Executive summary
This is a joint strategy which sets out the Procurement objectives for Highland and Islands Enterprise (HIE), Wave Energy Scotland (WES) Cairngorm Mountain (Scotland) Limited and Orkney Research and Innovation Campus (ORIC). This strategy has been developed in line with local and national priorities including the HIE Strategy 2019-2022.

Procurement Vision
Is to achieve the highest standard of professional procurement which directly contributes to the sustainable economic growth of the region.

Procurement Mission Statement
Is to conduct our procurement processes in an open, fair, inclusive, and transparent manner ensuring we can demonstrate value for money, innovation and fully embrace the principles of sustainable procurement, implement community benefits and contribute towards reducing inequalities within the region.

Strategy Rationale/Context
HIE’s role is to lead regional growth and development in line with Scotland’s Economic Strategy, improving competitiveness and helping build a fairer society.

WES fund the development of innovative technologies to produce low cost, efficient, reliable components and sub-systems which will form the basis of the cost effective generation of wave energy in Scotland. We run Pre Commercial Procurement

The Orkney Research and Innovation Campus (ORIC) is a joint venture between HIE and Orkney Islands Council (OIC). The 3.75-acre campus will support the growth of existing research and innovation activity and the expansion of companies in Orkney’s world-leading marine renewables, energy and low carbon sector. It will also attract additional research activities to Orkney, both from the commercial and academic worlds

Cairngorm Mountain (Scotland) Limited (CMSL) is a subsidiary of HIE who manage the business and the assets at Cairngorm Mountain. Cairngorm Mountain is, and will remain, a significantly important asset for the economy of the Highlands and Islands and the resort is one of the key draws for tourists and outdoor enthusiasts in the Badenoch and Strathspey area

This strategy is prepared to support implementation of the HIE Strategy 2019-2022 and continue to work to help deliver Scotland’s Economic Strategy in the Highlands and Islands.

HIE will align its future strategic and operational plans with those being developed by the Strategic Board. We will be responsive to emerging themes and priorities of the board and will fully engage in supporting the development of the strategic plan.

HIE will continue to organise its activities around the following three priorities:

- grow successful, productive and resilient businesses;
- create the conditions for growth; and
- build strong, capable and resourceful communities
The strategy supports the implementation of Scotland’s Economic Strategy which highlights Innovation, Investment, Internationalisation and Inclusive growth as key aspects of a competitive and fair society.

It will also ensure compliance with the Procurement legislation and guidance including:

- Procurement Reform (Scotland) Act 2014
- Procurement (Scotland) Regulations 2016
- Public Contracts (Scotland) Regulations 2015
- Scottish Public Procurement Policy notes
- Case Law
- The Procurement Journey and
- HIE Procurement guidance

The Procurement Process

Our aim is to deliver procurement across the organisation in an open, fair, inclusive, transparent and compliant manner.

The procurement team is responsible for facilitating the tender process for goods and service contracts valued over £50,000 and works contracts over £2 million. These are known as 'Regulated' contracts. Contracts of this value will be awarded on a combination of factors including (but not limited to) cost, quality and sustainability. HIE have a contact with a Property Prime Consultant who tender on our behalf for service and construction/works contracts under OJEU level and our IT procurement is undertaken by Skills Development Scotland.

The basic aims of the procurement team can be summarised as follows:

- To provide an efficient and effective facilitation service for all Regulated contract spend
- To provide guidance and advice on all aspects of the procurement and contract and supplier management process
- To ensure all contracts awarded are done so in an open, fair, inclusive, transparent and compliant manner
- To investigate and identify aggregation and collaboration opportunities
- To ensure continuous evolution and improvement of Procurement processes and documentation

Procurement activity for goods and services, under £50,000 will also be facilitated by the Procurement Team from April 2020.

We will consider our Corporate Social Responsibilities when tendering and, in addition, ensure HIE meets the requirements of the Public Sector Equality Duty (PSED) as set out by the Equality Act 2010.

Our procurement processes will consider the social, economic and environmental wellbeing of the areas affected by our contracts. We will consider our approach to any procurement activity to ensure the process is open and accessible to SME’s, supported businesses (a business whose workforce is made up of 30% or more disabled/disadvantaged employees) social enterprises, and the third sector. In order to do this we will ensure we use clear language in our tender documents, ensure all of our processes are run electronically,
financial requirements are set at an appropriate level and we will ‘lot’ contracts as appropriate. We will consider Whole Life Costs of contracts, as appropriate, and ensure our contract opportunities are advertised through Public Contracts Scotland.

