



# Care Inspectorate and Scottish Social Services Council Draft Procurement Strategy 2016 - 2019

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**Contents**

- 1.0 BACKGROUND AND PURPOSE ..... 3**
- 2.0 OWNERSHIP AND APPROVAL OF THE STRATEGY ..... 3**
- 3.0 OUR PROCUREMENT PRIORITIES ..... 3**
  - 3.1 Priority one: achieve value for money ..... 4**
  - 3.2 Priority two: deliver sustainable procurement ..... 4**
    - 3.2.1 Prompt payment to suppliers and their sub-contractors ..... 5**
    - 3.2.2 Paying the living wage through our regulated procurement ..... 5**
    - 3.2.3 Community benefits ..... 5**
    - 3.2.4 SME’s, local businesses, supported businesses and the third sector 5**
    - 3.2.5 Fair & ethical trading ..... 5**
  - 3.3 Priority three: raise level of procurement knowledge, skills and expertise ..... 5**
  - 3.4 Priority four: provide timely performance information ..... 6**
  - 3.5 Priority five: participate in work and benefits derived from collaboration ..... 6**
  - 3.6 Priority six: Strengthen contract and supplier management processes ..... 6**
  - 3.7 Priority seven: provide an excellent procurement service appropriate and suitable for the size of organisations ..... 7**
- 4.0 EQUALITY AND DIVERSITY ..... 7**
- 5.0 HEALTH & SAFETY ..... 7**
- 6.0 CONTINUING IMPROVEMENT AND ENSURING COMPLIANCE ..... 7**
- 7.0 CARE INSPECTORATE AND SSSC SHARED SERVICE ..... 8**
- 8.0 DELIVERY OF STRATEGY ..... 8**
  - 8.1 Communication ..... 8**
  - 8.2 Management and monitoring ..... 8**
  - 8.3 Reporting ..... 9**
- 9.0 SUPPORTING POLICIES ..... 9**

## **1.0 BACKGROUND AND PURPOSE**

The Care Inspectorate and Scottish Social Services Council (SSSC) Procurement Strategy 2016-19 has been informed by 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 SSSC will plan and manage its procurement process to meet its corporate aims and objectives and comply with regulatory and legislative requirements. The Procurement Strategy applies to all procurement conducted by the Care Inspectorate and 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. Procurement can generate savings and efficiencies that can be used to re-invest in other activities to support achieving objectives.

Procurement is a devolved responsibility within the Care Inspectorate and 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 next 3 years and is supported by a Procurement Action Plan.

## **2.0 OWNERSHIP AND APPROVAL OF THE STRATEGY**

The Chief Executive, as Accountable Officer, has 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 Services is the sponsor of the Procurement Strategy with the 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 and the SSSC's respective Resources Committee.

## **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. Participate in the work of and benefits derived from collaboration
6. Strengthen contract and supplier management processes
7. Provide an excellent procurement service appropriate and suitable for the size of our organisations.

### **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 (MEAT) tender 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 SSSC, with efficiencies realised reported in the annual Procurement Performance Report.

*Whole life cost is the total cost of owning an asset 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 SSSC means routinely considering the environmental, social (including equality) and economic opportunities and impacts of purchasing decisions, whilst taking a long term view.

Where appropriate, the procurement activity will follow achievable guidelines regarding sustainable development.

### **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 2016, the Care Inspectorate and SSSC paid 98.49% and 99.24% 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 Scottish 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 Scottish Living Wage.

### **3.2.3 Community benefits**

We will promote the use of community benefit clauses 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 factory or business is an establishment where at least 30% of their employees are disabled or disadvantaged workers.

We will use the Scottish Government's Supported Business and Factory Framework where there is a requirement to purchase goods and services covered by this contract.

### **3.2.5 Fair & 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 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 bi-annual basis. The 2015 internal 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.

All staff with delegated authority to commit or approve expenditure have undertaken procurement fraud training. 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 counter the risk of fraud.

Both the Care Inspectorate and 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, Executive Management Teams and Committees 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: participate in work and benefits derived from collaboration**

The Care Inspectorate and SSSC will continue to use Scottish Procurement frameworks and Crown Commercial Services frameworks where appropriate.

We will 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 has been provided in 2016 for all staff with responsibility for managing contracts. This training will provide staff with the tools and techniques required to better manage our contracts and suppliers.

### **3.7 Priority seven: provide an excellent procurement service appropriate and suitable for the size of organisations.**

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 are required to provide details of any equality policies and systems that they have in place that will be utilised when delivering the contract. 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 & SAFETY**

The Care Inspectorate and SSSC have a Health & Safety Policy 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 is introducing 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 SSSC's internal audit plan, where any recommendations for improvement will be considered for implementation by the Executive Management Teams.

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

We will 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 SSSC, which includes the procurement and payment function.

## **8.0 DELIVERY OF STRATEGY**

### **8.1 Communication**

The Care Inspectorate and SSSC have a procurement related section on their external websites where we outline our procurement processes, our standard terms and conditions, our procurement strategy, our commitment to the Government's Supplier Charter and useful links for supplier guidance and support. The website also includes 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 will be undertaken as follows:

- Consideration by the internal Procurement Development Group
- Consideration by the Executive Management 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 Resources Committee and the SSSC Finance & Resources Committee.

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 intranets.

### **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 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 Committee, reporting procurement performance and progress towards achieving the priorities in this strategy. This will be published on the internet.

### **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
- health and safety; and
- equality & diversity

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