

# **Annual Procurement Report 2021/22**

**August 2022**



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Approved by:  
Audit and Assurance Committee:



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<b>1.0</b>	<b>INTRODUCTION</b>
<b>1.1</b>	<p><b>About the SSSC</b></p> <p>The Scottish Social Services Council (SSSC) is the regulator for the social work, social care and early years workforce in Scotland. Our work means the people of Scotland can count on social work, social care and early years services being provided by a trusted, skilled and confident workforce. We protect the public by registering social workers, social care and early years 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>We:</p> <ul style="list-style-type: none"> <li>• publish the national codes of practice for people working in social work, social care and early years services and their employers</li> <li>• register people working in social work, social care and early years and make sure they adhere to our codes of practice</li> <li>• promote and regulate their learning and development</li> <li>• are the national lead for workforce development and planning for the social work, social care and early years workforce in Scotland.</li> </ul> <p><b>Strategic outcomes</b></p> <ol style="list-style-type: none"> <li>1. People who use services are protected by ensuring the regulated workforce is fit to practice.</li> <li>2. The SSSC supports and enhances the development of the regulated workforce to deliver high standards of practice and drive improvement.</li> <li>3. Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.</li> <li>4. The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.</li> </ol> <p><b>Values</b></p> <p>In everything we do, we believe the people of Scotland have the right to be safe when accessing social care services. We do this by listening, learning and then doing the right thing.</p> <p>Our values are:</p> <ul style="list-style-type: none"> <li>• Work together</li> <li>• Accept responsibility and accountability</li> <li>• Recognition and respect for others.</li> </ul>
<b>2.0</b>	<b>PROCUREMENT STRATEGY</b>
	<p>The SSSC and the Care Inspectorate published a joint Procurement Strategy in 2020. This strategy covers the period April 2020 to March 2023 and is designed to take a responsible and sustainable approach to procurement. The strategy has the following key priorities:</p> <ol style="list-style-type: none"> <li>1. Achieve value for money.</li> <li>2. Deliver sustainable procurement.</li> </ol>



3. Raise the level of procurement knowledge, skills and expertise.
4. Provide timely performance information.
5. Achieve the benefits derived from collaborative working.
6. Strengthen contract and supplier management processes.
7. Provide an excellent procurement service appropriate and suitable for the size of our organisation.

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

### 3.0 KEY PRIORITIES

#### 3.1 Achieve Value for Money

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

- Payroll expenditure
- Internal spend - ie '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 make sure we achieve value for money in our procurement activity, we prepare sourcing strategies for all standard tenders.

The table below shows the value and volume of procurement activity for the year to 31 March 2022 (figures for the year to 31 March 2021 are shown for comparison):

