our commitments as well as our membership of Sustainable Glasgow. City Building is a holder of the Queen's Award for Enterprise: Sustainable Development.

City Building has also established a Working Group to develop an ongoing strategy to reduce our organisational carbon footprint as well as continuing to monitor our environmental impacts within the communities in which we operate. Listed below are some of the measures undertaken by City Building in the period:

- Recycling rate at 85-93%,
- Gas consumption decreased approx. 22.48% compared to 24/25
- Electricity consumption reduced approx. 5.01%. compared to 24/25
- Diesel consumption (Both vehicles and plant) increased 1,852.52 litres or 0.15% compared to 24/25 mainly due to diesel heating units at the Gaelic School East. All of the City Building fleet continue to be installed with a driver behavioural system which cuts down fuel consumption so should yield improvements in 26/27 depending on fleet size.
- Water Consumption (Mains supply) increased 564 m³ 7.78% compared to 24/25
- Environmental and Sustainability policies signed and references Climate Change. City Building policies signed by new Chair March 2026.
- General waste skips are being used instead of bulk trailers to deter vermin, resulting in increased movements. Supplier vehicle movements increased to 1256 in 2025/26 (increase of 27.51%).
- Segregation of waste on construction/refurbishment sites via separate skips where practicable.
- Recycling of PVC off-cuts from the window factory with rebates from supplier recycling.
- 4 Duty of care visits carried out to waste sub-contractors in 2025/2026 to ensure that standards are met and as part of our EMS compliance (Kingsize mattresses, Malcolms, Avondale Landfill, and Enva Perth)
- Close monitoring of resources by Environmental team and Facilities staff to identify any

changes/improvements which can be made.

- Annual review and meeting of Environmental objectives and targets scheduled for summer 2026.
- Environmental site inspections carried out for regular monitoring of environmental performance, advice given, and good practice shared.
- Environmental pre-start site visits to identify any potential constraints or issues (trees, non-native invasive species, bats, nesting birds, waste, water etc.)
- Environmental Management full day and half day training courses, covers a variety of environmental topics (climate change, waste, resources, natural environment, etc.), raises awareness of environmental issue, and includes spills training.
- Mandatory environmental toolbox talk programme with different topics every year, carried out with trades.
- ISO14001 Environmental Management System in place, audited twice annually by BSI.
- Currently under audit for ISO14064 accreditation (Help to effectively manage & report on greenhouse gases), to verify our direct and indirect emissions.
- Hybrid working where possible to reduce unnecessary commutes.
- Mixed recycling, general waste, confidential-paper recycling and battery boxes in offices.
- Driver theory and practical training contains tips on environmental-friendly driving to reduce fuel consumption
- Vehicle telematics installed in the fleet to improve driver behaviours and fuel consumption.
- Welfare units on construction sites are Eco-units where possible, some of which are solar/hybrid powered.
- Boxed water still being used, which has reduced plastic/waste consumption, as well as consumption.
- Continued recording system in place for compliance packaging waste legislation.
- Govan Appliance Project (Social Enterprise)- donating tarnished white goods from the waste area (fridges, freezers, cookers etc) that are repaired by students/trainees. After 5 weeks, the students gain a PAT test certificate. This extends the products lifespan, as well as upskilling the local community.
- Waste from the waste transfer station is now recycled or to energy from waste (EFW), and in turn avoiding landfill.
- Waste segregation in fleet vehicles where practical.
- Carbon Working Group now meets quarterly to discuss and implement carbon reduction plans, and implement projects/initiatives to reduce consumption and carbon.
- Beehives remain active at RSBi to promote pollination and biodiversity in the local environment.
- Select projects, such as Calton Gaelic School are being undertaken using the Passivhaus Standard for retrofits 'EnerPHit' (High standard of energy efficiency)
- Regular attendance of the GCC Climate adaptation/Climate emergency liaison group and Sustainable Glasgow Green Economy Hub (SGGEH)
- City Building Fleet is fully compliant with Glasgow's Low Emissions Zone (LEZ)
- Fleet improvements (ie internal racking and inventory) to decrease journeys to stores/merchants.
- Automated printing of job line invoices has ceased in most service centres, reducing printing and paper costs.

