

Disclosure

SCOTLAND



Annual procurement report

1 April 2022 to 31 March 2023

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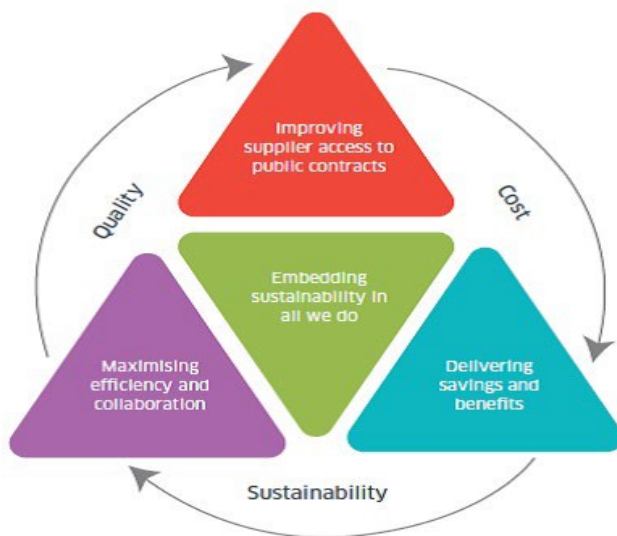
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1. Context

1.1. Public sector procurement in Scotland

The Scottish Government is responsible for developing public procurement policy and legislation in Scotland. There has been a substantial programme of activity across the public sector in Scotland to help improve procurement since 2006. It has moved from a centrally led programme to a more collaborative landscape with a shared common vision, underpinned by the [Procurement Reform \(Scotland\) Act 2014](#) (the 2014 Act). The 2014 Act provides clear direction to public bodies and sets out clear procurement responsibilities and accountabilities, promoting local decision making.



Public bodies have a legal obligation to ensure ongoing compliance with the Scottish Public Procurement Regulations when conducting public procurement¹. The Scottish Regulations, the associated procurement procedures including the general obligations to conduct public

¹ Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016, and the Remedies Directive.

procurement fairly, transparently and to advertise contract opportunities remain following Brexit.

The Procurement Reform (Scotland) Act gave effect to the Sustainable Procurement Duty elements of the Scottish Model of Procurement. This aims to leverage the power of the circa £13/14 billion per annum of public expenditure managed via procurement activities to deliver genuine public value beyond simply cost and quality. The aspiration is that procurement decisions be at the heart of Scotland's economic recovery and sustainable development. It is a simple concept that considers outcomes not outputs, with a view to leveraging the power of public spend to deliver genuine public value. It urges public sector purchasing organisations to look beyond simply cost and quality when making purchasing decisions. Instead, it requires organisations to also consider sustainability and the benefits not only to the organisation itself but also to the economic, social or environmental wellbeing of the organisation's area. The 'value for money' triangle above sums up the Scottish Model of Procurement.

Scottish Governments public sector procurement ambitions are reflected in the **good for** outcomes. These underpin public procurement in Scotland, which Scottish Government believe will deliver a Just Transition to a net zero economy and society, embedding Fair Work First (including the real Living Wage), climate, local economic considerations and innovation into more contracts. The contents of this report are structured around those outcomes, setting out the importance of Scottish public sector procurement in delivering economic growth in a manner that is:

- **Good for businesses and their employees**
- **Good for society**
- **Good for places and communities**
- **Open and connected.**

Figure 1: The four outcomes for Scottish public sector procurement



1.2. Procurement in Disclosure Scotland

This document reports on Disclosure Scotland’s Procurement Activity for 1 April 2022 to 31 March 2023, and details how this activity aligned with the Disclosure Scotland Procurement Strategy. This report applies to all procurement conducted by us, Disclosure Scotland.

The Public Procurement Regulations and associated Statutory Guidance provide a regulatory operating framework for public procurement. The various provisions include requirements to produce a Procurement Strategy and an Annual Procurement Report, reflect Fair Work First provisions into public contracts, take steps to address climate emergency/net zero, and to address the other facets of the Sustainable Procurement Duty within our procurement activity. We will continue to embed and develop these areas in its regulated procurement and have taken forward work to support Climate Emergency – achieving net zero, Fair Work First (including Living Wage) and supporting Scotland’s economy (through public expenditure and supply chain spend). Our procurement activity provides an important contribution towards Scotland’s overall benefit.

The continued constraints on public sector finances particularly at a time when inflation is continually rising and significantly adding to cost pressures, is a vital contextual consideration within the delivery of our procurement activity. The consequent need to drive efficiency, value

for money and savings from public procurement activity has to be balanced with the wider obligations flowing from the Sustainable Procurement Duty, our corporate objectives, business needs and available funding. The coronavirus (COVID-19) pandemic has continued to have an impact on the supply chain, as have the ongoing impacts of Brexit and more recently the impact of the invasion of Ukraine. The effects on the global economy and financial markets have made for another challenging year for us and our supply chain. These factors place significant pressures on both tendering and contract management activity and the ability to obtain value for money within public procurement. Our procurement function have worked collaboratively with services and suppliers throughout the financial year, identifying solutions to challenges and minimising impacts of pricing increases as they have arisen (wherever possible), supporting delivery of vital services whilst sustaining our supply chain.

