

Corporate Procurement Strategy

2023-2024 Update

Sustainable procurement - making a real difference



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INTRODUCTION

The period since the publication of the previous Commercial and Commissioned Strategy for 2018-23 has been one of extraordinary challenges related to the effect on supply chains of Brexit, the Covid pandemic and other factors which continue to impact significantly on how public sector procurement is delivered generally and to which Scottish Borders Council has not been immune.

Additionally significant senior management changes during 2022 have led to Commercial and Commissioned Services being temporarily restructured and fully integrated into the wider Finance team. The Council Management Team in February 2023 approved further changes which are ongoing and will lead to the Commercial and Commissioned Services being permanently restructured as the Corporate Procurement Service.

On 23 February 2023, a new Council Plan was approved, setting out our strategic framework for action for the next financial year until 31 March 2024. This new Council Plan looks and is different from previous Corporate Plans. The reasons for this are to create a plan that:

- is short, simple and relatable for the public, but SMART, meaning composed of actions which are specific, measurable, achievable, relevant and time-bound.
- sets the strategic framework for the Council and for the Council's Financial Plans.
- operates in sync with the Council's Budget Setting Process.
- is informed by strong engagement with Elected Members.
- is effectively linked with a Performance Management Framework and an embedded culture of continuous improvement.

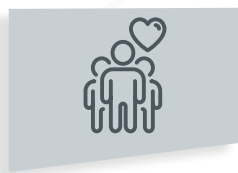
Reflecting the above changes this is an interim strategy representing an update to the former Commercial and Commissioned Services Strategy (now renamed Corporate Procurement Strategy). It will meet the Council's statutory obligations under the Procurement Reform (Scotland) Act 2014 whilst allowing time for the agreed structural changes in the service to be embedded and to take guidance from the updated Council Plan. It is planned to publish a fully updated procurement strategy in early 2024.

To support understanding of the terminology used across this document a glossary is provided of commonly used terms at the end. This aims to provide brief user friendly definitions of words, acronyms and phrases used in relation to public sector procurement.

VISION AND AMBITION

The ambition of the team remains to make a difference by contributing directly to the related values in the Council Plan.

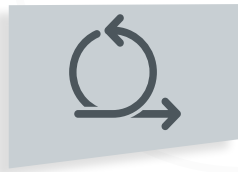
Strategic Context and Vision: Our Values



People Focused -
working collaboratively with colleagues
& partners, everything we do is for the
benefit of our communities



Inclusive & Fair -
we ensure everyone has the best
opportunities & always seek to act fairly



Agile -
we take advantage of new opportunities
to deliver good value for money and we
maximise the use of all digital opportunities



Sustainable -
we are passionate about the prospects of
future generations, we demonstrate this in
our decisions and delivery and ensure we
live within our means

In support of these values the continued themes will underpin all strategic procurement activity during the period of this strategy.

Support our local supply market and the economy

Deliver sustainable, flexible and innovative procurement

Identify effective and efficient procurement policy and process improvements

Deliver added value through savings and benefits

Develop commercial awareness across the organisation

STRATEGY CONTEXT

Council Plan

The current Council Plan 2023-2024 sets out the Council's ambitions and priorities for the year ahead. It outlines what we want to achieve and how we intend to do it. It builds on our Corporate Plan for 2018-2023, and includes those big developments, such as the Scottish Borders Climate Change Route Map and our Scottish Borders Anti-Poverty Strategy, which were identified in the Refresh of the Corporate Plan last summer.

The Council Plan is based on 6 outcomes that we aim to deliver for the Scottish Borders. Five of the outcomes focus on improving the wellbeing of citizens within the Scottish Borders and making our region a more sustainable and better place to live, work in and to visit. The sixth outcome is about developing a Council that is as effective and efficient as it can be – we need to do this in order to deliver on the other five outcomes.

FOCUS	OUTCOMES
<ul style="list-style-type: none"> Improving the wellbeing of citizens within the Scottish Borders and making our region a more sustainable and better place to live, work in and to visit 	<ol style="list-style-type: none"> Clean, green future Fulfilling our potential Strong inclusive economy, transport and infrastructure Empowered, vibrant communities Good health and wellbeing
<ul style="list-style-type: none"> Developing a Council that is as effective and efficient as it 	<ol style="list-style-type: none"> Working together improving lives

Delivering our Outcomes

 <p>Clean Green Future</p>	<p>Incorporating biodiversity and nature restoration across 950 hectares of greenspace.</p>	<p>Collecting the waste of over 59,000 households, and managing over 70 recycling points and 7 community recycling centres, while achieving the top recycling rate for rural councils.</p>
 <p>Fulfilling Our Potential</p>	<p>Delivering high quality education to over 16,000 children across 59 primary schools and 9 secondary schools.</p>	<p>Delivering over 1.5 million school meals per year to pupils across our primary and secondary schools.</p>
 <p>Strong Inclusive Economy, Transport and Infrastructure</p>	<p>Maintaining over 1,800 miles of public roads across the region, as well as some 490 miles of public footway, more than 1200 bridges and structures and 860 miles of walking and access routes.</p>	<p>Last year, bringing in £5.5 million of additional funding to spend on 24 Economic Development projects.</p>
 <p>Empowered, Vibrant Communities</p>	<p>Supporting over 80 community groups with £274,000 in grant funding through our Community Fund and £499,000 to 77 groups via our one-off 'Build Back a Better Borders Recovery Fund'.</p>	<p>Supporting our communities through the cost of living crisis by providing £1.2m of additional funding.</p>
 <p>Good Health and Wellbeing</p>	<p>Providing over 10,500 Care at Home Hours and over 14,500 Supported living hours per week to support people to live at home independently.</p>	<p>Maintaining 187 play parks.</p>

Paying a living wage to the largest workforce in the Region, Scottish Borders Council, delivering excellent services daily

Digital Transformation

Unit4 Business World went live in April 2017 to deliver a purchase to payment solution as part of the wider Council ERP system. It creates a real opportunity to transform our approach by using the benefits of the ERP system to support our work.

