



Social Security  
Scotland

Tèarainteachd Shòisealta Alba

# Annual Procurement Report

April 2022 – March 2023

Dignity,  
fairness,  
respect.

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## Glossary

**Accessibility** - the design of services, supplies and environments that are usable and accessible to people with disabilities. Accessibility issues are considered for all requirements as part of design and the procurement strategy.

**Annual Procurement Report** - a report which any public organisation in Scotland with an estimated regulated spend of £5 million or more must publish each year to explain how its procurement activity has been delivered in line with its published procurement strategy.

**BASE (British Association for Supported Employment)** - this organisation supports, promotes and develops the principles of supported employment.

**Chartered Institute of Procurement and Supply (CIPS)** - formerly known as the Chartered Institute of Purchasing and Supply, CIPS is a global professional body working for the procurement and supply profession in many regions of the world. It promotes best practice and provides services for non-professionals and over 64,000 members in 180 countries.

**Climate Change** - refers to the long-term shifts in temperatures and weather patterns.

**Collaborative Frameworks** - commercial agreements that are available for the whole of the Scottish public sector.

**Community Benefits** - requirements in a contract which relate to training, recruitment and availability of opportunities to subcontract, or which are intended to improve the economic, social or environmental well-being of the local area.

**Contracting Authority** - means the state, a regional or local authority, body governed by public law or an association formed by one or more such authorities or bodies.

**Crown Commercial Service** - is an executive agency of the Cabinet Office. Crown Commercial Service use their expertise to help the UK public sector achieve commercial benefits when buying common services and supplies. Their services include access to a range of commercial agreements for the purchase of goods and services.

**Delegated Purchasing Authority (DPA)** - is the authority to enter into a contract for services and supplies. In doing so, a Delegated Purchasing Officer takes responsibility for overseeing the process leading up to, and including, the award of a contract and any subsequent changes to that contract.

**Delegated Purchasing Officer** - a member of staff who has delegated authority to purchase on behalf of Social Security Scotland.

**Dynamic Purchasing System** - an electronic method of procurement used to purchase services and supplies. The DPS provides the purchaser with a list of pre-qualified suppliers for commonly used goods and services. There is no limit to the number of suppliers that can participate in the Dynamic Purchasing System (DPS). Suppliers can apply to join at any time during the period of the DPS. Public sector organisations purchase services and supplies via calls for competition.

**Executive Agency** - although part of the Scottish Government, Executive Agencies have a strong focus on the management and direct delivery of public services which do not require day-to-day Ministerial oversight. In some cases, they may also have responsibility for a distinct area of government policy. They are staffed by civil servants, including the Chief Executive who is directly accountable to Ministers. They are not statutory bodies but operate to a Framework Document approved by Ministers, which may be reviewed, amended or revoked at any time. They can normally be set up by administrative action without the need for legislation.

**Forward Plan** - a list of potential upcoming projects that provides suppliers with information about possible future tendering opportunities.

**Framework Agreement** - a commercial agreement between a Contracting Authority (e.g., Social Security Scotland) and one or more suppliers. The purpose of the agreement is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and quality, and where appropriate, the quantity. A framework agreement is a compliant way to buy services and/or supplies from suppliers who have applied to be on the agreement and have been vetted to show they can supply the products and services listed.

**Inclusive communication** - an approach to all communications that means the largest number of people can take part. People receive information and can express themselves in ways they find easiest.

**Lotting** - where a contract is sub-divided into different parts (lots) to allow smaller suppliers to bid for parts of a contract even if they are not able to provide all of it.

**Lot-limiting** - the number of lots that can be awarded to one tenderer is limited.

**MCIPS Accreditation** - MCIPS stands for Member of the Chartered Institute of Procurement and Supply. Accreditation is achieved by completing the Level 6 Professional Diploma of this accredited qualification.

**Meet the Buyer Events** - events are an opportunity for suppliers to introduce themselves to public sector buyers and private sector primary contractors to learn about new projects, contracts, framework opportunities and supply chain opportunities. For buyers, these events enable them to increase their pool of potential suppliers and widen their supply chains.

**Purchase to Pay** - using an automated Purchase to Pay system, public bodies can reduce the paperwork and inefficiencies associated with paper processing of purchase orders, goods receipts, invoices and returns.

**Procurement Centres of Expertise** - there are four Procurement Centres of Expertise in Scotland which provide support and guidance to all public sector bodies. They are Central Government Procurement, Advanced Procurement for Universities and Colleges, NHS National Procurement and Scotland Excel [Local Authorities].

**Procurement Competency Framework** - this sets out the skills and competency levels of public-sector staff involved in the procurement process.

**Procurement Journey** - guidance for public-sector buyers who buy services and supplies.

**Procurement Procedures** - the processes for public sector bodies to source third party suppliers and award contract for services and supplies.

**Public Contracts Scotland** - the Scottish Government's national portal where suppliers can access public contract opportunities across Scotland.

**Regulated Procurement** - buying services and/or supplies where the total value over the term of the contract is more than £50,000.

**Scotland's National Outcomes** - are the Scottish Government's broad policy aims. They are part of the National Performance Framework which gives Scotland's public services a common set of outcomes to work towards.

**Scottish Government Directorate Programme** - is responsible for making sure benefits devolved under the Scotland Act 2016 transfer safely and securely from the Department for Work and Pensions to Social Security Scotland and for the creation of new benefits.

**Scottish Government Sustainable Procurement Tools** - tools designed to help public sector organisations identify and address how they can optimise the economic, social and environmental outcomes of their procurement activity.

**Scottish Index of Multiple Deprivation** - is the Scottish Government's standard approach to identify areas with different types of deprivation in Scotland. It can help improve understanding about the outcomes and circumstances of people living in the most deprived areas in Scotland and helps inform government policy and funding decisions.

**Scottish Model of Procurement** - this promotes the power of public spending to provide genuine public value that goes beyond simply looking at the cost and quality of services and/or supplies we buy. Although led by the Scottish Government, [Scottish Model of Procurement](#) is owned by all of the Scottish public sector.

**Scottish Procurement Policy Notes** - these give public bodies advice on their procurement policies.

**Scottish Public Finance Manual (SPFM)** - provides guidance for Scottish Government and other relevant bodies on the proper handling and reporting of public funds.

**Services Contract** - means a public contract having as its object the provision of Services.

**Small to Medium-sized Enterprises** - the category of micro, small and medium-sized enterprises (SMEs) is made up of businesses which employ fewer than 250 people and which have a turnover of less than 50 million euro a year or a yearly balance sheet total of less than 43 million euro.

**Social Impact** - the positive contribution that public bodies and other public-sector organisations can make to the local communities in which they operate.

**Social Impact Pledge** - this asks public-sector organisations across Scotland to commit to increasing their social impact by making a public commitment to change three aspects of their current operations or policies. These should be three things that they are not doing currently and have not done before.

**Strategic Supplier** - a supplier that is considered critical to the delivery of an organisation's objectives.

**Supplier Development Programme** - this programme is a partnership between Local Authorities, Scottish Government and other public bodies and provides Scottish-based small to medium-sized enterprises with free support in all aspects of tendering.

**Supplies Contract** - means a public contract having as its object the purchase, lease, rental or hire purchase with or without an option to buy, of products which may include, as an incidental matter, siting and installation operations.

**Supported Business** - is an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

**Sustainable Development** - development that meets the needs of the current population without making it more difficult for future generations to meet their own needs.

**Sustainable Procurement Duty** - the duty a Contracting Authority has under the Procurement Reform (Scotland) Act 2014 to make sure that, before we buy anything, we think about how we can improve the environmental and economic wellbeing of the local area and reduce inequalities.

**Third-sector Organisations** - organisations that are neither public sector nor private sector (for example, charities or voluntary organisations). Third-sector organisations are usually independent of government though they may receive funding from them.

## Executive Summary

Social Security Scotland's second Annual Procurement Report sets out our progress against the commitments in our Corporate Procurement Strategy 2021-2023 during the financial year ending March 2023.

These commitments underpin the commitment in our Corporate Plan to "Running our service in a responsible way" The report highlights success in meeting our early objectives and details progress towards meeting our longer term objectives over the 3 year period of the Strategy.

In the 12 months since we published our first Annual Procurement Report the Procurement and Commercial team has continued to increase its capacity and capability to support the organisation's business needs.

Our second Annual Procurement Report reflects on our commitments and priorities described in our first [Corporate Procurement Strategy](#). The report provides commentary on how we have effectively managed our procurement activities and met our statutory requirements whilst continuing to establish a new procurement function.

We have made considerable progress during the last two financial years, meeting and in some instances exceeding the key objectives outlined in our Corporate Procurement Strategy.

The focus in our second year has been to continue to build capacity and capabilities to meet the organisation's procurement demands.

We have also ensured that we contribute to our corporate objectives that focus on tackling poverty, building a fairer, greener and growing economy and improving public services.

Our organisation places great value on working with the third sector and Supported Businesses. During the period covered by this report we continued to engage with Supported Businesses through our existing contracts and considered how to maximise contract opportunities for Supported Businesses in the years ahead.

We continue to receive positive feedback for our work with Supported Businesses.

We look forward to continuing to maximise the opportunities to deliver a positive impact through our commercial activities and spend with third party suppliers throughout Scotland, including: small to medium sized enterprises, third sector organisations and Supported Businesses.

### **Natalie McCrindle**

Head of Procurement & Commercial  
Social Security Scotland  
August 2023

## Introduction

Social Security Scotland is an Executive Agency of the Scottish Government. Established in 2018, its primary aim is to administrate the Scottish social security system. Our statutory duties include:

- providing advice and information on benefits under the Scottish social security system; and
- assessing entitlement and paying the social security benefits accurately, securely and on time.

