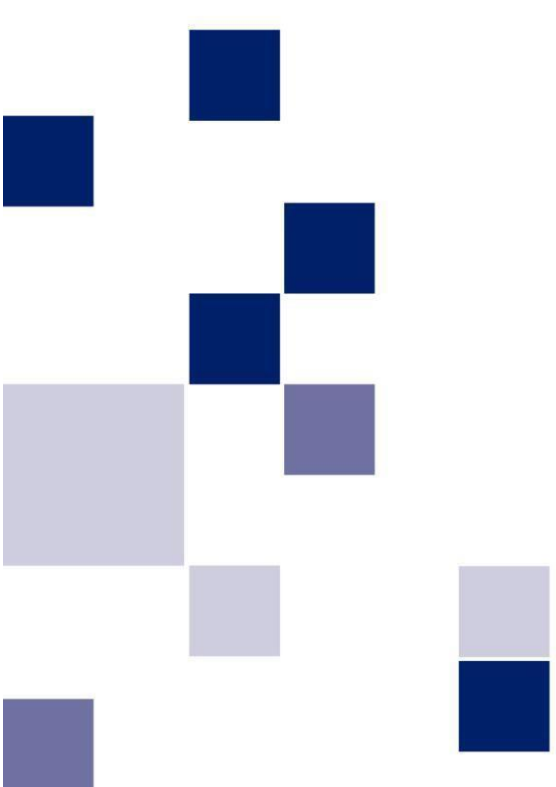




# Annual Procurement Report 2022/23

**1 August 2023**



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Approved by: Audit and Assurance Committee:

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## **1.0 INTRODUCTION**

### **1.1 About the SSSC**

The Scottish Social Services Council (SSSC) is the regulator for the social work, social care and children and young people workforce in Scotland. We were established in 2001 by the Regulation of Care (Scotland) Act 2001 to regulate social service workers and to promote their education and training.

We protect the public by registering this workforce, setting standards for their practice, conduct, training and education and by supporting their professional development. Where people fall below the standards of practice and conduct, we can investigate and take action.

We:

- publish the national Codes of Practice for people working in social work, social care and children and young people services and their employers
- register this workforce and make sure they adhere to our Codes of Practice
- promote and regulate their learning and development
- lead workforce development and planning for this workforce in Scotland and provide national statistics.

### **1.2 Strategic outcomes**

Outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise.

Outcome 2: The SSSC supports and enhances the development of the registered workforce to deliver high standards of practice and drive improvement.

Outcome 3: Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.

Outcome 4: The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.

### **1.3 Values**

In everything we do, we believe the people of Scotland have the right to be safe when accessing social care services. We do this by listening, learning and then doing the right thing.

Our values are:

- Work together
- Accept responsibility and accountability
- Recognition and respect for others.

## **2.0 PROCUREMENT STRATEGY**

The SSSC and the Care Inspectorate published a joint Procurement Strategy in 2020. This strategy covers the period April 2020 to March 2023 and is designed to take a responsible and sustainable approach to procurement. The strategy has the following key priorities:

1. achieve value for money
2. deliver sustainable procurement
3. raise the level of procurement knowledge, skills and expertise
4. provide timely performance information
5. achieve the benefits derived from collaborative working
6. strengthen contract and supplier management processes
7. provide an excellent procurement service appropriate and suitable for the size of our organisation.

The purpose of this report is to record and publish SSSC's procurement performance and achievements in delivering its procurement strategy.

A new strategy has been published to cover the period April 2023 to March 2026.

## **3.0 KEY PRIORITIES**

### **3.1 Achieve Value for Money**

Procurement spend subject to procurement legislation and procedures excludes the following:

- Payroll expenditure
- Internal spend - ie 'spend' or cross charging between departments.
- All direct payments to Her Majesty's Revenue and Customs (HMRC)
- Rent
- Shared services
- Student disbursements
- Fitness to Practise Panel Members
- Practice learning fees
- Voluntary Sector Development Fund.

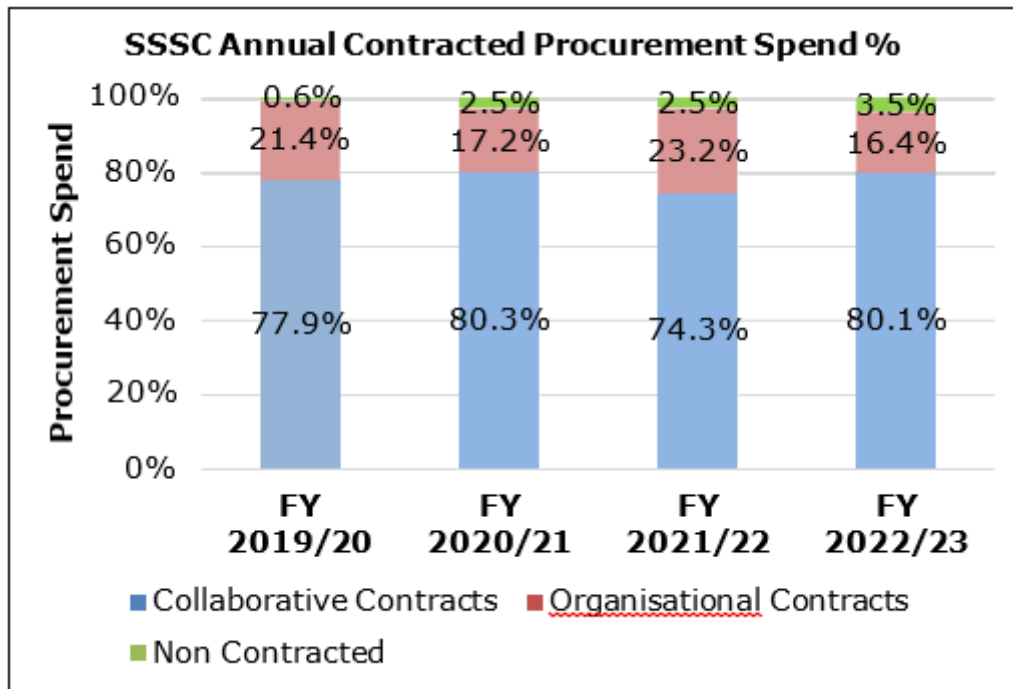
To make sure we achieve value for money in our procurement activity, we prepare sourcing strategies for all standard tenders.

