

Independent Review: Scotland's journey of achieving sustainable procurement outcomes (2002-2022)

February 2023

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Final Report

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Harkins Research & Consultancy Ltd.

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Executive Summary

Introduction and methodology

This independent research examined Scotland's journey of achieving sustainable procurement outcomes and reflected on comparable models in other parts of the UK. The research was commissioned by the Scottish Government and was undertaken by the independent research company, Harkins Research & Consultancy Ltd, from December 2021 to June 2022. The project involved a literature review and qualitative research with key stakeholders (n = 43) working in procurement across the UK. Sustainable procurement outcomes in Scotland are defined as encompassing improvements to the economic, social and environmental wellbeing of a community.

Literature review key findings

From the early 2000s, Scotland has demonstrated a real commitment and desire throughout local and national government to encompass community benefits and sustainable outcomes through public procurement activity. This is evidenced by its policy, practice, culture, and through a substantial programme of activity across the public sector. The literature review across the UK indicates that Scotland appears to be leading the way in many areas. These include:

- The strength of commitment to the sustainable procurement agenda and the consistent focus which has driven innovation and improvement, most notably via the Procurement Reform (Scotland) Act 2014 (the Act) and the Sustainable Procurement Duty.
- The support and tools available within the Procurement Journey website and Sustainable Procurement Tools platform accompanied by ongoing training and engagement.
- The sharing of best practice, innovation and outcomes through the ongoing publication of case studies, commissioned research, and annual reports which provide a clear and transparent picture of what is being achieved, and the priorities for development and improvement.

The UK Government's Procurement Bill is proposing many elements already embedded within Scottish practice and enabled through the reform of Scottish procurement policy and legislative framework. This indicates the strength of Scotland's position and progress in relation to sustainable procurement.

Qualitative research key findings

Benchmarking practice across the UK

Most respondents were in agreement that Scotland leads and has always led the way in driving improvement and outcomes in sustainable procurement due to:

- A top-down commitment
- Supporting policy and legislation
- An integrated approach enabled by high-level transparency and commitment to a continuous improvement process; and

- The tools, support and training provided by the Scottish Government to aid Scotland's journey of achieving sustainable procurement outcomes (including the Sustainable Procurement Tools platform and the Procurement Journey website).

A common challenge reported across the UK is monitoring and measuring impact of sustainable procurement policies, with a mixture of hybrid approaches being applied, although Scotland prioritises social impact rather than monetary benefit.

The concept of 'Community Wealth Building' was discussed, with the Preston Model, which focuses on building collaboration to support the local economy having gained significant traction. The model was said to encompass a range of valuable approaches that facilitated community benefits, although many highlighted that these approaches appear to have long existed in Scotland.

There appears to exist positive, collaborative relationships among some procurement professionals across the UK, within an ethos of sharing best practice and generating mutual benefit. Respondents did not generally have high levels of knowledge of different procurement practices across the UK, suggesting a need for the current research.

Sustainable procurement in Scotland

The Review of Public Procurement in Scotland – Report and Recommendations (the McClelland report¹) – was viewed by many respondents as a landmark report which heralded the launch of a transparent commitment by the Scottish Government to elevate the impact and importance of sustainable procurement. This included the Procurement Reform Programme which some respondents felt had spearheaded the creation of networks and forums across Scotland. The perceived strength of the Procurement Reform (Scotland) Act 2014 and the Sustainable Procurement Duty among some respondents was that it placed obligations on public bodies to address the key factors encompassing sustainable procurement, highlighted the need to link tenders to local priorities, introduced the requirement for procurement strategies and annual reports, and drove a change in supplier capability and readiness to deliver social impact.

What does good look like?

Current practice across the UK varies in terms of how public bodies outline their requirements for community benefits/social impact within a tender, although enabling benefits that are relevant and proportionate is a common thread. Procurement teams are involved mainly in the 'middle third' of contract development, delivery and management which involves supporting the tendering process, although earlier initiation of this involvement was said to generate better outcomes. Some respondents working in Scotland had made effective use of the Scottish Government's Sustainable Procurement Tools for some time, although there were ongoing recognised challenges with achieving effective use of the tools and ensuring tangible outcomes.

¹ Review of Public Procurement in Scotland Report by John F. McClelland CBE, <https://documents.pub/document/by-john-f-mcclelland-cbe-govscot-review-of-public-procurement-in-scotland.html?page=1>

The Scottish Government's approach of not monetising impact was generally supported. The far-reaching complexity and nuance of social impact was thought by many to be impossible to capture by means of a calculated figure, although working towards a solution of how such benefits could be conceptualised or monitored in the longer term to demonstrate clearly articulated outcomes was suggested.

In the view of many respondents, a key element of practice is the Supplier Development Programme which is a collaborative, proactive programme involving procurement and economic development. The programme aligns with Community Wealth Building given its aim of providing local suppliers with the knowledge, skills and preparation required to maximise contracting opportunities in their communities.

A list of the key factors contributing to what good looks like were said to be as follows:

- **Embedding and integrating sustainable procurement in the contract management process** – embedding sustainable outcomes within the procurement process and the core of the contract; making it a “golden thread” from strategy to contract to delivery.
- **Collaboration and networking** – the forums that exist across and within the public, private and third sectors, with the Centres of Expertise being key in facilitating such networks, and the community engagement that takes place tailoring outcomes to local need. Engagement (and early engagement) among procurement stakeholders including having established networks and full stakeholder engagement in the planning/strategy stage to facilitate the most integrated approach and maximum impact is also valued.
- **Developing the supply chain** – a long history and demonstrated commitment to developing the supply chain and the local economy including the joined up, collaborative nature of the Supplier Journey and the Supplier Development Programme.
- **Well-resourced, skilled, and integrated teams** – investment and resource in an experienced, highly-skilled, integrated team with the capacity and capability to influence all stages of the journey of achieving sustainable procurement outcomes.
- **Provision of support and training enabling consistency** – the Scottish Government procurement team prioritising and enabling cross fertilisation of ideas, concepts and methods through ongoing training to continue to translate, interpret and simplify the procurement tools and the requirements of the Act.
- **Not monetising social impact** – the Scottish Government's approach of not attaching a monetary value to impact was generally supported and viewed as best practice.
- **High-level commitment to continuous improvement** – a demonstrated commitment and buy-in from ministers to investment in the sustainable procurement agenda, and the ongoing development of sustainable procurement in response to stakeholder need.
- **Defining the scope of sustainable procurement requirements within a contract** – current practice varies although enabling benefits that are relevant and proportionate is a common thread and considered best practice.
- **Assessment and reporting processes and requirements** – the annual reports drive improvement and behaviour change and increase transparency and sharing of best practice.

- **Alignment with National Outcomes** – outcomes in the National Performance Framework enable consideration of what is good for businesses and employees, places and communities, and individuals.

Barriers and Challenges

There were a range of barriers and challenges to achieving sustainable procurement outcomes as indicated below:

- **Consistency** – the balance between enabling flexibility and tailoring of approaches across public bodies; and including integrated, consistent approaches that reduce duplication of effort.
- **Monitoring, management and evaluation of tenders** – while recognising the nuance and the need to tailor approaches to local need, respondents recommended some level of consistency and guidance on the evaluation of benefits.
- **Lack of resource and capability** – exacerbated by austerity, the resourcing of procurement departments and in particular, the lack of resource for Community Benefit Officers.
- **Recruitment** – despite the Scottish Government strategy for addressing this issue through their Procurement People of Tomorrow programme, significant challenges exist in this area.

Recommendations

The research generated a range of recommendations for the Scottish Government, public bodies and stakeholders. These focus on further embedding sustainable procurement, better resourcing of teams, continuing with support and training for procurement professionals, and a continued focus on the most effective ways of conceptualising social impact within the contract and the outcomes.

Conclusion

To conclude, both the literature and the interview data appear to indicate that Scotland is regarded as a leader in the field of sustainable procurement, which is due to the ongoing dedication and commitment amongst the Scottish Government and key stakeholders to continue raising standards and maximising outcomes. Given the success of Scotland's journey of achieving sustainable procurement outcomes, and the benefits to be gained by raising the profile of the Scottish Model of Procurement in the UK, it is strongly recommended that the model is subject to a strategic marketing and communications plan to raise its profile. The model could be considered as a case study in itself, which has never been given the prominence it deserves.

Chapter 1: Introduction and Methodology

The public sector in Scotland has been using sustainable public procurement to achieve wider social, economic and climate outcomes for nearly two decades. Sustainable procurement outcomes in Scotland are defined as encompassing improvements to the economic, social and environmental wellbeing of a community.

Community benefits have long been viewed as a mechanism through which public procurement can contribute to a range of national and local outcomes relating to employability, skills and tackling inequalities of underrepresented groups. The inclusion of community benefit² requirements in public contracts are defined as a contractual requirement imposed by a public body to provide training and recruitment, availability of sub-contracting opportunities or which is otherwise intended to improve the overall wellbeing of the authority's area, additional to the main purpose of the contract in which the requirement is included.

This independent research project was commissioned by the Scottish Government in December 2021 and undertaken by Harkins Research & Consultancy Ltd. The research compares community benefits and other sustainable procurement outcomes and practice achieved in the public sector in Scotland, against comparable models in other parts of the UK. The aim is to provide research findings that can be used to promote what Scotland is currently doing well and identify where there is scope to further develop our approaches to achieving and reporting on the wider positive economic, social and environmental impacts of public procurement in Scotland.

Research objectives

- To determine what good sustainable procurement practice looks like across each part of the UK, the degree to which it is being achieved and to provide direction on how achieving positive outcomes can be further promoted and shared.
- To assess the strength of Scottish procurement policy and legislation with respect to facilitating and driving wider economic, social and environmental benefits against the strength of equivalent procurement policy and legislation in other parts of the UK.
- To assess related tools and guidance in Scotland and in other parts of the UK.
- To identify and describe a range of historic, new and emerging examples of community benefits and other sustainable procurement outcomes achieved in Scotland.
- To identify and describe similar outcomes achieved in the rest of the UK.
- To critique the success of the approaches being taken and to draw out a series of success factors and lessons learned to date.

Methodology

The project involved a literature review and qualitative research with key stakeholders working in procurement across the UK.

² Scottish Government, Public Sector Procurement – Community benefits in procurement, <https://www.gov.scot/policies/public-sector-procurement/community-benefits-in-procurement/>

Literature review

The literature review involved an online search of policy, legislation, and research across the UK in relation to public procurement to chart the progress of the journey of achieving sustainable procurement outcomes and highlight the key enablers and turning points. Given the broad scope of procurement-related literature, the aim was to ensure the review produced a summary timeline of key documents that would describe the evolution of sustainable procurement within the UK. The review only focused on UK literature from 2002 onwards to allow for a twenty-year review.