Within the overall ERP system and specifically the elements relating to the process from the decision to buy through to payment for that purchase, our strategy is to establish simple and standard processes across the organisation to support the management of expenditure. The key objectives relating to that work are;

- Maximising the automation of transactional processes
- Adopting master data across suppliers, contracts and products
- Using spend analysis data to support procurement decisions
- Creating efficiencies in support of front line service delivery
- Meeting the obligations contained in the EU Directive on electronic invoicing in public procurement

Business World has been enhanced by the addition of a further digital resources:

- An invoice capture scanning solution
- Contract and supplier management system

A business case has been completed to add an additional module which would allow ERP system users to access a marketplace of e-catalogues to enable purchases from contracted suppliers.

Policy Landscape and Tools

To meet the post Brexit objectives of our strategy we actively utilise a variety of best practice tools, mechanisms and approaches. These are supported by operational process and procedures in line with corporate policy. A selection of these methods is noted below. The key is how we use these tools, rather than the tool themselves.

The Procurement Journey/Public Contracts Scotland (PCS) /PCS-Tender

The use of this suite of national procurement tools facilitates best practice and consistency across all our activity by bringing together each of the steps involved in procurement.

Sustainable Procurement

The Council policy 'Adding Value to the Community through Procurement' has been embedded into the new strategy to ensure every procurement project is considered for additional opportunities such as community benefits. The review below includes summaries of the positive outcomes from this policy.

In line with this and other strategy commitments, we have developed a Sustainable Procurement Charter. It can be found at Appendix 2. The charter lays out each of our principles, standards and the expectations for suppliers who would like to work with us.

Fair Work First

Through its own accreditation as a Living Wage employer, the Council recognises the benefits of fair work. Accordingly it has adopted the Fair Work First approach which aims to drive high quality and fair work across the labour market in Scotland by applying fair work criteria to its procured contracts, where it is relevant to do so. Fair Work First asks businesses bidding for a public contract to commit to adopting the following:

- appropriate channels for effective voice, such as trade union recognition
- investment in workforce development
- no inappropriate use of zero hours contracts
- action to tackle pay gap and create a more diverse and inclusive workplace
- providing fair pay for (for example, payment of the Real Living Wage)
- offer flexible and family friendly working practices for all workers from day one of employment
- oppose the use of fire and rehire practices.

Public Procurement Priorities

During 2021/2022, the Public Procurement Group for Scotland, a leadership group led by the Scottish Government and the Centre of Expertise (including Scotland Excel) set the strategic direction for public procurement in Scotland through the development of a set of public procurement priorities for all public sector procurement leaders.

These priorities can be found [here](#). Scottish Borders Council is making good progress across the majority of these indicators.

2018-2023 REVIEW

- Building on the benefits of the Business World Enterprise Resource Planning System, a number of positive policy and process improvements have been delivered during the period including live Supplier Master File reduction in line with the Council's GDPR obligations and the introduction of Purchase Cards to reduce small value/risk transactions in the invoicing process.
- Scottish Borders Council received an overall score of 78% in the 2018 PCIP, placing it in the F1 Band and well above the Scottish local authority average. This represents an increase of 8% on 2016.
- 2019 the Council was successful in receiving Living Wage accreditation recognising the Council's commitment to pay all directly employed and regular third-party contracted staff the real Living Wage
- Supported contractors in 2019 who were preparing to bid for the Council's new Repair and Maintenance Framework opportunity, the team together with the Supplier Development Programme (SDP) by holding supplier engagement drop in sessions and delivering bespoke support and training on Public Contracts Scotland.
- Worked with multi agency partners to develop and implement a school holiday programme for Early Years families in the Scottish Borders to ensure vulnerable children in the most deprived areas had access to vital support over the school summer break. Through the community benefits rebate clause in the National Groceries Framework, the Council was able to make funding available to the programme to cover the cost of all the groceries for the six week programme.
- In 2019 the Council awarded a four-year contract, worth £44,000 to maintain gardens for tenants of Scottish Borders Council Homeless Temporary Accommodation, to the Borders Green Team, a Hawick-based social enterprise. Borders Green Team trades as a business with a social and/or environmental benefit.
- Covid 19 Pandemic Response 2020. Within days of the first lockdown in March 2020, and while working closely with Business Gateway, the team developed a process to facilitate the payment of business support grants within the Scottish Borders exceeding payments of £72M. Specific supplier funding support to sustain key services was provided to critical providers, including £1.13m to Early Years Providers and £1.23m to Transport Operators. The Social Work Contracts team developed guidance and materials to facilitate the payment of in excess of £1.5m to support the long term sustainability of our key social care providers. A dedicated cross functional team was created to consider the sourcing, supply and distribution of PPE and cleaning materials across all services of the Council which saw a 357% increase in total PPE spend.
- Invoices paid within 30 days has increased from 85% (2018) to 93% (2022) with 100% of invoices now paid electronically.
- Hawick Flood Protection Scheme commenced in 2020 and has delivered Community Benefits including: 59 employment opportunities, 44% of workforce from local area, Educational activities across schools, engaging and supporting Community Groups and Community Projects or Events including local sponsorships and donation of materials to local groups.
- In 2021 the team delivered the Councils first Commercial Awareness Week. This was developed to support the launch of the new corporate Contract Management Framework whilst also raising awareness of what we mean by commercial and why it is important.