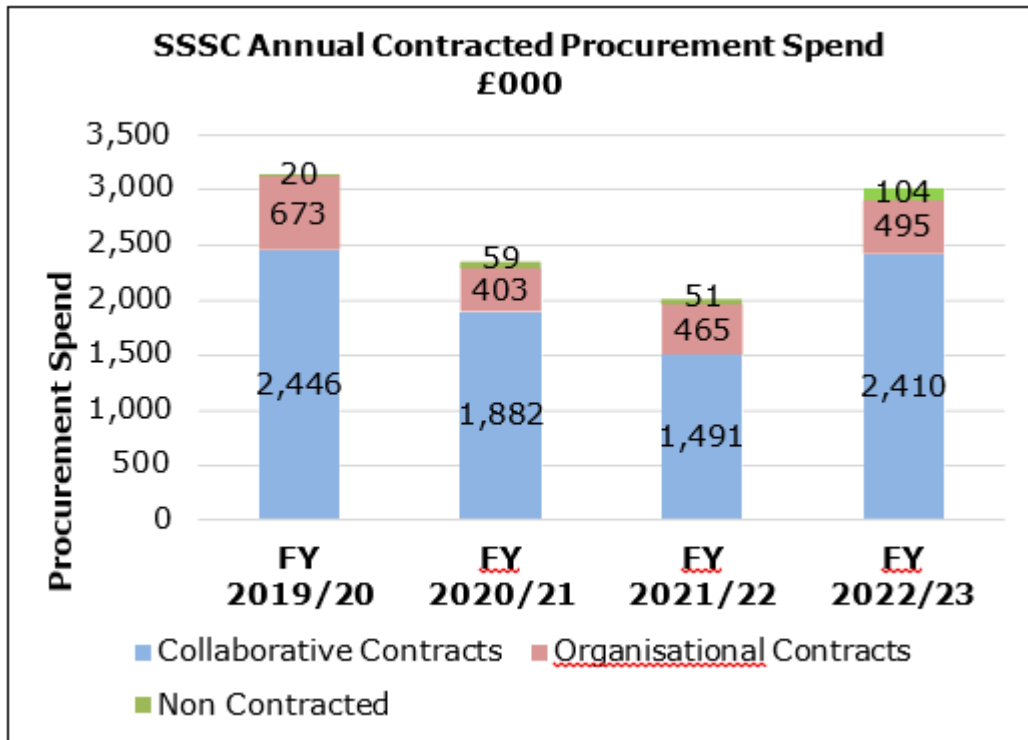
The table below shows the value and volume of procurement activity for the year to 31 March 2023 (figures for the year to 31 March 2022 are shown for comparison):

| <b>Table 1: Value and Volume Summary</b> | <b>2022/23</b> | <b>2021/22</b> |
|--|----------------|----------------|
| Total Spend                              | £6,406,335     | £5,041,468     |
| Total Procurement Spend                  | £3,016,142     | £2,006,896     |
| Total Invoice Value                      | £6,125,623     | £4,922,189     |
| Number of Invoices                       | 1,182          | 1,822          |
| Number of Suppliers Paid*                | 426            | 381            |
| Average Invoice Value                    | £5,182         | £2,702         |

\* No of suppliers includes 77 paid by electronic purchasing card (2021/22: 122)

The analysis of procurement spend between spend on collaborative frameworks and spend on organisation owned contracts and frameworks is shown in the graphs below.





As can be seen from the analysis above, contracted spend continues to be very high, which is positive, with 96.5% of procurement spend from contracts. A very small proportion of spend is classified as non-contracted. This represents spend with suppliers where there is no contract in place and an analysis of this is provided in 3.1.2.

Procurement spend has increased in 2022/23, as the SSSC invested in their information systems.

