

Annual procurement report 2024/25

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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.

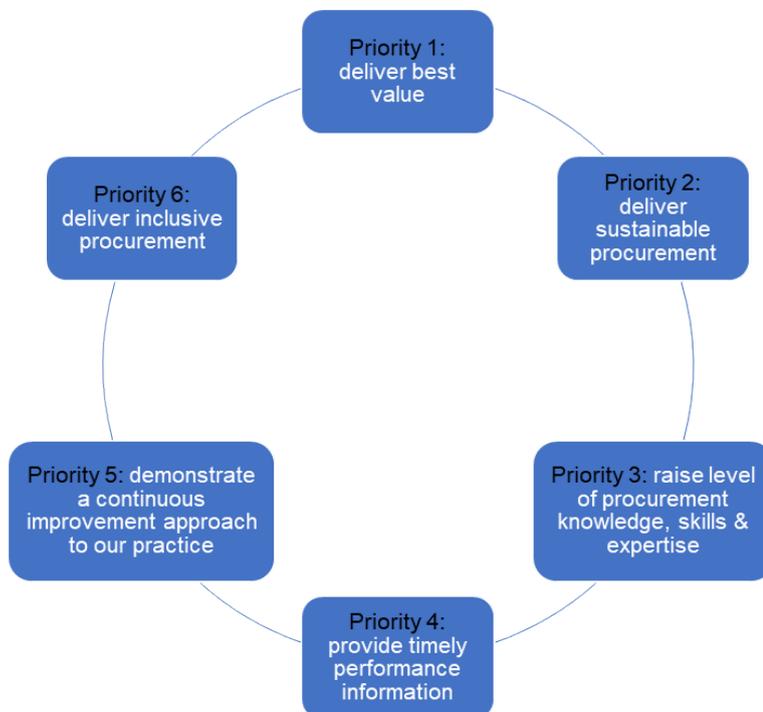
Our staff work across Scotland, specialising in health and social care, early learning and childcare, social work, children’s service, and community justice.

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 2023. This strategy covers the period April 2023 to March 2026 and is designed to take a responsible and sustainable approach to procurement. The strategy has the following key priorities:



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

3.0 Key priorities

3.1 Deliver best value

Relevant expenditure excludes the following:

- payroll expenditure
- internal spend - spend or cross charging between departments
- all direct payments to His Majesty's Revenue and Customs
- shared services
- reimbursement of travel and subsistence.

Total spend includes expenditure where there is no requirement for supplier competition. This is mainly rent and rates.

Procurement spend is governed by procurement legislation and internal procedures.

To make sure we achieve value for money in our procurement activity, sourcing strategies are developed for all regulated procurements.

The table below shows the value and volume of procurement activity for the year to 31 March 2025 (figures for the year to 31 March 2024 are shown for comparison):

