Scottish Social Services Council

Annual Procurement Report 2018/19

October 2019



Annual Procurement Report 2018/19

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Glossary

1.0 INTRODUCTION

1.1 About the SSSC

The Scottish Social Services Council (SSSC) was established in October 2001 by the Regulation of Care (Scotland) Act 2001. We are the regulator for the Social Service workforce in Scotland.

Our vision:
Our work means the people of Scotland can count on social services being provided by a trusted, skilled and confident workforce.

What we do
We protect the public by registering social service 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 services and their employers
- register people working in social services and make sure they adhere to our codes of practice
- promote and regulate the learning and development of the social service workforce
- are the national lead for workforce development and planning for social services in Scotland.

Strategic outcomes

1. The right people are on the Register
2. Our standards lead to a safe and skilled social service workforce
3. Our resources support the professional development of the social service workforce
4. Our stakeholders value our work

Values

- Integrity
- Commitment
- Accountability
- Pride in what we do
- Listening and engaging
- Creativity and learning

The SSSC and Care Inspectorate published a joint Procurement Strategy in 2016. This strategy covers the period 2016 to April 2020 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.

2.0 KEY PRIORITIES

2.1 Achieve Value for Money

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

- Payroll expenditure
- Internal spend - i.e. '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

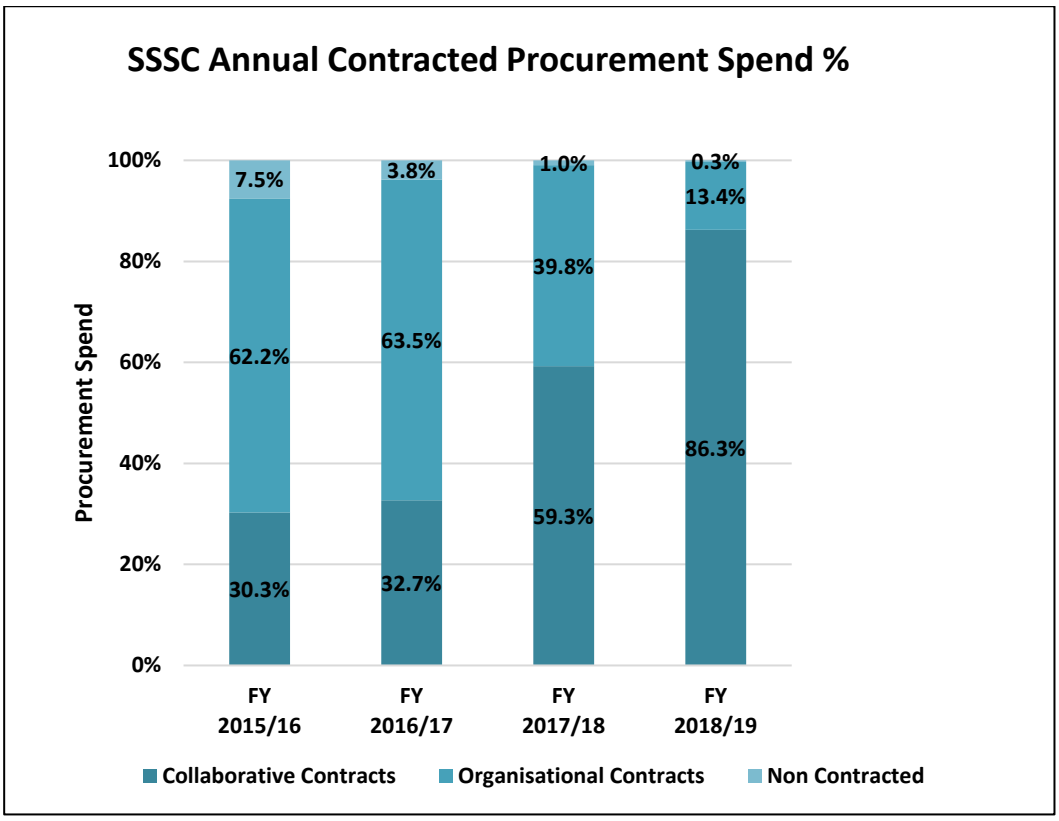
To ensure value for money is achieved in our procurement activity, we have introduced a process where sourcing strategies are prepared for all standard tenders.

