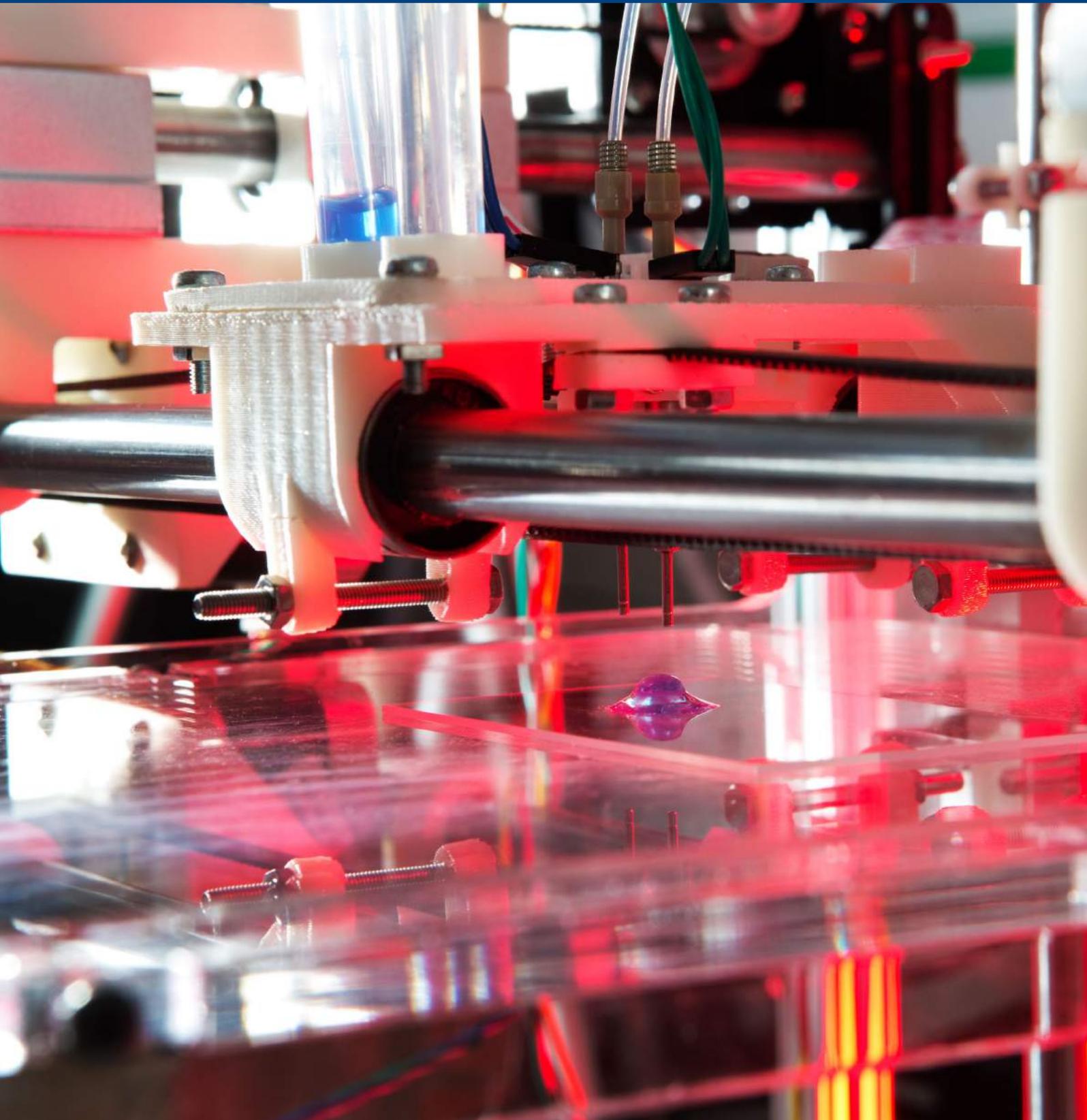


# PROCUREMENT STRATEGY 2021/22



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# Executive Summary

In 2020/21, as the full impact of Covid-19 on businesses and jobs became clearer, Scottish Enterprise supported the Scottish Government's ambition to deliver direct business support. In 2021/22, Scottish Enterprise will continue to work closely with partners and government to support economic recovery. Our overarching ambition remains to create more jobs and better jobs that nurture shared wealth and collective wellbeing for the people of Scotland. Increasingly, our focus is on ensuring economic recovery is led by green growth that is also sustainable for Scotland's future.