As a starting point, the Scottish Government provided a list of key documents to review which included policy documents, legislation and key industry research. A snowballing approach was applied so that documents were scanned for other documents of interest while ensuring the focus of the review was not compromised. Respondents were also asked for any key documents/literature of interest that they felt were critical to documenting the evolution of sustainable procurement within the UK. The key search terms used were 'sustainable procurement', 'community benefits', and 'sustainable outcomes'. The research mainly focused on policy and legislation, while highlighting any key research projects that were felt to be instrumental to the journey of achieving sustainable procurement outcomes.

Qualitative research

The qualitative research consisted of virtual in-depth interviews, paired in-depth interviews and a mini focus group with a range of individuals working in procurement primarily in Scotland, but with representation from the other nations in the UK. A total of 43 respondents were included in the research against an initial target of approximately 30, in order to include a wide range of participants working in different aspects of the procurement practice across the UK. Respondent details are provided below.

To summarise, the sample included 15 respondents from local and national government, 17 from other public bodies, 8 wider stakeholders and 3 suppliers with the majority being from Scotland (n = 33). Informed consent was gained from all respondents and the topic guide used for the research is included in Appendix 1.

Type of respondents:

- Local and national government (15)
- Other public body (17)
- Wider stakeholders (8)
- Businesses (3)

Region in which respondents were interviewed:

- Scotland (33)
- England (4)
- Wales (5)
- Northern Ireland (1)

Methodology used:

- Individual in-depth interviews (32)
- Paired in-depth interviews (8)

- Mini focus group (1, 3 participants)

A convenience sampling approach was used for the research (i.e., a non-probability sample in which respondents are chosen due to their availability to participate) which was determined in collaboration with the Scottish Government. Attempts were made to include different types of stakeholders working across the UK. The Scottish Government provided an initial sample of respondents due to their knowledge of, and involvement in, sustainable procurement and then a snowball approach was implemented where respondents were asked for other key contacts to include in the research. Engagement in the research from outwith Scotland was more challenging to secure. Procurement departments were identified in local authorities across the UK and emails and phone calls were made to identify individuals and secure interviews. LinkedIn was also used as a source of contacts.

The interviews and focus group were recorded with permission from the respondents and were then transcribed. The qualitative data was analysed thematically by means of an analysis framework created in Microsoft Excel which grouped the data by key theme and respondent type including quotations that helped to illuminate the key results.

Limitations of the research

The following limitations to the research should be borne in mind when interpreting the results. Although various attempts were made to include a more balanced sample of respondents across the UK, most of the sample (33 of 43 participants) were from Scotland. This has obvious implications in terms of awareness of practice and thus opinions of best practice. The nature of the sample also limits the strength of the arguments made in relation to Scotland's position as compared with other parts of the UK regarding sustainable procurement. The reference to benchmarking, in retrospect, may have deterred respondents from outside of Scotland from taking part. Attempts were made to mitigate this by highlighting the intention to share best practice and broaden key learning.

It should also be noted that given the huge scope of the sustainable procurement agenda, and the resource and time available for the research, the literature review was focused on producing a summary timeline of key policy, research and legislation. The research team remained in continuous contact with the project advisory group to ensure ongoing challenges were addressed and that the limitations of the research were recognised throughout.

Structure of report

Chapters 2 and 3 focus on the literature review followed by benchmarking across the UK. Chapter 4 includes a detailed analysis of perceptions of what good looks like, while Chapter 5 outlines barriers and challenges in relation to sustainable procurement. Chapter 6 includes the discussion and recommendations. Good practice case studies from the qualitative research and from the literature review are included in Appendix 2 and Appendix 3, in addition to the topic guide used for the research.

Chapter 2: Literature Review

This literature review primarily assesses the strength of procurement policy and legislation in Scotland, whilst still referring to key legislation across the UK with respect to facilitating and driving wider economic, social and environmental benefits. The review generated key themes which were developed and examined fully in the qualitative research.

This chapter provides a timeline summary of the key policy, legislation, research and practice across Scotland, followed by a discussion of key issues and comparisons between Scotland and the rest of the UK.

2.1 Summary Timeline of Key Policy, Legislation and Research Across Scotland	
2002	<p>Research funded by the Joseph Rowntree Foundation³</p> <p>This research examined how community benefit requirements could be lawfully achieved through the means of public procurement, highlighting the complexity of this area and the need to support such requirements with supply-side actions and good monitoring and evaluation processes.</p>
2003	<p>The Local Government in Scotland Act 2003⁴</p> <p>The Act provides a framework to enable the delivery of better, more responsive public services, with the aim of giving councils more responsibility to act within an appropriate framework, to work in partnership with other bodies and the communities they serve, and to embed a culture of quality, equality and improvement. The main components of this framework included a duty to secure “Best Value” in local government service provision and a “Power to Advance Well-Being” to enable local authorities to work in a more innovative and creative way in responding to the needs of their communities.</p> <p>Launch of Community Benefits in Procurement (CBIP) Pilot Programme⁵</p> <p>Following on from the 2002 research, the Scottish Government established a pilot programme to examine the issues raised through the research (the CBIP Programme). The pilot programme included participation in pilot contracts by five authorities: Glasgow Housing Association, Raploch Urban Regeneration Company, Inverclyde Council, Dundee City Council and Falkirk Council. The projects involved targeted training and recruitment requirements, and the procurement of a wide range of works and services.</p>

³ Joseph Rowntree Foundation (2002), Achieving community benefits through contracts: law, policy and practice,

<https://www.jrf.org.uk/report/achieving-community-benefits-through-contracts-law-policy-and-practice>

⁴ Local Government in Scotland Act 2003,

<https://www.legislation.gov.uk/asp/2003/1/contents>

⁵ Scottish Government (2008), Community Benefits in Procurement,

<https://www.gov.scot/publications/community-benefits-public-procurement/documents/>

	<p>United Nations Environment Programme (UNEP) Marrakech Task Force (MTF) on Sustainable Public Procurement was set up as part of the Marrakech Process⁶</p> <p>The aim was "to promote and support the implementation of Sustainable Public Procurement, by developing tools and supporting capacity building in both developed and developing countries". The initial programme with seven countries was part of the 10-year programme until 2011. This included training, mentoring and the delivery of various events.</p> <p>Scotland's approach to developing a consistent process to sustainable public procurement was influenced by the MTF to accelerate a shift towards sustainable consumption and production by encouraging organisations to review systematically the risks and opportunities related to their procurement spend and then to progress these through the procurement process.</p>
<p>2006</p>	<p>Review of Public Procurement in Scotland: Report and recommendations (John F. McClelland CBE)⁷, also known as the McClelland report</p> <p>This report was a landmark paper that provided a detailed review of public sector procurement in Scotland focusing on current structure and organisation, current skills and capability, current practices and procedures, performance indicators and targets, and the opportunity for improvements and new techniques.</p> <p>The report highlighted the possible financial and service delivery benefits linked to more effective procurement. Most notably the opportunity to establish collaborative contracts across commonly used goods and services; the establishment of consistent best practice that encouraged Scotland's SMEs to engage in public contracts; and a significant improvement in governance. The report findings and recommendations led to the introduction of the Public Procurement Reform Programme including the set-up of the Public Procurement Reform Board.</p>
<p>2007</p>	<p>Scotland's National Performance Framework⁸</p> <p>The National Performance Framework sets out National Outcomes with the aim of creating a more successful country. The aim was to provide both the public sector, and individuals and organisations across the private sector, a very clear vision of creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.</p> <p>That purpose was underpinned by 16 outcomes and 63 indicators that introduced a new degree of transparency around government and provided the</p>

⁶ Sustainable Procurement Ltd., Marrakech Task Force, https://sustainableprocurement.eu.com/case_study_marrakech.html

⁷ John F. McClelland CBE, Review of Public Procurement in Scotland Report, <https://documents.pub/document/by-john-f-mcclelland-cbe-govscot-review-of-public-procurement-in-scotland.html?page=1>

⁸ Scottish Government, National Performance Framework, <https://nationalperformance.gov.scot/>

	<p>public sector with a shared responsibility for all parts of the performance framework.</p> <p>Social Issues in Procurement Policy Note (SPPN 07 2006 Social Issues in Public Procurement⁹)</p>
<p>2008</p>	<p>Community Benefits in Public Procurement¹⁰ report and guidance note¹¹ The report provided information on the policy and legal context of using community benefits and illustrated the scope to incorporate social benefits in public procurement contracts, helping to emphasise the impact of public spending. In particular, the report focused on the consideration of wider community benefits such as targeted recruitment and training, during public procurement. It also provided practical examples of how to use community benefit clauses in public procurement projects and included a range of case studies and model clauses. Use of community benefit requirements increased as they formed part of flagship projects such as Glasgow 2014 Commonwealth Game contracts; the Queen Elizabeth Hospital build and the Queensferry Crossing.</p> <p>Establishment of Scotland Excel as Centre of Procurement Expertise for the local government sector¹² Scotland Excel is a non-profit organisation serving Scotland’s 32 local authorities and over 100 associate members from across the public and third sector. Its aim was to help establish public procurement as an effective driver for local and national economic growth and wellbeing, with services designed to help their members deliver sustainable services that every community needs, and realise a host of economic, social, and environmental benefits from their spend.</p> <p>Procurement Scotland launched¹³ Formerly the National Procurement Centre of Expertise, Procurement Scotland’s role was to develop and implement procurement strategies and frameworks on behalf of all Scottish public-sector bodies for common goods and services used by the public sector, such as IT software and hardware, and telecoms service.</p>

⁹ Scottish Government (2006), Social Issues in Public Procurement: SPPN 7/2006, <https://www.webarchive.org.uk/wayback/archive/20180517224636/http://www.gov.scot/Topics/Government/Procurement/policy/SPPN/SPANS/policy-notes/sppn062007socialissues>

¹⁰ Scottish Government (2008), Community Benefits in Public Procurement, <https://www.gov.scot/publications/community-benefits-public-procurement/>

¹¹ Scottish Government (2008), Community Benefits in Public Procurement, <https://www.gov.scot/publications/scottish-government-community-benefits-public-procurement-guidance-note/>

¹² Scotland Excel, <https://home.scotland-excel.org.uk>

¹³ Thomson Reuters, Practical Law, [https://uk.practicallaw.thomsonreuters.com/2-380-9272?transitionType=Default&contextData=\(sc.Default\)&firstPage=true](https://uk.practicallaw.thomsonreuters.com/2-380-9272?transitionType=Default&contextData=(sc.Default)&firstPage=true)