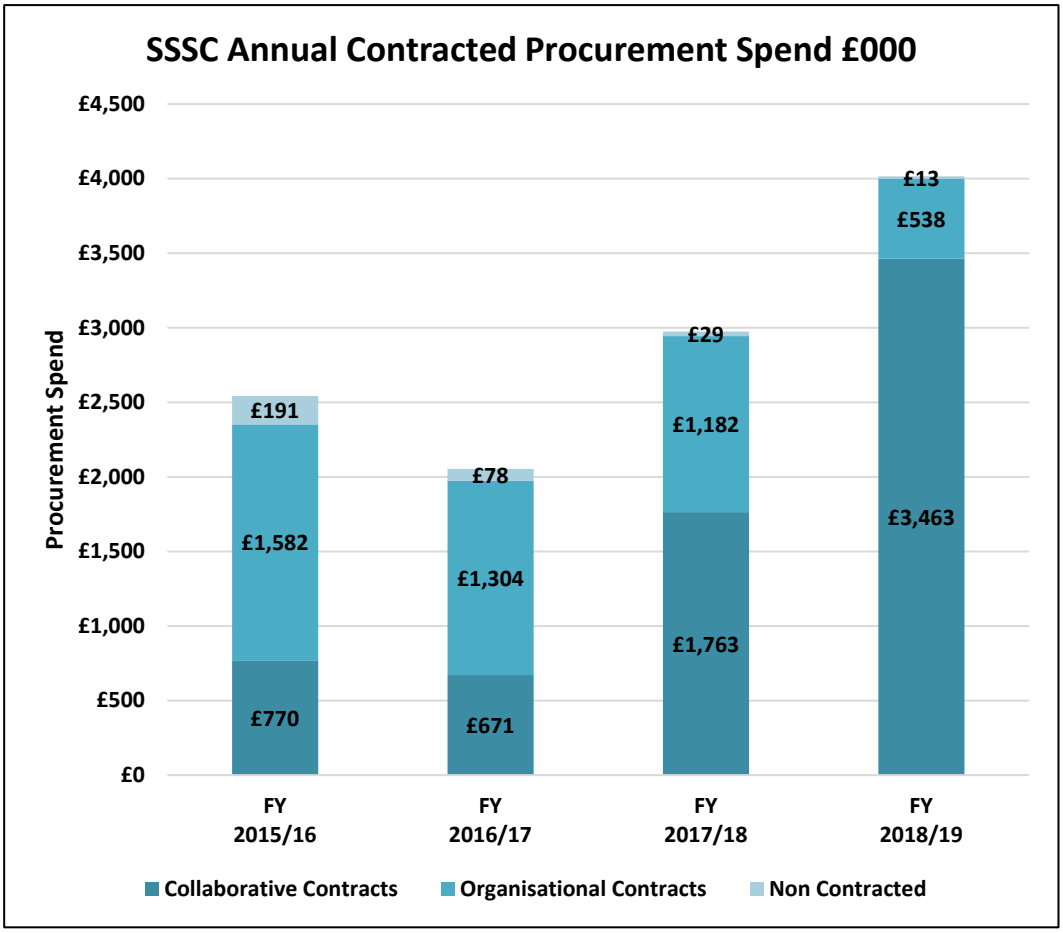
The table below shows the value and volume of procurement activity for the year to 31 March 2019 (figures for the year to 31 March 2018 are shown for comparison):

Table 1: Value and Volume Summary	2017/18	2018/19
Total Spend	£5,301,077	£8,365,800
Total Procurement Spend	£2,973,355	£4,014,342
Total Invoice Value	£5,247,089	£8,411,141
Number of Invoices	2,564	3,297
Number of Suppliers Paid*	626	636
Average Invoice Value	£2,046	£2,551

* No of suppliers includes 123 paid by electronic purchasing card (217/18; 121)

The analysis of procurement spend between spend on collaborative frameworks and spend on organisation owned contracts and frameworks is as follows:





As can be seen from the analysis above, contracted spend continues to improve with 99.7% of procurement spend from contracts. A very small proportion of spend is classified as non contracted. This represents spend

with suppliers who are not on our published contracts register. An analysis of this is provided in 2.1.2.

