

# Annual Procurement Report 2019/20

27 October 2020



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## Contents

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1.0	Introduction
1.1	About the SSSC
2.0	Key priorities
2.1	Achieve value for money
2.1.1	Collaborative procurement
2.1.2	Non contracted spend
2.1.3	Contract benefits realised
2.1.4	Summary of procurement activity
2.1.5	Forward procurement plan
2.1.6	Electronic purchasing card
2.1.7	Invoice analysis
2.2	Deliver sustainable procurement
2.2.1	Prompt payment to suppliers
2.2.2	Paying the living wage through regulated procurement
2.2.3	Community benefits
2.2.4	SME's local businesses, supported businesses and the third sector
2.2.5	Fair and ethical trading
2.2.6	Other sustainability benefits
2.3	Raise the level of procurement knowledge, skills and expertise
2.4	Provide timely performance information
2.5	Achieve the benefits derived from collaborative working
2.6	Strengthen contract and supplier management processes
2.7	Provide a procurement service which supports effective procurement which delivers best value
3.0	Top 10 contracted suppliers
4.0	Supplier activity
5.0	Conclusion

<b>1.0</b>	<b>INTRODUCTION</b>
<b>1.1</b>	<p data-bbox="280 228 544 264"><b>About the SSSC</b></p> <p data-bbox="280 300 1444 405">The Scottish Social Services Council (SSSC) was established in October 2001 by the Regulation of Care (Scotland) Act 2001. We are the regulator for the Social Service workforce in Scotland.</p> <p data-bbox="280 441 464 477"><b>Our vision:</b></p> <p data-bbox="280 477 1390 546">Our work means the people of Scotland can count on social services being provided by a trusted, skilled and confident workforce.</p> <p data-bbox="280 582 483 618"><b>What we do</b></p> <p data-bbox="280 618 1444 759">We protect the public by registering social service workers, setting standards for their practice, conduct, training and education and by supporting their professional development. Where people fall below the standards of practice and conduct, we can investigate and take action.</p> <p data-bbox="280 795 344 831">We:</p> <ul data-bbox="331 831 1444 1120" style="list-style-type: none"> <li>• publish the national codes of practice for people working in social services and their employers</li> <li>• register people working in social services and make sure they adhere to our codes of practice</li> <li>• promote and regulate the learning and development of the social service workforce</li> <li>• are the national lead for workforce development and planning for social services in Scotland.</li> </ul> <p data-bbox="280 1155 608 1191"><b>Strategic outcomes</b></p> <ol data-bbox="331 1191 1444 1368" style="list-style-type: none"> <li>1. The right people are on the Register</li> <li>2. Our standards lead to a safe and skilled social service workforce</li> <li>3. Our resources support the professional development of the social service workforce</li> <li>4. Our stakeholders value our work</li> </ol> <p data-bbox="280 1404 397 1440"><b>Values</b></p> <ul data-bbox="331 1440 727 1653" style="list-style-type: none"> <li>• Integrity</li> <li>• Commitment</li> <li>• Accountability</li> <li>• Pride in what we do</li> <li>• Listening and engaging</li> <li>• Creativity and learning.</li> </ul> <p data-bbox="280 1688 1444 1830">The SSSC and Care Inspectorate published a joint Procurement Strategy in 2016. This strategy covers the period 2016 to April 2020 and is designed to take a responsible and sustainable approach to procurement. The strategy has the following key priorities:</p> <ol data-bbox="331 1865 1313 2078" style="list-style-type: none"> <li>1. Achieve value for money</li> <li>2. Deliver sustainable procurement</li> <li>3. Raise the level of procurement knowledge, skills and expertise</li> <li>4. Provide timely performance information</li> <li>5. Achieve the benefits derived from collaborative working</li> <li>6. Strengthen contract and supplier management processes</li> </ol>



7. Provide an excellent procurement service appropriate and suitable for the size of our organisation.

The purpose of this report is to record and publish SSSC's procurement performance and achievements in delivering its procurement strategy.