	<p>Public Contracts Scotland launched¹⁴</p> <p>The centrally funded national advertising portal providing free access to suppliers to all contract opportunities across the Scottish public sector. This was mandated by the Procurement Reform (Scotland) Act 2014, for all Scottish public sector bodies to use to advertise all regulated procurements (£50 000 and over for goods/services; and £2 million and over for works) and their subsequent awards. Again, this helped to increase transparency and opportunities for businesses to access contracts.</p> <p>Scottish Procurement Policy Handbook¹⁵</p> <p>The handbook was developed in consultation with the Procurement Policy Forum (part of the governance structure of the Reform Programme and still exists today) in response to a recommendation in the McClelland report (section 7.1) "A public sector wide Procurement Policy Handbook should be established offering a standard and well documented approach to be utilised across all of the public sector."</p> <p>It provides an overarching statement of the fundamental rules, behaviours and standards applicable to public procurement activity in Scotland as well as describing the key roles and responsibilities in relation to the procurement function and the required governance and accountability arrangements. It addresses key policy issues: the achievement of value for money for the taxpayer through effective competition; the importance of collaboration at a national, sectoral and local level; incorporating environmental and social issues in public procurement; and fostering innovation through procurement.</p>
2009	<p>The Scottish Sustainable Procurement Action Plan¹⁶</p> <p>The Action Plan supported the public sector to build sustainable procurement into their corporate culture, take proper account of sustainability in procurement activity and demonstrate how this is being achieved. It set an initial framework to enable recognition of existing initiatives and achievements and provided a "blueprint" for organisations at the early stages of developing their approach to sustainable procurement. It also introduced the introduction of the Flexible Framework self-assessment tool, which has since undergone development to become a key element of the current Scottish approach to sustainable procurement. The Action Plan outlines a whole organisation approach and commitment, which is said to be necessary to the delivery of successful sustainable procurement.</p>

¹⁴ Public Contracts Scotland,
https://www.publiccontractsscotland.gov.uk/aboutus/aboutus_main.aspx

¹⁵ Scottish Government (2008), Scottish procurement policy handbook,
[Scottish procurement policy handbook - gov.scot \(www.gov.scot\)](http://www.gov.scot/scottish-procurement-policy-handbook)

¹⁶ Scottish Government (2009), Sustainable procurement action plan for Scotland,
[Sustainable procurement action plan for Scotland - gov.scot \(www.gov.scot\)](http://www.gov.scot/sustainable-procurement-action-plan)

	<p>Climate Change (Scotland) Act 2009¹⁷ The Act outlined a commitment to cut greenhouse gas emissions in Scotland and sets a framework for action in Scotland to reduce emissions as well as adapt to a changing climate.</p> <p>Audit Scotland – Improving Public Sector Purchasing¹⁸ The report examined the progress and impact of the Public Procurement Reform Programme. It found that although Scotland’s public sector in Scotland was improving its purchasing resulting in some savings, there remained potential for the more efficient buying of goods and services and more significant savings being achieved through increased collaboration and better management.</p> <p>Procurement Capability Assessment (PCAs)¹⁹ A system of annual PCAs assessed how effectively organisations were carrying out procurement activity including in terms of leadership, development of procurement strategies and specifications, and management of contracts. The PCA was instrumental in driving and measuring improvements in procurement capability across the Scottish public sector and has since been superseded by the PCIP introduced in 2015 (see below).</p>
2010	<p>Transforming Procurement: Accelerating Delivery²⁰ The Public Procurement Reform Board endorsed the second phase of the reform programme, Transforming Procurement: Accelerating Delivery. This refreshed strategy focused on "embedding sustainable procurement" at the heart of the reform agenda, reinforcing the notion that good procurement is vitally important to both the public sector and the business and third sector communities. This phase highlighted the need for the pace of change and embedding initiatives into “business as usual”.</p>
2011	<p>SNP Manifesto Commitment – Sustainable Procurement Bill²¹ The manifesto commitment made it clear the legislative framework for procurement decisions and support greater use of social and environmental benefit clauses in public sector contracts, leading to ‘smarter’ procurement. Building on the 2008 guidelines on the use of community benefit</p>

¹⁷ Climate Change (Scotland) Act 2009,

<https://www.legislation.gov.uk/asp/2009/12/contents>

¹⁸ Auditor General for Scotland (2009), Improving public sector purchasing,

https://www.audit-scotland.gov.uk/docs/central/2009/nr_090723_improving_purchasing.pdf

¹⁹ Scottish Government (2016), The Public Procurement Reform Programme 2006-2016: achievements and impacts,

<https://www.gov.scot/publications/public-procurement-reform-programme-2006-2016-achievements-impacts/pages/13/>

²⁰ Scottish Government (2016), The Public Procurement Reform Programme 2006-2016: achievements and impacts,

<https://www.gov.scot/publications/public-procurement-reform-programme-2006-2016-achievements-impacts/pages/5/>

²¹ Scottish National Party Manifesto (2001), Re-Elect A Scottish Government Working for Scotland,

http://www.andywightman.com/docs/SNP_Manifesto_2011.pdf

	<p>clauses in contracts but making this into a bill to develop this approach across the wider public sector.</p> <p>Marrakech Training Between 2011 and 2016, Zero Waste Scotland supported training to embed economic, social and environmental considerations to over 700 staff with procurement responsibilities in Scotland through the Marrakech Approach.</p>
2012	<p>The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012²² The Equality Act brings together over 116 separate pieces of legislation into one single Act. It provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. It provides Britain with a discrimination law that protects individuals from unfair treatment and promotes a fair and more equal society.</p> <p>Supported Business Procurement Framework Established The first framework agreement makes it easier for Scottish public bodies to buy a range of products from supported businesses – helping to sustain vital employment for people with disabilities. This has since been replaced on expiry.</p> <p>Procurement People of Tomorrow programme Launched by the Scottish Government to address the recognised skills gap in both private and public sectors and raise the profile of procurement and the supply chain.</p>
2013	<p>Sustainable Procurement in Scotland - A Collection of Case Studies²³ These case studies illustrate some of the efforts made by individuals and organisations to embed sustainability within their public procurements, covering social, economic and environmental elements of sustainability.</p> <p>United Nations Environment Programme - The Impacts of Sustainable Public Procurement²⁴ Case studies within the UK include YORbuild framework in England and Temporary Staff and business management for the Scottish Government.</p>

²² The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, <https://www.legislation.gov.uk/ssi/2012/162/contents/made>

²³ Zero Waste Scotland, Sustainable Procurement in Scotland – A Collection of Case Studies, <https://www.pianoo.nl/sites/default/files/documents/documents/zwscasestudybooklet.pdf>

²⁴ Scottish Government (2013), United Nations Environment Programme – The Impacts of Sustainable Public Procurement, <https://www.oneplanetnetwork.org/knowledge-centre/resources/sustainable-public-procurement-global-review-2013>

<p>2014</p>	<p>Procurement Reform (Scotland) Act 2014²⁵</p> <p>The introduction of the Act was a key landmark in sustainable procurement for Scotland. It sought to help public bodies generate greater social impact and drive forward economic, social, and environmental wellbeing, establishing the laws regarding sustainable public procurement, and enabling maximum benefit from effective and efficient public procurement activity. The principle aim of the 2014 Act is to make procurement more sustainable by making it more transparent and accessible to businesses in Scotland, with public bodies required to publish procurement strategies setting out how they intend to comply with the 2014 Act, with progress measured in their annual reports.</p> <p>Within the Act, sustainable procurement can be defined as the pursuit of sustainable development objectives through the purchasing and supply process. Sustainable procurement aims to make the best use of public money, helping the government achieve its overarching purpose and strategic objectives²⁶. Section 25 stipulates that where a public body is to tender a contract valued at £4 million or above, it must consider during the design of the tender whether or not to include community benefit requirements.</p> <p>The Sustainable Procurement Duty²⁷</p> <p>The Duty includes three main elements: that public bodies must consider how they can improve the economic, social, environmental wellbeing of the area in which they operate through procurement, with a particular emphasis on reducing inequality. That public bodies consider how procurement processes can facilitate the involvement of small and medium enterprises (SMEs), third sector bodies and supported businesses, and how public procurement can promote innovation. Public bodies must then act with a view to securing the intended benefits through procurement activities. This is one of the two general duties in the Act (see Section 8).</p> <p>The Scottish Model of Procurement was introduced and sets the principles of:</p> <ul style="list-style-type: none"> ○ Embedding sustainability in all we do ○ Improving supplier access to public contracts ○ Maximising efficiency and collaboration ○ Delivering savings and benefits
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²⁵ Procurement Reform (Scotland) Act 2014,

<https://www.legislation.gov.uk/asp/2014/12/contents>

²⁶ Scottish Government (2022), Procurement Reform (Scotland) Act 2014: statutory guidance,

<https://www.gov.scot/publications/procurement-reform-scotland-act-2014-statutory-guidance/documents/>

²⁷ Scottish Government, Public sector procurement,

[Sustainable procurement duty – Public sector procurement – gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/sustainable-procurement-duty-public-sector-procurement/documents/)

<p>2015</p>	<p>Scotland's Economic Strategy²⁸ The strategy underlined the belief “that a One Scotland approach is needed to deliver on our ambitions, with all public sector agencies working together – recognising that all can and should make a contribution towards that growth – as well as the private sector, the third sector, and our universities and colleges.”</p> <p>The Community Empowerment (Scotland) Act 2015²⁹ The Act aims to empower community bodies through the ownership or control of land and buildings, and by strengthening their voices in decisions about public services.</p> <p>This aligns with the consulting and engaging requirement in the PR(S)A.</p> <p>Analysis of the Impact and Value of Community Benefit Clauses in Procurement³⁰ The research assessed the usage of community benefit clauses and their impact on employment and skills development, including exploring how to monitor such clauses effectively. The research found that community benefit clauses are increasingly being used in public sector contracts across Scotland but that there remains scope to continue building awareness and understanding of such clauses, particularly around the use of community benefit clauses in service contracts. The research confirmed that community benefits contribute to four National Outcomes – National Outcome 2: We realise our full economic potential with more and better employment opportunities for our people, National Outcome 3: We are better educated, more skilled and more successful, renowned for our research and innovation, National Outcome 4: Our young people are successful learners, confident individuals, effective contributors and responsible citizens, and National Outcome 7: We have tackled the significant inequalities in Scottish society.</p> <p>Refreshed Procurement Journey introduced The Procurement Journey is a website that provides guidance for public sector buyers who procure goods, services and care and support services.</p> <p>Procurement and Commercial Improvement Programme (PCIP) introduced as upgrade to PCAs The PCIP assessment provides a means of measuring and reporting on the procurement and commercial capability of organisations through the provision of evidence, based around a series of set questions and other evaluation methods.</p>
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²⁸ Scottish Government (2015), Scotland’s Economic Strategy, <https://www.webarchive.org.uk/wayback/archive/20150529012953/http://www.gov.scot/Publications/2015/03/5984/downloads>

