



Annual Procurement Report 2023/24

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Annual Procurement Report 2023-24

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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:

1. Deliver best value.
2. Deliver sustainable procurement.
3. Raise the level of procurement knowledge, skills and expertise.
4. Provide timely performance information.
5. Demonstrate a continuous improvement approach to our practice.
6. Deliver inclusive procurement.

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 subject to procurement legislation and procedures.

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

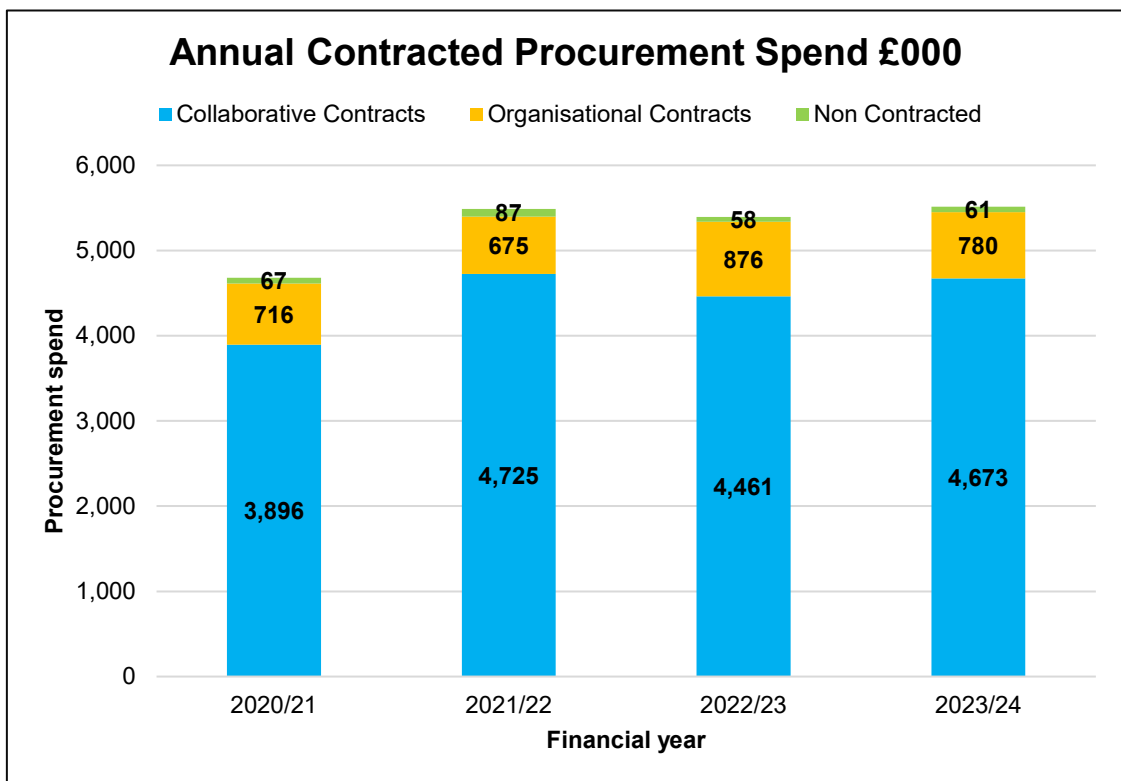
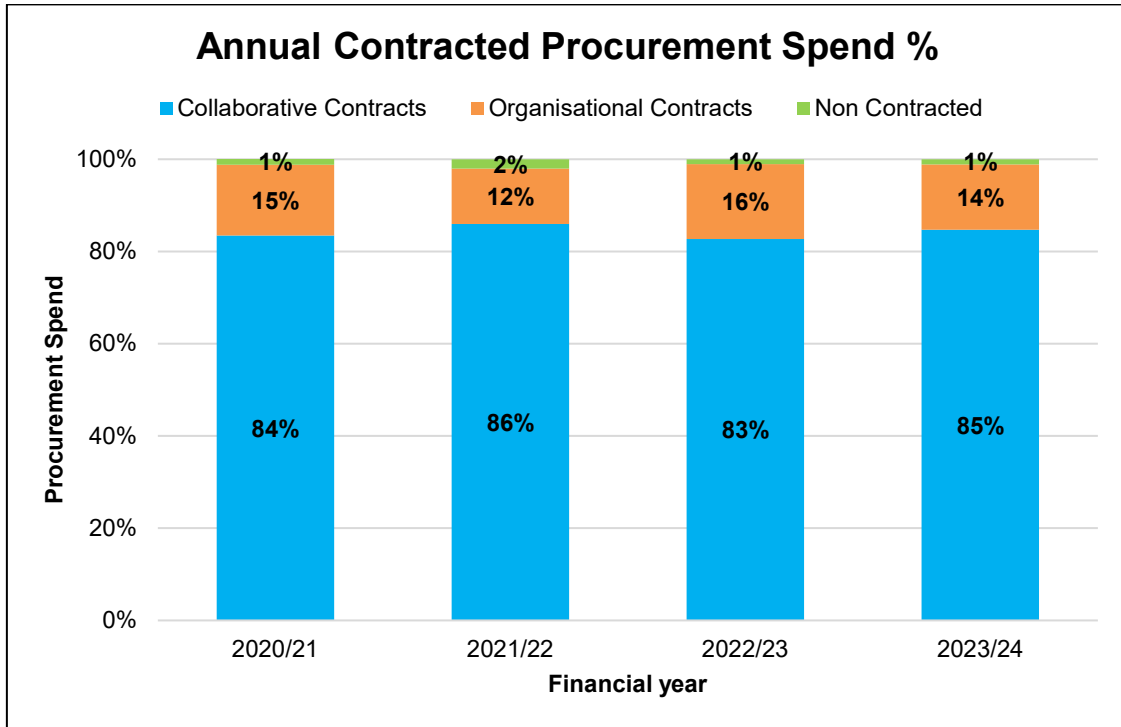
The table below shows the value and volume of procurement activity for the year to 31 March 2024 (figures for the year to 31 March 2023 are shown for comparison):

