

Scottish Procurement

Scottish Procurement Policy Note

SPPN 7/2020

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Scottish Government
Riaghaltas na h-Alba
gov.scot

Annual Procurement Reports, revised Procurement Strategies and notifying Scottish Ministers

Purpose

1. This SPPN provides details of how a contracting authority should notify Scottish Ministers of the publication of its annual procurement report covering financial year 2019-20, including completing and submitting the template provided at Annex A. This SPPN also provides information on notifying Scottish Ministers of the publication of a revised procurement strategy.
2. The content of this SPPN is not legal advice and should not be construed as such. Contracting authorities are advised to seek their own legal advice in relation to any questions and issues they may have.

Background

3. All contracting authorities with an annual regulated procurement spend of £5 million and above must produce an procurement strategy under section 15 of the Procurement Reform (Scotland) Act 2014 (“the 2014 Act”).
4. It requires a contracting authority, which is obliged to prepare or revise a procurement strategy in relation to a financial year, to publish an annual procurement report on its regulated procurement activities as soon as reasonably practicable after the end of that financial year.
5. The 2014 Act also requires Scottish Ministers to publish an annual report on procurement activity in Scotland, providing an overview of public procurement activity and its content is informed by the individual annual procurement reports

published by contracting authorities in Scotland. A copy of the Ministers' report must be laid in Parliament.

6. Please note that although this SPPN refers to publishing procurement strategies and annual procurement reports as a legal obligation under the 2014 Act, contracting authorities to whom these legal obligations do not apply are encouraged to publish strategies and reports as a matter of good practice.

Publishing an annual procurement report for financial year 2019-20

7. As mentioned in paragraph 4 above, the timing of the publication of an annual procurement report is for individual authorities to determine having regard to the circumstances prevailing to them at the relevant time. This allows authorities to take account of their ability to publish reports having regard to their resources and priorities at any given time including, for example, the pressures which may be placed on their resources during the current coronavirus (COVID-19) outbreak.
8. The timing of the publication of individual annual procurement reports is an important consideration in the preparation of the Scottish Ministers annual report on procurement activity in Scotland. This is because the Ministers' report will be based on information contained within annual procurement reports published by individual contracting authorities.
9. The 2014 Act does not set a hard deadline for publishing annual procurement reports, providing instead a degree of flexibility that reports are published "as soon as reasonably practicable". Last year we offered guidance that it was not unreasonable to expect reports to be published no later than five months following the end of the authority's financial year. This was based upon experience of reports published by contracting authorities during 2018.
10. This year, it is recognised that contracting authorities face a number of additional challenges given the pressures of day to day business for public services as a result of the current COVID-19 outbreak and this may impact on the timing of their report. Where an authority determines this year that it is not possible to publish a report within five months following the end of the authority's financial year, it must do so as soon as reasonably practicable thereafter.
11. As soon as an authority notifies Ministers it has published its annual report, we will undertake an initial analysis of it as the first stage in preparing the Ministers report. The second stage involves a wider high-level analysis of all reports available to us at a point in time. It is our intention to undertake this second stage in early 2021. We shall, however, keep the timing of this under review as we must balance the legal requirement to publish the Scottish Ministers report as soon as reasonably practicable with a need to ensure that report is meaningful, by

including as many individual annual procurement reports as is possible in the high-level analysis.

12. On publishing an annual procurement report, the 2014 Act requires a contracting authority to notify Scottish Ministers¹. You can do this by sending an email to annualprocurementreport@gov.scot with a link to where the report can be accessed. Contracting authorities should also complete the template attached as **Annex A** and include it with their email.

13. While individual annual procurement reports must meet legislative requirements set by the 2014 Act, authorities will also find them helpful in outlining how their procurement activity is contributing to the delivery of broader aims and objectives, for example, how you are using your procurement activities to tackle the climate emergency. This means that there is likely to be some variation in the content of these reports. At the same time, it is important to ensure consistency of the information that will be common to all annual procurement reports, which will be helpful to the reader of individual annual procurement reports, and for the analysis of those reports.

14. With that in mind, last year we provided authorities with a template to capture certain information in a consistent manner. We plan to revisit, and perhaps develop, this template based on experience, but for this year, the template is the same as the one used last year. It focuses largely on data that relates to the minimum content required by the [Procurement Reform \(Scotland\) Act 2014](#) and is consistent with existing guidance embedded within the [Procurement Journey](#). This data is information that will be helpful to contracting authorities in managing their contracts and suppliers and so should be readily available. It is also helpful in improving the consistency and completeness of quantitative data associated with the minimum content of the 2014 Act that forms part of a high-level analysis.

Action required when publishing a revised procurement strategy

15. A contracting authority which expects to have procurement expenditure of £5 million or more² in the next financial year must, before the start of that year, review its procurement strategy, make such revisions to it as the authority considers appropriate and publish its revised strategy³.