Scottish Enterprise is developing its own 'Net Zero' Operational Policy setting out the approach and specific actions we are taking to embed our response to climate change across all our activities and operations. Our Sustainable Procurement Strategy 2019/2022 demonstrates our ongoing commitment to the delivery of inclusive, sustainable procurement, and details how we champion this approach throughout the organisation. This work is continuing in 2021/22 and as a result, we will be updating our Sustainable Procurement Strategy in 2022/23.

Further, Community Wealth Building aims to increase procurement spend with local and regional suppliers whilst maintaining the necessary compliance with applicable procurement regulations. We are working to place a greater emphasis on creating more opportunities for local and regional Scottish small and medium enterprises (SMEs) and third sector suppliers.

Scottish Enterprise's procurement team aims to make a meaningful contribution to Scotland's Economic Strategy and Scottish Enterprise's Strategic Framework through our delivery of a transparent, efficient and effective procurement service which contributes to Scotland's inclusive growth, our 'Net Zero' and Fair Work ambitions, offers best value, is legally compliant and follows best practice.

We will work with internal and external stakeholders and the supply chain, collaborate across the public sector, and ensure we have a professional and capable team. We will continually improve and measure our progress through the use of customer and supplier surveys, external evaluation through Scottish Government assessments and delivery of efficiency savings and relevant key performance indicators.

# Our strategic economic agenda

In 2020/21, as the full impact of Covid-19 on businesses and jobs became clearer, Scottish Enterprise supported the Scottish Government's ambition to deliver direct business support. In 2021/22, Scottish Enterprise will continue to work closely with partners and government to support economic recovery. Our overarching ambition remains to create more jobs and better jobs that nurture shared wealth and collective wellbeing for the people of Scotland. Increasingly, our focus is on ensuring economic recovery is led by green growth that is also sustainable for Scotland's future.

We follow the **Scottish Government's National Performance Framework (NPF, [page 5](#))** and contribute to the delivery of the national outcomes. The framework provides a focus for policy decision making across the public sector.

In line with the National Performance Framework, the Scottish Enterprise strategic framework 2019/22, 'Building Scotland's Future Today', clearly sets out our priorities, areas of focus and what we will deliver as an organisation. It builds on our achievements in recent years and highlights how we will work with partners to support the Scottish Government's goal of increasing Scotland's sustainable long-term economic growth.

We will work with internal and external stakeholders and the supply chain, collaborate across the public sector, and ensure we have a professional and capable team. We will continually improve and measure our progress through the use of customer and supplier surveys, external evaluation through Scottish Government assessments and delivery of efficiency savings and relevant key performance indicators.

**Aerial image of Edinburgh BioQuarter, a destination for healthcare delivery, medical research and life sciences innovation and entrepreneurship.**



## Scottish Government's National Performance Framework



# Our strategic procurement agenda

We have a legal obligation to ensure compliance with the Scottish Public Procurement Regulations such as Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016, and the Remedies Directive. These require us to conduct public procurement fairly, transparently and to advertise contract opportunities. We anticipate that these obligations will remain for 2021/22. As a result of leaving the European Union, further legislation and guidance will be developed and we will adapt our policies and procedures as needed to be compliant.

In addition to legal compliance with procurement legislation, our key strategic imperatives are fair work and climate change. Together with Scottish Government and public sector partners, we are also developing our approach to Community Wealth Building to ensure fairer, economically stronger communities.

Tay Rail Bridge, Dundee



# Our response to climate change

Following the First Minister's announcement of a climate emergency in April 2019, the Climate Change Act now brings forward Scotland's net zero target date to 2045, highlighting the need for early action.

The Scottish Government's updated Climate Change Plan 2018 – 2032 sets out Scotland's path to becoming a 'net zero' nation. It outlines planned changes in emissions from the electricity, buildings, transport, industry, waste, land use and negative emissions technology sectors, and the transition of the oil and gas sector. It also highlights the importance of a green recovery, a circular economy and wellbeing.

Scottish Enterprise is developing its own Net Zero Operational Policy setting out the approach and specific actions we are taking to embed our response to climate change across all our activities and operations. In addition, we publish an annual climate change report which outlines our commitment to supporting the Scottish Government's strategy of sustainable economic growth.

Scottish Enterprise's aim is to create a sustainable working environment and we have made strong progress in reducing our own emissions. We are currently working towards the Scottish Government's targets, and as such, have committed to reducing our internal CO2 emissions by at least 75% by 2030, becoming net zero by 2045 from a baseline date of 1990.

In 2021, Scotland will host the United Nations COP26 summit on Climate Change. COP26 will be a critical event in increasing global commitment to addressing climate change. It puts Glasgow on the world stage and allows us to showcase Scotland as a global leader in sustainable and inclusive economic development. A multi-agency team, jointly chaired by the Scottish Government and Scottish Enterprise is delivering a Business Mobilisation Strategy in the lead-up to COP26.

