



Annual procurement reports for 2020 - 2021, revised procurement strategies and notifying Scottish Ministers.

Purpose

1. This policy note provides details of how a public body should notify Scottish Ministers of the publication of their annual procurement report covering the financial year 2020-21, including submitting a completed template provided at Annex A. It also provides information on notifying Scottish Ministers of the publication of a revised procurement strategy as well as updating expectations with respect to Fair Work First, climate change and circular economy obligations.

Key Points

- A public body must notify the Scottish Ministers when publishing an annual procurement report under section 18 of the Procurement Reform (Scotland) Act 2014 ("the 2014 Act");
- A public body must notify the Scottish Ministers when publishing a procurement strategy or any revised strategy prepared under section 15 of the 2014 Act;
- Based on publication periods from previous years, it is not unreasonable to expect an annual procurement report to be published no later than five months following the end of a public body's financial year.

Background

2. All public bodies with an annual regulated procurement spend of £5 million and above must produce a procurement strategy under section 15 of the 2014 Act. The Act requires a public body which is obliged to prepare or revise a procurement strategy in relation to a financial year to publish an annual report on their regulated procurement activities as soon as reasonably practicable after the end of that financial year.

3. The 2014 Act also requires Scottish Ministers to publish an annual report on procurement activity in Scotland. This report provides an overview of public procurement activity that is informed by the individual annual procurement reports published by public bodies in Scotland. A copy of the Ministers' report must be laid in Parliament.
4. While this SPPN refers to publishing procurement strategies and annual procurement reports as a legal obligation under the 2014 Act, public bodies to whom these legal obligations do not apply are encouraged to publish strategies and reports as a matter of good practice.

Annual Procurement Report

5. While a public body needs to be given sufficient time to prepare and publish its individual annual procurement report, the 2014 Act requires that it does so as soon as reasonably practicable after the end of its financial year. This is important, as doing so will support increased transparency by ensuring, for example, that its stakeholders have early visibility of the regulated procurements that it expects to commence in the next two financial years.
6. The timing of the publication of individual annual procurement reports is also an important consideration in the preparation of the Scottish Ministers' annual report on procurement activity in Scotland. This is because the Ministers' report will be based on information contained within annual procurement reports published by individual public bodies.
7. It is not unreasonable to expect an annual procurement report to be published no later than five months following the end of the body's financial year. On publishing an annual procurement report, the 2014 Act requires public bodies to notify Scottish Ministers of publication. This can be done by sending an email to annualprocurementreport@gov.scot with a link to where the report can be accessed.
8. While individual annual procurement reports must meet legislative requirements set by the 2014 Act, public bodies will also find them helpful in outlining how their procurement activity is contributing to the delivery of broader aims and objectives, e.g. how they are using their procurement activities to tackle the climate emergency. This means that there is likely to be some variation in the content of reports. At the same time, it is important to ensure consistency of the information common to all annual reports, as this will be helpful to the readers of individual annual reports, and for the analysis of such. With this in mind, public bodies should complete the template at Annex A to this SPPN and include it in the email referred to at paragraph 7 above.

9. This template is unchanged from the previous year. At present, it focuses largely on data that relates to the minimum content required by the 2014 Act and is consistent with existing guidance embedded within the [Procurement Journey](#). The template requires information that will be helpful to public bodies in managing their contracts and suppliers and so should be readily available.

Procurement Strategy

10. A public body which expects to have procurement expenditure of £5 million or more in the next financial year must, before the start of that year, either publish a Strategy, where one does not exist or review an existing strategy making such revisions to it as the body considers appropriate and publish its revised strategy. For example, the Scottish Government published its reviewed procurement strategy on 24 March 2021 to cover the period from April 2021 to March 2023
11. On publishing a revised procurement strategy, a public body must then notify Scottish Ministers by sending an e-mail to ProcurementStrategies@gov.scot with a link to where the revised strategy can be accessed.

Guidance

12. For guidance on the content of an annual procurement report or procurement strategy, please consult the relevant chapter of the [Statutory Guidance](#). Supplementary guidance for an annual procurement report and a procurement strategy are available from the [Procurement Journey](#).

Fair Work First

13. In December 2020, Ministers wrote to public bodies setting out their expectation that public bodies must lead the way by embedding Fair Work in their organisations and through supply chains, including through procurement, by applying the Fair Work First criteria in procurement processes from 1 April 2021, if relevant to do so.
14. Public bodies should note that, in line with [SPPN 03/2021](#) - Implementation of Fair Work First in Scottish public procurement, going forward they will be expected to report on adopting Fair Work First within their regulated procurements in future annual procurement reports. Public bodies are therefore advised to start collecting information and establishing monitoring arrangements to enable reporting of Fair Work First within their regulated procurements for the 2021/22 financial year.
15. For the reporting cycle 2020/21 public bodies should continue to report information on Fair Work, as requested in the template (see annex A)

Climate change

16. The 2014 Act introduced the [Sustainable Procurement Duty](#) requiring public bodies to consider how they can improve the economic, social and environmental wellbeing of their constituency, and act in a way to secure improvements identified. Public bodies should set out in their Procurement Strategy how they will use procurement to contribute to the global climate emergency response - and report progress in their annual procurement reports. The data template for 2022 will be amended.
17. The Scottish Government's [Sustainable Procurement Tools](#) are available to all public bodies and include indicators and guidance to support Scottish public sector buyers to consider and act on a number of climate change considerations. Specifically, the Climate Literacy for Procurers eLearning aims to assist public sector buyers in understanding the Climate Emergency challenge, and appreciating how procurement activity can support net-zero aims for their organisation and Scotland as a whole.
18. [SPPN 1/2021](#) clarifies expectations with respect to climate and circular economy considerations, aligning recently strengthened climate change reporting duties^[1] and current procurement policy and legislation. It highlights that public bodies should use their public procurement spend to support climate and circular economy ambitions. Though SPPN 1/2021 is focused on public procurement, cross-functional working is required to align corporate commitments and timelines to climate change commitments. Public bodies are encouraged to focus their energies on effecting change with reduced emissions.

Dissemination

19. Please bring this SPPN to the attention of all relevant staff, including those in agencies, Non-Departmental Public Bodies (NDPBs) and other sponsored public bodies within your area of responsibility.

Contact

20. Enquiries about this SPPN should be addressed to Scottish Procurement:
Scottishprocurement@gov.scot

Annex A



Annex A.docx

^[1] [The Climate Change \(Duties of Public Bodies: Reporting Requirements\) \(Scotland\) Amendment Order 2020 \(legislation.gov.uk\)](#)