### 3.1.1 Collaborative Procurement

We use collaborative frameworks wherever possible and only tender for our own procurement when there is not a suitable framework in place. Spend on collaborative procurement continues to represent the highest value of procurement spend. During the year we have undertaken mini-competitions and continued to call off frameworks with the following contract or framework owners:

- Scottish Procurement and Property Directorate (SPPD)
- Crown Commercial Services (CCS)
- Care Inspectorate
- Scottish Prison Service (SPS)
- National Services Scotland (NSS)
- HMRC
- Eastern Shires Purchasing Organisation (ESPO)
- Yorkshire Purchasing Organisation (YPO).
- Fusion21 (social enterprise).

### 3.1.2 Non-Contracted Spend

Non contracted procurement spend comprises expenditure with suppliers who are not on our contracts register and has not followed our below threshold

procurement guidance. Non contracted spend for 2022/23 is £104k, representing 3.5% of total procurement spend. An analysis of this is:

|  | <b>£000</b> |
|--|-------------|
| Now regularised  | 83          |
| Future requirement to be sourced through compliant procurement route | 10          |
| Legacy telecoms contract spend to be addressed                       | 11          |
| <b>Total</b>   | <b>104</b>  |

All non-complaint spend is addressed directly with the relevant officers.

### **3.1.3 Contract Benefits Realised**

We have calculated reported procurement savings following the 'Procurement Benefits Reporting Guidance' which was developed for the Scottish Public Sector.

We have realised savings totalling £250k from procurement during the year, 93% of which is through the use of collaborative agreements. This comprises £212k cash savings and £38k non-cash savings.

Sustainability benefits realised during the year are detailed in 3.2.

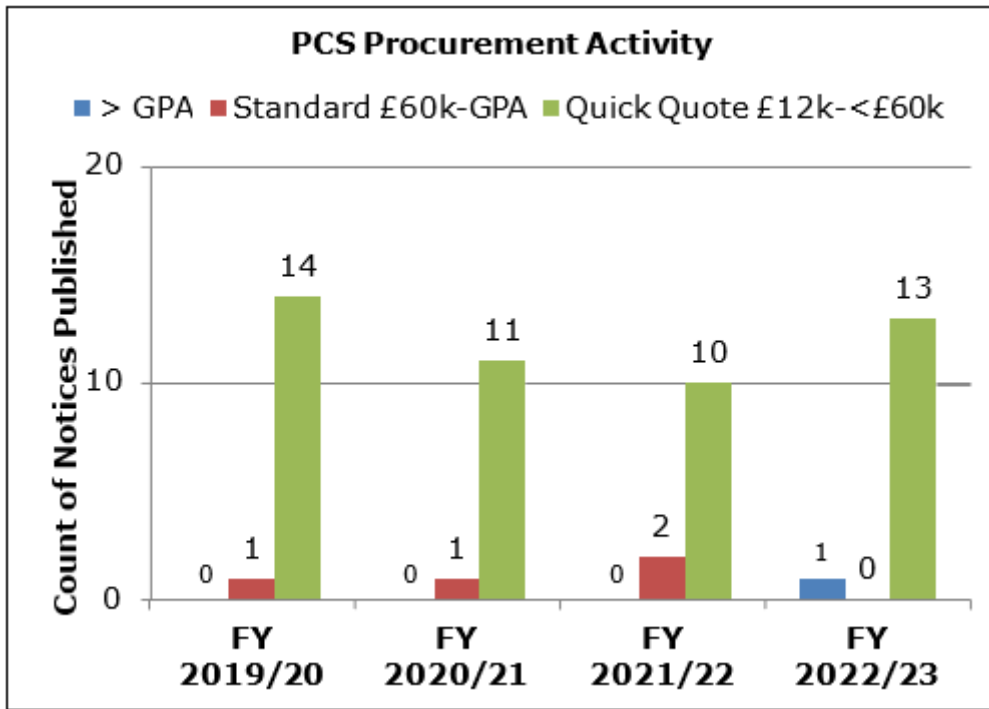
### **3.1.4 Summary of Procurement Activity 2022/23**

We are committed to making public procurement open and accessible to businesses and especially small and medium sized enterprises (SMEs), the third sector and supported businesses. We advertise our tender opportunities greater than £10,000 (exc VAT) on the Public Contracts Scotland (PCS) advertising portal. We also publish our contract register on PCS.

The PCS portal has a 'Quick Quote' facility which is a proportionate process to request and receive quotes for lower value goods and services and for goods and services which are competitively advertised using collaborative framework suppliers.

The following summarises the tenders which we advertised on PCS and shows that all the SSSC's procurements are below the GPA threshold.





All regulated procurement followed a compliant procurement route.

### 3.1.5 Forward Procurement Plan

We publish a two-year plan of our procurement activity to promote wider participation in our procurement process. This plan gives notice to suppliers of future opportunities and provides the following information:

- the subject matter
- whether it is a new, extended or re-let procurement
- anticipated route to market
- the expected contract notice publication date
- expected award date
- expected start date.

### 3.1.6 Electronic Purchasing Card

We encourage purchasing and payment by electronic purchasing card (ePC) when paying for low value, high volume goods and services. There were 288 (2022/23: 267) transactions totalling £50,080 (2021/22: £43,013) made using this purchasing method in 2022/23 with an average transaction value of £173.89 (2021/22: £161.10).

The volume of transactions is slightly higher than the position reported in 2021/22 with the average transaction value continuing to increase.