## 2.0 KEY PRIORITIES

### 2.1 Achieve Value for Money

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

- Payroll expenditure
- Internal spend - i.e. 'spend' or cross charging between departments
- All direct payments to Her Majesty's Revenue and Customs (HMRC)
- Rent
- Shared services
- Student Disbursements
- Practice learning fees
- Voluntary Sector Development Fund

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

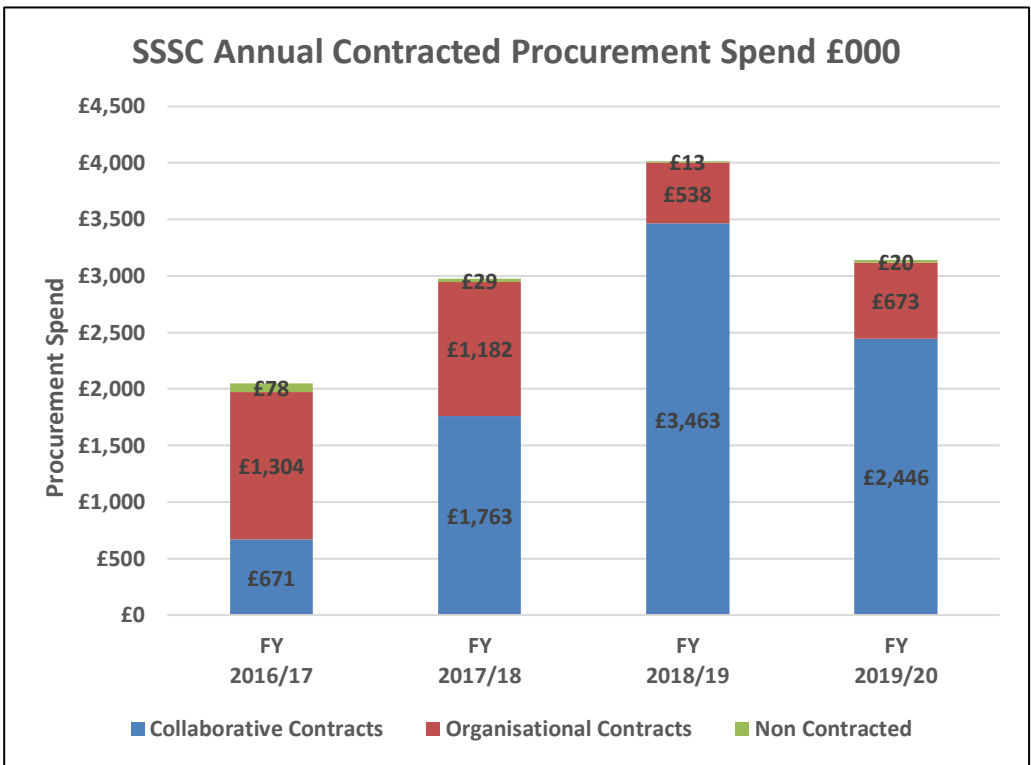
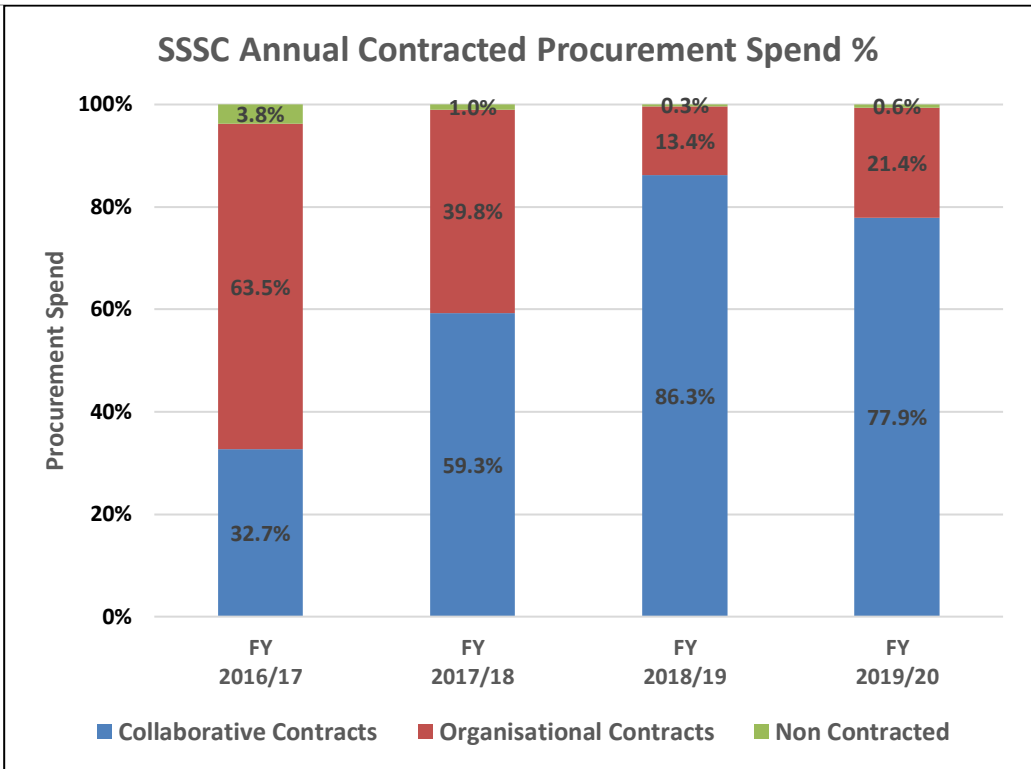
The table below shows the value and volume of procurement activity for the year to 31 March 20 (figures for the year to 31 March 2019 are shown for comparison):