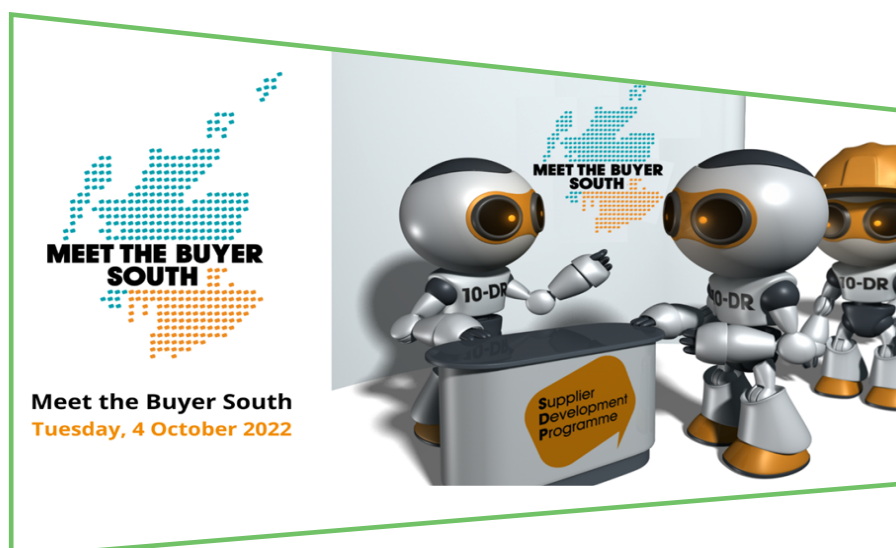


Commercial Awareness Week Programme



Time	Monday 15th	Tuesday 16th	Wednesday 17th	Thursday 18th	Friday 19th
10am	1. Launch of week ahead Netta Meadows, Chief Executive	5 Using Markets to Drive Commercial Value Scotland Excel (Pre-booking required – see Note 1) 40 mins	9. How to handle price variations Scotland Excel (Pre-booking required – see Note 1) 40 mins	13. Serious Organised Crime in the Borders? Surely not? Business Continuity Brian MacFarlane (Pre-booking required – see Note 1) 30 mins	17. Proactive Contract Management – Annual Reports Scotland Excel (Pre-booking required – see Note 1) 40 mins
11am	2. Talking Heads – What commercial means to Debbie Hosie, Catering Manager 5 mins	6. What style of Negotiator are you? Take the Quiz! 5 mins	10. Talking Heads – What commercial means to Lisa Stanners 5 mins	14. Taking care of risk Emily Elder Jill Stacey 30 mins	18. Social Care & Health – A commercial perspective Jen Holland (Pre-booking required – see Note 1) 40 mins
2pm	3. Tips on managing Supplier Performance in practice Ross Sharp Dent Caroline Jackson (Pre-booking required – see Note 1) 30 mins	7. Negotiation Techniques Scotland Excel (Pre-booking required – see Note 1) 40 mins	11. Writing Invitations to Tender with commercial in mind Julie Caughey Procurement Consultant (Pre-booking required – see Note 1) 30 mins	15. What does Climate Change mean for commerciality? Michael Cook Louise Cox (Pre-booking required – see Note 1) 30 mins	19. Closing Comments and launch of ideas portal and feedback David Robertson 10 mins
3pm	4. Introduction to Contract Management ELearning launch	8. Tarmac's take on commercial 10 mins	12. Levenseat's take on Commercial 10 mins	16. Talking Heads – What does Commercial mean to Nick Byers 5 mins	THANK YOU – WE HOPE YOU FIND THE WEEK INSPIRING ☺

- In 2022 the team was nominated for the Team of Year Award at the Purchase to Pay Network event based on the Procurement team procuring and overseeing the contract and supplier management of a contracts portfolio with a total value in excess of a billion pounds, the Purchasing team overseeing purchase order requisitions with a value circa £105m and the Payments team managing over 140,000 transactions each year with a value in excess of £287m.
- In 2022 the team co-hosted the first Meet the Buyer South event in Selkirk with headline partners Supplier Development Programme, South of Scotland Enterprise (SOSE), and Dumfries and Galloway Council. 239 attendees on the day with the post-event survey highlighted that 84% of Scottish SMEs were more likely to bid for public sector contracts after participating in Meet the Buyer South. "This was not what I expected from the public sector – rightly or wrongly I had thought it would be a lot stuffer and more formal! But the event was great, everybody was helpful and friendly, and this didn't just reflect on the public sector but on how Scotland is go-ahead in business in general."



STRATEGIC THEMES AND OBJECTIVES

The aims and objectives from the previous strategy remain relevant in the context of the new Council Plan for 2023-24 and have been retained.

Working Together, Improving Lives				Clean, Green Future
Strategic Themes - 2 & 3	Strategic Theme - 5	Strategic Themes - 3, 4 & 5	Strategic Themes - 2 & 4	Strategic Themes - 1 & 4
Team Consistency	Commercial Skills	ERP Opportunities	Continuous Improvement	Sustainability
Lead the development of fit for purpose, relevant template and guidance materials recognising SG Procurement Journey materials and Implementation of Supplier Network. Consider outputs from appraisals to support individual development needs - procurement competency framework can be used for self-assessment.	Support the wider development of commercial skills across the Council by taking a lead role in implementing and promoting the use of Supplier Network for contract and supplier management; Lead on developing data-driven analysis of spend and identify opportunities for local spend growth. Consider Spend Management opportunities.	Use Spikes & BW to maximise contract spend/identifying and reporting on off contract spend.	With reference to the 2018 PCIP, review the skills and competences of the procurement team and produce and implement an action plan to make good any knowledge/skills gaps.	Ensure that sustainability considerations are documented and embedded in all procurement processes, updating these in line with new SG requirements; support the delivery of Meet the Buyer South; support the sustainability officer to deliver on their objectives.
Support and actively contribute to the development and embedding of new procurement processes - particularly use of the Supplier Network.	Promote the use of Supplier Network and support service dept. by providing guidance and training support for the same.	Consideration of Proactis Marketplace and further development of the Product Strategy. Development of the Physical & Virtual Purchase Card Strategy.	Carry out procurement skills self-assessment and identify relevant training opportunities.	Ensure that all procurement exercises incorporate sustainability considerations, liaising with services and the sustainability officer as necessary.
	Develop Data Analysis/Reporting from BW and Contract Management systems to monitor all stakeholder/service/Council wide outputs and ID opportunities.		Further develop the Commercial & Commissioned Services Quarterly Dashboard.	Lead all activities on sustainable procurement; coordinate the delivery of community benefits; improve and develop sustainability reporting. Community Wealth Building - next steps.