Social Security Scotland's procurement and commercial function became operational in October 2021 and has continued to build its capacity and capabilities during the period covered by this report.

Our [Corporate Procurement Strategy](#) published in July 2021 set out how we will ensure:

- services and supplies procured from third party suppliers are legally compliant, fair and transparent.
- our procurement activities obtain value for money for the Scottish taxpayers; and
- our commercial activities contribute to the achievement of the broader aims and objectives of our organisation.

This annual procurement report has been prepared and published to meet our statutory obligations set out in Section 15 of the Procurement Reform (Scotland) Act 2014.

It reflects on our commitments and priorities described in our [Corporate Procurement Strategy](#) and provides commentary on how we have established our procurement and commercial function; effectively managed our procurement activities; and met our statutory obligations.

The report highlights:

- our activities to increase capacity and enhance the capabilities of our procurement and commercial function;
- our commitment to making a positive contribution to local economies and communities where we operate; and
- the positive measures being taken by us to address environmental and climate change issues.

We have made considerable progress during the last two financial years, meeting and in some instances exceeding the key objectives outlined in our Corporate Procurement Strategy.

Our Corporate Procurement Strategy and Annual Procurement Report are aligned with our [Corporate Plan 2020-2023](#) which sets out who we are, what we do and how we will do it. One of the main themes in our Corporate Plan is a commitment to provide our services in a responsible way. This theme is supported by four objectives, all of which are relevant to our procurement activity:

- make every penny count;



- gain people's trust by being open and honest;
- meet our legal obligations and protect our people and information; and
- reduce the effect our work has on the environment.



Social Security Scotland Head Office  
Agnes Husband House, Dundee



Canteen facilities, Social Security Scotland Head Office,  
Agnes Husband House, Dundee

## Procurement in Social Security Scotland

Our Corporate Procurement Strategy 2021-2023 describes our procurement vision:

- to achieve procurement best practice and commercial excellence throughout our organisation, making sure our services deliver best value for money and have service users and the people of Scotland at the heart of what we do.
- to be recognised as having leading commercial, procurement and commissioning practices and skills which deliver outstanding outcomes.

We award all our contracts on behalf of Scottish Ministers acting through Social Security Scotland. We award contracts based on value for money: the best balance between quality and price. Price includes the purchase price and all other associated costs over the lifetime of the requirement, such as maintenance and disposal.

We aim to ensure that our procurement activities are:

- efficient and achieve value for money.
- sustainable and deliver benefits to society, the economy and the environment.
- inclusive, fair, ethical and transparent.
- compliant with the Scottish public procurement regulations.

Our procurement activities are carried out by appropriately trained staff who have the required experience for their role. Only staff who have been granted Delegated Purchasing Authority by our Chief Executive can award contracts on behalf of the organisation.

Our Chief Executive is accountable to Scottish Ministers who are in turn responsible to the Scottish Parliament for our work. Our Chief Executive leads the Executive Team and Executive Advisory Body, who support him in his responsibilities.

Our Head of Procurement reports to the Deputy Director of Finance and Corporate Services who sits on the Executive Team and Executive Advisory Body.



Staff attending our Dundee Head Office launch event at Agnes Husband House

## Section 1 – Summary of Regulated Procurements and Spend

Our procurement function commenced operation in October 2021 and became fully operational from March 2022.

During the reporting period of April 2022 to March 2023:

- our total procurement spend was **£38,638,902**.
- of which **£11,097,410 (29%)** was spent with small and medium sized enterprises (SMEs).
- we received **226** requests for procurement assistance.
- we awarded **82** contracts.
- of which:
  - **53** were regulated contracts with a combined value of **£27,218,791**.
  - of the **53** regulated contracts awarded: **21** were placed with unique suppliers, of which **11** were small to medium sized enterprises.
  - **29** were non-regulated contracts with a combined value of **£446,700**.
  - of the **29** non-regulated contracts awarded: **18** were placed with unique suppliers, of which **11** were small to medium sized enterprises.

During the period covered by this report there were no contract awards to third sector organisations and supported businesses.

### Procurement Procedures: Routes to Market

Our procurement strategies for services and supplies consider the use of existing Contracts, Framework Agreements and Dynamic Purchasing Systems. This approach aims to maximise the use of collaborative Framework Agreements and Dynamic Purchasing Systems and ensures we are aligned with the [Scottish Procurement Policy Manual](#). We are committed to maintaining a collaborative approach to procurement to maximise efficiencies within the public sector and achieve best value for money.

During the reporting period, **51 (96%)** of our contract awards were via the use of collaborative agreements. The table below summarises the contracts awarded by each type of procurement procedure.

Procurement Procedure	Number of contracts awarded	Combined Value
Framework Call-Off	45 (85%)	£15,919,439 (59%)
Dynamic Purchasing System	6 (11%)	£10,952,316 (40%)
Other Routes to Market	2 (4%)	£347,036 (1%)
<b>Total</b>	<b>53</b>	<b>£27,218,791</b>

Table 1 – Summary of regulated procurements completed 2022/23.

Of the **45** framework call-offs:

- **36** were call-offs from Scottish Government frameworks. Value: **£9,353,887**
- **9** were call-offs from Crown Commercial Services frameworks. Value: **£6,565,552**

The **6** contracts awarded against the Dynamic Purchasing System in the table above were procured via Scottish Government dynamic purchasing systems available to public sector organisations in Scotland.

During the reporting period, we also established a Dynamic Purchasing System (DPS) using the restricted procedure. We will use the DPS to run competitions for services to develop our requirements for the OutSystems low-code platform.

The OutSystems platform has been a feature of our ICT estate since 2019. It currently delivers six critical applications that run on the platform – the first application was introduced in July 2021 as part of the Child Disability Payment (CDP) pilot, with the most recent going live in August 2022 as part of the Adult Disability Payment (ADP) national.

The DPS is separated into two Lots – one for resources and one for projects. Currently, we have appointed 11 suppliers to each lot. 3 of the suppliers in each lot are SMEs.

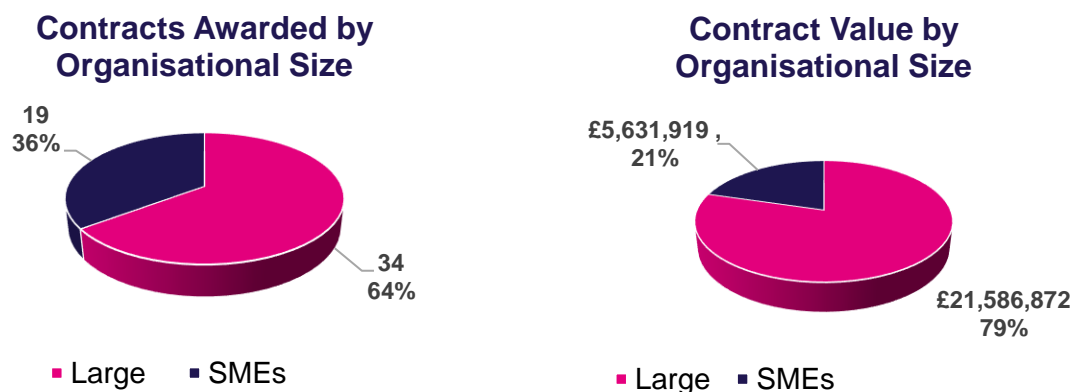
We continue to promote the DPS to the supplier market, encouraging new suppliers to apply to join to access future contract opportunities during the lifetime of the DPS. The estimated value of services to be procured via the DPS is £8 million excluding VAT and we continue to work with our Chief Digital Office to understand their pipeline of projects.

## Contract Awards by Organisational Size

The table below provides a breakdown of organisations by size that were awarded contracts during the period covered by this report.

Organisation Size	Number of Contracts Awarded	Combined Value
Large	34 (64%)	£21,586,872 (79%)
SMEs	19 (36%)	£5,631,919 (21%)
<b>Total</b>	<b>53</b>	<b>£27,218,791</b>

Table 2 – Breakdown of contract awards by organisation size in 2022/23



## Commodities Procured

The table below provides a breakdown of the contracts awarded by commodity and the associated value.

Commodity	Number of. of Contracts Awarded	Combined Value
HR	6 (11%)	£15,751,544 (58%)
Interim and Temporary Staff	27 (51%)	£6,382,163 (23%)
ICT	13 (25%)	£3,165,585 (12%)
Marketing Services	2 (4%)	£952,248 (3%)
Facilities Management (including Furniture and Associated Products)	2 (4%)	£250,000 (1%)
Fleet and Associated Products	2 (4%)	£175,690 (1%)
Financial Services	1 (2%)	£541,562 (2%)
<b>Total</b>	<b>53</b>	<b>£27,218,791</b>

Table 3 – Breakdown of contract awards by spend commodity in 2022/23

Further information relating to **individual** regulated procurements completed during the reporting period can be found in [Appendix A](#).

### Non-Regulated Procurements

We also completed 29 non-regulated procurements during the reporting period. A summary of these procurements is shown in the table below.

No. of Non-Regulated Contract Awards	Total Value	Of Which:	
		Awarded to SMEs	Value of Awards to SMEs
29	£446,700	13	£158,454

Table 4 – Non-regulated contract awards in 2022/23

### Non-Competitive Action Procurements

During the reporting period 1 regulated contract was awarded via Non-Competitive Action. This was a contract for digital forms software with a value of £297,035. The product can only be purchased direct from the supplier and is not available to buy through a Framework Agreement or reseller arrangement.