2.1.1 Collaborative Procurement

We use collaborative frameworks wherever possible and only tender for our own procurement where 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
- Crown Commercial Services
- Advanced Procurement for Universities & Colleges (APUC)
- Care Inspectorate
- Scottish Prison Service
- HMRC
- Eastern Shires Purchasing Organisation (ESPO)
- Yorkshire Purchasing Organisation (YPO)

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

2.1.2 Non Contracted Spend

Non contracted procurement spend comprises expenditure with suppliers who are not on our contracts register. Non contracted spend for 2018/19 is £13.4k, representing 0.3% of total procurement spend. Of this, £3.2k has since been regularised and £10.2k comprises low value spend with four suppliers which should have followed a procurement process.

This is a continued improvement from earlier years, and the above analysis shows there are plans in place to ensure continued improvement in procurement compliance in 2019/20.

2.1.3 Contract Benefits Realised.

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

Savings totalling £548k have been realised from procurement during the year. This comprises £460k cash savings and £88k non cash savings. This is an increase of £330k (251%) from savings realised in 2017/18. The increase is mainly due to due to purchasing ICT hardware using the Scottish Government's frameworks.

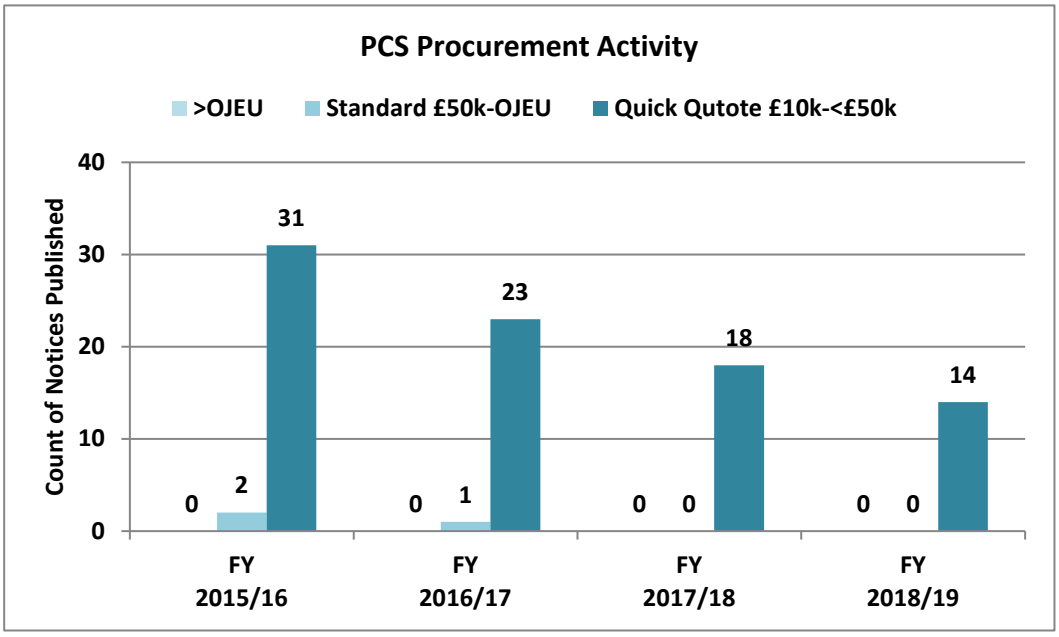
Sustainability benefits realised during the year are detailed in 2.2.

2.1.4 Summary of Procurement Activity 2018/19

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. Most of our tender opportunities greater than £10,000 are advertised on the Public Contracts Scotland (PCS) advertising portal. Where procurement spend is estimated to be at or above the European Commission procurement thresholds, this is also published in the Official Journal of the European Union. 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 were advertised on PCS and shows that all of the SSSC's procurements are below the OJEU threshold and for 2018/19, all are below the regulated procurement threshold.



All regulated procurement followed a compliant procurement route.

2.1.5 Forward procurement plan

In order to promote wider participation in the SSSC' procurement process, a two year plan of our procurement activity will be published. 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

2.1.6 Electronic Purchasing Card

Purchasing and payment by electronic purchasing card (ePC) is encouraged when paying for low value, high volume goods and services. There were 522 transactions totalling £66,029 using this purchasing method in 2018/19 with an average transaction value of £126.49.

