

Care Inspectorate and Scottish Social Services Council Draft Procurement Strategy 2016 - 2020

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2.0	Gillian Berry	Para 3.7 wording amendment from 'provide an excellent procurement service appropriate and suitable for the size of organisations' to 'provide a procurement service which supports effective procurement which delivers best value'.	31 Jan 2018
2.0	Gillian Berry	Contents page amended to reflect reworded procurement priority description in 3.7.	31 Jan 2018
2.0	Gillian Berry	Para 3.0 amended to reflect reworded procurement priority 3.7.	31 Jan 2018
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3.0	Gillian Berry	Para 3.2.2 references to 'Scottish Living Wage' amended to 'Real Living Wage'	10 Jan 2019
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3.0	Gillian Berry	References to Executive Team replaced with Executive Group	10 Jan 2019
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3.0	Gillian Berry	Para 3.5 updated to reflect our collaboration with a number of national framework owners.	10 Jan 2019
3.0	Gillian Berry	Para 3.6 wording changes to reflect ongoing delivery of contract and supplier management training.	10 Jan 2019

Contents

1.0 BACKGROUND AND PURPOSE.....	4
2.0 OWNERSHIP AND APPROVAL OF THE STRATEGY	4
3.0 OUR PROCUREMENT PRIORITIES	4
3.1 Priority one: achieve value for money	5
3.2 Priority two: deliver sustainable procurement.....	5
3.2.1 Prompt payment to suppliers and their sub-contractors.....	6
3.2.2 Paying the living wage through our regulated procurement.....	6
3.2.3 Community benefits	6
3.2.4 SME's, local businesses, supported businesses and the third sector.....	6
3.2.5 Fair & ethical trading.....	7
3.3 Priority three: raise level of procurement knowledge, skills and expertise	7
3.4 Priority four: provide timely performance information	7
3.5 Priority five: achieve the benefits derived from collaborative working.....	7
3.6 Priority six: Strengthen contract and supplier management processes	8
3.7 Priority seven: provide a procurement service which supports effective procurement which delivers best value.....	8
4.0 EQUALITY AND DIVERSITY.....	8
5.0 HEALTH & SAFETY	8
6.0 CONTINUING IMPROVEMENT AND ENSURING COMPLIANCE	8
7.0 CARE INSPECTORATE AND SSSC SHARED SERVICE.....	9
8.0 DELIVERY OF STRATEGY	9
8.1 Communication.....	9
8.2 Management and monitoring	10
8.3 Reporting	10
9.0 SUPPORTING POLICIES.....	10

1.0 BACKGROUND AND PURPOSE

The Care Inspectorate and Scottish Social Services Council (SSSC) Procurement Strategy 2016-20 has been informed by the Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016. The Strategy is designed to take a responsible and sustainable approach to procurement.

The purpose of this strategy is to set out how the Care Inspectorate and the SSSC will plan and manage their procurement processes to meet their corporate aims and objectives and comply with regulatory and legislative requirements. The Procurement Strategy applies to all procurement conducted by the Care Inspectorate and the SSSC.

The aim of procurement is to deliver transparent and effective procurement which delivers best value, is legally compliant and follows best practice. This is especially important in a challenging financial climate. Good procurement can generate savings and efficiencies that can be used to re-invest in other activities to support corporate objectives.

Procurement is a devolved responsibility within the Care Inspectorate and the SSSC. Specific authority is required for staff to procure goods, services or works. The procurement must be undertaken within agreed policy and procedural parameters.

This document sets out the Care Inspectorate and SSSC's Procurement Strategy for the period to 31 March 2020 and is supported by a Procurement Action Plan.

2.0 OWNERSHIP AND APPROVAL OF THE STRATEGY

The Chief Executives, as the Accountable Officers, have specific responsibility to ensure that procurement activity is conducted in accordance with the requirements of the Procurement section of the Scottish Public Finance Manual. This responsibility will be discharged through the implementation of this strategy.