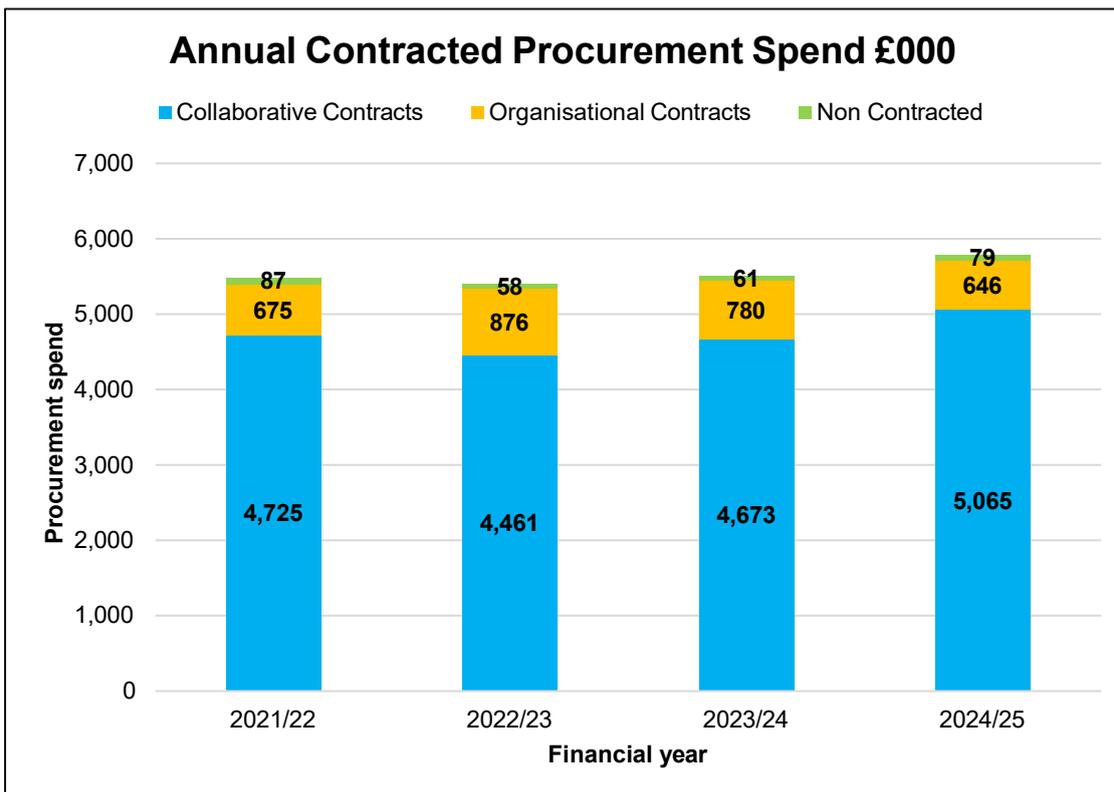
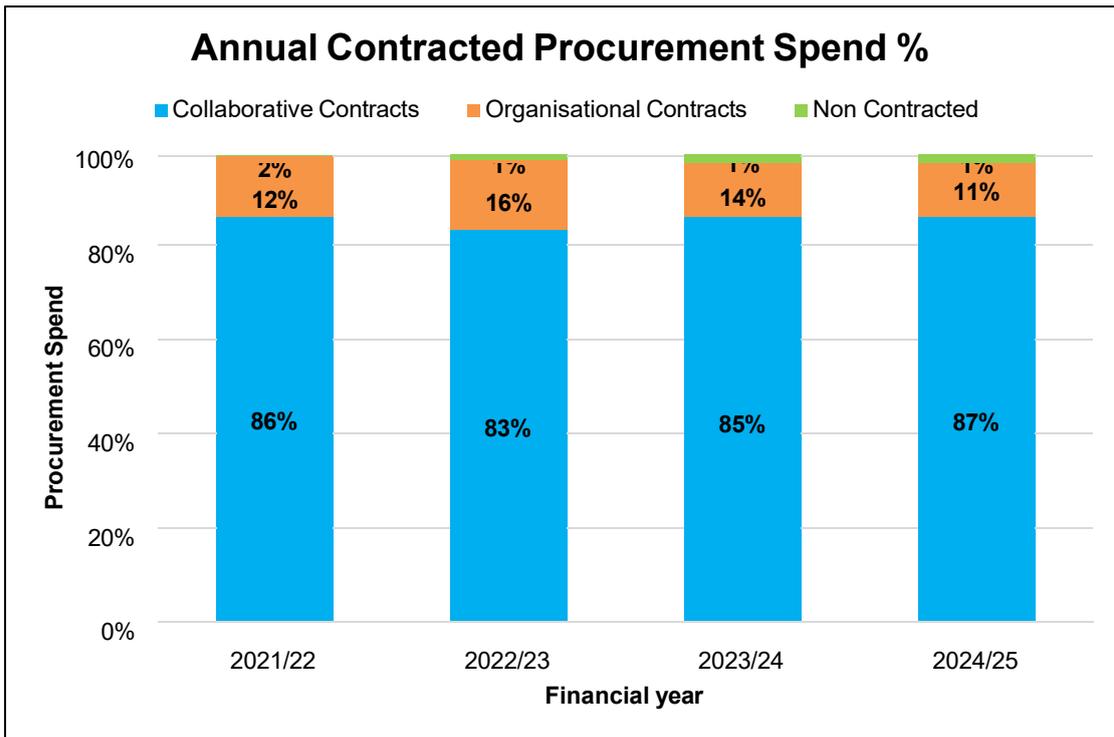
	2024/25	2023/24
Total spend	£8,481,367	£8,333,770
Total procurement spend	£5,789,311	£5,513,432
Total invoice value ¹	£8,481,367	£8,728,014
Number of invoices	1,927	1,681
Number of suppliers paid ²	358	393
Average invoice value	£4,401	£5,192

The analysis of procurement spend between spend on collaborative frameworks and spend on organisation owned contracts and frameworks is shown in the graphs below.

Contracted spend continues to be excellent with 99% of procurement spend compliant with our procurement thresholds (2023/24: 99%). The 1% classified as non-contracted spend represents spend with suppliers where there is no contract in place and an analysis of this is provided in 3.1.2.

¹ The change in total invoice value is due to a change in the reporting model following the implementation of Oracle Cloud.

² The number of suppliers includes 138 paid by electronic purchasing card (2023/24: 140).



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 (social enterprise)
- HMRC
- Kent County Supplies (KCS).