Theme	Objective	
1	Support our local market and the economy	to grow the Councils local supply base to increase the proportion of Council spend within the area
2	Deliver sustainable, flexible and innovative procurement	to capture opportunities while balancing priorities
3	Identify effective and efficient procurement policy improvements	to maximise the benefit from the investment in technology through the new ERP system
4	Deliver added value through savings and benefits	to make a positive and measurable impact through procurement opportunities
5	Develop commercial awareness across the organisation	to benefit from a commercial approach to key supplier and partner relationships

These priority areas are fully detailed in the *Delivering the Strategy - action plan* provided as Appendix 1.

SOCIAL CARE & HEALTH COMMISSIONED SERVICES

Since the publication of the previous strategy, Scottish Borders Council has reviewed and is currently restructuring the way it commissions its social care & health services.

Key to this restructure was the creation in September 2021 of a new service - Strategic Commissioning & Partnerships, which now has responsibility for all social care and health commissioning activities, including forecasting, capacity planning, service planning and design, contract monitoring and management. This restructure has led in the redeployment of relevant members of staff and the transfer of duties to Strategic Commissioning & Partnerships.

The Corporate Procurement Service remains responsible for all competitive tendering activities and will continue to execute procurements, on behalf of Strategic Commissioning & Partnerships, where competition is deemed the most appropriate route to engage with external providers but with the establishment of a separate function which is developing its own strategies, processes and procedures, social care and health service commissioning no longer falls within the purview of the Corporate Procurement Strategy.





MEETING STATUTORY DUTIES

General

The aims and objectives of the Corporate Procurement Service lay out clearly how we intend to make sure our procurement activity supports carrying out the Councils function and purpose.

All our procurement activity, regardless of value, will be carried out in a manner to ensure that:

- All suppliers are treated equally and without discrimination
- All activity is transparent and proportionate
- All regulated activity complies with the sustainable procurement duty

We will work closely with the Supplier Development Programme and our colleagues in Economic Development and Business Gateway to access support for the supply chain.

Sustainable Procurement Duty

Before the Council buys anything, it should think about how it can improve the social, economic and environmental wellbeing of our area, with a particular focus on reducing inequalities. Another important area is how the Council facilitates the involvement of SME's, Third Sector bodies and Supported businesses and how it will use procurement to promote innovation. Of equal importance is the consideration of any environmental opportunities by considering the impact of the purchase on, for instance, climate change, waste production or scarce materials.

The Council's 'Sustainable Procurement Charter', covering all of these key factors is included at Appendix 2. The charter brings together different areas of policy, each of which contribute to our commitment to working in an ethical, responsible and sustainable way.

The Charter builds upon the clear benefits of such an approach and has been developed to play a key role in the promotion of social, economic and environmental best practice. It is an integral part of our procurement activity and delivers compliance with our new sustainable procurement duty from the Procurement Reform (Scotland) Act 2014.

The Charter clearly defines our commitment to suppliers in terms of our practices across important areas such as the importance of equalities, the encouragement of the Scottish Living Wage and consideration of our local market; while including the principles and standards being sought from suppliers covering our zero tolerance approach to Modern Slavery and human trafficking, compliance with Health & Safety requirements and Data Protection considerations.

Adding Value to Communities through Procurement

Adding Value to Communities through Community Benefits or 'social value' requirements in public sector procurement ensures that wider local economic and social issues are considered when delivering construction works, service or supplies contracts. This delivery of additional benefit beyond the core purpose of a contract opportunity can help to maximise the impact of public sector spending on local communities. This is achieved through the inclusion of specific clauses within contracts known as community benefit clauses (CBCs). It is intended that this policy provides a corporate approach on how to meet this aim and promote the wider use of CBCs across all areas of Scottish Borders Council.



Maximising the added value to communities that procurement and other contracting opportunities offer can create a lever to address specific Council priorities and by doing so extend the value from public sector spend. There are many potential areas of opportunity, such as:

- Targeted Training and Recruitment – promote skills and labour/offer apprenticeships;
- Business Supply Chain Initiatives – supplier engagement/supply chain opportunities;
- Working and supporting the Third/Voluntary Sector;
- Community Engagement – volunteering days/supporting community groups;
- Education – work/school placements/career path support;
- Support for Community Initiatives – environmental improvements/grant schemes.

The statutory community benefit requirement introduced by the Procurement Reform (Scotland) Act 2014, applies to contracts, including framework agreements and call-off contracts, which are estimated to be valued at £4 million or over. Our local policy does not aim to prescribe any specific value based threshold however requires the budget holder/contract owner to consider the inclusion of a CBC where the total estimated value of the contract exceeds £50,000.

The community benefit requirement for each contract should be considered on a case by case basis and in every case where added value is considered; it must be proportionate and avoid creating an unnecessary burden on the supply chain.

There is significant opportunity for the Council to champion and extend the application of CBCs beyond direct Council contracts. The Council enters into partnership arrangements, funding agreements, and other shared interest relationships with external organisations.

This policy may therefore be extended to apply (as appropriate) on a voluntary basis and in a proportionate manner where those type of agreements or relationships exist. It should also be possible to consider the adoption of the appropriate elements of this policy across our partners Live Borders and the wider Community Planning Partnership.

Stakeholder Consultation/Engagement

At the beginning of and during procurement activity we will identify, engage and consult with stakeholder groups, as appropriate, which may include:

- The community
- The users of the service to be procured/commissioned
- The market
- Other Council Services/colleagues

This engagement will be proportionate to the project scale and may take a number of forms, such as online, face to face, or the creation of a focus group with appropriate representation of those involved or affected by the particular activity.



Climate Change

Climate Change Route Map (CCRM)

The first edition of the CCRM was published in June 2021. It sets out the scope of SBC's ambition to reach the Scottish Government target of net zero by 2045 and opportunities for action.

The CCRM supports Scottish climate change legislation - Action is a statutory duty and a policy imperative, because:

- Net Zero is now law. The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 sets a legally-binding "net-zero" target of all greenhouse gases by 2045, with interim targets for reductions of at least 56% by 2020, 75% by 2045.
- From 2022, all public sector bodies – including SBC - must set targets for achieving zero direct emissions from the 2010/11 baseline year, and for reduced indirect emissions.
- SBC report annually on compliance with climate change duties

The CCRM sets out 25 milestones across five core themes:

1. Resilience
2. Transport Use
3. Nature Based Solutions
4. Energy
5. Waste Management

The CCRM is considered in SBC's procurement strategy documents in the tender process.

