

Fairer Scotland Duty assessment – Public Procurement Strategy for Scotland

April 2023

Stage 1: Requirement for Fairer Scotland Assessment

The Public Procurement Strategy for Scotland will provide a high-level vision and roadmap for Scottish Public Procurement for the next 5-7 years which all public sector bodies can align to.

The strategy is in development; its outcomes are currently defined as:

- Create a more successful country.
- Give opportunities to all people living in Scotland.
- Increase the wellbeing of people living in Scotland.
- Create sustainable and inclusive growth.
- Reduce inequalities and give equal importance to economic, social and environmental progress.

Given the comprehensive approach to the strategy and broad-ranging nature of the policy it covers, the strategy will have effect across the public sector – immediately for suppliers, buyers, and in second-order for end-users of procurement services and the general public.

Timeframe for publication of the Fairer Scotland assessment is tied to publication of the strategy – current expected date of April 2023.

Compiling the Fairer Scotland assessment will be done in cooperation with analytical colleagues and policy leads as appropriate in Scottish Procurement and Property Directorate (SPPD) and drawing on best practice from across the Directorate and beyond.

The strategy directly incorporates policy aspirations that support the Fairer Scotland agenda to reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. These aspirations include:

- Ensure that we are efficient, effective and forward thinking through continuous improvement to help achieve a fairer and more equal society.
- Embedding Fair Work First to contribute to good quality jobs, and achieve a high-value, inclusive and sustainable wellbeing economy for individuals, businesses, organisations and society.
- Engaging with communities to understand local needs and requirements to help shape procurement practices, initiatives and contracts.

As the strategy nears completion these aims have been refined on the basis of evidence gathered through the Fairer Scotland Assessment.

Stage 2: Data and evidence gathering, involvement and consultation for Fairer Scotland Assessment

Theme : Business & their employees

Strategy Topics	Evidence	Sources
Innovation and Entrepreneurial Activity	<p>Entrepreneurial Activity was highest for those in the 2nd Quintile, and lowest for those in the 5th (least deprived) quintile.</p> <ul style="list-style-type: none"> The pattern of entrepreneurial activity across SIMD quintiles has fluctuated in recent years. In 2020, total early-stage Entrepreneurial Activity (TEA) was 6.6% in the 20% least deprived areas, and was 7.6% in the 20% most deprived areas. <p>When tracked by quintile, participation in unpaid help to organisations follows directly proportionate relationship with income (for period 2013-2019).</p>	<p>UK GEM report 2019 (enterpriseresearch.ac.uk)</p> <p>Scottish household survey 2019: annual report - gov.scot (www.gov.scot)</p>

Theme: Places & Communities

Strategy Topics	Evidence	Sources
Supporting a sustainability built environment	<p>Adults in the most deprived areas live further away from their nearest green or blue space:</p> <ul style="list-style-type: none"> In 2019, a similar proportion of adults in the 20% most deprived areas and 20% least deprived areas of Scotland reported living 11 minutes or more walk from their nearest green or blue space (both 13%) <p>Adults living in the most deprived areas less likely to visit the outdoors:</p> <ul style="list-style-type: none"> In 2019, 43% of adults in the 20% most deprived areas of Scotland visited the outdoors at least once a week, compared to 66% of adults in the 20% least deprived areas. 	<p>Scottish household survey 2019: annual report - gov.scot (www.gov.scot)</p>
Community Participation	<ul style="list-style-type: none"> The participation rate for young people (16-19 year olds) from the 20% most deprived areas in Scotland has increased over the past years, from 83.3% in 2015/16 to 87.1% in 2020/21. Meanwhile, the participation rate for young people living in the 20% least deprived 	<p>Annual Participation Measure Skills Development Scotland</p>

	areas of Scotland has remained stable at about 96%	
Climate Crisis and Environment	<p>Adults in the most deprived areas are less likely to view climate change as an immediate and urgent problem</p> <p>The proportion of adults viewing climate change as an immediate and urgent problem in 2019 was highest amongst those with degree level qualifications (80%) and lowest for those with no qualifications (49%).</p>	<p>Scottish household survey 2019: annual report - gov.scot (www.gov.scot)</p>