### 3.1.7 Invoice Analysis

We processed a total of 1,182 invoices, totalling £6.126m in value during the year.

We continue to explore opportunities for consolidating invoicing and purchasing low value goods and services using ePCs, where savings are

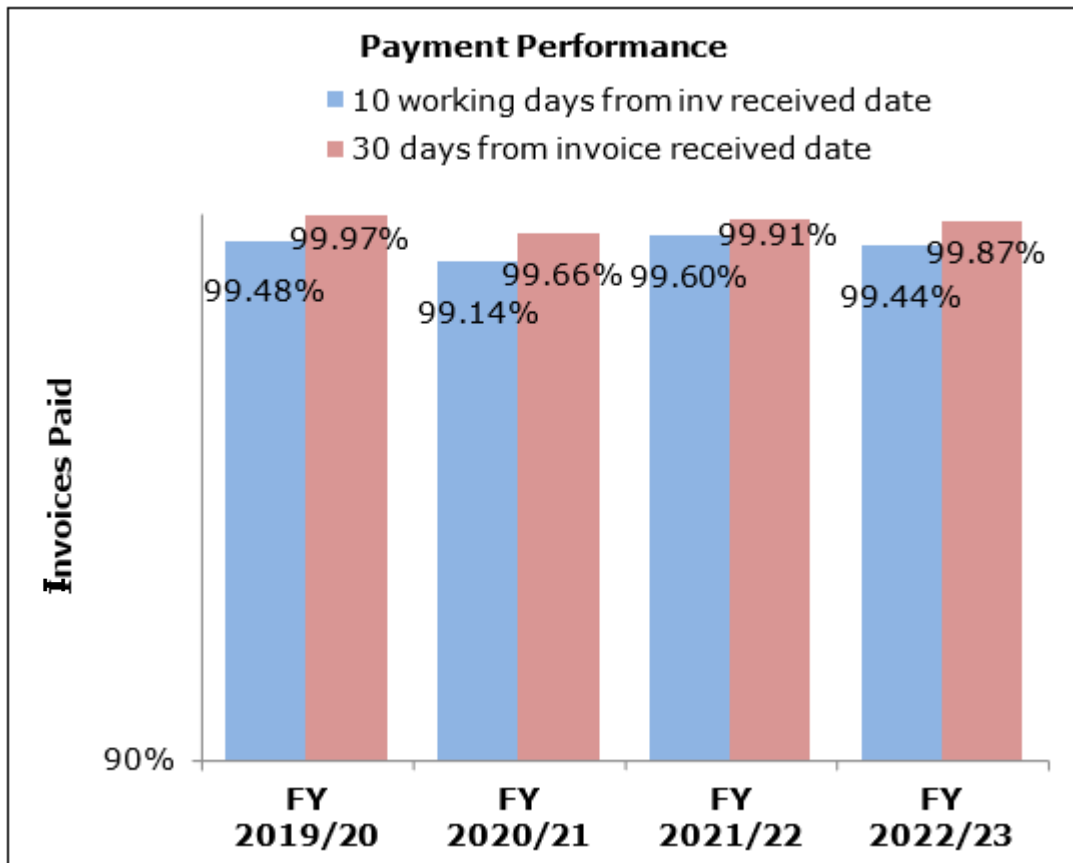
realised from the reduction in volume of invoices processed. The cumulative saving from this is £14,000 and is reported in the non cash savings in 3.1.3.

### 3.2 DELIVER SUSTAINABLE PROCUREMENT

The SSSC has a duty to comply with the sustainable procurement duty as detailed in the Procurement Reform (Scotland) Act 2014. The procurement strategy details our sustainability priorities and our progress towards achieving those are outlined in 3.2.1 to 3.2.6.

#### 3.2.1 Prompt Payment to Suppliers

We are committed to paying our suppliers promptly and we continue to maintain payment performance at a very high level. 99.87% of suppliers were paid within 30 days of the invoice received date, and 99.44% paid within the Scottish Government’s target of 10 working days. The following shows payment performance for the financial years 2019/20 to 2022/23.



#### 3.2.2 Paying the Living Wage Through Regulated Procurement

We promote fair work practices in all our tender documentation and are committed to promoting the use of the Real Living Wage. We are accredited as a Real Living Wage employer.

During the year we have awarded the following contracts where we are aware that the suppliers are paying either the Real Living Wage or the Living Wage:

| <b>Contracted Service</b>   | <b>Award Value<br/>£000</b> |
|---|-----------------------------|
| Provision of temporary/interim staff                                | 195                         |
| Provision of legal services   | 80                          |
| Digital capabilities research                                       | 33                          |
| Market research services  | 29                          |
| Media services  | 23                          |
| Provision of catering services                                      | 20                          |
| Professional interpretation, translation and transcription services | 16                          |
| Provision of leadership management and development workshops        | 15                          |
| Codes of practice review  | 12                          |

We also benefit through a service level agreement with the Care Inspectorate from the award of the following contracts where the suppliers have agreed to pay at least the Real Living Wage or the Living Wage:

- provision of security services (contract award value £484,000)
- provision of water and wastewater services (contract award value £90,000)
- security alarms, CCTV and access control provision, maintenance and monitoring (contract award value £44,000).