We will investigate opportunities to up-skill our potential supplier base through attending “Meet the Buyer” events, providing constructive feedback to bidders and ensuring our process is open, fair and transparent for all bidders involved and treats all operators equally. We will seek feedback from internal and external customers to ensure we continually improve our processes to ensure they are efficient, effective and as lean as possible. The procurement team will continually develop knowledge, skills and expertise through Continual Professional Development (CPD). This will involve training, peer to peer reviews and feedback, collaboration with other public bodies and customer feedback.

We will consider innovative routes to market and will encourage innovation from the supplier base through the use of output based specifications as appropriate (to ensure suppliers can offer solutions to meet our needs rather than HIE prescribing how the market should meet our needs), Pre-Market engagement (for example supplier days) and make greater use of Prior Information Notices (PIN) to ensure potential suppliers are aware of future tender opportunities.

We will maximise opportunities to make use of the procurement procedures available under the Regulations where the Regulations permit them to do so. For example, the competitive dialogue procedure, which can only be used for the award of complex contracts, allows scope for early discussion with suppliers to determine how their solution meets the needs expressed. In addition, we may use the innovation partnership route to market and when we have requirements for purely research and development purposes we may use the negotiated and/or other appropriate procedures/routes to market. This allows us to test the suitability of new designs and materials for future use.

We will continue to work collaboratively with other public bodies for example through the local Cluster Group which facilitates the sharing of knowledge, best practice, and investigates opportunities for sharing resource, expertise and experiences. We will continue to investigate where we can gain efficiencies through economies of scale and reduction of resources required to undertake procurement exercises whilst delivering our requirements and priorities.

We are reviewing how we implement cyber security provisions into our contracts to ensure we can demonstrate cyber resilience within our contracts.

Policy Statements
Community Benefits Requirements
We have a legal obligation to consider including Community Benefit requirements for contracts valued over £4million. Community Benefit requirements will be used when they are relevant and proportionate to the nature of our contract.

Community Benefit Clauses will be considered when we can identify how they can link to HIE priorities and have a direct positive impact on the contract delivery. They cannot be used to discriminate on the basis of geography of a bidder, but they can identify community benefits that can be delivered through the contract being delivered in a specific area for example targeted training and recruitment, local educational support initiatives, community and environmental initiatives. These types of Community Benefits can be offered and delivered by any bidder in a tender process.
The types of Community Benefits we may seek to incorporate to our contracts include, but are not restricted to:

- **Recruitment & Training**
  - New entrants/jobs created
  - Unemployed individuals recruited to deliver the contract/framework
  - Apprenticeships
  - Trainee placements
  - Graduate placements
  - Work experience/placements
  - Voluntary work opportunities
  - Vocational training or upskilling of staff/sub-contractors – eg provision of materials & training
  - Vocational training or upskilling of staff/sub-contractors – qualifications achieved

- **Educational**
  - Work placements for school/college/university students
  - School/college/university visits to promote profession/career options etc
  - Landscaping & building services in educational establishments
  - CV support
  - Donations - equipment/resources etc
  - Support/development opportunities delivered to young people (16-18 year olds)

- **Environmental**
  - Waste reduction
  - Water reduction
  - Recycling of materials
  - Travel reduction - mileage, carbon etc
  - Reduce impacts on protected areas, buildings or sites

- **Supply Chain**
  - Contract opportunities advertised via PCS
  - SME sub-contracts awarded
  - Third Sector (other than Supported Businesses) sub-contracts awarded
  - Supported Business sub-contracts awarded
  - Other sub-contracts
  - Mentoring/development support
  - Prompt & fair payment terms

- **Community Engagement**
  - Donations - equipment, materials etc
  - In kind support/advice/mentoring/capacity building
  - Community consultation/events
  - Sponsorship/funding for new facilities etc
  - Community improvement initiatives - habitat enhancement etc
  - Charitable donations
• Cultural/Economic benefits – use & promotion of Gaelic etc

• Equality & Diversity
  o Support for Equality and diversity initiatives to encourage inclusiveness

The aims and objectives of using these are to build a range of economic, social or environmental conditions into the delivery of our contracts where appropriate to do so and HIE will seek to use Community Benefits help promote inclusiveness in local areas.