SBC have made significant changes in how it operates, builds and improve facilities and work generally as part of the commitment to reducing its impact on the climate. The CCRM themes are at the centre of this change. Examples of this include:

- a reduction in the household waste sent to landfill and associated increase in recycling rates, to over 56% in the year to December 2020
- an estimated saving of over 74 tonnes of CO2 in 2019-20 from the pool car fleet
- implementing LED technology in street lights to reduce both maintenance and energy use
- an increasingly electric or hybrid vehicle fleet
- installation of electric vehicle charging points across the region
- a print project with IT partner CGI to reduce paper use which has saved over 38 tonnes of CO2
- Local butcher meat trial in the Scottish Borders secondary schools in 2022 with butchers from Lauder and Peebles supplying and delivering the fresh butcher meat for school lunches benefitting the local economy and reducing the food miles.

Procurement Legislation

The Scottish Government is responsible for the development of national procurement policy and supporting guidance in Scotland. There are several key pieces of procurement legislation which set out the regulatory framework for public procurement across Scotland.

- The Procurement Reform (Scotland) Act 2014
- The Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016
- The Concession Contracts (Scotland) Regulations 2016

These statutory instruments embedded European Union procurement directives (e.g. 2014/24/EU - Public Contracts) within national laws and have thus far been retained despite the UK's exit from the EU in January 2020.

Statutory guidance accompanies the Scottish Government legislation and Scottish Procurement Policy Notes (SPPNs) are published on an ad-hoc basis to provide advice on current policy issues. Several key SPPNs are listed below. These SPPNs are adopted in line with requirements and local policy.

Public procurement - taking account of climate and circular economy considerations: SPPN 3/2022

SPPN3/2022 replaced SPPN 1/2021. It aligns climate change reporting duties with procurement policy and legislation which requires public bodies to consider and act on opportunities to improve social and environmental wellbeing. Procurement are working with the climate change officer to report ongoing progress against climate change and circular economy commitments. SBC use the Scottish Governments Sustainable Procurement Tools to consider and act on a number of climate change considerations.

Public procurement - prompt payment in the supply chain: SPPN 2/2022

It is important for suppliers to be paid on time to deliver against these elements. The payment indicator at Scottish Borders consistently exceeds the target figure of 93% on invoices paid within 30 days as prompt payment is critical to the sustainability and resilience of the supply chain.

Fair Work First implementation - Scottish public procurement update: SPPN 6/2021

Suppliers are asked to adopt the seven elements of Fair Work First as detailed in SPPN 6/2021 when bidding for public contracts. SBC evaluate a supplier's response to Fair Work First as part of the tender process.

Fair Work First asks businesses bidding for a public contract to commit to adopting the following:

- appropriate channels for effective voice, such as trade union recognition
- investment in workforce development
- no inappropriate use of zero hours contracts
- action to tackle the gender pay gap and create a more diverse and inclusive workplace
- providing fair pay for workers (for example, payment of the real living wage)
- offer flexible and family friendly working practices for all workers from day one of employment
- oppose the use of fire and rehire practices.

Further, where relevant SBC have made payment of the real living wage for certain contracts as part of the tender process. Meeting the seven part criteria is essential to achieving both SBC and the Scottish Government's priority for sustainable and inclusive growth.

Supply chain resilience and diversity: SPPN 9/2020

SPPN9/2020 gives practical steps that should be taken to support supply chains and reduce the risk of disruption to supply of goods or services cause by supply chain vulnerabilities and demand.

SBC utilize the national sustainable procurement tools as a starting point for assessing supply chain vulnerabilities. The tools helps SBC optimise the economic, social and environmental outcomes of their procurement activity. Lifestyle impact mapping requires SBC to consider where in the procurement cycle risks and opportunities exist (raw materials, manufacturing and logistics, use and disposal or end of life management), and subsequently how they might be addressed.

Council Governance

The Chief Financial Officer has responsibility for the production and management of the Corporate Procurement Strategy.

Council governance of procurement is contained across Standing Orders and Financial Regulations. Standing Orders are the rules which govern how contracts for goods, services and works must be made with Financial Regulations containing the procedures for dealing with financial matters. This governance applies to every member and employee of the Council.

The internal governance framework has been revised in line with the legal requirements and the opportunities of the new ERP system. Adjustments have been made to the previous procurement thresholds with the aim of streamlining processes. Adherence to standing orders is crucial to ensure procurement is carried out in full compliance within the complex legal framework noted above. All the relevant rules are covered in the Council's Purchasing Handbook.

Contract & Supplier Management

Contract and supplier relationship management is the on-going monitoring and management of contracts entered into with suppliers or partners for the provision of goods, services and works. It includes the pursuit of increased benefits and value from those contracts by maximising leverage, driving improvements and accessing innovation.

Scottish Borders Council is continuing to develop its processes and procedures for contract and supplier management, including adopting a risk based approach to the categorization and management of contracts with new requirements to include (as appropriate) key performance indicators to measure clear outcomes.

Individual services remain responsible for contract management within their area of activity but Scottish Borders Council has procured modules from the Proactis Source-to-Contract product to support services by providing a common software platform for contract management to sit alongside Business World Enterprise Resource Planning software and procurement specific tools including Public Contracts Scotland (PCS) and Public Contracts Scotland – Tender (PCS-T).

VALUE OF PROCUREMENT 2018-2023

During 2021/2022, the Council spent approximately £183million with external suppliers across revenue and capital expenditure. The table below lays out how that money is spent across standard procurement classification groups.

