

Scottish Procurement Policy Note: SPPN 2/2023

04 May 2023

Public Procurement - Annual procurement reports for 2022-2023 and 2023-2024: Revised procurement strategies and notifying Scottish Ministers.

Purpose

This policy note provides details of how a public body should notify Scottish Ministers of the publication of their annual procurement report covering the financial years 2022-2023 and 2023-2024, including submitting a completed template provided at annex A, annual procurement report template.

Key points

- public bodies with an annual procurement spend of £5 million or more are required to prepare and publish a procurement strategy or revise an existing strategy under [the Procurement Reform \(Scotland\) Act 2014](#) ("the 2014 Act")
- a public body must notify the Scottish Ministers when publishing a procurement strategy under [section 15 of the 2014 Act](#)
- the 2014 Act requires a public body which is obliged to prepare or revise a procurement strategy in relation to a financial year, to publish an annual procurement report as soon as reasonably practicable after the end of that financial year
- a public body must notify the Scottish Ministers when publishing an annual procurement report under [section 18 of the 2014 Act](#)
- the template at annex A, annual procurement report template, does not feature any new or additional questions to the template attached to previous year's SPPNs relating to annual reporting

Background

Under [section 15 of the 2014 Act](#), all public bodies which expect to have spend of £5 million or greater on regulated procurements in its next financial year must produce a procurement strategy before the start of that year. Those bodies should also publish an annual report on their regulated procurement activities as soon as reasonably practicable after the end of that financial year.

[Section 21 of the 2014 Act](#) also requires Scottish Ministers to publish an annual report on procurement activity in Scotland. This report provides an overview of public procurement activity that is informed by the individual annual procurement reports published by public bodies in Scotland. A copy of the Ministers' report must be laid in Parliament.

Bodies with an annual procurement spend of less than £5 million are not legally required to prepare and publish a procurement strategy and annual procurement report but are encouraged to do so as a matter of good practice.

Procurement strategy

A public body, which expects to have procurement expenditure of £5 million or more in the next financial year, must, before the start of that year, either publish a strategy for that coming year, where one does not exist, or review an existing strategy making such revisions to it if the body considers appropriate and publish its revised strategy.

[Section 19 of the 2014 Act](#) requires a public body to notify the Scottish Ministers once it has published a new or updated strategy. If you have not yet notified Scottish Ministers of the publication of a procurement strategy covering financial year 2023-24, please do so by sending an e-mail to ProcurementStrategies@gov.scot with a link to where the strategy can be publicly accessed.

Annual Procurement Report

The 2014 Act requires a public body to prepare an annual procurement report as soon as reasonably practicable after the end of its financial year. This is important, as doing so will support increased transparency by ensuring, for example, that stakeholders have early visibility of the regulated procurements the public body expects to commence in the next two financial years. The timing of the publication of individual annual procurement reports is also 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 public bodies.

Based on previous years, it is not unreasonable to expect an annual procurement report to be published no later than six months following the end of the body's financial year. On publishing an annual procurement report, [Section 19\(3\) of the 2014 Act](#) requires public bodies to notify Scottish Ministers of publication. This can be done by sending an email to annualprocurementreport@gov.scot with a link to where the report can be accessed.

Individual annual procurement reports must meet minimum requirements set by [section 18\(2\) of the 2014 Act](#). Public bodies will also find producing a report helpful in outlining how their procurement activity is contributing to the delivery of broader aims and objectives and in the fullness of time the national Public Procurement Strategy for Scotland. As the broader aims and objectives of public bodies will differ, there is likely to be some variation in the content of reports. At the same time, it is important to ensure consistency of the information common to all annual reports. This will be helpful to the readers of individual annual reports, and for the analysis of

such. With this in mind, public bodies should fully complete the template at Annex A to this SPPN and include it in the email referred to in the preceding paragraph above. The template was developed to assist public bodies meet their reporting obligations and to gather data in a consistent way, which in turn aids the drafting of individual annual reports.

The template at Annex A to this SPPN does not feature any new or additional questions to the template for the previous reporting period. We have, however, removed some questions. For example, we have removed the question concerning the Scottish Business Pledge while a review of the Pledge takes place. Removing this question from Annex A whilst the review takes place will minimise any potential confusion.

The data within Annex A relates to the minimum content required by the 2014 Act and further guidance can be found in the [Procurement Journey](#). The template requires information that should be helpful to public bodies in managing their contracts and suppliers and as such should be readily available.

A public procurement strategy for Scotland

The first [Public Procurement Strategy for Scotland](#) was published on 27 April 2023. Developed in partnership by representatives from across the public sector in Scotland, the national strategy provides a high-level vision for Scottish public procurement which all public sector bodies can align to and deliver against. It is therefore expected that, at the earliest opportunity, the national strategy will be reflected in future individual procurement strategies and annual procurement reports published by public bodies in Scotland.

Guidance

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 is available in the [Procurement Journey](#).

Climate change

The 2014 Act introduced [the Sustainable Procurement Duty](#) requiring public bodies to consider how they can improve the economic, social and environmental wellbeing of their constituency, and act in a way to secure improvements identified. Public bodies should set out in their Procurement Strategy how they will use procurement to contribute to the global climate emergency response - and report progress in their annual procurement reports.

[The Scottish Government's Sustainable Procurement Tools](#) are available to all public bodies and include indicators and guidance to support Scottish public sector buyers to consider and act on a number of climate change considerations. Specifically, the Climate Literacy for Procurers eLearning (log in required) aims to assist public sector buyers in understanding the Climate Emergency challenge and appreciating how

procurement activity can support net-zero aims for their organisation and Scotland as a whole.

[SPPN 3/2022](#) clarifies expectations with respect to climate and circular economy considerations. It aligns climate change reporting duties with procurement policy and legislation. It highlights that public bodies should use their public procurement spend to support climate and circular economy ambitions, signposting sources of support to embed this policy in practice.

Dissemination

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.