The Executive Director of Corporate & Customer Service (CI) / Director of Corporate Services (SSSC) is the sponsor of the Procurement Strategy with responsibility for delivering the strategy being with the Procurement Team and staff who are involved in the procurement process.

The strategy must be approved by the Care Inspectorate's Board and the SSSC's Resources Committees.

3.0 OUR PROCUREMENT PRIORITIES

Our procurement strategy:

- sets out our priorities and proposals for procurement over the planning period;

- identifies those factors that will influence the way in which we manage the procurement process and
- describes the arrangements for monitoring and evaluating the strategy.

Our strategy has seven key priorities as follows:

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.

3.1 Priority one: achieve value for money

We aim to achieve value for money when procuring goods, services and works. This is based on the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user's requirement. Competition promotes efficiency and effectiveness in public expenditure therefore goods, services and works should be acquired by effective competition, including adequate publication of the contract unless there are convincing and justifiable reasons to the contrary. Our policy, where possible, is to advertise tender opportunities above £10k, excluding VAT, on the Public Contracts Scotland advertising portal. We will award contracts on the basis of the most economically advantageous tender (MEAT) which balances value for money and the required quality of the service, goods or works being procured.

Procurement activity contributes to the overall efficiencies targets for the Care Inspectorate and the SSSC, with efficiencies realised reported in the annual Procurement Performance Report.

Whole life cost is the total cost of owning an asset, or using a service, over its entire life. Whole life cost includes all costs such as design and building costs, operating costs, associated financing costs, depreciation, and disposal costs. Whole life cost also takes certain costs that are usually overlooked into account, such as environmental impact and social costs.

3.2 Priority two: deliver sustainable procurement

Sustainable procurement is "a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment" (Department for Environment, Food and Rural Affairs, 2006).

Sustainable procurement to the Care Inspectorate and the SSSC means routinely considering the environmental, social (including equality) and economic opportunities and impacts of purchasing decisions. This requires a long term view.

We will comply with the sustainable procurement duty as detailed in the Procurement Reform (Scotland) Act 2014.

3.2.1 Prompt payment to suppliers and their sub-contractors

We are committed to paying our suppliers promptly and include a clause in our standard terms and conditions stating that we will pay valid invoices within 30 days from receipt. To ensure this flows through the supply chain, we have a further clause stating, where there are sub-contracting arrangements in place, that suppliers must make payment within the same terms to their sub-contractors.

The Care Inspectorate and SSSC work towards making payments to suppliers within 10 working days. In the year to 31 March 2018, the Care Inspectorate and SSSC paid 90.50% and 96.89% respectively of suppliers' invoices within 10 working days. We will continue to work towards paying all valid invoices within this 10 day period.

3.2.2 Paying the living wage through our regulated procurement

We are committed to promoting the use of the Real Living Wage. We will continue, to incorporate evaluation of workforce matters into all contracts where the use of labour is a key deliverable.

Where suppliers have staff working on our premises, these employees are being paid the Real Living Wage.

3.2.3 Community benefits

The Procurement Reform (Scotland) Act 2014 includes a sustainable procurement duty on public sector bodies requiring them to conduct their procurement in a way that will secure economic, social and environmental wellbeing and a requirement that public bodies consider the use of community benefits in major contracts.

We will promote the use of community benefits within procurement exercises where relevant and proportionate to the contract.

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

We will continue to review and update our procurement policies and procedures to ensure that we contribute to improving social, economic and environmental wellbeing where relevant in delivering our contracts. This ongoing review will ensure that we remain an inclusive organisation and encourage a diverse range of suppliers including SMEs, the third sector and supported businesses.

A 'supported business' means an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.

We will use the Scottish Government's Commodities Reserved for Supported Businesses Framework where there is a requirement to purchase goods and services covered by this framework.

3.2.5 Fair and ethical trading

We will procure fairly and ethically traded goods and services in accordance with current legislation.