During the year, contracts were awarded to eight suppliers who confirmed they have signed up to the Scottish Business Pledge during the year. These contracts comprise:

- provision of legal services
- Interpreting, Translation & Transcription Services Framework
- interim professional and IT services
- provision of leadership management and development workshops.

### **3.2.3 Community Benefits**

We promote the use of community benefits within procurement exercises where they are relevant and proportionate to the contract. Community benefit requirements are defined in the Procurement Reform (Scotland) Act 2014 where we are required to consider community benefits for all regulated procurements where the estimated value of the contract is equal to or greater than £4m. We have not had any contracts of this value, however, we continue to call-off of Scottish Procurement and Property Directorate collaborative contracts which supports the provision of apprenticeships and work placements.

We continued to realise the following benefits from the award of contracts:

- pro bono legal services to social enterprises
- the provision of approved work placements for secondary school pupils and support for events to promote and encourage entrepreneurship
- an opportunity for a modern apprentice to be involved in the delivery of the contract

- free advice and help to charity and not for profit clients around financial and fundraising activities. As a new client, we have access to this
- a commitment to working with us in supporting charitable causes
- a commitment to work closely with Elevator on the Dundee Accelerator Programme and provide financial and specialist business improvement advice to the business incubator which assists fledgling companies to become market and investor ready
- recruitment of school leavers for Association of Accounting Technicians (AAT) via the modern apprenticeship route and the Institute of Chartered Accountants of Scotland (ICAS) direct entry route towards the CA qualification.

Our catering services framework suppliers work closely with training providers and the award of this framework supports “kickstarter placements” to give two people a job and take them away from the world of universal credit. These individuals will be involved in the preparation of food in delivering the framework services.

The framework suppliers deliver the following benefits:

- a working connection with The Eagle Wings homeless kitchen and during the Covid-19 pandemic, they cooked for families in need
- working with a provider and local education institutions to engage with people looking to obtain real life work experience with the view to securing employment
- donation of supplies to a local foodbank and community fridges
- charitable donations and volunteer charity work
- during the Covid-19 pandemic, cooked for families in need.

We secured the following benefits in the award of our Legal Services framework:

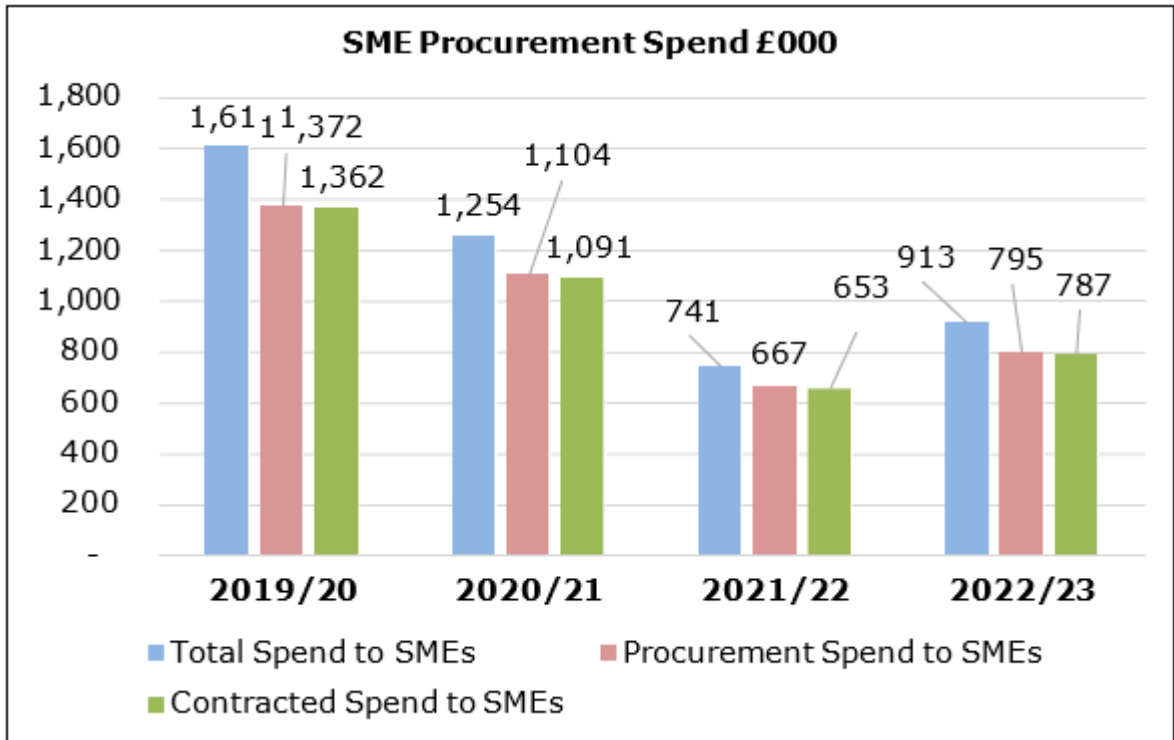
- improved access to, and socio-economic diversity within the legal profession
- paid workplace experience to members of the Scottish Ethnic Minorities Lawyers Association
- paid internships to members of Black Professionals Scotland
- workplace opportunities 15–16-year-olds
- one school visit per annum as members of Developing the Young Workforce to encourage the care sector as a career
- Schools Mock Court Project delivered to a school identified by SSSC
- The provision of one day supplier development programme per annum to SME's.