We have a procurement function that works closely and effectively with a broad range of internal customers and stakeholders to plan, programme, and deliver a range of contracts to meet business needs. Our contract management and monitoring activity ensures the contracts are performed as intended.

Our procurement function currently consists of a Head of Procurement and a Procurement Administrator. These Procurement staff are located within the larger Chief Executive Office and have strong links to Scottish Government Central Procurement colleagues. The Procurement team has responsibility for all procurement tasks.

Our procurement activity is governed by our procurement policy which separates duties between budget holders and those who actually undertake procurement activity.

We continue to use a number of Scottish Government frameworks for the provision of goods and services, but also utilises a number of other government frameworks as well as operating a number of Disclosure Scotland owned contracts.

Our procurement policy will continue to prioritise the use of national contracts (including use of relevant collaborative contracts such as those established by the Scottish Government or others). This approach ensures appropriate aggregation of our expenditure, consistency of

specification and supply and delivery of value for money. It also ensures contracts are utilised that already have embedded the Sustainable Procurement Duty and net zero and Fair Work First requirements. It also means that these suppliers have been verified through relevant due diligence activities so that these suppliers fully comply with relevant legislation.

In addition to the delivery of various procurement processes and contracts throughout 2022 to 2023 the Procurement function also:

- actively participated in numerous digital projects to support the Disclosure Act
- worked with various staff throughout the Agency to ensure that contracts were used as anticipated and that correct purchasing processes were followed
- analysed and reported on/off contract spend levels
- participated in various events throughout the wider Scottish Government Procurement network

1.3. Disclosure Scotland procurement vision, mission and role

Our vision

‘To provide a high quality, fit-for-purpose Corporate Procurement Service which will provide best value for Disclosure Scotland and to support Disclosure Scotland in the delivery of its corporate aims and objectives’.

Our mission

‘Public procurement in Disclosure Scotland delivers cost savings and improved efficiencies for the benefit of Disclosure Scotland and all its stakeholders.’

Our role

‘Disclosure Scotland will use our public spending power through the goods and services we purchase to make Scotland a better place to live, work and do business. We will harness the power of innovation and collaboration to accomplish real social impact, in line with our published procurement outcomes that are Good for businesses and their employees, Good

for society, Good for places and communities and Open and connected. Adhering to the regulations, behaviours and standards outlined in the Scottish Procurement Policy handbook'

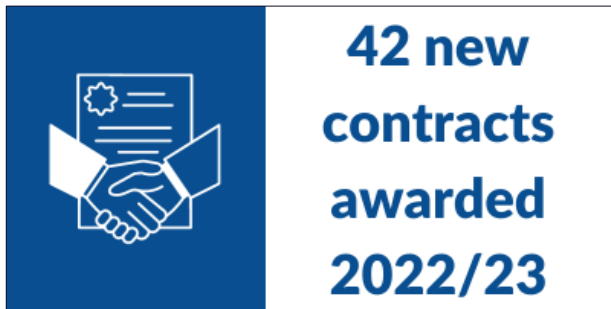
1.4. Procurement policy

Our procurement policy sets out the operational framework of how we conduct procurement and is based on the Scottish Government's procurement journey. This ensures our regulated procurements are being conducted in accordance with best practice in a legally compliant manner that is consistent with the rest of the Scottish public sector in achieving value for money for our stakeholders. Policy is essentially about maintaining the integrity of process and combined with our procurement strategy, will set out our strategic approach to procurement.

2. Disclosure Scotland procurement annual summary

2.1. Summary of Disclosure Scotland procurement activity for 2022/23





3. Summary of regulated procurements completed

Between 1 April 2022 and 31 March 2023, 40 regulated procurements, totalling £16.149 million, were completed from various established Scottish Government frameworks, Dynamic Purchasing Systems (DPS), Crown Commercial Services Frameworks, purchases from the Digital Marketplace and our let contracts. We currently expect to commence 60 to 100 regulated procurements over the next two financial years, however this is subject to change.

A regulated procurement is any procurement for public supplies or services with a value of over £50,000 and for public works with a value of over £2 million. For the purposes of this section, a regulated procurement is completed when the award notice is published on [Public Contracts Scotland](#) (PCS). This includes new contracts, establishing a framework agreement and call off agreements.

4. Review of regulated procurement compliance

In our current procurement strategy, we stated that we would adhere to the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015 and the

Procurement (Scotland) Regulations 2016 and would follow the Procurement journey guidance in all procurement exercises. We also stated that to ensure transparent, fair and open competition we would use PCS and electronic communication throughout all tender processes.

For all procurement activity during 2022 to 2023 we adhered to the relevant procurement regulations. We ensured that Public Contracts Scotland website (PCS) was used for all regulated procurements and also lower value invitations to quote. We ensured the integrity of each procurement exercise by:

- making our PCS account accessible to our procurement staff only
- ensuring evaluation panel members were impartial and maintained confidentiality before evaluating tender responses
- removing all pricing information before issuing tender responses to evaluation panel member
- storing all procurement exercise documentation in secure electronic records and data management (eRDM) files that are only accessible by procurement staff
- keeping written records on the procurement process, evaluation process, moderation process and where relevant issuing Contract Award Recommendation Reports (CARRs) before awarding contracts
- ensuring contract award notices were published on PCS

Further details on compliance is provided at [Annex 1](#) of this document.