Table 1: Value and Volume Summary	2018/19	2019/20
Total Spend	£8,365,800	£5,551,711
Total Procurement Spend	£4,014,342	£3,138,511
Total Invoice Value	£8,411,141	£5,099,381
Number of Invoices	3,297	2,296
Number of Suppliers Paid*	636	608
Average Invoice Value	£2,551	£2,221

\* No of suppliers includes 109 paid by electronic purchasing card (2018/19; 123)

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





As can be seen from the analysis above, contracted spend continues to be very high with 99.4% of procurement spend from contracts. A very small proportion of spend is classified as non-contracted. This represents spend with suppliers where there is no contract in place and an analysis of this is provided in 2.1.2.

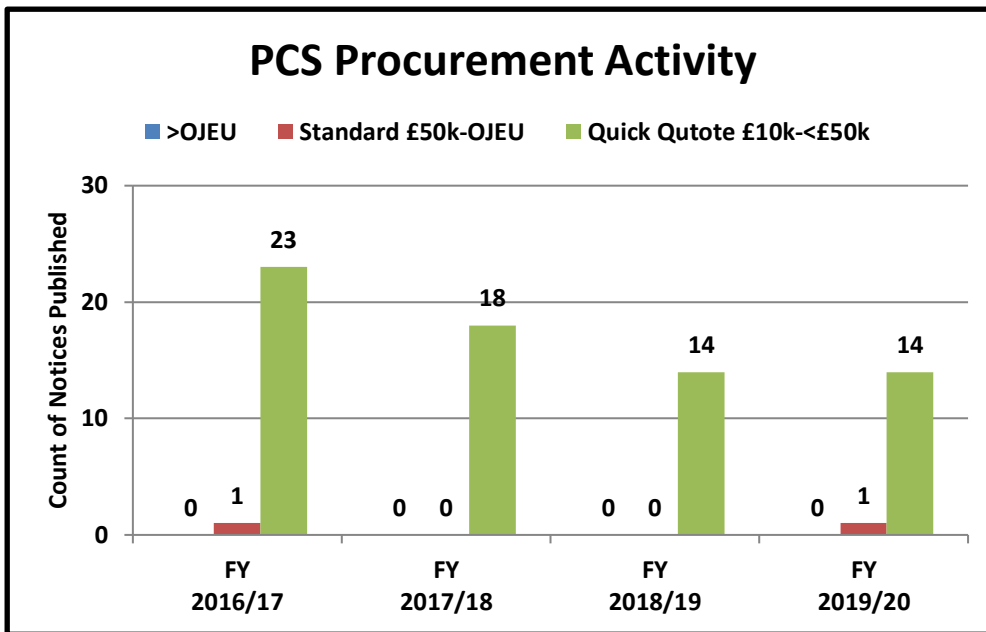


<p><b>2.1.1 Collaborative Procurement</b></p>	<p>We use collaborative frameworks wherever possible and only tender for our own procurement where there is not a suitable framework in place. Spend on collaborative procurement continues to represent the highest value of procurement spend. During the year we have undertaken mini-competitions and continued to call off of frameworks with the following contract or framework owners:</p> <ul style="list-style-type: none"> <li>• Scottish Procurement</li> <li>• Crown Commercial Services</li> <li>• Scottish Environment Protection Agency (SEPA)</li> <li>• Care Inspectorate</li> <li>• HMRC</li> <li>• Eastern Shires Purchasing Organisation (ESPO)</li> </ul> <p>Where possible, we collaborate with the Care Inspectorate in the award of contracts.</p>
<p><b>2.1.2 Non-Contracted Spend</b></p>	<p>Non contracted procurement spend comprises expenditure with suppliers who are not on our contracts register. Non-contracted spend for 2019/20 is £20k, representing 0.6% of total procurement spend. Of this, £8k is being regularised and £12k comprises low value spend with five suppliers which should have followed a procurement process.</p>
<p><b>2.1.3 Contract Benefits Realised.</b></p>	<p>Reported procurement savings have been calculated following the 'Procurement Benefits Reporting Guidance' which was developed for the Scottish Public Sector.</p> <p>Savings totalling £270k have been realised from procurement during the year. This comprises £184k cash savings and £86k non-cash savings.</p> <p>This has decreased from savings reported in 2018/19 which is partly due to 2018/19 including non-recurring purchases of ICT hardware and a reduction in reported spend on the digital and technology services framework. It's possible spend has been under-reported by the suppliers due to Covid-19.</p>
	<p>Sustainability benefits realised during the year are detailed in 2.2.</p>
<p><b>2.1.4 Summary of Procurement Activity 2019/20</b></p>	<p>We are committed to making public procurement open and accessible to businesses and especially small and medium sized enterprises (SMEs), the third sector and supported businesses. Most of our tender opportunities greater than £10,000 are advertised on the Public Contracts Scotland (PCS) advertising portal. Where procurement spend is estimated to be at or above the European Commission procurement thresholds, this is also published in the Official Journal of the European Union. We also publish our contract register on PCS.</p>