²⁹ Community Empowerment (Scotland) Act 2015, <https://www.legislation.gov.uk/asp/2015/6/contents/enacted>

³⁰ Scottish Government (2015), Analysis of the impact and value of community benefit clauses in procurement, <https://www.gov.scot/publications/analysis-impact-value-community-benefit-clauses-procurement/>

	<p>Fair Work Practices and the Award of Public Contracts: Statutory Guidance³¹ Guidance to help public bodies evaluate fair work practices, including the Living Wage, when selecting tenderers and awarding contracts.</p> <p>Public Contracts (Scotland) Regulations 2015³² This is the transposition of 2014 Directive which includes divergence from the UK (e.g., no lowest price awards and discretionary exclusion grounds in the basis of social, environmental and employment law breaches).</p>
2016	<p>The Procurement (Scotland) Regulations 2016³³ The regulations establish a national legislative framework for sustainable public procurement, ensuring that contracting authorities maximise the economic benefit brought to Scotland from effective and efficient public procurement spend.</p> <p>The Public Procurement Reform Programme 2006-2016: achievements and impacts³⁴ This report reflects on the progress and impact of the Public Procurement Reform Programme, highlighting that after a 10 year journey, Scottish procurement is considered as an exemplar in its field, an international leader in procurement practices and has led to the following outcomes: collaboration leading to savings; increased access to public sector contracts year on year; provided supported businesses with an easier route to public sector contracts, and increased the use of community benefit clauses.</p> <p>First Annual Procurement reports (due to a requirement in the Procurement Reform (Scotland) Act 2014)</p> <p>Statutory Guidance published under the Procurement Reform (Scotland) Act 2014³⁵ The Sustainable Procurement Chapter reflects the link between the National Performance Framework (purpose and outcomes) and the Sustainable Procurement Duty. The Community Benefits chapter and Annex reflect feedback from 2015 research as mentioned above.</p>

³¹ Scottish Government (2015), Fair work practices and the award of public contracts: statutory guidance, https://webarchive.nrscotland.gov.uk/*/www.gov.scot/publications/statutory-guidance-selection-tenderers-award-contracts-addressing-fair-work-practices

³² Public Contracts (Scotland) Regulations 2015, <https://www.legislation.gov.uk/ssi/2015/446/contents/made>

³³ The Procurement (Scotland) Regulations 2016, <https://www.legislation.gov.uk/ssi/2016/145/contents/made>

³⁴ Scottish Government (2016), The Public Procurement Reform Programme 2006-2016: achievements and impacts, <https://www.gov.scot/publications/public-procurement-reform-programme-2006-2016-achievements-impacts/>

³⁵ Scottish Government (2022), Procurement Reform (Scotland) Act 2014: statutory guidance, <https://www.gov.scot/publications/procurement-reform-scotland-act-2014-statutory-guidance/>

	<p>and reduce the risk of disruption to supplies caused by supply chain vulnerabilities and surges in demand and promote local economic development.</p> <p>Analysis of the Impact and Value of the Sustainable Procurement Duty in Procurement⁴¹</p> <p>The research found that the Duty has led to a change in procurement practice with significant progress being made since the Duty was introduced. It outlined that Scotland is ahead of many other countries in its approach to sustainable procurement practices, and there is evidence that the Duty is contributing to the achievement of National Outcomes and the Scottish Government’s overarching purpose. However, continuing work remains to be done to improve implementation including promoting innovation, increasing levels of understanding of the Duty, and refinements to the Sustainable Procurement Duty tools to make them more user-friendly.</p> <p>Launch of “Sustainable Procurement Tools” platform⁴²</p> <p>This includes the Flexible Framework assessment tool, the Prioritisation tool, Life cycle impact mapping, the Sustainability Test and an eLearning platform.</p> <p>Following a period of consultation, refreshed content for the Procurement Journey and Supplier Journey.</p>
<p>2021/ 2022</p>	<p>Climate Literacy for Procurers e-learning – launched March 2021⁴³</p> <p>Procurement Reform (Scotland) Act 2014 (the Act): statutory guidance – updated in May 2022⁴⁴</p> <p>The statutory guidance on procurement strategies and annual reports, the sustainable procurement duty, community benefit requirements, tenders and award of contracts was updated to reflect changes that have occurred as a result of the UK's exit from the EU and the end of the Transition Period and includes a chapter on Fair Work First and procurement.</p>

⁴¹ Blake Stevenson Ltd. on behalf of Scottish Government (2020), Analysis of the Impact and Value of the Sustainable Procurement Duty in Procurement: Final Report December 2020, <https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2020/12/analysis-impact-value-sustainable-procurement-duty-procurement-main-report/documents/analysis-impact-value-sustainable-procurement-duty-procurement-final-report/analysis-impact-value-sustainable-procurement-duty-procurement-final-report/govscot%3Adocument/analysis-impact-value-sustainable-procurement-duty-procurement-final-report.pdf?forceDownload=true>

⁴² Scottish Government, Sustainable Procurement Tools, <https://sustainableprocurementtools.scot>

⁴³ Scottish Government (2021), Climate Literacy eLearning for Procurers launched!, <https://blogs.gov.scot/public-procurement/2021/03/02/climate-literacy-elearning-for-procurers-launched/>

⁴⁴ Scottish Government (2022), Procurement Reform (Scotland) Act 2014: statutory guidance, <https://www.gov.scot/publications/procurement-reform-scotland-act-2014-statutory-guidance/>

Taking account of climate and circular economy considerations in public procurement: SPPN 3/2022⁴⁵

This policy note clarifies expectations with respect to climate and circular economy considerations, aligning recently strengthened climate change reporting duties and current procurement policy and legislation that already require public bodies to consider and act on opportunities to improve environmental wellbeing. It highlights that public bodies should use their public procurement spend to support climate and circular economy ambitions. This policy note replaces SPPN 1/2021 and reflects additional sources of help and support that have been developed to enable public procurement authorities to use procurement to address the climate emergency.

Fair Work: Action Plan⁴⁶

This document sets out the strategic approach the Scottish Government is taking to help achieve the 2025 vision for Fair Work. Fair Work is described as the foundation, and indeed a prerequisite for a sustainable approach to Scotland being the best place to live, work, invest and do business.

Fair Work action plan: becoming a leading Fair Work nation by 2025⁴⁷

A refreshed action plan setting out actions to promote fair and inclusive workplaces across Scotland. This incorporates actions on tackling the gender pay gap, the disability employment gap, and our anti-racist employment strategy, driving fair work practices for all.

Fair Work First: Guidance to Support Implementation⁴⁸

The Fair Work First guidance is designed to support business and other organisations to progress on a journey of continuous improvement in Fair Work. It was updated in September 2021 to take into account the two additional criteria on flexible working and fire and rehire practices.

Fair Work First Implementation – Scottish public procurement update: SPPN 6/2021⁴⁹

Fair Work First has been expanded from 5 elements to 7 elements. This Scottish Procurement Policy Note (SPPN) explains the change and how it can be

⁴⁵ Scottish Government (2022), Public procurement - taking account of climate and circular economy considerations: SPPN 3/2022, <https://www.gov.scot/publications/public-procurement-taking-account-of-climate-and-circular-economy-considerations-3-2022/>

⁴⁶ The Scottish Government (2021), Fair Work: action plan, <https://www.gov.scot/publications/fair-work-action-plan/>

⁴⁷ The Scottish Government (2022), Fair Work action plan: becoming a leading Fair Work nation by 2025, <https://www.gov.scot/publications/fair-work-action-plan-becoming-leading-fair-work-nation-2025/>

⁴⁸ Scottish Government (2021), Fair Work First: guidance, <https://www.gov.scot/publications/fair-work-first-guidance/>

⁴⁹ Scottish Government (2021), Fair Work First implementation - Scottish public procurement update: SPPN 6/2021, <https://www.gov.scot/publications/implementation-of-fair-work-first-in-scottish-public-procurement-sppn-6-2021/>

implemented in procurement processes. This expansion is in response to challenges faced in the labour market. The new elements seek to promote flexible and family friendly working practices and oppose the use of fire and rehire practices.

Real Living Wage announcement⁵⁰

Companies bidding to win Scottish Government contracts will have to pay the real Living Wage. As outlined in the Fair work and procurement webpage⁵¹, a supplier's approach to fair work practices, including paying the real Living Wage, can have a positive impact on the quality of goods, works and services in a public contract. It is expected that public bodies implement and promote Fair Work First in all relevant procurement processes and that suppliers delivering public contracts adopt and demonstrate appropriate fair work practices, for all workers engaged in delivering the public contract.

Public Procurement Survey of Suppliers 2020⁵²

A survey of suppliers to the public sector in Scotland gathered the views and experiences of suppliers on key strategic topics of importance to Scottish public sector procurement. Of the 1,556 responses received, key findings emerged including:

- The pool of suppliers interested in Scottish public sector contracts is diverse
- Overall, the Scottish public sector is performing relatively well with regard to procurement, however, there is clearly a need for further improvement
- Suppliers are generally well-equipped to bid for and deliver contracts and are generally encouraged to consider a range of issues during the tendering process, with some elements of the Sustainable Procurement Duty featuring particularly prominently
- Where the Duty is concerned, public bodies are performing less well – and could be doing more – in relation to encouraging innovation
- While suppliers generally feel well-placed to bid for a contract, they often encounter a range of difficulties – in particular, many view the tendering process as overly-complex, burdensome and in need of simplification and streamlining
- Experiences of sub-contracting were largely positive, however late payment represents an important concern
- Supplier take up of training, support and advice on the tendering process, is limited – largely due to lack of awareness; and
- More could be done to ensure value for money remains at the forefront of public procurement.

⁵⁰ Scottish Government (2021), Supporting fair work practices, <https://www.gov.scot/news/supporting-fair-work-practices/>

⁵¹ Scottish Government, Fair work and procurement, <https://www.gov.scot/policies/public-sector-procurement/fair-work-in-procurement/>

⁵² Scottish Government (2020), Public Procurement Survey of Suppliers 2020, <https://www.gov.scot/publications/public-procurement-survey-suppliers-2020/pages/2/#:~:text=Our%20survey%20of%20suppliers%20was%20carried%20out%20over,answer%20%28s%29%20from%20a%20list%20of%20pre-determined%20options.>

Discussion of Timeline of Key Policy, Legislation and Research Across Scotland

The review of Scottish policy and legislation illustrated in the timeline indicates the continual desire and commitment within Scotland to achieve sustainable procurement outcomes. The key factors and enablers within Scottish policy, legislation and practice are discussed in the current chapter alongside reflections from the qualitative research.