5. Value for money and benefits realisation

Our services prioritise value for money and optimise the performance of our contracts. We promote service quality and lifecycle value with performance, sustainability and longevity in mind.

Procurement activity requires the highest standards of probity, transparency and fair competition.

5.1. Procurement aims

- To support Disclosure Scotland in achieving budget savings targets.
- To continue to work closely with our customer departments to understand their needs, identify opportunities to reduce expenditure, control demand and improve process efficiencies.
- Continue to work collaboratively with other public sector organisations and seek out new opportunities to do so.

5.2. Financial efficiencies

Financial efficiencies totalling £871,076 of cash savings and £346,842 of non-cash savings were achieved during the period 01 April 2022 to 31 March 2023.

5.3. Non-financial efficiencies

Please see Section 13 – community benefit summary.

6. Sustainable procurement duty

The 2014 Act describes the sustainable procurement duty as 'the duty of a contracting authority:

(a) before carrying out a regulated procurement, to consider how in conducting the procurement process it can:

(i) improve the economic, social and environmental wellbeing of the authority's area

(ii) facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process

(iii) promote innovation

(b) in carrying out the procurement, to act with a view to securing such improvements identified as a result of paragraph (a)(i).'

Compliance with the sustainable procurement duty ensures that procurement activity is aligned to a range of policy priorities that are described in the National Performance Framework. Compliance with the duty also helps us to meet other legal obligations on procurement including climate change, human rights and equality obligations.

To fulfil our general and sustainable procurement duties:



- we aim to fully keep our legal obligations and to treat all suppliers fairly, equally and without discrimination
 - to help achieve this only staff with appropriate training and experience will oversee procurements
- we are committed to making our procurements open and accessible to businesses of all sizes and from all sectors, especially SMEs, the third sector and supported businesses
- we currently advertise our contract opportunities on Public Contracts Scotland portal and in the Official Journal of the European Union where required
- we will publish our contract register on the Public Contracts Scotland portal
- we will design, whenever we can, each procurement in a way that encourages participation from SMEs, the third sector and supported businesses and encourage innovation
 - adopting this approach will help develop our local communities social, environmental and economic wellbeing
- we will develop an individual sourcing strategy for each significant procurement
 - where appropriate, consideration is given in the sourcing strategy to early market engagement, dividing procurements into lots, reserving contracts for supported businesses, securing savings, community benefits, Fair Work practices and including energy efficient and environmentally friendly specifications

The example below is the sustainability commitment by one of our suppliers. They have agreed to:

- provide work experience placements, apprenticeships and employment opportunities, e.g. using the Scottish Government’s “Kickstart Scheme” to create new jobs for 16 to 24 year olds on universal credit who are at risk of long-term unemployment
- continue to engage with local schools, colleges and universities by committing management time to participating in curriculum support and STEM activities
- work with local primary and secondary schools, talking to children about the variety of job roles available in their local area - particularly encouraging female students to pursue technical and professional interests through their course choices to support longer-term career goals

7. Climate and circular economy considerations

Public sector procurement has been identified as an important partner and enabler in the transition to a net zero economy and society. We are required to report annually on how our procurement policies and activities have contributed to carbon emissions reduction targets, contributed to climate change adaptation and acted sustainably.

We utilise the measures available in the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016 to ensure contractors comply with environmental social and labour laws when performing public contracts. These measures also allow Disclosure Scotland to request companies to replace their sub-contractors where they have breached any obligations in the fields of environmental social or labour law.

Scotland is committed to a target of net-zero greenhouse gas emissions nationally by 2045 in response to the global climate emergency.

We previously set targets to support the Scottish Government’s headline objectives of reducing all emissions by 42% by 2020, which we have exceeded. Moving forward we will continue to lower emissions as much as possible by working closely



with the Scottish Police Authority (SPA) who tenant the building and control energy and waste contracts.

The net zero/climate emergency will require a prolonged approach within Disclosure Scotland and this approach will continue to be worked on and developed and will include:

- a continued focus on buying goods and services that support net zero outcomes
- a reduction in supplier deliveries through consolidation where appropriate and considering re-use or recycling wherever appropriate
- awareness of climate literacy and circular economy amongst all procurement staff and expanding the awareness to relevant internal staff involved in procurement activity using the e-learning tools provide by Scottish Government as part of the sustainable procurement toolkit
- measuring and reporting the social value and net zero outcomes (e.g. Scope 3 emissions) from contracts using appropriate methodology
- promotion of local service delivery, reduce road miles, help de-carbonise the supply chain and support opportunities for local supply in our procurement approach
- we will challenge the ways on how much we procure and where we can minimise any waste - this may require change in terms of specification and efficient disposal
 - this may involve revisiting the need and may result in a change in requirements for goods and services
 - consideration also on whether what we currently have is good enough, can be used for longer or can be reused, refurbished or repaired



Our relative improvements in carbon/energy efficiency are captured and reported by Estates and Technical Services (E&TS) as part of the Public Bodies Climate Change Report. The Disclosure Scotland Report was submitted to Scottish Government in line with the reporting

requirements. These reflect a section about procurement activity and are publicly accessible from the Sustainable Scotland Network.

