

Executive Advisory Board – Procurement Update – 22 March 2023

This report provides an update on the Procurement and Commercial Function to inform the Executive Advisory Board of progress in the 12-month period since the previous procurement update to the advisory board.

Good progress continues to be made across the function with our key achievements and aims for the coming year set out below.

Statutory Obligations and Governance

- The organisation's first Annual Procurement Report required under section 18 of the Procurement Reform (Scotland) Act 2014 (the Reform Act) was published on 16 November 2022.
- A Forward Plan of procurements was published in November 2022 within the Annual Procurement Report, we published an updated version of the Forward Plan on Public Contracts Scotland in March 2023.
- We will participate in the Scottish Government led Procurement & Commercial Improvement Programme assessment which will take place in Q1 or Q2 of 2024, with preparation for the assessment scheduled to commence in late 2023.
- We will publish our 2nd Annual Procurement Report under the Reform Act in July 2023.
- We will shortly commence the refresh of our second 3-year Procurement Strategy covering the period from 2024-2027 which is required under section 15 of the Reform Act.

Capacity and Capability Building

The procurement team is now responsible for delivering all the organisation's procurement requirements following the end of support from the shared service on 31 October 2022.

Whilst the function has grown from a team of 17 to a team of 23 in the past 12 months, we continue to experience challenges in recruiting experienced procurement professionals. To address this, we now have two modern apprentices and recently recruited three trainee buyers from other parts of the organisation which has provided opportunities for existing staff in other functions to acquire new skills and develop their careers.

We also filled three vacant B3 posts and one C1 post using Temporary Responsibility Supplement to help grow our capability and capacity internally. Action to fill the remaining vacancies will commence in Q1 of Financial Year 23-24.

Building Capability

We are currently working collaboratively with colleagues in Finance and Learning & Leadership to develop online content and in-person awareness sessions to build procurement and financial awareness as well as capability across the organisation. The awareness sessions and webinars are scheduled to commence in Q2 of Financial Year 23-24.

Within the procurement team we have four members studying Chartered Institute of Purchasing and Supply and eight members who have qualifications. Four members of the team are participating in the B Band Aspire Development Programme.

The Procurement Competency Framework which identifies the skills and competency levels required by procurement professionals has been completed by the majority of staff to identify training and development needs, career planning and personal development. The remainder of the team will complete the competency framework by end of April 2023.

Contracting Activity and Savings

From 1 April 2022 we introduced a process to capture and record delivered savings from our non-collaborative procurement activity.

Accurate reporting of savings demonstrates the significant part played by procurement in supporting the delivery of services and demonstrating value for money at a time of increasing financial pressures.

Tenders are considered based on an informed balance between cost, quality and sustainability. During Financial Year 22-23 the default price weighting in our invitation to tenders was increased to 40% to help bear down on inflationary pressures.

Through our accurate monitoring and quarterly reporting of these we gain assurance that we are delivering value for money. In the current financial year to date we have delivered savings of £1.7m through live contracts of which savings of £383k were from spend through collaborative frameworks.

During Financial year 22-23 we:

- Awarded 70 contracts with a total value in excess of £17.5 million. Please see Appendix 2 for details of the contracts awarded.
- Secured savings of £326,417.00 which will be reported in our Annual Procurement Report.
- Worked with stakeholders to identify 61 procurement requirements which are included in the Forward Plan for 2023-2024, publication of the Forward Plan is a key activity to ensure our approach to procurement is fair and open.
- See Appendix 1 for further highlights from our management information.

Contract Management Activity

Contract management activity commenced in October 2022. We use a Contract Management Prioritisation Tool which segments live contracts according to risk, value and complexity. This enables us to tailor our contract management approach and investment of time and effort to best effect.

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

Transition

More Powers Implementation Procurement Exit

Support from the More Powers Implementation Procurement team ended on 31 October 2022 following which responsibility for 52 contracts with a total anticipated contract value of £25m transferred to the Procurement and Commercial Team.

Due diligence to validate that no contracts have been missed from the transfer and all transferred contract entries are up to date is scheduled to be completed by the end of April 2023. These contracts do not show on the Social Security Scotland Contract Register.

Programme Transition

5 contracts with a total value of £1.7m have successfully transitioned from the Social Security Programme with 6 contracts currently transitioning including Multi Channel Contact Centre. A further 4 are in scope for transition in 2023-2024. Two members of the procurement team sit on the Transition Project Contracts & Supplier Management workstream.

Fair Work

We consider and evaluate Fair Work practices, including the real Living Wage and other employment related criteria such as no inappropriate use of zero-hour contracts, workplace representation, flexible & family friendly working practises in our regulated procurements. Fair Work practices are those practices which go beyond a contractor's legal obligations and where a contractor actively ensures its employees are aware of their legal rights.