They should aim to contribute towards sustainable economic growth, which may for example contribute to strengthening communities and fragile areas or seek to deliver wider social benefit for the areas where the contract is being delivered in order to contribute towards inward growth and development within the area.

We continue to promote the benefit of Community Benefits in our contracts by publishing examples of how these can be used to ensure effective delivery of our contracts while benefitting communities. (http://www.hie.co.uk/about-hie/working-with-hie/delivering-community-benefits.html)

Where relevant we will incorporate Community Benefit Clauses to our specification and terms and condition of contract, we may also evaluate Community Benefits offered as part of a tender submission or ask bidders to propose Community Benefits as part of the Non-Scored Questions. We will then ensure these form part of regular contract reviews to ensure we can monitor/track and report progress against any identified Community Benefit Requirements in our contracts.

**Equalities requirements**

In addition to considering equality and diversity through community benefit clauses HIE is also required, under the PSED, to consider award criteria and conditions in relation to public procurement at OJEU level. For example, it is known that women are under-represented in the workforce and leadership of the energy sector and less likely to access training. A contract to deliver a range of events and workshops for the energy sector may include a condition that the contractor demonstrate in the tender how they will encourage women in the sector to attend. This might include promoting events through networks such Women in Renewable Energy Scotland (WiRES). They may be required to gather and analyse event participation and feedback by gender to ensure that delivery meets the needs of both male and female participants.

Although a requirement at OJEU level we recommend this approach for all contracts where it is relevant and proportionate to do so. Relevant procurement clauses can be identified by the Project Manager when completing a People Impact Assessment prior to the procurement exercise commencing.

The People Impact Assessment also highlights ways in which we can address socio-economic disadvantage when considering proposals of a strategic nature (Fairer Scotland Duty).

The degree to which equality and diversity requirements are specified and incorporated within procurement documentation will vary according to the goods, services or works being purchased and should be assessed on a case by case basis. This will ensure that full consideration is given to the needs of, and the likely impact on, all users and others who will be affected by the contract.
**Consultation and Engagement**

We will, as appropriate, consult with parties who will potentially be affected by the outcome of a tender process, and may consider consultation with (for example):

- The marketplace
- Customers/end users
- Community Representatives
- Internal stakeholders

Consultation and engagement will be conducted in an open, equal and inclusive manner. The decision on when to consult and engage before a tender process will be taken on a contract by contract basis and may for example be undertaken when:

- We are tendering for a brand new requirement
- The delivery of the contract may affect a local community for example during the construction of a new property which may mean local communities having access issues/noise issues/travel disruption
- Where the contract may have a significant impact on end-users of the contract and we may want to seek views/comments and opinions from customers or end users of the contract. This would also include ensuring all engagement accommodates the needs of a range of end-users, such as those who have limited mobility
- When we may want to investigate the possibility of including community benefits to a specific contract and need to understand the needs of a specific area/community

We will consider the use of Prior Information Notices to make the market aware of our future tendering plans.

We may consider running local bidder briefing days to consult potential bidders/those affected by the contract and consider their views when constructing the tender document and we will record the output and outcome of any consultation and engagement which takes place.

We will work towards continually improving our performance and will seek feedback following tender processes to ensure feedback, comments and consultation outcomes are logged and actioned as appropriate.

**Fair Work Practices**

HIE are committed to the Scottish Government's default position of “Fair Work First” (announced in October 2018) and the principles of the Fair Work Framework 2016 which defines fair work as “work that offers effective voice, opportunity, security, fulfilment and respect; that balances the rights and responsibilities of employers and workers and that can generate benefits for individuals, organisations and society”.

In addition, HIE is a Living Wage accredited employer. We are committed to ensuring contracts, where relevant, address Fair Work Practices. These will be decided on a case by case basis. Like the Scottish Government, we consider payment of the Living Wage (as defined by the Living Wage Foundation) to be a significant indicator of an employer’s commitment to fair work practices. Payment of the Living Wage is one of the clearest ways that an employer can demonstrate that it takes a positive approach to its workforce. However, Living Wage is only one part of wider fair work practices and therefore is not the only factor to consider.
Fair work practices will, for any value, only be considered where pertinent to the subject matter of the requirement with criteria being relevant and proportionate. In addition, compliance with the EU Treaty Principles (transparency, equal treatment, non-discrimination, proportionality and mutual recognition) remains key.