Early and ongoing commitment

From the early 2000s, Scotland has demonstrated a real commitment and desire throughout local and national government to ensure that public procurement contributes to community benefits and sustainable procurement outcomes. This is evidenced through public procurement policy, practice, culture in Scotland, and through a substantial programme of activity across the public sector. The drive to improve public procurement has involved a transition from a centrally led programme to a more collaborative landscape with a shared common vision, underpinned by the 2014 Act⁵³.

Embedding sustainable procurement outcomes has been championed and encouraged across the Scottish Government and local government, resulting in bold and innovative approaches (e.g., Falkirk Council in 2003⁵⁴ embedding community benefits in all their expenditure and Raploch in 2005 embedding sustainable procurement and Targeted Recruitment & Training (TR&T) throughout⁵⁵). A commitment to managing sustainable procurement outcomes through the delivery of projects has been critical to success (as demonstrated by the Inverclyde case study⁵⁶), with Community Benefit Officers helping to ensure the management and delivery of outcomes.

Early consideration of the United Nations Environment Programme (UNEP) Marrakech approach⁵⁷ helped to shape and influence Scotland's approach to sustainable procurement. A key factor has been considering prioritisation as a vehicle for saving time and resources. This has been illustrated by the case studies highlighted in 2013 including Scottish Government's life cycle mapping and Perth and Kinross Council's project on furniture procurement⁵⁸. This continues to be a key factor as demonstrated by the Prioritisation Tool within the Sustainable Procurement Tools⁵⁹.

⁵³ Scottish Government (2022), Procurement Reform (Scotland) Act 2014: statutory guidance, <https://www.gov.scot/publications/procurement-reform-scotland-act-2014-statutory-guidance/>

⁵⁴ Scottish Government (2008), Community Benefits in Public Procurement, <https://www.gov.scot/publications/community-benefits-public-procurement/>

⁵⁵ Scottish Government (2008), Community Benefits in Public Procurement, <https://www.gov.scot/publications/community-benefits-public-procurement/pages/15/>

⁵⁶ Scottish Government (2008), Community Benefits in Public Procurement, <https://www.gov.scot/publications/community-benefits-public-procurement/>

⁵⁷ Sustainable Procurement Ltd., Marrakech Task Force, https://sustainableprocurement.eu.com/case_study_marrakech.html

⁵⁸ Scottish Government (2013), Sustainable procurement case studies, <https://www.webarchive.org.uk/wayback/archive/20180530170228/http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/CSR/examples/ZWS>

⁵⁹ Scottish Government, Sustainable Procurement Tools, <https://sustainableprocurementtools.scot>

Responsiveness

The Scottish Government has ensured a strong momentum (from actions taken in response to the 2002 research by the Joseph Rowntree Foundation⁶⁰ and the 2006 McClelland report, to the present time) to driving this agenda within a theme of continuous learning, engagement and improvement.

A key moment in the timeline was the McClelland report. For many respondents, it was a landmark report that heralded the launch of a transparent commitment by the Scottish Government to elevate the impact and importance of sustainable procurement. The report was described as a “ground-breaking moment” that drove improvement and progress of public sector procurement and highlighted the significant spend and potential power of procurement to generate significant outcomes.

Respondents highlighted how the report gave rise to a significant investment in development, training, the upscaling of teams and the development of resources. This also led to the establishment of the Procurement Reform Programme, the Centres of Expertise and the creation of national framework agreements where these would deliver benefits and economies of scale. Many viewed the report as an enabler, with one respondent maintaining that it “made people look at procurement as a profession”.

“You start thinking that procurement can have a wider sphere of influence than just the money. Procurement has an opportunity to influence, particularly in the field of sustainability...you begin to think about what other ways procurement can add value to the organisation.” (Other public body)

On various occasions, the Scottish Government has provided a strong, transparent and timely response to recommendations or reviews indicating that change was required. An example being the Community Benefits in Procurement Programme⁶¹ which followed the 2002 research by the Joseph Rowntree Foundation (cited above). This tested which community benefits could be achieved through procurement legally (and shared learning through the publication of case studies). Another example is the ministerially led Procurement Reform Agenda, actioned in response to the 2006 Review of Public Procurement in Scotland report⁶².

Aligning local needs and priorities to the National Performance Framework

Scotland’s National Performance Framework⁶³ (NPF) provides a framework and direction within which local and project-based outcomes can be aligned. It enables a shared vision of the type of country Scotland can and should be. There is a demonstrated desire within

⁶⁰ Joseph Rowntree Foundation (2002), Achieving community benefits through contracts: law, policy and practice,

<https://www.jrf.org.uk/report/achieving-community-benefits-through-contracts-law-policy-and-practice>

⁶¹ Scottish Government (2008), Community Benefits in Public Procurement,

<https://www.gov.scot/publications/community-benefits-public-procurement/>

⁶² John F. McClelland CBE, Review of Public Procurement in Scotland Report,

<https://documents.pub/document/by-john-f-mcclelland-cbe-govscot-review-of-public-procurement-in-scotland.html?page=1>

⁶³ Scottish Government, National Performance Framework,

<https://nationalperformance.gov.scot/>

Scotland to ensure that outcomes are reflective of local need and supplier capability. To create meaningful social impact, it is encouraged that social and National Outcomes to be delivered through a contract are considered at the outset of a given procurement, with the Sustainable Procurement Tools facilitating this process. Collaboration and partnership working between the public body, supplier and community are shown to result in targeted outcomes and benefits. An example is the Community Wish List approach initiated by Perth and Kinross Council⁶⁴ which has now been implemented by various local authorities across Scotland.

Early engagement and collaboration

To facilitate targeted, needs-led outcomes, early engagement and collaboration are critical factors. The power and success of this approach has been demonstrated in published case studies such as Gartcosh Scottish Crime Campus⁶⁵, and the Scottish Prison Service⁶⁶ case study. In these case studies, early engagement and partnership working between the public body and supplier allowed for a tailored and effective approach resulting in clear, demonstrated outcomes.

Introduction of the Procurement Reform (Scotland) Act 2014

Development of Scotland's journey of achieving sustainable procurement outcomes led to the introduction of the Procurement Reform (Scotland) Act 2014 (The Act)⁶⁷ including the Sustainable Procurement Duty. This powerful piece of legislation has been a significant enabler in driving and facilitating both benefits and impact. It has provided clear direction to public bodies and formalised the broader routes through which procurement can be used as a mechanism for delivering social impact. The Act sets out clear procurement responsibilities, promotes local decision making, and enables increased transparency and accessibility through the publication of annual procurement strategies and reports.

A common opinion among respondents was the significance and strength of the Act and the Sustainable Procurement Duty as enablers to driving sustainable procurement outcomes. In the view of some respondents, the strength of the Act was that it placed obligations on public bodies to address each of the key factors encompassing sustainable procurement, highlighted the need to link tenders to local priorities, and introduced the requirement for strategies and annual reports. Public bodies' annual reports are collated by the Scottish Government and provide an overall picture for Scotland. They constitute a means of transparency, as well as communicating outcomes and progress, and highlighting priority areas to address. Following the introduction of the Act, Scotland's national and local government have placed particular emphasis on professionalising public procurement, as well as a focus on innovation and digitalisation.

⁶⁴ Scottish Government (2020), Measuring social impact in public procurement: SPPN 10/2020, <https://www.gov.scot/publications/measuring-social-impact-in-public-procurement-sppn-10-2020/>

⁶⁵ Scottish Government (2015), Case Study 4: Gartcosh Scottish Crime Campus, <https://www.webarchive.org.uk/wayback/archive/20150828203611/http://www.gov.scot/Topics/Government/Procurement/casestudies/GartcoshCaseStudy>

⁶⁶ Zero Waste Scotland, Sustainable Procurement in Scotland – A Collection of Case Studies, https://sustainableprocurement.eu.com/documents/35631_A4_Case_Study_master_V5.pdf

⁶⁷ Procurement Reform (Scotland) Act 2014, <https://www.legislation.gov.uk/asp/2014/12/contents>

A few respondents also stressed that the Act had driven a change in supplier capability and readiness to deliver social impact, as suppliers became better aware of what was required to tender successfully.

“The Procurement Reform Act is a game changer. It gave a different level of support...and prominence.” (Other public body)

Holistic definition of sustainable procurement outcomes

Sustainable procurement outcomes are defined in the Scottish policy approach as encompassing improvements to the economic, social and environmental wellbeing of a community rather than simply focusing on one strand. This interpretation means that social impact is determined by supply and demand and the needs and make-up of the local area, as the value of an action to one community or interest group may not equate to its value in another. Consequently, the Scottish Government’s approach does not endorse monetary gauges to measure sustainable procurement outcomes but instead advocates for social impact being considered and measured on a case-by-case basis. This approach complements procurement principles of relevance and proportionality. This also means that public bodies have flexibility to design a procurement process that is proportionate to the risk and complexity of the particular contract.

This holistic definition is supported by a range of policies, legislation and strategies including the Climate Change Act⁶⁸, Economic Strategy⁶⁹, Equality Act⁷⁰ and Fair Work⁷¹. It is also echoed in Community Wealth Building approaches implemented across Scotland (see North Ayrshire Council), which involve varied initiatives and projects to achieve sustainable outcomes and promote the local economy (e.g., Transport Scotland case study).

Continuous learning and improvement to influence practice and demonstrate outcomes

This review of the development of public procurement in Scotland highlights a strong theme of continuous learning and improvement. This has been demonstrated by the various commissioned reviews and research studies that have been shared and communicated. This is a strength of Scotland’s approach; using key learning to shape and influence the nature and direction of sustainable procurement and collating and sharing case studies and best practice to share innovation and enable improvement. This is demonstrated by the timeline of case studies in Appendix 3.

The Scottish Government has commissioned research and reviews on current practice to drive improvement. Research conducted in 2015 on the analysis of the impact and value of

⁶⁸ Climate Change (Scotland) Act 2009,

<https://www.legislation.gov.uk/asp/2009/12/contents>

⁶⁹ Scottish Government (2022), Scotland’s National Strategy for Economic Transformation,

<https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/>

⁷⁰ The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012,

<https://www.legislation.gov.uk/ssi/2012/162/contents/made>

⁷¹ The Scottish Government (2022), Fair Work action plan: becoming a leading Fair Work nation by 2025,

<https://www.gov.scot/publications/fair-work-action-plan-becoming-leading-fair-work-nation-2025/>

community benefit clauses in procurement⁷² found that such clauses are increasingly being used in public sector contracts across Scotland. The research also found there was scope to continue building awareness and understanding of such clauses, particularly around their use in service contracts. The research also indicated that a more comprehensive evidence base should be developed regarding the longer-term impact of community-based clauses. Recommendations were made in relation to monitoring, evaluation and reporting requirements.