This is broadly similar to the position reported in 2017/18.

2.1.7 Invoice Analysis

A total of 3,297 invoices, totalling £8.4m in value were processed during the year.

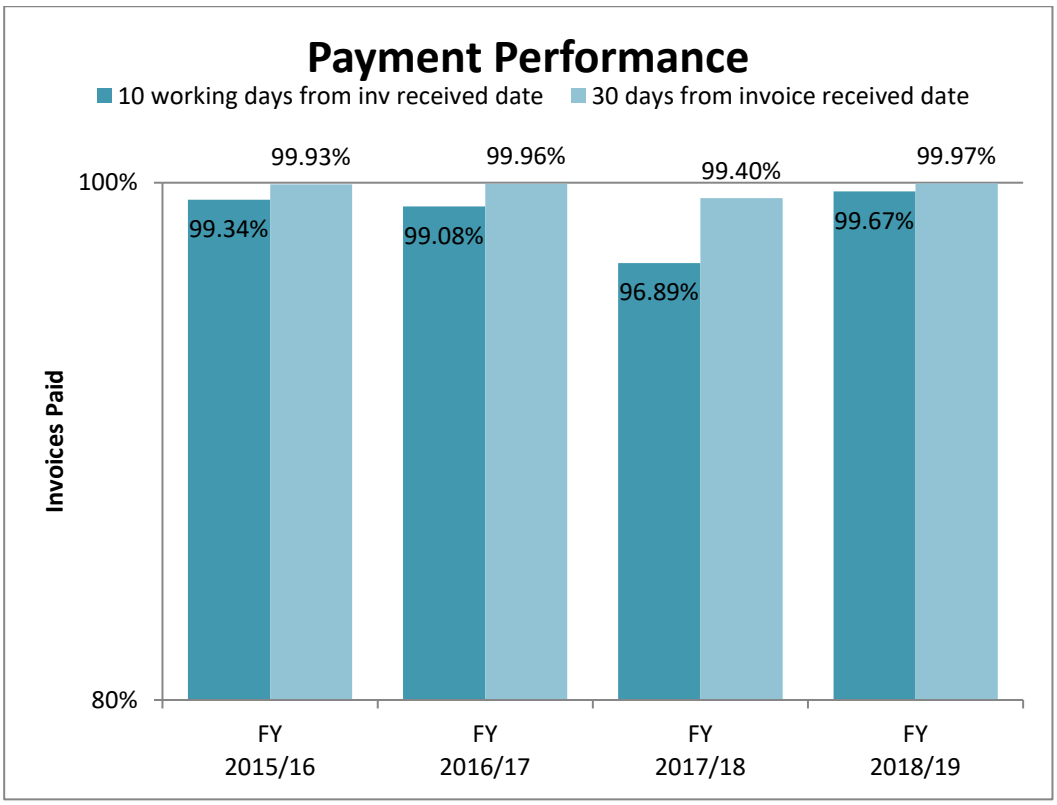
We continue to explore opportunities for consoliating invoicing and purchasing low value goods and services using ePCs, where savings are realised from the reduction in volume of invoices processed. The cumulative saving from this is £22k and is reported in the non cash savings in 2.1.3.

2.2 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 2.2.1 to 2.2.6.

2.2.1 Prompt payment to suppliers

We are committed to paying our suppliers promptly and payment performance continues to be maintained at a high level. 99.97% of suppliers were paid within 30 days of the invoice received date, and 99.67% paid within the Scottish Government's target of 10 working days. The following shows payment performance for the financial years 2015/16 to 2018/19.



2.2.2 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:

- Career pathway microsite for social services (contract award value £19k)
- Provision of the SSSC workforce data website (contract award value £61k)
- ICT consultancy (contract award value £36k)
- Banking services (estimated contract value £4k)
- Post registration training and learning pilot sites (contract award value £17k)
- Publishing, print and associated design services (estimated award value over life of contract £930k).

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

- Security alarm, CCTV and access control provision, maintenance and monitoring (awarded contract value £34k).