The PCS portal has a 'Quick Quote' facility which is a proportionate process to request and receive quotes for lower value goods and services and for goods and services which are competitively advertised using collaborative framework suppliers.

The following summarises the tenders which were advertised on PCS and shows that all of the SSSC's procurements are below the OJEU threshold and for 2019/20, all are below the regulated procurement threshold.



All regulated procurement followed a compliant procurement route.

**2.1.5 Forward procurement plan**

In order to promote wider participation in the SSSC's procurement process, a two year plan of our procurement activity will be published. This plan gives notice to suppliers of future opportunities and provides the following information:

- the subject matter
- whether it is a new, extended or re-let procurement
- the expected contract notice publication date
- expected award date
- expected start date
- the estimated value of the contract.

**2.1.6 Electronic Purchasing Card**

Purchasing and payment by electronic purchasing card (ePC) is encouraged when paying for low value, high volume goods and services. There were 522 transactions totalling £57,785 using this purchasing method in 2019/20 with an average transaction value of £126.49.

This is broadly similar to the position reported in 2018/19.





<p><b>2.1.7 Invoice Analysis</b></p>																
	<p>A total of 3,297 invoices, totalling £5.1m in value were processed during the year.</p> <p>We continue to explore opportunities for consolidating invoicing and purchasing low value goods and services using ePCs, where savings are realised from the reduction in volume of invoices processed. The cumulative saving from this is £13k and is reported in the non-cash savings in 2.1.3.</p>															
<p><b>2.2 DELIVER SUSTAINABLE PROCUREMENT</b></p>																
	<p>The SSSC has a duty to comply with the sustainable procurement duty as detailed in the Procurement Reform (Scotland) Act 2014. The procurement strategy details our sustainability priorities and our progress towards achieving those are outlined in 2.2.1 to 2.2.6.</p>															
<p><b>2.2.1 Prompt payment to suppliers</b></p>																
	<p>We are committed to paying our suppliers promptly and payment performance continues to be maintained at a high level. 99.97% of suppliers were paid within 30 days of the invoice received date, and 99.48% paid within the Scottish Government’s target of 10 working days. The following shows payment performance for the financial years 2016/17 to 2019/20.</p> <div data-bbox="284 1088 1358 1877" style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;"><b>Payment Performance</b></p> <p style="text-align: center;">■ 10 working days from inv received date ■ 30 days from invoice received date</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>Financial Year</th> <th>10 working days from inv received date</th> <th>30 days from invoice received date</th> </tr> </thead> <tbody> <tr> <td>FY 2016/17</td> <td>99.08%</td> <td>99.96%</td> </tr> <tr> <td>FY 2017/18</td> <td>96.89%</td> <td>99.40%</td> </tr> <tr> <td>FY 2018/19</td> <td>99.67%</td> <td>99.97%</td> </tr> <tr> <td>FY 2019/20</td> <td>99.48%</td> <td>99.97%</td> </tr> </tbody> </table> </div>	Financial Year	10 working days from inv received date	30 days from invoice received date	FY 2016/17	99.08%	99.96%	FY 2017/18	96.89%	99.40%	FY 2018/19	99.67%	99.97%	FY 2019/20	99.48%	99.97%