3.1.2 Non-contracted spend

Non-contracted procurement spend is expenditure with suppliers who we do not have a contractual relationship with. This totals £78,690 (1%) of total procurement spend. This comprises:

	£000
Future requirement to be sourced through compliant procurement route	18
Spend now regularised	61
Total	79

All regulated procurement (contracts with a value of more than £50k) was compliant with our procurement guidance.

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

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 £0.343m (2023/24: £0.302m) from procurement during the year. This comprises £0.200m cash savings (2023/24: £0.178m) and £0.143m non-cash savings (2023/24: £0.124m). The highest savings were realised through collaborative arrangements for the following provisions:

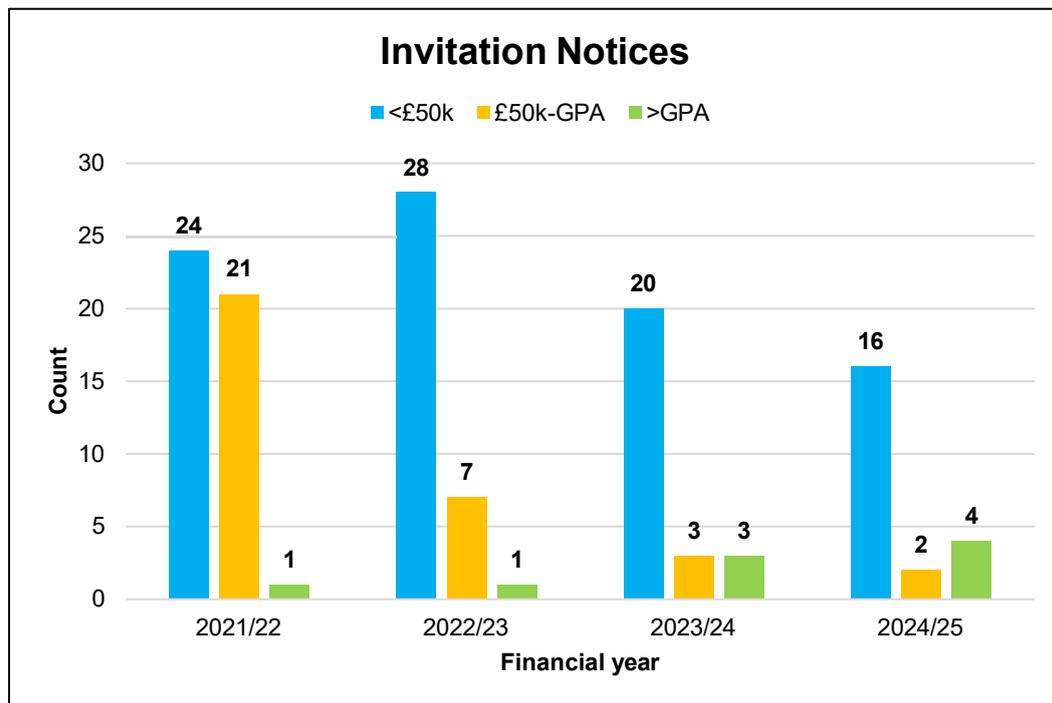
- document storage and retrieval services
- digital technology and cyber services
- print management and digital workflow software and associated services.

Sustainability benefits realised during the year are detailed in 3.2.