2.2.3 Community benefits

We promote the use of community benefits within procurement exercises where they are relevant and proportionate to the contract. The following community benefits were delivered during the year:

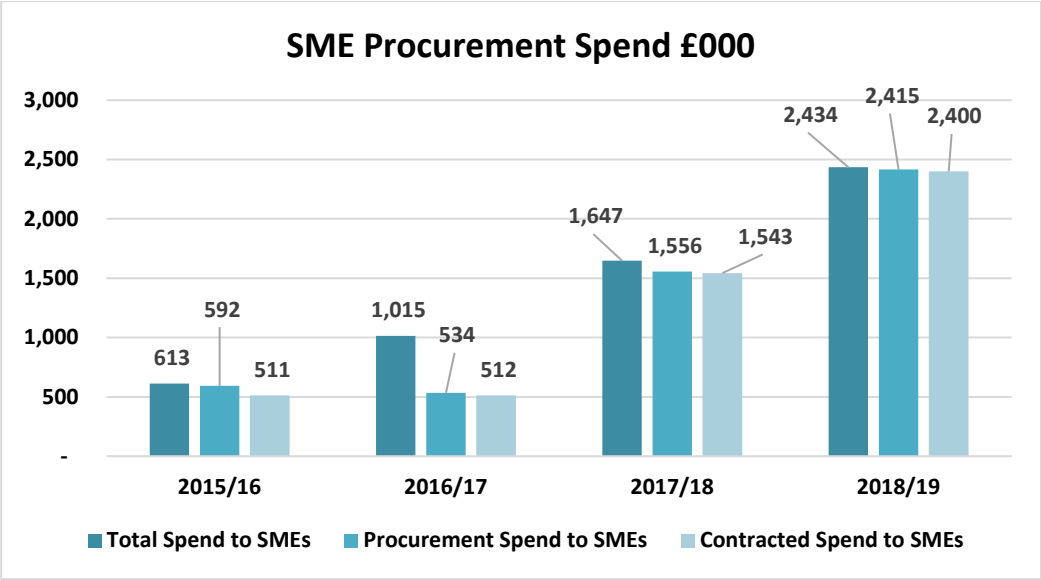
- Suppliers on the framework awarded for the provision of catering at have provided the following:
    1) Investment in youth sports in the Dundee area through being a major contributor of the Dundee Sportsmans Dinner.
    2) Sponsorship of SKE Karate in Dundee.
    3) Fundraising for Roxburgh House which is an NHS Specialist Palliative Care Unit in Dundee.
    4) Fundraising for Children's Hospices Across Scotland (CHAS).
    5) Links with local schools, colleges and universities.
    6) Food donations to a local homeless charity.
- As part of the overarching framework, the upgrade and maintenance of the SSSC's CRM system provider 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.

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

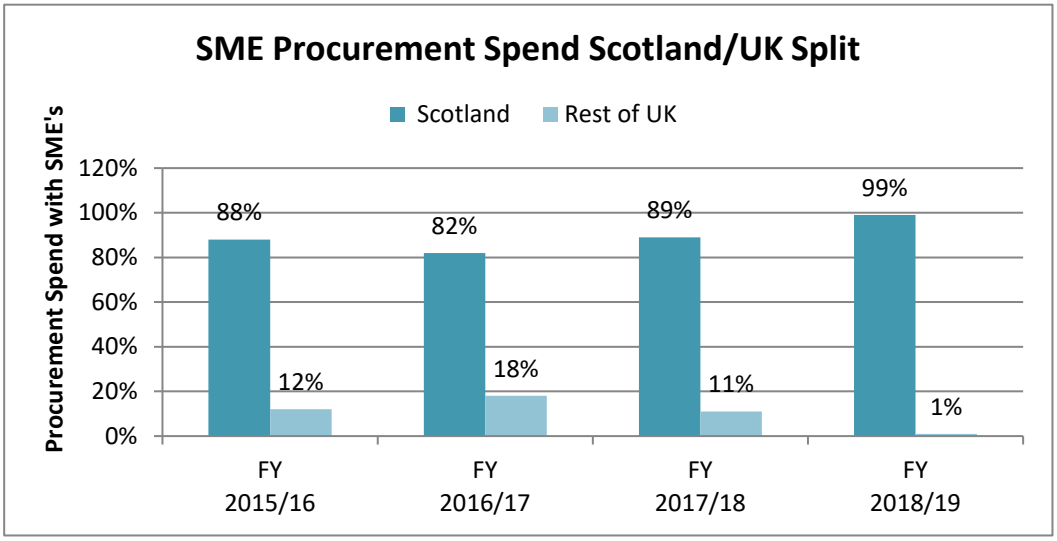
During the year we have continued to address sustainability in procurement. A directory of supported businesses is published on the SSSC intranet. This directory provides supported businesses, contact details including website links and a summary of goods and services provided by each supported business.