Further information on the number of regulated contracts awarded that include a Fair Work criterion, details of the number of unique suppliers who have committed to pay the real Living Wage, are accredited Living Wage employers and have signed up to the Scottish Business Pledge, is included at Appendix 1.

Contracting with Supported Businesses

We have worked in collaboration with Mitie, our facilities management contractor, to transition period products in our buildings to "hey girls", a Social Enterprise whose mission is to eradicate period poverty, improve access to quality products and increase education around period health.

We have continued our relationship with supported businesses and have spent an additional £745k with Dovetail Enterprises, City Building (Contracts) LLP and Scotland's Bravest Manufacturing Company.

Community Benefits

Community Benefits have been included in contracts where relevant and proportionate. Appendix 1 sets out the details of the community benefits delivered

this financial year. Community benefits which suppliers have committed to deliver are monitored through contract management and reported in our Annual Report.

In addition to the statutory requirement to include community benefits in contracts of £4 million, we look at opportunities to include community benefits in our lower value contracts to add value and benefit to our communities.

The pandemic restrictions impacted significantly on the scope to deliver community benefits, within the procurement team there is a recognition that there is more that can be done to ensure that we maximise the benefit of our contract awards to the communities in Dundee and Glasgow. To address this, we are in the early stages of developing a community benefits strategy which will be available from July 2023 and will inform our refreshed corporate procurement strategy due for publication in July 2024.

We have been invited to participate in the Dundee City Council led community Wealth Building Partnership in May 2023 which will be key to helping us target our work to improve our approach and identify community benefits which can be delivered in the Dundee area.

We will also look for opportunities where our suppliers can contribute to Social Security Scotland Social Impact Pledges as a community benefit, e.g. contractors supporting our corporate charity.

Outward Focus

Following the end of the pandemic restrictions, the team has been able to actively engage suppliers in person at a number of “Meet the Buyer” events.

- We attended the Tayside “Meet the Buyer” event in March 2023.
- We supported the Innovation for Growth programme at Abertay University in March 2023.
- We will attend the national “Meet the Buyer” event in May 2023
- We have been invited to participate in the Dundee City Council led Community Wealth Building Partnership in May 2023.

Summary

The Social Security Scotland Procurement and Commercial function has continued to make good progress in 12 months since the previous report.

There remains work to be done in improving our performance on delivering community benefits through our contract awards. 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 2024 and ensure that the board is sighted on our Annual Procurement Report prior to publication which is expected to be towards the end of July 2023.

Appendix 1 – Procurement Management Information Highlights

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Executive Advisory Board Procurement Summary

| | | | |
|---|-----|---|----------------|
| Number of contracts awarded - financial year to date | 70 | Value of contracts awarded - financial year to date | £17,548,288.35 |
| Number of live contracts | 80 | Value of live contracts | £39,262,407.40 |
| Number of suppliers | 32 | | |
| Number of requests for Procurement Assistance received - financial year to date | 225 | | |

Savings

Secured Savings

Secured Cash Savings

£326,417.00

Secured Non-Cash Savings

£297,000.00

Delivered Savings

Delivered Cash Savings

£1,328,978.00

Collaborative Savings

Total BT1 Cash Savings

£12,574.00

Total BT2 Cash Savings

£370,749.00

Total Savings for Financial Year 22/23 - made up of collaborative and delivered savings

Total Savings

£1,712,301

Fair Work and the real Living Wage

| Description | Quantity |
|---|----------|
| a) Number of regulated contracts awarded during the period that included a Fair Work criterion. | 38 |
| 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. | 13 |
| c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period. | 7 |
| d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a contract | 8 |

Community Benefits

The following community benefits have been delivered:

Capita Recruitment Assessment Centre contract has delivered a number of benefits:

- appointed the first apprentice in May 2022.
- Capita had successfully engaged with St Mungo's Academy Glasgow and identified a student for a work placement which commenced in November 2022
- Supporting Young Care-Leavers: Capita provided volunteer support in providing employment skills to care system leavers in conjunction with MCR Pathways and Department of Work and Pensions.
- Two members of Capita resourcing team completed training to support MCR Pathways - support given to local schools in Aberdeen and Edinburgh (1 hour per week)
- Mentoring Circles: Provided volunteer support in the delivery of content to the unemployed across Scotland in conjunction with Job Centre Plus and Department of Work and Pensions
- Engagement with Capita Job Entry Targeted Support (JETS) Team and Department of Work and Pensions identifying relevant clients to apply for Social Security Scotland vacancies. Department of Work and Pensions have created and provided additional application support which has contributed to over four hundred applications across A and B Band roles.

Mphasis provides specialist digital and technical support for maintaining and improving Social Security Scotland's benefit systems and services.

- Mphasis 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. The 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.
- As a direct result of our contract award, Mphasis 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 efficiently for our clients.
- We are working with Mphasis to identify opportunities for these apprentices to secure permanent positions within the organisation to continue their professional experience.

