



Annual Procurement Report 2022/23

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1.0 INTRODUCTION

1.1 About the Care Inspectorate

The Care Inspectorate is a scrutiny body which supports improvement. That means we look at the quality of care in Scotland to ensure it meets high standards. Where we find that improvement is needed, we support services to make positive changes.

Our vision is that everyone experiences safe, high-quality care that meets their needs, rights and choices.

Our staff work across Scotland, specialising in health and social care, early learning and childcare, social work, children's service, and community justice.

We:

- inspect individual care services.
- inspect how care is provided across areas.
- support improvement and driving up standards.

2.0 PROCUREMENT STRATEGY

The Care Inspectorate and Scottish Social Services Council (SSSC) 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:

1. Achieve value for money.
2. Deliver sustainable procurement.
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 a procurement service which supports effective procurement which delivers best value.

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

A new strategy has been published to cover the period April 2023 to March 2026.

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
- Rent
- Rates
- Shared services
- Reimbursement of travel and subsistence

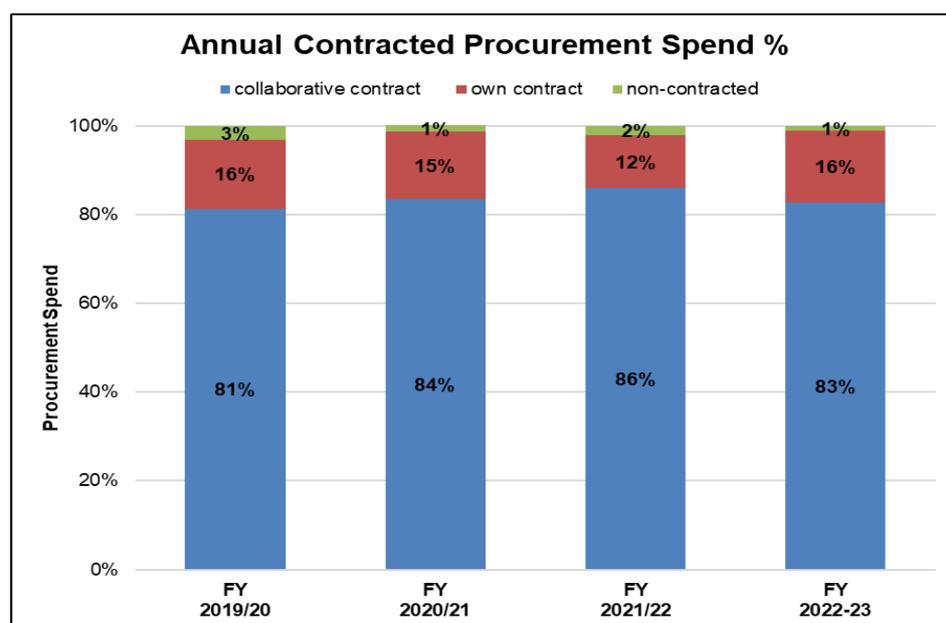
To make sure we achieve value for money in our procurement activity, we prepare sourcing strategies for all standard tenders.

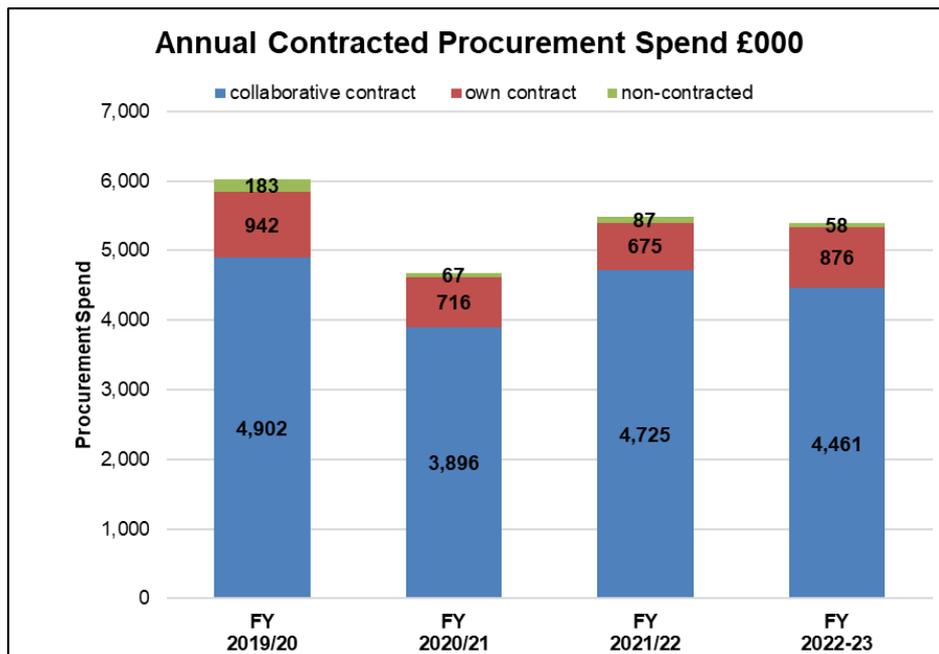
The table below shows the value and volume of procurement activity for the year to 31 March 2023 (figures for the year to 31 March 2022 are shown for comparison):