	2023/24	2022/23
Total Spend	£8,333,770	£7,538,013
Total Procurement Spend	£5,513,432	£5,395,125
Total Invoice Value*	£8,728,014	£7,415,847
Number of Invoices	1,681	1,891
Number of Suppliers Paid**	393	393
Average Invoice Value	£5,192	£3,922

* Total invoice value differs to total spend due to accounting adjustments for prepayments and accruals.

** No of suppliers includes 140 paid by electronic purchasing card (2022/23; 173).

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



As can be seen from the analysis above, contracted spend continues to be excellent with 99% of procurement spend compliant with our procurement thresholds (2022/23: 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.

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
- HMRC

Where possible, we collaborate with the SSSC in the award of contracts.

3.1.2 Non-contracted spend

Non-contracted procurement spend comprises expenditure with suppliers who we do not have a contractual relationship with. This totals £61,000 (1%) of total procurement spend. An analysis of this is:

Description	Value (£000)	Percentage
Total non-contracted spend	61	100%
Future requirement to be sourced through compliant procurement route	(23)	(38%)
Spend now regularised	(36)	(59%)
Legacy contract completed June 23	(2)	(3%)
Total unidentified spend	0	0%

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 £0.302m (2022/23: £0.343m) from procurement during the year. This comprises £0.178m cash savings (2022/23: £0.291m) and £0.124m non-cash savings (2022/23: £0.052m). The highest savings were realised through collaborative arrangements for the following provisions:

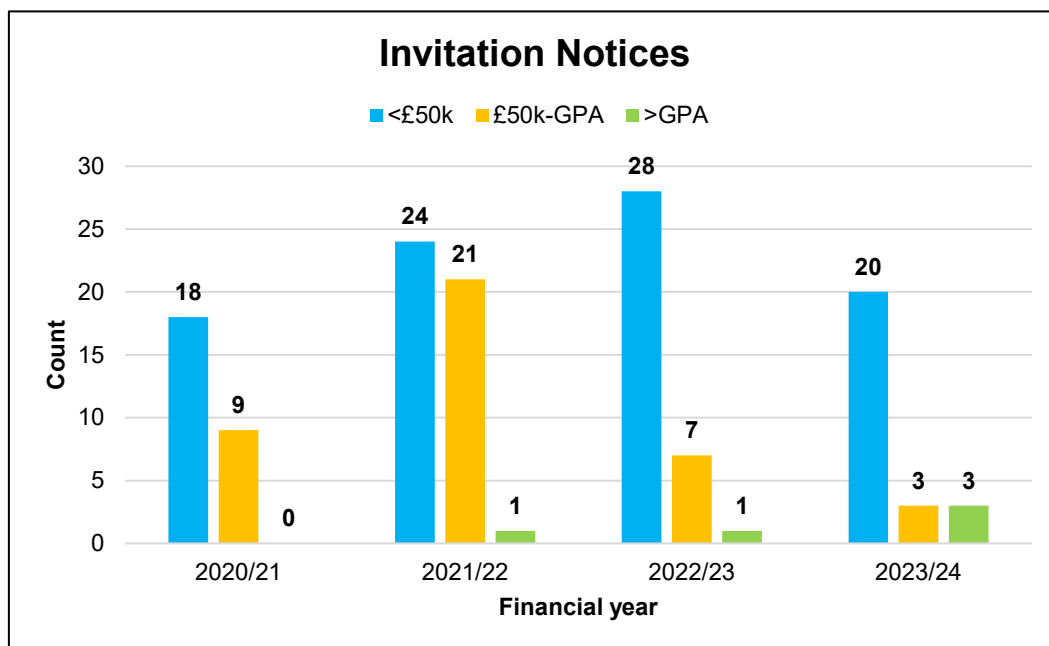
- Mobile voice & data services
- Software value added services
- Travel services

Sustainability benefits realised during the year are detailed in 3.2.

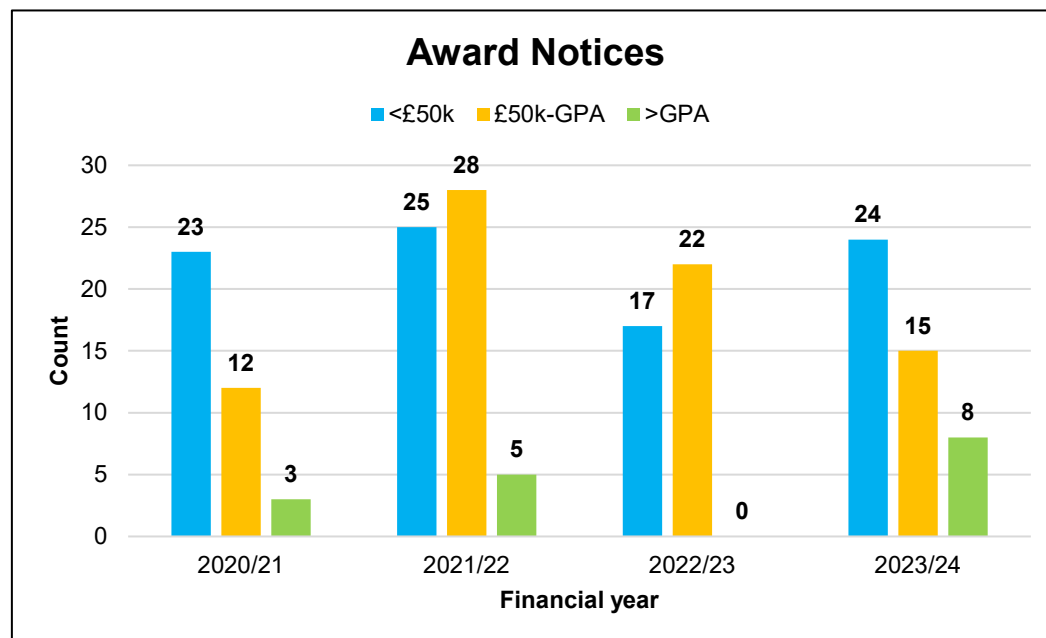
3.1.4 Summary of procurement activity

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 26 invitation to tender notices during the year. This excludes direct awards made within collaborative frameworks.



We awarded 47 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 529 transactions (2022/23: 568) totalling £72,646 (2022/23; £81,145) using this method in 2023/24 with an average transaction value of £137.33 (2022/23; £142.86).

3.1.7 Invoice analysis

We processed a total of 1,681 invoices (2022/23: 1,891), totalling £8.334m (2022/23: £7.416m) during the year.

The decrease of 11% in volume is mainly due to a reduction in recruitment / employment agency invoices due to less temporary/interim staff being engaged in 2023/24.