8. Fair Work First

We are clear that fair work is central to achieving the Scottish Government's priority for sustainable and inclusive growth. As we transition into a period of economic recovery and renewal, fair work is more important than ever and must be at the heart of employment practices, funding and procurements.

Our procurement staff use national sustainable procurement tools to tackle a wide range of socio-economic and environmental outcomes through procurement (e.g. encouraging a diverse workforce, asking bidders to adopt Fair Work First practices, including closing the gender pay gap) and to address inequality (e.g. training and recruitment activities targeted at disadvantaged groups) through their procurements.

We have been an accredited Living Wage employer for many years. To ensure the highest standards of service quality in the contracts we procure, we expect suppliers to evidence a positive approach to Fair Work First practices as part of a fair and equitable employment for all employees (whether permanent, temporary or agency) involved in the delivery of any Disclosure Scotland contracts.

Public bodies are required to apply the expanded Fair Work First criteria below in all procurement processes, where relevant and proportionate. Fair Work First will be relevant where the way the workforce is engaged will impact on the way the contract is performed. This will be particularly relevant in service and works contracts, where the workforce makes a significant contribution to the way the contract is delivered. In goods contracts, Fair Work First may also be relevant.

Fair Work First asks businesses bidding for a public contract to commit to:

- appropriate channels for effective voice, such as trade union recognition
- investment in workforce development

- no inappropriate use of zero hours contracts
- taking action to tackle the gender pay gap and create a more diverse and inclusive workplace
- providing fair pay for workers (for example, [payment of the real Living Wage](#))
- offering flexible and family friendly working practices for all workers from day one of employment
- oppose the use of fire and rehire practices

Our policy is to consider Fair Work practices as early as possible in all of our procurements and to target this by including award criteria in contracts, where proportionate and relevant to the contract. All relevant contracts contain questions and award criteria on the expanded criteria above. We have been delighted by the positive approach by suppliers to support the Fair Work First criteria and the confirmed adoption by suppliers of the Fair Work First criteria. We will continue to develop the information capture of this criteria and build in monitoring arrangements as part of the contract management process for new contracts to enable enhanced reporting of Fair Work First within our regulated procurements.

The example below is the commitment by one of our suppliers on how they will support Fair Work First practices:

- Trade unions recognised for employee voice and collective bargaining.
- Payment of the real living wage.
- Expressly forbid the use of zero hours contracts in their supply chain.
- Encourage home working as standard to reduce the burden on staff travelling unnecessary hours.
- Creating an equal opportunities policy to promote diversity and inclusion in the workplace and not segregated on race, gender or other traits.
- Provide tangible evidence of positive employee attitude to learning and development.

9. Small and Medium Sized Enterprises (SMEs)

We have maintained a position over the past few years whereby approximately 40 to 50% of the suppliers we used annually are SMEs (see table below for the definition and categorisation of SME's). Our procurement policy will continue to provide a platform for SMEs to access our contract opportunities by advertising contract opportunities on PCS.

SME's typically account for around 50% of our external expenditure. In 2022 to 2023, this equated to approximately 41 suppliers with £6,397m of work awarded by Disclosure Scotland. Other SMEs may be engaged as sub-contractors in the supply chain of larger contracts.

We recognise that engaging local SMEs is a powerful means to support the local economy. This means that local service providers can upscale, create and sustain local jobs, invest in personnel, generate local economic wellbeing support, social stability, be agile and support innovation.

SME's working within their localities bring an unrivalled appreciation of local considerations. Their contribution is extremely valuable, and they are able to direct their operations in line with fast-changing local priorities. We are mutually reliant on their success.

We will continue to incorporate social value when planning our procurements, consider breaking down opportunities into smaller lots to ensure SMEs have good opportunities to bid and advertise as many below regulated procurements (£50K) on PCS where relevant.

9.1. SME definition as per Spikes

Categorisation	Definition
Small	Less than 50 employees, regardless of turnover. Or, if the number of employees is unknown, then turnover of less than £5.6m will be taken as an indicator that it is a small enterprise

Categorisation	Definition
Medium	Between 50 and 249 employees, regardless of turnover. Or, if the number of employees is unknown, then turnover of greater than or equal to £5.6m and less than £22.8m will be taken as an indicator that it is a medium enterprise.
Large	Greater than or equal to 250 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £22.8m will be taken as an indicator that it is a large enterprise

10. E-commerce and procurement best practice

We utilise a number of procurement best practice tools to improve and enhance procurement capability across Scotland. Our currently utilised e-commerce solutions and procurement best practice tools are described below:

Public Contracts Scotland (PCS) is a one stop shop for suppliers looking for Scottish public sector contract opportunities. PCS has enabled stronger communication links between buyers and suppliers. The use of it by Scottish public bodies to advertise their regulated contract opportunities is mandatory.

PCS – Tender is the national e-tendering service that allows suppliers to submit tenders for a public contract in electronic format. It also enables public bodies to manage their contracts and suppliers electronically.

The Procurement Journey provides an online single source of procurement guidance and documentation for the Scottish public sector. Its purpose is to communicate and drive best practice and compliance throughout the Scottish public sector from simple purchases to complex procurement exercises. The Procurement Journey is kept up to date to reflect current legislation and policy.