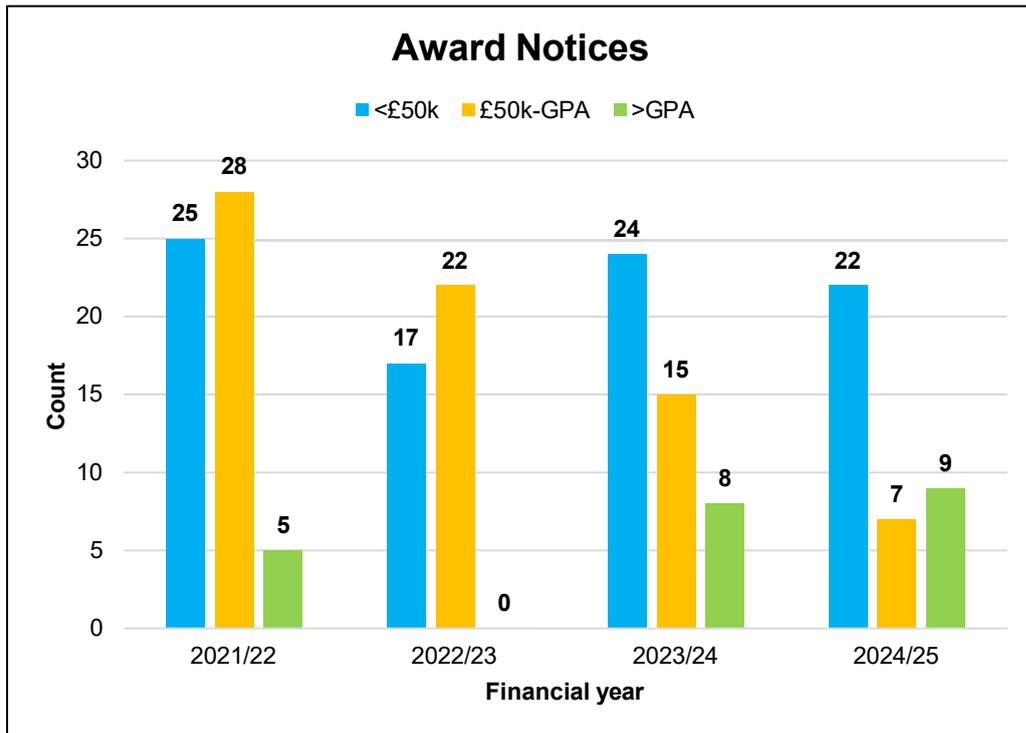
3.1.4 Summary of procurement activity

We are committed to making public procurement open and accessible to businesses, especially small and medium sized enterprises (SMEs), the third sector, supported businesses and not for profit organisations. Our tender opportunities greater than £10,000 are advertised electronically. Our contract register is publicly available on Public Contracts Scotland.

We published 22 invitation notices during the year. This excludes direct awards made within collaborative frameworks.



We awarded 38 contracts during the year. The awards greater than the Government Procurement Agreement (GPA) threshold were either direct awards through single supplier frameworks or contracts awarded using a Dynamic Purchasing System (DPS).



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 contract award date
- expected contract 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 471 transactions (2023/24: 529) totalling £91,000 (2023/24: £72,646) using this method in 2024/25 with an average transaction value of £193.21 (2023/24: £137.33).

3.1.7 Invoice analysis

We processed a total of 1,927 invoices (2023/24: 1,681), totalling £8.481m (2023/24: £8.334m) during the year.

The increase in volume is due to an increase in low value invoices received 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 £23k (2023/24: £22k) and is reported in the non-cash savings in 3.1.3.

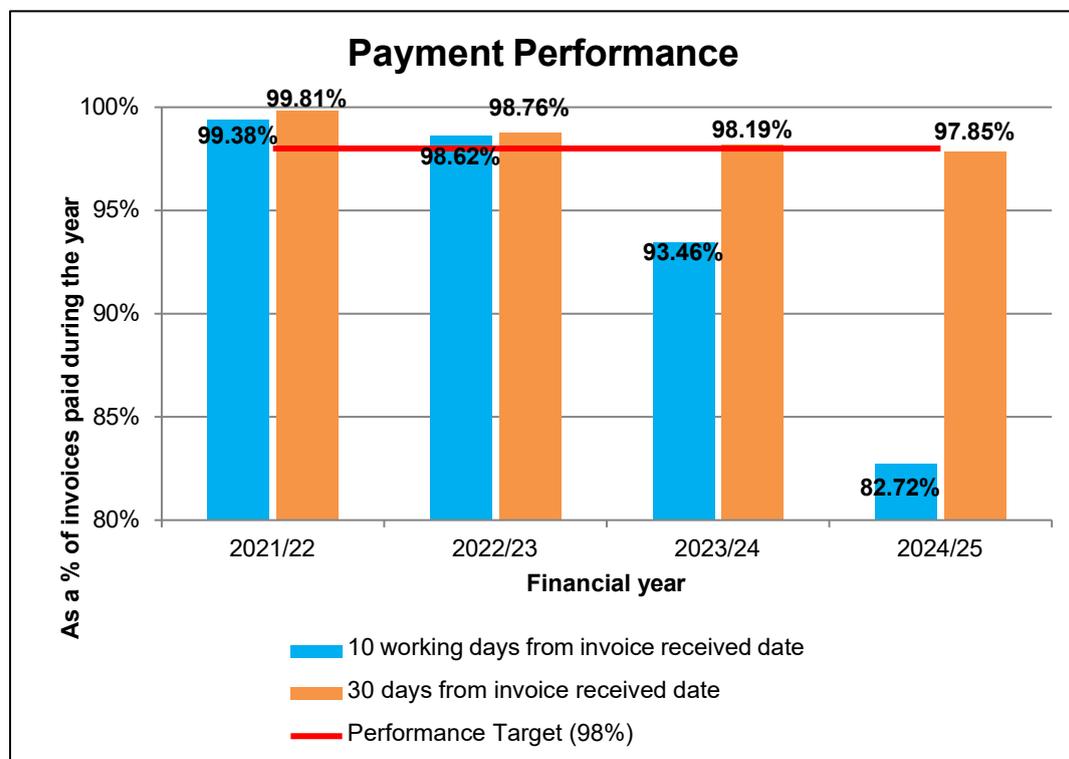
3.2 Deliver sustainable procurement

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 remain committed to paying our suppliers promptly and our payment performance continues to be maintained at a high level. 97.85% of suppliers were paid within 30 days of the invoice received date. However, the percentage of payments made within Scottish Government’s 10 working day target has decreased to 82.72% . This reduction is primarily due to the ongoing rollout and development of the Scottish Government’s Enterpricommse Resource Planning (ERP) system, Oracle Fusion, which has impacted processing efficiency during the transitional phase.