The SPPDs Physical, Hybrid, Scheduled & Digital Mail framework offer apprenticeship schemes.

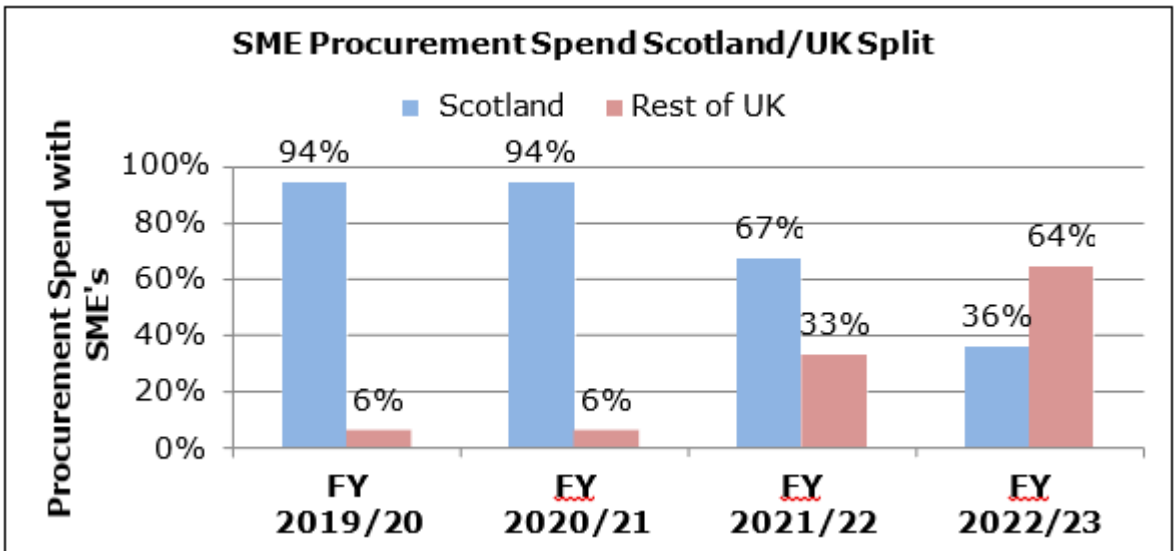
#### **3.2.4 SME's, Local Businesses, Supported Businesses and the Third Sector**

We have continued to address sustainability in procurement during the year. We publish a directory of supported businesses on the SSSC intranet. This directory provides supported businesses contact details including website links and a summary of goods and services provided by each supported business.

We continue to capture spend with SME's, social enterprises and third sector suppliers. Our 2022/23 spend with SMEs is £0.913m, representing 14% of our total spend and 26% of our procurement spend. An analysis of our annual spend with SMEs is shown in the graphs below.



A breakdown of SME procurement spend with Scottish SMEs and other UK SMEs is as follows:



**3.2.5 Fair and Ethical Trading**

Our standard procurement procedures involve assessing a bidder's suitability to be awarded the contract. This process includes considering whether the bidder has been convicted of certain offences or committed any acts of

professional misconduct while running their business. There were no tenders where mandatory or discretionary grounds for exclusion were applied.

Our standard terms and conditions allow us to end a contract if the contractor or subcontractor fails to keep to their legal duties in the areas of environmental, social or employment law when carrying out that contract.

### **3.2.6 Other Sustainability Benefits**

We continue to maintain a sustainability tracking tool where we capture sustainability benefits in our procurement. For 2022/23 the SSSC awarded five contracts and 12 call-off agreements where the following social, environmental and economic benefits were realised:

- |                         |   |
|-------------------------|---|
| Environmental benefits  | <ul style="list-style-type: none"><li>• Vehicle emission reduction</li><li>• Carbon and energy consumption reduction</li><li>• Reduction in carbon in production</li><li>• Waste and efficient resource consumption</li></ul> |
| Socio-economic benefits | <ul style="list-style-type: none"><li>• Fair work first principles</li><li>• Employment skills and training</li><li>• Communities</li><li>• Award to SMEs</li><li>• Equalities within the workforce.</li></ul>                |

These benefits relate to regulated and lower value contracts.

We continue to work in an agile way, maintaining more sustainable methods of working. Our paper requirement has continued to remain low post Covid-19 and we have committed to only purchasing sustainable promotional materials.

### **3.3 RAISE THE LEVEL OF PROCUREMENT KNOWLEDGE, SKILLS AND EXPERTISE**

The SSSC continues to invest in ensuring our staff are equipped with the right tools and experience to discharge their procurement duties effectively and efficiently. The Procurement Team maintains a central procurement training register.

The Procurement Team continues to deliver training at SSSC Team level. This allowed us to deliver the training around individual team requirements, making sure it was meaningful and relevant. During the year, they delivered nine training events.

Senior staff with delegated procurement responsibility were asked to complete climate literacy e-learning modules to drive forward progress in achieving sustainability benefits through procurement.

Our shared service partner delivered evaluation training to members of our Digital Services Team.