We submit quarterly 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 2018/19 spend with SMEs is £2.4m, representing 29% of our total spend and 60% of our procurement spend. Included in this spend is £24k with social enterprises. An analysis of our annual spend with SMEs is shown below:



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



2.2.5 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.

2.2.6 Other sustainability benefits

We continue to maintain a sustainability tracking tool where we capture sustainability benefits in our procurement. For 2018/19 the SSSC awarded 10 contracts and 11 call-off agreements where the following social, environmental and economic benefits were realised:

Social Benefits	• Supplier diversity • Social Inclusion • Equality & human rights
Environmental Benefits	• Emissions • Energy use • Raw materials • Habitat • Waste
Economic	• Competitiveness

These benefits relate to regulated and lower value contracts.

Of all of the paper and stationery purchased during 2018/19, 65% of expenditure related to the purchase of 'green' products. This is an improvement of two percentage points from the position reported in 2017/18.

2.3 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. A central procurement training register is maintained by the Procurement Team.

The Central Government Procurement Shared Service (CGPSS) delivered technical evaluation training during the year.

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

Informal training is provided on an on-going basis by the Procurement Team and procurement forms part of the induction that new staff undertake when they join the SSSC.

The Procurement Development Group meet at least twice per year.

2.4 PROVIDE TIMELY PERFORMANCE INFORMATION

The Procurement Development Group (PDG) provides an opportunity where key procurers within the SSSC and 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 inform 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 bi-annually where progress against targets is reviewed and solutions are provided for further improvement.

This report on annual performance is also presented to this group, the respective Executive Management Teams of SSSC and the Care Inspectorate and both Resources Committees. Feedback from this report will be incorporated into the 2019/20 procurement action plan where required.

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

2.5 ACHIEVE THE BENEFITS DERIVED FROM COLLABORATIVE WORKING

As can be seen from the information reported in 2.1, we continue to use collaborative frameworks where available and continue to explore opportunities for collaboration through CGPSS and our membership of our 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.

Savings of £518k, representing 95% of our total procurement savings, have been realised from the use of collaborative frameworks.

2.6 STRENGTHEN CONTRACT AND SUPPLIER MANAGEMENT PROCESSES

Contract management training has been delivered 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.

Contract managers are appointed for all relevant contracts and contract management meetings are held regularly for all key contracts**.** Supplier performance on key contracts is managed effectively to deliver value for money. The procurement team collate contract management information bi-annually and maintain a central record of this which is linked to the contract register.

The Procurement Team, in collaboration with Information Governance, developed a plan to consider the requirements that General Data Protection

Regulations (GDPR) would have on current and future contracts. A plan to address this was drafted for implementation in 2018/19.

In preparation of the General Data Protection (GDPR) coming into force in May 2018, the procurement team, in collaboration with Information Governance, prepared a plan to address compliance for all contracts. This plan was implemented at the beginning of the year and our procurement procedures have been updated to reflect GDPR requirements.