16. The Scottish Government reviewed its own procurement strategy at the end of March and to provide continuity and support to our suppliers during the COVID-19 outbreak took the decision to extend it until 31 March 2021, rather than publish a new one.

¹ Section 19 of the Procurement Reform (Scotland) Act 2014

² An authority has significant procurement expenditure in a year if the sum of the estimated values of the contracts to which its regulated procurements in that year relate is equal to or greater than £5,000,000.

³ Section 15 of the Procurement Reform (Scotland) Act 2014

17. On publishing a revised procurement strategy, a contracting authority must then notify Scottish Ministers⁴ by sending an e-mail to ProcurementStrategies@gov.scot with a link to where the revised strategy can be accessed.
18. For guidance on the content of an annual procurement report or procurement strategy, please consult the relevant chapter of the [Statutory Guidance](#). Supplementary guidance for an annual procurement report and a procurement strategy are available from the [Procurement Journey](#).

Dissemination

19. Please bring this SPPN to the attention of all relevant staff, including those in agencies, Non-Departmental Public Bodies (NDPBs) and other sponsored public bodies within your area of responsibility.

Contact

20. If you have any questions about this SPPN, please contact us on ScottishProcurement@gov.scot

Scottish Procurement

The Scottish Government

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⁴ Section 19 of the Procurement Reform (Scotland) Act 2014

Annual Procurement Report template

[NOTE: reference to contract is also to be construed as meaning a framework agreement]

1. Organisation and report details	
a) Contracting Authority Name	«Name»
b) Period of the annual procurement report	«Period of report»
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	«Yes / No»
2. Summary of Regulated Procurements Completed	
a) Total number of regulated contracts awarded within the report period	«Number»
b) Total value of regulated contracts awarded within the report period	«Value (£)»
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	«Number»
i) how many of these unique suppliers are SMEs	«Number»
ii) how many of these unique suppliers how many are Third sector bodies	«Number»
3. Review of Regulated Procurements Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	«Number»
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	«Number»
4. Community Benefit Requirements Summary	
Use of Community Benefit Requirements in Procurement:	
a) Total Number of regulated contracts awarded with a value of £4 million or greater.	«Number»
b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	«Number»
c) Total Number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	«Number»

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

- d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)
- e) Number of Apprenticeships Filled by Priority Groups
- f) Number of Work Placements for Priority Groups
- g) Number of Qualifications Achieved Through Training by Priority Groups
- h) Total Value of contracts sub-contracted to SMEs
- i) Total Value of contracts sub-contracted to Social Enterprises
- j) Total Value of contracts sub-contracted to Supported Businesses
- k) Other community benefit(s) fulfilled

«Number»
«Number»
«Number»
«Number»
«Value (£)»
«Value (£)»
«Value (£)»
«Number/Value»

5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.
- b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.
- d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.

«Number»
«Number»
«Number»
«Number»

6. Payment performance

- a) Number of valid invoices received during the reporting period.
- b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)
- c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.
- d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.

«Number»
«Percentage»
«Number»
«Number»

7. Supported Businesses Summary

- a) Total number of regulated contracts awarded to supported businesses during the period
- b) Total spend with supported businesses during the period covered by the report, including:
- i) spend within the reporting year on regulated contracts
 - ii) spend within the reporting year on non-regulated contracts

«Number»
«Value (£)»
«Value (£)»
«Value (£)»

8. Spend and Savings Summary

- a) Total procurement spend for the period covered by the annual procurement report.
- b) Total procurement spend with SMEs during the period covered by the annual procurement report.
- c) Total procurement spend with Third sector bodies during the period covered by the report.
- d) Percentage of total procurement spend through collaborative contracts.

«Value (£)»
«Value (£)»
«Value (£)»
«Percentage»

- e) Total targeted cash savings for the period covered by the annual procurement report
- i) targeted cash savings for Cat A contracts
 - ii) targeted cash savings for Cat B contracts
 - iii) targeted cash savings for Cat C contracts

«Total Value (£)»
«Value (£)»
«Value (£)»
«Value (£)»

- f) Total delivered cash savings for the period covered by the annual procurement report
- i) delivered cash savings for Cat A contracts
 - ii) delivered cash savings for Cat B contracts
 - iii) delivered cash savings for Cat C contracts

«Total Value (£)»
«Value (£)»
«Value (£)»
«Value (£)»

- g) Total non-cash savings value for the period covered by the annual procurement report

«Total Value (£)»

9. Future regulated procurements

- a) Total number of regulated procurements expected to commence in the next two financial years
- b) Total estimated value of regulated procurements expected to commence in the next two financial years

«Number»
«Value (£)»

NOTES

- Reference to contract is also to be construed as meaning a framework agreement.
- Please provide exact figures wherever possible, rather than estimations.
- Please distinguish between the '0' value and where information is either not recorded or not available.

