

Annual Procurement Report 2020/21

November 2021



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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 early years workforce in Scotland. Our work means the people of Scotland can count on social work, social care and early years services being provided by a trusted, skilled and confident workforce. We protect the public by registering social workers, social care and early years workers, 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 early years services and their employers
- register people working in social work, social care and early years and make sure they adhere to our codes of practice
- promote and regulate their learning and development
- are the national lead for workforce development and planning for the social work, social care and early years workforce in Scotland.

Strategic outcomes

1. People who use services are protected by ensuring the regulated workforce is fit to practice.
2. The SSSC supports and enhances the development of the regulated workforce to deliver high standards of practice and drive improvement.
3. Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.
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

Values

- 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.

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
- 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 21 (figures for the year to 31 March 2020 are shown for comparison):

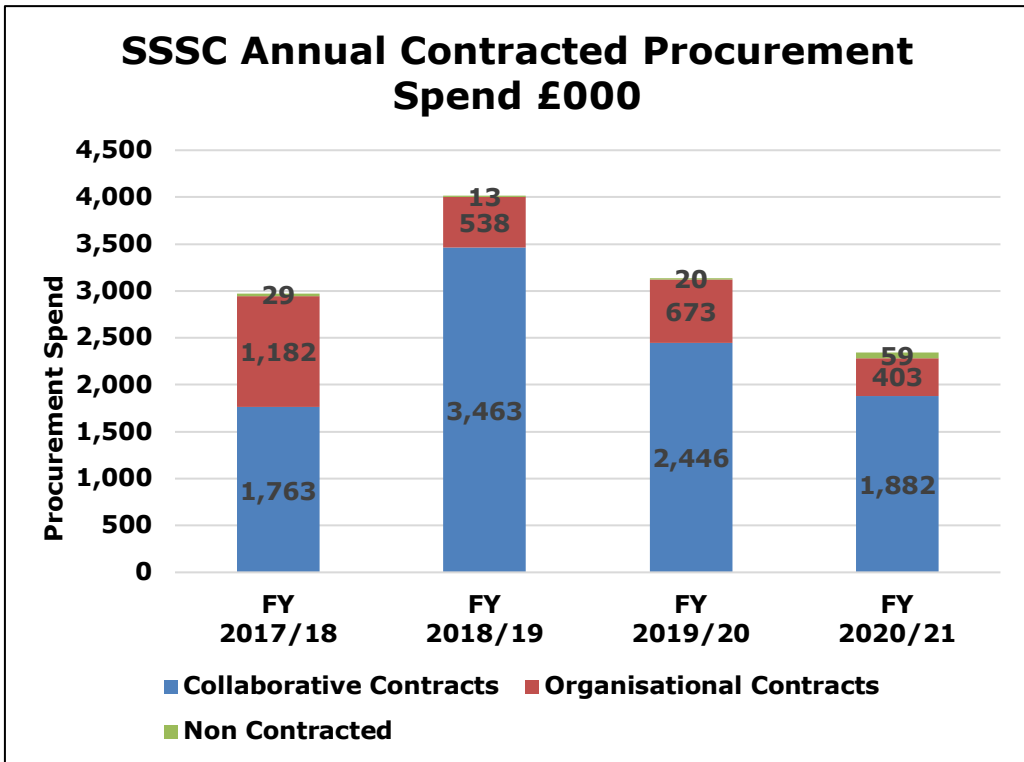
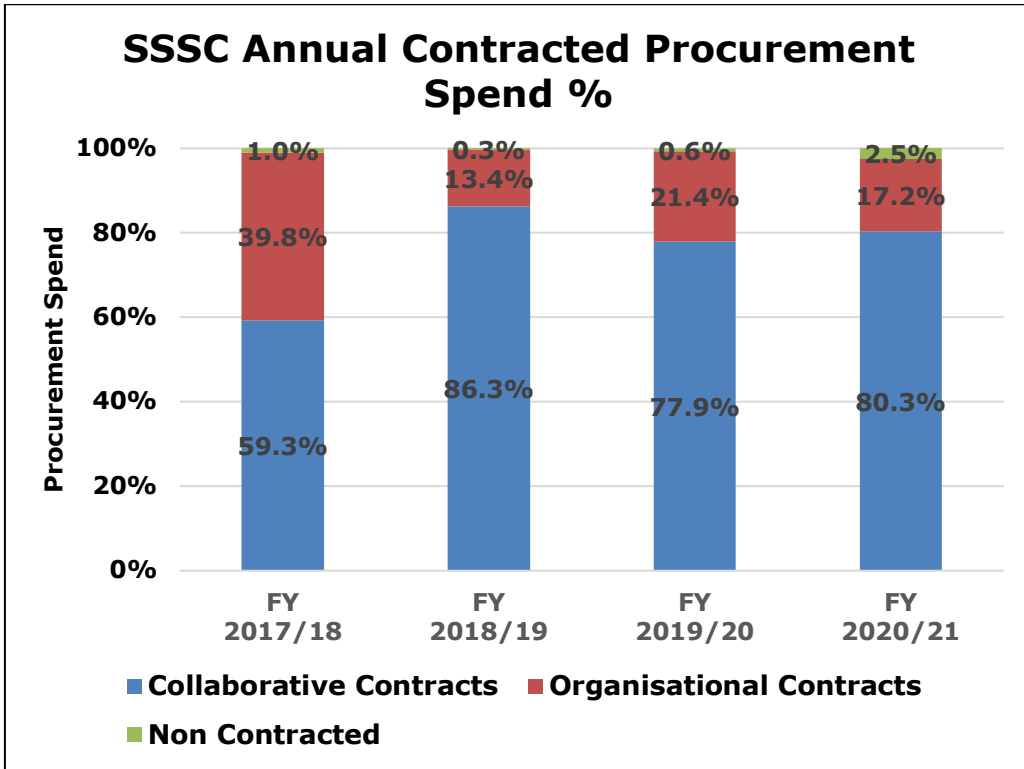
Table 1: Value and Volume Summary	2020/21	2019/20
Total Spend	£4,968,315	£5,551,711
Total Procurement Spend	£2,344,810	£3,138,511
Total Invoice Value	£5,214,858	£5,099,381
Number of Invoices	2,128	2,296
Number of Suppliers Paid*	416	608
Average Invoice Value	£2,451	£2,221