### Public Contracts Register

To meet the Scottish Government “Open Contracting Strategy” we publish contract award information for our procurements via the [Public Contracts Scotland](#) website.

### Collaboration with other Contracting Authorities

During the reporting period our collaboration activities included:

- Heads of Procurement: We are a member of the Highland Cluster. This forum allows senior procurement leaders to share ideas and best practice with other contracting authorities in Scotland.
- membership of the Scottish Government led User Intelligence Groups for:
  - the Supported Businesses framework;
  - the Temporary and Interim Staff frameworks; and
  - the Software Value Added Resellers framework.
- representation on the NHS Scotland led group for re-provisioning of ‘Attend Anywhere’ video appointments.
- providing resource to support the Scottish Government’s National Collaborative Procurement Division to evaluate tenders for the re-let of the Temporary and Interim Staff Framework.
- associate membership of Scotland Excel.

Our associate membership of Scotland Excel allows us to use Scotland Excel collaborative frameworks which gives us access to a range of supply chains that support the local and national economies as well as realising policy outcomes such as community benefits, environmental impact and fair work practices.

## Contracting Activity and Savings

In April 2022, we introduced our processes to capture delivered savings from our non-collaborative procurement activity. Our processes comply with the [Procurement Benefits Reporting Guidance](#) developed by the Scottish Centres of Procurement Expertise.

Accurate reporting of savings demonstrates the significant part played by our procurement and commercial function in supporting the delivery of our organisation's services at a time when resources are constrained.

Tenders are considered based on a balance between price and quality with sustainability included as part of the quality evaluation. Once a contract is awarded benefits/savings are secured i.e., the contract will deliver them if it is used and performs as expected.

## Secured Savings at Contract Award

During 2022/23 we awarded **82** contracts with a total value of **£27,665,490**. We secured total savings of **£676,577** at the award stage.

## Delivered Savings from Live Contracts

During 2022/23 we delivered savings of **£4,204,635**. Of which:

- **£3,608,741** was from spend through **81** live contracts; and
- **£595,894** was from spend from contracts awarded via the Scottish Government collaborative frameworks.

Delivered savings are the actual savings Social Security Scotland has obtained over the lifetime of each contract. Through our accurate monitoring and quarterly reporting of these savings we gain assurance that we are delivering a value for money service.

## Section 2 – Review of Regulated Procurement Compliance

The [Scottish Model of Procurement](#) promotes the power of public spending to:

- deliver genuine public value that goes beyond simply looking at the cost and quality of goods and services; and
- ensure that any significant investment is spent in a way that can bring the most benefit to society in Scotland.

Our Corporate Procurement Strategy made six commitments (referred to below as ‘Priorities’) to outline how we would use the power of procurement to deliver and influence outcomes that are available and connected to the communities we serve, and are good for businesses, their employees, communities and society.

Our Corporate Procurement Strategy recognised the supporting role, under a shared service agreement, that the Scottish Government’s More Powers Implementation Procurement Team provided to our organisation. This arrangement allowed us to successfully build our own Procurement and Commercial function for Social Security Scotland and establish effective and compliant processes and procedures.

During the period covered by this report the shared service provided by More Powers Implementation Procurement Team reduced in phases and ceased from November 2022.

This section of the report details how we have delivered the commitments and progressed our longer term priorities set out in our Corporate Procurement Strategy.

### **Priority 1 - Building a skilled and inclusive procurement and commercial function**

We will build a skilled, diverse and inclusive procurement and commercial team that considers our values in everything it does. This will help us to achieve the objective in our Corporate Plan, which is to deliver a social security system with dignity, fairness and respect.

#### **Progress with Priority 1**

We have made considerable progress building and upskilling our procurement team. We have recruited specialist staff with relevant skills and experience to deliver the procurement services for our organisation. Despite recruitment challenges in the wider economy and in the procurement profession, the team continued to expand and now employs 18.75 full time equivalent staff, three of which are trainee buyers who have joined the procurement and commercial function from other functions in our organisation.

All members of the team have completed corporate and procurement induction programmes to meet the operational requirements of their roles.

During the reporting period, our organisation introduced ‘career conversations’ for all staff. This initiative is part of our Talent Management Framework which aims to attract, develop and retain skilled people who are committed to the work that we do.



Four members of the team have enrolled in our organisation's 'ASPIRE Management Development Programme: a 40 week programme of executive learning aimed at junior and middle management roles. This initiative is also part of our Talent Management Framework.

We encouraged all our staff to continue their professional development by:

- attending training sessions and webinars hosted by the Scottish Government, Scotland Excel, Crown Commercial Services, the Cabinet Office, the UK Government Commercial College and the Charter Institute of Procurement and Supply (CIPS).
- studying for CIPS and other industry recognised procurement qualifications. We fund training and exams fees as well as allowing time off for study and exams.
- attending in-house training sessions on a range of business and procurement topics.
- completing the [Procurement Competency Framework](#) as part of their key work objectives and using the outcomes as a reference for one-to-one discussions with their line manager.
- providing coaching and mentoring on procurement and commercial related activities.



Agnes Husband House Head Office, Dundee

## Priority 2 – Developing an efficient procurement and commercial function

We will develop an efficient procurement function that helps us provide our services. This will help us achieve the objective in our Corporate Plan, which is to run our service in a responsible way.

### Progress with Priority 2

We have actively managed and promoted our service to our internal customers. We have introduced a procurement business partnering model to support key customers and senior leaders to forward plan, identify and mitigate risks, and achieve value for money.

During the reporting period, 35 of the 53 regulated procurements completed, were commissioned by our Chief Digital Office. To meet the Chief Digital Office service needs, we assigned two procurement business partners to provide commercial support and guidance to their leadership team.

To add value to our service offering, our business partners and buyers developed their knowledge on a wide range of digital, technology and cyber issues. Two of our buyers have joined the Crown Commercial Services' Cyber Buyers Group. This forum gives buyers the opportunity to gain insight and knowledge on a range of cyber security issues and to share knowledge with other Contracting Authorities.

We effectively managed our team resources and workloads by reviewing and assigning procurement projects to buyers at weekly 'triage' meetings.

Our buyers work closely with customers and stakeholders to carry out effective market research. Our pre-procurement market engagement allows our customers to better understand their service requirements, the supplier market and potential costs.

Our buyers lead the procurement process, supporting stakeholders to develop their specifications. Our buyers utilise the [Sustainable Procurement Tools](#) and consult with our Accessibility team to ensure relevant sustainability and accessibility issues are identified and considered. Where appropriate, sustainability and accessibility issues are included in service and/or supplies specifications.

We have developed our procurement guidance to ensure the Scottish Public Finance Manual requirement for pre-expenditure assessments is communicated, understood and considered. Working collaboratively with our finance colleagues we have raised commercial awareness (including procurement procedures and processes) across our organisation. We recognise the importance of business cases and adhering to the accountable officer processes. We support a robust decision making process which provides the opportunity to identify and achieve benefits from our procurement projects.

Risk management is inherent in our processes and we work with our customers to identify, manage and/or mitigate risk for each project.

We have also assigned team resource to support the management of individual contracts to ensure all parties to the agreement fulfil their contractual obligations and best value for services and/or supplies are achieved from third party suppliers. Our approach to contract management is detailed in Section 6.

### Priority 3 – working with the supplier market and our contractors

We will work with our contractors to improve performance, identify further opportunities for working more sustainably, promote fair working practices, support immediate and longer-term resilience in critical supply chains, and increase transparency in supply chains. This will help us achieve the objective in our Corporate Plan, which is to run our service in a responsible way.

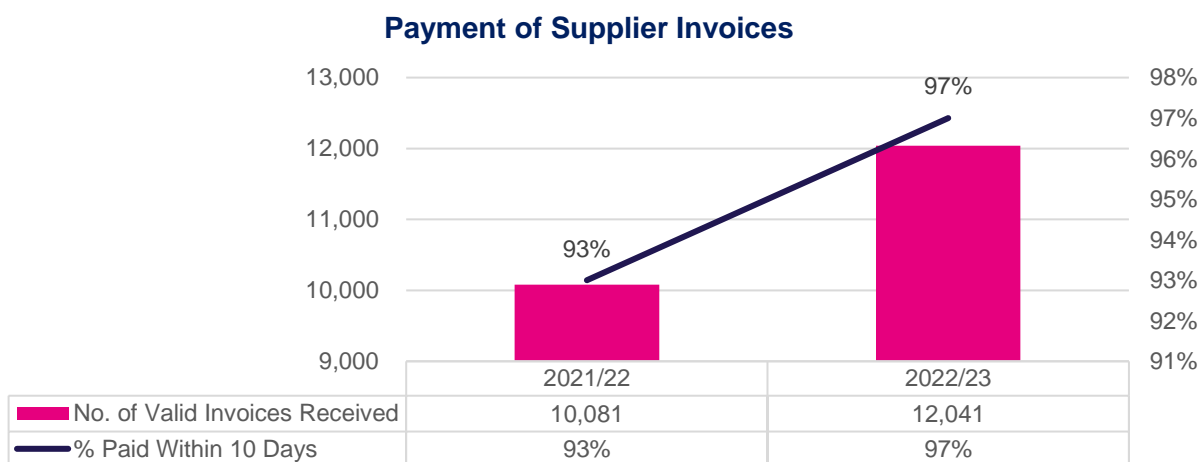
#### Progress with Priority 3

Our commercial relationships with third party suppliers vary to reflect the complexity of services and/or supplies, the risk profile and the contract duration. During the reporting period we have introduced a contract management strategy which includes a risk rating approach to determine the level of management activities required for individual contracts. Our approach to contract management is detailed in Section 6.