When reviewing whether fair work practices are relevant, the nature, scope, size and place of the performance of the contract will be considered.

We will include a statement in all procurement exercises encouraging this but we cannot insist on it. Where it is felt relevant to the quality of the service/works being delivered we will evaluate this as part of the tender process.

We will build this in to our processes to contribute towards improving the social wellbeing of local and fragile areas and reducing inequalities within the HIE region.

**Health and Safety at Work**

The degree to which health and safety requirements are specified within procurement documentation will vary according to the goods, services or works being purchased. For example, particular health and safety legislation applies in the context of construction. The potential health and safety risks arising from a contract will be assessed on a case by case basis. We will ask suppliers to provide evidence to demonstrate that their organisation complies with current health and safety legislation and actively promotes and manages good health and safety practice as required.

Where particular health and safety risks are identified, suppliers will be asked as part of the procurement process to provide information on the measures that they would put in place in response to the identified risks. We will monitor contracts to ensure compliance with health and safety requirements.

**Fairly and ethically traded goods and services**

In order to ensure proportionate application of ethical trading standards by our suppliers we will ensure we consider the use of lifecycle costing where this is relevant and proportionate to do so.

We will complete a Sustainability Test (Scottish Government sustainability tool) before undertaking any Regulated tender process. The purpose of this is to identify any environmental or socio economic impacts that may exist at relating to a specific product or service. This exercise may identify opportunities to incorporate Fair Work Practices to the tender process or it may identify risks to fair and ethical work practices in the supply chain which we can then consider in the tender documentation.

We will incorporate contract conditions to our terms and conditions to ensure suppliers comply with relevant environmental, social and employment law. Our goal is to ensure goods and services and traded fairly and ethically and the supply chain is treated fairly and ethically.

We may request a label certifying that the goods, works or services being procured meet specific environmental, social or other characteristics which are directly relevant to the contract. Any label would align with relevant established and recognised standards.

**Provision of food**

If we intend procuring food we will ensure we aim to be a showcase for regional produce and we will specify the minimum standards expected which will include promoting the highest standards of animal welfare, the food will be required to demonstrate how it can deliver food
of good nutritional value, promote good health and education, meet a range of customer dietary and cultural requirements, protect the environment and avoid the use of natural resources while contributing towards economic development.

Payment of Invoices
Prompt payment of suppliers is a key element of the Scottish Government’s Economic Recovery Programme. In support of this, payment of valid contractor and sub-contractor invoices within 30 days throughout the supply chain of public contracts is a requirement for HIE. Successful suppliers will be expected to make payments to its supply chain within these maximum timescales.

However, as also required by the Scottish Government, HIE has a policy commitment to pay its own suppliers within 10 working days of receipt of agreed and valid invoices, or as provided for under the terms of an agreed contract. Any contract holder must also adopt this approach in terms of payments to its supply chain:

- Payments due by a contractor to a sub-contractor(s),
- Payments due by a sub-contractor to sub-contractor

Payment to sub-contractors within 30 days is a standard term of all HIE contracts and HIE aim to pay all undisputed invoices within 10 days.

Our payment performance is published within our Annual Report. In 2018/2019 HIE paid 77% of invoices within 10 days of receipt.

HIE have introduced Project Bank Accounts to large construction projects and will continue to utilise these as required.

Strategic Aims/Objectives and Key priorities
In order to meet our local and national priorities we have developed four key procurement objectives which complement our priorities and will contribute to improving competitiveness, helping build a fairer society and ensuring our tender processes are innovative, inclusive and encourage participation from all areas of our region:

1 – Sustainable Procurement – We consider sustainability for all of our regulated procurement activities and embed it, where relevant, in a proportionate manner. This will contribute, amongst others, to strengthening local communities and fragile areas.

2 – Deliver Value for Money – We will ensure contracts are awarded on a combination of factors including (but not limited to) quality, sustainability and cost.

3 – Leadership and Governance – We will ensure compliance with all relevant legislation and ensuring our Procurement activity is aligned to local and national priorities.