The Procurement Team provides informal training on an ongoing basis and procurement forms part of the induction that new staff undertake when they join the SSSC.

The Procurement Development Group meet at least twice each year.

### **3.4 PROVIDE TIMELY PERFORMANCE INFORMATION**

The Procurement Development Group (PDG) provides an opportunity where key procurers within the SSSC and the Care Inspectorate can discuss best practice, new developments and procurement plans with a specific aim of developing and improving the organisations' procurement capability and the effectiveness of our internal processes. The PDG informs the development of our internal procedures and reporting requirements, both internally and to Scottish Government.

A set of agreed performance measures are reported to this group biannually where they review progress against targets and discuss solutions for further improvement.

This report on annual performance is also presented to this group, the Executive Management Team and the SSSC Audit and Assurance Committee. We will incorporate feedback from this report into the 2023/24 procurement action plan as required.

Outwith the above, we report any areas of concern to the relevant management team as they occur.

### **3.5 ACHIEVE THE BENEFITS DERIVED FROM COLLABORATIVE WORKING**

As can be seen from the information reported in 3.1, we continue to use collaborative frameworks where available and continue to explore opportunities for collaboration through CGPSS and our membership of the procurement cluster group, which the Scottish Government Capability Team allocate us to, and is made up of other publicly funded bodies.

Our relationships with CGPSS and the procurement cluster group facilitate the sharing of knowledge and encourage partnership working to ensure we deliver value for money and pool resources and expertise.

We have realised savings of £232k, representing 93% of our total procurement savings, from the use of collaborative frameworks.

### **3.6 STRENGTHEN CONTRACT AND SUPPLIER MANAGEMENT PROCESSES**

We make sure all staff with responsibility for managing contacts receive contract management training. This training provides staff with the tools and techniques required to better manage their contracts and suppliers.

During the year, we worked with a third party to develop a contract and supplier e-learning module. This is being rolled out in 2023/24. We also provide a contract management handbook to provide further support and guidance to staff who have a role in managing contracts and suppliers. The effectiveness of this handbook was tested during the year with positive feedback received and no recommendations for improvements identified.

We appoint contract managers for all relevant contracts and we hold regular contract management meetings for all key contracts. We effectively manage supplier performance on key contracts to deliver value for money. The Procurement Team collate contract management information biannually and maintain a central record of this which is linked to the contract register.

### **3.7 PROVIDE A PROCUREMENT SERVICE WHICH SUPPORTS EFFECTIVE PROCUREMENT WHICH DELIVERS BEST VALUE**

We review the procurement business processes on a cyclical basis to make sure they reflect current legislation and meet the needs of the users. We have amended, and continue to amend and develop, several of our processes to support the changing procurement landscape.

The Procurement Team has also had an integral role in the creation of lessons learned reviews during the year. They are shared with the wider internal procurement community to make sure they consider these valuable lessons for future procurements.

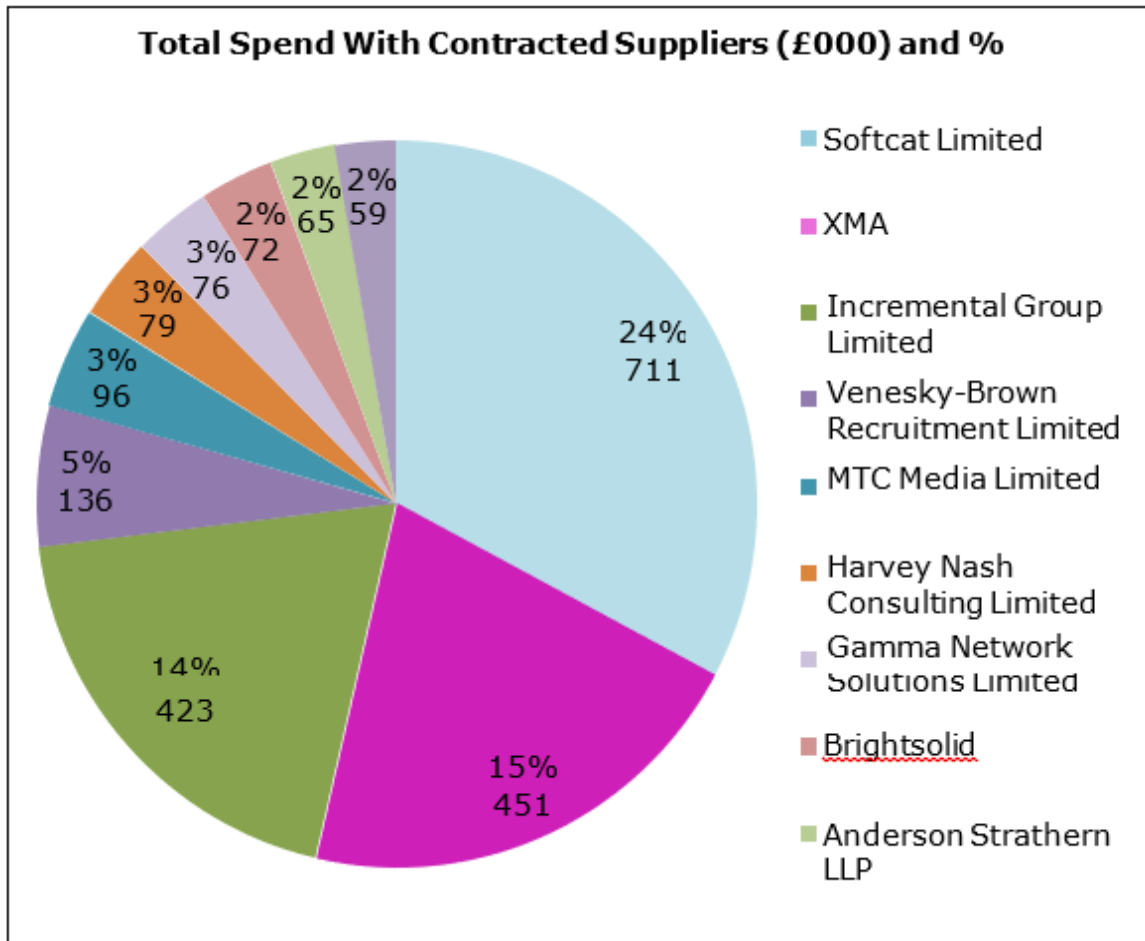
Internal audit reviewed our procurement and creditor function. The audit report was rated as satisfactory with no recommendations for the procurement function.

