

# **Plan for the Future – A Public Procurement Strategy for Scotland**

**BRIA**

**April 2023**

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## **Title of Proposal**

Plan for the Future – A Public Procurement Strategy for Scotland

## **Purpose and Intended Effect**

### **• Background**

There is currently no national strategic approach for Scottish contracting authorities. The solution to this was to explore the rationale behind creating a Plan for the Future strategy for public procurement in Scotland. In May 2021, SPPD published the findings of commissioned research conducted by Proxima to support the development of a Plan for the Future.

Among the findings of the research was the following:

“The independent view from Proxima is that Scottish Public Sector Procurement, led by the SPPD and the PPG – and including those Procurement leaders delivering excellence within wider Contracting Authorities, working to a set of strategic objectives over a five-year period, as part of a new National Procurement Strategy, can move Procurement within Scotland from ‘good to great’ and from ‘best in class to truly world class’.

This National Procurement Strategy should be designed at the outset to achieve and maintain the ‘culture of cohesive collaboration’ as described by the Minister for Trade, Innovation and Public Finance, through continuing to foster and deliver procurement excellence at the local level and through working proactively with suppliers and the supply chain throughout Scotland.”

### **• Objective**

The Public Procurement Strategy for Scotland is intended to give rise to an ever more capable and cohesive public procurement community, increasing the public sector’s capacity to deliver for the people and communities of Scotland. The Strategy will set the strategic direction for the procurement leadership of public bodies and will support public bodies in drafting their organisational procurement strategies and facilitate greater alignment and efficiencies across the public sector.

The intention behind developing the strategy is to supply a future high-level vision and roadmap for Scottish public procurement in the longer term which all public sector bodies can align and deliver against.

### **• Rationale for Government intervention**

The Public Procurement Strategy for Scotland will contribute to the following National Outcomes:

- Economy

- Communities
- Environment
- Fair Work & Business
- Education
- Health
- Poverty

The Public Procurement Strategy for Scotland seeks to embed policies and initiatives which will underpin, support and enable the delivery of the National Outcomes. With a strong change agenda and wide engagement activity, Procurement Professionals, suppliers, and other stakeholders will be aware of the Public Procurement Strategy for Scotland to allow alignment of activity collectively towards the aims of the National Outcomes.

## **Consultation**

### **• Within Government**

Engagement within government has included:

- SPPD Procurement Professionals
- Procurement Centres of Expertise representatives
- Procurement forums, including the procurement policy group and policy forum.
- NHSS SMT
- Anchor organisations working group

### **• Public Consultation**

Views from the public were captured from our supplier representative groups:

- Supplier Development Programme
- Procurement Supplier Group
- Third Sector

### **• Business**

Business consultation included engaging with the following groups:

- SCVO
  - 9/11/2023 – 2 attendees for 1 hour online conversation. Also part of PSG
- Social Enterprise Scotland
  - 26/10/2023 – 1 attendee for half an hour online conversation. Also part of PSG
- Manufacturing and Industries Division in Economic Development Directorate
  - 6/12/2023 – 1 hour deep dive at team meeting.
- Institute of Directors
  - 15/11/2023 – 1 attendee for half an hour online conversation. Also part of PSG
- Business Services Association and their membership
  - 7/12/2023 – Round table held face to face in Edinburgh. Representatives attended from:
    - Kier Construction
    - Connections Consulting

- Fujitsu
  - Serco
  - CGI
  - Eurest
  - Netcompany
  - Balfour Beatty
  - Sodexo
  - Sopra Steria
  - AECOM
- Procurement Supplier Group
  - 3/10/2022 – PSG meeting agenda item for 1 hour. Hybrid – online and face to face in Edinburgh. Attendees were from:
    - Scottish Procurement and Properties Directorate
    - Scotland Excel
    - Advanced Procurement for Universities and Colleges
    - NHS Scotland
    - Supplier Development Programme
    - Social Enterprise Scotland
    - Federation of Small Businesses
    - Business Services Association
    - Coalition of Care Providers Scotland
    - Construction Scotland
- Third Sector
  - 11/1/2023 with Glasgow council for the Voluntary sector. 1 attendee for 45 minutes online conversation. Also part of PSG

## Options

### Option 1: Do Nothing

#### Sectors and Groups

The decision to do nothing may impact Scottish contracting authorities who may continue to miss opportunities to:

- become a more capable and cohesive community,
- increasing the public sector's capacity to deliver for the people and communities of Scotland
- achieve greater alignment and efficiencies across the public sector, and
- meet the NPF's outcomes and goals identified in the National Strategy for Economic Transformation.
- Missed opportunity to develop towards a future position.

