



SOUTH of
SCOTLAND
ENTERPRISE

Procurement Annual Report 2023-24

**South of Scotland Enterprise
The Crichton
Bankend Road
Dumfries
DG1 4TA**

Contents

Executive Summary	3
1. Introduction.....	4
2. Vision for procurement.....	4
3. Context	4
4. Information on Contracts.....	5
5. Highlights.....	7
6. Delivering Best Value	8
7. Monitoring, Reviewing and Reporting performance.....	9
8. Strategy Ownership and Contact details	9
Appendix A –Contracts awarded in the reporting period	10
B – Annex A ; Scottish Govt KPI data.....	12

Executive Summary

This annual report records Procurement activities and outcomes delivered by South of Scotland Enterprise (SOSE) in the budget year April 2023 to March 2024.

A SOSE Procurement Strategy is in place and is supported by a Procurement Team Business Plan, which sets out how the Procurement Team supports SOSE procurement activity.

The focus of this report is to provide an update on the variety of ways in which procurement activity has been used to support the desired outcomes of SOSE in meeting the needs of the South of Scotland.

This update provides more detail on the improvements made to ensure that SOSE's working practices are meeting the legislative and regulatory requirements introduced by the [Procurement Reform \(Scotland\) Act 2014](#) and the [Public Contract Scotland Regulations](#)

SOSE procurement spend with third parties during 2023/24 was £8,575,431 this includes expenditure on goods, services and works.

1. Introduction

The changing face of public services has seen procurement activity in the Scottish public sector embark on a journey of continuous improvement. SOSE is fully committed to the ongoing improvement of how it carries out its procurement activities and in recent years there has been a strong focus on how procurement can be used as a tool to support sustainable and inclusive growth in the South of Scotland. This annual report provides detail of SOSE's procurement activity and progress in achieving same during 2023/24.

A SOSE Procurement strategy was approved in 2020 that reflected the increasingly significant role that procurement plays in enabling SOSE to deliver local environmental and socio-economic benefits. Building skills and capacity within the organisation, both in respect of regulated procurement activity and commercial decisions, is key to enabling the organisation to be more creative and effective in its service delivery. Effective procurement decision-making has the potential to add increased value to the spend made by the SOSE each year.

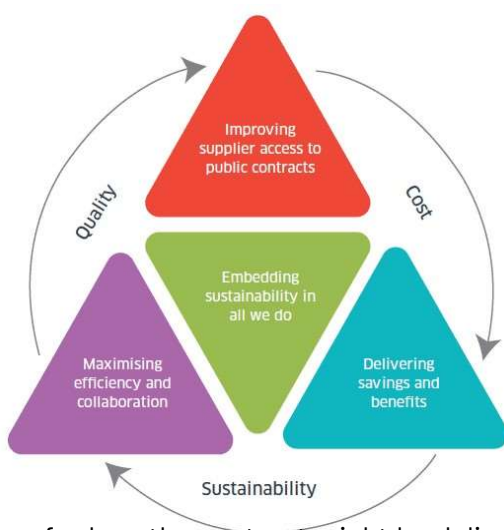
2. Vision for procurement

The Procurement Strategy for SOSE is based on the statement of values below and is aligned to the SOSE Operating plan.

"To achieve commercial excellence in our procurement activities and ensure that we deliver Best Value for SOSE and do so in an effective, efficient, ethical, and sustainable way that delivers local economic, environmental, and social benefits".

3. Context

SOSE works in an increasingly complex and challenging environment. It is important to consider the context and drivers for change that have informed our Procurement approach. The [Scottish Model of Procurement](#), shown below, sets high level objectives for all public bodies to consider when working with supply markets.



For each procurement exercise a full assessment of the ways in which the desired contract will meet our objectives is undertaken and built into the specification issued to prospective bidders.

Consideration is given to engagement with those affected by the procurement exercise – this includes, as appropriate, the communities in which the contract will be delivered, the potential local supply base, SOSE staff affected by the contract.

Options for how the contract might be delivered is also considered, with a review of potential provider solutions including, arm's length organisations, supported businesses, not-for-profit organisations, and smaller businesses, including start-ups.

4. Information on Contracts

A key principle for effective public sector procurement is transparency; ensuring that opportunities to bid for public sector work are visible to all companies which may wish to consider it.

SOSE achieves this by using the national advertising portal – [Public Contracts Scotland](#).

All SOSE contract opportunities with a contract value greater than £50,000 are advertised here.

Contract opportunities with a value lower than £50,000 can be advertised using a Quick Quote process; where 3 competitive quotes are sought from suppliers; this is also conducted through the same portal.