Scottish public procurement are contributing to [climate change targets](#), and are required to report annually on how their procurement policies and activity have:

- contributed to carbon emissions reduction targets
- contributed to climate change adaptation
- acted sustainably

Our Sustainable Procurement Strategy 2019/2022 demonstrates our ongoing commitment to the delivery of inclusive, sustainable procurement, and details how we champion this approach throughout the organisation. As part of our commitment to ensuring that sustainability is embedded throughout the procurement lifecycle, we have implemented Scottish Government's sustainability test. Our team have undertaken sustainable procurement training which included reviewing Scottish Government's sustainability assessment tools and exploring how sustainability, including carbon reduction, can be realised throughout the procurement process. In 2020/2021 we updated our procurement processes in relation to sustainability and completed further sustainability training.

The sustainability test is applied on an individual contract basis for all regulated procurement at tender strategy stage, with specific requirements and evaluation criteria being included in our tenders where appropriate. This results in sustainability outcomes and carbon reduction requirements being included in a higher percentage of contracts. Delivery of sustainable procurement is measured through our KPI's.

We will continue to consider the whole life cost and environmental impact of our contracts where relevant and proportionate. Specifically, within construction projects we are adopting the Scottish Futures Trust whole life costing tool for regulated construction procurements. We will also actively encourage recycling and the reuse of materials; maximising the use of materials from sustainable sources in accordance with the government buying standards and considering EPC ratings during the procurement of construction contracts where relevant.

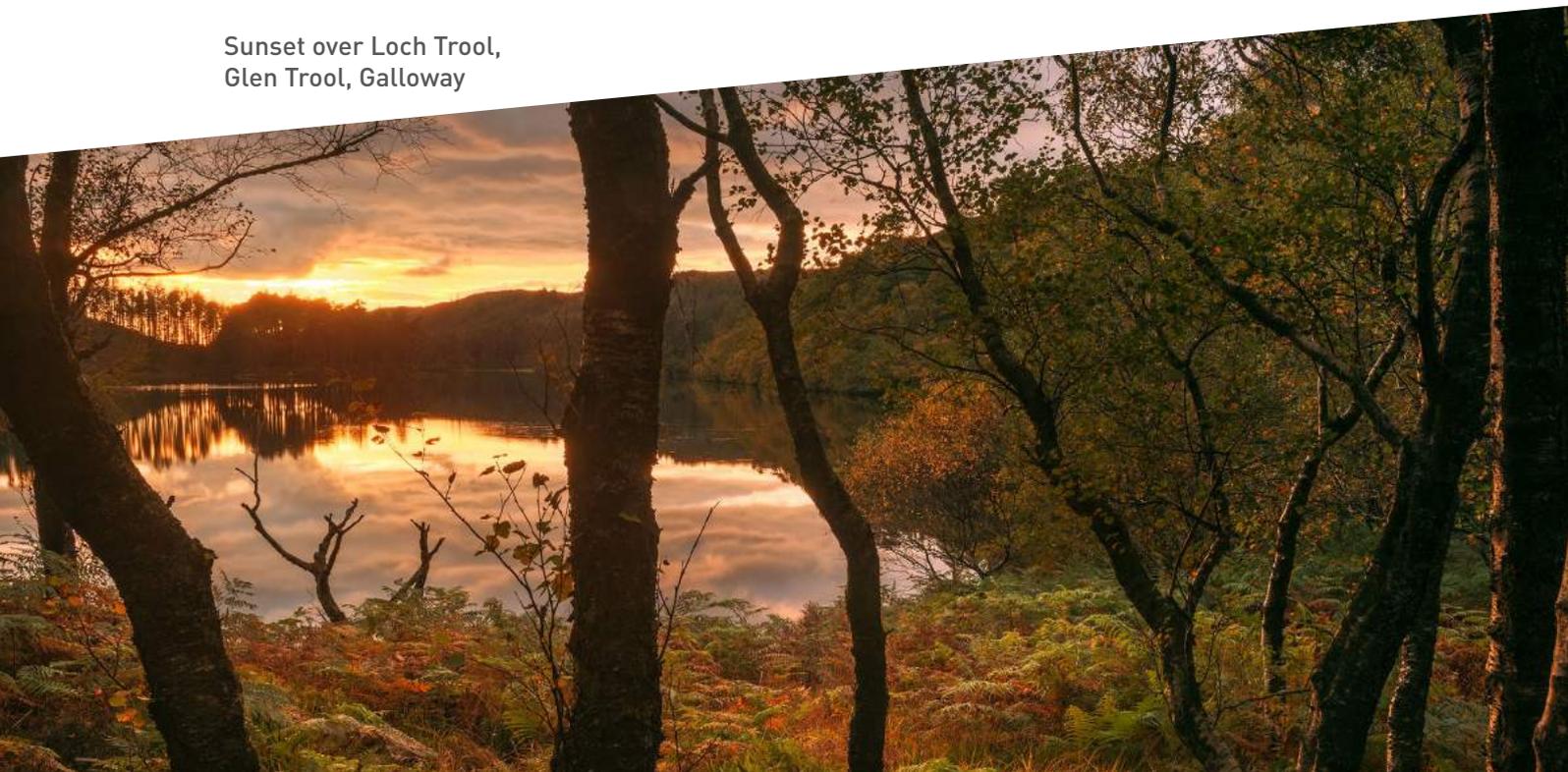
Within our construction and infrastructure projects we specify high BREEAM standards where practical and include WRAP (Waste and Resources Action Programme) requirements to minimise the amount of construction waste sent to landfill.