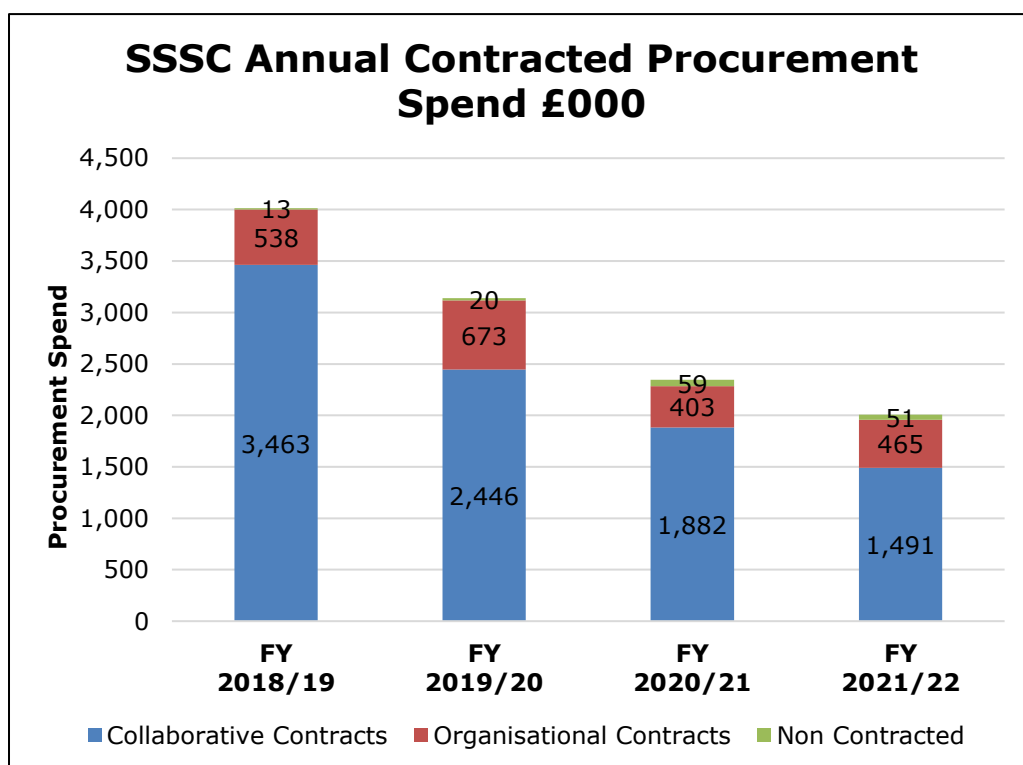
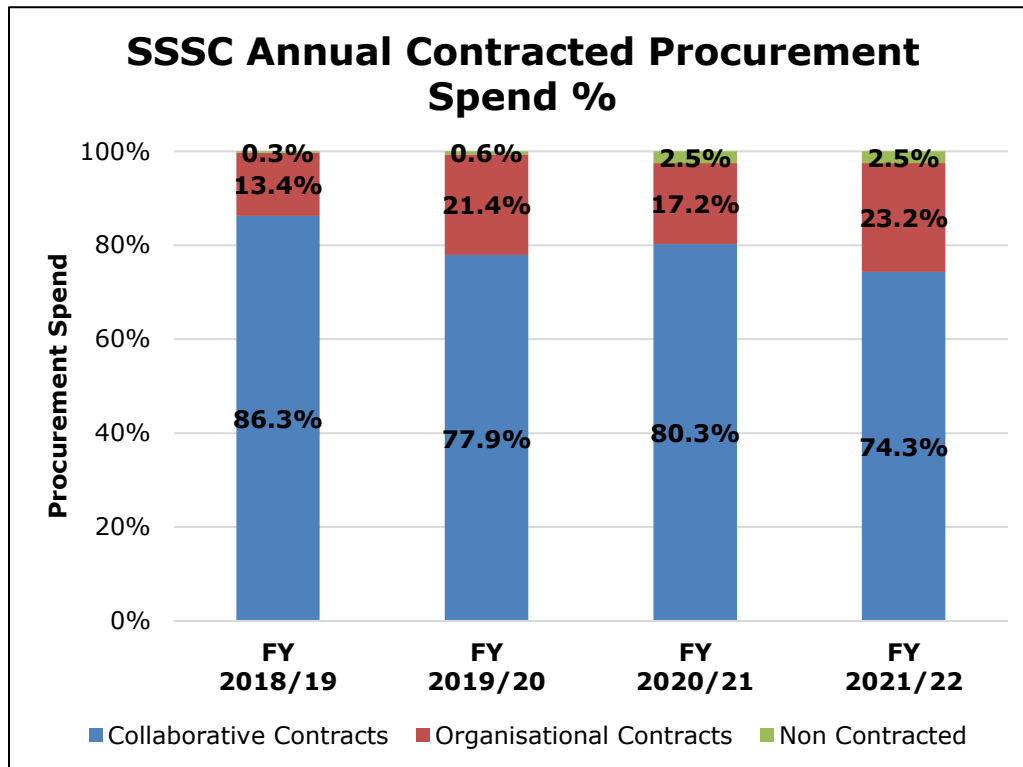
<b>Table 1: Value and Volume Summary</b>	<b>2021/22</b>	<b>2020/21</b>
Total Spend	£5,041,468	£4,968,315
Total Procurement Spend	£2,006,896	£2,344,810
Total Invoice Value	£4,922,189	£5,214,858
Number of Invoices	1,822	2,128
Number of Suppliers Paid*	381	416
Average Invoice Value	£3,271	£2,451

\* No of suppliers includes 122 paid by electronic purchasing card (2020/21: 87)

The small increase in the number of suppliers paid by electronic purchasing card is partly due to some easing of Covid-19 restrictions during the year.

The analysis of procurement spend between spend on collaborative frameworks and spend on organisation owned contracts and frameworks is shown in the graphs below.





As can be seen from the analysis above, contracted spend continues to be very high, which is positive, with 97.5% 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 3.1.2.

Procurement spend has reduced by 50% since 2018/19, as within that financial year the SSSC invested £1.9m in the development and implementation of new information system.