Another key research study on the impact and analysis of the Sustainable Procurement Duty (2020)⁷³ concluded that although Scotland is ahead in its sustainable procurement practice, there is a “further push” required to secure effective implementation of the Duty. This includes increasing awareness and understanding of the Duty; and refining the associated tools to make them more user-friendly and streamlined.

Similarly, a survey of suppliers⁷⁴ indicated that although overall, the Scottish public sector is performing relatively well with regard to procurement, there is clearly a need for further improvement. While suppliers generally feel well-placed to bid for a contract, many viewed the tendering process as overly complex, burdensome and in need of simplification or streamlining. Where possible, it was said to be important to prioritise and maintain focus on work that will make procurement processes simpler and easier for businesses. The findings also suggest that public bodies could and should do more to promote awareness of the support that is available for tendering processes, while also taking a more proactive approach to issuing constructive and high-quality feedback following tender exercises.

Scottish Government facilitating outcomes

The Scottish Government’s approach is characterised by the provision of support and the facilitation of policy implementation. Rather than simply setting out and expecting adherence to policy, they support implementation by dedicating resource to an underpinning suite of relevant frameworks, guidance and tools.

⁷² Scottish Government (2016), The Public Procurement Reform Programme 2006-2016: achievements and impacts,

<https://www.gov.scot/publications/public-procurement-reform-programme-2006-2016-achievements-impacts/pages/13/>

⁷³ Blake Stevenson Ltd. on behalf of Scottish Government (2020), Analysis of the Impact and Value of the Sustainable Procurement Duty in Procurement: Final Report December 2020,

<https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2020/12/analysis-impact-value-sustainable-procurement-duty-procurement-main-report/documents/analysis-impact-value-sustainable-procurement-duty-procurement-final-report/analysis-impact-value-sustainable-procurement-duty-procurement-final-report/govscot%3Adocument/analysis-impact-value-sustainable-procurement-duty-procurement-final-report.pdf?forceDownload=true>

⁷⁴ Scottish Government (2020), Public Procurement Survey of Suppliers 2020,

<https://www.gov.scot/publications/public-procurement-survey-suppliers-2020/pages/2/#:~:text=Our%20survey%20of%20suppliers%20was%20carried%20out%20over,answer%20%28s%29%20from%20a%20list%20of%20pre-determined%20options.>

This has included: the Scotland Procurement Policy Handbook in 2008⁷⁵; the Scottish Sustainable Procurement Action Plan in 2009⁷⁶; the introduction of PCAs and PCIPs; and the Procurement Journey website and Sustainable Procurement Tools platform. There is a wealth of available support to enable effective and sustainable procurement as outlined below.

Sustainable Procurement Tools

The Scottish Government's dedicated Sustainable Procurement Tools⁷⁷ platform hosts the four sustainability tools: the Prioritisation Tool, Sustainability Test, Life Cycle Impact Mapping and Flexible Framework. These tools and supporting guidance enable organisations to identify opportunities to increase social impact and embed a wider range of socioeconomic and other considerations within their contracts and supply chains including Fair Work First, climate considerations, and community benefits.

Assessment Measures

The introduction of measures to assess performance has been a key enabler in facilitating and driving improvement. This include PCAs introduced in 2009⁷⁸, to PCIP introduced in 2015 (these were further developed in 2021 placing a renewed focus on climate). Introducing a requirement for assessment has helped embed a culture of reflection, assessment and improvement as evidenced by the Renfrewshire Council case study (2010).

Centres of Expertise

The introduction of the four procurement centres of expertise in Scotland (Central Government Procurement, Advanced Procurement for Universities and Colleges, NHS National Procurement and Scotland Excel). These provide support and guidance to public sector bodies in the central and local government, further/higher education and health sectors.

Training, consultation and engagement

Facilitators include the continuous process of sector engagement and consultation to aid the development and coproduction of policies and frameworks. There has been a wealth of training opportunities for those working in procurement (such as Marrakech training) and the introduction of the Procurement People of Tomorrow programme. Implementation of such training has been shown to lead to improved practice, illustrated by Falkirk Council using the Marrakech approach to raise product and service standards in 2011.

⁷⁵ Scottish Government (2008), Scottish procurement policy handbook, [Scottish procurement policy handbook - gov.scot \(www.gov.scot\)](http://www.gov.scot/publications/scottish-procurement-policy-handbook/pages/13/)

⁷⁶ Scottish Government (2009), Sustainable procurement action plan for Scotland, [Sustainable procurement action plan for Scotland - gov.scot \(www.gov.scot\)](http://www.gov.scot/publications/sustainable-procurement-action-plan-for-scotland/pages/13/)

⁷⁷ Scottish Government, Sustainable Procurement Tools, <https://sustainableprocurementtools.scot>

⁷⁸ Scottish Government (2016), The Public Procurement Reform Programme 2006-2016: achievements and impacts, [https://www.gov.scot/publications/public-procurement-reform-programme-2006-2016-achievements-impacts/pages/13/](http://www.gov.scot/publications/public-procurement-reform-programme-2006-2016-achievements-impacts/pages/13/)

Networks

The progress and impact of Scotland's journey of achieving sustainable procurement outcomes has been strengthened by collaboration, networking and establishment of committees and boards across Scotland, including:

- The Public Procurement Reform Board established in response to the McClelland report
- The Community Benefits Champions networks; and
- The current network of the Public Procurement Group, Procurement Supply Group, Procurement Policy Forum, Collaborative Leads Group, Professional Practice and Development Forum, and the Climate and Procurement Forum.

There is a clear commitment to enabling co-production and ongoing development and improvement via this network of key stakeholders.

Comparing Sustainable Procurement Across the UK

Since the early 2000s, all four UK nations have been on a journey of achieving sustainable procurement outcomes involving the development of processes and delivering outcomes, but to varying degrees. The following section provides a concise summary of the key elements of this journey in the UK, Wales and Northern Ireland.

UK

In 2005, a report by the Sustainable Procurement Group (Securing the Future in 2005)⁷⁹ set out the UK Government's Strategy. This included commitments to: sustainable procurement in the public sector; working through the Centres of Expertise to encourage sustainable procurement through local government; and delivery by tasking a strengthened Sustainable Development Commission to report on progress. The UK then outlined its commitment in their Procuring the Future report in 2006⁸⁰, setting out an urgent need to implement sustainable procurement throughout all central and local government bodies. It included a National Action Plan with six key recommendations:

- Lead by example
- Set clear priorities
- Raise the bar
- Build capacity
- Remove barriers
- Capture opportunities

The focus of this report appeared to be more on the environmental aspects of sustainability with lesser mention of social outcomes and sustainability.

⁷⁹ HM Government (2005), Securing the future, Delivering UK sustainable development strategy, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69412/pb10589-securing-the-future-050307.pdf?msclkid=e1994bf8cec711ec99ff494be5e4a3c2

⁸⁰ HM Government (2006), Procuring the Future, Sustainable Procurement National Action Plan: Recommendations from the Sustainable Procurement Task Force, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69417/pb11710-procuring-the-future-060607.pdf?msclkid=8979ea91cec811ec91c5c00d0ffae74d

In 2008, the HM Treasury Action Plan – Delivering sustainable development⁸¹ – set out a range of actions the Department planned to undertake with regard to its policies, people, operations and procurement. Following this, in 2009, the National Sustainable Public Procurement Programme (NSPPP)⁸² was launched with the aim of consolidating and improving the numerous sustainable procurement training packages offered to wider government procurers. Its purpose was to clarify the messages, create a consistent approach to delivery, and ensure quality of materials that can be readily shared between public organisations and sectors.

The Social Impacts Task Force (SITF)⁸³ was set up in 2010 with the aim of developing a cross-Government approach to understanding social impacts and embedding consideration of such impacts in policymaking. The most significant legislation in the procurement agenda was the introduction of the Public Services (Social Value) Act 2012⁸⁴. The Act calls for all public sector commissioning to factor in ("have regard to") economic, social and environmental well-being in connection with public services contracts. The Act should be a tool to enable commissioners to generate more value for money from procurement. It also encourages commissioners to talk to their local provider market or community to design better services and find new and innovative solutions to difficult problems.

This was followed in 2016 by the creation of the National Social Value Taskforce⁸⁵ by the Local Government Association. The Taskforce established a good practice framework that integrates the Act into the UK public sector and business community. It helped to set up the Social Value Portal (SVP) and the TOMs (Themes, Outcomes, Measures) framework, a toolkit that defines, measures and monetises the social value of public sector procurement. Further guidance was provided in 2017⁸⁶ to organisations (independent of their activity or size), on integrating sustainability within procurement, as described in ISO 26000. This was intended for stakeholders involved in, or impacted by, procurement decisions and processes.

2013 saw the introduction of what was later termed as the 'Preston Model'⁸⁷ which applied Community Wealth Building principles of collaboration and supporting the local economy, and demonstrated the impact of spend analysis. The model was shown to have led to over £70 million being redirected back into the Preston economy, and over £200 million

⁸¹ HM Treasury (2008), Delivering sustainable development, HM Treasury action plan 2008, <http://www.sd-commission.org.uk/data/files/publications/HMT%20SDAP%202008.pdf>

⁸² HM Government, National Sustainable Procurement Programme, <https://webarchive.nationalarchives.gov.uk/ukgwa/20140827110041/http://sd.defra.gov.uk/advice/public/nspp/>

⁸³ UK Government, The Social Impacts Task Force, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/224882/Social_Impacts_Task_Force_Web_Document.pdf?msckid=d98a6c54cec911ec8e7705657d8b349b

⁸⁴ Public Services (Social Value) Act 2012, <https://www.legislation.gov.uk/ukpga/2012/3/enacted>

⁸⁵ National Social Value Taskforce, <https://www.nationalsocialvaluetaskforce.org>

⁸⁶ ISO 20400:2017, Sustainable procurement – Guidance, <https://www.iso.org/standard/63026.html>

⁸⁷ Preston City Council, How we built community wealth in Preston https://www.preston.gov.uk/media/1792/How-we-built-community-wealth-in-Preston/pdf/CLES_Preston_Document_WEB_AW.pdf?m=636994067328930000

redirected back into the Lancashire economy. The concept gained traction and increased interest in Community Wealth Building and sustainable procurement outcomes. In 2021, Preston City Council launched Community Wealth Building 2.0⁸⁸ which seeks to build on the success of the Preston Model and tackle the challenges of a post COVID economy and community. It aims to promote the real Living Wage more widely, advance their ambitions for democratising the economy and expand this agenda to lead to a resilient and inclusive recovery in Preston.

In 2020, the Procurement Policy Note 06/20⁸⁹ set out how to take account of social impact in the award of central government contracts by using the Social Value Model. It dictates that social impact should be explicitly evaluated in all central government procurement, where the requirements are related and proportionate to the subject-matter of the contract, rather than just 'considered' as currently required under the Act. It also stressed that unnecessary burdens should not be placed on commercial teams or suppliers.