The way that SOSE must meet the legislative duties for procurement is set out in our Procurement Policy

- The approach required to be taken varies depending on the value of a contract.
- Those above a Regulatory defined threshold <https://www.gov.scot/publications/new-eu-procurement-thresholds-from-1-january-2020/> must be **tendered** following the [Public Contracts \(Scotland\) regulations 2015](#).
- Contracts with a value between **£50,000** and the above Regulatory threshold must follow the procurement approach as set out in the [Procurement Reform Act](#)
- For contracts valued between **£5,000** and **£50,000** we will aim to invite **quotations** from a minimum of 3 bidders.

Contracting Activity for the period

Each budget year, we aim to publish a high level spend plan derived from the budget planning process. This plan set out, in broad terms, the intended procurement work over the reporting period, and includes some longer-term projects.

In 2023/24 SOSE's procurement spend was £ £8,575,431 with external parties.

In 2023/24 SOSE procured from contractual arrangements with **240** suppliers during the reporting period to 31st March 2024. The procurements related to spend on contract awarded in year as well as spend on pre-existing contracts awarded in previous budget years that remained available for use by SOSE. It is also worth noting that many procurements are attended to using existing collaborative commercial agreements – removing the requirement for SOSE to carry out a full procurement exercise.

An overview of SOSE contract award activity in 2023/24 is attached in Appendix A

Contracts Register

To improve the transparency around contracts held by SOSE, we also have a SOSE Contracts Register which is available. A searchable format of this Register is also to be made available on the Public Contracts Scotland website.

5. Highlights

SOSE's Procurement Strategy and policies apply to all SOSE's external procurement expenditure on goods, services and works. The purpose of each procurement exercise carried out by SOSE in 2023/24 was to deliver outcomes that supported one or more of the outcomes articulated in SOSE's Operating plan. The ways in which some of our recently awarded contracts have contributed to our objectives are described in the example provided below.

Supporting Innovation; Coast 2 Coast Cycle

Procurement team supported the delivery of an exciting new 250 mile on-road cycle route covering the length of the South of Scotland. This was delivered in collaborative partnership led by SOSE with Scottish Borders Council, Dumfries & Galloway Council, South of Scotland Destination Alliance, VisitScotland and Sustrans Scotland.

The C2C Project seeks to deliver a variety of significant economic, social and environmental opportunities including:

- Hospitality and food & drink businesses capitalising on visitors along the route and at 11 stop off locations across the South of Scotland
- Local retail cycling sector providing bike hire, shopping opportunities and repairs.
- Provision of cycle tourism packages offered directly to the consumer and travel industry.
- New businesses emerging or existing businesses adapting.
- New route can be used by communities to commute instead of taking the car.
- Using bikes for commuting and leisure pursuits can help address issues such as fuel poverty, community isolation and improve our health and wellbeing.

6. Delivering Best Value

Local Supplier Support

In addition to the transparent approach, we have to the publication of contract opportunities, SOSE also works to support and upskill local businesses to try to ensure they have the necessary skills and understanding of how best to access and be successful in public procurement exercises. SOSE is an active participant in the [Supplier Development Programme](#) and looks to host regular supplier support events throughout the year – typically along the following lines.

- Bespoke events aimed at supporting local organisations and Supplier engagement events relating to specific contract opportunities.
- Training sessions: where local suppliers are given an opportunity to learn about the public sector, and how organisations like SOSE spend their budgets. This enables suppliers to better understand how the public sector tender processes work and to find out about where public sector organisations advertise contract opportunities.
- Meet the Buyer events – SOSE support Local and National events, which attract exhibitors and suppliers from across the South of Scotland.

The search functions on Public Contracts Scotland can be used as a data source for local suppliers to explore the opportunities from, and contracting plans of a wide range of public bodies, including SOSE.

Savings

A proactive approach to identifying potential areas for budgetary savings has been developed. Proposed savings opportunities are discussed with Finance and Corporate Resource management team and senior management when developing procurement strategies and letting contracts. In the reporting period procurement activity has yielded improvements in contracted terms and has contributed to the delivery of both cashable efficiency savings and non-cashable process improvements.

Fair Working Practices

SOSE became an accredited Living Wage employer in 2020. As part of this accreditation, in 2023 we made the undertaking to require a commitment to Fair Work practices, including [payment of the Living Wage](#) from our suppliers. To this end, we include questions on the approach to Fair Work when engaging with prospective suppliers for services. Where new contracts are formed, bidders are required to provide information on their approach to Fair Work and the payment of the Living Wage.

Electronic Tools and Process Efficiency

SOSE competitive procurement activities use the national procurement portal [Public Contracts Scotland with the intention that](#) potential suppliers can identify contracting opportunities in a specific location. The use of electronic systems and digital tools to support and manage our procurement work is a source of further efficiency.

Collaborative Contracts

In addition to directly procured contracts issued on behalf of SOSE, we also make use of a range of contractual agreements awarded in collaboration with other bodies.