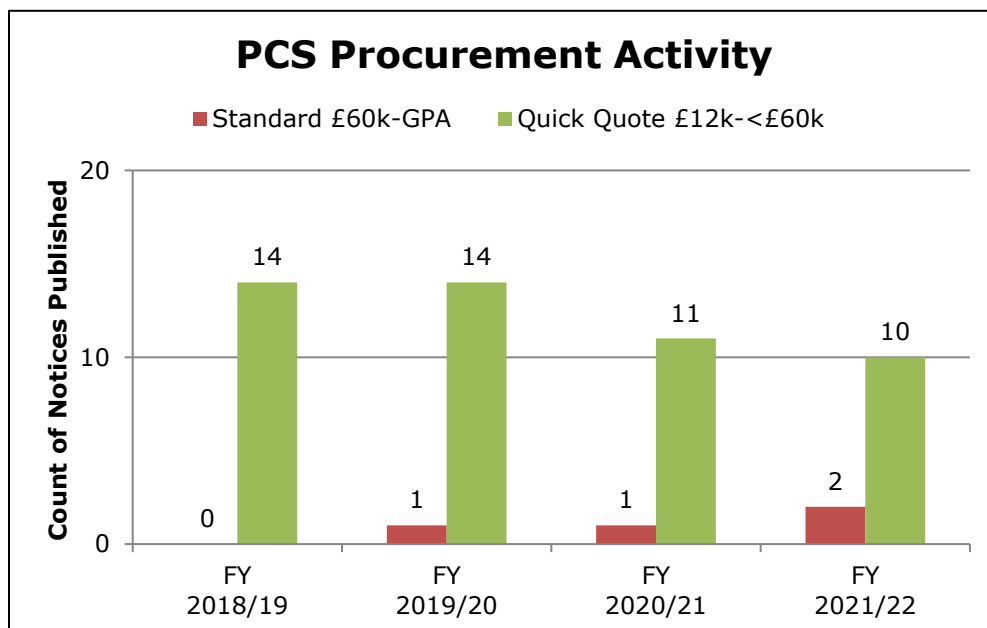
<b>3.1.1 Collaborative Procurement</b>	<p>We use collaborative frameworks wherever possible and only tender for our own procurement when there is not a suitable framework in place. Spend on collaborative procurement continues to represent the highest value of procurement spend. During the year we have undertaken mini-competitions and continued to call off frameworks with the following contract or framework owners:</p> <ul style="list-style-type: none"> <li>• Scottish Procurement and Property Directorate</li> <li>• Crown Commercial Services</li> <li>• Scottish Environment Protection Agency (SEPA)</li> <li>• Care Inspectorate</li> <li>• Scottish Prison Service (SPS)</li> <li>• National Health Service (NHS)</li> <li>• HMRC</li> <li>• Eastern Shires Purchasing Organisation (ESPO)</li> <li>• Yorkshire Purchasing Organisation (YPO).</li> </ul>										
<b>3.1.2 Non-Contracted Spend</b>	<p>Non contracted procurement spend comprises expenditure with suppliers who are not on our contracts register and has not followed our below threshold procurement guidance. Non contracted spend for 2021/22 is £51k, representing 2.5% of total procurement spend. An analysis of this is:</p> <table border="1"> <thead> <tr> <th></th><th><b>£000</b></th></tr> </thead> <tbody> <tr> <td>Now regularised</td><td>5,831</td></tr> <tr> <td>Sourced through compliant procurement routes</td><td>36,678</td></tr> <tr> <td>Legacy telecoms contract spend to be addressed</td><td>8,101</td></tr> <tr> <td><b>Total</b></td><td><b>50,610</b></td></tr> </tbody> </table> <p>The main category of provisions being sourced through compliant procurement routes are in respect of training and development requirements and IT licences.</p> <p>All non-complaint spend is addressed directly with the relevant officers.</p>		<b>£000</b>	Now regularised	5,831	Sourced through compliant procurement routes	36,678	Legacy telecoms contract spend to be addressed	8,101	<b>Total</b>	<b>50,610</b>
	<b>£000</b>										
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<b>Total</b>	<b>50,610</b>										
<b>3.1.3 Contract Benefits Realised.</b>	<p>We have calculated reported procurement savings following the 'Procurement Benefits Reporting Guidance' which was developed for the Scottish Public Sector.</p> <p>We have realised savings totalling £204k from procurement during the year, 90% of which is through the use of collaborative agreements. This comprises £143k cash savings and £61k non-cash savings.</p> <p>Sustainability benefits realised during the year are detailed in 3.2.</p>										
<b>3.1.4 Summary of Procurement Activity 2021/22</b>											



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. We advertise our tender opportunities greater than £10,000 on the Public Contracts Scotland (PCS) advertising portal. We also publish our contract register on PCS.

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

The following summarises the tenders which we advertised on PCS and shows that all the SSSC's procurements are below the GPA threshold.



All regulated procurement followed a compliant procurement route.

### 3.1.5 Forward procurement plan

We publish a two-year plan of our procurement activity to promote wider participation in our procurement process. 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.

### 3.1.6 Electronic Purchasing Card

We encourage purchasing and payment by electronic purchasing card (ePC) when paying for low value, high volume goods and services. There were 267 (2020/21: 390) transactions totalling £43,013 (2020/21: £41,739) made using this purchasing method in 2021/22 with an average transaction value of £161.10 (2020/21: £107.02).





The volume of transactions is lower than the position reported in 2020/21, however, the average transaction value has increased.

### 3.1.7 Invoice Analysis

We processed a total of 1,822 invoices, totalling £4.982m in value during the year.