The following shows payment performance for the financial years 2021/22 to 2024/25.



3.2.2 Paying the living wage through regulated procurement

We promote fair work practices in all 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, 16 regulated contracts or call-offs were awarded. Of these, seven suppliers confirmed payment of the Real Living Wage to all staff involved in the delivery of the contract, while a further five were accredited living wage employers. These suppliers deliver the following categories of purchases:

Category description	Award value £000
Property costs	741
IT costs	603
Transformation services	468
Temporary/interim staff	317
Corporate website	304
IT services	281
Professional services	92

3.2.3 Community benefits

We promote community benefits through our procurement activity where they are relevant and proportionate to the contract. Although no contracts were awarded that exceeded the reporting threshold of £4m, we continue to use Scottish Procurement and Property Directorate collaborative frameworks. These frameworks support the delivery of wider social value, including apprenticeships, work placements, community volunteering, science technology engineering and mathematics (STEM) learning and partnering arrangements.

Contracts awarded during the year include commitments from suppliers to deliver a range of community benefits, including:

- schools mentoring
- workday placements
- support for the Trussle Trust providing essentials for those who can't afford them.
- bi-annual collections for Smartworks, a charity providing provisions such as business attire and accessories for women from marginalised communities.

We also continue to promote and realise the following community benefits from existing call off contacts, which include the following:

- targeted recruitment/training for disadvantaged unemployed persons

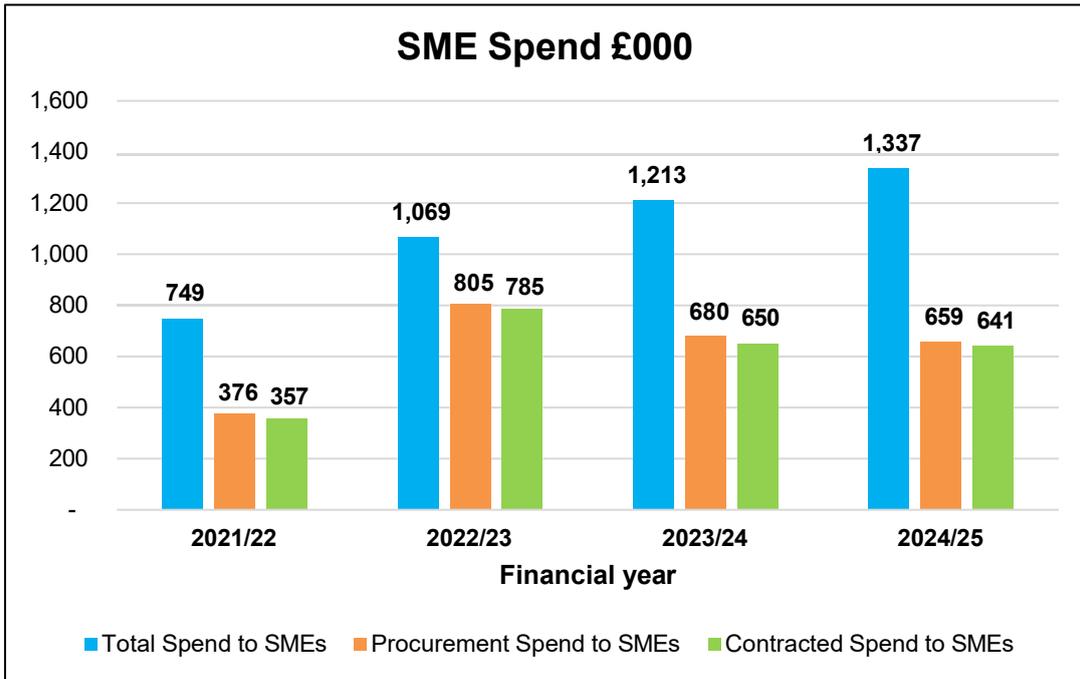
- provide opportunities for modern apprentices to be involved in the delivery of contracts.
- Pro-bono work for charities and third sector organisations
- Support for charitable organisations and events
- to participate in the Dundee Accelerator Programme and provide financial and specialist business improvement advice to assist fledgling companies to become market and investor ready.
- recruit school leavers providing opportunities to access Association of Accounting Technicians (AAT) and Institute of Chartered Accountants of Scotland (ICAS) professional training and membership.
- local employment
- additional jobs to long term unemployed
- work experience placements/training
- volunteering
- work with numerous Trusts to share knowledge and learning
- sponsorships and donations.