4 – Continuous Improvement – We will continually review our approach to Procurement to ensure we are improving what, and how, we deliver contracts and framework agreements and improving our contract and supplier management processes and procedures.

Refer to Appendix 1 for the Procurement Action Plan of how we intend working towards meeting these objectives and monitoring our progress.
**Spend/Finance**

HIE spend on Regulated contracts in 2018/2019 was around £30 million. (This figure does not include one off payments for one off projects for example our Building Digital UK costs. This is to ensure that the targets and Action Plan do not take account of one off projects and are based on “business as usual” spend).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Savings for Financial year*</td>
<td>3.2%</td>
<td>5.7% (this equates to around £1 million)</td>
<td>4.7% which equates to roughly £1.4 million</td>
<td>We will aim to report a cash saving between 3% and 6%.</td>
<td>Will be confirmed in summer 2020</td>
</tr>
<tr>
<td>Maverick spend (spend outwith contract)</td>
<td>11.9%</td>
<td>9.3% (this equates to around £1.6 million)</td>
<td>7.2% which equates to roughly £2.1 million</td>
<td>We aim to reduce this figure to 6%</td>
<td>Will be confirmed in summer 2020</td>
</tr>
<tr>
<td>Total spend through a collaborative contract</td>
<td>15.4%</td>
<td>20% (this is around £3.5 million)</td>
<td>25% which equates to roughly £7.5 million</td>
<td>We will aim to maintain this figure to at least 25%</td>
<td>Will be confirmed in summer 2020</td>
</tr>
<tr>
<td>Total spend with SMEs</td>
<td>48%</td>
<td>56% (this is around £9.8 million)</td>
<td>55.5% which equates to roughly £16.6 million</td>
<td>We will aim to maintain this figure between 55% and 60%</td>
<td>Will be confirmed in summer 2020</td>
</tr>
<tr>
<td>Award contracts/work to Third Sector Suppliers</td>
<td>NA</td>
<td>NA</td>
<td>4</td>
<td>We will aim to award contracts/work to five different Third sector suppliers.</td>
<td>We will aim to award contracts/work to five different Third sector suppliers.</td>
</tr>
<tr>
<td>Number of Regulated Tenders published with questions included about community benefits, either scored or non-scored.</td>
<td>10%</td>
<td>45%</td>
<td>74%</td>
<td>We will aim to increase this figure to 75%</td>
<td>Will be confirmed in summer 2020</td>
</tr>
</tbody>
</table>
*These are identified within the PCIP as ‘cash savings’ but this figure is derived from a methodology identified within the "Procurement Benefits Reporting Guidance 2015" document which was produced by the Scottish Government to arrive at the savings figure identified.

HIE currently use Spikes Cavell to provide spend analysis but we are looking at options of using alternative Spend Analysis tools which may provide more comprehensive spend data in the future.

**Monitoring/reviewing and reporting**

HIE is subject to the Procurement Capability Improvement Programme (PCIP).

The Procurement Team will audit low value Procurement activity within HIE. Internal Audit will review high value Procurement activity as part of their Audit Plan.

The Procurement Team will report progress against our Action Plan to the Leadership Team on a regular basis.

The Procurement Team will seek feedback from bidders and internal staff before/during and/or after the tender process is complete to continually review processes.

Key performance attainment benchmarks are embedded into the PCIP process which assesses competence against key areas of the Procurement process:

- Leadership and governance
- Development and Tender
- Contract
- Key Purchasing Processes

Implementation and delivery will be progressed through our Procurement Action Plan which can be viewed in Appendix 1. Our objectives will be reviewed and reported annually and new targets set for the coming year.

**Policies, Tools and Procedures**

*Local policies and procedures that affect our procurement activity:*

- HIE Strategy 2019-22
- Reference guide to Procurement
- Reference guide to Consultancy Procurement
- Reference guide to Contract and Supplier Management
- Sustainable procurement procedure
- Equality and Diversity policy
- Code of Conduct for Staff/Board Members
- Conflict of Interest policy
- Gifts/Hospitality policy
- Data Protection policy
- Delegated Levels of Authority policy
- Sustainable Construction policy
- Asset Management Plan
- Freedom of Information policy
- Information Security policy
National and Regional procedures and processes:
- Scotland’s Economic Strategy
- Procurement (Scotland) Regulations 2016
- Public Contract (Scotland) Regulations 2015
- Procurement Reform (Scotland) Act 2014
- The Scottish Procurement Journey
- Scottish Model of Procurement
- National Outcomes
- Local Outcome Improvement Plans
- Public Procurement Reform Programme
- The Changes to the EU Procurement Directives
- Scottish Business Pledge
- Guidance on Procurement and the Public Sector Equality Duty
- The Suppliers Charter
- PCIP
- The Information Hub
- The Strategic Board for Enterprise and Skills
- Sustainable Public Procurement Prioritisation Tool