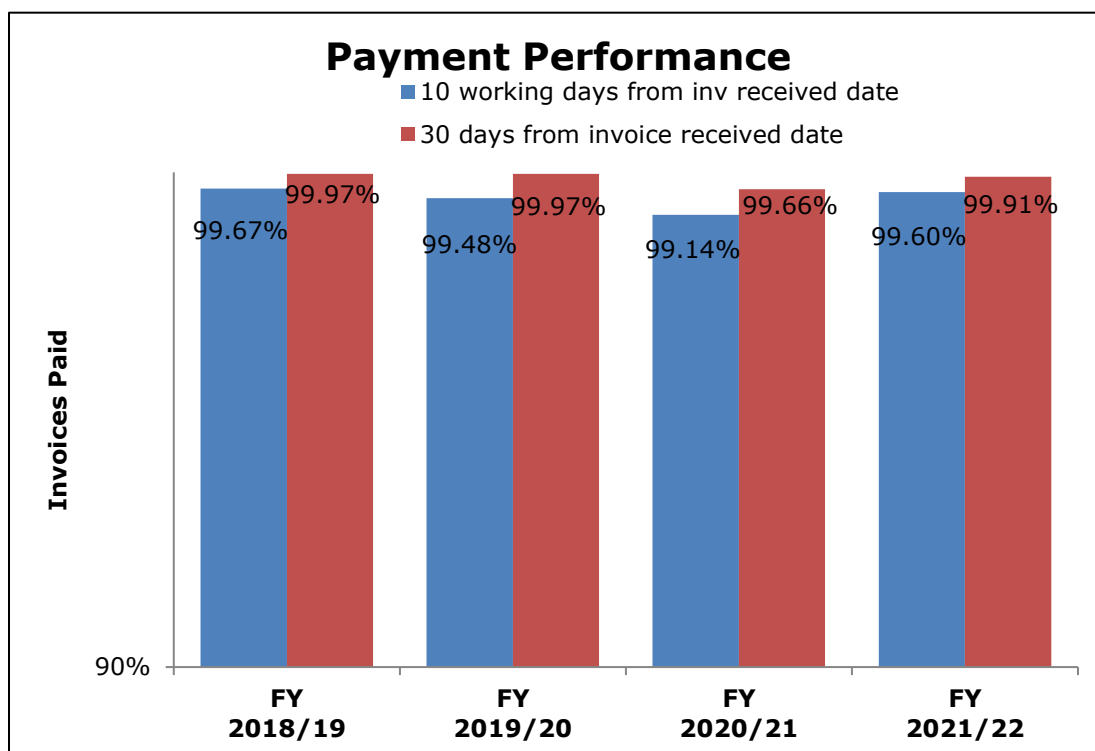
We continue to explore opportunities for consolidating invoicing and purchasing low value goods and services using ePCs, where savings are realised from the reduction in volume of invoices processed. The cumulative saving from this is £19,000 and is reported in the non cash savings in 3.1.3.

## 3.2 DELIVER SUSTAINABLE PROCUREMENT

The SSSC has a duty to comply with the sustainable procurement duty as detailed in the Procurement Reform (Scotland) Act 2014. The procurement strategy details our sustainability priorities and our progress towards achieving those are outlined in 3.2.1 to 3.2.6.

### 3.2.1 Prompt payment to suppliers

We are committed to paying our suppliers promptly and we continue to maintain payment performance at a high level. 99.91% of suppliers were paid within 30 days of the invoice received date, and 99.60% paid within the Scottish Government's target of 10 working days. The following shows payment performance for the financial years 2018/19 to 2021/22.



### 3.2.2 Paying the living wage through regulated procurement



We promote fair work practices in all our tender documentation and are committed to promoting the use of the Real Living Wage. We are accredited as a Real Living Wage employer.

During the year we have awarded the following contracts through which we are aware that the suppliers are paying either the Real Living Wage or the Living Wage, as is relevant and proportionate to the delivery of the requirement:

<b>Contracted Service</b>	<b>Award Value £000</b>
Provision of temporary/interim staff	195
Provision of legal services	80
Market research services	29
Media services	23
Provision of catering services	20
Professional interpretation, translation and transcription services	16
Provision of leadership management and development workshops	15

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 at least the Real Living Wage or the Living Wage:

- Provision of security services (contract award value £484,000)
- Provision of water and waste water services (contract award value £90,000)
- Security Alarms, CCTV and Access Control Provision, Maintenance and Monitoring (contract award value £44,000)

During the year, contracts were awarded to eight suppliers who confirmed they have signed up to the Scottish Business Pledge during the year.