#### Benefits

- By doing nothing we are not placing any additional asks on contracting authorities.

## **Costs**

- There are no additional costs associated with this option.

## **Regulatory and EU Alignment Impacts**

### **EU Alignment**

The do nothing option will not impact upon EU Alignment.

### **Intra-UK Trade Impacts**

The do nothing option will not impact upon internal UK Trade, including the United Kingdom's Internal Market Act 2020 and the Common Framework agreements.

### **International Trade**

The do nothing option will not impact international trade.

### **Scottish Firms Impact Test**

The do nothing option will not impact Scottish firms.

### **Competition Assessment**

The do nothing option will not have an impact upon competition.

### **Consumer Assessment**

The do nothing option will not have an impact upon the consumer. This is due to this option being a continuation of the current practices within Scottish public procurement.

### **Test Run of Business Forms**

Under this option no new forms will be introduced.

### **Digital Impact Test**

This option will not impact have a digital impact as this option is just a continuation of business as usual.

### **Legal Aid Impact Test**

This option does not relate to new regulations and will not impact individuals' right to access justice.

## **Enforcement, Sanctions and Monitoring**

The do nothing option will not require monitoring or enforcement and will therefore not entail any sanctions.

## **Implementation and Delivery Plan**

As this option is business as usual there is no implementation or delivery plan.

## **Post-implementation Review**

As noted above, as this is a continuation of business as usual there is no need for an implementation and delivery plan and therefore no requirement for a bespoke post-implementation review.

## **Option 2: Introduce the Plan for the Future – The Public Procurement Strategy for Scotland**

### **Sectors and Groups**

The following groups may be affected by the introduction of the strategy:

- Scottish contracting authorities – contracting authorities will be expected to read the strategy and align, as far as possible, to the goals of the strategy.
- Scottish suppliers – while the impact on this group is likely to be minimal, Scottish suppliers may notice the impacts of the strategy as public bodies align their individual procurement strategies to the overarching Public Procurement Strategy for Scotland.
- The Public Procurement Group (PPG) – The PPG will take overall responsibility for monitoring and managing the strategy. The PPG will also have the ability to make minor changes to the strategy, where relevant and appropriate to do so.

### **Benefits**

The following benefits can be achieved by introducing the strategy:

- A more capable and cohesive public procurement community,
- An increase in the public sector's capacity to deliver for the people and communities of Scotland,
- There will be a strategic direction for the procurement leadership of public bodies,
- Public bodies will be supported in drafting their organisational procurement strategies,
- Greater alignment and efficiencies across the public sector,
- Visibility of the direction of travel for suppliers and supply chain to the Scottish Public Sector,
- The procurement community will have a future high-level vision and roadmap for Scottish public procurement in the longer term which they can align and deliver against.

## **Costs**

### **Regulatory and EU Alignment Impacts**

#### **EU Alignment**

It is not anticipated that introducing the Public Procurement Strategy for Scotland will impact upon EU Alignment.

#### **Intra-UK Trade**

It is not anticipated that introducing the Public Procurement Strategy for Scotland will impact upon internal UK trade including the United Kingdom Internal Market Act 2020 and the Common Framework Agreements. However policy leads for this strategy's development have agreed to share a draft copy of the strategy with other UK administrations under the terms of the Public Procurement Common Framework. The sharing of this strategy is for information only and is being shared under the common framework's principle of transparency between the parties.

#### **International Trade**

The Public Procurement Strategy for Scotland will not impact international trade.

#### **Scottish Firms Impact Test**

As part of the strategy's development business representative groups were engaged. These discussions revealed that the impact on Scottish firms is likely to be ...

#### **BSA Round table on the 7<sup>th</sup> of December 2022**

##### Questions asked

- Whether the recent construction consultation had been taken into account?
- Can there be clearer steer in contracts in terms of the asks on Community Benefits? More widely stating outcomes e.g. benefits can allow suppliers to focus on how to bid to achieve these.
- How the current approach to apprenticeships can be addressed to allow the continued employment of an apprentice, for the societal benefit that would be brought by apprentices completing their training.
- How larger organisations can support and be recognised for their support of SMEs.
- How can there be more consistency achieved in terms of tender documents, best practice and feedback on bids.
- Consideration of healthy supply chains, and the timing of tenders, and mental health impact on bidders employees.