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

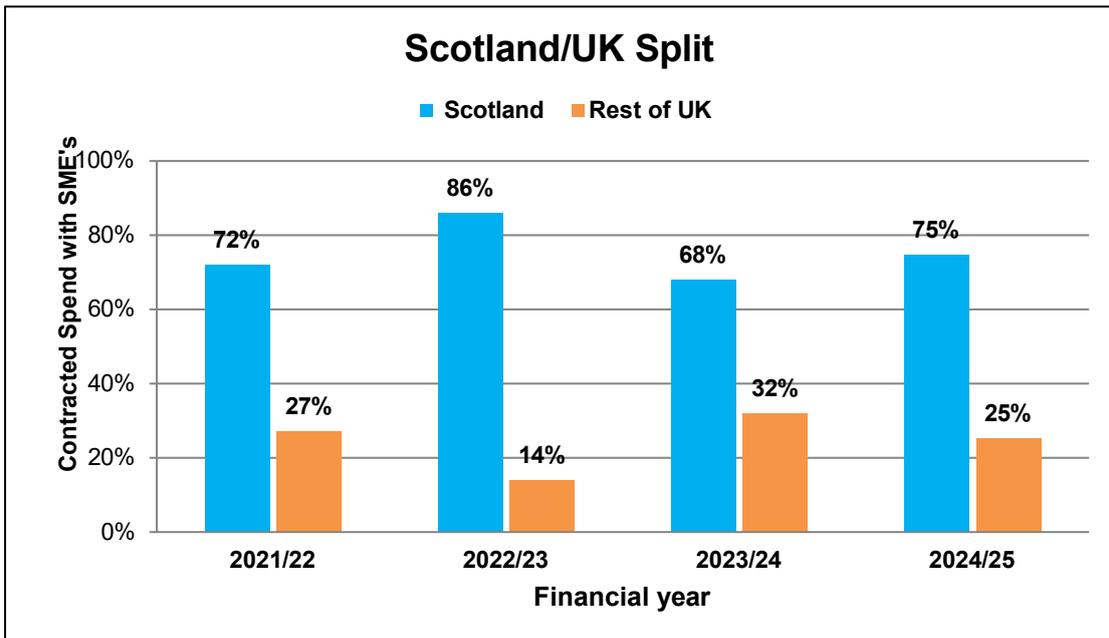
We continue to embed sustainability in our procurement practices. A directory of supported businesses is available on the Care Inspectorate intranet, offering contract details, website links and summaries of goods and services provided. Additionally, we direct staff to the Scottish Government's Supported Businesses Dynamic Purchasing System as a route to market for goods and services delivered by supported businesses.

We awarded one contract to a supported business in 2024/25 for the provision of signage.

We also capture spend with SME's, social enterprises and third sector suppliers. Our spend with these suppliers is £1.3m, representing 15% of our total spend (2023/24: 15%).



Further analysis of this spend between Scottish and other UK SMEs is represented in the table below:



3.2.5 Fair and ethical trading

We assess a bidder's suitability to be awarded the contract for all regulated procurement. This process considers if a bidder has been convicted of offences or committed any acts of professional misconduct which would exclude them from our procurement process. 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 delivering the contract.

3.2.6 Other sustainability benefits

We maintain a sustainability tracking tool where we capture sustainability benefits in our procurement activity. For 2024/25 the Care Inspectorate awarded six contracts and 32 call-off agreements where the following social, environmental and economic benefits were realised:

Environmental Benefits

- Vehicle emission reduction
- Carbon and energy consumption reduction
- Waste & efficient resource consumption
- Carbon in production reduction

Socio-economic benefits

- Fair work first principles
- Fairly & ethically traded goods
- Employment, skills and training
- Awards and subcontracting to SMEs & micro businesses
- Communities
- Equalities within the workforce.

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

1. All web based and proprietary client devices are produced in accordance with all International Labour Organisations (ILO) conventions.
2. Many of our contracts include the delivery of services remotely, reducing the carbon emissions and providing a cost benefit from the reduction in travel time and cost. Where services are delivered face to face, we encourage this to be locally based and to use public transport where possible.
3. The provider of our Service Design and Business/Data Architecture Services are a corporate partner with Scotland Against Modern Slavery (SAMS).
4. All confidential waste is either bailed, recycled or incinerated.
5. Recycling of used parts and toner cartridges relating to our Multi-Functional Device.
6. Old tiles and packing of new tiles were in our carpet replacement programme.
7. Minimised waste through principles of sustainably sourced materials.
8. Innovative packaging.