These contracts comprise:

- Provision of legal services
- Interpreting, Translation & Transcription Services Framework
- Interim professional and IT services
- Provision of leadership management and development workshops

### **3.2.3 Community benefits**

We promote the use of community benefits within procurement exercises where they are relevant and proportionate to the contract. Community benefit requirements are defined in the Procurement Reform (Scotland) Act 2014 where we are required to consider community benefits for all regulated procurements where the estimated value of the contract is equal to or greater than £4m. We have not had any contracts of this value, however, we continue to call-off of Scottish Procurement and Property Directorate collaborative contracts which supports the provision of apprenticeships and work placements.

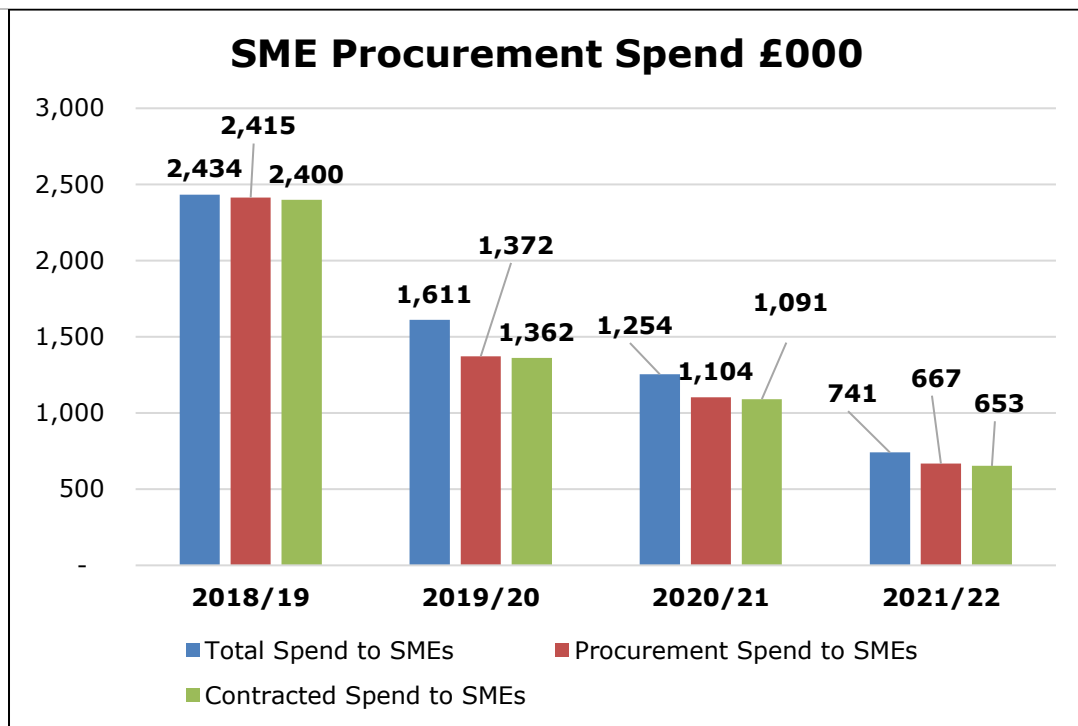
We continue to realise the following benefits from the award of contracts:

- Pro bono legal services to social enterprises.

