

Procurement Strategy 2022/23



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Executive Summary

Throughout the Covid pandemic, Scottish Enterprise has supported the delivery of direct business support across the economy. In 2022/23, Scottish Enterprise will continue to work closely with partners and government to support our economic recovery. Our overarching purpose is to help businesses innovate and scale to transform the economy. Increasingly, our focus is on ensuring economic recovery is led by green growth that is also sustainable for Scotland's future.

Scottish Enterprise has developed a [Net Zero Framework 2022/23](#), 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 2022/23 and will be accompanied by a new Sustainable Procurement Strategy to be launched later this year.

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 First ambitions, offers best value, is legally compliant and follows best practice.

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

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.

The Government's National Strategy for Economic Transformation

The Scottish Government launched its National Strategy for Economic Transformation in March 2022. This strategy includes five specific policy areas for action, namely:

- establish Scotland as a world-class entrepreneurial nation founded on a culture that encourages, promotes and celebrates entrepreneurial activity in every sector of our economy;
- strengthen Scotland's position in new markets and industries, generating new, well-paid jobs from a just transition to net zero;
- make Scotland's businesses, industries, regions, communities and public services more productive and innovative;
- ensure that people have the skills they need at every stage of life to have rewarding careers and meet the demands of an ever-changing economy and society, and that employers invest in the skilled employees they need to grow their businesses;
- reorient our economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities.

Scottish Enterprise is focussed on making a clear and measurable contribution to the delivery of these policy objectives.

The National Performance Framework

We follow the Scottish Government's [National Performance Framework \(NPF\)](#), 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 '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.

Our strategic procurement agenda

Our key strategic aim is to make a meaningful contribution to Scotland's National Strategy for Economic Transformation 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 deliver contracts that offer value for money, taking into account both financial and qualitative evidence, and to do this in a legally compliant manner. We will strive to ensure our suppliers provide Fair Work and are actively working to achieve Net Zero carbon emissions throughout our supply chain. Together with Scottish Government and public sector partners, we are also continuing to develop our approach to Community Wealth Building to ensure fairer, economically stronger communities. We will promote innovation in our process, and in our wider work with public sector partners.

Following Russia's invasion of Ukraine, we will ensure that all current and future contracts are aligned with the sanctions regime and accompanying guidance issued by the UK and Scottish Government.

Our procurement

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 2022/23.

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.

We use the Scottish Government's procurement journey as the basis for our operations. Wherever possible, we will use collaborative framework agreements developed by the Scottish Procurement and Commercial Directorate, Crown Commercial Services and others for our requirements. Where no appropriate frameworks are available, for regulated procurement (over £50k), we 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 the delivery of our strategic objectives.

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 compile 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 2021/22 Scottish Enterprise achieved cashable savings of 1.3%, (0.8 % 2020/21), generating a saving to the public purse of £435k.

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.

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 practices 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 we will work to ensure that employees engaged in contracts with us, including sub-contracts, 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.' 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.

Over the coming year we will continue to collaborate with partners including Scottish Government and the Ayrshire Growth Deal on promotion and delivery of the Community Wealth Building agenda.

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 has developed a [Net Zero Framework 2022/23](#) 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 already made strong progress in reducing our own emissions. We have committed to reducing our internal CO2 emissions by at least 75% by 2035, becoming net zero by 2040.

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

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

Our Sustainable Procurement Strategy 2019/2022 sets out 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.

The sustainability test is applied on an individual contract basis for all regulated procurement, 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 KPIs.

We will continue to consider the whole life cost and environmental impact of our contracts where relevant and proportionate. 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.

In 2020/21, we worked with a sustainable procurement expert to review and strengthen our approach and application of sustainability and in particular, carbon reduction, in our procurement processes. This work is continuing in 2022/23. We will be updating our Sustainable Procurement Strategy later this year to reflect this progress.

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. We will ensure that the team is accessible and available to help in person where needed, alongside maintaining close working relationships with our internal customers through virtual communications.

