

Executive Advisory Board – Procurement Update – 10 May 2022

This report provides an update on the Procurement and Commercial Function to inform the Executive Advisory Board of progress in the past 12 months. Good progress has been made across the function with our key achievements and aims for the coming year detailed below.

Capacity and Capability Building

- Procurement and Commercial function established in April 2021 with 3 staff
- Ongoing recruitment to build the capability and capacity of the Procurement and Commercial function including recruiting 2 Modern Apprentices
- Provided appropriate training and guidance to all staff involved in the procurement process including Delegated Purchasing Officers
- Transitioned Formal Agreements function from the Social Security Programme to Social Security Scotland on 1 December 2021 with ongoing management of 18 Agency and Service Level Agreements with a combined value of over £76 million

Priorities for the next 12 months

- Continuing to recruit our remaining procurement specialist vacancies
- Access to the shared service provided by core Scottish Government (More Powers Implementation Procurement) will end by 31 October 2022
- Continue to upskill the Procurement team with skills based learning and support staff to gain professional qualifications (10 team members Chartered Institute of Purchasing and Supply qualified with 2 studying)

Contracting Activity and Savings

- Commenced operational procurement in October 2021
- Awarded 59 contracts with a total value in excess of £15 million
- Savings of £2,274,939.55 captured and processes developed to capture delivered savings for our Annual Procurement Report
- See Appendix 1 for further highlights from our management information

Contracting with Supported Businesses

- Total Spend with Supported Businesses is £849,021.89, to date with further spend expected over the coming financial year. A breakdown is included within the appendix. The Supported Businesses framework has been used to appoint 2 suppliers for furniture provision, Dovetail in Dundee and City Building in Glasgow and a further supplier for signage provision, Scotland's Bravest Manufacturing Company.
- Scottish Procurement have advised that Social Security Scotland has one of the largest spends in Scotland with Support Businesses.
- We are currently developing the strategy for the catering provision in Dundee and Glasgow. Indications from pre-market engagement are that there is sufficient capacity

within the Supported Business supplier market to bid and deliver these requirements, with the potential to meet a number of national outcomes

- The contracts will have a strong strategic alignment with the purpose of our organisation with a focus on social inclusion and reducing inequality.

Priorities for the next 12 months

- Focus support on the following strategic projects:
 - Catering provision for the Dundee and Glasgow Offices
 - Low Income Benefits Continuous Improvement to increase operational efficiency and reduce workarounds
 - Interim Digital Resources to provide additional capacity to our Chief Digital Office
 - We will use the Scottish Government Creative Services framework to award a new contract for Creative Services that will be fully aligned with the Agency's requirements
 - Postal and Courier Services Relets

Statutory Obligations and Governance

The Procurement Reform (Scotland) Act 2014 works alongside the Public Contracts (Scotland) Regulations to provide a national legislative framework for sustainable public procurement that supports Scotland's economic growth through improved procurement practice. Publication of our Procurement Strategy and Annual Report are mandatory requirements to meet this legislation.

- Published our first [Corporate Procurement Strategy](#) in July 2021
- Rolled out a Business Partnering approach across Divisions with regular meetings with our key stakeholders
- Published our procedures on our external website [Procurement and Commercial website page](#) to improve visibility and transparency with our supplier base
- Communicated internal guidance on our Procurement within Social Security Scotland Saltire page
- Set out the governance that will apply to spending decisions within the agency
- Developed guidance and processes to track contractual spend within our finance system. Scottish Procurement have sought our permission to share this guidance with Scottish Courts and Tribunal Services as best practice
- Procurement Scheme of Delegation in place and all Social Security Scotland procurement activity fully compliant with the Agency Framework Document

Priorities for the next 12 months

- Publish our first Annual Procurement Report, required under section 9 of the Procurement Reform (Scotland) Act 2014, expected by September 2022
- Publish our Forward Plan of requirements for the year ahead
- Participation in the Scottish Government Procurement & Commercial Improvement Programme assessment in 2023
- Develop our processes to further address climate change reporting requirements and capture emissions information from suppliers.

Summary

The Social Security Scotland Procurement and Commercial function has come a long way in the past 12 months with good progress, we are clear on what our priorities are for the next 12 months. We will provide a further update to the Executive Advisory Board in May 2023 and also ensure that you are sighted on our Annual Procurement Report each Autumn.

Appendix 1 – Procurement Management Information Highlights

Executive Advisory Board Procurement Summary - Financial Year 2021/2022

Number of contracts awarded	59	Value of contracts awarded	£15,160,681.23
Number of live contracts	47	Value of live contracts	£16,623,446.38
Number of unique suppliers awarded a place on a contract	22		
Number of Requests for Procurement Assistance received	154	Value of Requests for Procurement Assistance received	£75,071,956.33
Collaborative Spend to date	£2,211,524.03	Collaborative savings to date	£202,320.00
Secured cash savings	£2,051,619.55	Delivered cash savings	£21,000.00
Secured non-cash savings	£6,000.00	Delivered non-cash savings	£270,601.45

Contracts awarded to supported businesses

Supplier	Contract Title	Total Spend to date
City Building	Furniture and associated products – Lot 1	£472,978.35
Dovetail Enterprises	Furniture and associated products – Lots 2 and 3	£378,774.19
Scotland's Bravest Manufacturing Company	Wayfinding and signage	£7269.35
Total		£849,021.89