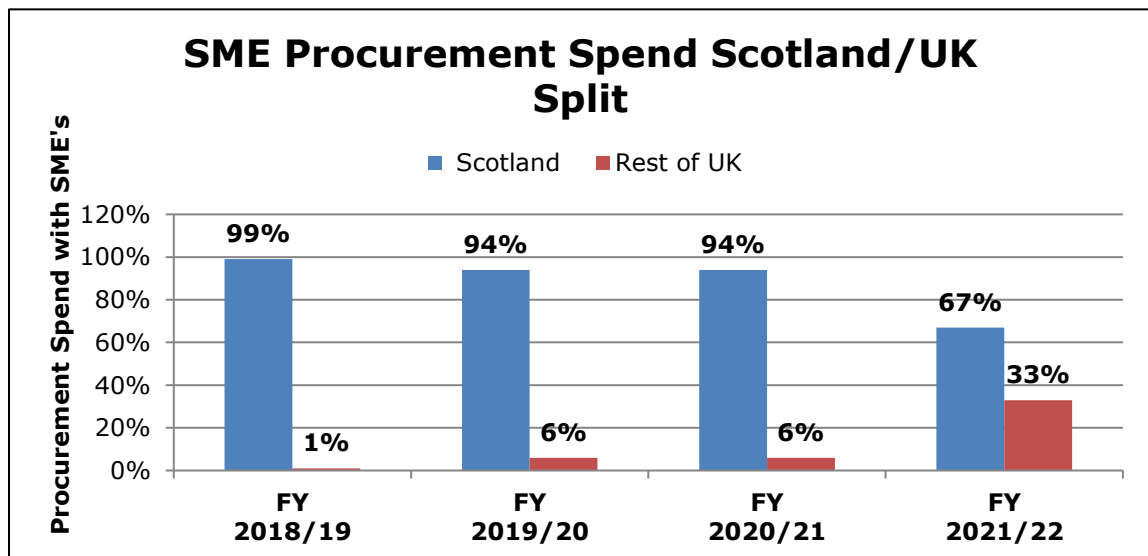


	<ul style="list-style-type: none"> <li>• The provision of approved work placements for secondary school pupils and support for events to promote and encourage entrepreneurship.</li> <li>• An opportunity for a modern apprentice to be involved in the delivery of the contract.</li> <li>• Free advice and help to charity and not for profit clients around financial and fundraising activities. As a new client, we have access to this.</li> <li>• A commitment to working with us in supporting charitable causes.</li> <li>• A commitment to work closely with Elevator on the Dundee Accelerator Programme and provide financial and specialist business improvement advice to the business incubator which assists fledgling companies to become market and investor ready.</li> <li>• Recruitment of school leavers for Association of Accounting Technicians (AAT) via the modern apprenticeship route and the Institute of Chartered Accountants of Scotland (ICAS) direct entry route towards the CA qualification.</li> </ul>
	<p>Our catering services framework suppliers work closely with training providers and the award of this framework supports “kickstarter placements” to give two people a job and take them away from the world of universal credit. These individuals will be involved in the preparation of food in delivering the framework services.</p> <p>The framework suppliers deliver the following benefits:</p> <ul style="list-style-type: none"> <li>• a working connection with The Eagle Wings homeless kitchen and during the Covid-19 pandemic, they cooked for families in need</li> <li>• working with a provider and local education institutions to engage with people looking to obtain real life work experience with the view to securing employment</li> <li>• donation of supplies to a local foodbank and community fridges</li> <li>• charitable donations and volunteer charity work</li> <li>• during the Covid-19 pandemic, cooked for families in need.</li> </ul>
<b>3.2.4</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. We publish a directory of supported businesses on the SSSC intranet. This directory provides supported businesses, contact details including website links and a summary of goods and services provided by each supported business.</p> <p>We continue to capture spend with SME’s, social enterprises and third sector suppliers. Our 2021/22 spend with SMEs is £0.741m, representing 25% of our total spend and 54% of our procurement spend. An analysis of our annual spend with SMEs is shown in the graphs below. The peak in spend levels in 2018/19 relates to non recurring system development and implementation expenditure.</p>





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



### 3.2.5 Fair and ethical trading

Our standard procurement procedures involve assessing a bidder's suitability to be awarded the contract. This process includes considering whether the bidder has been convicted of certain offences or committed any acts of professional misconduct while running their business. There were no tenders where mandatory or discretionary grounds for exclusion were applied.

Our standard terms and conditions allow us to end a contract if the contractor or subcontractor fails to keep to their legal duties in the areas of environmental, social or employment law when carrying out that contract.



<b>3.2.6</b>	<b>Other sustainability benefits</b>
	<p>We continue to maintain a sustainability tracking tool where we capture sustainability benefits in our procurement. For 2021/22 the SSSC awarded seven contracts and 17 call-off agreements where the following social, environmental and economic benefits were realised:</p> <p>Environmental benefits</p> <ul style="list-style-type: none"> <li>• Vehicle emission reduction</li> <li>• Carbon and energy consumption reduction</li> <li>• Reduction of carbon in production.</li> <li>•</li> </ul> <p>Socio-economic benefits</p> <ul style="list-style-type: none"> <li>• Fair work first principles</li> <li>• Equality &amp; human rights</li> <li>• Employment skills and training</li> <li>• Award and subcontracting to SMEs</li> <li>• Commitment to Scottish Business Pledge</li> <li>• Equalities within the workforce.</li> </ul>
	<p>These benefits relate to regulated and lower value contracts.</p> <p>We have continued to develop more sustainable methods of working in response to our staff continuing to work from home following the re-opening of our offices. We plan to continue to work in an agile way and maintain these more sustainable methods of working post Covid-19. Our paper requirement has reduced to 50 boxes during the year compared to 402 boxes in 2019/20. We have used the comparator of 2019/20 as this represents pre pandemic purchasing volumes.</p>
<b>3.3</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 to discharge their procurement duties effectively and efficiently. The Procurement Team maintains a central procurement training register.</p> <p>The Procurement Team continued to deliver training at SSSC Team level. This allowed us to deliver the training around individual team requirements, making sure it was meaningful and relevant. During the year, they delivered eight training events.</p> <p>The Procurement Team provides informal training on an ongoing basis and procurement forms part of the induction that new staff undertake when they join the SSSC.</p> <p>The Procurement Development Group meet at least twice each year.</p>
<b>3.4</b>	<b>PROVIDE TIMELY PERFORMANCE INFORMATION</b>
	<p>The Procurement Development Group (PDG) provides an opportunity where key procurers within the SSSC and the Care Inspectorate can discuss best practice, new developments and procurement plans with a specific aim of developing and</p>