The [Supplier Journey](#) provides online guidance to suppliers to make it easier for them to bid for public goods and services. It was updated in March 2020 with improved functionality to support businesses when bidding for public contracts.

[Sustainable Procurement Tools](#) provide a range of online assessments. These include the Flexible Framework which allows public bodies to assess their progress, with respect to the sustainable procurement duty, the sustainability test and life cycle impact map - that identifies risks and options at an individual procurement level, and an extensive suite of guidance to help public bodies to achieve positive economic, social and environmental outcomes.

The **Scottish Procurement Information Hub** is a sophisticated spend analysis tool that provides reporting capability on procurement spend by main public bodies. It enables public bodies to see their spend, identify who their vital suppliers are, highlight spend with SMEs and local suppliers and identify potential collaborative opportunities.

PECOS (Professional Electronic Commerce Online System) automates the purchase to pay process from creating shopping baskets, raising orders and presenting valid invoices for payment. It also embeds standard and consistent business workflows and audited approval processes to ensure compliance with procurement and finance guidelines. Catalogue Management is also delivered through PECOS. It manages catalogues that are made available as a result of national, sectoral or local contracts. It allows catalogues to be published in a number of ways that can easily be accessed by purchase to pay systems (including PECOS) that are in use across the Scottish public sector.

The **Single Procurement Document (SPD) (Scotland)** must be used in Scotland for procurements regulated under the Public Contracts (Scotland) Regulations 2015 and is recommended for all other procurements. The SPD helps reduce the administrative burden on bidders and removes some of the barriers to participation in public procurements especially for SMEs. It allows buyers to identify suitably qualified and experienced bidders and replaces the requirement for suppliers to provide up-front evidence or certificates by allowing them to self-declare that they meet the relevant criteria. Bidders are also able to store and reuse their information for future use. Scottish Government continue to update the SPD in response to feedback from suppliers.

11. Collaboration

We will continue to support sectoral (Central Government), cross-sectoral, and national collaborative procurement activities through use of relevant collaborative contracts, and by engagement and participation at various levels. For example, ensuring continued representation at the Central Government Cluster Group, participation in the national Scottish Government Procurement Policy, and ensuring relevant contribution to other initiatives which further effective working and the procurement collaborative agenda.

Where resources permit, we will also continue to support sectoral collaboration in potential future collaboration with the Scottish Government Shared Services team or other Scottish Government Agencies, as we did with Accountant in Bankruptcy (AiB) and with Police Scotland through the shared tenancy services for our building.



Approximately 50% of our annual external expenditure is undertaken and managed through collaborative contracts either set up by the Scottish Government, Crown Commercial Services, Disclosure Scotland, or others. This reflects the desire to utilise procurement resources effectively through joint working and collaboration where there is good rationale to do so.

In line with the efficiency and effectiveness aim of the Procurement Strategy, we consider collaborative frameworks and will use these if identified as the most appropriate route to market and proven to deliver best value. We utilised 27 of the 54 available Scottish Government Frameworks (a participation level of 50%).

12. Purchasing processes

We have robust purchasing processes in place that help to ensure contracts are used as expected and 'maverick spend' is kept to a minimum. As an agency of the Scottish Government, our Chief Executive has the authority to purchase and let contracts, and delegates this purchasing authority to our Head of Procurement. The Head of Procurement can then sub-delegate to relevant individuals involved in the procurement process. Delegated staff are given different purchasing limits based on their grade and job role. This authority is different from Financial Authority which has been delegated to different individuals throughout the Agency. No single person has both DPA and financial authority to ensure separation of duties throughout the purchasing process.

We have a purchasing requisition process. All purchases must be approved by a budget holder with Financial Authority before the request is added to our PECOS system. This ensures that all purchases are approved at two stages and the order is electronically sent to the supplier. Since the end-to-end process for PECOS transactions are now fully digital, a number of possible efficiencies have been secured along with improvements to the process.

We also promote prompt payment throughout each of our contracts and have a 10-day payment target for all invoices received. During 2022 to 2023, we paid approximately 95% of invoices within the 10-day target.

Procurement spend

We consistently maintain a high level of compliance for contracted spend and achieve greater than 99% of total procurement spend each year. This demonstrates that the contracts we have in place are being used as expected and that staff are following the correct ordering procedures. The level of on and off contract spend for financial year 2021 to 2022 is detailed below.

Contract type	Spend	Percentage
On contract Spend	£11,581,639	99%
Off Contract Spend	£110,176	1%
Total Spend	£11,691,816	100%

13. Community benefit summary

The Procurement Reform (Scotland) Act 2014 places specific requirements in major contracts with an estimated value of £4m and above, for all public bodies to consider whether to impose the requirement as part of the procurement and include details in the contract notice summarising what it will include.

In our procurement strategy, we stated that we would consider community benefits and sustainability issues in all appropriate contracts. None of our individual procurements awarded in 2022 to 2023 were over the £4 million threshold where community benefits must be considered.

We will continue to ensure that community benefits are considered and addressed at the sourcing strategy stage for regulated procurements, and that community benefit statements and questions (scoring and non-scoring) are included in all invitations to tender for 2022 to 2023 where the threshold is met. Where we do achieve community benefits, they will become a condition of contract and contract managers will ensure they are delivered.