We seek to reduce consumption of paper, energy, water and generation of waste where possible by recycling and the use or reallocation of goods and materials, and consider the use of fair trade products, or equivalent, wherever possible. Within our tenders we are increasingly encouraging the use of technology to minimise travel and its associated emissions.

We actively encourage our suppliers to move towards net zero emissions. SE Procurement requests details from suppliers of their resource efficiency policies and practices.

In 2020/21, SE Procurement has worked with a sustainable procurement expert to review and strengthen our approach and application of sustainability and in particular, carbon reduction. This work is continuing in 2021/22 and as a result, we will be updating our Sustainable Procurement Strategy in 2022/23.

Sunset over Loch Trool,  
Glen Trool, Galloway



# Ensuring Fair Work First through procurement

We will continue to incorporate evaluation of Fair Work First elements into all tenders where the use of labour is key to the delivery of the contract. We ask suppliers to demonstrate fair work practice in line with Fair Work First criteria and are committed to promoting Fair Work and the use of the Real Living Wage and this is reflected throughout our tender processes.

We are a real living wage employer and therefore, where suppliers have staff working on our premises, we ensure that these employees are being paid the real living wage. Also, we monitor the use of zero hours contracts to ensure that these are not used by our suppliers in an inappropriate manner in the delivery of any services to Scottish Enterprise. We include questions on the real living wage and use of zero hours contracts within our tenders for the purposes of monitoring and reporting on these in our KPIs.



# Our approach to community wealth building

Community Wealth Building is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people. It aims to ensure the economic system builds wealth and prosperity for everyone.<sup>2</sup> Community Wealth Building aims to increase procurement spend with local and regional suppliers whilst maintaining the necessary compliance with applicable procurement regulations. We are working to place a greater emphasis on creating more opportunities for local and regional Scottish SME's and third sector suppliers. Where appropriate, we are reviewing procurement strategies for larger, Scottish Enterprise-wide contracts and dividing these into smaller regional lots. We are also going to collaborate more closely with partner organisations on a regional basis for relevant contracts to build on this further.

In addition to the above, we are developing a working group to look at how Scottish Enterprise can embed Community Wealth Building across our organisation, and developing a measurement framework to ensure the work we are doing is delivering positive results.

2. [www.gov.scot/policies/cities-regions/community-wealth-building/](http://www.gov.scot/policies/cities-regions/community-wealth-building/)

# Our procurement

Our procurement team aims to make a meaningful contribution to Scotland's Economic Strategy and Scottish Enterprise's Strategic Framework through our delivery of a transparent, efficient and effective procurement service which contributes to Scotland's inclusive growth, offers best value, is legally compliant and follows best practice.

We align with Scottish Enterprise's Corporate Plan and its aims to:

- Build vibrant economic communities across Scotland, spreading increased wealth and wellbeing.
- Build Scotland's reputation and reach in strategically important markets.
- Build resilience and growth in Scotland's businesses, sectors and regions.
- Build future economic opportunities that will drive our international advantage.

We will work with internal and external stakeholders and the supply chain, collaborate across the public sector, and ensure we have a professional and capable team. We will continuously improve and measure our progress through the use of customer and supplier surveys, external evaluation through Scottish Government assessments and delivery of efficiency savings and relevant key performance indicators.

SE Procurement use the Scottish Government's procurement journey as the basis for our operations. We will continue to consider the use of collaborative framework agreements developed by the Scottish Procurement and Commercial Directorate, and Crown Commercial Services and others where appropriate. Where no appropriate frameworks are available, for regulated procurement (over £50k), the procurement team will work with our internal customers to develop and procure standalone contracts.

Our early engagement with project managers ensures that procurement options are discussed and agreed, and that the most appropriate approach is developed to deliver the requirements of the business, including value for money, fair work, sustainability and our policy ambitions with regards to inclusive growth.