The collaborative contracts used by SOSE are broadly split into three categories.

- those delivered for the whole of the public sector by Scottish Government, Hubco, Westminster (CCS), and other public sector bodies (SPA, SCAPE)
- those delivered for the Scottish local authority sector by Scotland Excel
- those delivered by partners (SDS, HIE, SE)

Almost 71% of SOSE procurement spend is channelled through these collaborative contracts and we actively participate in the creation and operational management of several of them. Collaboration can also bring significant process efficiencies through promoting the use of common contract specifications. This in turn helps to deliver more contracts in line with time and cost targets, particularly beneficial in the construction sector.

Value from these collaborative arrangements is promoted through access to the enhanced buying power of working together with other partner organisations either local or nationally. Robust benchmarking of prices and costs is undertaken using data on market rates, comparable projects, and internal information on performance.

7. Monitoring, Reviewing and Reporting performance

Monitoring

Updates on the progress being made have been provided to SOSE's Senior Leadership Team.

Reporting

The preparation of this Annual Report together with the reporting of procurement activity through service and financial monitoring reports is intended to meet this requirement.

Review & Benchmarking

In alternate years, an independent review of the procurement capability takes place. SOSE procurement functions are benchmarked against an assessment tool, the Procurement Capability, and Improvement Programme (PCIP). The assessment requires the submission of defined range of data and documentation as well as an on-site visit by the assessors. The PCIP focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver. The PCIP focusses on four main elements:

- Leadership and Governance
- Development and Tender
- Contract Management
- Purchasing Processes

Relative to the size of SOSE – the organisation is yet to undertake a PCIP assessment.

8. Strategy Ownership and Contact details

SOSE's Procurement Team is part of SOSE's Finance & Corporate Resource Directorate, is managed by the Procurement & Property manager and is led by the Director of Finance & Corporate Resources

SOSE CONTRACTS AWARDED
1 April 2023 to 31 March 2024

The information provided below details contracts awarded by Procurement team on behalf of SOSE during the budget year 2023/24.

Financial Year 2023/24		
Awards above £50,000 (Scottish Procurement Reform Act Regulations apply)		
£50,000 and above		
	Description	Value (£)
SOSE 318	SPEN infrastructure	177276
SOSE 287	Research	86200
SOSE 294	Site Investigations	69025
SOSE 306	Project management support	50000
Awards below £50,000 (SOSE governance applies)		
£5,000 to £50,000		
	Description	Value (£)
SOSE 351	Laundry Project	49585
SOSE 274	Construction services (site clearance)	45000
SOSE 264	Property Estates Mgt services	40000
SOSE 304	Project support	38175
SOSE 314	Training	36200
SOSE 357	Feasibility study	33000
SOSE 337	Site Investigation	32500
SOSE 269	Management support	32000
SOSE 260	SUP RLUF	30000
SOSE 336	Export baseline research	30000
SOSE 261	LUC RLUF	29994
SOSE 392	Office furniture	26000
SOSE 322	Feasibility study	25000
SOSE 356	Design work	24415
SOSE 279	Road sign installation	22230
SOSE 338	Fencing	21960
SOSE 323	Project management	21500
SOSE 362	Airshow costs	20000
SOSE 391	Office furniture	20000
SOSE 278	C2C road signage	19589
SOSE 283	Cyber Insurance	16936

SOSE 316	REP website	15960
SOSE 344	Chapelcross masterplan	15300
SOSE 308	Mysose sprints	15000
SOSE 368	Digital content	14978
SOSE 267	Licensing	14069
SOSE 259	License cost	12420
SOSE 315	C2C public art	11000
SOSE 325	Leadership Programme	10350
SOSE 296	IT support	10200
SOSE 290	Management consultancy	10000
SOSE 301	consultancy	10000
SOSE 329	Project support	10000
SOSE 349	Scoping report	10000
SOSE 384	Training	10000
SOSE 280	Filming	9974
SOSE 328	Management development programme	9100
SOSE 262	365 backups	8640
SOSE 302	Feasibility study	8000
SOSE 319	Survey	7500
SOSE 341	Traffic survey	7200
SOSE 382	HR services	6060
SOSE 361	Website development	6050
SOSE 327	Valuation	6000
SOSE 348	Scoping report	6000
SOSE 383	Scoping study	6000
SOSE 288	Coaching	5500
SOSE 311	BCP exercise	5000
SOSE 331	Vibes 2023 sponsorship	5000
SOSE 350	All energy sponsorship	5000
SOSE 363	Event fees	5000
SOSE 389	Data analysis	5000
Awards below £5,000 (SOSE governance applies)		
Under £5,000		
	Description	Value (£)
SOSE 365	Power BI Training	4914
SOSE 258	Enterprise workshop	4800
SOSE 266	Recruitment	4760
SOSE 335	Media subscription	4600