The following examples are the community benefits we have achieved through using the Scottish Government framework agreements.

13.1. Examples

Supplier: Softcat (Software value added re-seller framework)

Benefits include:

- ninety-five percent of services are administered from the Glasgow Offices
- the contract has directly led to significant job creation
- a real living wage employer
- they believe in fair working practices and put employee interests at the heart of their business model

- their employees give back up to 48 hours of paid voluntary service into Scottish charities or charitable causes
- they actively work with Scottish SME sub-contractors

Supplier: ASA Recruitment (Temporary and Interim staff services framework)

Benefits include:

- they aim to increase the proportion of young people in learning, training or work
- they work with education establishments to engage those moving into the workplace and operate CV writing, job interviewing and presentation skills courses, providing lifelong benefits to attendees

Supplier: Harvey Nash (Temporary and Interim staff services framework)

They are committed to contributing to the social, economic and environmental well-being of the people of Scotland and generate employment and training opportunities for priority groups, including long-term unemployed. They work alongside Jobcentre Plus and Local Work programme providers to ensure opportunities are visible to the long-term unemployed.

Supplier: Lorien - part of Smart Works, a UK-based charity (Temporary and Interim staff services framework)

They support and empower women to find work and to improve their interview techniques. They offer practical advice regarding dressing for interviews and conduct, and enable women to improve their confidence and self-belief.

Supplier: Venesky-Brown (Temporary and Interim staff services framework)

Benefits include:

- they have embraced the broader social inclusion agenda delivering employment training, supporting SMEs and third sector social economy organisations in providing recruitment services and commit management time to support engagement with local

schools, colleges and universities participating in curriculum support and STEM activities

- they offer work experience placements and modern apprenticeships on the framework and seek to recruit long-term unemployed, disadvantaged groups who are most disengaged from the job market

13.2. Supplier: Royal Bank of Scotland: Banking Services

Benefits include:

- they have established an apprenticeship programme
- they have a Social Mobility Apprenticeship Programme offering apprenticeship opportunities to individuals from less advantaged backgrounds
- they have a graduate programme
- CareerSense - providing free-to-access tools to develop critical skills and support employability prospects for 13 to 24-year olds
- MoneySense - free financial education programme makes learning about money engaging, real and relevant to 5 to 18-year olds
- Dream Bigger – a fully funded programme focusing on developing transferrable entrepreneurial skills in 16 to 18-year old females across the UK
- they provide work experience opportunities

13.3. Supplier: Royal Mail: Postal Services Framework

Benefits include:

- the use of electric forklift trucks and pallet trucks
- the supply of paper from sustainable chains
- they actively promote carbon capture programmes including national tree planting
- they recycle white paper related waste
- they aim to be a net zero carbon business
- reductions of energy consumption

- a percentage of electricity supply is from certified renewable sources
- water-based inks are used where possible
- apprenticeship schemes
- graduate programmes
- participation in the Duke of Edinburgh Award scheme
- recruitment processes are more inclusive and accessible
- they target recruitment at unemployed people
- disability confident employer status
- volunteering work to contributing to schools and education
- they provide support and advice to third sector organisations

14. Supported businesses summary

We recognise the important role of businesses that support social and professional integration of disabled or disadvantaged persons (termed ‘supported businesses’) and has continued to reserve contracts where appropriate to ensure the stepping stone into mainstream employment for disabled or disadvantaged persons provided by these businesses continues.

Due to the nature of our business, we have limited opportunities for supported business involvement. However we are aware of the wider benefits of using supported businesses wherever possible and continue to promote these throughout the Agency. The involvement of supported businesses in regulated procurements is considered at the strategy stage.

The ‘Supported business framework’ provides an easier route for public bodies to contract with supported businesses for the following goods and services:

- Personal protective equipment (PPE) and uniforms
- furniture and associated products
- signage

- document management services

Although no regulated contracts were awarded to supported businesses during the period covered in the report, we are committed to using supported businesses where relevant. The reason for this is that the goods or services associated with the procurements we have undertaken are not provided by existing supported businesses.

15. Contract management

Our proactive, planned approach to contract and supplier management provides assurance that contracts are delivering the intended outcomes. Where this is not the case, relevant actions are initiated and taken in conjunction with the relevant internal stakeholder or Directorate, and the supplier.



Contract management activity reviews contracts at agreed review points, for example, where any annual price review is required. This typically includes reviewing contracts to focus on realisation of value for money and all intended contractual benefits, commitments (e.g. Fair Work First, community benefits) and outcomes, ensuring that we develop and sustain productive relationships with suppliers, including aiming for continuous improvement. Contract management also focuses on mitigating risks, increasing resilience, and harnessing continuous innovation and change.

Where applicable, contract renewal is planned in good time and considers lessons learned from the current contract arrangements.

16. Procurement and Commercial Improvement Programme (PCIP)

The PCIP can be found within the Procurement Journey. This continuous improvement programme focuses on the culture, scope and approach of the organisation which manages, supports and enables procurement activity from the identification of a need through to

contract delivery. It is based around set questions and other evaluation methods with a detailed examination of activities such as contract management, ensuring that procurements are conducted sustainably, and some other indirect areas such as continuous professional development. Organisations can then, based on the outcome of the assessment, develop an action plan to achieve maximum value for money and improve their ability when buying goods, services and works. The PCIP assessment tool and process is regularly reviewed to ensure it continues to reflect current legislation and best practice.

