



Skills Development Scotland's Procurement Strategy

Skills Development Scotland (SDS) has introduced its new Responsible and Sustainable Procurement Strategy to align its procurement activities with the introduction of the Procurement Reform (Scotland) Act 2014.



Background

Skills Development Scotland (SDS) is the skills agency for Scotland, a national body supporting people and businesses to develop and apply their skills.

As a non-departmental public body of the Scottish Government, SDS aims to contribute to the objectives of the Scottish Government as set out in the National Performance Framework and other policy and strategy documents.

With the imminent introduction of the Procurement Reform (Scotland) Act and the Scottish Government drive for procurement reform, SDS decided to introduce a Responsible and Sustainable Procurement Strategy, which came into force in February 2014.

SDS spends more than a £100 million per year on a diverse range of goods, works and services, including ICT supplies and services, paper, furniture, energy, travel, training programmes etc.

Scope and Focus

SDS defines sustainable procurement as “achieving value for money whilst realising environmental, social and economic objectives”.

For the development of the Strategy SDS undertook a programme of research and consultation with stakeholders, including representatives of SMEs, social enterprises and supported businesses and equalities organisations.

SDS also engaged with Ready for Business to support the development of the Strategy and became an active member of the Community Benefit in Procurement Champions Network.

The Strategy covers four main areas:

- Economic: promote business with SMEs
- Community: promote business with the Third Sector
- Environment: reduce, re-use and recycle
- Equalities: advance equality of opportunity

SDS was recognised for its innovative work by winning the Scottish GO Award for Procurement Leadership in 2014 and went on to win the UK GO Award in 2015.

Key Challenges

There were a few challenges to overcome.

- SDS was one of the first government bodies that started to develop its procurement policy in line with expected new legislation. This meant that there were limited opportunities to learn from other organisations.
- SDS spends over £100m per year on a wide range of things, making the procurement function complex. Developing a new overarching policy for such a complex and diverse procurement function was challenging.

Outcomes

A number of positive outcomes have emerged.

- Since the introduction of the new Strategy, SDS produces an annual Procurement Report to account for the wider social value from its procurement.
- By embedding sustainable procurement in its policy, SDS has made some real progress on achieving the desired outcomes. For example, since the introduction of the Strategy:
 - SDS spend with third sector organisations has increased from £200k in 2011/12 to £12m in 2014/15.
 - SDS has placed contracts with two supported businesses: Redrock Document Solutions and The Sign Factory.
 - Six additional jobs were realised through the Total Facilities Management Contract with Mitie.
 - In the contracts for Hosting Enterprise and Business Systems a total of 70 Modern Apprenticeships were created by the suppliers CGI and Lockheed Martin.
 - A contract was awarded to six third sector organisations to support young people facing significant challenges (young carers, disabled young people, care leavers and ex-offenders) into work.
- SDS publishes a Central Contracts Register to make stakeholders aware of who delivers contracts for and get funding from SDS.
- SDS applies Community Benefits Clauses across all its major service contract procurements.
- SDS has developed a Modern Apprenticeship in Procurement and Supply Chain. This initiative will support the roll out of good practice across the procurement community.
- As a result of the new procurement strategy SDS has reviewed and updated its Corporate Social Responsibility (CSR) Strategy to bring in line with the procurement strategy. This has resulted in SDS procurement staff volunteering to provide Tender Writing training to supported businesses.

- When looking at updating its procurement strategy, Police Scotland adopted the SDS strategy.

Critical Success Factors

There were a number of factors that were essential to achieve these successes.

- The new direction that procurement took was supported from the start by Directors and senior management of SDS. This helped driving through the required changes relatively easy.
- The support provided by Ready for Business legal and procurement specialists helped SDS understand the opportunities and limitations of the new Strategy.
- The extensive consultation with potential suppliers and representative organisations has helped SDS to assess the practical impact of the Strategy.
- The tools that the Scottish Government has developed to support its sustainable procurement agenda, in particular the Scottish Sustainable Procurement Action plan with its '10-Step Plan', has given SDS guidance and a structure to design its Strategy.
- The requirement built into the Strategy to measure and report on the outcomes of the Strategy has helped implementing and embedding it in the organisation.

Next Steps

SDS continues to look at ways to improve its procurement processes to better contribute to sustainable growth of the Scottish economy.

SDS is currently assessing whether to prioritise sustainable procurement targets.

For further information, contact:

Tom Wilson, Head of Procurement & Legal Services

T: 0141 285 6195

E: Tom.Wilson@sds.co.uk