* No of suppliers includes 87 paid by electronic purchasing card (2019/20: 109)

The reduction in number of suppliers paid is partly due to Covid-19 and closing down inactive suppliers earlier during the year.

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 with 97.5% 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.



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 of frameworks with the following contract or framework owners:

- Scottish Procurement and Property Directorate
- Crown Commercial Services
- Scottish Environment Protection Agency (SEPA)
- Care Inspectorate
- Scottish Prison Service (SPS)
- NHS
- HMRC
- Eastern Shires Purchasing Organisation (ESPO)
- Yorkshire Purchasing Organisation (YPO)

Where possible, we collaborate with the Care Inspectorate in the award of contracts.

3.1.2 Non-Contracted Spend

Non contracted procurement spend comprises expenditure with suppliers who are not on our contracts register. Non contracted spend for 2020/21 is £59k, representing 2.5% of total procurement spend. Of this, £44k has since been regularised, with the remaining £15k relating to charges which could not be regularised due to our offices being closed in response to Covid-19.

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 £304k from procurement during the year. This comprises £242k cash savings and £62k non-cash savings.

Sustainability benefits realised during the year are detailed in 3.2.

3.1.4 Summary of Procurement Activity 2020/21

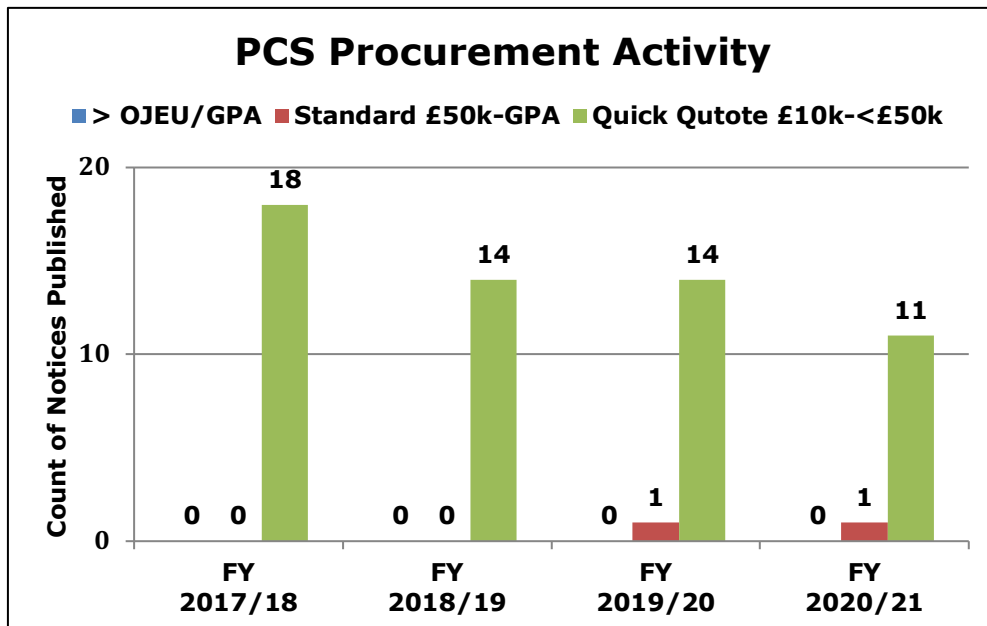
We are committed to making public procurement open and accessible to businesses and especially small and medium sized enterprises (SMEs), the third sector and supported businesses. We advertise our tender opportunities greater than £10,000 on the Public Contracts Scotland (PCS) advertising portal. We 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 of the SSSC’s procurements are below the OJEU/GPA threshold.



All regulated procurement followed a compliant procurement route.

3.1.5 Forward procurement plan

In order to promote wider participation in the SSSC’ procurement process, we will publish a two year plan of our procurement activity. 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
- the expected contract notice publication date
- expected award date
- expected start date
- the estimated value of the contract.

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 390 transactions totalling £41,739 using this purchasing method in 2020/21 with an average transaction value of £107.02.

This is lower than the position reported in 2019/20 which is to be expected as we closed our offices in response to the Covid-19 pandemic.



3.1.7 Invoice Analysis

We processed a total of 2,148 invoices, totalling £5.2m in value during the year.