For procurement projects progressed during the reporting period (for example Catering, IT single-sign-on software and Digital Signage) we have worked with business areas to carry out market research, and included commercial, operational and sustainability considerations in this research as well as consulting appropriate experts.

Our corporate website has been developed to have a dedicated page for procurement ([Social Security Scotland - Procurement and Commercial](#)) with guidance and advice for suppliers and potential suppliers on doing business with us. During the reporting period we updated and published our procedures, including the prompt payment of invoices to our supply chain to improve visibility and transparency for our supplier base.

In 2022/23, we paid 97% of all valid invoices from third party suppliers within ten days. An increase of 4 percentage points compared to 2021/22.



Our corporate website also includes information about inclusive communication. [Social Security Scotland - Inclusive Communications](#).

[Scotland's National Strategy for Economic Transformation](#) details the importance of having a Fairer and More Equal Society. We apply Fair Work practices and guidance, including the real living wage. We ask all our suppliers to confirm they pay the real living wage to all involved in delivery of the contract.

In the period of the report, 36 of our contracts included a Fair Work Criterion and 16 out of our 21 unique suppliers who were awarded a regulated contract confirmed that they paid the real living wage to those involved in the delivery of the contract.

Our procurement team was also represented at the Tayside Meet the Buyer event in Dundee hosted by the Supplier Development Programme. This event gave us the opportunity to engage directly with suppliers and raise awareness of our contracting opportunities.

**Priority 4 – ensuring our procurement opportunities are accessible to small to medium sized enterprises, third sector organisations and supported businesses**

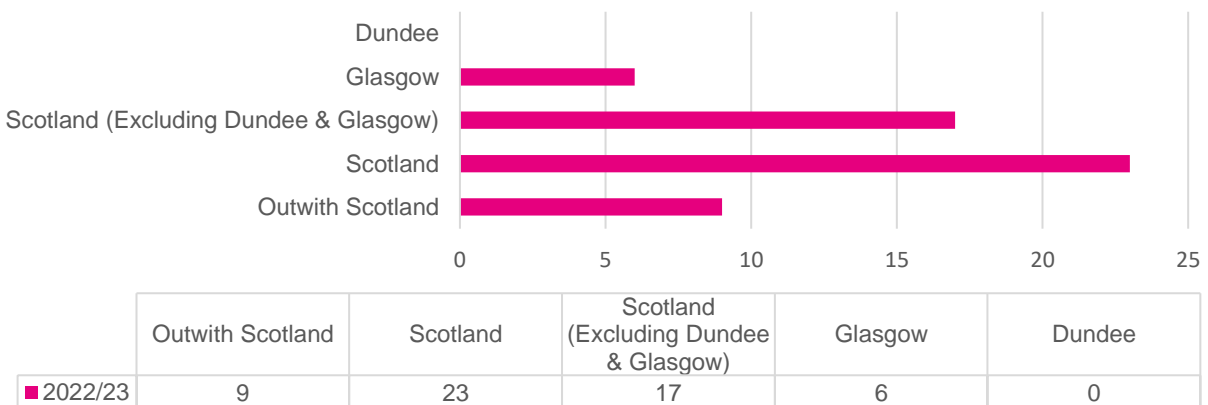
We will make sure our procurement opportunities are accessible to small to medium sized enterprises, third sector organisations and supported businesses. This will help us achieve the objective in our Corporate Plan, which is to run our service in a responsible way.

**Progress with Priority 4**

During the reporting period:

- 19 (36%) of all regulated contracts were awarded to SME suppliers. Of which, 15 (28%) contracts were awarded to SME suppliers with a postcode in Scotland;
- 23 (28%) of all regulated and non-regulated contracts were awarded to SME suppliers with a postcode in Scotland.
- Of the 32 contracts awarded to SMEs, 23 (or 72%) were awarded to SMEs suppliers with a postcode in Scotland.

**SME Contract Awards - Head Office Location**

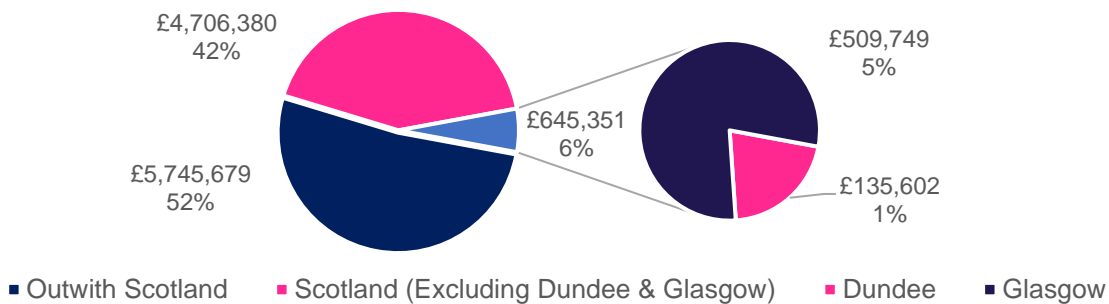


Our procurement strategies for regulated procurement projects require the consideration of lotting and lot-limiting. Our approach to lotting and lot limiting contracts allows small to medium sized enterprises and third sector organisations that might not be able to carry out the full service an opportunity to bid for part of the service requirement.

## SME Spend

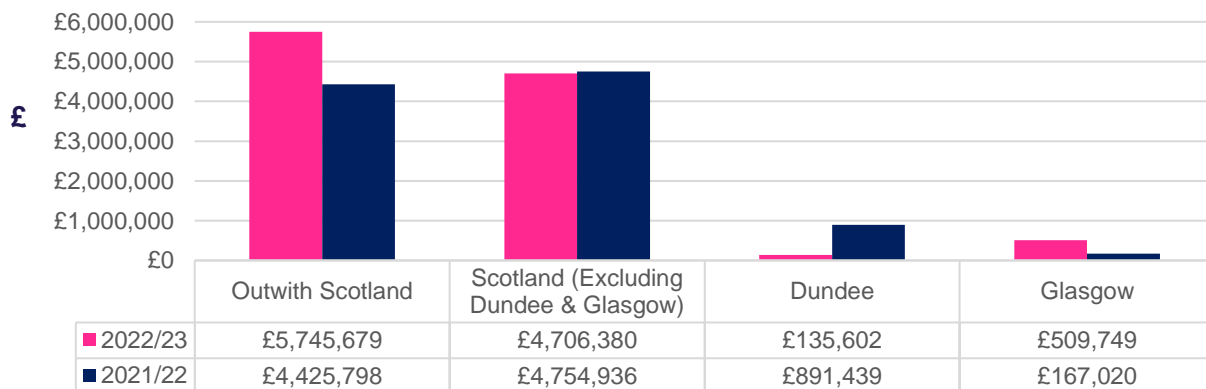
During the reporting period, £5,351,731 (42%) of our total SME spend was with Scottish based SMEs. Of which a combined spend of £645,351 was paid to SMEs based in Dundee and Glasgow.

### 2022/23 SME Spend - Head Office Location



In 2022/23 our total SME spend was £11,097,410, an increase of £858,217 (+8%) compared to 2021/22. Of which £5,351,731 was paid to Scottish SME suppliers. Our SME spend in the Dundee Local Authority area reduced by £755,837 (-85%). The reduced spend in Dundee was attributable to the completion of our fit out and refurbishment of our Dundee Head Office building and the reduced spend on furniture and fittings via our Supported Businesses suppliers.

### SME Spend - Head Office Location



We have worked with the Supplier Development Programme to help small to medium sized enterprises and supported businesses bid for our contracts. In June 2022, the Supplier Development Programme hosted an event with supported businesses who noted an interest in the future provision of Catering Facilities in our Dundee Head Office and Glasgow office opportunity advertised on Public Contracts Scotland - more detailed on this activity is included in Section 4 of this report.

We consider supported businesses for our contract opportunities and we use the Scottish Government Supported Businesses Framework whenever appropriate. See Section 4 on Supported Businesses for more detail on how we have worked with supported businesses.

We have developed excellent relationships with the British Association for Supported Employment (BASE) in Scotland. We have regular discussions with BASE about contract opportunities for its members, as well as possible work placements, employment and employability support opportunities.

Through our procurement and contract management activity we work with contractors to encourage small to medium sized enterprises, third sector organisations and supported businesses to be a part of our supply chain.

### **Priority 5 – complying with procurement legislation**

We will make sure our procurement activities meet legislation. This will help us to achieve the objective in our Corporate Plan, which is to run our service in a responsible way.

#### **Progress with Priority 5**

We have introduced systems and processes to ensure our commercial activities comply with public procurement legislation. Our processes include checks and reviews at key stages of a procurement exercise to ensure accuracy of information; appropriateness of decision making and compliance with public procurement legislation.

Our buyers conduct all procurement activities in accordance with the Public Contracts (Scotland) Regulations 2015, The Procurement Reform (Scotland) Act 2014 and adhere to the Procurement Journey guidance.

During the reporting period, our trainee buyers and modern apprentices have attended a public procurement introductory awareness session to ensure they understand the legislative framework and related guidance.