Adherence to all Environmental Legislation is monitored by City Building throughout the term of any contract.

City Building utilises the measures available in the Public Contract (Scotland) Regulations 2015 (PC(S) R2015) and the Procurement (Scotland) Regulations 2016 (P(S) R 2016) to ensure contractors comply with the environmental, social and labour laws when performing public contracts. These measures also allow City Building to request companies replace its sub-contractors where they have breached any obligations in the fields of environmental, social or labour law.

City Building has adopted the Single Procurement Documents Scotland (SPD), an electronic self-declaration document to be submitted by suppliers interested in tendering for contracts and embedded the Scottish Governments' sustainable procurement (Tools) and guidance within its strategic procurement process to help compliance with policy and legislation, including how to take an ethical approach in delivery of all relevant procurement activity.

The adoption of the SPD and tools help City Building to ensure Tier 1 suppliers/contractors and their supply chain are compliant with Human Trafficking and Exploitation Act 2015 and Modern Slavery Act 2015.

8. Collaboration

City Building considers collaborative frameworks and opportunities if identified as the most appropriate route to market and proven to deliver best value for City Building. Consideration of external frameworks form part of all regulated procurement strategies. Opportunities are reviewed on a project-by-project basis and this ongoing activity has resulted in City Building utilising frameworks made available by the procurement organisations listed below during this regulated procurement period. The development of new procurement frameworks is evolving in terms of choice and availability as the public procurement arena is considered an advantageous market to be part of. The need to streamline and provide more efficient public procurement is now widely understood.

External frameworks frequently utilised by City Building Procurement are noted below:-

External Frameworks
Scotland Excel
Crown Commercial Services (CCS) – G Cloud (IT)
Crown Commercial Services (CCS) – Other Goods and Services
Procurement for Housing (PfH)
Cirrus Purchasing
ESPO (Easter Shires Purchasing Organisation)
YPO (Yorkshire Purchasing Organisation)
Crescent Procurement Services
Scottish Procurement Alliance (SPA)
ScotGov Procurement
The Procurement Partnership

9. Review of Regulated Procurement Compliance

Section 17 of the Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation's procurement strategy, so far as reasonably practical. Section 18(2) states that an annual procurement report must include, at 18(2) (b), "a review of whether those procurements complied with the authority's procurement strategy" and, at 18(2) (c), "to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply".

City Building's Procurement Strategy sets out how regulated procurement would be undertaken in compliance with the Act. This Strategy also sets out objectives for improving the process and procedures relating to regulated procurements.

From the Strategy objectives we identified the following key compliance categories:

- ◇ Best Value
- ◇ Fairness and transparency (General Duties)
- ◇ Economic and social sustainability (Community Benefits)
- ◇ Environmental sustainability
- ◇ Fair work practices (including Living Wage)
- ◇ Purchase to pay efficiencies

All regulated procurement in City Building is undertaken in accordance with a legal and procedural framework which ensures that each procurement is compliant with the Strategy. Legal requirements are set out in the Standing Orders Relating to Contracts. Procedural requirements are set out in Scottish Government Procurement Journey (for general procurement best practice) and the Procurement Manual (for City Building specific best practice).

Throughout the reporting period, our regulated procurements were monitored on an on-going basis. This monitoring process consisted of reviewing the key supporting documents that underpin our legislative and procedural frameworks including sourcing strategies, project plans, procedural documentation, evaluation scoring calculators and award approval reports. In addition, the best value aspect of our contracts is monitored regularly as part of our contract management process. External scrutiny and review is provided by Glasgow City Council Audit team.