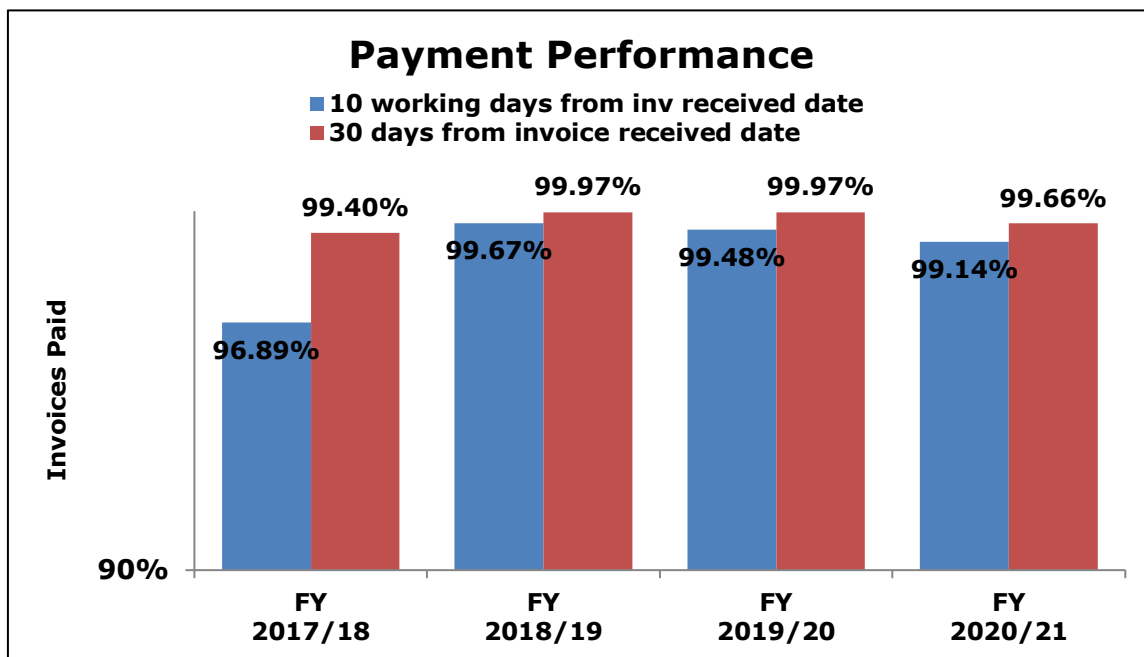
We continue to explore opportunities for consolidating invoicing and purchasing low value goods and services using ePCs, where savings are realised from the reduction in volume of invoices processed. The cumulative saving from this is £23k and is reported in the non cash savings in 3.1.3.

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 payment performance continues to be maintained at a high level. 99.66% of suppliers were paid within 30 days of the invoice received date, and 99.14% paid within the Scottish Government’s target of 10 working days. The following shows payment performance for the financial years 2017/18 to 2020/21.



3.2.2 Paying the living wage through regulated procurement

We promote fair work practices in all of 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 the suppliers have agreed to pay either the Real Living Wage or the Living Wage:

- Digital technology services (contracts awarded to value of £553k)
- Cloud based unified communication & contact centre services (contract award value £306k)
- Provision of cloud services (contract award value £127k)
- Provision of temporary staff (contract award value £100k)
- Provision of leadership management and development workshops (contract award value £17k)
- Hot and cold drinks dispensers (collaborative contract with the Care Inspectorate with award value £16k)
- Provision of legal services (contract award value of £5k).

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

- Provision of estates professional services (contract award value £185k)
- Provision of core facilities management services (contract award value £180k)
- Provision of property related legal services (contract award value £20k)

Suppliers have signed up to the Scottish Business Pledge for six of our contracts awarded during the year. These contracts comprise:

- Cloud based unified communication & contact centre services
- Provision of legal services
- Digital technology services
- Interim professional staff
- 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.

The supplier awarded the legal presenters contract provides pro bono legal services to social enterprises. The contract award also supports the supplier to continue to offer a range of other community benefits.

The internal audit contract awarded secured the following sustainability and social benefits:

- The provision of approved work placements for secondary school pupils and support for events to promote and encourage entrepreneurship.



- Providing an opportunity for a modern apprentice to be involved in the delivery of the contract.
- The provision of free advice and help to their 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.

The award of this contract also supports the supplier to provide the following:

- The supplier was one of the first to sign up to the Discover Opportunities Employer Pledge charter and have been proactive in taking this forward with a range of ideas to develop links in schools.
- 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.
- Continue to recruit school leavers for Association of Accounting Technicians (AAT) via the modern apprenticeship route and also the Institute of Chartered Accountants of Scotland (ICAS) direct entry route towards the CA qualification.
- They have a policy to encourage staff to be involved in local communities and have teams heavily involved at committee level with several community organisations.

As part of the overarching framework, the upgrade and maintenance of the SSSC's CRM system supplier provided the following:

- 1) Apprenticeship schemes
- 2) Sponsorship of various charities
- 3) Supporting voluntary work
- 4) Staff training and development
- 5) Supporting schools through initiatives such as sponsorship, computer clubs and design competitions.