Financial Year	10 working days from inv received date	30 days from invoice received date														
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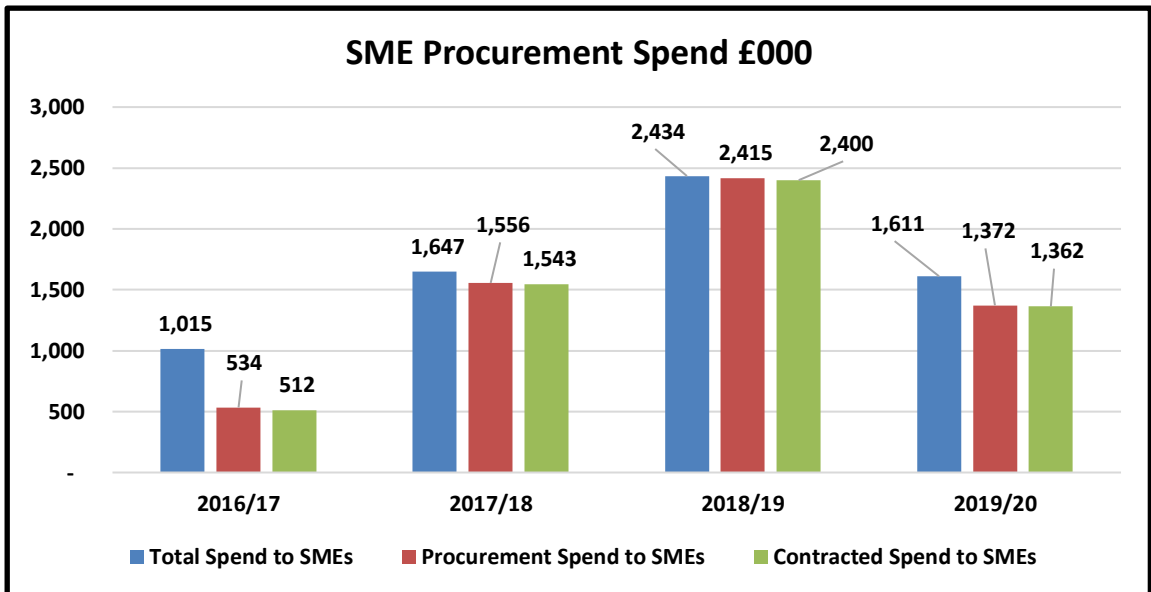
<b>2.2.2</b>	<b>Paying the living wage through regulated procurement</b>
	<p>We promote fair work practices in all of our tender documentation and are committed to promoting the use of the Real Living Wage. We are accredited as a Real Living Wage employer.</p> <p>During the year we have awarded the following contracts where the suppliers have agreed to pay either the Real Living Wage or the Living Wage:</p> <ul style="list-style-type: none"> <li>➤ Provision of temporary staff (awarded contracts value totalled £238k)</li> <li>➤ Provision of legal presenters (contract award value £180k)</li> <li>➤ Legal services (contract award value £53k)</li> <li>➤ Hot drinks supplies (contract value £21k)</li> <li>➤ Programme Management Office (contract award value £33k).</li> </ul> <p>We also benefit through a service level agreement with the Care Inspectorate from the award of the following contracts where the suppliers have agreed to pay either the Real Living Wage or the Living Wage:</p> <ul style="list-style-type: none"> <li>➤ Cleaning and environmental services (awarded contract value £488k)</li> <li>➤ Provision of maintenance and repair of automatic door closers (awarded contract value £75k)</li> <li>➤ Air conditioning repair and maintenance services (awarded contract value £46k)</li> <li>➤ Grounds maintenance and improvement service (awarded contract value £30k).</li> </ul>
<b>2.2.3</b>	<b>Community benefits</b>
	<p>We promote the use of community benefits within procurement exercises where they are relevant and proportionate to the contract. We have not had any contracts exceeding £4m in value, however, we continue to call-off of Scottish Procurement and Property Collaborative contracts which supports the provision of apprenticeships and work placements.</p> <p>The supplier awarded the legal presenters contract provides pro bono legal services to social enterprises. The contract award also supports the supplier to continue to offer a range of other community benefits.</p> <p>As part of the overarching framework, the upgrade and maintenance of the SSSC's CRM system provider provided the following:</p> <ol style="list-style-type: none"> <li>1) Apprenticeship schemes</li> <li>2) Sponsorship of various charities</li> <li>3) Supporting voluntary work</li> <li>4) Staff training and development</li> <li>5) Supporting schools through initiatives such as sponsorship, computer clubs and design competitions.</li> </ol>
<b>2.2.4</b>	<b>SME's local businesses, supported businesses and the third sector</b>
	<p>During the year we have continued to address sustainability in procurement. A directory of supported businesses is published on the SSSC intranet. This</p>