We were assessed by the Scottish Government under the PCIP in May 2019, and our score was 88%, which places Disclosure Scotland in the top banding (M1) with regards to procurement performance according to the Scottish Government bandings. This was the second PCIP assessment we have had. We were assessed at that time in the 'medium category'. The previous assessment was in the 'lite category'. The changes were due to increased spend for IT programme contract activity.

Assessment category	Criteria
Lite assessment	More than £2m and less than £15m total spend
Medium assessment	More than £25m and less than £40m to £60m total spend
Full assessment	More than £40m to £60m total spend

The PCIP in May 2019 identified a number of areas where we are performing strongly, these were:

- leadership and governance
- development and tender
- contract management
- key procurement processes

The PCIP provides independent validation that we are providing undertaking procurement effectively and compliantly.

There has been a delay to the third cycle of PCIP assessments due to COVID-19. We expect that our third PCIP will take place in the later part in 2024 and it is anticipated that we will be assessed once again in the 'lite category' due to a reduction in annual spend. Cycle 3 will

offer a new approach to further support the sector. This PCIP will focus on the policies and procedures driving procurement performance and, more importantly, the results they deliver. The PCIP assessment process still includes full, medium and lite assessments.

17. Annex 1 – compliance with procurement strategy

17.1. Review of compliance with procurement strategy

Priority 1 - How our procurement activity contributes to Value for Money

We aim to secure value for money by working closely with users of the goods, works and services we procure to understand and help them articulate their requirements.

How we will achieve the objective:	How to measure success:	What we have done	Status
<ul style="list-style-type: none"> develop and deploy standard tools throughout the organisation to ensure any procurement exercise will be evaluated on value for money principles deploy training to ensure staff only engage with a procurement exercise when it is required ensure contracts are robust and managed effectively 	<ul style="list-style-type: none"> reduced contract prices without reduction in service or obtain more for the same price maximise both cash and non-cash benefits from existing contracts identify new benefits, including social and community benefits for any re-let or new contract opportunity 	<ul style="list-style-type: none"> whole life costing is included as part of the procurement strategy for regulated procurements all regulated procurements are tendered via PCS or alternative electronic means portal best value is achieved through the balance of quality and cost relevant to the regulated procurement 	<p>Fully complied</p>

How we will achieve the objective:	How to measure success:	What we have done	Status
<ul style="list-style-type: none"> ensure adequate planning for future procurement activities occurs 	<ul style="list-style-type: none"> reduction in time and other resources spent on each procurement activity through more efficient procurement procedures <p>We recognise that value for money is rarely achieved by simply accepting the lowest-priced bid, which is why procurement legislation in Scotland has now removed the possibility of Official Journal of the European Union level public contracts being awarded solely on the basis of price.</p>	<ul style="list-style-type: none"> contracts are proactively managed to ensure contract deliverables and objectives are achieved - through tools such as performance measure reporting and monitoring and regular supplier meetings benchmarking and value for money assessments are included where appropriate during the life of the contract continuous improvement and innovation reviews are included where relevant all of the above are delivered only by fully trained procurement staff to ensure the procurement need is fully assessed at the strategy stage of the process ensuring Value 	

How we will achieve the objective:	How to measure success:	What we have done	Status
		for Money for all procurement activity	

Priority 2 - Compliance with our general and sustainable procurement duties

We aim to fully comply with our legal obligations and to treat all suppliers fairly, equally and without discrimination. To that end only staff with appropriate training and experience will be authorised to oversee regulated procurements.

We are committed to making public procurement transparent and accessible to businesses, especially SMEs, the third sector and supported businesses. We use the free to access portal, Public Contracts Scotland (PCS), on which contract notices for regulated procurements are published. Our contract register is also available on the PCS website.

Sustainable public procurement aims to make the best use of public money, helping the government to achieve its overarching purpose and strategic objectives. The sustainable procurement duty requires that before we buy anything, we must think about how we can (through our procurements) improve the social, environmental and economic wellbeing in Scotland, with a particular focus on reducing inequality. It also requires us to think about, and design, our procurement processes to encourage the involvement of SMEs, third sector bodies and supported business and also how we can use public procurement to promote innovation.

Compliance with the sustainable procurement duty should aid compliance with other legislation that places specific requirements on us with respect to our procurement activities, such as the:

- Equality Act 2010
- Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012
- Climate Change (Scotland) Act 2009
- Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015

We will consider sustainability early in a procurement process, which enables us to identify risks and opportunities before engaging with suppliers. This will enable us to develop individual commodity strategies for our contracts, in which we can embed sustainability, and maximise opportunities for SMEs, the third sector and supported businesses to participate in the procurement process.