Theme: Society

Emergency Situations	<p>Data available on i) inequalities of effects of COVID pandemic, including socio-economic inequalities, and ii) public response and funding to COVID pandemic including on procurement (eg at the link for NHS procurement). No data identified to analyse the connection between i) and ii)</p>	<p>Health inequality and COVID-19 in Scotland Scottish Parliament</p> <p>The 2020/21 audit of NHS National Services Scotland - Response to Covid-19 pandemic (audit-scotland.gov.uk)</p> <p>Coronavirus (COVID-19): business support funding statistics - gov.scot (www.gov.scot)</p>
Food security	<p>Data available on food security indicated patterns of deprivation but not a clear link to public sector procurement</p>	<p>Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot)</p>
Summary	<p>Available data focusses on domestic rather than business usage: Some indication of lower connection infrastructure eg broadband in rural areas</p>	<p>rural+deprivation+evidence+review.pdf (www.gov.scot)</p>

Stage 3: Assessing the impacts and identifying opportunities to promote equality

The strategic aims of the Public Procurement Strategy for Scotland will be set at a high, national level. There is an expectation that the policies and initiatives that sit underneath will directly consider how they can address socio economic consequences in their implementation at sectorial and local levels. The Strategy itself will be clearly signposting that these policies and initiatives should be part of the focus for Public Procurement in Scotland. To support the Socio-economic position the Public Procurement Strategy for Scotland does support and encourage positive policies and initiatives:

Innovation

To support entrepreneurial activity there are objectives encouraging early supplier engagement and bringing innovation and an entrepreneurial approach into the Procurement Process where possible and appropriate. This was identified as important to include to support the current platforms for innovative engagement, and to allow for innovation and entrepreneurial ideas to be encouraged across the Public Procurement landscape.

SME's, Third Parties and Supported Businesses

Discussions on SME's, Third Parties and Supported Businesses were undertaken during the development of the Strategy. This is noted under Good For Business and employees specifically.

It was noted very early on in the development of the Strategy, that we needed to ask Business, including SME's Third Parties and Supported Business, what would be 'Good for Them', as the Strategy is structured around the Procurement 'Good For's'. To achieve this engagement was undertaken with Third Sector and Volunteer representatives, as well as a discussion at a strategy specific Business Services Association meeting on SME's. The strategic aims were set at a high at a national level, with the expectation that the policies and initiatives that sit underneath are directly considering how they can support more specifically.

Community Wealth building – including Fair work and community benefits

A number of discussions took place around Community Wealth Building (CWB) and how this should be incorporated into the Strategy. This is reflected under Good for Communities and society under Community Wealth Building – Fair Work First and Community benefits, all be it at a very high level to allow the policies and initiatives that this strategy supports to deliver equity access to community.

Engagement with Policy colleagues has also taken place to ensure that there is alignment between the Strategy and the policies around CWB, as well as discussions with the CWB team. Ensuring that this was included as part of the

strategy would help improve the socio economic outlook of communities through benefits and fair work opportunities.

Sustainable Built Environment

Consideration is given under Supporting a sustainable built environment to Community Wealth building and housing. This will have an indirect impact in this area. There was an in-depth discussion on housing and how this should be incorporate into strategic objectives. The discussion moved the objective to a high, national level to cover all sectors and cover all buildings, not just housing. The policies and initiatives that sit underneath the Strategy will directly consider how they can address this specifically.

Emergency Situations

Socio-economic impacts are likely to occur when there are emergency situations, such as Covid. However the impacts will be specific to the emergency situations. To address this the Strategy includes a reference to emergency situations, and there will be specific impact assessments undertaken to assess the opportunities and challenges at the time of the emergency occurring.

Participation

The Public Procurement Strategy for Scotland has an objective to engage within the Communities to achieve participation. This will be implemented at a local level, with relevant impact assessments relevant to how participation will include all groups, including the identified young people.