These combined processes ensured that all regulated procurements were undertaken in compliance with the legal and procedural framework and, as a result, in compliance with the Strategy. We have also identified the following areas for potential improvement:

- ◇ Promote sustainability, fair work practices and the importance of equality and equal treatment through procurement.
- ◇ Assess further opportunities to secure economic and social sustainability outcomes from non-City Building frameworks.
- ◇ Continue to target existing contracts and frameworks to increase Economic and Social sustainability (Community Benefits).
- ◇ Continue to work with City Building teams on advance provision of work plans which will identify more opportunities to deliver best value from our regulated procurements.
- ◇ Continue to deliver and demonstrate real cash savings.
- ◇ Continue to improve access to public sector contracts, particularly for Small and Medium sized Enterprises (SMEs), other Supported Businesses, Co-operatives and Social Enterprises.
- ◇ Ensure SMEs are provided opportunities as standard within our Quick Quote process.

- ◇ Ensure suppliers provide regular management information on City Building's usage of contracts
- ◇ Continue to investigate and utilise, where appropriate, collaborative frameworks
- ◇ Continue to investigate new technology and digital opportunities to improve procurement methods.
- ◇ Continue to maintain a Community Benefits register to capture sustainable outcomes directly linked to Supplies/Services Contracts
- ◇ City Building payments terms are 30 days from receipt of a valid and undisputed invoice.
- ◇ City Building has a strong position and supports the Real Living wage.

10. Community Benefits/Social Impact

Section 18(2)(d) of the Procurement Reform (Scotland) Act 2014 states that it is mandatory for an annual procurement report to include "a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report".

Section 25 of the Procurement Reform (Scotland) Act 2014 mandates that all contracting authorities "must consider whether to impose community benefit requirements as part of the procurement" when the estimated contract value is greater than or equal to £4,000,000". However, community benefits are a key objective of City Building's Procurement Strategy and City Building considers community benefits for inclusion in all:

- ◇ goods and services contracts with an estimated value greater than £50,000
- ◇ works contracts with an estimated value greater than £500,000

Robust processes have been developed to ensure that community benefits are considered for inclusion in all relevant contracts in line with the requirements of both the Procurement Reform (Scotland) Act 2014 and City Building's own ethos of "Building a Sustainable Future". The process is overseen by our Community Benefits Champion who works in conjunction with City Building's Procurement Team to ensure relevant and proportionate community benefits form a part of procurement processes.

Community Benefits for supplies and service contracts are mandatory and set at a minimum of 0.5% of the annual turnover generated by chosen contract. As such a formal and robust internal process has been established to collect the funds in a clear and auditable manner. This is an internal audited process between City Building's Procurement and Customer Business Improvement Team to monitor monies provided by suppliers. Community benefits for work are determined on a project-by-project basis.

Key community benefits outcomes secured include:

- ◇ Several communities supported.
- ◇ Donations to charity.
- ◇ Employees led charitable initiatives.

A summary of City Building community benefits, engagement and involvement is attached at **Appendix 2**. It should be noted that many of the Community Benefits delivered by City Building are a direct result of value generated via our tendering approach as outlined within the Procurement Strategy.

11. Supported Businesses Summary

Section 18(2)(e) of the Procurement Reform (Scotland) Act 2014 requires organisations to include “a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report”.

City Building’s procurement policy and processes are in line with the Procurement Reform (Scotland) Act 2014 and our social ethos of “Building a Sustainable Future”.

During the reporting period there were no regulated procurements awarded to supported businesses. The reason for this is that the goods, services or works associated with these procurements are not provided by existing supported businesses.

However, City Building operates in collaboration with Royal Strathclyde Blindcraft Industries (RSBi) which employs 200 people, a minimum 50% of whom have a disability. As a purpose-built high-tech manufacturer of bespoke products, this supported business is in effect our internal manufacturing division within the City Building Group and therefore supports the needs of all manufactured elements within City Building’s operational activities.

City Building were an early signatory to the Buy Social Scotland Pledge as the business strives to secure a positive return to all City Building’s stakeholders. As a socially responsible business, City Building welcome the opportunity to add social enterprises and supported businesses to our supply chain as we develop our ambitions to not only support the circular economy but use our buying power to build community wealth and we would recommend other businesses seek to do the same.