How we will achieve the objective:	How to measure success:	What we have done	Status
<ul style="list-style-type: none"> • provide targeted training for all staff involved in procurement activities • develop tools, templates, information and guidance to include these issues • conduct regular reviews of procedures against Scottish Government guidance and practice to ensure current guidelines are implemented 	<ul style="list-style-type: none"> • increased delivery of community benefits from contracts • increased delivery of sustainable, environmental and social benefits 	<ul style="list-style-type: none"> • delegated procurement authority is only given to fully trained and experienced procurement staff • Scottish Governments Policy Notices (SPPN's) new guidance and regulations are regularly reviewed to ensure these are fully implemented • procurement staff are a member of a number of different forums and groups, for example, the Scottish Government Cluster 	<p>Fully complied</p>

How we will achieve the objective:	How to measure success:	What we have done	Status
<ul style="list-style-type: none"> develop and review regularly an accurate and detailed contract register 		<p>Group, the Information Hub and the Heads of Procurement Group where new guidance and practice is reviewed, discussed and implemented as well as looking at continuous improvement and how to maximise the benefit of procurement</p> <ul style="list-style-type: none"> all regulated procurements are advertised through PCS or other electronic means portal for the relevant framework and our contract register is publicly available on PCS through a suite of tools and information, full consideration is given to sustainable public procurement as part of the strategy development for regulated procurements where 	

How we will achieve the objective:	How to measure success:	What we have done	Status
		<p>relevant - there was limited scope for the regulated procurements this period due to the nature of the requirements</p> <ul style="list-style-type: none"> • the relevance of sustainability, Fair Work Practices, community benefits and climate emergency is considered for all regulated procurements where relevant • supported businesses are considered where relevant as part of the strategy phase 	

Priority 3 – How we shall raise the level of procurement knowledge, skills and expertise

We will ensure that all procurement staff, who have responsibility for any aspect of procurement activities, are suitably trained. On-going training needs will be recorded in individual training and development plans as part of the annual staff appraisal process.

How we will achieve the objective:	How to measure success:	What we have done	Status
<ul style="list-style-type: none"> • provide targeted training for all staff involved in procurement activities • develop tools, templates, information and guidance for staff involved in procurement • provide commercial awareness training to staff who require procurement awareness • produce procurement policy documents and publish on our website to support staff 	<ul style="list-style-type: none"> • all requests for procurements are routed via the Disclosure Scotland Procurement Team • maintain a low level of non-contracted spend 	<ul style="list-style-type: none"> • Procurement staff complete the Procurement Competency Framework on an annual basis to identify improvement and training needs • Procurement professionals either have or are working towards MCIPS qualification • Staff training sessions delivered to raise procurement awareness and increase competencies where required • Disclosure Scotland Procurement Policy Manual is published on the intranet • approximately 99% of procurement spend is with contracted suppliers 	<p>Fully complied</p>

Priority 4 – How we shall strengthen the Contract and Supplier management processes

We fully understand the importance of effective contract management in the delivery of goods, services and works, to ensure savings and quality is delivered under the terms of the contracts.

How we will achieve the objective:	How to measure success:	What we have done	Status
<ul style="list-style-type: none"> • provide targeted contract management training and guidance for all staff identified as contract managers • include clear contract management requirements including Key Performance Indicators in all contracts • perform regular review of contract performance with involvement from procurement, contract manager and business areas • perform regular and appropriate review meetings with suppliers 	<ul style="list-style-type: none"> • objectives and savings/performance are delivered and captured by Disclosure Scotland • reduction in supplier disputes • reduction in invoice queries as correct prices are charged by suppliers in accordance with terms of contracts 	<ul style="list-style-type: none"> • formal contract management is only carried out by trained procurement professionals supported by regular operational reviews by business areas • regular contract performance reviews are carried out with suppliers • regulated procurements follow the Scottish Government's procurement journey and Disclosure Scotland's Procurement Policy Manual 	<p>Fully complied</p>

How we will achieve the objective:	How to measure success:	What we have done	Status
		<ul style="list-style-type: none"> • savings and benefits are captured • no supplier disputes were recorded • very minimal number of invoice queries received 	

Priority 5 – Identification of opportunities for working with others, to widen the scope for maximising purchasing power and identifying innovations

Our aim is to embed the practice of collaborative procurement when and where appropriate throughout the organisation.

How we will achieve the objective:	How to measure success:	What we have done	Status
<ul style="list-style-type: none"> • engage with Scottish Government colleagues to ensure information about collaborative opportunities is shared and acted upon appropriately 	<ul style="list-style-type: none"> • increase use of centrally procured frameworks where applicable 	<ul style="list-style-type: none"> • regularly called off from centrally procured frameworks • actively shared lessons learned with the wider Scottish Government network including 	

How we will achieve the objective:	How to measure success:	What we have done	Status
<ul style="list-style-type: none"> engage with Cluster Group* members regularly review when appropriate any shared service agreements <p>*Cluster Groups are arranged by Scottish Government Procurement to align similar public bodies in order to facilitate dialogue, learning and opportunities in procurement.</p>	<ul style="list-style-type: none"> maximising goods and services obtained through shared service arrangements increased participation in Scottish Government user groups and intelligence gathering forums for procurement sharing lessons learned with the wider Scottish Government procurement network 	<ul style="list-style-type: none"> sharing draft reports and attendance at meetings we are an active participant in Cluster Group Meetings and wider Scottish Government meetings volunteering for wider sector collaborative opportunities and sharing experience to help the wider Scottish Government network including collaboration with Scottish Government Digital Team, Police Scotland and other public bodies procurement professionals have developed a wide network of contacts for information sharing on a regular basis 	<p>Fully complied</p>