Table 1: Value and Volume Summary		
	2021/22	2022/23
Total Spend	£7,408,948	£7,538,013
Total Procurement Spend	£5,486,986	£5,395,125
Total Invoice Value	£6,780,826	£7,415,847
Number of Invoices	1,977	1,891
Number of Suppliers Paid*	326	393
Average Invoice Value	£3,430	£3,922

* No of suppliers includes 173 paid by electronic purchasing card (2021/22; 112).

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





As can be seen from the analysis above, contracted spend represents 99% of procurement spend. This is an increase of one percentage point from 2021/22. 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.

3.1.1 Collaborative procurement

We use collaborative frameworks wherever possible and only tender for our own procurement where there is not a suitable framework in place. Spend on collaborative procurement continues to represent the highest value of procurement spend. During the year we have undertaken mini-competitions or continued to call off frameworks with the following contract or framework owners:

- Scottish Procurement and Property Directorate (SPPD)
- Advanced Procurement for Universities and Colleges (APUC)
- Scottish Prison Service
- Crown Commercial Services (CCS)
- Health Trust Europe (HTE)
- Eastern Shires Purchasing Organisation (ESPO)
- Yorkshire Purchasing Organisation (YPO)
- National Services Scotland (NSS)
- Audit Scotland
- Fusion21
- HMRC

Where possible, we collaborate with the SSSC in the award of contracts.

3.1.2 Non-contracted spend

Non-contracted procurement spend comprises expenditure with suppliers who are not on our contracts register and for which our below threshold procurement guidance has not been followed. Non contracted spend for 2022/23 is £58,469, representing 1% of total procurement spend. An analysis of this is:

Description	Value (£000)	Percentage
Total no-contracted spend	58	100%
Spend which should have followed a non-regulated procurement process ¹	(31)	(53%)
Spend now regularised	(26)	(44%)
Legacy banking contract for which transactions are being phased out	(1)	(3%)
Total unidentified spend	0	0%

All non-compliant spend is addressed directly with the relevant officers.

All regulated procurement spend is compliant with our procurement guidance.

3.1.3 Contract benefits realised

We have calculated reported procurement savings following the 'Procurement Benefits Reporting Guidance' which was developed for the Scottish Public Sector.

We have realised savings totalling £0.344m (2022/23: £0.325) from procurement during the year. This comprises £0.291m cash savings (2021/22: £0.241m) and £0.053m non-cash savings (2020/21: £0.084m). The highest savings were realised from the following contracts:

- Learning Management System (LMS)
- Digital technology products
- Building Maintenance
- Cloud services
- Digital Communications Platform

Sustainability benefits realised during the year are detailed in 3.2.