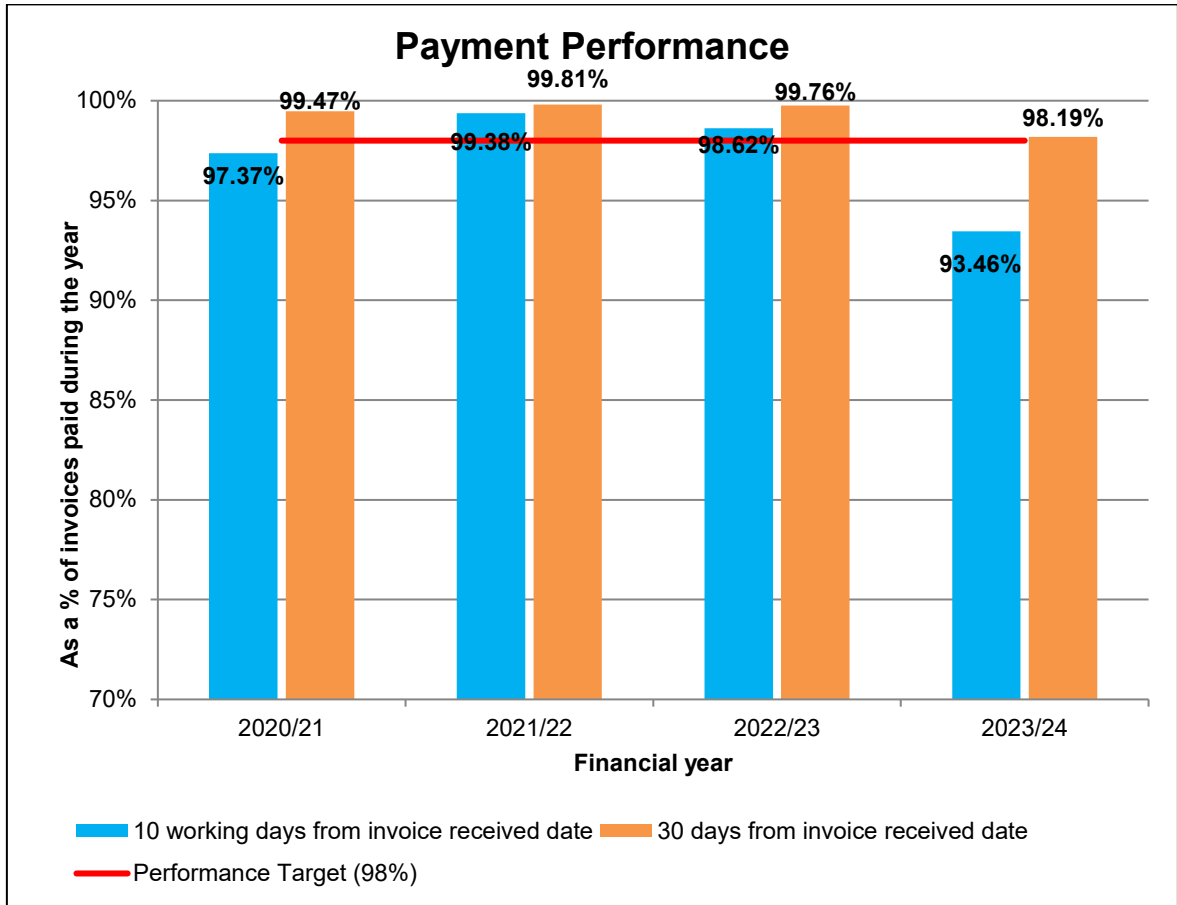
We continue to explore opportunities for consolidating invoicing and purchasing low value goods and services using ePCs, where savings are realised from the reduction in volume of invoices processed. The cumulative saving from this is £22k (2022/23; £25k) and is reported in the non cash savings in 3.1.3.

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 are committed to paying our suppliers promptly and payment performance continues to be maintained at a high level. 98.19% of suppliers were paid within 30 days of the invoice received date, and 93.46% paid within the Scottish Government's target of 10 working days. The following shows payment performance for the financial years 2020/21 to 2023/24.



The reduction in the percentage of suppliers paid within 10 days is due to an adjustment to the payment performance model.

3.2.2 Paying the living wage through regulated procurement

We promote fair work practices in all of our tender documentation and are committed to promoting the payment of the Real Living Wage. The Care Inspectorate is an accredited living wage employer.