During the reporting period, we completed the following activities to raise commercial awareness amongst non-commercial staff in our organisation:

- introduced and developed our business partnering offering across our organisation with regular engagement with key stakeholders to discuss procurement and commercial issues. Our business partnering meetings also included discussions to support the development of our Forward Plan.
- published our first [Annual Procurement Report](#) in November 2022. The report was marketed to all staff via our organisation's intranet site.
- updated and published our internal procurement guidance on our organisation's intranet pages.

- updated our governance arrangements that apply to spending decisions within the organisation, including the requirement for approval of business cases and adherence to accountable officer approvals procedures.
- developed our organisational forward plan through collaboration with has also helped.

When appropriate, we have engaged with our legal services team to ensure our commercial activities are fully compliant with public procurement legislation.

Our procurement opportunities consider the inclusion of community benefits and where appropriate how best to maximise the possible use of reserved contracts for supported factories and businesses. Further information is provided within this report in the sections on Community Benefits (Section 3) and Supported Businesses (Section 4).

## Priority 6 - Sustainable Development Challenges

We will make sure that our contributions to sustainable-development challenges are included within our procurement practices. This will help us to achieve the objective to run our service in a responsible way in our Corporate Plan.

### Progress with Priority 6

The sustainable procurement duty is included in our processes and documentation to make sure we fully consider costs, environmental impact and social effects over the whole life of an item or service when assessing value for money.

Our internal templates and guidance have been developed to help reduce demand for services and supplies by cutting down on waste, and encouraging people to re-use and recycle, and to use services and supplies that do the least harm to the environment.

We use the Scottish Government's [Sustainable Procurement Tools platform](#) at the strategy stage of our procurements to identify sustainable opportunities through the contracts we award. This includes highlighting to our stakeholders that they need to be aware of the possible impact on climate change. We monitor sustainable outcomes through our contract management processes - Section 6 of this report provides further details on sustainability initiatives.

We include Fair Work First guidance in our tender process and this is a consideration for every procurement strategy. As described within the section "Priority 3 – working with the supplier market and our contractors", we work with our contractors to promote fair working practices and Living Wage Scotland.

We have made progress towards signing up to the Social Impact Pledge with a working group set up to progress this and events held to seek suggestions for commitments that could be made by our organisation.

We have engaged with the Supplier Development Programme to increase opportunities for our procurement activities to have positive social, economic and environmental outcomes. We also worked with the Supplier Development Programme to deliver an

awareness event aimed at encouraging Supported Businesses to bid for our catering opportunities - more detailed on this activity is included in Section 4 of this report.

We continue to ensure the content of [Scottish Procurement Policy Note 1/2021 – Taking Account of Climate and Circular Economy Considerations in Public Procurement](#), is built into our individual procurement strategies and templates and that the Scottish Government Sustainable Procurement Tools are utilised for our procurement activity.

Although in the early stages of developing our approach to contract management, we have commenced work with our Place Services team and Zero Waste Scotland to identify existing and future contracts where we can actively work with suppliers to deliver sustainable solutions throughout the life of a contract.

### Section 3 – Community Benefit Summary

Section 18(2) 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”.

Our [Corporate Procurement Strategy](#) commits us to ensure community benefits are specified clearly and included in all procurements over £4 million. We also consider opportunities to include community benefits in all other regulated procurement activity where it is appropriate and possible to do so.

We have produced a Corporate Community Benefit Strategy to ensure that we maximise opportunities through our procurement activities. Our Strategy is currently being refreshed and will be available as an aide to all our procurement staff to support them to develop community benefit strategies for individual procurements.

#### Community Benefit Requirements in Procurement during 2022/23

Total Number of Regulated Contracts Awarded	53
Total Number of Regulated Contracts Awarded for Interim Staff	27
Total Number of Regulated Contracts Awarded for requirements other than Interim Staff	26
Total Number of Contracts Awarded Over £4 million	1
Total Number of Contracts Awarded Over £4 million with Community Benefit Requirements	1
Total Number of Regulated Contracts Awarded with a value of less than £4 million with Community Benefit Requirements	9



## Community Benefits in contracts in excess of £4 million awarded during 2022/23

### Recruit, Train, Deploy

In this reporting period there was 1 regulated procurement over the threshold of £4 million. The Recruit, Train, Deploy contract was awarded to Alexander Mann Solutions via the Crown Commercial Services' Public Sector Resourcing Framework. The combined value of services to be procured via this contract is estimated to be £5 million. We are currently working with the supplier to explore potential Community Benefits for services agreed via this contract.

### OutSystems Services Dynamic Purchasing System

Our OutSystems Dynamic Purchasing System (DPS) was established using the restricted procedure. The DPS will be used to run competitions for services to develop our requirements for the OutSystems low-code platform. The combined value of services to be procured via the DPS is estimated to be £8 million. Where appropriate and proportionate to the value of the service requirements, community benefits will be identified for each call-off competition.

## Community Benefits delivered from contracts in excess of £4 million awarded prior to April 2023

<p><b>Digital Resources</b></p>	<p>Our supplier provides specialist digital and technical support for maintaining and improving Social Security Scotland's benefit systems and services.</p> <p>Our supplier is committed to meeting a Community Benefit requirement supporting local communities by recruiting and creating opportunities for groups or people seeking work experience, who may not have access to a wide range of options.</p> <p>An apprenticeship recruitment was targeted at jobseekers living in communities where opportunities may be limited, in line with wider Scottish Government policy aspirations aimed at reducing inequality and increasing social inclusion.</p> <p>As a direct result of our contract award the supplier is now employing two graduate apprentices in Glasgow who are being paid the Real Living Wage. They are being trained to assist in providing the expert support required to help us ensure our benefit systems continue to operate effectively and efficiently for our clients.</p> <p>We are currently working with the supplier to explore pathways for apprentices to apply for permanent employment with our organisation.</p>
<p><b>Cloud Hosting and Operations</b></p>	<p>Our supplier has provided a range of community benefits related to the delivery requirements of this contract, including 6 modern apprenticeships, and IT careers awareness sessions at schools.</p>

	Our supplier also engaged with local charities to provide volunteering support at foodbanks and homeless shelters, and donations (e.g., cash and goods) via sponsored activities.
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### Community Benefits in other regulated contracts below £4 million

Community benefits were also included for the following regulated procurements that were below the £4 million threshold for mandatory consideration.

Contract	Procurement Route	Community Benefit Commitment
<b>Interim Digital Resources (4 Contracts: Lots 1, 2, 3 and 4)</b>	Scottish Government Digital and Technology Services DPS	Subject to individual contract spend, individual Suppliers are committed to: <ul style="list-style-type: none"> <li>• 1 paid work placement for every £3 million spent on the contract.</li> <li>• An apprenticeship for every £3 million spent on the contract.</li> </ul>
<b>IT Healthchecks and other services</b>	Scottish Government Digital and Technology Services Dynamic Purchasing System	Working with the University of Abertay to offer as part of this contract, a graduate placement scheme.  Partnering with Scotland-IS, to support programmes to aid more young people to enter the IT profession from all backgrounds. Will offer career advice, guidance and student placements.
<b>OKTA Integrations Provider</b>	Crown Commercial Services: G-Cloud	Offer of a half-day second line support training session. This training covers: setting up an integration; setting up multifactor authentication; setting up conditional access; assigning administrator roles; and platform support and troubleshooting.
<b>Creative Services</b>	Scottish Government Marketing Services Framework Agreement	Four 2-week paid placements to be offered to students from disadvantaged communities. Targeted identification of individuals from students at Glasgow Kelvin College, and Dundee's Duncan of Jordanstone College.
<b>Best Start Foods</b>	Crown Commercial Services  Payment Solutions	Developing a range of training and education modules relating to; cv writing, job interviews, cyber security, online safety and personal financial management.  Working with Social Security Scotland to deliver charity initiatives for Scottish Charities.

Contract	Procurement Route	Community Benefit Commitment
	Framework (RM3828)	Offering a STEM ambassador programme where staff visit schools and encourage children to study STEM subjects.
<b>Development of the Social Security Scotland Brand</b>	Scottish Government Marketing Services Framework Agreement	2 work placements. Both placements have been for a period of 3 weeks and the attendees of the placements have been involved in audience focus groups/workshops, client presentations and a creative pitch.

### Community Benefits in live contracts awarded prior to April 2022

Contract	Community Benefit Commitment
<b>HR Transformation Selection and Recruitment</b>	<p>Our Provider delivered the following Community Benefits during the period of the report:</p> <ul style="list-style-type: none"> <li>• appointed an apprentice in May 2022.</li> <li>• Supported Young Care-Leavers: provided volunteer support in providing employment skills to care system leavers in conjunction with MCR Pathways and the Department for Work and Pensions.</li> <li>• Two members of Provider’s resourcing team completed training to support MCR Pathways - support given to local schools in Aberdeen and Edinburgh (1 hour per week).</li> </ul> <p>Mentoring Circles: Provided volunteer support in the delivery of content to the unemployed across Scotland in conjunction with JobcentrePlus and the Department for Work and Pensions.</p>

### Community Benefits achieved through our Supply Chain

We have worked with our facilities management supplier, Mitie, to seek community benefits in the form of supporting the local community through their supply chain. We identified an opportunity to source period products from a social enterprise called Hey Girls as part of Mitie’s supply chain in Dundee. We buy directly from Hey Girls for our Glasgow requirements.

Hey Girls create plant-powered period products that support the fight to end period poverty in the UK. As part of this initiative, we have agreed a Buy One, Donate One

strategy which means that we have a stock of free period products in our toilets and for every period product purchased, Hey Girls donate the equivalent product to community organisations in the Dundee and Glasgow areas. Supporting these sustainable products also helps us to contribute to the Scottish Government's overall commitment to reducing Scotland's environmental impact and creating a cleaner, greener, and healthier country.