1. Organisation and report details

- a) Enter the name of the contracting authority to which the report refers.
- b) Enter the actual period of the report (for example 1 April 18 to 31 March 19 or 1 August 18 to 31 July 19.)
- c) Has the report been prepared because there is a requirement to do so under Section 18 of the 2014 Act?

2. Summary of regulated procurements completed

- a) This is the total number of all regulated contracts that were awarded during the reporting period as a result of regulated procurements.
- b) This is the total estimated value (excluding VAT) of all regulated contracts that were awarded during the reporting period as a result of regulated procurements.
- c) This is the total number of unique suppliers that were awarded a place on a regulated contract which was awarded during the reporting period. (where a supplier has been awarded more than one framework, or contract only one instance should be recorded).
 - i) Number of unique SME suppliers that were awarded a place on a contract awarded during the reporting period. (An SME means an enterprise which employs less than 250 staff.)
 - ii) Number of unique Third sector suppliers that were awarded a place on a contract awarded during the reporting period.

3. Review of regulated procurements compliance

- a) Total number of regulated contracts awarded within the reporting period that complied with the commitments and policies set out in your corporate procurement strategy.
- b) Total number of regulated contracts awarded within the reporting period that did not comply with commitments and policies set out in the corporate procurement strategy.

4. Community benefit requirements summary

- a) Total number of individual regulated contracts awarded within the reporting period with a value of £4 million or greater.
- b) Total number of individual regulated contracts awarded within the reporting period with a value of £4 million or greater that contain Community Benefit requirements.
- c) Total number of regulated contracts with a value of less than £4 million that contain that contain Community Benefit requirements.
- d) Total number of jobs filled by individuals within a priority group during the period of the report.
- e) Total number of apprenticeships filled by priority groups during the period of the report.
- f) Total number of work placements delivered for priority groups during the period of the report.

- g) Number of qualifications achieved during the period of the report through training by priority groups.
- h) Total value of contracts subcontracted to SMEs during the period of the report
- i) Total value of contracts subcontracted to Social Enterprises during the period of the report.
- j) Total value of contracts subcontracted to Supported Businesses during the period of the report.
- k) Other community benefits that were fulfilled during the period of the report that do not fall into one of the preceding categories.

5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the reporting period where it was relevant to include a scored Fair Work criterion.
- b) Total number of unique suppliers that have committed to pay the real Living Wage to persons involved in producing, providing or constructing the subject matter of regulated procurements; this number will include suppliers who are awarded onto a framework agreement and will also reflect those suppliers who are accredited as Living Wage employers.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period of the report; this number will include suppliers who are awarded onto a framework agreement.
- d) Number of unique suppliers signed up to the Scottish Business Pledge and were awarded a regulated contract during the period of the report; this number will include suppliers who are awarded onto a framework agreement.

6. Payment performance

- a) Total number of valid invoices received during the period of the report.
- b) The percentage of valid invoices received during the period of the report that were paid on time (for example, within the time period set out in the contract terms).
- c) Total number of regulated contracts awarded during the period of the report that contained a contract term requiring the prompt payment of invoices in public contract supply chains.
- d) Total number of concerns raised by sub-contractors within the timeframe covered by the report about timely payment of invoices relating to the supply chain of public contracts.

7. Supported businesses summary

- a) Total number of all regulated contracts that were awarded to supported businesses during the reporting period (this includes contracts reserved for supported businesses)
- b) Total amount of spend with supported businesses during the reporting period (through regulated and non-regulated contracts).
 - i) Total spend with supported businesses during the reporting period through regulated contracts (including spend within the period on contracts placed before the period).
 - ii) Total spend with supported businesses during the reporting period through non-regulated contracts (including spend within the period on contracts placed before the period).

8. Spend and savings summary

- a) Total amount of procurement spend during the reporting period.
- b) Total amount of procurement spend with SMEs during the reporting period.
- c) Total amount of procurement spend with Third Sector bodies during the reporting period.
- d) Percentage of total procurement spend during the reporting period that is through collaborative contracts.
- e) Total amount of cash savings that was targeted / forecast for the period of the report.
 - i) Total amount of cash savings that was forecast for the period of the report through Cat A (National) contracts.
 - ii) Total amount of cash savings that was forecast for the period of the report through Cat B (Sectoral) contracts.
 - iii) Total amount of cash savings that was forecast for the period of the report through Cat C contracts.
- f) Total amount of cash savings delivered for the period of the report.
 - i) Total amount of cash savings delivered during the period of the report through Cat A (National) contracts.
 - ii) Total amount of cash savings delivered during the period of the report through Cat B (Sectoral) contracts.
 - iii) Total amount of cash savings delivered during the period of the report through Cat C contracts.

9. Future regulated procurements

- a) Total number of all regulated contracts that are expected to commence in the next two financial years.
- b) Total estimated value of all regulated contracts that are expected to commence in the next two financial years.