We awarded 38 contracts or call-offs during the year where sustainability benefits were secured. Of those, 25 suppliers documented that they pay either the Real Living Wage or the Living Wage for the provision of the following categories of goods and services:

Category description	Award Value £000
Software licencing	800
Digital services	774
Property services	607
IT services	238
Professional services	191
Equipment	182
Temporary/interim staff	173
Legal services	112
Training services	87
Office supplies	23
Mobile & data services	23

3.2.3 Community benefits

We promote the use of community benefits within procurement exercises where they are relevant and proportionate to the contract. We have not had any contracts exceeding the reporting threshold of £4m in value, however, we continue to call-off of Scottish Procurement and Property Directorate collaborative frameworks which support the provision of apprenticeships, work placements, community volunteering, science technology engineering and mathematics (STEM) learning and partnering arrangements.

Our contracts awarded during the year provide the following benefits:

- sub-contracting arrangements with Scottish companies, SMEs and micro businesses.
- provision of locally based providers/staff.

We also continue to promote / realise the following community benefits from the award of contracts. Contracts we have awarded include commitments by our contractors to:

- provide approved work placements for secondary school pupils and support for events to promote and encourage entrepreneurship.
- provide opportunities for modern apprentices to be involved in the delivery of contracts.
- to work with us in supporting charitable causes.
- 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.

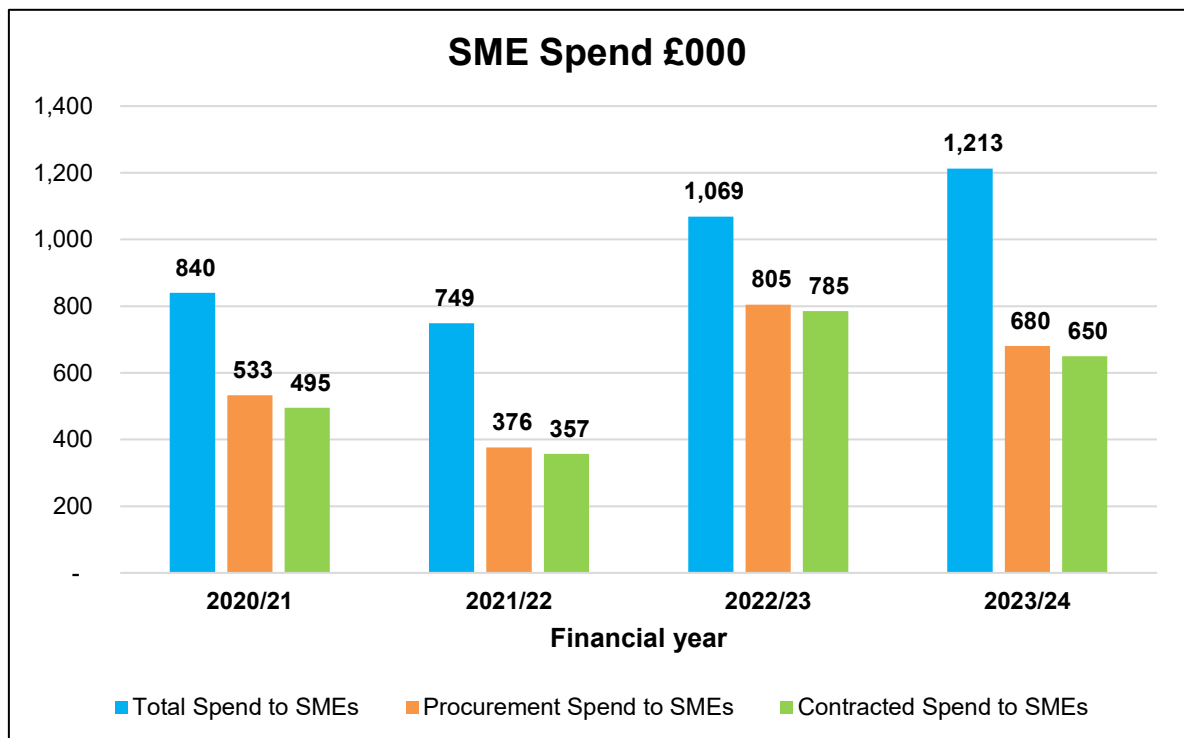
The SPPDs Banking Services framework offers an apprenticeship programme, funded educational programmes and work experience opportunities.