12. Future Regulated Procurements Summary

Section 18(2)(f) of the Procurement Reform (Scotland) Act 2014 states it is mandatory that an annual procurement report must include “a summary of the regulated procurements the authority expects to commence in the next two financial years.”

Future regulated procurements have been identified via the following means:

- ◆ Current contracts which will expire and require to be extended or re-tendered over the next two years.
- ◆ New work streams identified/secured during the two-year period.

A full list of anticipated procurements for the next two years can be seen in **Appendix 3**.

13. Key Achievements/Savings

The Procurement Team had several key achievements during the reporting period. This included: -

- Successful delivery within the Group of business-critical contracts including fleet provision, plumbing, gas installation/maintenance and flooring materials.
- The award of business-critical works and maintenance tenders including works for the Easter Queenslie Recycling Centre.
- The increase in regulated awards reflects how well City Building Procurement is embedded in the wider business. The awards include key operational requirements rather than repeated procurements and the use of varying procurement routes and techniques to maintain compliance.
- Undertaking key operational mini-competitions – In-line with Procurement Regulations thresholds - required at short notice in support of City Building Operations.
- Regular contact with all key supply chains and operations on product availability and price changes in continuing challenging of environments.
- Providing senior management with real-time reports on the status of commodities markets and on market changes and impacts consequent to world events.
- Business cases analysing supply chain considerations such as additional kitchen manufacture, modular buildings and new client door investment programmes.
- Key support service to various key stakeholders including Operations, Stores and Finance.
- Reacting to ever changing priorities including new and improved governance and reporting mechanisms.
- A more global approach to the roles within the procurement team which are now also more focused on commercial and legal considerations as well as core procurement functions enabling our team to be fit for the future.
- A real targeted approach to uncontracted spending and identifying new procurement routes or existing contracts where this spend could be attributed to.
- Crucially the successful recruitment of new team members to the procurement team. City Building Procurement expansion supports an increasing workplan ranging from high value regulated procurements to lower value procurement exercises in-line with the focus on minimising uncontracted spend. Now a comprehensive team of experienced professionals from a variety of sectors, sharing knowledge and supporting succession planning and growth making the team fit the future.
- Driving down costs, improving performance and continuing to pass regulatory audits.
- As well as the regulated procurement activity the procurement team as an internal direct support for other business units within the Group – procurements for this include laptops, new client requirements for furniture, drones, asbestos and HS&E IT software platforms, EV chargers and City Building FM requirements.
- Increased involvement across the business expanding knowledge of the procurement function to other members of City Building staff.

Recognition

Two of City Building's regulatory requirements as noted above are the procurement strategy and the annual procurement report compiled by City Building procurement.

These documents were presented to the Scottish Government's Procurement Policy and Strategy Specialists for feedback in May 2025. Both documents were assessed to be of high quality with comments below: -

Procurement Strategy – “The strategy uses a clear, straightforward layout and structure. Headings and sub-headings are used to guide the reader to appropriate sections. There is a good level of detail and examples used. An appendix and glossary of key terms are used to provide additional information without adding to the length of the main body.”

Annual Procurement Report – “The report has a clear structure with a good use of headings and sub-headings. It is easy to follow and provides detailed examples. Appendices are used to include useful information without adding to the length of the main body of the report.”

City Building Procurement have not only met it’s regulatory obligations but having received such positive feedback is an excellent achievement.