We will continue to use the open procedure for the majority of our procurement activity. This increases opportunities for suppliers (SMEs in particular) and reduces paperwork and timescales. Our policy is, other than in exceptional circumstances, to advertise tender opportunities above £50k, excluding VAT, on the [Public Contracts Scotland portal](#) to reach the widest possible number of potential suppliers.

We will continue to award our contracts on the basis of the most economically advantageous tender (MEAT), considering a balance between price and quality in all procurement decisions.

At the end of each regulated procurement process, in line with legislative requirements, we will complete a tender completion report that reviews and records the procurement exercise, including lessons learned. We will work continuously to improve our policies and procedures for our internal customers and suppliers and, as far as is reasonably practicable, we will ensure that our regulated procurement is carried out in accordance with this procurement strategy.

# Our savings and wider benefits

We will provide a high-quality service for our internal customers which is:

- responsive,
- pragmatic,
- timely, and
- delivers value for money

In 2019/20 Scottish Enterprise achieved cashable savings of 2.6%. In 2020/21 and in 2021/22 we are forecasting cashable savings of 3%.

Our savings from the use of collaborative Scottish Government framework agreements are included in the above figures. Using these frameworks has, and will continue to, provide a quicker, compliant and efficient procurement route for the organisation.

Cash savings are nothing if not accompanied by services that meet customer requirements, so our processes will continue to ensure that our contracts are effective, meet stakeholder expectations and deliver Scottish Enterprise's objectives.

Additionally, we are working to create sustainable and inclusive economic growth. We are encouraging our suppliers to 'give something back' through the use of community benefit clauses within procurement exercises, where appropriate, relevant and proportionate. These benefits can be extremely varied, ranging from training opportunities such as apprenticeships to promoting careers to school children from disadvantaged areas. We manage our contracts to ensure that community benefits offered by suppliers are realised.

Best practice indicators (BPIs) are reported to the Scottish Procurement information hub on a quarterly basis. Also, SE Procurement has internal measures which include:

	18/19 Actual	19/20 Actual	20/21 Forecast	21/22 Forecast
Procurement cash savings	4%	2.6%	3%	3%
Internal customer satisfaction	100%	100%	100%	100%
Supplier satisfaction	100%	100%	100%	100%
Contracts awarded to supported businesses	15 <sup>3</sup>	11 <sup>4</sup>	2	3

3. Quick quote awards or low value call off from the supported businesses framework.

4. Ibid.

# Our people

Where appropriate, procurement is included as part of the induction process for new employees. Further tailored procurement training will be provided for staff depending on their post and responsibility.

Each Scottish Enterprise division has a named procurement contact with an in-depth knowledge of the division and the associated categories of procurement activity required. These contacts deliver regular presentations at operational team meetings to share good practice, refresh the knowledge of the operational teams and ensure our internal customers know how we can assist them. When our offices were open, the procurement team were based in our various offices across Scotland to ensure that we were accessible and available to help in person where needed. In 2020/21, we have been working remotely and have managed to maintain our close working relationships with our internal customers through virtual communications. A mix of virtual and face to face meetings will be used in future, reflecting our new flexibility on remote and home working.

All internal customers who use the Public Contracts Scotland (PCS) Quick Quotes (QQ) system are given annual training by a member of the procurement team to ensure that they understand the system, and our internal processes and external requirements for under £50k procurements. These training sessions were undertaken virtually in 2020/21. In 2021/22, we will be developing recorded training sessions that will be required learning for all PCS and QQ users.

In 2021/22, SE Procurement is going to develop a suite of “how to guides” which will be short webinars to help internal customers understand the different elements of the procurement process. We will also develop a more general online procurement training presentation for internal customers.

To measure the quality of the procurement team’s delivery of service, we undertake regular internal customer surveys. The SE Procurement intranet site also allows colleagues to report any concerns regarding potentially fraudulent activity, ensuring further transparency in the procurement process. We also solicit suggestions from customers as to how our processes and procedures can be improved.

# Our partners

Close collaboration is central to achieving Scottish Enterprise's objectives, and the SE Procurement team will continue to work closely with the Scottish Government in this respect. We have contributed to many of the Scottish Government's working groups to improve procurement policy and process across the public sector, and we are currently members of:

- the procurement collaboration group,
- the contract and supplier working group,
- the supported businesses working group,
- the professional practice and development strategic forum, and,
- the procurement innovation leadership group.

In relation to Innovation, we sit on the Government's procurement innovation leadership group, with the aim of improving the Scottish public sector's approach to the procurement of innovation. Scottish Enterprise is working with Scottish Government and several other public sector bodies to develop knowledge and guidance on the innovation partnership procurement process, as well as co-ordinating pre-commercial procurement of innovation for Scottish Enterprise and other public sector bodies.