The SPPDs General Office Supplies framework offers volunteering in the community, partnering with Young Enterprises Scotland as well as modern apprenticeships.

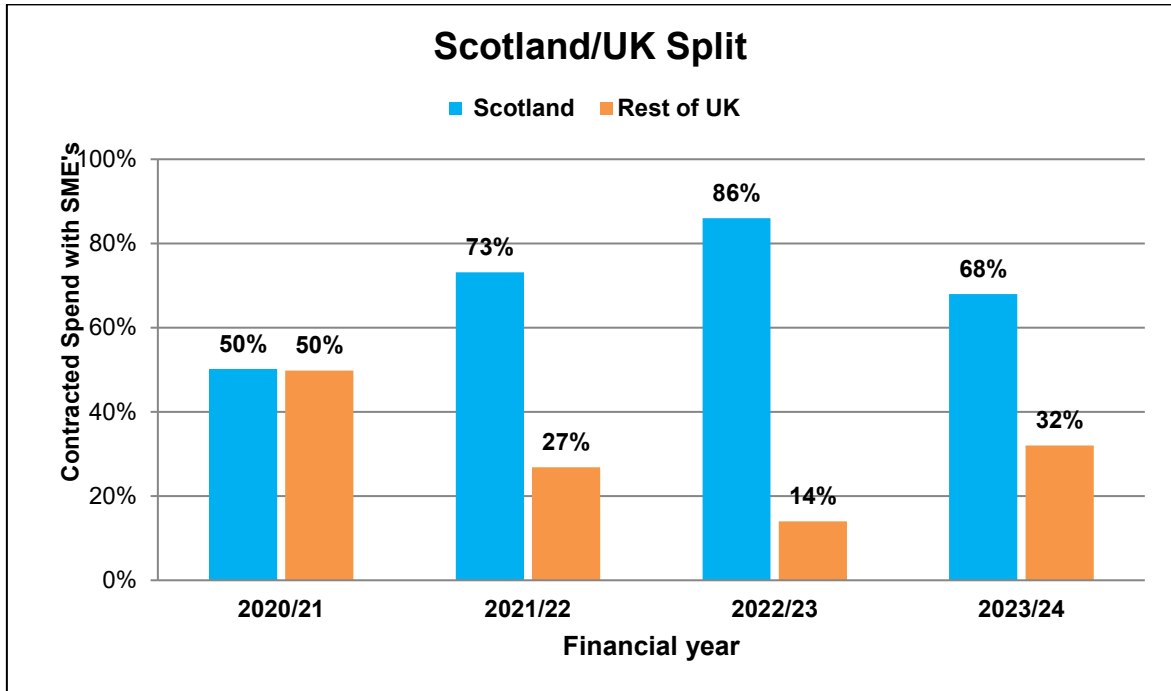
3.2.4 SME’s local businesses, supported businesses and the third sector

We continue to address sustainability in procurement. We publish a directory of supported businesses on the Care Inspectorate intranet. This directory provides supported businesses contact details including website links and a summary of goods and services provided by each supported business.

We capture spend with SME’s, social enterprises and third sector suppliers. Our spend with SMEs in 2023/24 is £1.2m, representing 15% of our total spend (2022/23: 14%) and 12% of our procurement spend (2022/23: 15%). An analysis of our annual spend with SMEs is shown below:



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 includes considering whether the 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 carrying out that contract.

3.2.6 Other sustainability benefits

We maintain a sustainability tracking tool where we capture sustainability benefits in our procurement activity. For 2023/24 the Care Inspectorate awarded ten contracts and 37 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
- Hazardous material and emissions

Socio-economic benefits

- Fair work first principles
- Equality & human rights

- Employment skills and training
- Awards and subcontracting to SMEs & micro businesses
- Equalities within the workforce.

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

1. Our portable appliance testing provider utilises a low emission fleet.
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 where possible.
3. Our security alarm, CCTV and access control maintenance and monitoring provider is also a registered waste carrier, sorting and recycling any equipment uplifted from our site.
4. Our office supplies contractor partners with a social enterprise to provide closed loop recycling and prevent the use of single use plastic in their supply chain.
5. We decommissioned IT server equipment with an expected reduction in carbon emissions annually of 2.1tCO₂ and financial savings to reinvest in other sustainability programmes of work.
6. Our mobile voice and data services contract provides free of charge device disposal, recycling and a reuse and wiping service.