In 2020, the UK Government outlined their Green Paper⁹⁰ on transforming public procurement (now the Procurement Bill)⁹¹, taking advantage of the end of the Brexit transition period to overhaul the public procurement regime. The goal of the reform is to speed up and simplify procurement processes, place value for money at the heart of such processes, and unleash opportunities for small businesses, charities and social enterprises to innovate in public service delivery. On review of this paper, it appears that Scotland has already moved ahead on a number of these areas.

There appears to be limited sharing of case studies across the UK, or requirements for annual reports which is a key enabler to driving improvement and best practice.

Wales

Wales has a long history of embedding community benefits into the procurement process. In 2006, the Church Village Bypass⁹² project championed early contractor involvement as a means of achieving new standards of transparency and community engagement. This resulted in significant time and cost savings, and community benefits. The Welsh Assembly used the scheme to launch the national Community Benefits Programme titled 'Delivering Maximum Benefits for the Welsh Pound'. The 2014 guide – Delivering Maximum Value for

⁸⁸ Preston City Council, Community Wealth Building 2.0, Leading Resilience and Recovery in Preston, https://www.preston.gov.uk/media/5367/Community-Wealth-Building-2-0-Leading-Resilience-and-Recovery-in-Preston-Strategy/pdf/CommWealth-ShowcaseDoc_web.pdf?m=637498454035670000

⁸⁹ UK Government (2020), Procurement Policy Note 06/20 – taking account of social value in the award of central government contracts [Procurement Policy Note 06/20 – taking account of social value in the award of central government contracts - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/943946/Procurement_Policy_Note_06_20_-_taking_account_of_social_value_in_the_award_of_central_government_contracts_-_GOV.UK_(www.gov.uk))

⁹⁰ UK Government (2020), Transforming public procurement, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943946/Transforming_public_procurement.pdf

⁹¹ UK Parliament, Procurement Bill, <https://bills.parliament.uk/publications/46439/documents/1777>

⁹² Construction Waste Case Study, Church Village Bypass Project Tonteg, RCT, https://www.cewales.org.uk/files/1714/4370/1165/CEW_Interventions_Church_Village_case_study_Eng.pdf

the Welsh Pound⁹³ – offers advice on how to incorporate community benefits in public procurements using either the open or restricted procurement procedures.

Similar to Scotland, Wales has prioritised continuous improvement its journey of achieving sustainable procurement outcomes. In 2012, a review was commissioned (undertaken by John McClelland) on strengthening the impact of Welsh procurement policy⁹⁴. The review stated significant progress in public procurement in Wales due to the intense focus by the Welsh Government, public sector leaders and those involved in procurement operations across the sector. Cabinet level leadership and detailed engagement was said to be particularly strong. Policies were developed on a strong foundation of robust research and advice from Value Wales, and from insightful and influential reports and reviews conducted by various working groups and committees. There was said to be opportunity for further progress, with the report outlining 25 recommendations for further improvement.

Also in 2012, the National Assembly for Wales Enterprise and Business Committee established a Task and Finish Group to investigate and seek to influence the reform of EU public procurement policy. The Group had three objectives – to strengthen policy, support implementation and challenge application. The report noted that the Welsh Government’s Community Benefits policy clearly points the way to achieving social and environmental policy objectives through procurement, but that it must be more widely applied across public sector bodies in Wales to ensure best and consistent standards. Delivery of the agreed milestones enabled the Welsh Government and wider public sector to fully embed Community Benefits, laying a strong foundation for the future. This led to the development of various iterations of the Welsh Public Procurement Policy (WPPP) which sets out principles and expectations against which procurement in Wales should be delivered.

Attempts have also been made to assess progress and drive improvement through the introduction of:

- The Fitness Check⁹⁵ – a programme for the public sector against which the development of procurement in Wales can be measured
- The SQuID⁹⁶ – the Supplier Qualification Information Database, developed in conjunction with public sector stakeholders (this is similar to the Single Procurement Document (SPD) in Scotland and contains questions used at the selection stage of a procurement exercise to identify suitably qualified and experienced bidders); and

⁹³ Welsh Government (2014), Community Benefits, Delivering Maximum Value for the Welsh Pound – 2014, <https://www.gov.wales/sites/default/files/publications/2019-09/community-benefits-delivering-maximum-value-for-the-welsh-pound-2014.pdf>

⁹⁴ John McClelland, CBE (2012) Maximising the Impact of Welsh Procurement Policy, [http://www.democracy.caerphilly.gov.uk/Data/Policy%20and%20Resources%20Scrutiny%20Committee/2012_10021700/Agenda/6\(02\)%20Corporate%20Procurement%20App%201%20-%20045394.pdf?msclid=403062d7cece11ecb41294c3579ff398](http://www.democracy.caerphilly.gov.uk/Data/Policy%20and%20Resources%20Scrutiny%20Committee/2012_10021700/Agenda/6(02)%20Corporate%20Procurement%20App%201%20-%20045394.pdf?msclid=403062d7cece11ecb41294c3579ff398)

⁹⁵ Welsh Government (2014), Written Statement – Improving Capability through Procurement Fitness Checks, <https://www.gov.wales/written-statement-improving-capability-through-procurement-fitness-checks#:~:text=In%20support%20of%20Principle%201%2C%20the%20Welsh%20Government,development%20of%20procurement%20in%20Wales%20can%20be%20measured.>

⁹⁶ Welsh Government, Supplier Qualification Information Database (SQuID), <https://www.gov.wales/sites/default/files/publications/2019-09/supplier-qualification-information-database-squid-part-1-introduction.pdf>

- The adoption of Scottish PCAs.⁹⁷

There has been a programme of activity to support organisations to deliver sustainable procurement through guidance on how to incorporate community benefit into public procurement. There is a website for those involved in procurement which includes policies, frameworks and online training⁹⁸.

A key driver in the journey of achieving sustainable procurement outcomes was the introduction of the Well-being of Future Generations (Wales) Act (2015)⁹⁹. It has provided the ambition, permission and legal obligation for Wales to improve their social, cultural, environmental and economic well-being. The purpose was to ensure that future generations have at least the same quality of life as current generations. It requires public bodies in Wales – such as local authorities, health boards and organisations like the Arts and Sports Councils of Wales – to put long-term sustainability at the forefront of their thinking. Public bodies have to consider the long-term impact of their decisions, to work better with people, communities and each other, and to address persistent problems such as poverty, health inequalities and climate change. The Act is said to facilitate better decision-making by ensuring that: public bodies take account of the long term; help to prevent problems occurring or getting worse; take an integrated, collaborative approach; and consider how to involve people of diverse characteristics. There are five things that public bodies need to think about to show that they have applied the sustainable development principle – long term, prevention, integration, collaboration and involvement. It is said to be the only known legislation of its type globally.

The Act is accompanied by a seven-year term commissioner who is the “guardian of future generations”. It also includes stipulations regarding annual reporting. Public bodies must publish a statement of their well-being objectives and how these apply to the sustainable development principle, accompanied by an annual report showing their progress in meeting their objectives.

A revised Community Benefits Policy was introduced in 2016¹⁰⁰, which seeks to deliver the very widest social, economic and environmental benefits while securing the goods, services or works required by the public sector in Wales. This was subsequently updated in 2019, followed by a manifesto commitment to a new procurement approach for Wales. This continues to be developed and communicated, with a report published in 2020 – Progress

⁹⁷ Scottish Government (2016), The Public Procurement Reform Programme 2006-2016: achievements and impacts,

<https://www.gov.scot/publications/public-procurement-reform-programme-2006-2016-achievements-impacts/pages/13/>

⁹⁸ Welsh Government, Community benefits: online training,

<https://www.gov.wales/community-benefits-online-training>

⁹⁹ Future Generations Commissioner for Wales, Well-being of Future Generations (Wales) Act 2015,

<https://www.futuregenerations.wales/about-us/future-generations-act/>

¹⁰⁰ Welsh Government (2019), Community Benefits Policy, Maximising Value for the Welsh Pound,

<https://www.gov.wales/sites/default/files/publications/2019-09/community-benefits-policy-maximising-value-for-the-welsh-pound.pdf>

towards the development of a new procurement landscape in Wales¹⁰¹ – outlining progress including the appointment of a Community Wealth Building Partner. A further report followed in 2021 titled Evolution of Welsh Government procurement¹⁰².

Efforts to share progress and best practice include the publication of case studies from 2021¹⁰³, and the Future Generations annual report in 2020¹⁰⁴. Also in 2020, the Future Generations Commissioner triggered a Section 20 review¹⁰⁵ of procurement practices within the Welsh public sector. The review noted steps were being taken to apply the Act, however highlighted ongoing challenges for procuring sustainably in relation to leadership involvement and engagement, resources and capacity, and the complex landscape. As a result, a “formal review” was ordered.

In 2020, for the first time in Wales, an updated Welsh Procurement Policy Note (WPPN) introduced a standardised process for defining ‘social value’¹⁰⁶ and set out a menu of priority areas for social value for commercial teams to select and state in tenders. The WPPN states that the application of this model is mandatory for all Central Government and that a minimum of 10% of the total score for social value should be applied in the procurement to ensure that it carries a heavy enough score to be a differentiating factor in bid evaluation.

Currently, Wales, England and Northern Ireland are party to the Procurement Bill – while Wales continue to develop their Social Partnership and Public Procurement (Wales) Bill. In 2021, the Welsh Procurement Centre of Excellence began (initiated by a recommendation as part of Future Generations).

Northern Ireland

In 2002, the Executive agreed on a revised Public Procurement Policy for Northern Ireland that included guidance and targets on sustainability¹⁰⁷. The overriding principle of the policy – which still stands today – is a focus on value for money. This is defined as the ultimate combination of quality, price and sustainability. The policy established a Procurement Board for Northern Ireland, comprising the permanent secretaries of each of the twelve

¹⁰¹ Welsh Government (2020), Progress towards the development of a new procurement landscape in Wales, <https://www.gov.wales/progress-towards-the-development-of-a-new-procurement-landscape-in-wales-html>

¹⁰² Welsh Government (2021), Evolution of Welsh Government procurement, <https://www.gov.wales/report-on-the-evolution-of-welsh-government-procurement-html>

¹⁰³ Welsh Government (2021), Procurement case studies, <https://www.gov.wales/procurement-case-studies>

¹⁰⁴ Future Generations Commissioner for Wales, <https://futuregenerations2020.wales/english>

¹⁰⁵ Future Generations Commissioner for Wales (2020), Section 20 Review of procurement practices within the Welsh public sector, <https://www.futuregenerations.wales/news/section-20-review-of-procurement-practices-within-the-welsh-public-sector/>

¹⁰⁶ UK Government (2020), Procurement Policy Note 06/20 – taking account of social value in the award of central government contracts, <https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts>

¹⁰⁷ Northern Ireland Government (2019) NI Public Procurement Policy document, <https://www.finance-ni.gov.uk/publications/ni-public-procurement-policy-document>

departments. The Executive considered that compliance could be achieved by means of administration action, as determined by the Procurement Board. As regards District Councils, the Executive accepted that their different and separate framework of accountability must be recognised and, under existing legislation, compliance can only be on a voluntary basis. The Executive considered that compliance could be achieved by means of an administration action, as determined by the Procurement Board. Their early focus on value for money rather than community benefit or social impact, extended to a focus on unemployment being introduced in 2005.