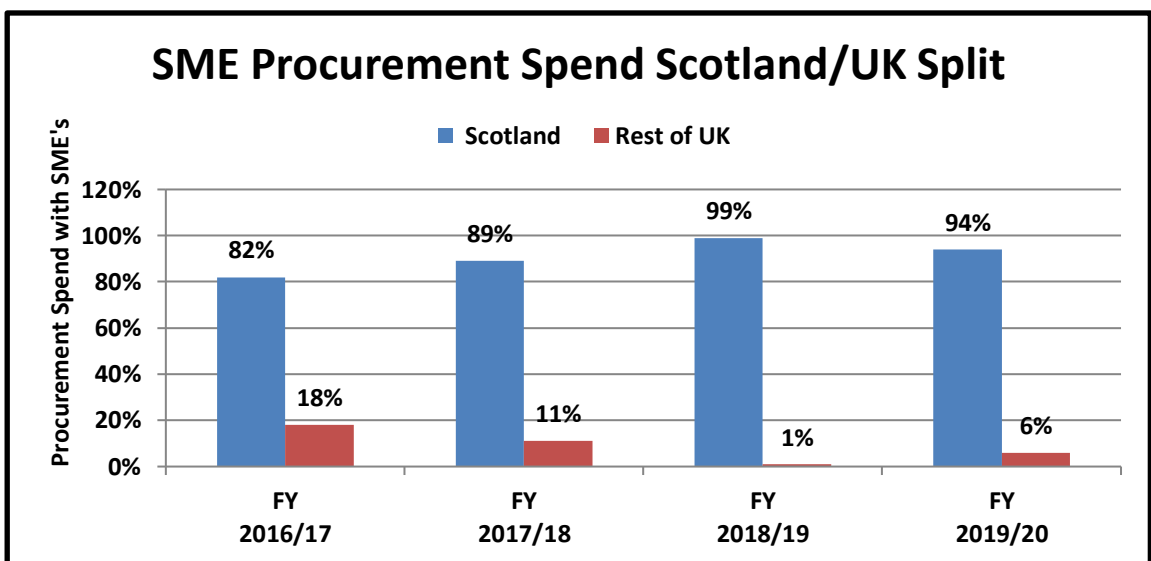
directory provides supported businesses, contact details including website links and a summary of goods and services provided by each supported business.

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

We continue to capture spend with SME's, social enterprises and third sector suppliers. Our 2019/20 spend with SMEs is £1.6m, representing 29% of our total spend and 44% of our procurement spend. Included in this spend is £15k with social enterprises. An analysis of our annual spend with SMEs is shown below:



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



<b>2.2.5</b>	<b>Fair and ethical trading</b>
	<p>Our standard procurement procedures involve assessing a bidder's suitability to be awarded the contract. This process includes considering whether the bidder has been convicted of certain offences or committed any acts of professional misconduct while running their business. There were no tenders where mandatory or discretionary grounds for exclusion were applied.</p> <p>Our standard terms and conditions allow us to end a contract if the contractor or subcontractor fails to keep to their legal duties in the areas of environmental, social or employment law when carrying out that contract.</p>
<b>2.2.6</b>	<b>Other sustainability benefits</b>
	<p>We continue to maintain a sustainability tracking tool where we capture sustainability benefits in our procurement. For 2019/20 the SSSC awarded 8 contracts and 18 call-off agreements where the following social, environmental and economic benefits were realised:</p> <p>Social Benefits</p> <ul style="list-style-type: none"> <li>• Supplier diversity</li> <li>• Social Inclusion</li> <li>• Equality &amp; human rights.</li> </ul> <p>Environmental Benefits</p> <ul style="list-style-type: none"> <li>• Emissions</li> <li>• Energy use</li> <li>• Raw materials</li> <li>• Habitat</li> <li>• Waste.</li> </ul> <p>Economic</p> <ul style="list-style-type: none"> <li>• Competitiveness.</li> </ul>
	<p>These benefits relate to regulated and lower value contracts.</p> <p>Of all of the paper and stationery purchased during 2019/20, 77% of expenditure related to the purchase of 'green' products. This is an improvement of 12 percentage points from the position reported in 2018/19.</p>
<b>2.3</b>	<b>RAISE THE LEVEL OF PROCUREMENT KNOWLEDGE, SKILLS AND EXPERTISE</b>
	<p>The SSSC continues to invest in ensuring our staff are equipped with the right tools and experience in order to discharge their procurement duties effectively and efficiently. A central procurement training register is maintained by the Procurement Team.</p> <p>The Procurement Team continued to deliver training at SSSC Team level. This allowed the training to be delivered around individual team requirements, ensuring it was meaningful and relevant. During the year, they delivered seven training events.</p> <p>Informal training is provided on an on-going basis by the Procurement Team and procurement forms part of the induction that new staff undertake when they join the SSSC.</p>