	<p>improving the organisations' procurement capability and the effectiveness of our internal processes. The PDG informs 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 biannually where they review progress against targets and discuss solutions for further improvement.</p> <p>This report on annual performance is also presented to this group, the respective Executive Management Teams of SSSC, the SSSC Audit and Assurance Committee and SSSC Council. We will incorporate feedback from this report into the 2021/22 procurement action plan as required.</p> <p>Outwith the above, we report any areas of concern to the relevant management team as they occur.</p>
<b>3.5</b>	<b>ACHIEVE THE BENEFITS DERIVED FROM COLLABORATIVE WORKING</b>
	<p>As can be seen from the information reported in 3.1, we continue to use collaborative frameworks where available and continue to explore opportunities for collaboration through CGPSS and our membership of the procurement cluster group, which the Scottish Government Capability Team allocate us to, and is made up of other publicly funded bodies.</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>We have realised savings of £184k, representing 90% of our total procurement savings, from the use of collaborative frameworks.</p>
<b>3.6</b>	<b>STRENGTHEN CONTRACT AND SUPPLIER MANAGEMENT PROCESSES</b>
	<p>We make sure all staff with responsibility for managing contracts receive contract management training. This training provides staff with the tools and techniques required to better manage their contracts and suppliers.</p> <p>During the year, we worked with a third party to develop a contract and supplier e-learning module. We will roll this out in 2022/23. We also provide a contract management handbook to provide further support and guidance to staff who have a role in managing contracts and suppliers.</p> <p>We appoint contract managers for all relevant contracts and we hold regular contract management meetings for all key contracts. We effectively manage supplier performance on key contracts to deliver value for money. The Procurement Team collate contract management information biannually and maintain a central record of this which is linked to the contract register.</p>
<b>3.7</b>	<b>PROVIDE A PROCUREMENT SERVICE WHICH SUPPORTS EFFECTIVE PROCUREMENT WHICH DELIVERS BEST VALUE</b>
	<p>We review the procurement business processes on a cyclical basis to make sure they reflect current legislation and meet the needs of the users. We have</p>



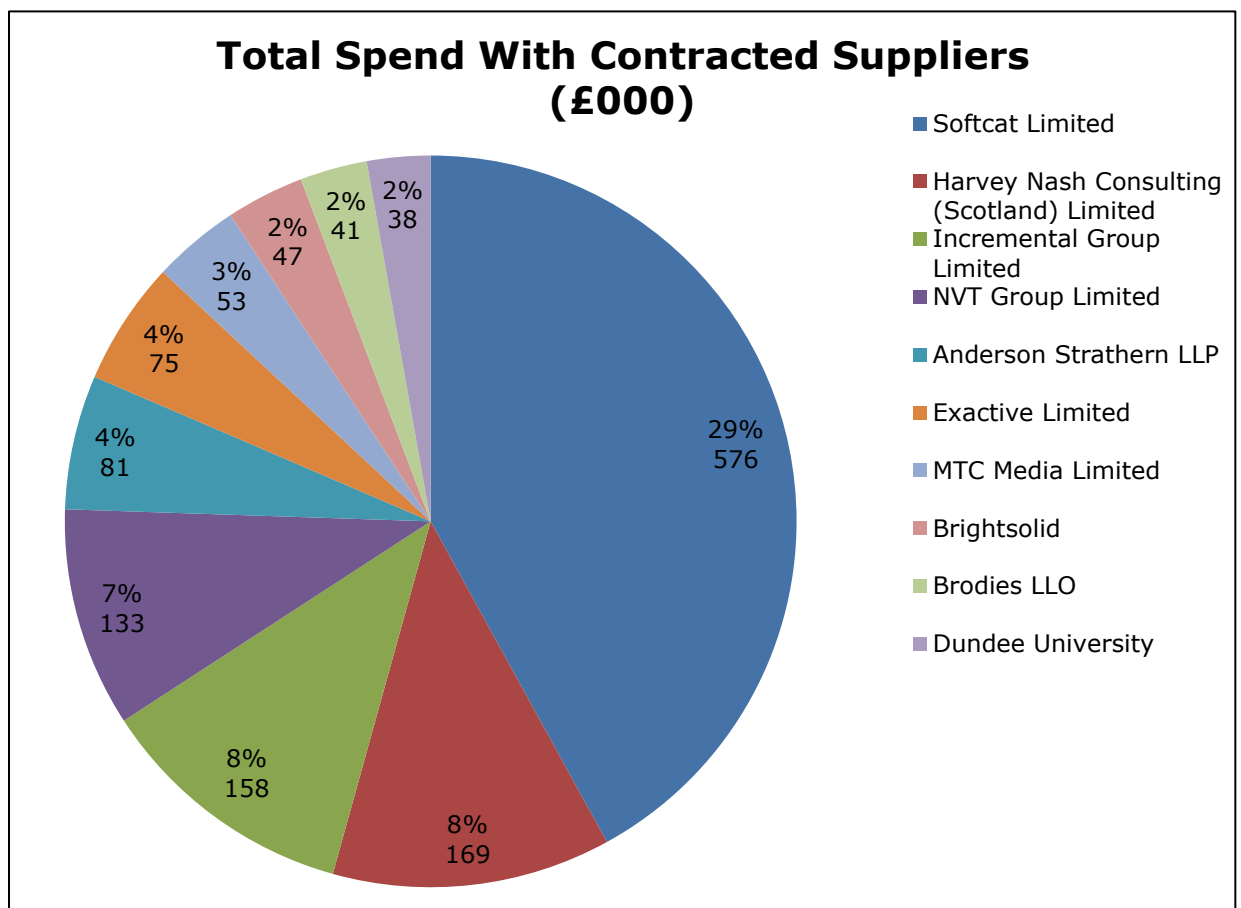
amended, and continue to amend and develop, several of our processes to support the changing procurement landscape.