Other sustainability benefits we continue to receive include:

- delivery of carbon neutral services
- emission reductions with the use of hybrid and electric vehicles for the delivery of onsite services

- supply of paper from sustainable chains and active promotion of carbon capture
- closed loop recycling preventing the use of single use plastic in the supply chain.
- energy consumption from certified renewable sources
- removal and recycling of packaging.

We have increased our purchase of green general office supplies by 24% in 2024/25 in comparison to 2023/24.

Additionally, we are working with our suppliers to capture carbon efficiencies for reporting in 2025/26.

3.3 Raise the level of procurement knowledge, skills and expertise

We remain committed to staff development by equipping our staff with the relevant tools and practical experience to support the effective and efficient delivery of procurement responsibilities.

The procurement team maintain a central register of procurement training. Key activities undertaken during the year included:

- Team level training delivery sessions were delivered, making sure the training was meaningful and relevant.
- Our procurement team attended several external courses to maintain their up to date knowledge and share this with colleagues involved in procurement activities.
- Contract managers are appointed for all relevant contracts, with regular meetings held for key contract managers to monitor performance and ensure value for money.
- E-learning modules on contract and supplier management training are available on the Care Inspectorate's Learning Management System (LMS). This is complemented by a contract management handbook.
- Scotland Excel provided evaluation training for key staff involved in a high value, high risk procurement.
- Staff with delegated procurement responsibility are encouraged to complete climate literacy e-learning.
- Contract management information is collated bi-annually and maintained in a central register linked to the contract register.

Additionally, the procurement team has a key role in supporting staff to undertake lessons learned reviews to capture insights and inform future procurement activity. These are shared with the wider internal procurement community.

3.4 Provide timely performance information

The Procurement Development Group (PDG) provides an opportunity for key procurers within the Care Inspectorate and SSSC to discuss best practice, new developments and procurement plans with a specific aim of developing and

improving 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 our Senior Management Group, Finance and Resources Committee and our Board. We will incorporate feedback from this into the 2025/26 procurement action plan where required.

Outwith the above, we liaise with the relevant managers to address any areas of concern.

3.5 Demonstrate a continuous improvement approach to our practice

The public procurement landscape and the economic environment is constantly evolving.

Our delivery of best value is supported by our continued relationships with Central Government Procurement Shared Service (CGPSS) and our Cluster Group. These relationships encourage partnership working through the sharing of knowledge and best practice. We also have a working relationship with Scotland Excel for the provision of procurement services in relation to support for the Care Inspectorate's digital transformation project.

3.6 Deliver inclusive procurement

We remain committed to delivering procurement services that are equitable, fair, inclusive and accessible to everyone. Our approach makes sure our procurement is open to a diverse range of suppliers including small and medium sized enterprises (SMEs), the third sector, supported businesses and not for profit organisations.