From this BSA meeting the following quote was received:

“Collaboration and transparency on all sides are key to delivering successful outcomes. It was great to see these principles put into practice in the development of this Strategy. BSA Scotland Group members from the private and voluntary sectors, who deliver service and infrastructure projects across Scotland, attended very constructive meetings with the procurement team. We were pleased to see the importance of working with suppliers, to achieve positive outcomes for communities and society, then reflected in the final wording. Thanks to all involved in this Strategy for their openness and keenness to work in partnership”.

Further to discussion with Voluntary and third sector, it was noted that there was less inclusive language used around ‘Business’. To address this, the Strategy acknowledge what it means by Business, which includes all of the voluntary, non-profit and charity organisations as well as for profit organisations. Feedback on this was that it was appreciated that this was being acknowledged, and that there was an effort to address the issue was a good step forward.

### **Competition Assessment**

It is not envisaged that the Public Procurement Strategy for Scotland will have an impact on competition. The strategic aims are set at a high, national level, with the expectation that the policies and initiatives that sit underneath will directly consider how they can impact competition in their implementation.

### **Consumer Assessment**

The Strategy is designed to align the procurement strategies of individual procurement organisations in Scotland. It is not anticipated that this will have an impact upon the consumer.

### **Test Run of Business Forms**

Under this option there will be no new forms for businesses to complete.

### **Digital Impact Test**

The digital impacts of the Strategy is indirect. There are objectives around collaborative use of tools and systems noted in the open and connected section. While there is not a direct digital element to impact, there is support for the consistent use of digital technologies. These specific systems and tools will undertaken specific BRIA and digital impact tests. The Strategy is not directly impeding or considering processes for specific digital technology that would either support or impede business operations.



## **Legal Aid Impact Test**

This option does not relate to new regulations and will not impact individuals' right to access justice.

## **Enforcement, Sanctions and Monitoring**

The strategy will be monitored through the annually published Ministers Report.

However it's important to note that procurement decisions are at the sole discretion of contracting authorities therefor the strategy will not be enforced and will therefore not entail any sanctions.

## **Implementation and Delivery Plan**

The strategy is due to be published on the 18<sup>th</sup> of April 2023. The strategy will outline the future, high-level procurement plans for the next 5 years.

The PPG will take ownership of the strategy and will be responsible for monitoring its impact and making amendments to the strategy, where relevant to do so.

The implementation of this strategy will start when the strategy is published on 18<sup>th</sup> of April 2023. Once it is published the strategy will be supported by PPG. The strategy will also be approved by PPG, and have Ministerial review before it is published. There will be annual reviews to ensure continued relevance.

The strategy's communication plan will support its launch. This will comprise of activities in the lead up to sign post that the publication is scheduled. This will be in the month before the publications date. On the publication day there will be a number of activities raising awareness of the publication, with information sheets provided to all key stakeholders for them to be able to share content with their stakeholders. Post publications there have been a number of engagements identified that would be appropriate for the Strategy to be highlighted at. This will be both on buyer and supplier sides and across all sectors.

The following risks have been identified as part of the strategy's delivery and implementation:

- There is a risk around the Strategy not being understood and therefor fails to be embedded. As part of the change process this is being mitigated through engagement and communication about how this will impact people.

The strategy's implementation and delivery has considered other existing initiatives, including those from other contracting authorities.

## **Post-implementation Review**

The strategy is intended to provide a high-level forward plan of the direction of public procurement in Scotland for the next 5 years. During the life span of the strategy the PPG will monitor the strategy's success and make minor, relevant adjustments to the strategy to ensure it stays fit for purpose. While there are no formal plans to review the strategy from a policy perspective, the Scottish Procurement and Property Directorate can confirm that we are committed to undertaking this review within the following 10 year period after the strategy's launch.

## **Summary and Recommendation**

It is recommended that the Public Procurement Strategy for Scotland is published. It will allow a consistent direction of travel for business and organisations that interact with Public Procurement Contracting Authorities that will be visible. As the Strategy is underpinned by specific policies and initiatives, these will undertake specific Impact Assessments to determine further opportunities and gaps that need to be addressed.

## **Declaration and Publication**

The Cabinet Secretary or Minister responsible for the policy (or the Chief Executive of non-departmental public bodies and other agencies if appropriate) is required to sign off all BRIAs prior to publication. Use appropriate text from choices below:

- **Sign-off for Partial BRIAs:**

I have read the Business and Regulatory Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

- **Sign-off for Final BRIAs:**

I have read the Business and Regulatory Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

**Signed: Mr McKee**

**Date: 9 March 2023**

Minister's name Minister's title: Mr McKee Minister for Business, Trade, Tourism & Enterprise

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