SOSE 297	Research	4500
SOSE 354	Training	4250
SOSE 309	Youth Forum media	4142
SOSE 272	Property agency	4000
SOSE 281	Filming	4000
SOSE 317	Professional fees	3650
SOSE 380	Feasibility study	3600
SOSE 372	Workshops	3528
SOSE 293	Supplier development programme	3500
SOSE 312	Training	3000
SOSE 340	Project support	3000
SOSE 385	Training	2961
SOSE 275	Actuarial service	2820
SOSE 334	Wi-Fi provision	2785
SOSE 360	Advertising	2580
SOSE 387	Actuarial service	2575
SOSE 303	Energy infrastructure	2500
SOSE 270	Catering	2270
SOSE 300	IT support	2250
SOSE 347	Training	2250
SOSE 374	Training	2250
SOSE 346	Training	2200
SOSE 295	Topographical survey	2169
SOSE 284	Consultancy	2154
SOSE 388	HR services	2100
SOSE 265	Management support	2000
SOSE 268	Management support	2000
SOSE 298	Property Marketing	2000
SOSE 345	Sponsorship	2000
SOSE 310	Training	1950
SOSE 355	Regional Skills Survey	1950
SOSE 321	Training	1914
SOSE 378	Training	1875
SOSE 377	Project support	1871
SOSE 369	Graphic design	1850
SOSE 379	Feasibility study	1800
SOSE 324	Training	1798
SOSE 276	Management support	1750
SOSE 289	Financial advice	1600

SOSE 393	Whistleblowing hotline	1540
SOSE 364	Media support	1491
SOSE 381	Training	1412
SOSE 367	License cost	1390
SOSE 286	Editing	1375
SOSE 339	Mysose	1300
SOSE 375	Mysose support	1300
SOSE 371	Workshop	1200
SOSE 330	License cost	1167
SOSE 390	Coaching	1132
SOSE 313	Training	1100
SOSE 376	Project support	1067
SOSE 333	Legal advice	1023
SOSE 271	Media	1000
SOSE 358	Training	960
SOSE 277	Media	872
SOSE 273	Events	850
SOSE 299	Recruitment advert	750
SOSE 370	Advertising	750
SOSE 291	Training	698
SOSE 305	Recruitment services	650
SOSE 366	Training	550
SOSE 326	Training	525
SOSE 342	Training	500
SOSE 386	Media	500

Annex A; APR Data return required by Scottish Government

1. Organisation and report details	
a) Contracting Authority Name	South of Scotland Enterprise Agency
b) Period of the annual procurement report	2023/24
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
2. Summary of Regulated Procurements Completed	

a) Total number of regulated contracts awarded within the report period	4
b) Total value of regulated contracts awarded within the report period	382,501
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	4
i) how many of these unique suppliers are SMEs	3
ii) how many of these unique suppliers how many are Third sector bodies	0

3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	4
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0

4. Community Benefit Requirements Summary

Use of Community Benefit Requirements in Procurement:

a) Total Number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	N/A
c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements	0

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	N/A
e) Number of Apprenticeships Filled by Priority Groups	N/A
f) Number of Work Placements for Priority Groups	N/A
g) Number of Qualifications Achieved Through Training by Priority Groups	N/A
h) Total Value of contracts sub-contracted to SMEs	N/A
i) Total Value of contracts sub-contracted to Social Enterprises	N/A
j) Total Value of contracts sub-contracted to Supported Businesses	N/A
k) Other community benefit(s) fulfilled	N/A

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	4
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	4
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.	N/A
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract during the period.	N/A

6. Payment performance

a) Number of valid invoices received during the reporting period.	1806
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)	99.96%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	0
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	28,154
i) spend within the reporting year on regulated contracts	N/A
ii) spend within the reporting year on non-regulated contracts	28,154

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	8,575,431
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	2,636,577
c) Total procurement spend with third sector bodies during the period covered by the report.	362,909
d) Percentage of total procurement spend through collaborative contracts.	71%

e) Total targeted cash savings for the period covered by the annual procurement report	0
i) targeted cash savings for Cat A contracts	N/A
ii) targeted cash savings for Cat B contracts	N/A
iii) targeted cash savings for Cat C contracts	N/A
f) Total delivered cash savings for the period covered by the annual procurement report	27,225
i) delivered cash savings for Cat A contracts	0
ii) delivered cash savings for Cat B contracts	0
iii) delivered cash savings for Cat C contracts	27,225
g) Total non-cash savings value for the period covered by the annual procurement report	N/A
9. Future regulated procurements	
a) Total number of regulated procurements expected to commence in the next two budget years	N/A
b) Total estimated value of regulated procurements expected to commence in the next two budget years	N/A