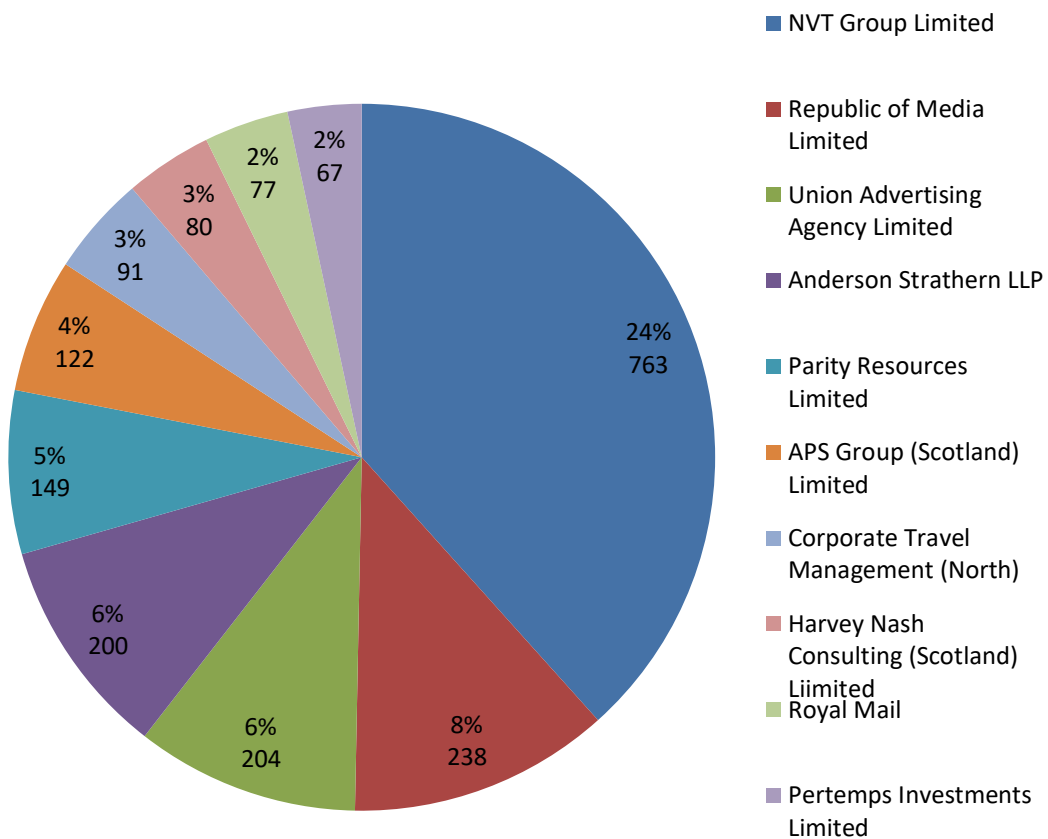
	The Procurement Development Group meet at least twice per year.
<b>2.4</b>	<b>PROVIDE TIMELY PERFORMANCE INFORMATION</b>
	<p>The Procurement Development Group (PDG) provides an opportunity where key procurers within the SSSC and Care Inspectorate can discuss best practice, new developments and procurement plans with a specific aim of developing and improving the organisations' procurement capability and the effectiveness of our internal processes. The PDG inform the development of our internal procedures and reporting requirements, both internally and to Scottish Government.</p> <p>A set of agreed performance measures are reported to this group bi-annually where progress against targets is reviewed and solutions are provided for further improvement.</p> <p>This report on annual performance is also presented to this group, the respective Executive Management Teams of SSSC and the Care Inspectorate and the SSSC Council and Care Inspectorate Board. Feedback from this report will be incorporated into the 2019/20 procurement action plan where required.</p> <p>Outwith the above, any areas of concern are reported to the relevant management team as they occur.</p>
<b>2.5</b>	<b>ACHIEVE THE BENEFITS DERIVED FROM COLLABORATIVE WORKING</b>
	<p>As can be seen from the information reported in 2.1, we continue to use collaborative frameworks where available and continue to explore opportunities for collaboration through CGPSS and our membership of our Procurement Cluster Group.</p> <p>Our relationships with CGPSS and the procurement cluster group facilitate the sharing of knowledge and encourage partnership working to ensure we deliver value for money and pool resources and expertise.</p> <p>Savings of £238k, representing 88% of our total procurement savings, have been realised from the use of collaborative frameworks.</p>
<b>2.6</b>	<b>STRENGTHEN CONTRACT AND SUPPLIER MANAGEMENT PROCESSES</b>
	<p>Contract management training has been delivered to all staff with responsibility for managing contracts. This training provides staff with the tools and techniques required to better manage their contracts and suppliers.</p> <p>Contract managers are appointed for all relevant contracts and contract management meetings are held regularly for all key contracts. Supplier performance on key contracts is managed effectively to deliver value for money. The procurement team collate contract management information bi-annually and maintain a central record of this which is linked to the contract register.</p>