Public Contracts Scotland
HIE do not hold any lists of approved suppliers. Suppliers who wish to bid for HIE contracts and/or find out about our procurement activity, can register with Public Contract Scotland (for free) as all of our tendering activity is conducted through this portal. The website contains a variety of information including guidance for suppliers and details on HIEs (and other public sector bodies) current contracts and opportunities.

Strategy Ownership/version control
Strategy signed off by Leadership Team
Strategy Published – March 2020
Strategy owner – Head of Procurement
Version 4.0
Review Date – September 2020
<table>
<thead>
<tr>
<th>Objective</th>
<th>AIM</th>
<th>What we will do</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 - Sustainable procurement</strong></td>
<td>Increase spend with SME's supported business and third sector bodies</td>
<td>Use of PIN notices Pre-market engagement and consultation to understand the marketplace and liaise with them. Continue to look for ways to engage more with the third sector. Work with the internal group set up to review how we approach this with the communities and place team. Continue to work with the Supplier Development Programme (SDP) to review whether we can create a 'social zone' at the next meet the buyer North 2020.</td>
<td>Look to get access to the list of supplies and goods the third sector can provide. Communities and place team trying to get access to this. We will continue to work with partners including Partnerships 4 Procurement and the SDP to review options and approaches to engaging with third sector. Work with FM to review any 'quick wins'. Increase awareness from account managers about what a supported business is and try and get more management info from them to start awarding more contacts. Possibly review the financial thresholds and insurance requirement we put in place per contract requirement to ensure we do not put up unnecessary barriers to engagement with these organisations</td>
</tr>
<tr>
<td>Ensure we build in fair work practices to any relevant contract</td>
<td>Include HIEs approach in Procurement Strategy Considered whether this is relevant to the contract and build this into the tender documentation and score it as part of the evaluation process</td>
<td>Update guidance to reflect Fair Work first. Been in contact with the SG who are reviewing our approach to incorporating Fair work first principles. Ensure we get this information annually from suppliers to ensure we can report annually that all suppliers are adopting these principles where relevant and reporting them to us annually.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Action Date</th>
<th>Review Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2020</td>
<td>March 2021</td>
</tr>
<tr>
<td>September 2020</td>
<td>March 2021</td>
</tr>
</tbody>
</table>
## Reviewing our approach to ensuring we can help meet the Net Zero targets

We have seen some information starting to flow regarding Net Zero and potential policy movements in this area but there is no practical information as yet about how to measure this information.

We will continue to engage with the Scottish Government and relevant bodies to ensure any requirements are reflected with our guidance and documentation and we continue to review how we can build this into procurement activity.

<table>
<thead>
<tr>
<th>June 2020</th>
<th>October 2020</th>
</tr>
</thead>
</table>

## Increase the number of contacts with Community Benefits clauses and supported businesses

Consider CBC for every tender we run. Ensuring these are relevant and appropriate for each contract and we can easily identify and track these benefits in contracts

We need to make these specific to every contract when we use them as the consultation feedback

We already consider these for all regulated processes but always looking to increase that percentage. Continue to create case studies and publish these online to raise awareness of these and the benefits they can bring

<table>
<thead>
<tr>
<th>March 2021</th>
<th>September 2020</th>
</tr>
</thead>
</table>

## Objective AIM What we will do Actions

<table>
<thead>
<tr>
<th>2 – Deliver value for money</th>
<th>Increase costs savings annually</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td><strong>What we will do</strong></td>
</tr>
<tr>
<td>2 – Deliver value for money</td>
<td>Increase costs savings annually</td>
</tr>
<tr>
<td><strong>AIM</strong></td>
<td><strong>What we will do</strong></td>
</tr>
<tr>
<td>Increase costs savings annually</td>
<td>Continue to report savings using the Procurement Benefits savings tracker provided by the SG. Increase spend on contract through raising awareness of frameworks and contracts which exist already internally. Evidence of an opportunity analysis at an organisational level to identify quick wins, areas of risk and longer term</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td><strong>Actions</strong></td>
</tr>
<tr>
<td></td>
<td>We do quarterly spend analysis to try and track spend quarterly.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>June 2020</th>
<th>Quarterly</th>
</tr>
</thead>
</table>
opportunities. We will identify opportunities to collaborate with other public bodies and is actively working towards these.