In a website article promoting our arrangement with Hey Girls, Natalie McCrindle, Head of Procurement and Commercial, said:

“We are pleased to be able to help tackle period poverty and stigma at Social Security Scotland, providing products for colleagues and visitors to our offices.”

“We want our procurement activities to reflect the people of Scotland and our values of dignity, fairness and respect, while also achieving best value. Working with Supported Businesses like Hey Girls ensures that we are making an impact within local communities surrounding our Dundee and Glasgow offices, helping expand easy, free access to period products.”

The local community partners benefitting from the Buy One, Donate One agreement with Hey Girls include:

- Dundee and Angus Foodbank, Dundee
- Froickheim Park Community Volunteers, Froickheim (Angus)  
Hillcrest Futures, Dundee
- 3rd Campsie Brownies, Glasgow
- Children 1st / Action for Children, Glasgow
- Castlemilk Youth Complex, Glasgow
- East Renfrewshire Larder, Glasgow
- The Big Issue, Glasgow
- LANDED Peer Education Service, Glasgow
- Ubuntu Women Shelter, Glasgow
- Community Renewal Trust, Glasgow
- 199th Glasgow Guides, Glasgow
- Scottish Refugee Council, Glasgow
- The Hygiene Bank, Glasgow
- Gilded Lily Inspiring Enterprise, Glasgow
- Drumchapel United, Glasgow
- The Scottish Football Partnership Trust, Glasgow
- The Pad Project, Glasgow

Further detail on our work supporting Social Enterprises can be found at Section 4 – Supported Businesses Summary.

## Helping Disadvantage Groups in the Labour Market

At our Key Supplier Meeting in June 2022, IBM shared details of their Skills Build Initiative which seeks to support the Department of Work and Pensions' aspiration to move those in disadvantaged groups closer to the labour market through upskilling and confidence building. We agreed to explore how we might replicate this initiative for the

benefit of our communities in Scotland, aligned to the Scottish Government's Social Impact Pledge. We facilitated a follow-up discussion in February 2023 attended by IBM, our Strategic Relationship Officer and Local Delivery colleagues.

Social Security Scotland's Pathfinder's Project, a partnership with the Department of Work and Pensions and Local Authorities, was seen as a possible avenue through which to leverage from Skills Build what we wish as an organisation to achieve. A current priority focus is the community in Linlathen, Dundee (an area listed in Scottish Index of Multiple Deprivation) and one key strand, led by the Department of Work and Pensions, is seeking to improve employability for which the IBM Skills Build offer is seen as a good match.

Our Local Delivery Relationship Lead for East of Scotland has secured buy-in from the other participants in the Pathfinder's project and next step will be to get all parties together for a planning session.

We are engaging with colleagues in DEFRA and Home Office to gain the benefit of their recent experiences and lessons learned during their re-tendering process.

#### **Section 4 – Supported Businesses Summary**

We proactively consider opportunities to award contracts to Supported Businesses. We have used the Scottish Government's Supported Businesses Framework since March 2019. This multi-lot, multi-supplier framework for the provision of commodities reserved for Supported Businesses provides Scottish public bodies with a route to market for a range of services and supplies which are provided by supported businesses.

We recognise that Supported Businesses make an important contribution to the Scottish economy. Not only through the services and supplies they deliver, but also by providing meaningful employment, training and social support for people who may otherwise be excluded from the workplace.

During the reporting period there were no new contracts awarded to supported businesses. However, extended our Furniture and Associated Products contracts awarded to City Building and Dovetail Enterprises by a further 12 months and our Signage and Wayfinding contract awarded to Scotland's Bravest Manufacturing Company by 12 months.

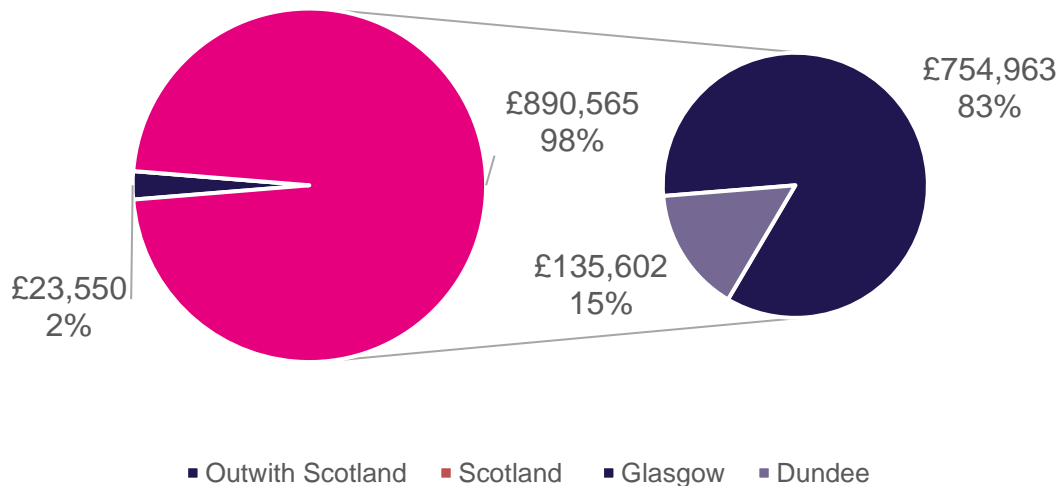
During the reporting period, our Headquarters building in Dundee was refurbished to include a public access area which was fitted out with furniture and fittings supplied through our Supported Businesses contracts.



Newly refurbished public areas in our Dundee Head Office

Our total spend during the reporting period on contracts awarded to Supported Businesses was £914,115. Scottish Procurement has advised that our spend under the framework has contributed significantly to the framework’s main aim, which is social and professional integration of disabled or disadvantaged persons. During the reporting period, £890,565 (98%) of our total spend with Supported Business was with Scottish based Supported Businesses.

### 2022/23 Supported Business Spend



### Supporting Social Enterprises

We are also helping support people in our Dundee and Glasgow communities when we purchase period products for our colleagues and visitors to our premises. As part of our procurement commitment to third sector organisations we have partnered with a social enterprise called Hey Girls.

We were introduced to the opportunity to work with Hey Girls through collaborative working with the Supported Businesses Framework Manager within Scottish Government who advised us that Hey Girls were on the list of Supported Businesses located in

Scotland.

We engaged our facilities management supplier, Mitie, to seek their agreement to source period products from Hey Girls as part of their supply chain in Dundee. We buy directly from Hey Girls for our Glasgow Building.

This arrangement provided an opportunity to involve the third sector and further support community partners through our contracts. Following this success, we have re-developed our procurement strategy template for regulated procurements to ensure we are proactive in considering whether Supported Businesses can provide the services required, either directly or through sub-contracting arrangements.

Our facilities management supplier, Mitie has indicated that other public bodies which they work with are now considering using Supported Businesses within their supply chain in a similar way.

### **Catering Services**

Our procurement strategy for Catering Services for both our Dundee head office and Glasgow office recommended reserving the contracts for Supported Businesses under Regulation 21 of the Public Contracts (Scotland) Regulations 2015.

The invitation to tender was issued in January 2023 and tenderers were required to provide evidence demonstrating they meet the two-part test under Regulation 21 of the Public Contracts (Scotland) Regulations 2015 i.e., the main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

The procurement process did not result in a contract award as no tenders were received from bidders who could demonstrate that they met the two part test at regulation 21 of the Public Contracts (Scotland) Regulations 2015. Following engagement with the Scottish Government and Scottish Procurement and Property Directorate we identified a contingency option to use the Scottish Government Catering Contract with Baxter Storey. We secured agreement with Baxter Storey to include a special contract condition to employ disabled or disadvantaged persons on our sites which demonstrates our commitment in line with the aim of reserving the contract.

We will continue to work with BASE, the Supplier Development programme, supported businesses and other relevant organisations to understand how we can develop the supported business market to consider reserving the contract when we go out to tender for catering services in 2025.

### **Recognition for work with Supported Businesses**

We recognise engaging with Supported Businesses is an essential element of the sustainable procurement duty and we have undertaken a range of activities to facilitate the involvement of Supported Businesses in our procurements. Our positive approach to working with Supported Businesses was acknowledged by:

- Scottish Procurement, who published a [Talking Supported Businesses with Social Security Scotland](#) blog in relation to Social Security Scotland's work with Supported Businesses.
- GO (Government Opportunities) Awards Scotland 2022: Social Security Scotland was a finalist in the Social Value and Supply Chain Diversity categories following a joint submission with Scottish Government highlighting our work with supported businesses.
- The Scottish Government Report: [Scotland's Journey of Achieving Sustainable Procurement Outcomes 2002-2022: Independent Review](#). This report acknowledges our positive approach to engaging with local suppliers and making use of the Supported Businesses Framework.

## Section 5 – Future Regulated Procurements

A forward plan of anticipated procurements projected to commence in the next two financial years is provided at Appendix B.

## Section 6 – Contract and Supplier Management

In 2022/23, we proactively developed our contract management capabilities and we implemented our contract management strategy on 1 October 2022.

Our contract management activities include managing contracts awarded by the Scottish Government's More Powers Implementation Procurement Team. These contracts were commissioned by the Scottish Government Directorate Programme.

During the reporting period we have assumed responsibility for the contract management of 50 contracts awarded by Scottish Procurement which have been passed to Social Security Scotland through a formal transition process.

We use a Contract Management Prioritisation Tool which segments live contracts based on risk, value, and complexity. This enables us to tailor our contract management approach and investment of time and effort to best effect.