Overall City Building Procurement have made a significant contribution to savings across the business during the reporting period from Group contracts which City Building (Contracts) LLP are able to call-off from:

Contract/Commodity	Saving
Vehicle Fleet Provision	Whilst City Building will see an increase in prices of vehicles, the anticipated increase at the outset of the tender process was in the range of 25-20%. A successful competitive procurement yielded a more moderate increase of 8.2%.
Supply and Delivery of Mattresses	A shift from internal manufacture and occasional single supplier to purchase via one supplier. The procurement yields a saving of 39% across the full manufacturing bill of materials (BOM) used previously and 14.2% on single supplier.
Electrical Project Mini-Competitions	City Building procurement continues to use the mini-competition route for electrical mini-competitions for lighting projects and compliance works. These projects normally yield a saving of 5-7% of project estimates.
Mobile Phone Handsets and Associated Devices	Supply of new mobile phones yielded a saving of 18.5% compared to the previous provider.
General Materials	Working in collaboration with Operations to make savings on items such as plumbing products, building materials, roof rack clamps, ironmongery and electrical products, the procurement team has negotiated the expansion of existing contracts to include additional items at more favourable rates.

14. Prompt Payment

City Building supports the Scottish Government approach to prompt payment in tender opportunities as per SPPN 2/2022.

15. Lookahead 2026-27

City Building Procurement will continue to support the needs of the business as a support section for all areas in the next year. City Building Procurement will support the delivery of the respective business plans outlined. This will also fully support the City Building strategy 2025-2028. As well as procurements noted in the workplan, procurement input will be required to support Operations in:-

- The GCC Capital Investment Programme, including:
 - ◇ GCC Education - Various upgrades & refurbishment projects
 - ◇ HSCP - Various upgrades & refurbishment projects
 - ◇ Glasgow Life - Various upgrades & refurbishment projects
 - ◇ City Property - Various upgrades & refurbishment projects
 - ◇ Baillieston Hub Newbuild
 - ◇ Continued works for Easter Queenslie Recycling development
 - ◇ Works for the Commonwealth Games in July 2026

It is important to note that City Building Procurement has continued to raise its profile, increasing awareness of procurement processes across the wider business. This has resulted in a more integrated team approach to procurement. This includes identifying procurement opportunities early in project development; monitoring spend and regular contact with key operational stakeholders. Efficiencies will be further improved by adopting more robust contract management systems and spend monitoring in collaboration with new IT platforms. City Building procurement is also at the forefront of new business initiatives like Purchase-to-Pay (P2P) and the development of updated quality procedures and work processes and instructions.

City Building Procurement continues to look ahead with focus on its Procurement Strategy 2024-2028. The Strategy detailed the future procurements work plan and several of the procurements noted have now been completed in 2025/26 with others targeted at Appendix 2 for 26/27.

16. Scottish Government Changes to Annual Procurement Report (Update)

This change relates only to the Annex A data template submitted to Scottish Government after the completion of the APR for financial year 2026-27. The revised annex A data template has been communicated via a SPPN and webinars delivered by Scottish Government.

In response to a recommendation by the Economy and Fair Work Committee following their review of the 2014 Act, the Scottish Government, in collaboration with cross-sectoral Scottish Government procurement colleagues undertook a review of the annex A data template in 2025. The annex A data template had never been reviewed since its inception.

The new lay-out introduces changes to the review of regulated procurement compliance, community benefits requirements and a more detailed approach on SME, third sector bodies and supported businesses.

Awards - Regulated Procurements

Procurement/Contract Title	Awarded Value	Procurement Route	Award Date
Easter Queenslie Redevelopment – Steelwork	£1,516,529	Open Procedure	November 2025
Easter Queenslie Redevelopment – Groundworks	£7,170,504	City Building Framework	November 2025



Community Benefits and Engagement

Improving prospects and opportunities for Young People

ASL Glasgow Schools	Employment and Inclusion: Provide weekly work experience, skills development, training, and support opportunities at RSBi for 25 pupils from Glasgow School for Additional Support Needs (ASN), delivered through either morning or afternoon sessions during school terms.
Glasgow Secondary Schools	Employment, Inclusion, Skills and Training: Provide work experience and taster sessions for approximately 400 secondary school pupils to encourage engagement with apprenticeship programmes, while building motivation, commitment, and resilience for future employment.
MCR Pathways	Provide mentoring support from 40 employees to care-experienced and disadvantaged pupils across Glasgow secondary schools.
Career Events	Apprentice attendance at 15 school and other venue career events to share experience and highlight opportunities for positive outcomes.

