
ANNUAL PROCUREMENT REPORT FINANCIAL YEAR 2021-22

Purpose

1. This paper provides details of the procurement spend for the SFC during the Financial Year (FY) 2021-22 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

2. The Audit and Compliance Committee is invited to note the contents of the report.

Financial implications

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

Risk assessment

4. 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.

Impact assessments

Equality and diversity

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

Carbon reduction

6. There are no implications for carbon reduction associated with this paper.

Publication

7. This paper will be published on the SFC website, except for Annex 3 which is withheld from publication on the Council's website under the Freedom of Information (Scotland)

Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

Further information

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Purpose

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Procurement Report

10. 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 £5m or more (excluding VAT) in any financial year.

FY 2021-22

11. SFC has a low value of procurement spend. Our running cost spend for FY 2021-22 was £8.7m of which £1.1m (13%) 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.
12. Non-compliant spend comprises expenditure with suppliers who are not on our contract register. Of the £1.1m procurement spend, £150,000 (13%) is non-compliant spend. An analysis is given in Annex 2.
13. 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.
14. 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 through Fair Work First. For example, 22% of spend was with suppliers on the Accredited Living Wage register.
 - Encouraging a diverse range of suppliers including SMEs, the third sector and supported businesses. For example, 56% of procurement spend was SME Businesses.
 - Contracting, where possible, suppliers who have signed up for the Scottish Business Pledge.
15. Whilst we endeavor 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 keep abreast of the changing environment and embed best practice through the sharing of knowledge and encourage partnership working.

FY 2022-23

16. In Financial Year 2022-23, procurement activity continues in relation to our IT transformation project, with KPMG as a material supplier. We have brought in Supply Chain Management Group for technical advice and assurance on procurement. SCMG's initial contract review of KPMG engagement is shown at Annex 3.

Conclusion

17. 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.

Recommendations

18. The Audit and Compliance Committee is invited to note the contents of the report.

ANNEX 1

SFC Supplier Procurement Spend Greater than £5,000 for Financial Year 2021-22

| Supplier name | Type | Framework | Gross value p.a. (£000s)* | SME |
|--------------------------------|---|-----------------------------|---------------------------|------------|
| News Direct | Services | Cumulative invoices >£5K | 5 | Yes |
| O2 (UK) Limited | Information & Communications Technology | CCS Framework | 5 | Yes |
| QSR International (UK) Ltd | Professional Services | Single Supplier | 5 | Yes |
| A & K Maintenance | Office Maintenance | Landlord preferred supplier | 6 | Yes |
| Business Stream | Water Contract | SG Framework | 6 | No |
| MetaCompliance Ltd | Information & Communications Technology | Cumulative invoices >£5K | 6 | Yes |
| Bottomline Technologies | Information & Communications Technology | CCS Framework | 7 | No |
| Monster Media Productions Ltd | Professional Services | Cumulative invoices >£5K | 7 | Yes |
| Pulse HR Ltd | Professional Services | SFC Contract | 7 | Yes |
| Elsevier | Professional Services | SFC Contract | 10 | No |
| IRIS Software Limited | Information & Communications Technology | SFC Contract | 11 | No |
| Robertson Bell | Recruitment | APUC Framework | 11 | Yes |
| Virgin Media Business | Information & Communications Technology | SG Framework | 12 | No |
| C2 Software Limited | Information & Communications Technology | CCS Framework | 12 | Yes |
| Learning Pool | Information & Communications Technology | SFC Contract | 12 | Yes |
| NLA Media Access | License | Single Supplier | 13 | No |
| Pressdata | Media Monitoring | Not-Contracted | 13 | Yes |
| Edenred | Childcare Vouchers | CCS Framework | 17 | No |
| BME Solutions Limited | Information & Communications Technology | CCS Framework | 19 | Yes |
| Newsquest (Herald & Times) Ltd | Recruitment Adverts | Not-Contracted | 20 | unreported |
| Churchill Service Solutions | Services | SFC Contract | 27 | No |

| Supplier name | Type | Framework | Gross value p.a. (£000s)* | SME |
|-----------------------------------|---|-----------------|---------------------------|-----|
| Exactive | Information & Communications Technology | CCS Framework | 28 | Yes |
| Dell Computer Corporation Ltd | Information & Communications Technology | NHS Framework | 41 | No |
| Deltascheme Ltd | Information & Communications Technology | CCS Framework | 45 | Yes |
| Pertemps Network | Recruitment | SG Framework | 46 | No |
| AZETS Holdings Ltd | Recruitment | APUC Framework | 55 | No |
| JISC Services Ltd | Information & Communications Technology | APUC Framework | 59 | No |
| Burness Paull | Legal | SFC Contract | 64 | No |
| KPMG LLP | Professional Services | CCS Framework | 64 | No |
| SAS Software Ltd | Information & Communications Technology | Single Supplier | 74 | No |
| Kick ICT Group Ltd | Information & Communications Technology | SFC Contract | 83 | Yes |
| Veredus Ltd | Recruitment | APUC Framework | 90 | Yes |
| ASA Recruitment | Recruitment | SG Framework | 114 | No |
| Softcat Limited | Information & Communications Technology | SG Framework | 124 | No |
| Supplier spend over £5,000 | | | 1,113 | |
| Supplier spend under £5,000 | | | 87 | |
| Supplier spend total | | | 1,200 | |

* To the nearest full number

ANNEX 2

SFC non-compliant spend for Financial Year 2021-22

| Supplier name | Gross value p.a. (£000s)* | Reason for supplier | Explanations/actions for FY2022-23 |
|--------------------------------|---------------------------|--|--|
| News Direct | 5 | Single supplier, Scottish news feed | |
| QSR International (UK) Ltd | 5 | Single supplier | One of use of this supplier. |
| A&K Maintenance | 6 | Landlord preferred Maintenance company | |
| MetaCompliance Ltd | 6 | Full year spend greater than £5K | Review of in year spending |
| Monster Media Productions Ltd | 7 | SFC contract | Full year spend greater than £5K, Review of in year spending |
| NLA Media Access | 13 | Single supplier | Only provider |
| Pressdata | 13 | Not contracted | |
| Newsquest (Herald & Times) Ltd | 20 | Not contracted | |
| SAS Software Ltd | 74 | Single supplier | |
| TOTAL | 149 | | |

* To the nearest full number