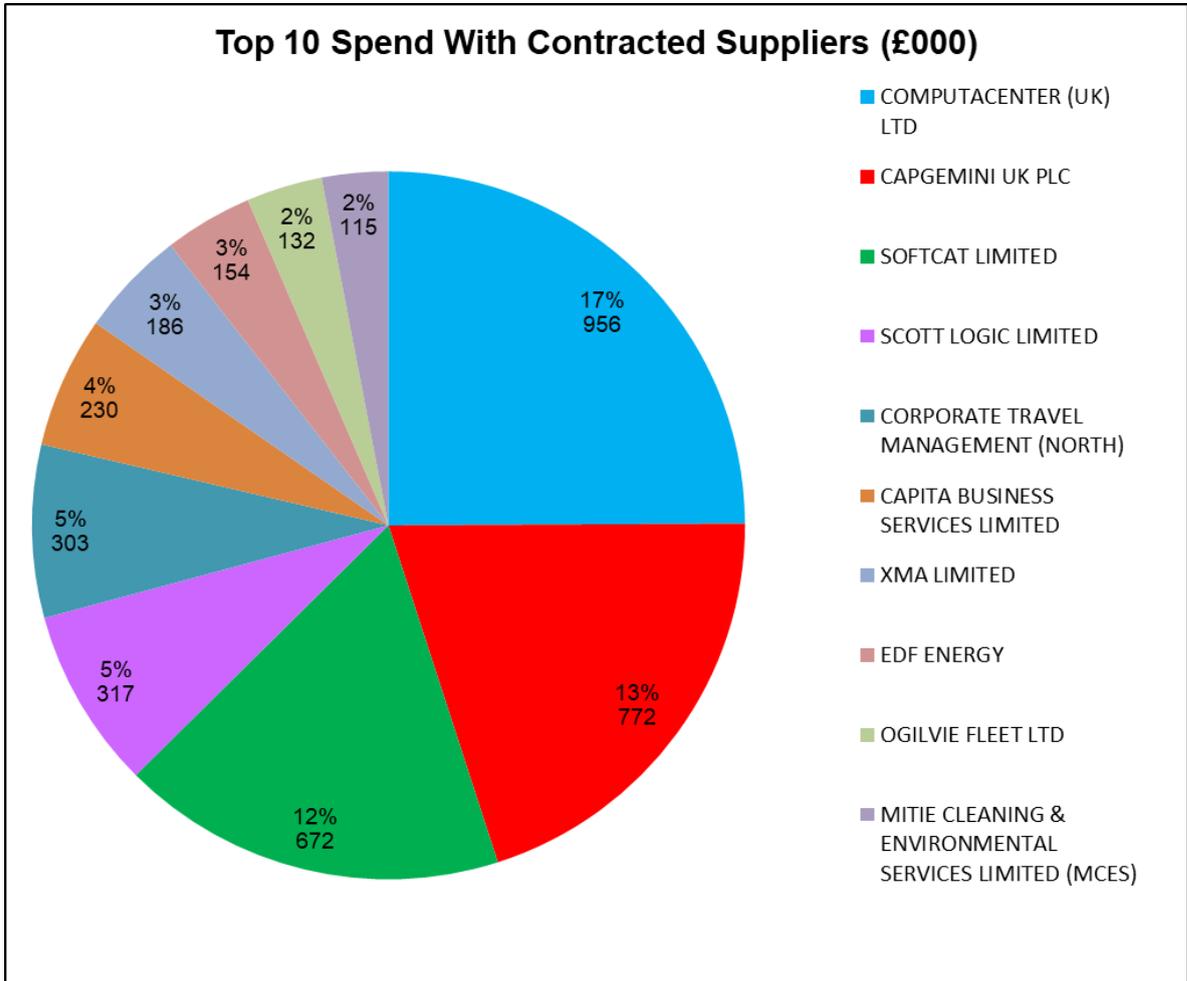
Tender opportunities greater than £10,000 are publicly advertised and our two-year forward procurement plan gives early visibility of upcoming contract opportunities..

We review the procurement business processes on a cyclical basis to make sure they are aligned with current legislation and meet the needs of the users. Business processes are amended to reflect the changing procurement landscape.

Service delivery is informed by the Scottish Government's procurement capability assessment, with the most recent being carried out in October 2024 where a green RAG status was received for all subject matter covered. We report on agreed performance measures and review our service delivery from internal feedback. This feedback informs continuous improvement help making sure that we deliver the right level and quality of service.

4.0 Top ten contracted suppliers

Together, the top 10 suppliers account for 66% (2023/24: 62%) of our total procurement spend, and 67% (2023/24: 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	2,094
Professional Services	795
Transport costs	435
Property costs	269
Telephones	174
Training & Development	46
Adv, publicity, subs & pubs	24
Total	3,837

5.0 Supplier activity

Active suppliers are reviewed quarterly to make sure that only those we do regular business with are on our creditors' ledger. Suppliers not used for a period of 13 months are inactivated. Any requests to re-engage an inactive supplier requires completion of a procurement template to confirm compliance with procurement procedures. New suppliers are only created, or inactive suppliers reactivated, once this process is completed. This approach maintains compliant procurement practice to mitigate the risk of purchasing or supplier fraud.

The number of active suppliers as at 31 March 2025 was 198 (2023/24: 202).

6.0 Conclusion

The Care Inspectorate continues to make good progress in delivering its published procurement priorities. The procurement action plan, which underpins the procurement strategy, is updated to reflect organisational needs and strategic objectives. Its ongoing implementation will support continuous improvement and further development of procurement practice.

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.
Contract spend	Spend which is compliant with Care Inspectorate procurement governance.
Dynamic Purchasing System (DPS)	An electronic process of pre-qualified suppliers for commonly used purchases which are generally available on the market, from which the Scottish public sector could invite tenders. As a procurement tool, it has some aspects that are similar to a framework agreement, however, it is a fully electronic process, and new suppliers can apply to join at any time.
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.
RAG	Red, amber, green – visual indicator used to communicate the status of projects, tasks, performance
Regulated procurement	Procurement seeking offers in relation to a contract with a value of £50,000 or over.
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.

Term	Description
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.

Headquarters

Care Inspectorate
Compass House
11 Riverside Drive
Dundee
DD1 4NY

web: www.careinspectorate.com

email: enquiries@careinspectorate.com

telephone: 0345 600 9527