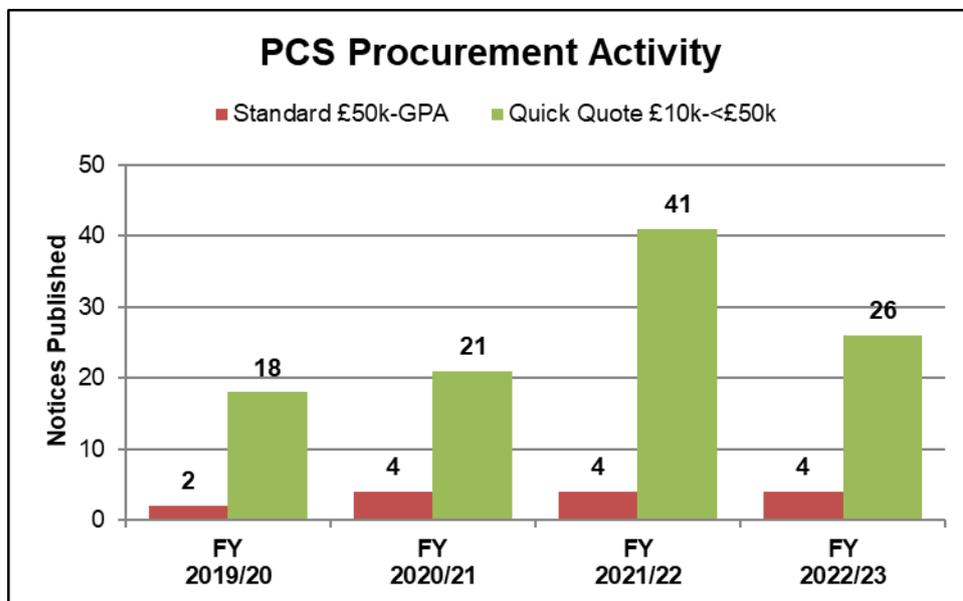
¹ This spend relates to 11 contracts with different suppliers

3.1.4 Summary of procurement activity

We are committed to making public procurement open and accessible to businesses, especially small and medium sized enterprises (SMEs), the third sector and supported businesses. Most of our tender opportunities greater than £10,000 are advertised on the Public Contracts Scotland (PCS) advertising portal. 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 were advertised on PCS and shows that all the Care Inspectorate's 2022/23 procurements are below the GPA threshold.



2021/22 quick quote activity includes a higher demand than normal for interim and temporary staff. This reduces to more normal activity levels in 2022/23.

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
- anticipated route to market
- the expected contract notice publication date

- expected award date
- expected start date

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 568 transactions (2021/22: 475) totalling £81,145 (2021/22; £65,814) using this method in 2022/23 with an average transaction value of £142.86 (2021/22; £137.40).

The value and volume of spend has seen an increase from the position reported in 2021/22. This was due to an increase in requirement for low value goods and services relating to our regulatory duties returning to pre-pandemic levels.

3.1.7 Invoice analysis

We processed a total of 1,891 invoices (2021/22: 1,977), totalling £7.416m (2021/22: £6.781m) during the year.

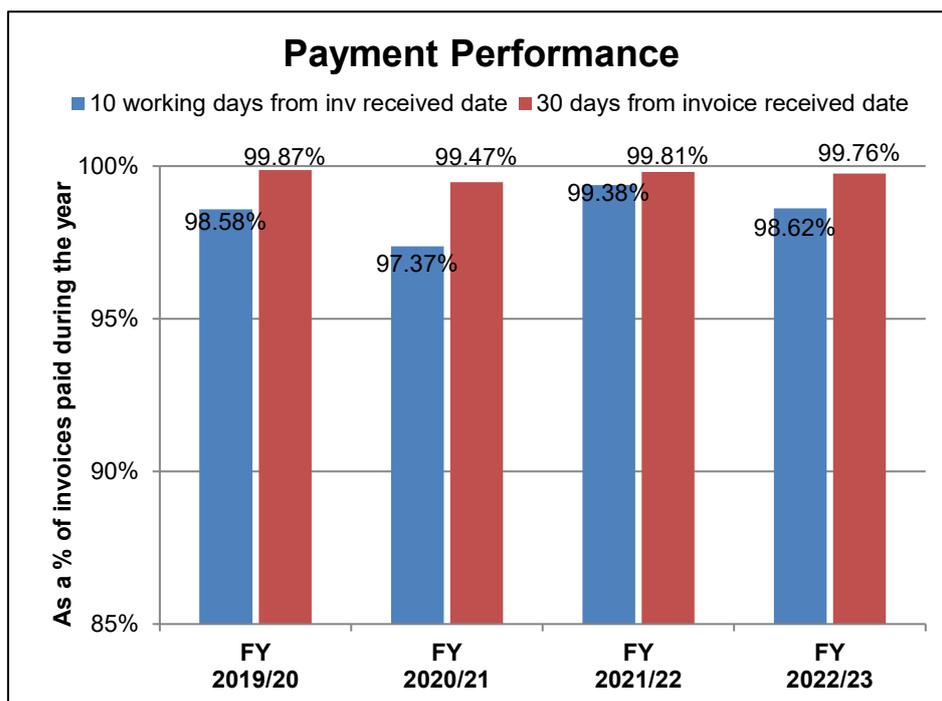
We continue to explore opportunities for consolidating invoicing and purchasing low value goods and services using ePCs, where savings are realised from the reduction in volume of invoices processed. The cumulative saving from this is £25k (2021/22; £23k) and is reported in the non cash savings in 3.1.3.