ProClass Group Spend	Total Spend (£)	ProClass Group Spend	Total Spend (£)
Arts & Leisure	277,000	Highway Equipment & Materials	2,510,000
Catering	2,111,000	Horticultural	1,278,000
Cemetery & Crematorium	5,000	Housing Management	4,115,000
Cleaning & Janitorial	1,555,000	Human Resources	3,028,000
Clothing	229,000	ICT	19,923,000
Construction	38,195,000	Legal Services	352,000
Construction Materials	3,514,000	Mail Services	275,000
Consultancy	2,543,000	Public Bodies	8,058,000
Domestic Goods	24,000	Public Transport	4,664,000
Education	4,522,000	Social Care	47,182,000
Environmental Services	7,333,000	Sports & Playground Equipment	487,000
Facilities & Management Services	1,655,000	Stationery	98,000
Financial Services	12,459,000	Street & Traffic Management	866,000
Furniture & Soft Furnishings	952,000	Utilities	6,848,000
Health & Safety	654,000	Vehicle Management	5,973,000
Healthcare 1,317,000			

ProClass is a procurement classification not a finance classification. It is for classifying products and services that are purchased and not for classifying people, projects or budgets.

Commercial Ambition

Each Procurement project will consider where opportunities may exist to reduce cost, access efficiencies or to access additional value. These areas of opportunity might include:

Opportunity	Ambition
Savings	<ul style="list-style-type: none"> Meeting the target value set in the project budget
Market Knowledge	<ul style="list-style-type: none"> Use of category awareness to support approach to the market
Price	<ul style="list-style-type: none"> Using data to better understand costs across specific areas of spend
Cost reductions	<ul style="list-style-type: none"> Use of contract management to consider price or risk reductions Use of technology to simplify and reduce the cost of tendering, purchasing and payment transactions
Demand Management	<ul style="list-style-type: none"> Seeking ways to reduce or change how demand is fulfilled Identify opportunities to change to lower cost, innovative or alternative solutions
Collaboration	<ul style="list-style-type: none"> Aggregating Spend with other bodies to produce economies of scale Efficient use of resources

CONTINUOUS IMPROVEMENT

The Council will continue its participation in the bi-annual Procurement and Commercial Improvement Programme (PCIP) assessment regime. The output from this assessment will be part of a continuous improvement approach with any specific areas of improvement built into the refresh of the strategy action plan.

The benchmark for this assessment continues to be the result of the 2018 assessment:

- 78% (banding F1 – the top banding for those public sector bodies undertaking the full assessment).

The PCIP assessment regime has now entered its third phase (Cycle 3 – Pulse Check). It is expected that a revised PCIP programme will be published in late 2023 /early 2024 by Scotland Excel.



TEAM DEVELOPMENT AND INDIVIDUAL SKILLS FRAMEWORK

The Scottish Procurement Competency Framework (detailed below) identifies the skills and competencies required by people involved in the procurement process. It helps with the development of individuals' through a skills assessment and subsequent identification of training and development needs. This framework complements the Councils existing staff appraisal process. This will be used as a tool to underpin team development.

Procurement Competency Framework (aligned to Government Purpose & CIPS Global Standards)

Infrastructure Foundations (Why)	Process (How)			Performance (What)	People (Who)
	Planning	Implementation	Delivery		
	Pre-market engagement	Tender	Post contract		
Corporate Strategy				Performance Management & Measurement <small>(including Benefits Tracking & KPI's)</small>	Self-development
Procurement Strategy and Policy					Managing High Performing Teams
Legislation	<ul style="list-style-type: none"> Commodity, Supplier & SC Profiling Spend Analysis Market & SC Analysis Specification development Building tender documents 	<ul style="list-style-type: none"> Contract Law & T's & C's EU and Regulated Tender Process Tender Evaluation Award & Debrief Negotiation Alternative routes to market 	<ul style="list-style-type: none"> Contract management Supplier management Supply chain management Inventory Management Distribution fleet and logistics 		Leading & Influencing
Governance and Compliance				Continuous improvement <small>(Including change Methodologies)</small>	Stakeholder Relationships
Technology					Communications
Standards & Conduct					
Early Engagement & role of intelligent client <small>(drives better outcomes)</small>	Commercial and Financial Awareness Commercial competence and business acumen; Commercial models; Business case development; Financial Management; Budgeting				
	Planning and Risk Management Project and Programme Management (PPM); Risk Management				
	Sustainability and Innovation Sustainable Procurement				

MONITORING/REVIEWING AND REPORTING ON THE STRATEGY

The strategy objectives will be delivered through an action plan, detailed at Appendix 1. Performance against the action plan will be monitored by the Chief Financial Officer and reported through the relevant Scottish Borders Council Executive Committee on a regular basis.

Key performance indicators (KPI) will continue to be developed and linked to the Delivering the Strategy – Action Plan. A number of KPIs are currently reported to the Executive Committee through the wider corporate performance monitoring processes. We will also engage with stakeholders to ensure meaningful information is delivered as part of regular reporting of procurement performance.

As required by legislation, an annual report comprising all required elements of the Procurement Reform (Scotland) Act 2014 is submitted to the Executive Committee and following approval, the report is issued to Scottish Ministers and published on the Councils website. As part of the annual report production process, the strategy will be reviewed and refreshed to take account of any updates to Council priorities and objectives.

Services will receive regular reports from the Procurement Business Partner to ensure the strategy is being delivered effectively within departments. Procurement delivery plans will continue to be developed in collaboration with Services encompassing all significant procurement due in the following 1-3 years. This allows for resource planning and scheduling and improves visibility and risk management of our activities. These planned contract opportunities require to be published as part of the new legislation, along with the Councils full contract register.