The Procurement Team has also had an integral role in the creation of lessons learned reviews during the year. They are shared with the wider internal procurement community to make sure they consider these valuable lessons for future procurements.

The success of the service delivery is informed by the independent 'healthcheck', agreed performance measures, regular feedback from users of the procurement service and a customer survey which we distribute annually. This feedback and follow up actions contribute to making sure that we deliver the right level and quality of service.

#### 4.0 TOP 10 CONTRACTED SUPPLIERS

The spend with the top 10 suppliers accounts for 68% (2020/21: 73%) of our total procurement spend, and 70% (2020/21: 75%) of our contracted spend.



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



	<table> <tr> <th><b>Spend Category</b></th><th><b>Spend value £000</b></th></tr> <tr> <td>Information systems</td><td>949</td></tr> <tr> <td>Professional fees</td><td>206</td></tr> <tr> <td>Agency staff costs</td><td>169</td></tr> <tr> <td>Other supplies and services</td><td>34</td></tr> <tr> <td>Training and development</td><td>7</td></tr> <tr> <td>Telephony expenditure</td><td>6</td></tr> <tr> <td></td><td><b>1,371</b></td></tr> </table>	<b>Spend Category</b>	<b>Spend value £000</b>	Information systems	949	Professional fees	206	Agency staff costs	169	Other supplies and services	34	Training and development	7	Telephony expenditure	6		<b>1,371</b>
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Telephony expenditure	6																
	<b>1,371</b>																
<b>5.0</b>	<b>SUPPLIER ACTIVITY</b>																
	<p>The Procurement Team reviews active suppliers quarterly, the aim being to make sure we only set up suppliers in the creditors ledger that we do regular business with. We make suppliers 'inactive' if we have not used them for a period of 13 months and any request to use them requires completion of a procurement template to make sure we comply with procurement procedures. Only when we have done this can we create new suppliers or update inactive suppliers to 'active' status. This makes sure we analyse current contract arrangements and buy from a contract wherever possible. This is also good practice to mitigate the risk of purchasing or supplier fraud.</p> <p>The number of active suppliers at 31 March 2022 was 233 (2020/21: 208) comprising the following:</p> <ul style="list-style-type: none"> <li>• 147 supplier sites for the supply of goods and services (2020/21: 129)</li> <li>• 66 due regard and lay members (2020/21: 65)</li> <li>• 20 legally qualified chairs (2020/21: 14)</li> </ul>																
<b>6.0</b>	<b>CONCLUSION</b>																
	<p>The SSSC continues to make good progress towards the achievement of the published procurement priorities. We have updated the procurement action plan, which supports the procurement strategy, 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.
Contracted spend	Spend which is compliant with SSSC procurement governance.
GPA	Government Procurement Agreement. Applies to procurement of minimum estimated value equal to or exceeding certain specified financial value thresholds.
Living Wage	National minimum wage for workers aged over 25.
Non contracted	Spend not linked to a formal contract which is recorded on the contract register.
Own contracts	Contracts advertised and awarded by the SSSC.
Procurement Cluster Group	Group of Scottish Public Sector bodies of differing sizes who meet to discuss best practice, new developments and procurement plans. This facilitates the development of procurement capability within the Scottish Public sector.
Procurement spend	Spend which is influenced by Procurement governance arrangements.
Public Contracts Scotland (PCS)	Public procurement advertising portal where contract notices and awards are published.
Regulated procurement	Procurement seeking offers in relation to a contract with a value of £50,000 or over.
Real Living Wage	Living wage calculated to be sufficient to provide the necessities and comforts essential to an acceptable standard of living. Applies to all workers over the age of 18.
SME	The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees.



Term	Description
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 cooperatives.





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