

Annual Procurement Report Financial Year 2020-21

1. This paper provides details of the procurement spend for the SFC during the Financial Year (FY) 2020-21 and assurance that our procurement activity is conducted in accordance with the requirements of the Procurement section of the Scottish Public Finance Manual. Details are given of any non-compliance with legislative or SFC's own procurement policies.

Recommendations

- Note the contents of the report.

Financial implications

- There are no running cost implications arising from this paper that are not already allowed for within the Council's running cost budgets.

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Purpose

2. To provide details on the procurement spend for the SFC during the Financial Year (FY) 2020-21 and assurance that our procurement activity is conducted in accordance with the requirements of the Procurement section of the Scottish Public Finance Manual. Details are given of any non-compliance with legislative or SFC's own procurement policies.

Procurement Report

3. SFC is not required under the Procurement Reform (Scotland) Act 2014 to publish a procurement report as procurement spend is below the regulated procurement spend reporting limit of £5 million or more (excluding VAT) in any financial year.
4. SFC has a low value of procurement spend. Our running cost spend for FY 2020-21 was £8.4 million of which £0.8 million (10%) was the procurement of goods and services. We ensure we comply with statutory requirements for procurement practices to achieve value for money when buying goods and services through taking advantage of the nationally negotiated government contracts. SFC procurement policies guide staff to make use of existing government framework agreements and contracts where possible. In the absence of a framework agreement or contract, staff advertise contract opportunities on the Public Contracts Scotland (PCS) portal. A summary of our procurement spend is given in Annex 1.

Non-compliant expenditure

5. Non-compliant spend comprises expenditure with suppliers who are not on our contracts register. Of the £0.8 million procurement spend, £0.1 million (12%) is non-compliant spend. An analysis is given in Annex 2.
6. The non-compliant spend is split between single suppliers and situations whereby the final spend value with a contractor exceeded the original estimate of below £5,000. In the case of single supplier contracts, there is no issue of concern for procurement. With the other non-compliant expenditure we are putting in processes to ensure more accurate initial cost estimates.

Wider social benefits from public procurement

7. We are required under the Procurement Reform (Scotland) Act 2014 to consider the wider social benefits arising from public procurement. We do this by:

- promoting fair work practices, including the Real Living Wage but this cannot be mandated. The tender evaluation process favours those companies who pay the Living Wage
 - encouraging a diverse range of suppliers including SMEs, the third sector and supported businesses. For example, 50% of procurement spend was with SME businesses
 - contracting, where possible, suppliers who have signed up for the Scottish Business Pledge but there are a limited number of opportunities to do so.
8. Whilst we endeavour to meet the requirements of the Act, there is more we could do. We are working closely with the Scottish Government and our Procurement Cluster Group to renew our Procurement Strategy and embed good practice to ensure the delivery of the outcomes as best we can. This includes new requirements relating to climate change.

Benefits derived from collaborative working

9. The SFC Procurement Strategy requires us to ensure we deliver value for money and pool resources and expertise. We explore opportunities for collaboration through Central Government Procurement Shared Services (CGPSS) and our membership of our Procurement Cluster Group. Our relationships with CGPSS and the Procurement Cluster Group facilitate the sharing of knowledge and encourage partnership working.

Conclusion

10. SFC has low value procurement spend and we adhere to our financial procedures when undertaking procurement spend. There is a very limited amount of non-compliant spend which we plan to bring on to contracts.

Next steps

11. Our procurement strategy is due for renewal to meet all current legislative requirements and we will include appropriate consideration of climate change matters.

Risk assessment

12. SFC procurement spend is very low and our procurement policies and procedures ensure we conform with the procurement practices in the Procurement Reform (Scotland) Act 2014.

Equality and diversity assessment

13. There are no equality and diversity issues associated with this paper.

Publication

14. This paper will be published on the Council's website following the Committee's meeting.

Recommendation

15. The Committee is invited to note the contents of the report.

Financial implications

16. There are no running cost implications arising from this paper that are not already allowed for within the Council's running cost budgets.

Further information

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**SFC Supplier Procurement Spend Greater than £5,000
Financial Year 2020-21**

SUPPLIER NAME	TYPE	FRAMEWORK	GROSS VALUE PER ANNUM £'000	SME
Brodies LLP	Legal services	Other: under £5k	5	NO
Korn Ferry - Hay Group	Human Resources/Recruitment	Other: under £5k	5	YES
A & K Maintenance	Office Maintenance	Other: under £5k	5	YES
Konica Minolta Business Solutions	Print/ Stationery	SG Framework	6	NO
Power Control Ltd	Information & Communications Technology	CCS Framework	6	YES
News Direct	Services	SFC Tender	6	YES
O2 (UK) Limited	Information & Communications Technology	CCS Framework	6	NO
Business Stream	Utilities	SG Framework	6	YES
NCC Group	Information & Communications Technology	SG Framework	6	NO
Access Information Security Ltd	Information & Communications Technology	Other: under £5k	6	YES
Bottomline Technologies	Information & Communications Technology	CCS Framework	7	NO
Deltascheme Ltd	Information & Communications Technology	CCS Framework	7	YES
Newsquest (Herald & Times) Ltd	Human Resources/Recruitment	Not-Contracted	9	NO
Cascade Human Resources Limited	Human Resources/Recruitment	Non-contracted	9	YES
Exactive	Information & Communications Technology	SFC Tender	10	YES
Civica UK Ltd	Information & Communications Technology	Other: under £5k	12	NO
Virgin Media Business	Information & Communications Technology	SG Framework	12	NO
Learning Pool	Human Resources/Recruitment	SFC Tender	12	YES
Pressdata	Media Monitoring	Not-Contracted	13	YES

SUPPLIER NAME	TYPE	FRAMEWORK	GROSS VALUE PER ANNUM £'000	SME
NLA Media Access	License	Single supplier	14	NO
BME Solutions Limited	Information & Communications Technology	CCS Framework	15	YES
Pertemps Network	Human Resources/Recruitment	SG Framework	17	YES
Burness Paull	Legal services	SFC Tender	19	NO
C2 Software Limited	Information & Communications Technology	CCS Framework	21	YES
Edenred	Human Resources/Recruitment	CCS Framework	24	NO
Churchill Service Solutions	Services	SFC Tender	25	NO
Delivery Associates	Professional Services	3 Quotes	26	YES
SAS Software Ltd	Information & Communications Technology	Single Supplier	43	NO
Kick ICT Group Ltd	Information & Communications Technology	3 Quotes	56	YES
JISC Services Ltd	Information & Communications Technology	SFC Tender	59	NO
Softcat Limited	Information & Communications Technology	SG Framework	94	NO
Total			561	
Supplier spend under £5,000			205	
Total supplier spend			766	

**Non-compliant spend
Financial Year 2020-21**

SUPPLIER NAME	£'000	REASON FOR SUPPLIER	EXPLANATIONS/ACTION FOR FY 2021-22
SAS Software Limited	43	ICT – Analytical Software	Single Supplier
NLA Media Access	14	NLA Media Licence – only supplier	Single supplier. Media Licence is required for copyright control.
Pressdata	13	Scottish Media Monitoring	Provides the most comprehensive Scottish cover.
Civica UK Ltd	12	ICT	Purchases where individual transactions under £5k each
Cascade Human Resources Limited	9	ICT	Single Supplier. To be reviewed in the IT Strategic system review.
Newsquest	9	Recruitment Adverts	We will use framework.