Strategy Ownership	Further Information
Approval process	Scottish Borders Council TITLE (Full Council, CMT etc.) - DATE
Led by	Suzy Douglas Interim Chief Financial Officer sdouglas@scotborders.gov.uk
Delivered by	Ryan Douglas Procurement Business Partner RyanThomas.Douglas@scotborders.gov.uk

POLICIES/TOOLS AND PROCEDURES

Item	Item
Community Plan	This document, currently under consultation, contains the priorities and outcomes the Scottish Borders Community Planning Partnership want to achieve for the Scottish Borders
Corporate Plan	The Council's corporate plan details what will be prioritised within the area
Procurement and Contract Standing Orders	The procedural governance of the organisation through which procurement activities are undertaken
Financial Regulations	These set out the financial policies in place
Control of Contractors Policy	A policy defining the Council's Health and Safety requirements
Suppliers Procurement Guidance	Working with suppliers to improve public sector procurement processes and dialogue
Selling to the Council	Our website aims to make it as easy as possible for suppliers to do business with us
Sustainable Procurement Charter	Our charter has been developed to promote social, economic and environmental best practice across all our procurement activities
Scottish Model of Procurement	Balancing cost, quality and sustainability
Public Procurement Legislation	Delivering procurement across EU and national legislation provides the foundations of the Scottish model of Procurement
Public Procurement	The structure of public procurement in Scotland
Scottish Procurement Journey	A series of procurement routes for all levels of procurement activity to facilitate best practice and consistency across the Scottish Public Sector
Public Contracts Scotland	The national advertising portal for the Scottish public sector to post OJEU and sub threshold contract opportunity notices
Public Contracts Scotland Tender	The national e-tendering system. A secure and efficient means for the Council and suppliers to use to manage tenders online
PCIP	Full details of the Procurement and Commercial Improvement Programme
Procurement Thresholds	A series of value based thresholds subject to legislative regulation
Sustainable Procurement Tools	This set of tools has been produced to assist the sustainable procurement process to comply with the duties of the Procurement Reform (Scotland) Act 2014
Supported Business	A supported business' primary aim is the social and professional integration of disabled or disadvantaged

GLOSSARY

Collaboration	Working with other partners to undertake joint or shared procurement activities with the intention of obtaining better value through the economies of scale and reduced procurement costs
Commissioning	This is the process used to assess the needs of people in the area, then to design and specify the appropriate services to deliver those needs in a cost effective and value for money way
Community Benefits	These are contract requirements that deliver wider benefits in addition to the core purpose of the contract. These will create added value and will be social, economic or environmental benefits
Contract Management	This is the management of contracts with suppliers or partners. It includes the tasks and activities to ensure the contract is delivered as per the terms. Activity can include the mobilisation of the contract, delivery throughout the term of the contract to expiry and decommissioning. It will also include supplier relationship and performance management
Demand Management	This is a way to reduce costs by managing requirements through many different methods such as forecasting, reducing options, increasing flexibility or considering distribution methods and frequency
Goods	Items that we buy include things such as catering provisions, office stationery and supplies, or the materials needed to build roads
KPI	Key Performance Indicators are measures out in place as part of the contract arrangements. These will be used to help manage delivery of the contract to a pre-agreed set of quality and quantity indicators
P2P	Procurement to Payment - electronic IT systems and processes used to manage the raising of purchase orders through to the payment of supplier invoices
PCIP	The Scottish Government led Procurement and Commercial Improvement Programme and its associated assessment programme
Procurement	This is process of acquiring goods, services and works
Purchasing	The transactional stages of placing orders for goods, services or works, using P2P systems to receipt goods, services or works received and then to pay for them
Regulations	Public Contracts (Scotland) Regulations 2015; Procurement (Scotland) Regulations 2016; The Procurement Reform (Scotland) Act 2014
Services	Services we buy might include care services, professional services to design works projects or repair and maintenance services
Small and Medium Enterprises (SME's)	Firms that employ less than 9 employees are classified as micro businesses, firms that employ less than 50 are classed as small and those employing less than 250 medium
Sustainable Procurement	A process where organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life costs basis and generates benefits, not only for the organisation but for society, the economy and the environment
Third Sector	The group name for a range of organisations such as community groups, charities, voluntary organisations, social enterprises or community interest companies. They can be everything between small and local or large multinational companies or charities
Value for Money	Value for money is the optimum combination of whole life costs quality and sustainability to meet our requirements
Whole Life Costing	Whole life costing takes into account the total cost of a product or service over its lifetime, from concept to disposal and including purchase, hire or lease, maintenance, operation, utilities, training and end of life disposal. It is important to take all of these costs into consideration when making decisions as in some cases the purchase cost is only a small proportion of the cost of operating it
Works	Construction works that we buy, including the construction and/or refurbishment of new and existing buildings, roads, bridges, parks or other open spaces

APPENDIX 1 - DELIVERING THE STRATEGY - ACTION PLAN

Opportunity	Objective	Principal Actions
1 Support our local supply market and the economy	to grow the Council's local supply base to increase the proportion of Council spend within the area	<ul style="list-style-type: none"> • Hold regular supplier engagement events • Encourage a diverse range of suppliers to work with the Council • Support and improve access to contract opportunities by local SME's and the Third Sector • Introduce online tools to make best use of digital technology
2 Deliver sustainable, flexible and innovative procurement	to capture opportunities while balancing priorities	<ul style="list-style-type: none"> • Full adoption of sustainable procurement through the suite of tools developed by the Scottish Government • Use whole life costing to balance cost, quality and sustainability • Secure the commitment of stakeholders of the new approach • Maximise added value through community benefits • Support the Scottish Borders Health & Social Care partnership with an outcome based commissioning and procurement cycle
3 Identify effective and efficient procurement and P2P policy improvements	to maximise the benefit from the investment in technology through the new ERP system	<ul style="list-style-type: none"> • Following the implementation of ERP system, review the delivery mechanism of procurement/commissioning/contract management activities • Use data from the new ERP system to undertake spend/benchmarking activity/support decision making • Streamline (where possible) processes and procedures • Review and rationalise supply base • Reduce non-contracted spend • Improve reporting of strategic procurement and associated purchasing transactions • Ensure use of online tools maximised
4 Deliver added value through savings and benefits	to make a positive and measurable impact through procurement opportunities	<ul style="list-style-type: none"> • To create financial and efficiency savings through the approach to new contract opportunities • The early identification of collaborative opportunities • Challenge contract specifications • The development of key performance indicators to support measuring delivery of the strategy • Refresh existing category strategies
5 Develop commercial awareness across the organisation	to benefit from a commercial approach to key supplier and partner relationships	<ul style="list-style-type: none"> • Embed a common standard of contract management principles across the organisation • to access value and innovation • Support active contract and supplier management with a toolkit and guidance • Enhance the early engagement and inclusion of strategic procurement with services/projects • Introduce commercial targets to procurement activities

Sustainable Procurement Charter

Scottish Borders Council aims to be a responsible purchaser of goods, services and works. We set standards to make sure we undertake our activities in an ethical, responsible and sustainable way. This charter lays out a number of important principles and policy requirements of the Council to which we expect our suppliers to comply.