3.2 Deliver sustainable procurement

The Care Inspectorate 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 payment performance continues to be maintained at a high level. 99.76% of suppliers were paid within 30 days of the invoice received date, and 98.62% paid within the Scottish Government's target of 10 working days. The following shows payment performance for the financial years 2019/20 to 2022/23.



3.2.2 Paying the living wage through regulated procurement

We promote fair work practices in all of our tender documentation and are committed to promoting the payment of the Real Living Wage. The Care Inspectorate is an accredited living wage employer.

During the year we have awarded 39 contracts or call-offs where sustainability benefits were secured. Of those, 24 suppliers documented that they pay either the Real Living Wage or the Living Wage for the provision of the following services:

Contracted Service	Award Value £000
Provision of temporary/interim staff	428
Digital services	162
IT related training	160
Software development and support	123
Cloud services	108
Transformation services	100
Website services	89
Executive coaching and mentoring	60
Document management	58
Staff engagement	54
Interpreting, translation and transcription services	35
IT design review consultancy	19
ELC improvement evaluation	16
Server and infrastructure maintenance	6

3.2.3 Community benefits

We promote the use of community benefits within procurement exercises where they are relevant and proportionate to the contract. We have not had any contracts exceeding £4m in value, however, we continue to call-off of Scottish Procurement and Property Directorate collaborative contracts which supports the provision of apprenticeships and work placements.

Our contracts awarded during the year provide the following benefits:

- provision of apprenticeship schemes
- sub-contracting arrangements with Scottish companies and SMEs
- provision of locally based providers
- modern apprenticeship scheme
- work placements

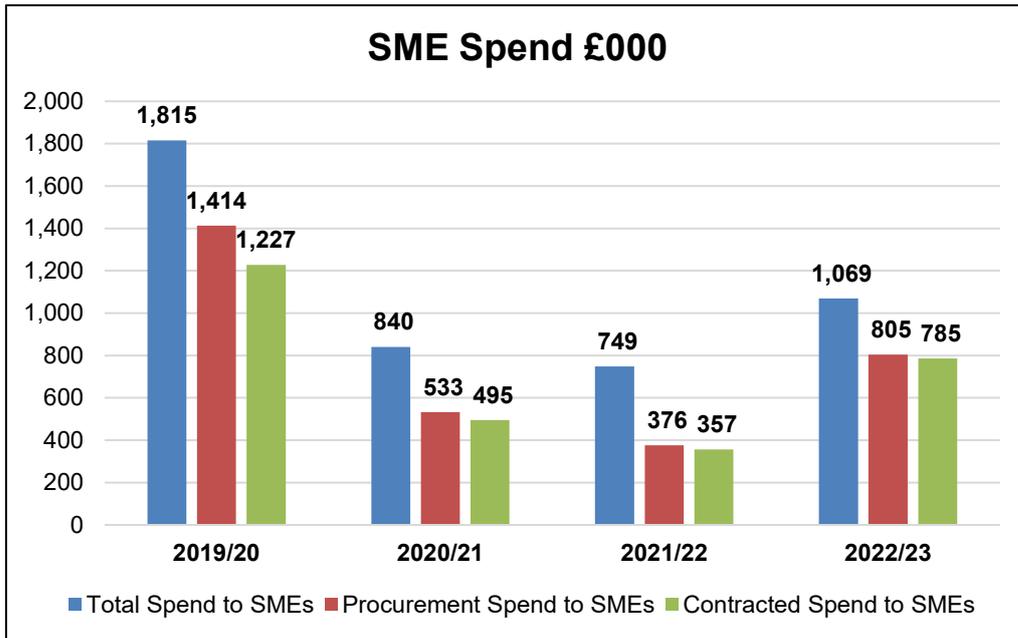
We also continue to realise the following benefits from the award of contracts:

- the provision of approved work placements for secondary school pupils and support for events to promote and encourage entrepreneurship.
- an opportunity for a modern apprentice to be involved in the delivery of the contract.
- 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.
- a commitment to working with us in supporting charitable causes.
- 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.
- 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.