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 procurement.

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,
- the Procurement Innovation Leadership Group.

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.

In 2021/22, SE has undertaken collaborative procurement exercises with public sector partners such as Scottish Government, South of Scotland Enterprise, Highlands and Islands Enterprise, Skills Development Scotland and all three Ayrshire Councils.

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 in ensuring that the public sector delivers value for money, policy objectives and meets the expectations of stakeholders.

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.

Innovation

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.

During the last year, we have been working with Government and partners on the establishment of a website to enable suppliers to approach the public sector with their innovations. This portal, [Scotland Innovates](#) is now operational in Beta format. It is hoped this new approach will assist both suppliers and public sector organisations in identifying innovative solutions for the delivery of public services.

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
- Annual Procurement 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 2022/23, a revised suite of SE standard terms and conditions will be launched 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 2022/23 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 2021/22 period, 71% of the suppliers who responded saying that they felt that the process was clear to follow and that they were fairly and equally treated.

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.

SE policy is to pay valid invoices within 10 working days for all suppliers. In the year ended 31 March 2022, Scottish Enterprise paid 83% of suppliers' invoices within this standard. The average number of days taken to pay valid invoices during the year was 8.2 days. We will continue our commitment to pay undisputed invoices within 10 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 2021/22 our contracted spend with SMEs was 53.3%. 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 as 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. Our spend with supported businesses in 2021/22 was £82k.

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. In 2021/22, we expanded monitoring of those submitting tenders in relation to organisations which are women led to also include companies led by people from an ethnic minority and those with registered disabilities. Once we have collated sufficient data, we will be able to make any necessary adjustments to our process to better ensure our tender opportunities are being accessed by all relevant bidders.

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 Annual Procurement 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.

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 requirements. 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.

Our current qualifications within the team:

- the Head of Procurement holds an MBA specialising in Supply Chain Economics
- seven 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 their CIPS diploma.

To further ensure that we have the skills to deliver the specific specialist needs of our internal customers, two members of the team hold a BSc in Quantity Surveying, two have Business degrees, one has a Law degree.

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.

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. During 2021/22, the Procurement team undertook training on General Data Protection Regulation (GDPR), and members of the team undertook Climate Solutions training provided by the Royal Scottish Geographical Society. We will continue to undertake training to support Government and SE policy, as well as our own continuous professional development during 2022/3.

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.

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 annual procurement report will be developed to record and report progress, and this will be published by September 2022.

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Annex 1

Glossary

Term	Description
BREEAM	Building Research Establishment Environmental Assessment Method, first published by the Building Research Establishment (BRE) in 1990, is the world's longest established method of assessing, rating, and certifying the sustainability of buildings.
CIPS	The Chartered Institute of Procurement and Supply (CIPS) is the leading body representing the field of procurement and supply chain management.
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit (CIPS).
Contract Compliance	Items covered by a contract are procured from the contracted supplier using the contract terms.
Contract Management	The process of monitoring the performance of a supplier to contract.
EPC	Energy Performance Certificate
Framework Agreement	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
Open Procedure	A one-stage procedure whereby all suppliers are invited to tender for the contract or framework agreement. The organisation cannot limit the number of bids it receives.
Output Specification	The specification requirements set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.
Procurement Journey	Revised public procurement toolkit with guidance and templates on the procurement process or Construction manual when appropriate. The Procurement Journey will be enhanced on an ongoing basis with feedback from users and any other identified good practice guidance and tools where appropriate to ensure a standardised approach to the supply base.
Procurement strategy	Strategy for procurement within an organisation (can be called policy).

Cont.

Glossary (continued)

Term	Description
Public Contracts Scotland	The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.
Small Medium Enterprise (SME)	The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.
Supplier	An entity who supplies goods or services; often used synonymously with "vendor".
Supported Business	Either the organisation's main aim should be the social and professional integration of disabled or disadvantaged persons, or the contract should be performed within a sheltered employment programme.
Value for Money	An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.
Whole Life Costing	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.