Where there is no close alignment between risk and value, our approach to contract management is driven by the risk profile: over the life term of each contract we review the segmentation, adapting our approach to reflect any changes to risk levels and/or contract value.

We have assigned a procurement contract owner to support the business/technical owner for each live contract on the Social Security Scotland Contract Register.

A contract management plan sets out the respective roles and responsibilities of each party depending on the agreed segmentation.

Our segmentation approach has been shared with the Transition Project and key stakeholders and has been embedded within the process and related checklists supporting transition.



For the high risk and/or high value (over £1 million) contracts, the Procurement and Commercial Team take ownership for organising and facilitating monthly contract review meetings. Key Performance Indicators (KPIs), spend, delivered savings and benefits are tracked and all risks are jointly identified, monitored and reviewed, with discussions informed by the monthly MI reports provided by the Supplier. We adopt a similar approach for medium-risk and/or medium-value contracts (over £100,000 but under £1 million) but at a reduced frequency e.g., quarterly.

For these contracts escalation meetings between suppliers and key stakeholders are arranged and rectification plans put in place for any risks scoring 'Red' under the RAG (Red/ Amber/ Green) status. These are recorded and mitigating actions monitored via our Procurement and Commercial branch risk register (with an escalation to the divisional risk register as necessary).

A new tracker has been introduced to record all our contract management activities and we review this monthly at the senior procurement management meetings to provide assurance of the regularity and effectiveness of these contract review meetings.

Oversight for the day to day running of our low-risk and/or low value (under £100,000) contracts is the responsibility of the Business Owner however the Procurement and Commercial team is always available as an escalation point to offer commercial advice.

### **Key Supplier Management**

We meet with our key strategic suppliers on a quarterly basis.

These meetings, augment the regular monthly contract review meetings referenced above and focus on:

- Improved management of risk – particularly where we have a dependency on a single supplier.
- Supplier contribution to Scottish economic growth (e.g., increased Scottish jobs or training).
- Increased social and environmental sustainability including community benefits.
- Innovation in service provision/offering.

## **Section 7 – Innovation in Procurement**

### **Abertay University**

Our Procurement and Commercial team supported the Innovation for Growth programme at Abertay University in Dundee in March 2023. Abertay University had invited Social Security Scotland to take part in an event to help find solutions to business problems for the module which is made up of fourth year students from their school of Business, Law and Social Sciences.

We presented the students with a challenging brief that required research and support as well as pre-event reading. Our Head of Procurement and Commercial and a Senior Procurement and Commercial Manager then delivered a presentation to the students and

supported them in their group discussions. The students produced well-considered solutions to the issue and delivered excellent presentations back in their groups and the outputs were shared with the Social Security Scotland Procurement and Commercial Team.

This was a fantastic opportunity to help promote the organisation and the Procurement and Commercial team whilst helping to develop students in the Dundee area. It also allowed us to connect with final year students who will soon be seeking employment after graduation and may have an interest in a future career in procurement.



Newly refurbished public areas in our Dundee Head Office

## Section 8 – Sustainability and Climate Change

### Sustainable Procurement

Our organisation is committed to ensuring our procurement activities support the net zero aims of the Scottish Government.

We have supported our buyers to develop their knowledge of the sustainable duty requirements for public sector procurements. All buyers have completed the Climate Literacy for Procurers eLearning that provides buyers with an understanding of the climate emergency challenges and how their procurement activity can contribute to the net zero aims. Our Buyers have also completed training for the Scottish Government [Sustainable Procurement Tools](#) which are considered for each regulated procurement.

During the reporting period we have reviewed and updated our processes and procurement templates. Our strategy template now includes prompts for our buyers to consider the climate and environmental impacts for procurement projects. This approach gives us an early indication of how we can develop our specifications to ensure we contribute to the Scottish Government's overall commitment to reducing Scotland's environmental impact (the effect our actions have on the environment) and creating a cleaner, greener and healthier country.

We also include relevant information in our Invitation to Tender documents relating to climate change and the net zero aims of the Scottish Government. Our tender documents include relevant questions related to supplier approaches to reducing emission levels.

## Reduce the effect our work has on the environment

Our organisation is mindful of the impact our work has on climate change and environmental issues. We have been working to support our Place Services Team to draft an organisational Sustainability Policy document. We have also had initial discussions with Mitie, our facilities supplier, to start baselining energy use in our buildings now that they are being used in a steady state, with a view to identifying areas for saving energy.

Our Key Supplier Meeting in June 2022, IBM gave a presentation on the Responsible Computing Initiative, which was initiated by IBM but is now managed via an open consortium. It offers a framework for use by organisations working in the digital space addressing both technology aspects (data centre, infrastructure, and code) and social aspects (data usage, systems, and impact). The approach focuses on two major areas: energy consumed, and strategic use and re-use of materials.

Our Place Services colleagues took up IBM's offer of advice to help Social Security Scotland shape and develop our sustainability strategy and we facilitated this follow-up session in February 2023.

IBM's Sustainability Team also included us in their Carbon Footprint Estimator beta project: the outputs, as applied to our Cloud Hosting Platform and Operations contract, model the impacts of different option choices in respect of remote and hybrid working. This is an example of the type of insight the tool can provide to inform decision making.

## Business Travel

Our organisation remains committed to delivering a national service across Scotland.

During this reporting year, our organisation introduced a hybrid working model for staff. This has meant more staff attending our office on a regular basis, increased levels of staff journeys between our offices and travel to support our face-to-face services for our clients.

Where reliable public transport service is available for journeys, train or buses should be used for travel. In exceptional circumstances the use of pool cars or private motor vehicle may be approved.

During the reporting period we placed an order to lease three new electric vehicles to replace our existing contracts for leasing three hybrid vehicles. The vehicles were received in April 2023.

Our fleet of six fully electric vehicles provide our staff with a sustainable alternative if they are unable to use public transport. This fleet of ultra-low emissions will contribute towards the sustainability targets outlined within the Scottish Government's Sustainable Travel Strategy.

## Emissions Levels

Our annual emissions for business travel are detailed in the table below:

Financial Year	Tonnes of CO <sub>2</sub> equivalent
2022/23	95.54
2021/22	0.01*
2020/21	77.47**

\* Due to Covid 19 there was no business travel.

\*\* Our estate and staff resource profiles were considerably less in 2020/21 compared to 2022/2023. Therefore, we are unable to draw any like for like comparisons relating to our business travel and the impact it has had on the environment.

## Appendix A – Regulated Procurements Completed In The Reporting Period

Contract Award Date	Supplier Name	Subject Matter	Estimated Contract Value	Contract Start Date	Contract End Date (excluding options)
01/04/2022	Harvey Nash Group PLC	Interim - SPM Developer	£404,045	04/04/2022	02/10/2022
04/04/2022	Softcat (UK) PLC	Code Repository (DevOps) Licences	£84,733	01/04/2022	31/03/2023
06/04/2022	Pertemps Recruitment	Interim - Interventions Officers	£209,754	06/04/2022	05/10/2022
06/04/2022	Pertemps Recruitment	Interim - Interventions Officers	£209,754	06/04/2022	05/10/2022
06/04/2022	Pertemps Recruitment	Interim - Interventions Officers	£209,754	06/04/2022	05/10/2022
13/04/2022	ASA Recruitment	Interim - Senior AEM Developer	£271,075	11/04/2022	09/10/2022
14/04/2022	Lorien Resourcing Limited	Interim - Enterprise Architects	£362,000	20/04/2022	19/10/2022
22/04/2022	Jones Lang LaSalle Limited	Provision of Property Advisor Services	£200,000	25/04/2022	24/04/2024
28/04/2022	Pertemps Recruitment	Interim - Pay Administrator	£125,086	04/05/2022	02/11/2022
28/04/2022	Pertemps Recruitment	Interim - Pay Administrator	£125,086	04/05/2022	02/11/2022
05/05/2022	Venesky-Brown Recruitment Ltd	Interim - Creative Communications Executive	£133,400	08/06/2022	04/12/2022
11/05/2022	Softcat (UK) PLC	Testing software licence support	£58,173	28/05/2022	10/12/2022
18/05/2022	Venesky-Brown Recruitment Ltd	Interim - Senior Business Analyst	£249,000	08/06/2022	04/12/2022

Contract Award Date	Supplier Name	Subject Matter	Estimated Contract Value	Contract Start Date	Contract End Date (excluding options)
25/05/2022	NCC Group Security Services Ltd	IT Disaster Recovery Plans Consultancy Review	£99,000	30/05/2022	12/08/2022
26/05/2022	Allpay Ltd	Best Start Foods	£500,000	03/06/2022	02/06/2024
01/06/2022	Harvey Nash Group PLC	Interim Digital Resources Services (IDRS) - Lot 1	£3,025,680	01/06/2022	31/05/2025
01/06/2022	Harvey Nash Group PLC	Interim Digital Resources Services (IDRS) - Lot 2	£3,025,680	01/06/2022	31/05/2025
01/06/2022	Harvey Nash Group PLC	Interim Digital Resources Services (IDRS) - Lot 3	£3,025,680	01/06/2022	31/05/2025
13/06/2022	Venesky-Brown Recruitment Ltd	Interim - Senior Internal Controls Manager	£238,061	25/07/2022	21/07/2023
15/06/2022	Softcat (UK) PLC	Web Application Firewall (WAF) and Network/Application distributed denial of Service (DDoS Capability)	£450,000	01/09/2022	31/08/2023
28/06/2022	Harvey Nash Group PLC	Interim - Cloud Engineer	£292,072	01/07/2022	31/12/2022
30/06/2022	BE-IT RESOURCING LTD	Interim Digital Resources Services (IDRS) - Lot 4	£1,359,776	01/06/2022	31/05/2025
20/07/2022	Harvey Nash Group PLC	Interim - SPM Developer	£328,900	25/07/2022	24/01/2023
26/07/2022	ASA Recruitment	Interim - External Communications Executive	£114,885	17/08/2022	16/11/2022