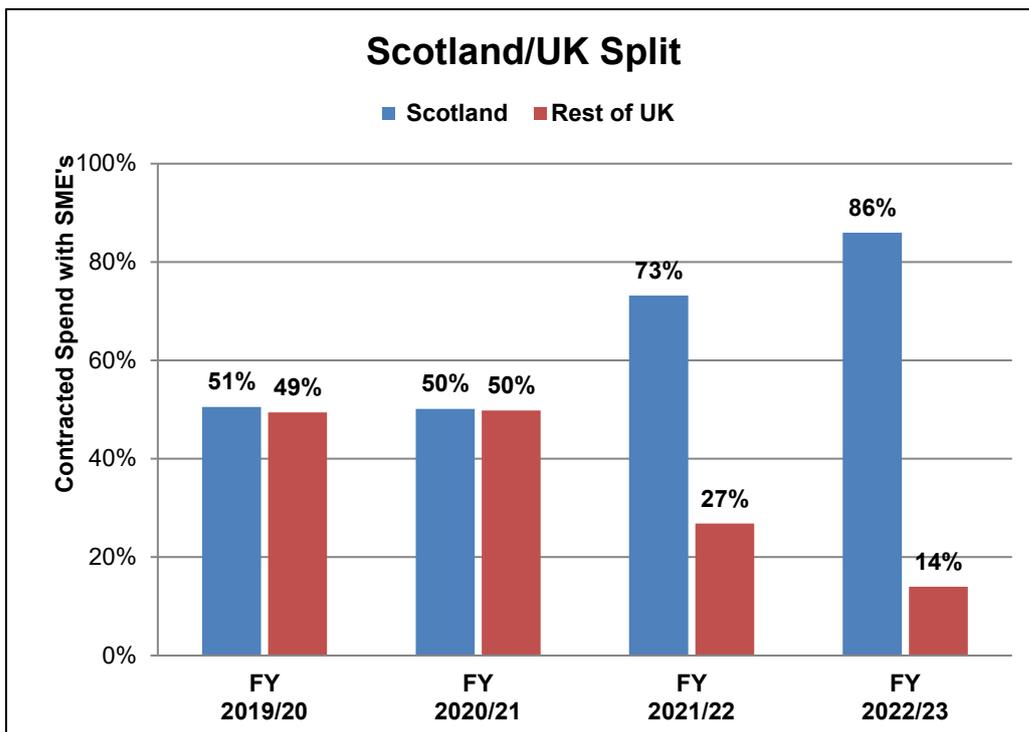
3.2.4 SME's local businesses, supported businesses and the third sector

During the year we have continued to address sustainability in procurement. A directory of supported businesses is published on the Care Inspectorate intranet. This directory provides supported business supplier names, contact details including website links and a summary of goods and services provided by each supported business.

We continue to capture spend with SME's, social enterprises and third sector suppliers. Our annual spend with SMEs is £1m, representing 14% (2021/22: 10%) of our total spend and 15% (2021/22: 7%) of our procurement spend. An analysis of our annual spend with SMEs is shown below:



A breakdown of the procurement spend between Scottish and other UK SMEs is represented in the table below:



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.

3.2.6 Other sustainability benefits

We continue to maintain a sustainability tracking tool where we capture sustainability benefits in our procurement activity. For 2022/23 the Care Inspectorate awarded ten contracts and 29 call-off agreements where the following social, environmental and economic benefits were realised:

Environmental Benefits	<ul style="list-style-type: none">• Vehicle emission reduction• Carbon and energy consumption reduction• Waste & efficient resource consumption
Socio-economic benefits	<ul style="list-style-type: none">• Fair work first principles• Equality & human rights• Employment skills and training• Award and subcontracting to SMEs• Equalities within the workforce.

These benefits relate to regulated and lower value contracts and include the following:

Our executive coaching and mentoring suppliers have committed to:

- provide coaching sessions remotely where possible and consider public transport as their choice of travel where face to face sessions are required. Where this is not possible, they will use electric or hybrid vehicles.
- for every 50 hours of coaching provided through the framework they will directly support 10 young adults.
- deliver community-based benefits that will help young or 'disadvantaged' people into work and transform their skills.

Our website hosting and maintenance framework also provides the following to reduce carbon emissions:

- code minification allowing faster webpage loading time reducing energy consumption.
- user focussed website which reduces user time and network/hardware energy consumption
- The hosting infrastructure partner's energy consumption comes from 100% green renewable energy source.