Other sustainability benefits we continue to receive include:

- delivery of carbon neutral services
- sub-contracting arrangements with Scottish companies and SMEs
- supply of paper from sustainable chains and active promotion of carbon capture
- energy consumption from certified renewable sources
- modern apprenticeship schemes
- work placements
- creating employment opportunities for long-term unemployed people
- removal and recycling of packaging.

Our use of paper continues to be significantly lower than our pre pandemic levels, with 2023/24 usage being only 15% of what we used in 2020/21.

3.3 Raise the level of procurement knowledge, skills and expertise

The Care Inspectorate continues to invest in ensuring our staff are equipped with the right tools and experience in order to discharge their procurement duties effectively

and efficiently. The Procurement Team maintain a central procurement training register. Activities during the year included:

- The Procurement Team deliver training at Care Inspectorate team level. This allows them to provide training around individual team requirements, making sure it is meaningful and relevant. During the year, they delivered six formal training events.
- Our procurement team attended several external courses during the year to keep their skills and learning up to date, and to share this learning with the wider workforce who have a procurement role.
- We appoint contract managers for all relevant contracts, and we hold regular contract management meetings for all key contracts. We effectively manage supplier performance on key contracts to deliver value for money.
- Contract management training has been delivered to all staff with responsibility for managing contracts. This is further supported by mandatory completion of contract and supplier management e-learning modules and a contract management handbook.
- Staff with delegated procurement responsibility are asked to complete climate literacy e-learning modules
- The procurement team collate contract management information bi-annually and maintain a central record of this which is linked to the contract register.

The Procurement Team has also had an integral role in the creation of lessons learned reviews during the year. These are shared with the wider internal procurement community to make sure these valuable lessons are incorporated into future procurement activity.

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 the Procurement Development Group, our Senior Management Group and the Board. We will incorporate feedback from this into the 2024/25 procurement action plan where required.

Outwith the above, any areas of concern are reported to the relevant management team as they occur.

3.5 Demonstrate a continuous improvement approach to our practice

The public procurement landscape and the economic environment is constantly evolving. This year, through a benchmarking exercise with other public sector bodies, we reviewed our current thresholds for procurements with a value less than the regulated procurement threshold of £50k.

Whilst our thresholds remained within the parameters of the benchmarked organisations, we recognised that the cost of goods and services have increased in line with general inflationary increases. This, alongside our excellent procurement performance, suggested there was scope for increasing the threshold where only one quote is needed. We increased this from £1k to £5k during the year.

Our delivery of best value is supported by our 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 reviewed our internal processes and guidance which were updated to reflect any changes identified through lessons learned, our partnership working and Scottish Procurement Policy Notes.

3.6 Deliver inclusive procurement

We are committed to providing procurement services that are equitable, fair, inclusive and accessible to everyone. We added an equalities section to our tender documents to make sure the goods and services we procure comply fully with the Equality Act 2010, with bidders asked to supply evidence of their commitment to equality where appropriate and relevant to do so.

We make public procurement open and accessible to businesses, especially small and medium sized enterprises (SMEs), the third sector, supported businesses and not for profit organisations. We advertise tender opportunities greater than £10,000. Our published 2-year forward procurement plan provides advance notice of contract opportunities, both above and below the regulated procurement threshold.

