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| <b>Title:</b>                 | <b>2018-19 Procurement Update and Performance Report</b>   |                                   |
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| <b>Appendices:</b>            | 1.   | Annual Procurement Report 2018/19 |
|                               |  |                                   |
| <b>Consultation:</b>          | Procurement Development Group considered the Annual Procurement Report at their meeting of 27 August 2019. No amendments to the report were made following this. |                                   |
| <b>Resource Implications:</b> | No   |                                   |

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| <b>EXECUTIVE SUMMARY</b>   |   |
| This report provides an overview of our procurement performance for 2018/19. The Appendix to this report is the Annual Procurement Report which documents our progress towards achieving our strategic procurement objectives. |   |
| <b>The Board is invited to:</b>  |   |
| 1.   | Note and comment on the Annual Procurement Report 2018/19 (Appendix 1).   |
| 2.   | Agree the annual report is published on the internal and external website |
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|                   |                        |                       |                     |                                     |                                  |                     |
|-------------------|------------------------|-----------------------|---------------------|-------------------------------------|----------------------------------|---------------------|
| <b>Links:</b>     | Corporate Plan Outcome | Y – Principle 6       | Risk Register - Y/N | Y – Risk 2 Financial Sustainability | Equality Impact Assessment - Y/N | N                   |
| <b>For Noting</b> | Y                      | <b>For Discussion</b> | Y                   | <b>For Assurance</b>                |                                  | <b>For Decision</b> |

If the report is marked Private/Confidential please complete section overleaf to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

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| <b>Reason for Confidentiality/Private Report:</b><br><i>(see Reasons for Exclusion)</i> |
| <b>Disclosure after:</b>  |

| Reasons for Exclusion |  |
|-----------------------|--|
| a)                    | Matters relating to named care service providers or local authorities.   |
| b)                    | Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.       |
| c)                    | Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.   |
| d)                    | Matters involving commercial confidentiality.  |
| e)                    | Matters involving issues of financial sensitivity or confidentiality.  |
| f)                    | Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board. |
| g)                    | Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.   |

## **2018-19 PROCUREMENT UPDATE AND PERFORMANCE REPORT**

### **1.0 INTRODUCTION**

The Care Inspectorate has a duty to ensure compliance with the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations. The Accountable Officer also has a specific responsibility to ensure compliance with the procurement section of the Scottish Public Finance Manual. This report provides an overview of procurement developments and reports on procurement performance for 2018/19.

### **2.0 PROCUREMENT PERFORMANCE**

The procurement strategy and annual procurement report are part of the reporting landscape for organisations that have an estimated regulated procurement spend of £5m or more. Whilst the Care Inspectorate did not meet this criteria, an annual procurement report will continue to be developed with plans to publish on the Care Inspectorate and SSSC website as good practice.

The annual report is attached as Appendix 1.

### **3.0 PROCUREMENT SHARED SERVICE FROM SCOTTISH GOVERNMENT**

The Care Inspectorate partners with the Central Government Procurement Shared Service (CGPSS) to benefit from both operational and strategic support in all aspects of procurement to ensure the Care Inspectorate maximises value and performance from its third party expenditure, manages risk and remains compliant with changing legislation and policy. This shared service provides both corporate and cash benefits in further improving our procurement capability. Our shared service partner provided support in the following areas in 2018/19:

- Supporting the procurement of storage and archiving services.
- Procurement advice on the digital services dynamic purchasing system.
- Delivery of training.
- Provision of specialist advice.
- Supported risk assessment analysis using Brexit Tool for Care Inspectorate Contracts to determine level of risk.

The shared service is provided on the basis of a Memorandum of Understanding which was developed by the Central Government Procurement Shared Service Steering Board. The Care Inspectorate's Executive Director of Corporate and Customer Services is the Chair of this Steering Board.

#### **4.0 PROCUREMENT CAPABILITY**

Scottish Government assesses procurement capability through the Procurement and Commercial Improvement Programme (PCIP). The PCIP focuses on the policies and procedures driving procurement performance, and the results they deliver.

The PCIP includes Full, Medium and Lite Assessments and, for those bodies with an annual procurement spend of less than £7m, a Healthcheck.

The Care Inspectorate's first assessment was completed in November 2016 and was a joint assessment with the SSSC. As our annual procurement spend is below £7m, excluding VAT, a Healthcheck was completed. This assessed nine key areas, using a red, amber and green scoring system. The process also focused on areas where further improvement could be made. The Care Inspectorate scored green in all nine areas assessed.

The PCIP assessment is scheduled to be completed every two to three years, with the next assessment due to be completed in November 2019.

#### **5.0 IMPLICATIONS AND/OR DIRECT BENEFITS**

Sections 4.1 to 4.5 note the implications and direct benefits arising from this report.

##### **5.1 Resources**

There are no direct resource implications associated with this procurement update report. This section provides details of the Care Inspectorate's procurement performance for the year, and any benefits realised from procurement are incorporated into the 2019/20 budget.

##### **5.2 Sustainability**

The procurement sustainability implications are within the attached annual procurement report.

##### **5.3 Policy**

The Care Inspectorate has a duty to ensure compliance with the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations. The Act, a key part of a procurement reform programme between 2006 and 2016, establishes a national legislative framework for sustainable public procurement and places a number of general duties on contracting authorities aimed at promoting good, transparent and consistent practice in procurement.

The Scottish Government's Procurement Strategy 2017-2019 sets out national activity and priorities in relation to how procurement will support sustainable economic growth and deliver benefits for the people and communities of Scotland.

The annual update should also be considered in relation to what the Scottish Government describes as a "very challenging overall budget position" on a national level, as well as the expectation to ensure effective governance within the context of public service delivery and reform for the benefit of the people of Scotland. Relevant policy developments in this regard include the National Performance Framework and the Four Pillars of Public Service Reform: Prevention, Performance, People and Partnership.

#### **5.4 People Who Experience Care**

Efficient procurement will help secure best value from contracts awarded. This in turn means that the Care Inspectorate optimises the use of its resources to maximise the benefits of the work of the Care Inspectorate to people who experience care.

#### **5.5 Customers (Internal and/or External)**

The objectives of strategic theme 4 relate to our commitment to measure, monitor and publish our procurement performance. This report demonstrates how we carry out and monitor our activities in this area.

#### **6.0 CONCLUSIONS/NEXT STEPS**

This report summarises the developments in procurement over the last financial year. The Annual Procurement Report, appendix 1, highlights that our procurement capability has improved, and that the Care Inspectorate has plans in place to support further improvement.