2.7 PROVIDE A PROCUREMENT SERVICE WHICH SUPPORTS EFFECTIVE PROCUREMENT WHICH DELIVERS BEST VALUE

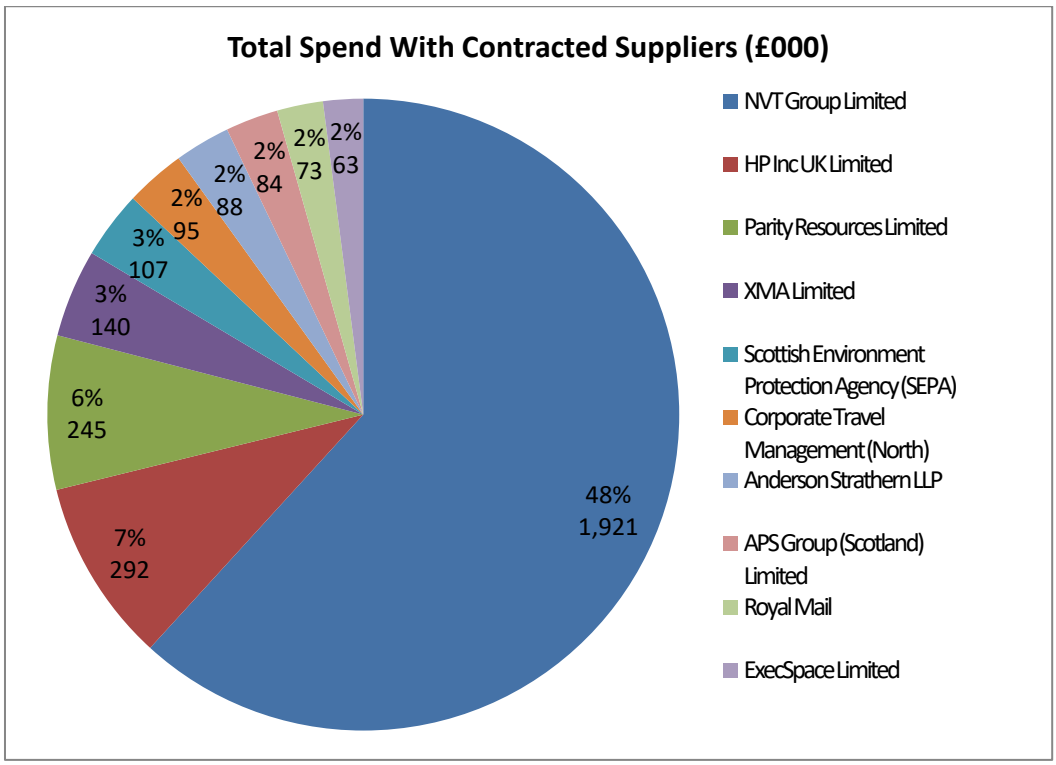
The procurement business processes are reviewed on a cyclical basis to ensure they reflect current legislation and meet the needs of the users. A number of processes have, and continue to be, amended and developed to support the changing procurement landscape.

The Procurement Team have also had an integral role in the creation of lessons learned reviews during the year. These are shared with the wider internal procurement community to ensure these valuable lessons are considered for future procurements.

The success of the service delivery is informed by the independent 'healthcheck', regular feedback from users of the procurement service and a customer survey which is distributed every two years. This feedback and follow-up action contribute to ensuring that the right level and quality of service is being delivered.

3.0 TOP 10 CONTRACTED SUPPLIERS

Together the top 10 suppliers account for 77% (2017/18: 74%) of our total procurement spend, and 78% (2017/18: 77%) 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	2,460
Agency staff costs	245
Print, stationery and postages	157
Travel & accommodation	95
Professional fees	88
Venue Hire	63
Total	**3,108**

4.0 SUPPLIER ACTIVITY

The Procurement Team review active suppliers quarterly, with the aim being to ensure only suppliers we do regular business with are set up in the creditors' ledger. Suppliers who have not been used for a period of 13 months are made 'inactive' and any request to use them requires completion of a procurement template to ensure procurement procedures are being complied with. Only when this has been undertaken can new suppliers be created or inactive suppliers updated to 'active' status. This ensures current contract arrangements have been analysed to ensure we are buying from a contract wherever possible. This is also good practice to mitigate the risk of purchasing or supplier fraud.

The number of active suppliers as at 31 March 2019 was 217 (2017/18: 243). Of those there were 126 supplier sites for the supply of goods or services, 72 due & lay regard members and 19 legally qualified chairs. (2017/18: 130 suppliers, 93 due & lay regards members and 20 legally qualified chairs).

5.0 CONCLUSION

The SSSC continues to make good progress towards the achievement of the published procurement priorities and the procurement action plan which supports the procurement strategy has been updated 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.
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.
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.

Term	Description
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 co-operatives.

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