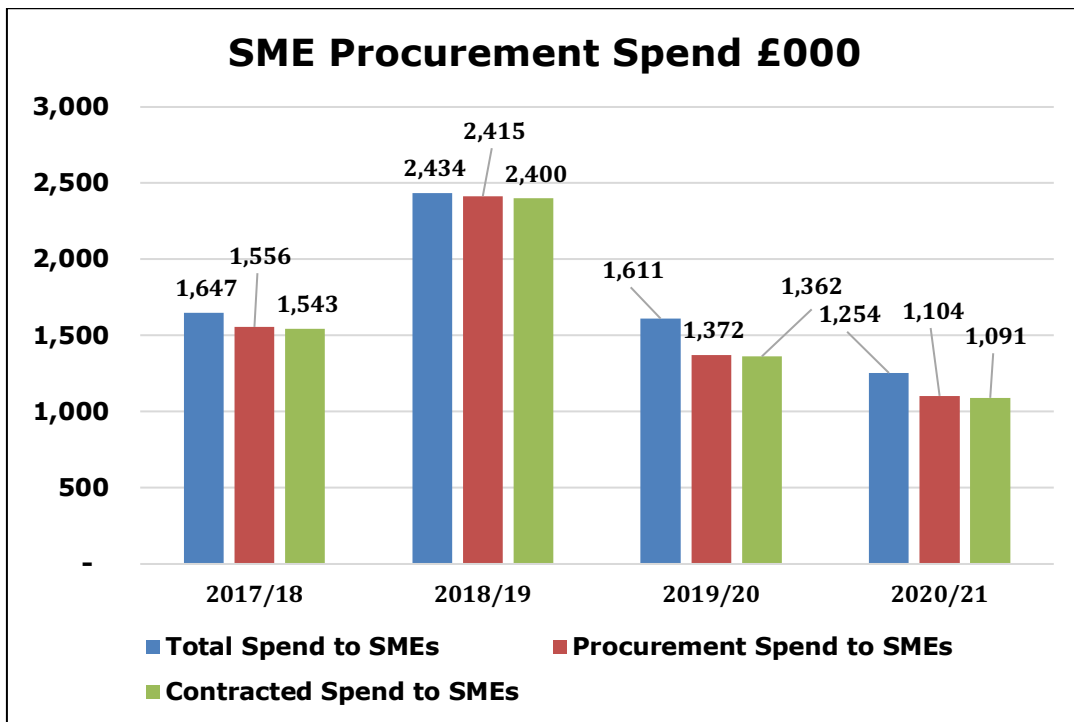
3.2.4 SME's local businesses, supported businesses and the third sector

During the year we have continued to address sustainability in procurement. 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.

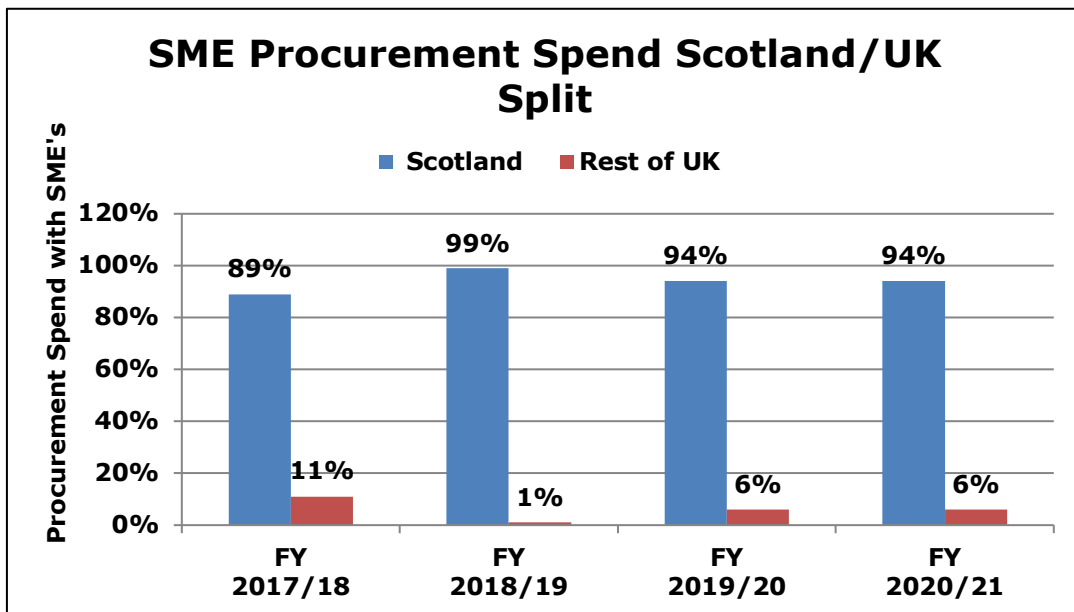
We submit biannual returns to Scottish Government showing SSSC spend with supported businesses.