A number of our service contracts involve the delivery of services remotely, the provision of digital material and local resources where face to face is needed to support our commitment to reduce carbon emissions.

Other sustainability benefits secured include:

- delivery of carbon neutral services
- sub-contracting arrangements with Scottish companies and SMEs
- supply of paper from sustainable chains and active promotion of carbon capture
- energy consumption from certified renewable sources
- modern apprenticeship scheme
- work placements
- removal and recycling of packaging

We continue to maintain more sustainable methods of working where our paper requirement continues to be lower than pre-pandemic levels and has reduced from 101 boxes in 2021/22 to 40 boxes this year.

3.3 Raise the level of procurement knowledge, skills and expertise

The Care Inspectorate continues to invest in ensuring our staff are equipped with the right tools and experience in order to discharge their procurement duties effectively and efficiently. A central procurement training register is maintained by the Procurement Team. Activities during the year included:

- The Procurement Team continued to deliver training at Care Inspectorate team level. This allowed the training to be delivered around individual team requirements, ensuring it was meaningful and relevant. During the year, they delivered seven formal training events.
- Our shared service partner delivered evaluation training to our IT and Digital Transformation staff.
- Informal training is provided on an on-going basis by the Procurement Team and procurement continues to form part of the induction that staff with delegated procurement authority undertake when they join the Care Inspectorate.
- Numerous external courses were attended by members of the Procurement Team.

The Procurement Development Group (PDG) meets at least twice each year.

3.4 Provide timely performance information

The PDG provides an opportunity where key procurers within the Care Inspectorate and SSSC can discuss best practice, new developments and procurement plans with a specific aim of developing and improving the organisations' procurement capability and the effectiveness of our internal processes. The PDG informs the development of our internal procedures and reporting requirements, both internally and to Scottish Government.

A set of agreed performance measures are reported to this group bi-annually where progress against targets is reviewed and solutions are sought for further improvement.

This report on annual performance is presented to the Procurement Development Group, and the Board. Feedback from this report will be incorporated into the 2023/24 procurement action plan where required.

Outwith the above, any areas of concern are reported to the relevant management team as they occur.

3.5 Achieve the benefits derived from collaborative working

As can be seen from the information reported in 2.1, we continue to use collaborative frameworks where available and continue to explore opportunities for collaboration through CGPSS and our membership of our Procurement Cluster Group.

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.

Savings of £0.290m (2021/22: £0.270m), representing 84% (2020/21: 83%) of our total procurement savings, have been realised from the use of collaborative frameworks.

3.6 Strengthen contract and supplier management processes

Contract management training has been delivered to all staff with responsibility for managing contracts. This training provides staff with the resources required to better manage their contracts and suppliers.

Contract and supplier management e-learning modules were launched this year. We also provide a contract management handbook to provide further support and guidance to staff who have a role in managing contracts and suppliers. The effectiveness of this handbook was tested during the year with positive feedback received and no recommendations for improvements identified.

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 bi-annually and maintain a central record of this which is linked to the contract register.