Contract Award Date	Supplier Name	Subject Matter	Estimated Contract Value	Contract Start Date	Contract End Date (excluding options)
03/08/2022	Hays Specialist Recruitment Ltd	Permanent Recruitment (Tactical) - Digital, Data and Technology (DDaT)	£314,727	01/03/2022	30/09/2022
09/08/2022	Harvey Nash Group PLC	Interim - Finance Project Support Manager	£207,278	05/09/2022	04/08/2024
18/08/2022	Merritt-Harrison Catering Consultancy	Catering Advisor	£50,000	22/08/2022	21/03/2023
26/08/2022	Harvey Nash Group PLC	Interim - Senior Service Designer	£340,074	19/09/2022	17/03/2023
05/09/2022	Softcat (UK) PLC	Vulnerability Scanning Licences	£65,954	04/09/2022	03/09/2023
29/09/2022	Innovate IT Ltd	OKTA Integrations Provider	£200,000	26/09/2022	25/09/2024
20/10/2022	Harvey Nash Group PLC	Interim - Senior Service Designer	£265,764	19/10/2022	31/03/2023
20/10/2022	Harvey Nash Group PLC	Interim - Infrastructure Test Engineer	£200,353	20/10/2022	31/03/2023
27/10/2022	Adobe Systems Software	Digital Forms Software	£297,035	01/11/2022	01/11/2024
27/10/2022	Softcat (UK) PLC	Integration Platform PaaS	£832,250	01/01/2023	31/12/2023
01/11/2022	Aaseya Software Service Ltd	Outsystems Senior Developer	£75,400	07/11/2022	31/03/2022
22/11/2022	Alexander Mann Solutions	Recruit, Train Deploy	£5,000,000	23/11/2022	17/07/2025
09/12/2022	Softcat (UK) PLC	Test software	£264,774	10/12/2022	09/12/2023

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Contract Award Date	Supplier Name	Subject Matter	Estimated Contract Value	Contract Start Date	Contract End Date (excluding options)
19/12/2022	Stand UK Ltd	Development of Social Security Scotland Brand	£52,248	19/12/2022	31/03/2023
23/12/2022	Western Commercial	Fleet – Vehicle for Operational Services	£84,375	23/12/2022	31/03/2026
23/12/2022	ASA Recruitment	Interim - Joint Chief	£104,018	09/01/2023	31/03/2023
28/12/2022	Sonic Communication (Int) Ltd	Fleet – Vehicle for Operational Services	£91,315	28/12/2022	31/03/2026
20/02/2023	Commissum Associates Limited	IT Health Checks and Cyber Security Services	£416,500	01/03/2023	28/02/2025
06/03/2023	Venesky-Brown Recruitment Ltd	Interim - Technical Platform Owner	£108,350	03/04/2023	29/09/2023
16/03/2023	Computacenter UK Ltd	Digital Signage Solution	£225,160	01/03/2023	30/04/2026
16/03/2023	Harvey Nash Group PLC	Interim - Solution Architect	£310,755	03/04/2023	29/09/2023
20/03/2023	Venesky-Brown Recruitment Ltd	Interim - Solution Architect	£325,650	17/04/2023	30/06/2023
20/03/2023	Harvey Nash Group PLC	Interim - Solution Architect	£174,166	17/04/2023	30/06/2023
22/03/2023	Stand UK Ltd	Provision of Creative Services	£900,000	24/03/2023	23/03/2026
23/03/2023	Venesky-Brown Recruitment Ltd	Interim - System and Process Lead (Fraud and Error)	£262,000	24/04/2023	30/06/2023



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Contract Award Date	Supplier Name	Subject Matter	Estimated Contract Value	Contract Start Date	Contract End Date (excluding options)
28/03/2023	Softcat (UK) PLC	Code Repository (DevOps)Licences	£96,603	01/04/2023	31/03/2024
31/03/2023	Venesky-Brown Recruitment Ltd	Interim - Technical Platform Owners	£218,400	04/04/2023	29/09/2023
31/03/2023	Venesky-Brown Recruitment Ltd	Interim - Technical Platform Owners	£309,120	17/04/2023	29/09/2023
31/03/2023	Venesky-Brown Recruitment Ltd	Interim - Technical Platform Owners	£283,360	01/05/2023	29/09/2023

## Appendix B – Future Regulated Procurements

The table below lists regulated procurements anticipated in the next two financial years. This list is subject to future changes.

There is no requirement to advertise procurements with an estimated value below £50,000.

Requirement	New /Re-let	Expected Contract Start Date	Estimated Value
Web Application Firewall	Extension	01/09/2023	£128,693
Specialist Office Equipment	Extension	25/10/2023	£100,000
Logging, Monitoring and Alerting Software	Re-let	31/10/2023	£75,000
Transcription Services	New	01/11/2023	£100,000
Mobile Phone Signal Boosting	Extension	30/11/2023	£88,322
Cloud Engineering Services	Re-let	06/12/2023	£7,000,000
Test Software	Re-let	10/12/2023	£60,000
Threat Intelligence Platform	Re-let	13/12/2023	£379,500
Integration Platform Licencing	Re-let	01/01/2024	£800,000
SPM Licencing Contract	Re-let	01/01/2024	£3,000,000
Live Service Team - Software Development Services	Extension	06/01/2024	£2,400,000
Content Threat Removal Solution	Re-let	13/01/2024	£371,674
Workload Security Review	Re-let	05/02/2024	£120,000
Internal Knowledge Management Hub	Re-let	16/02/2024	£160,000

Requirement	New /Re-let	Expected Contract Start Date	Estimated Value
Code Repository (DevOps) Software	Re-let	31/03/2024	£102,000
Social Media Management Software Solution	Re-let	31/03/2024	£51,924
Cloud Hosting Services	Re-let	01/04/2024	£6,000,000
Services for the Deaf and Hard of Hearing Clients	Re-let	16/05/2024	£500,000
Best Start Foods	Re-let	01/06/2024	£550,000
Document Management Enhanced Support	Extension	02/06/2024	£214,092
Multi-Channel Contact Centre and Telephony Services	Re-let	01/06/2025	£6,000,000
Interim Digital Resources	Re-let	01/06/2025	£7,500,000
Postal Services	Extension	30/06/2025	£2,400,000
Public Sector Resourcing Services	Re-let	18/07/2025	£5,000,000
Interim/Temporary Staff (Multiple Contracts for Various Roles)	New/Re-let	Ongoing	TBC

Social Security Scotland takes the opportunity to use collaborative contracts set up by Scottish Government, Crown Commercial Services and other public bodies where contract requirements can be met by tendering through one of those collaborative contracts. Consequently, where some Social Security Scotland purchasing requirements/contracts listed above can be met via one of these sources it will not be advertised.

Interim Managers come under one heading in the table above, as not all anticipated requirements are known at this point in the year. Social Security Scotland expects to require a number of interim/temporary staff with specialist skills in ICT and other areas to support our business where we experience a skills shortage, or to supplement work on time critical projects, etc. These interim roles are procured mostly through the Scottish Government's Temporary and Interim Staff Services Framework.

**Annex A – Annual Procurement Report template**

[NOTE: reference to contract is also to be construed as meaning a framework agreement]

**1. Organisation and report details**

a) Contracting Authority Name

Social Security Scotland

b) Period of the annual procurement report

Financial Year 2022/23

c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)

Yes

**2. Summary of Regulated Procurements Completed**

a) Total number of regulated contracts awarded within the report period

53

b) Total value of regulated contracts awarded within the report period

£27,218,791

c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period

21

i) how many of these unique suppliers are SMEs

11

ii) how many of these unique suppliers are Third sector bodies

0

### 3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy

53

b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy

0

### 4. Community Benefit Requirements Summary

#### Use of Community Benefit Requirements in Procurement:

a) Total Number of regulated contracts awarded with a value of £4 million or greater.

1

b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.

0

c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements

9

#### Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)

0

e) Number of Apprenticeships Filled by Priority Groups

0

f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	£5,335,388
i) Total Value of contracts sub-contracted to Social Enterprises	£0
j) Total Value of contracts sub-contracted to Supported Businesses	£0
k) Other community benefit(s) fulfilled	See Annual Procurement Report - Section 3
<b>5. Fair Work and the real Living Wage</b>	
a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	36
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	16
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.	10

## 6. Payment performance

a) Number of valid invoices received during the reporting period.	12,041
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	11,671 – 96.93%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	53
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

## 7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£914,114.87
i) spend within the reporting year on regulated contracts	£914,114.87
ii) spend within the reporting year on non-regulated contracts	£0

## 8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£38,638,902
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£11,097,410
c) Total procurement spend with third sector bodies during the period covered by the report.	£67,576.28
d) Percentage of total procurement spend through collaborative contracts.	95%
e) Total delivered cash savings for the period covered by the annual procurement report	£3,230,741
f) Total non-cash savings value for the period covered by the annual procurement report	£378,000

## 9. Future regulated procurements

a) Total number of regulated procurements expected to commence in the next two financial years	24
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£43,101,205





# Social Security Scotland

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