Be-IT, a supplier on our Interim Digital Resources Framework, committed to reducing their carbon footprint and in 2021 became a Carbon Neutral organisation as they have signed up to a carbon offsetting project which is planting trees in Scotland.

Appendix 2 - Contracts awarded in 22/23

| Contract Title | Total estimated Contract Value |
|--|---------------------------------------|
| able.io WAS Licences | £7,509.25 |
| British Sign Language Interpreter | £40,000.00 |
| Gitlab Repository Licences | £84,733.26 |
| Guillotine and Maintenance | £5,865.00 |
| Guillotines and Maintenance - Dundee | £5,865.00 |
| NeoLoad software licence support | £58,173.24 |
| OKTA Integrations Platform | £200,000.00 |
| 2 x C1 Interim Enterprise architects | £362,000.00 |
| 2 x C1 Interim Enterprise architects | £362,000.00 |
| 1x Senior AEM Developer | £271,075.00 |
| Provision of Property Advisor Services | £200,000.00 |
| SPM Developer | £404,045.00 |
| Interventions Officers | £209,754.48 |
| Interventions Officers | £209,754.48 |
| Interventions Officers | £209,754.48 |
| Pay Administrator | £125,085.65 |
| Pay Administrator | £125,085.65 |
| Culture and Inclusivity Training | £16,300.00 |
| Scottish Opinion Monitor | £7,770.00 |
| Creative Communications Executive | £133,400.00 |
| Senior Internal Controls Manager | £238,061.50 |
| Interim Recruitment - Cloud Engineer | £292,072.88 |
| IT Disaster Recovery Plans Consultancy Review | £99,000.00 |
| Senior Business Analyst | £249,000.00 |
| SPM Developer - Interim Contract | £328,900.00 |
| External Communications Executive | £114,885.00 |
| Interim Finance Project Support Manager | £207,278.00 |
| Interim IT Framework | £340,074.00 |
| Colleague Recognition Awards 2022 | £1,655.00 |
| the Provisions of Tenable Licences | £65,954.34 |
| Trend Micro Premium Support Package | £18,882.77 |
| Web Application Firewall (WAF) and Network/Application distributed denial of Service (DDoS Capability) | £450,000.00 |
| Interim Corporate Communications manager | £22,410.00 |
| Senior Service designer | £265,764.00 |
| Interim Infrastructure Test Engineer | £200,353.22 |
| Permanent Recruitment (Tactical) - Digital, Data and Technology (DDaT) | £314,727.60 |

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|--|---------------|
| Permanent Recruitment (Tactical) - Project Delivery | £16,280.60 |
| Catering Advisor | £50,000.00 |
| Integration Platform PaaS | £832,250.00 |
| Interim Digital Resources Services (IDRS) - Lot 1 | £3,025,680.00 |
| Interim Digital Resources Services (IDRS) - Lot 2 | £3,025,680.00 |
| Interim Digital Resources Services (IDRS) - Lot 3 | £3,025,680.00 |
| Interim Digital Resources Services (IDRS) - Lot 4 | £1,359,776.00 |
| Vending Machines Services | £0.00 |
| Job Evaluation and Grading System (JEGS) training | £6,970.00 |
| Scanner Maintenance | £4,600.00 |
| Outsytsems Senior Developer | £75,400.00 |
| Adobe Creative Cloud, Document Cloud Software | £297,035.52 |
| Interim Kofax Specialist | £20,332.00 |
| Mitel Handset (Decommissioning and Disposal) | -£3,065.50 |
| Macbook Anti Virus Licences | £13,021.88 |
| Tricentis software (qtest & Neoload) | £264,774.44 |
| Provision of Fuel Cards | £16,000.00 |
| Recruit, Train Deploy | £5,000,000.00 |
| Video Redaction Software | £548.56 |
| Video Redaction hardware | £771.92 |
| Development of Social Security Scotland Brand | £52,248.00 |
| Joint Chief Officer | £104,018.88 |
| Provision of Surveillance Vehicle - 2 | £84,375.00 |
| Provision of Surveillance Vehicle - 1 | £91,315.00 |
| Executive All Colleague Call/Event | £3,455.00 |
| Interim IT Staff Framework - Kofax Specialist - Mini Competition | £22604.80 |
| Cloud Compliance | £44,737.75 |
| SW Component analysis Tool | £42,321.73 |
| Information Technology Health Checks and other services | £416,500.00 |
| Technical Platform Owner | £108,350.00 |
| Provisions of Photography Services | £49,999.00 |
| Contractor Appointment - System & Process Lead (Fraud & Error) | £262,000.00 |
| Trend Micro PSP annual renewal | £26,976.17 |
| Provision of Creative Services | £900,000.00 |