We continue to capture spend with SME's, social enterprises and third sector suppliers. Our 2020/21 spend with SMEs is £1.3m, representing 25% of our total spend and 54% of our procurement spend. An analysis of our annual spend with SMEs is shown in the graphs below. The peak in spend levels in 2018/19 relates to non recurring system development and implementation expenditure.





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 2020/21 the SSSC awarded nine contracts and 16 call-off agreements where the following social, environmental and economic benefits were realised:

- | | |
|------------------------|--|
| Social Benefits | <ul style="list-style-type: none"> • Supplier diversity • Social Inclusion • Equality & human rights |
| Environmental Benefits | <ul style="list-style-type: none"> • Emissions • Energy use • Raw materials • Habitat • Waste |
| Economic | <ul style="list-style-type: none"> • Competitiveness |

These benefits relate to regulated and lower value contracts.

As our offices have remained closed in response to the Covid-19 pandemic, we have developed more sustainable methods of working where our paper requirement has reduced from 402 boxes in 2019/20 to zero boxes this year. We plan to maintain these more sustainable methods of working post Covid-19.

The provider of our Sheriff Officers contract is committed to sustainability and 95% of their vehicles are hybrid. They are also working towards achieving Gold Investors in People award.

The award of our newly qualified social worker national learning resource website contract supports the supplier to continue their investment in apprentices. They have at least three apprentices working with them at any one time.

We awarded a contract providing hot and cold drinking water to a supplier who continues to make significant investment in sustainability across their whole service delivery process.

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 in order to discharge their procurement duties effectively and efficiently. The Procurement Team maintains a central procurement training register.



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

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.

Through our partnership with NHS Counter Fraud Service, they delivered Counter Fraud awareness sessions to our Procurement Development Group in March 2021. We plan to further roll out this training to all staff with delegated authority to commit or approve expenditure.

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 respective Executive Management Teams of SSSC, the SSSC Audit and Assurance Committee and Care Inspectorate Board. We will incorporate feedback from this report into the 2021/22 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.

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 £276k, representing 91% of our total procurement savings, from the use of collaborative frameworks.



3.6 STRENGTHEN CONTRACT AND SUPPLIER MANAGEMENT PROCESSES

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

During the year, we developed and implemented a contract management handbook to provide further support and guidance to staff who have a role in managing contracts and suppliers.

Contract managers are appointed 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, a number of processes to support the changing procurement landscape.