Providing resources to improve local physical infrastructure

Cranhill Primary School	Community, Wellbeing and Social Equity: Undertake an apprentice community project to paint playground games in schools, enhancing opportunities for physical activity and supporting pupil health and wellbeing.
Craigton Primary School	Provide obsolete materials to support a Shed project focused on enhancing children's problem-solving abilities.
Garrowhill Primary School	Community, Wellbeing and Social Equity: Undertake an apprentice community project to paint playground games in schools, enhancing opportunities for physical activity and supporting pupil health and wellbeing.
Easterhouse Football Academy	Painting of changing rooms by apprentices supported by Gap value £2000 to enhance inclusion from communities as well as promotion of physical activity.
GESH Glasgow Ltd	Apprentices painting areas of inside and outside of building to the value of £3000 supporting environment and place.
Lord Provost of Glasgow	Apprentices designed and constructed Lord Provost's Santa Grotto to support Christmas festivities for the citizens of Glasgow.
New Gaelic Primary School	Environment and Place: Repair to public footpath around construction site to increase accessibility for community.
Riverbank Primary School	Donation and delivery of wooden pallets, wood offcuts, and obsolete surplus ironmongery to support the creation of a community garden, benefiting pupils' health and wellbeing.
Royal British legion Argyll and Sutherland Highlanders	Refurbishment and painting of two benches at Hawkhead Cemetery in support of our Reservist employees.
Royston Youth Action	Apprentice plumbers undertaking plumbing repairs to value of £250.
RNIB	Delivery and erection of polling booth and accessible pencils for RNIB Design for Sustainability Conference, Glasgow.

Employee Support to local charities (£19,342.03)

Alzheimer's Scotland	Donation of £1465 from team sponsorship for Kilt Walk.
Breast Cancer Now	£727.20 raised on Wear It Pink day.
Cash for Kids	Donation of £1076.53 for Christmas Jumper Day
Chest, Heart and Stroke Scotland	£800 raised from Tartan Tea Party to support chest, heart and stroke conditions, included sale of CB honey.
Glasgow Spirit of Christmas	Donation of £6640 worth of Christmas gifts for children living in poverty via Aberlour Childcare Trust and Gorbals Social Work team.
Glasgow Women's Aid	Apprentice group donation of £2,850 following Tough Mudder event.
Golden Friendship	Donation of £1100 of selection boxes to support charity working with children with ASN.
MacMillan Cancer Support	Charity Bake Sale and coffee morning raised £723.30 in support of charity.
National Autistic Society	Raised £350 (Stacy Sinclair) by completing 100 miles in October Challenge.
Prostate Scotland	Donation of £150 in support of prostate awareness talk for employees.
Prince and Princess of Wales Hospice	£1900 raised in support of West Highland Way via Coffee mornings.
Tiny Tickers	In support of a colleague, raffle and coffee morning raised £1,560.

Corporate Charity and Community Engagement (£12,708)

Barmulloch Community Development Company	Local Community Council, neighbour to CB, donation of £150 shopping vouchers for local community event.
Cernach Housing Association	£200 in support of local community tenants as part of Gas contract.
Drumchapel Housing Co-operative	Donation of £250 in support of local fete as community benefit re gas contract.
Glasgow Women's Aid	Donation of £558 for hire of bus to take apprentices to Tough Mudder fundraising event.
Lord Provost of Glasgow	Donation of £2000 to ten primary schools in Glasgow to purchase new winter jackets.
Mark Scott Project	Donation of paint and materials in support of secondary pupils refurbishing garden area within Crannog Care Home to value of £500.
Marymass Committee	Donation of £400 supporting six First Aiders for the Saltcoats Christmas Carnival via North Ayrshire Council kitchen contract.
Parent Action for Safe Play	Donation of kitchen units for children and youth development provider to value of £1000 as community benefit for Mears kitchen contract.
Partick Housing Association	Donation of £400 to support combatting social isolation classes in support of gas contract.
Maggie's Cancer Care	Employee volunteering with vehicle support from Enterprise in support of fundraising.
Wheatley Foundation	Donation of items valued circa £2000 as part of tech amnesty to support Wheatley customers across communities.