We will continue to participate in the procurement of Scottish Government collaborative frameworks as a representative of both Scottish Enterprise and the wider public sector in Scotland.

We will continue to undertake collaborative procurement with organisations where applicable; recent examples include working with organisations such as:

- Scottish Government
- South of Scotland Enterprise
- Highlands and Islands Enterprise
- NHS Scotland
- Edinburgh City Council
- University of Edinburgh
- UK Geospatial Commission

This collaborative approach assists Scottish Enterprise in achieving its objectives and delivers efficiencies through economies of scale and reduction of resources required to undertake procurement.

Sharing best practice, skills and knowledge is key to our work. We collaborate with other public sector organisations through a 'cluster' approach where we are the lead organisation for a group of other central government organisations facilitating the sharing of knowledge, encouraging partnership working and assisting our cluster partners to ensure that the public sector delivers value for money, policy objectives and meets the expectations of stakeholders.

The Enterprise and Skills Board's strategic plan has considered how activities can be delivered more cohesively through working in collaboration with other bodies and seeking to align activities where possible. Scottish Enterprise will continue, where appropriate, to collaborate on procurement activities with partners to maximise our contribution to economic development and inclusive growth in Scotland.

## Our prospective and existing suppliers

To ensure transparency, and to assist prospective and existing suppliers and other stakeholders, the Procurement section on the Scottish Enterprise website includes our:

- Procurement Strategy
- Forward Procurement Plan
- Procurement Annual Report
- Sustainable Procurement Strategy,
- Our standard terms and conditions,
- Our commitment to the Scottish Government's Suppliers' Charter, and
- Links to Scottish Government information on Scottish public sector procurement

In 2020/21, our suite of standard terms and conditions are being reviewed and updated to reflect the various changes to legislation, including those associated with leaving the European Union.

We will continue to be members of the Supplier Development Programme, a partnership of local authorities, Scottish Government and other public bodies working together to provide support to businesses in all aspects of tendering. As part of this work, we attend regular Meet the Buyer sessions, providing a platform for suppliers to meet our procurement specialists to discuss future contract opportunities. In 2021, we will participate in the virtual Meet the Buyer event. Going forward Scottish Enterprise will continue to participate in these events, whether virtual or in person.

We undertake supplier surveys to understand supplier satisfaction with, and to improve on, our processes. From March 2016, the SE Procurement team has been surveying all of our successful tenderers on regulated contracts to understand if, in their opinion, they were treated fairly and transparently and if we could improve our processes to reduce the burden on suppliers. For the 2019/20 period, responses to our supplier survey were 100% positive.

We are committed to paying our suppliers promptly, our standard terms and conditions stating that we will pay undisputed invoices within 30 days from receipt. Further, to ensure that this flows through the supply chain, we also require our principal suppliers to pay their sub-contractors within the same timescales and to incorporate this throughout their supply chain.

Our policy is to pay valid invoices within 10 working days for all suppliers. In the year ended 31 March 2020, Scottish Enterprise paid 81% (2019: 76%) of suppliers' invoices within this standard. The average number of days taken to pay valid invoices during the year was 8.3 days (2019: 9.8 days).

We will continue to review and update our procurement policies and procedures to ensure that we contribute to improving social, economic and environmental wellbeing where relevant in delivering our contracts. We will encourage a diverse range of suppliers including SMEs, the third sector and supported businesses to tender for our contracts through our approach.

SMEs play a vital role in Scotland's economy, providing significant employment opportunities and providing innovative solutions to our requirements. In 2019-20 our contracted spend with SMEs was 51%. We will continue to adopt contracting strategies to ensure that SMEs have fair and equal access to our tender opportunities, and to encourage new suppliers to work with us.

To actively encourage the involvement of SMEs within our supply chain, where appropriate, we will split larger contracts into lots to make opportunities more accessible to smaller suppliers. In addition, our terms and conditions have been simplified to share risks with our suppliers in a more equitable manner, as well as being easier to understand.

We follow the code of conduct laid out in the Scottish Government's Suppliers Charter, which aims to facilitate access to public sector procurement opportunities. Also, as noted above, we will continue to participate in Meet the Buyer events aimed at providing advice and guidance to businesses wishing to work with us.

As of January 2021 and in line with legislation, the Single Procurement Document (SPD) is used for all regulated competitive procurement. This document requires bidders to disclose criminal convictions and misconduct in relation to money laundering, child labour and human trafficking as well equalities and environmental legislation. Our standard terms and conditions also reference the Employment Relations Act 1999 (Blacklists) Regulations 2010 which addresses blacklisting activities. We will exclude suppliers from our procurement processes where appropriate.