Stage 4: Decision making and monitoring

The Public Procurement Strategy for Scotland is looking to make improvements for everyone in Scotland. It is a very high level guide for the Sectors and Public Procurement organisations that sit underneath it to guide everyone towards the same vision. The strategy is encouraging and directing towards policies and initiatives that support positive socio economic trends. These policies and initiatives will undertake impact assessments including the Fairer Scotland Duty assessment to ensure that they are considering the impacts of the specific areas they are focusing on.

Annex: list of resources used

Source	Evidence gathered and strength/quality of evidence	Data gaps identified and action taken
National Poverty and income inequality statistics	Data on: <ul style="list-style-type: none"> • Poverty • Child poverty • Income inequality statistics • Poverty rates All categorised by equality characteristics	Gaps here were filled by review of the other data sources listed in this annex, particularly the Child Poverty Analysis and Scottish Index of Multiple Deprivation
Scottish Index of Multiple Deprivation	Relative measure of deprivation across 6,976 small areas with files tools maps and analysis, deprived across: <ul style="list-style-type: none"> • Income • Employment • Education • Health • Access to services • Crime • Housing Also includes analysis of small area income estimates, working poverty, and housing and fuel poverty.	Gaps here were filled by review of the other data sources listed in this annex, particularly the Child Poverty Analysis and National Poverty and income inequality statistics
Child Poverty Analysis	Four income-based targets to reduce child poverty in Scotland by 2030: <ul style="list-style-type: none"> • Relative poverty • Absolute poverty • Combined low income and material deprivation • Persistent poverty 	Gaps here were filled by review of the other data sources listed in this annex particularly the National Poverty and income inequality statistics and Scottish Index of Multiple Deprivation
National Wealth Statistics	Data on personal wealth <ul style="list-style-type: none"> • Financial wealth • Property wealth • Private pension savings • Physical wealth 	Gaps here were filled by review of the other data sources listed in this annex.
Equalities Evidence Finder	Data explorer includes information on socio-economic status across wide range of characteristics, some with implications for procurement or end-use of public spending eg entrepreneurial activity, quality of public services, satisfaction with housing.	Gaps here were filled by review of the other data sources listed in this annex.

<p>Public Procurement Survey of Suppliers</p>	<p>Gathers views and experiences of suppliers to Scottish public procurement pool of suppliers interested in Scottish public sector contracts. Findings include:</p> <ul style="list-style-type: none"> • Suppliers are generally well-equipped to bid for and deliver contracts • public bodies are performing less well to encourage innovation • Suppliers often encounter a range of difficulties – in particular, many view the tendering process as overly-complex, burdensome and in need of simplification and streamlining • There are heightened difficulties for SMEs third sector organisations, sole traders and local firms • Late payment represents an important concern for sub-contractors • Take-up of Various mechanisms for suppliers to receive training largely because suppliers were unaware that such training is available 	<p>Gaps in data here were filled by engaging with PSG members, and holding a BSA roundtable that focused on Strategy content with different supplier present.</p>
<p>Social Enterprise Survey 2019</p>	<p>Detailed profile of social enterprise activity, includes:</p> <ul style="list-style-type: none"> • Composition of the sector • Geographic coverage • Markets • Business practices • Financial Performances • Contribution to Scotland 	<p>Gaps in data here were filled by engaging with Social Enterprise Scotland one to one and through their PSG representative.</p>

<p>Third sector and new business experiences of procurement</p>	<p>Defines and details key factors enabling Third sector and new business engagement with public procurement:</p> <ul style="list-style-type: none"> • Simple, consistent tendering processes with proportionate terms and conditions • Capacity building and effective training and advice for suppliers • Strong relationships between buyers and suppliers • Lotting of contracts • Effective use of Quick Quotes and Framework Agreements • Effective use of Quick Quotes and Framework Agreements • Relevant and timely feedback • Independent appeals process for lower value contract • Other improvements that would support better access to public procurement 	<p>The barriers to engagement were considered, with gaps filled by engaging with Third Sector, SME and Voluntary reps for the PSG.</p>
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Edinburgh
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