Partnership Support to local communities (£11,440)

Advance Construction Scotland	Repair to public footpath at site of new Gaelic Primary School in Glasgow to the value of £9,000.
Edmundsons	Donation of £300 of Easter Eggs to Cornerstone, Glasgow.
GAP	Donation of materials etc to support refurbishment of Easterhouse Football Academy to value of £2000.
Jewsons	Donation of Pebbles for Garden of Remembrance to the value of £140.
Team Services Scotland	Donation of Avant Walls SF System to create flexible nurture space.

Future Regulated Procurement (Work Plan)

Regulated procurement expected to be undertaken during April 2026 to March 2027 which City Building (Contracts) LLP may call-off from. It should be noted that further regulated procurements may be undertaken but are not yet confirmed.

Procurement/Contract Title	Estimated Value Per Annum	Procurement Route	Estimated Delivery
Trades and Sub-Contractor Framework – Additional works Lots and those Lots not previously awarded	TBC	Open Procedure/ Dynamic Purchasing System	2026/27
Hire of plant and associated items c/w managed service	£5m	Open Competition	2026
Supply and Installation of lift packages	£7m	Open Competition/ National Framework	2026
Supply and Delivery of Building Materials including decorating materials	£5m	National Framework	2026
Supply and Delivery of Specialist Ironmongery for Furniture Manufacture (RSBi) and General Ironmongery	£2m	Open Competition	2026
Supply and Delivery of Timber Derived Products (Including Pine, Ply, Birch, OSB, CLS and Ply Doors)	£4m	National Framework	2026
Supply and Delivery of Worktops MFC, MDF, Edging, CMD	£2.5m	Open Competition	2026
Supply & and Delivery of Household Goods	£500k	National Framework	2026
Supply and Delivery of Decorating Materials	£1m	National Framework	2026
Supply and Delivery of PVCu Window and Door System Profiles, Materials and Associated Products	£500k	Open Competition/ Negotiated Procedure	2026/27
Agency Labour & Recruitment	TBC	National Framework	2026/27
Provision of Statutory Audit and Financial Services	£200,000	National Framework	2026
Information and Communications Technology (ICT) Contracts			
IT Strategy and Cyber Management Plan	£50,800	National Framework	2026

Glossary

Best Value

An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.

Commercial

Area of spend that can be influenced by the procurement function.

Commodity

Taxonomy (classification) for City Building, to give City Building the ability to accurately describe the primary business activities of its suppliers.

Community Benefits

Community benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social, economic and or environmental benefits.

Community Benefits Clauses

Community benefits clauses are requirements which deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of social, economic and environmental conditions into the delivery of City Building contracts.

Public Contracts Scotland

The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.

Regulated Procurement

Contracts above the 2014 Act contract threshold values where the Act applies (above £50,000 for goods and services contracts and above £2,000,000 for works contracts).

Small and Medium-sized Enterprises (SMEs)

Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.

Scottish Procurement Policy Notes (SPPNs)

Documents issued by the Scottish Government to provide advice, guidance, and policy updates to public bodies regarding procurement. They are not legal advice themselves but outline how procurement rules should be applied in Scotland.

Stakeholder

Any person or group, who has an interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.

Supplier

An entity who supplies goods or services; often used synonymously with “vendor”.

Supported Business

An organisation whose main aim is the social and professional integration of disabled or disadvantaged persons.

Sustainable Procurement

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 for the organisation but also to society, the economy and the environment.

Third Sector

The part of an economy or society comprising non-governmental and non-profit making organisations or associations.

Work Plan

List of upcoming procurement activity including re-tenders and new activity.



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