<b>2.7</b>	<b>PROVIDE A PROCUREMENT SERVICE WHICH SUPPORTS EFFECTIVE PROCUREMENT WHICH DELIVERS BEST VALUE</b>
	<p>The procurement business processes are reviewed on a cyclical basis to ensure they reflect current legislation and meet the needs of the users. A number of processes have, and continue to be, amended and developed to support the changing procurement landscape.</p> <p>The Procurement Team have also had an integral role in the creation of lessons learned reviews during the year. These are shared with the wider internal procurement community to ensure these valuable lessons are considered for future procurements.</p> <p>The success of the service delivery is informed by the independent 'healthcheck', regular feedback from users of the procurement service and a customer survey which is distributed every two years. This feedback and follow-up action contribute to ensuring that the right level and quality of service is being delivered.</p>
<b>3.0</b>	<b>TOP 10 CONTRACTED SUPPLIERS</b>
	<p>Together the top 10 suppliers account for 63% (2018/19: 77%) of our total procurement spend, and 64% (2018/19: 78%) of our contracted spend.</p>



### Total Spend With Contracted Suppliers (£000)



The top 10 contracted suppliers provide goods and services across the following categories of expenditure:

Spend Category	Spend Value £000
Information systems	763
Advertising and publicity	442
Agency staff costs	296
Professional fees	200
Print, stationery and postages	199
Travel & accommodation	91
	<b>1,991</b>

#### 4.0 SUPPLIER ACTIVITY

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

	<p>contract wherever possible. This is also good practice to mitigate the risk of purchasing or supplier fraud.</p> <p>The number of active suppliers as at 31 March 2020 was 221 (2018/19: 217) comprising the following:</p> <ul style="list-style-type: none"> <li>• 135 supplier sites for the supply of goods and services (2018/19: 126).</li> <li>• 68 panel members (2018/19: 72).</li> <li>• 18 legally qualified chairs (2018/19: 19).</li> </ul>
<b>5.0</b>	<b>CONCLUSION</b>
	<p>The SSSC continues to make good progress towards the achievement of the published procurement priorities and the procurement action plan which supports the procurement strategy has been updated to reflect current priorities. The implementation of this plan will support continued development in procurement.</p>

## Glossary

Term	Description
Call-off	Either mini competition or direct call-off from a collaborative framework using framework conditions.
CGPSS	Scottish Government Central Government Procurement Shared Service.
Collaborative Frameworks	A collaborative framework is a framework which has been awarded to meet the needs of a number of public sector organisations.
Community Benefits	Contractual requirements which deliver a wider social benefit in addition to the core purpose of the contract. In particular, requirements in relation to targeted training and employment outcomes.
Contract spend	Spend which is compliant with SSSC procurement governance.
Living Wage	National minimum wage for workers aged over 25.





Term	Description
Non contracted	Spend not linked to a formal contract which is recorded on the contract register.
Own contracts	Contracts advertised and awarded by the SSSC.
Procurement Cluster Group	Group of Scottish Public Sector bodies of differing sizes who meet to discuss best practice, new developments and procurement plans. This facilitates the development of procurement capability within the Scottish Public sector.
Procurement spend	Spend which is influenced by Procurement governance arrangements.
Public Contracts Scotland (PCS)	Public procurement advertising portal where contract notices and awards are published.
Regulated procurement	Procurement seeking offers in relation to a contract with a value of £50,000 or over.
Real Living Wage	Living wage calculated to be sufficient to provide the necessities and comforts essential to an acceptable standard of living. Applies to all workers over the age of 18.
SME	The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees.
Supported Business	A supported business' primary aim is the social and professional integration of disabled or disadvantaged persons. At least 30 per cent of the employees of those businesses should be disabled or disadvantaged.
Third Sector	Term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.





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