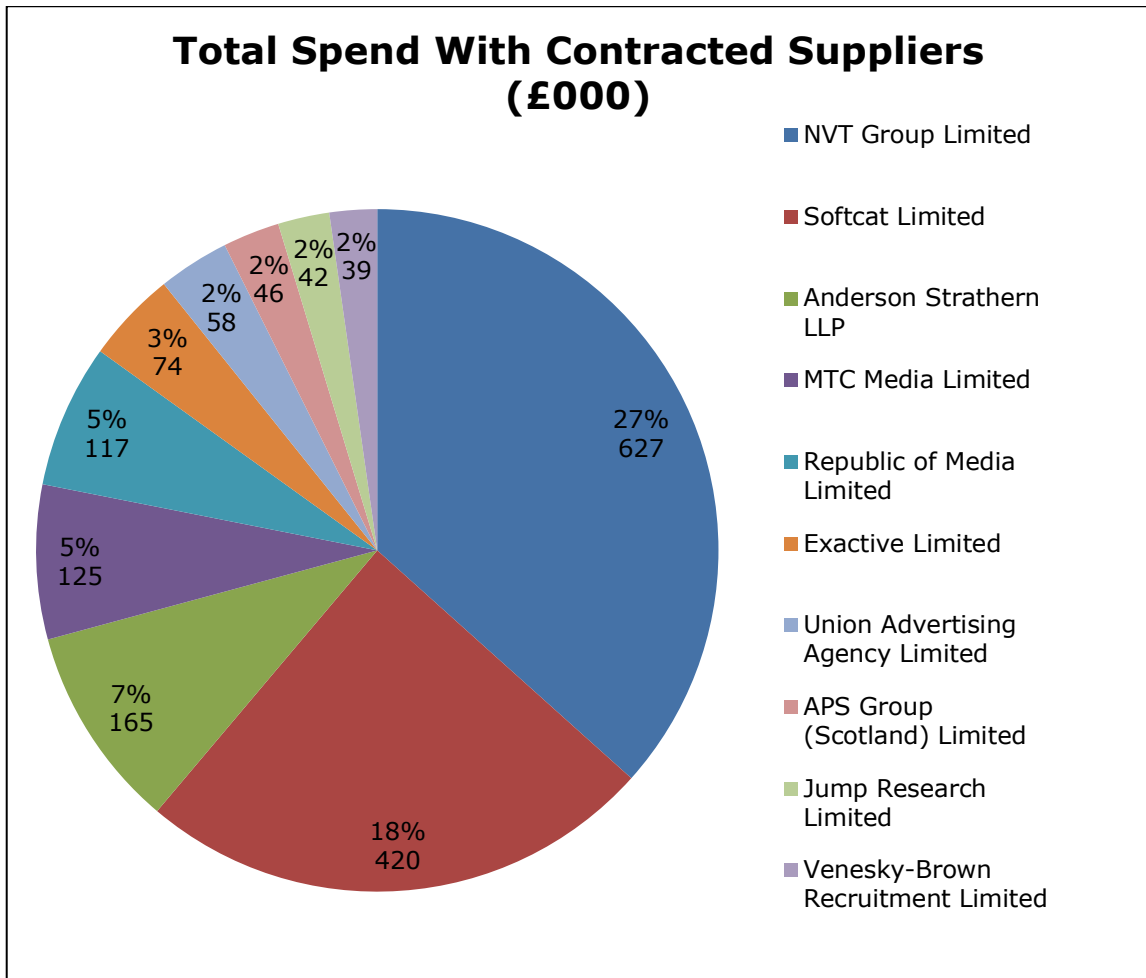
The Procurement Team has also had an integral role in the creation of lessons learned reviews during the year. They are shared with the wider internal procurement community to make sure they consider these valuable lessons for future procurements.

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

Together the top 10 suppliers account for 73% (2019/20: 63%) of our total procurement spend, and 75% (2019/20: 64%) 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	1,247
Professional fees	207
Advertising and publicity	174
Print, stationery and postages	46
Agency staff costs	39
	1,713

5.0 SUPPLIER ACTIVITY

The Procurement Team review active suppliers quarterly, 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 13 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 2021 was 208 (2019/20: 221) comprising the following:

- 129 supplier sites for the supply of goods and services (2019/20: 135).
- 65 due and lay regard members (2019/20: 68).
- 14 legally qualified chairs (2019/20: 18).

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.
Contract 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.
OJEU	Official Journal of the European Union. Applies to procurement of minimum estimated value equal to or exceeding certain specified financial value thresholds.
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.



Term	Description
SME	The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees.
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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