The success of the service delivery is informed by the independent 'healthcheck', agreed performance measures, regular feedback from users of the procurement service and a customer survey which we distribute annually. This feedback and follow up actions contribute to making sure that we deliver the right level and quality of service.

### **4.0 TOP 10 CONTRACTED SUPPLIERS**

The spend with the top 10 suppliers accounts for 72% (2021/22: 68%) of our total procurement spend, and 75% (2021/22: 70%) of our contracted spend.





The top 10 contracted suppliers provide goods and services across the following categories of expenditure:

| Spend Category         | Spend value £000 |
|------------------------|------------------|
| Information systems    | 1,753            |
| Agency staff costs     | 215              |
| Professional fees      | 165              |
| Telephony expenditure  | 33               |
| Furniture & equipment  | 2                |
| Training & development | -                |
|                        | <b>2,168</b>     |

## 5.0 SUPPLIER ACTIVITY

The Procurement Team review active suppliers quarterly with the aim being to make sure we only set up suppliers in the creditors ledger that we do regular business with. We make suppliers 'inactive' if we have not used them for a period of thirteen months and any request to use them requires completion of a procurement template to make sure we comply with procurement procedures. Only when we have done this can we create new suppliers or update inactive suppliers to 'active' status. This makes sure we analyse

current contract arrangements and buy from a contract wherever possible. This is also good practice to mitigate the risk of purchasing or supplier fraud.

The number of active suppliers at 31 March 2023 was 250 (2021/22: 233) comprising the following:

- 153 supplier sites for the supply of goods and services (2021/22: 147)
- 79 due regard and lay members (2021/22: 66)
- 18 legally qualified chairs (2021/22: 20).

## **6.0 CONCLUSION**

The SSSC continues to make good progress towards the achievement of the published procurement priorities. We have updated the procurement action plan, which supports the procurement strategy, to reflect current priorities. The implementation of this plan will support continued development in procurement.

## Glossary

| Term                            | Description  |
|---------------------------------|--|
| Call off                        | Either mini competition or direct call off from a collaborative framework using framework conditions.  |
| CGPSS                           | Scottish Government Central Government Procurement Shared Service.   |
| Collaborative Frameworks        | A collaborative framework is a framework which has been awarded to meet the needs of a number of public sector organisations.  |
| Community Benefits              | Contractual requirements which deliver a wider social benefit in addition to the core purpose of the contract. In particular, requirements in relation to targeted training and employment outcomes.                               |
| Contracted spend                | Spend which is compliant with SSSC procurement governance.   |
| GPA                             | Government Procurement Agreement. Applies to procurement of minimum estimated value equal to or exceeding certain specified financial value thresholds.  |
| Living Wage                     | National minimum wage for workers aged over 25.  |
| Non contracted                  | Spend not linked to a formal contract which is recorded on the contract register.  |
| Own contracts                   | Contracts advertised and awarded by the SSSC.  |
| Procurement Cluster Group       | Group of Scottish Public Sector bodies of differing sizes who meet to discuss best practice, new developments and procurement plans. This facilitates the development of procurement capability within the Scottish Public sector. |
| Procurement spend               | Spend which is influenced by Procurement governance arrangements.  |
| Public Contracts Scotland (PCS) | Public procurement advertising portal where contract notices and awards are published.   |
| Regulated procurement           | Procurement seeking offers in relation to a contract with a value of £50,000 or over.  |
| Real Living Wage                | Living wage calculated to be sufficient to provide the necessities and comforts essential to an acceptable standard of living. Applies to all workers over the age of 18.  |
| SME                             | The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees.   |

| Term               | Description  |
|--------------------|--|
| Supported Business | A supported business' primary aim is the social and professional integration of disabled or disadvantaged persons. At least 30 per cent of the employees of those businesses should be disabled or disadvantaged.  |
| Third Sector       | Term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self help groups and community groups), social enterprises, mutuals and cooperatives. |



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