3.3 Priority three: raise level of procurement knowledge, skills and expertise

Procurement will be part of the induction that new staff undertake when they join the Care Inspectorate and the SSSC. Further detailed procurement training is provided to staff depending on the post and procurement responsibility. On-going training needs will be recorded in individual training and development plans as part of the annual staff appraisal process. The Procurement Team will also continue to maintain a central register of all procurement training undertaken by staff.

The Care Inspectorate and SSSC Procurement Team undertake customer surveys on a biennial basis. The latest customer survey found that all respondents agreed the procurement function is responsive to their needs for support in sourcing or ordering goods or services, whilst 90% agreed they received appropriate advice and support for procurement. We will continue to work with, and support, staff who have a procurement responsibility to ensure staff are equipped with the necessary tools to increase their level of procurement knowledge, skills and expertise.

Fraud training was provided to staff with delegated authority to commit or approve expenditure. This training was developed by the Chartered Institute of Purchasing and Supply (CIPS). The Care Inspectorate and SSSC also have in place a Prevention of Fraud Policy which outlines where fraud may occur, who is responsible for reporting fraudulent activity and who to report it to. Appropriate preventative and detective controls, such as 'separation of duties' and robust systems of control, have been put in place to minimise the risk of fraud.

Both the Care Inspectorate and the SSSC also have comprehensive guidance on whistleblowing which encourages employees to raise concerns about possible improprieties in the conduct of our business, whether in matters of financial reporting or other malpractices, at the earliest opportunity and in an appropriate way.

Staff with procurement responsibility for high value and/or high risk contracts have also undertaken e-learning training and attended face to face seminars which cover changes to Scotland's public procurement legislation.

3.4 Priority four: provide timely performance information

We will provide procurement performance reports to the Procurement Development Group, Care Inspectorate and SSSC Executive management teams, the Care Inspectorate Board and SSSC Resources Committee that show analysis of expenditure, transactions and suppliers. This will be used to inform our sourcing strategies and identify opportunities for collaborative buying. We will also measure benefits and savings realised from collaborative and high value contracts.

3.5 Priority five: achieve the benefits derived from collaborative working

The Care Inspectorate and SSSC will continue to use collaborative frameworks led by Scottish Procurement and other national bodies where appropriate.

We continue to explore opportunities for further collaboration through our partnership with Central Government Procurement Shared Services (CGPSS) and membership of the Procurement Cluster Group led by Scottish Enterprise. These relationships facilitate the sharing of knowledge and encourage partnership working to ensure we deliver value for money and pool resources and expertise.

3.6 Priority six: Strengthen contract and supplier management processes

Effective contract management is essential in the delivery of goods, services and works.

Contract and supplier management training was provided for all relevant staff in 2014. However, we recognise this is an area where further work is required to strengthen our processes in this area. Further training was provided in 2016 for all staff with responsibility for managing contracts. There is a training plan in place to ensure that staff receive relevant training on an ongoing basis. This training provides staff with the tools and techniques required to better manage our contracts and suppliers.

3.7 Priority seven: provide a procurement service which supports effective procurement which delivers best value.

We will review our business processes regularly to ensure that delegated authority is appropriate, that there is appropriate separation of duties when procuring goods and services, all valid invoices are paid on time and all purchasing and procurement procedures are followed.

4.0 EQUALITY AND DIVERSITY

In line with the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, we consider equality throughout our tender processes and comply with legislation. Suppliers must not unlawfully discriminate against any person within the meaning of the Equality Act 2010 in its activities relating to contracting with the Care Inspectorate and SSSC. This is included in our standard terms and conditions.

Also included in our tender documentation and our standard terms and conditions is a requirement that suppliers comply with the Employment Relations Act 1999 (Blacklists) Regulations 2010 which address blacklisting activities.