Achieving our Sustainable Procurement duty

<p>Equalities</p> <p>We view the Scottish Borders as a place where everyone matters, where everyone should have equal opportunities and where everyone should be treated with dignity and respect. As a responsible employer the Council is committed to promoting equal opportunities to all of the Scottish Borders community, employees and suppliers alike. Consideration of equal opportunities is fully integrated into our procurement practices and is fully committed to the values and ethos of the Equality Act 2010.</p>	<p>Disability Confident Scheme</p> <p>The Council is an accredited Disability Confident employer. We are committed to the aims of Disability Confident and would encourage our partners, suppliers and providers to demonstrate their commitment to the scheme and also become accredited Disability Confident employers. As appropriate, contracts or framework agreements may include clear performance indicators relating to the positive benefits of such a scheme.</p>	<p>Facilitating SME's, third sector and supported businesses in the procurement process</p> <p>Our procurement strategy aims to achieve a mixed economy of suppliers to support and develop our local rural market, particularly micro, small and medium sized enterprises, Third Sector organisations and supported businesses. This approach includes simplified and standardised public sector procurement practices, consideration of lotting and a range of hands-on assistance to the local supply chain to help reduce any barriers to involvement in procurement opportunities.</p>	<p>Promoting Innovation</p> <p>Influencing the market towards innovative solutions can focus public spending on sustainable goods, services and works and create an important catalyst for local job creation, sustainable innovation and market development. Our procurement strategy notes the importance of innovation through procurement and we encourage all our suppliers to consider an innovative approach to the way goods and services are delivered.</p>
<p>Fair Work Practices</p> <p>As a Living Wage employer, the Council is committed to encouraging the wider adoption of the Scottish Living Wage by suppliers and to support this has adopted the Scottish Government guidance on the Selection of Tenderers and Award of Contracts which addresses Fair Work Practices as part of the procurement for relevant contracts. The Living Wage is an hourly rate set by the Living Wage Foundation and is revised in November every year. The current rate is £10.90 (Oct 2022)</p>	<p>Consultation with Stakeholders</p> <p>Service User and, where appropriate, wider community consultation is an integral part of commissioning considerations. The strategic importance and complexity of required outcomes will mainly govern the level of consultation undertaken and the choice of the procurement route followed. The final decision on these matters will always be considered in light of what is likely to provide best value for the local community.</p>	<p>Health & Safety Compliance</p> <p>The Council is committed to achieving a culture that ensures it complies with all current Health and Safety legislation and in so doing endeavours to provide safe places and safe systems of work. This principal extends to those employed to do contracted works for and on behalf of the Council. The Council will only employ contractors who are SSIP accredited</p>	
<p>Fairly & ethically traded goods</p> <p>The Council supports the Fair Trade initiative because it reflects our commitment to sustainable development and offers the prospect that marginalised producers across the world will receive fairer deals for their produce. The Council will promote the use of fair trade products across all its services and raise awareness of fair trade amongst its staff and customers. The Council will (to the extent permitted by EU procurement legislation) embed Fair Trade into contracts with suppliers where it has a direct bearing on the required goods, services and works.</p>	<p>Provision of Food</p> <p>The procurement of food considers the wider community focus of improving the health and wellbeing of young people and communities in the Borders. Promoting a sustainable food supply chain by (where possible) the use of Scottish produce through collaborative contracts supports the delivery of healthy choices to support healthy eating. Food security and ethics are of equal importance and the Council follows Scottish Government guidance to ensure consideration of the highest levels of animal welfare.</p>	<p>Prompt payment within 30 days</p> <p>The effect of late payment on SME's can be significant, impacting cash flow and the ability to trade. As direct support the Council has a prompt payment policy and related performance indicator which aims to make payment of invoices within 30 days of receipt of a valid invoice. To make sure this policy flows through all stages of the supply chain, our terms and conditions of contract obliges our contracted suppliers to make payment of valid invoices within a similar 30 day period.</p>	<p>Information/Data Management/Protection</p> <p>The Council regards information as a valuable corporate asset which must be obtained, processed and protected diligently, lawfully and ethically. The approach to information governance focuses on safeguarding customers, providing business transparency and ensuring legislative compliance. Relationships with 3rd parties who handle data on behalf of the Council, or with whom we share data are carefully managed. Contracts include information governance compliance conditions with these arrangements being documented and monitored. We will expect all suppliers to take the same robust approach to information management as we do, even after their contract has expired.</p>
<p>Environmental Impact and Climate Change</p> <p>The Council is committed to reducing its environmental impact, including carbon emissions, wherever possible. The Climate Change (Scotland) Act 2009 places duties on public bodies to deliver their services in a way which supports this, including both internal activities, such as energy saving within buildings, and its work with partners. The way that the Council procures goods and services can have a huge environmental impact, and by purchasing items which can demonstrate a reduced negative effect on wildlife, natural resources and carbon emissions, we can reduce our carbon footprint and support suppliers to do the same.</p>	<p>Improving the economic, social and environmental wellbeing of the area</p> <p>Adding Value to Communities through Community Benefits or 'social' requirements in public sector procurement is intended to ensure that wider local economic and social issues are considered when delivering construction works, service or supplies contracts. This is achieved through the inclusion of specific clauses within contracts known as community benefit clauses (CBCs).</p>	<p>Conflict of Interest</p> <p>Council Officers and Members conducting business on behalf of the organisation have a responsibility to do so in a manner that is objective and ethical. As such we require any individual whether employee or supplier to declare such an interest before any procurement activity commences as the best way to handle conflicts of interest is to avoid them entirely.</p>	<p>Modern Slavery Act 2015</p> <p>The Council adopts a zero tolerance approach to modern slavery and human trafficking. We expect all those who work for and with us to adhere to this approach. As appropriate we will address areas of concern in the tendering process through requiring minimum standards and contract management.</p>



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