3.7 Provide a procurement service which supports effective procurement which delivers best value

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 amended and

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

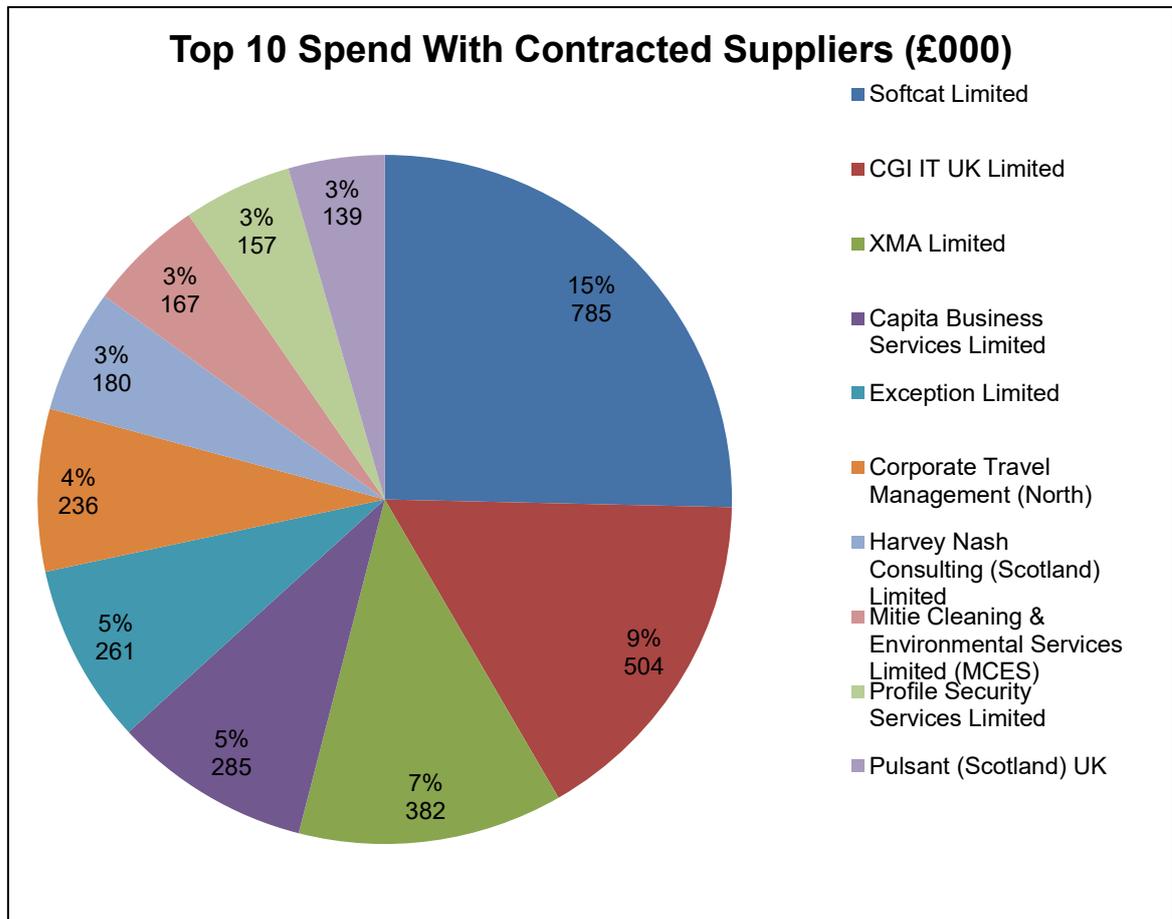
The Procurement Team has also had an integral role in the creation of lessons learned reviews during the year. These are shared with the wider internal procurement community to make sure they consider these valuable lessons for future procurements.

Internal audit reviewed our procurement and creditors function. The audit report was rated as satisfactory with no recommendations for the procurement function.

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

Together, the top 10 suppliers account for 57% (2021/22: 62%) of our total procurement spend, and 58% (2021/22: 63%) of our contracted spend.



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

Spend category	Spend value £000
Information systems	1,307
Professional fees	758
Property costs	322
Telephones	240
Transport costs	236
Staff costs	180
Training and development	44
Advertising, publicity, subscriptions & publications	7
Total	<u>3,094</u>

5.0 SUPPLIER ACTIVITY

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

The number of active suppliers as of 31 March 2023 was 204 (2021/22: 250). Comprising the following:

- 187 supplier sites for the supply of goods or services (2021/22: 182)
- 17 supplier sites for reimbursing inspection volunteers and associate assessors for travel and subsistence expenses (2021/22: 68).

6.0 CONCLUSION

The Care Inspectorate continues to make good progress towards the achievement of the published procurement priorities and the procurement action plan which supports the procurement strategy has been updated to reflect current priorities. The implementation of this plan will support continued development in procurement.

Glossary

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

Term	Description
Real Living Wage	Living wage calculated to be sufficient to provide the necessities and comforts essential to an acceptable standard of living. Applies to all workers over the age of 18.
SME	The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees.
Supported Business	A supported business' primary aim is the social and professional integration of disabled or disadvantaged persons. At least 30 per cent of the employees of those businesses should be disabled or disadvantaged.
Third Sector	Term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.

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یہ اشاعت درخواست کرنے پر دیگر شکلوں اور دیگر زبانوں میں فراہم کی جاسکتی ہے۔

ਬੇਨਤੀ 'ਤੇ ਇਹ ਪ੍ਰਕਾਸ਼ਨ ਹੋਰ ਰੂਪਾਂ ਅਤੇ ਹੋਰਨਾਂ ਭਾਸ਼ਾਵਾਂ ਵਿਚ ਉਪਲਬਧ ਹੈ।

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