Maintain our collaborative spend figure per annum

Utilise government and other public bodies frameworks that are available for us to use as appropriate. Consider setting up collaborative frameworks ourselves where appropriate.

If not using an SG/other framework must have robust rationale. We will generally always include subsidiaries but also consider who else we may be able to work with and will look for opportunities to invite SE/SDS/South Of Scotland Enterprise to join any relevant contracts and frameworks we put in place.

June 2020 Quarterly

Reduce our maverick spend

Work to create a robust process to identify maverick spend internally and challenge it accordingly. This relies on updating our systems to obtain this key information accurately.

Review the quarterly spend analysis to identify key areas of non compliant spend and chase contract managers to reduce this figure. We will review the spend quarterly as a team to identify areas/trends and identify issues with staff and line managers to work to reduce this figure. Identify organisation wide opportunities to introduce new contracts based on the spend review/analysis each quarter.

June 2020 Quarterly

Objective | AIM | What we will do | Actions
---|---|---|---
3 - Leadership and Governance | Team structure review | Review how we are set up/how we will communicate the fact we will now run Quick Quote processes. | We have a paper waiting to be reviewed by the Rules and Guidance group. We will update our procurement reference guidance and our Non-Competitive Action guidance if we get this approach approved which should increase compliance/value for money and visibility of lower value spend internally.

April 2020 | September 2020
<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intranet page updated and reviewed</td>
<td>Update the intranet page to explain how the new structure will work and revamp the internet to make it easier to find information.</td>
<td>Intranet page is ready to be published once we agree the new structure with the rules and guidance group/LT.</td>
</tr>
<tr>
<td>Risk rating of contracts</td>
<td>Create a mechanism for establishing a way to identify the highest risk contract we have in place so we are aware of them.</td>
<td>April 2020</td>
</tr>
<tr>
<td>Report/register Forecast v achieved benefits within contracts eg did we get what we were told we were going to get from a supplier</td>
<td>As part of our CSM process we should track any forecast benefits we would receive against what we actually received during the contract.</td>
<td>September 2020</td>
</tr>
<tr>
<td>Implementation and exit strategies</td>
<td>Contract strategy and CSM document contain guidance about implementation plans and exit strategies.</td>
<td>February 2021</td>
</tr>
<tr>
<td>Cyber security</td>
<td>Interpret and apply the new Scottish Government guidance published on 16th January 2020.</td>
<td>April 2020</td>
</tr>
<tr>
<td>Objective</td>
<td>AIM</td>
<td>What we will do</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>4 - Continuous Improvement</strong></td>
<td>Lessons learned reviewed</td>
<td>Review the lessons learned at monthly action plan review meetings to ensure we all understand and identify issues as they arise</td>
</tr>
<tr>
<td></td>
<td>CSM guidance is reviewed</td>
<td>CSM Guidance – developed and introduced to ensure we can annually report.</td>
</tr>
<tr>
<td><strong>PCIP question relating to ICT</strong></td>
<td>PCIP question - Has the organisation assessed its procurement process automation and information requirements and at what stage is the organisation</td>
<td>Business transformation case was created 2.5 years ago which assessed out procurement process and information requirements throughout the organisation</td>
</tr>
</tbody>
</table>
with implementing an ICT strategy to meet them?

| PCIP question relating to Finance | PCIP question - What does the organisation do to receive goods/services/minor works, and what is the process for authorising payment to meet payment targets and increase efficiencies? | Finance to work with the business transformation team to identify if this is an option moving forward | Minimum of a 2 way match undertaken, purchase card procedures are in place. Finance are liaising with the transformation team to see if this is on the future work plans and whether it should be or not. | June 2020 | September 2020 |