We will continue to identify and reserve appropriate contracts for supported businesses and over the past few years have made repeated use of the Scottish Government's framework for supported factories and businesses. We will continue to procure from supported businesses and will use the Scottish Government supported businesses framework where it is appropriate to do so. We are forecasting to award contracts to supported businesses of approximately £45,000 in 2021/22.

In relation to supported businesses, in 2019 we re-tendered our meeting room hospitality for four of our larger offices. This contract was awarded to Social Bite for a period of 12 months. Social Bite is a social enterprise offering all profits to good causes and free food to those who find themselves homeless. They are also a Scottish Government designated supported business, offering employment within their organisation to people who have been homeless. Reusable platters, recyclable packaging and locally sourced ingredients are provided. This contract comes to an end in 2021/22, and we will be re-tendering, ensuring this service remains with a Supported Business if possible.



## Ensuring equality

We are required to consider equality throughout our tender processes. Where appropriate, we carry out an equal opportunity impact assessment at procurement stage and suppliers are required to provide full details of equality policies and processes that will be utilised when delivering the contract. The requirement to comply with equalities legislation is also reflected in our standard terms and conditions.

In line with the Scottish Government's "A Fairer Scotland for All: Race Equality Action Plan 2017/21" the Public Sector Equality Duty and the Fairer Scotland Duty, we will review our training and guidance relating to equality provided to our procurement professionals and to suppliers.

We have reviewed our procurement policies and procedures to strengthen our ambitions towards Inclusive Growth. Going forward, we will be monitoring the number of successful supplier organisations which are Women led to gain an insight into the number of such businesses with whom we contract. From 2021/22, we will also be monitoring contracts awarded to companies led by people from an ethnic minority and by disabled people.

## Our continuous improvement

The Scottish Government has been undertaking capability assessments with public sector procurement organisations since 2010/11, and in the most recent Procurement and Commercial Improvement Programme (PCIP) assessment of SE Procurement, undertaken in summer 2019, we were rated as within the highest performing category. We continue to be one of the leading Scottish public procurement organisations in terms of our overall benchmarking score and will strive to maintain this level.

In line with this aim, our processes are continuously reviewed to take account of revisions to legislation, Scottish Government Procurement Policy Notes (SPPNs) and the outputs from Scottish Government's various procurement and commercial working groups. In addition, we ensure information from our lessons learned process, as well as feedback from internal customers and suppliers, is used to improve our processes and procedures.

One area that we are working to develop further is contract management. Contract and supplier management is not currently undertaken by the procurement team and is part of the duties of individual project managers across the business. We include contract management guidance for project managers within our processes, as well as providing appropriate supporting documentation.

In line with good practice and as outlined in the PCIP process, we will continue to work with other SE teams to further develop contract and supplier management across Scottish Enterprise.

# Our management information

We produce a quarterly progress report to inform management of the value of procurement undertaken and the savings generated. Where relevant, this management information report informs the upward briefing for senior management and for Scottish Government. We produce a:

- Procurement Strategy
- Sustainable Procurement Strategy
- Procurement Forward Plan
- SE Procurement Annual Report

## Ensuring health, safety and wellbeing

We recognise the importance of ensuring that we comply with the Health and Safety at Work Act 1974 and have a comprehensive Health and Safety Policy and associated guidance/procedures which relate to staff and contractors. Further, health and safety policies are covered in our standard terms and conditions to ensure that suppliers comply with all relevant regulations and best practice. This year, in the light of Covid-19, wellbeing of our staff has become particularly important. In line with Scottish Government guidance, SE staff have been working from home in 2020/21 and this will continue until it is safe to return to our offices. Relevant equipment has been distributed to staff to ensure their health and safety at home. The SE Wellbeing Hub has been expanded to give support and guidance to employees. Wellbeing training has been undertaken. The health, safety and wellbeing of our staff will continue to be a priority in 2021/22.



It is also important that Scottish Enterprise works with reliable contractors who are familiar with Health and Safety legislation, understand their responsibilities and operate safe systems of work. Published guidelines ensure that contractors comply with the provisions made under the Act and all relevant regulatory requirements. In addition, where Health and Safety is of key importance to a contract then this will be further set out in the invitation to tender, included as part of the tender evaluation process and suppliers may be requested to supply method statements and details of their policies. When required, the Health and Safety team is involved in the evaluation of tender submissions.

Our work rarely involves the procurement of food, with the exception of our internal catering frameworks. We recognise the Scottish Government's ambition to help improve the Nation's health and wellbeing through the informed public procurement of food and drink, and this is reflected within our catering tenders that request suppliers provide healthy options to encourage healthy eating choices. Where appropriate we will include a requirement within our contracts to ensure that all food supplied will be in accordance with statutory provisions with respect to animal welfare.