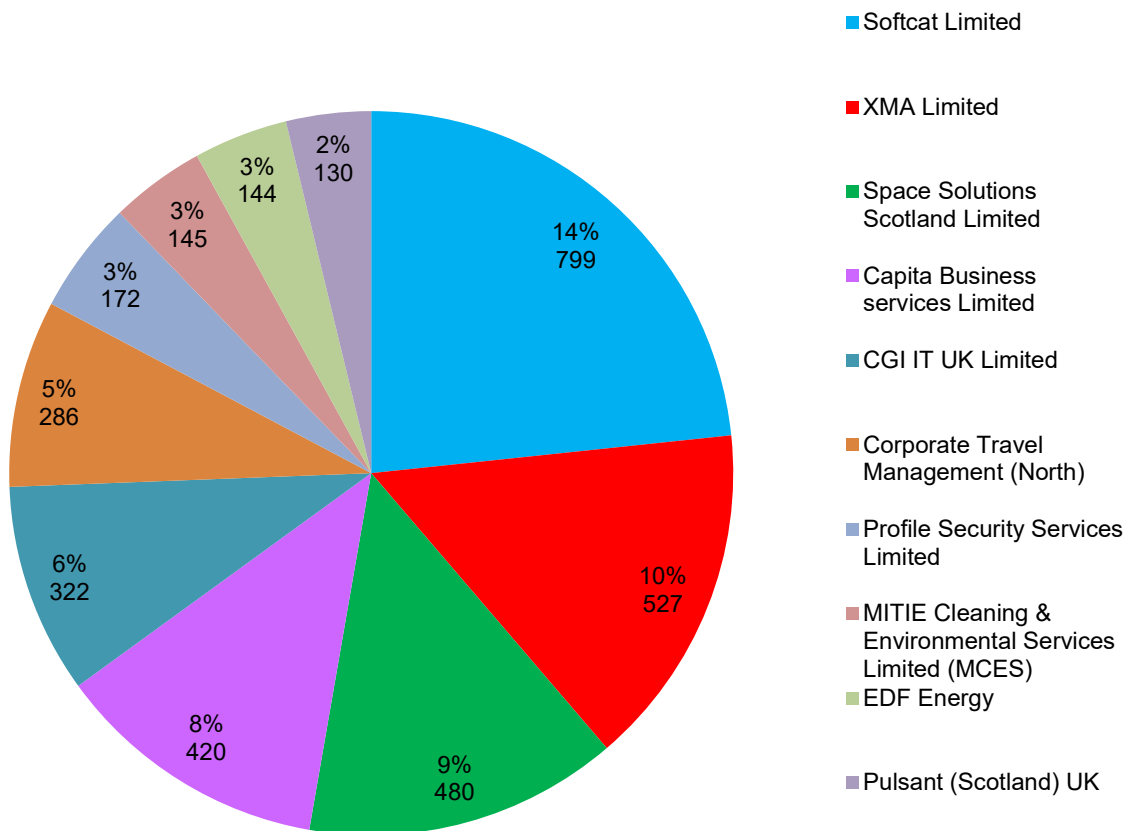
We review the procurement business processes on a cyclical basis to make sure they reflect current legislation and meet the needs of the users. We have amended and continue to amend and develop several of our processes to support the changing procurement landscape.

The success of the service delivery is informed by the Scottish Government's procurement capability assessment, reporting on agreed performance measures, regular feedback from users of the procurement service and regular customer surveys. This feedback and follow-up actions contribute to making sure that we deliver the right level and quality of service.

4.0 TOP 10 CONTRACTED SUPPLIERS

Together, the top 10 suppliers account for 62% (2022/23: 57%) of our total procurement spend, and 63% (2022/23: 58%) of our contracted spend.

Top 10 Spend With Contracted Suppliers (£000)



The top 10 contracted suppliers provide goods and services across the following categories of expenditure:

Spend category	Spend value '£000
Information systems	1,650
Property costs	940
Transport costs	286
Telephones	191
Professional fees	171
Staff costs	152
Training & Development	22
Adv, publicity, subs & pubs	13
Total	3,425

5.0 SUPPLIER ACTIVITY

The Procurement Team reviews active suppliers quarterly, with the aim being to ensure only suppliers we do regular business with are set up in the creditors' ledger. Suppliers who have not been used for a period of 13 months are made 'inactive' and any request to use them requires completion of a procurement template to ensure procurement procedures are being complied with. Only when this has been undertaken can new suppliers be created, or inactive suppliers updated to 'active' status. This ensures current contract arrangements have been analysed to ensure we are buying from a contract wherever possible. This is also good practice to mitigate the risk of purchasing or supplier fraud.

The number of active suppliers as of 31 March 2024 was 202 (2022/23: 204).
Comprising the following:

- 171 supplier sites for the supply of goods or services (2022/23: 187)
- 31 supplier sites for reimbursing inspection volunteers and associate assessors for travel and subsistence expenses (2022/23: 17).

6.0 CONCLUSION

The Care Inspectorate continues to make good progress towards the achievement of the published procurement priorities and the procurement action plan which supports the procurement strategy has been updated to reflect current priorities. The implementation of this plan will support continued development in procurement.

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. In particular requirements in relation to targeted training and employment outcomes.
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.
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.
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.

Term	Description
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.

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