5.0 HEALTH AND SAFETY

The Care Inspectorate and the SSSC have Health & Safety Policies and associated guidance and procedures. Health and safety policies and associated information are requested where relevant from suppliers as part of the procurement process.

6.0 CONTINUING IMPROVEMENT AND ENSURING COMPLIANCE

Scottish Government has been undertaking Procurement Capability Assessments (PCA) with public sector organisations since 2010/11. Scottish Government introduced

a new assessment regime (the Procurement and Commercial Improvement Programme (PCIP) in 2016/17.

The procurement function is also subject to periodic review through the delivery of the Care Inspectorate and the SSSC's internal audit plans, where any recommendations for improvement will be considered for implementation by the Executive Group (Care Inspectorate) and Executive Management Team (SSSC) as appropriate.

In addition to the above, a monthly review of spend activity is undertaken by the Procurement Team, culminating in an annual report to the Executive Group (Care Inspectorate), Executive Management Team (SSSC) and Board and Committee as appropriate. Any non-compliance identified through this review is addressed directly with the relevant officer(s).

We will regularly seek ideas and feedback from internal procurement users, suppliers and the wider procurement community to continually improve our performance.

7.0 CARE INSPECTORATE AND SSSC SHARED SERVICE

This strategy supports the shared service arrangement between the Care Inspectorate and the SSSC, which includes the procurement and payment functions.

8.0 DELIVERY OF STRATEGY

8.1 Communication

The Care Inspectorate and SSSC have procurement related sections on their external websites where we outline our procurement processes, our standard terms and conditions, our procurement strategy, our commitment to the Scottish Business Pledge and useful links for supplier guidance and support. We will also publish a forward plan of regulated procurement for the next two financial years.

To ensure that stakeholders have the opportunity to engage and contribute to the development of the strategy, a consultation on the strategy has been undertaken as follows:

- Consideration by the internal Procurement Development Group
- Consideration by the Executive teams
- Equality Impact Assessment to be issued to all staff, all carer and user groups, all suppliers, SMEs, local businesses, supported businesses, the third sector and other interested stakeholders by publishing on the external websites.
- Consideration and approval by the Care Inspectorate's and the SSSC's Resources Committees.

All of our regulated contracts are publicly available on a contract register hosted by Public Contracts Scotland.

The approved strategy will be communicated to all staff through the team meeting feedback process and to all other stakeholders by publishing on the Care Inspectorate and SSSC external websites.

8.2 Management and monitoring

The strategy will be implemented on a day-to-day basis by the Procurement Team, working with colleagues within the Care Inspectorate and the SSSC with procurement responsibilities.

The priorities contained in the strategy will be translated into specific tasks each year using existing operational and financial planning processes. We will also use the corporate and business planning process to identify new procurement projects which are likely to require additional support from the Procurement Team.

We will review the strategy and our action plan annually. The outcome of the annual review will be a new programme of work and identified tasks that will feed into the operational and financial planning processes for the following year.

8.3 Reporting

As soon as practicable after the end of the financial year, an annual procurement report will be published to include

- A summary of regulated procurements completed during the year covered by the report
- A review of whether those procurements complied with the procurement strategy
- Non compliant regulated procurements and a statement of the intention to ensure future procurements do comply
- Summary of community benefits as part of regulated procurements in the report period
- Summary of steps taken to facilitate involvement of supported businesses in regulated procurements during the report period
- Summary of regulated procurements expected to commence in the next 2 financial years
- Any other information as required by Scottish Ministers.

An annual procurement performance report will be submitted to Resources Committees, reporting procurement performance and progress towards achieving the priorities in this strategy. This will be published on the Care Inspectorate and SSSC's websites.

9.0 SUPPORTING POLICIES

Our strategy for procurement is supported by other policies and procedures on:

- purchasing of goods and services;
- procurement procedures;
- data protection and records management;
- prevention of fraud;
- whistleblowing;
- carbon management plan;

- health and safety; and
- equality & diversity.