# Our team

Flexible and ongoing learning is important in maintaining a responsive and up to date team. There has been, and will continue to be, a focus on developing the procurement team professionally to ensure they have both the skills and knowledge to maximise the benefits of procurement to SE.

- The head of procurement holds an MBA with Procurement
- The team leader has an MSc in Procurement
- Six members of the procurement team are members of the Chartered Institute of Procurement and Supply (MCIPS)
- One member of the procurement team is working towards achieving this qualification.

These qualifications are invaluable in maintaining the level of knowledge and skills required to operate in a complex legislative and policy environment whilst delivering an effective procurement service to the business.

To further ensure that we have the skills to deliver the specific specialist needs of our internal customers, two members of the procurement team have a BSc in Quantity Surveying, one member of the team is a member of the British Institute of Facilities Management (BIFM), two members of the team have business degrees, one has a law degree, and one has a degree in economics and sociology.

We participate in the Scottish Government's professional development working group and will take account of the group's outputs.

The SE Procurement team undertake annual procurement training to ensure that we are fully up to date with the Scottish Government legislative and policy requirements. In addition, members of the team have undertaken CIPS ethics online training, sustainability training and anti-fraud training in 2020/21. In 2021/22 the procurement team will undertake further sustainability training.

All members of the team have, and will continue to have, annual training and development plans, and monthly progress meetings and end of year reviews with their team leader.

# Ensuring compliance

Our procurement activity is regularly audited by Scottish Enterprise Internal Audit both specifically and as part of wider audit reviews. The results of these audits are consistently positive, confirmed by the fact that no high priority recommendations have been raised in the previous five years. The procurement team also undertakes quarterly audits of lower value procurement across the organisation, and these audits consistently demonstrate a high compliance level. Where any issues are identified, the procurement team follows up with relevant project managers to ensure improvements are identified and implemented.

We have a Risk Management Policy and Procedure, with guidance for risk management available at project level via Scottish Enterprise's Project Lifecycle guidance. In relation to procurement, a risk assessment is undertaken for each regulated procurement project with risk management allocated to relevant individuals. The procurement team will continue to put relevant risks into the divisional risk register and, where required, these will be escalated to the SE corporate risk register in line with Scottish Enterprise's Risk Management arrangements.

We will continue to identify, manage and control risk by developing policy and procedures that also consider operational efficiency and effectiveness alongside compliance. The procurement team consider risk proportionately in their activities – for example, ensuring that financial thresholds and other short-listing criteria do not unreasonably discriminate against participation by SME's.

To support our approach to risk management, anti-fraud training has been undertaken with the Scottish Enterprise Procurement Team and key internal stakeholders. We have a named procurement anti-fraud champion and a procurement anti-fraud senior responsible owner. All our staff are bound by Scottish Enterprise's code of conduct policy. Additionally, and in line with the Bribery Act 2010, we include an anti-corruption and anti-bribery clause in our standard terms and conditions.

We have a Counter Fraud Policy which outlines how fraud may occur and be identified, who is responsible for reporting fraudulent activity and who to report it to. Appropriate preventive mechanisms, including separation of duties, are in place to counter the risk of fraud.

Scottish Enterprise has a comprehensive whistle-blowing policy which encourages employees to raise concerns about possible improprieties in the conduct of our business – whether in matters of financial reporting or other malpractices – at the earliest opportunity and in an appropriate way. In line with good practice there is an internal contact and an external helpline which provides anonymity if necessary.

The General Data Protection Regulation (GDPR) came into force in May 2018. We have updated our procurement procedures and terms and conditions to reflect data protection requirements. For each procurement, a data protection impact assessment is completed, this ensures that requirements are captured within the tender specification. Additionally, everyone in the organisation has completed online GDPR training.

In recognition of increasing cyber risks, we have further strengthened our procedures in relation to business continuity, disaster recovery and information and cyber security, incorporating these as evaluation criteria in our tenders where it is proportionate and relevant to do so.

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## Conclusion

In conclusion, the SE Procurement team will continue to contribute to Scotland's inclusive sustainable growth by delivering an effective and efficient service to Scottish Enterprise and delivering value for money while compliantly encouraging fair work, community wealth building, sustainability and reducing our carbon footprint contributing to Scotland's response to the climate emergency.

In line with the Procurement Reform Act, this procurement strategy will be reviewed and updated annually. An action plan has been produced to ensure continuous improvement. An annual procurement report will be developed to record and report progress, and this will be published by July 2021.

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# PROCUREMENT STRATEGY

## 2021/22