Sustainability was introduced in the Miscellaneous Provisions Act in 2006¹⁰⁸. This stated that a public authority must, in exercising its functions, act in the way it considers best calculated to contribute to the achievement of sustainable development in Northern Ireland. In 2008, the Investment Strategy (2008-2018)¹⁰⁹ set out a framework for how Northern Ireland would create a sustainable 21st century infrastructure. It identified priority areas for investment in the years ahead and was intended to assist government and private sector partners to plan ahead for the challenge of delivering the largest ever investment programme.

The Sustainable Development Strategy – Everyone’s Involved – was introduced in 2010¹¹⁰. The strategy was designed to provide a framework that can support and inform the decisions and actions taken by individuals, groups and organisations in progressing the sustainability agenda. The Programme for Government 2011-2015¹¹¹ reinforces the importance of achieving sustainable outcomes, while providing the high-level context in which contracting authorities can identify specific sustainable goals to achieve from each procurement.

The Buy NI website was introduced in 2015¹¹² to integrate social considerations into ICT contracts. The Draft Programme for Government 2016-2021¹¹³ was a draft framework containing 14 strategic outcomes which, taken together, set a clear direction of travel and enable continuous improvement on the essential components of societal wellbeing.

¹⁰⁸ Northern Ireland (Miscellaneous Provisions) Act 2006,
<https://www.legislation.gov.uk/ukpga/2006/33/contents>

¹⁰⁹ Northern Ireland Executive, Investment Strategy for Northern Ireland 2008-2018,
https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewjtl7aV-7H2AhWlnVwKHWTLDTQQFnoECAYQAQ&url=https%3A%2F%2Fwww.a5wtc.com%2FDocuments%2F4153%2FDownload&usg=AOvVaw03nx_WJmKuF_jcspTJ6Lzo

¹¹⁰ Northern Ireland Executive (2010), Everyone’s Involved, Sustainable Development Strategy,
<https://www.daera-ni.gov.uk/sites/default/files/publications/daera/Sustainable-Development-Strategy.pdf>

¹¹¹ Northern Ireland Executive, Programme for Government 2011 – 2015,
<https://www.northernireland.gov.uk/publications/programme-government-2011-2015>

¹¹² Social Value, Scoring Social Value for public bodies is becoming a mandatory part of the public procurement landscape in Northern Ireland,
<https://buysocialni.org>

¹¹³ Northern Ireland Executive, Draft Programme for Government Framework 2016-21 and Questionnaire,
<https://www.northernireland.gov.uk/consultations/draft-programme-government-framework-2016-21-and-questionnaire>

The Procurement Board discussed the Buy Social approach for Services Contracts in 2017¹¹⁴. They focused on an approach of Targeted Recruitment & Training (TR&T), opportunities for those who are long-term unemployed or leaving education, and on service contracts with an anticipated value of £500 000 per annum or more.

There was significant progress on the sustainable procurement agenda in 2020 when it was agreed that the Procurement Board was not fit for purpose. As such, the Board was reconstituted with permanent secretaries, and replaced with experts in public procurement and other parts of industry including the voluntary and community sector. This was in part due to a realisation that the public sector needed the private sector to deliver contracts, and that they can add value¹¹⁵.

In 2021, the Executive approved a policy which mandates that from 1 June 2022 tenders must include a minimum of 10% of the total award criteria to social value¹¹⁶. That same year, payment of the Living Wage was made mandatory for all contracts¹¹⁷.

Summary

To summarise, the literature review on policy, legislation and practice across the UK indicates that Scotland appears to be leading the way in many areas. These include:

- The strength of commitment to the sustainable procurement agenda and the consistent drive and focus within Scottish Government leadership. This has driven innovation and improvement, most notably via the Procurement Reform (Scotland) Act 2014 and the Sustainable Procurement Duty which placed a responsibility on organisations to embed social impact in their contracts.
- The available support and tools in the Procurement Journey and Sustainable Procurement Tools accompanied by ongoing training and engagement help to facilitate outcomes.
- The sharing of best practice, innovation and outcomes through the ongoing publication of case studies, commissioned research and reviews, and annual reports which provide a clear and transparent picture across Scotland of what is being achieved, and the priorities for development and improvement.

Scotland's position and progress on achieving sustainable procurement outcomes is perhaps most strongly demonstrated by the UK Government's Procurement Bill where it is evident that much of the proposed activity is already embedded within Scottish practice and enabled through the reform of Scottish procurement policy and legislative framework.

¹¹⁴ The Strategic Investment Board, Integrating Social Considerations into Public Services and ICT Contracts, <https://buysocialni.org/app/uploads/2020/02/Buy-Social-Toolkit-Services-and-ICT-2020.pdf>

¹¹⁵ Department of Finance (2020), Minister of Finance oral statement to the Northern Ireland Assembly on the Procurement Board, <https://www.finance-ni.gov.uk/publications/minister-finance-oral-statement-northern-ireland-assembly-procurement-board>

¹¹⁶ Department of Finance (2021), PPN 1/21 – Scoring Social Value <https://www.finance-ni.gov.uk/publications/ppn-0121-scoring-social-value>

¹¹⁷ Scottish Government (2021), Supporting fair work practices, <https://www.gov.scot/news/supporting-fair-work-practices/>

The remainder of the report outlines the results of the qualitative research and iterates many of the common themes outlined in the literature review. It strengthens the proposal that Scotland is a leader in sustainable procurement.

Chapter 3: Benchmarking Practice Across the UK

Respondents in the qualitative research were asked for their impressions of sustainable procurement across the UK, with this chapter outlining the key themes raised. There was clear consensus among respondents, including those from outwith Scotland, that Scotland is, and has long been, a leader in driving improvement and outcomes in sustainable procurement.

“We should be confident in our ability in Scotland. We’re small, but...we really do punch above our weight.” (Government)

The position of Scotland as a leader in sustainable procurement was said to be due to a number of reasons which are outlined below.

Length of journey

Almost all respondents were of the opinion that the public sector in Scotland was further on in their journey of achieving sustainable procurement outcomes, having “moved first”, and given their sustained activity, investment and progress in this area for the past twenty years. Consequently, a few respondents commented that Scotland implemented an outcomes rather than process-based approach which was said to “mark them differently”, whereas the UK were more recently in a position to focus on the tracking of outcomes following their updated policy on social value.

Some respondents mentioned the “golden thread” throughout procurement in Scotland.

“What Scottish Government...has been trying to do for a number of years...McClelland identified procurement’s role...using the public sector spend...latching on to that the lever of public procurement as a way of delivering strategic objectives...And I think Scotland probably spotted that potential earlier than a lot of other places.” (Wider stakeholder)

Supporting policy and legislation

The Procurement Reform (Scotland) Act 2014 was viewed as a key driver by many respondents, due to the requirements on public bodies including the production of annual reports. These allow public bodies to share progress and outcomes and therefore increase transparency. It was suggested by some to have greater strength than the Public Services (Social Value) Act 2012 in England due to these requirements that led to behaviour change.

“The Procurement Reform (Scotland) Act is broader than the public services Social Value Act, but...it also has some very useful tools...If you’re not going to incorporate community benefits into procurement, you have to say why in the contract notice. So, as opposed to the English legislation, which is sort of a duty to consider, it’s

actually got some things where you have to almost by exception, explain why you're not doing things. It's got some things which influence behaviours." (Wider stakeholder)

Amongst those respondents aware of the detail within the Welsh legislation, The Welsh Procurement Policy Statement was considered valuable in terms of increasing focus on community benefits. The Well-being of Future Generations (Wales) Act was said by some respondents to have significant potential benefit; in particular the "critical friend" role of the Future Generations Commissioner.

The Commissioner's Office fulfils its duty to advocate for the well-being of future generations by promoting awareness of sustainable development principles, assisting public bodies in the development of local well-being plans, connecting public bodies where there are opportunities for collaboration, and carrying out reviews of practice to provide support or challenge¹¹⁸.

It was suggested by a few respondents that the other nations should examine and consider this approach. Northern Ireland has traditionally focused on policy rather than legislation, with a respondent indicating that it was seen to afford more flexibility, with a principle of securing best value for money and defined as a combination of quality, price and sustainability to suit the department's needs.

A key turning point for the UK approach was perceived by a few respondents to be Carillion (a British multinational construction and facilities management services company) going into compulsory liquidation in 2018. This led to the development of a post-Carillion recovery plan which included reform of the Social Value Act. The plan focused on supplier diversity, smaller supply chains and ensuring community benefits. Essentially, the language changed from government departments having to 'consider' social impact to ensuring it was explicitly evaluated. The UK leaving the EU was described by a respondent as a further "black swan" event impacting on the development of sustainable procurement within the UK.

Many respondents considered there to be a lack of a systematic and sustained approach to developing sustainable procurement within UK legislation and how this was implemented. This included a lack of systems and tools required to ensure a consistent approach, and a lack of specific requirements in the tender documents, despite the Social Value Act being described as an "anchor point".

"What we had was an Act saying for social kind of benefits or procurement, here's some guidance or things you can follow. But everyone's busy, constrained and trying to...thread it through...Sustainable procurement has always suffered from that to an extent... as soon as it's siloed, or it's nice to have, or there's no kind of governance accountability around it, that's where it gets difficult, even though the aims and the focus may be there." (Government)

¹¹⁸ Future Generations Commissioner for Wales,
<https://www.futuregenerations.wales/about-us/future-generations-commissioner/>

Those who were aware of the detail within The UK Green Paper – Transforming Public Procurement – generally thought it had a role in addressing some of the gaps in UK procurement legislation. However, these individuals did not consider the paper to be transformative for Scotland in that much of the suggested practice was already inherent in Scotland’s procurement processes (as outlined in Chapter 2). Despite this, a few respondents highlighted the importance of continuing to track the progress and implementation of the paper to continue to examine transferable practice or learning.

Top-down commitment

The public sector in England was suggested by some respondents to have had more of a ‘bottom-up’ approach, with public bodies and suppliers driving improvement and finding solutions and effective approaches in a more localised context. In contrast, there was a general consensus that Scotland have applied a more “top-down” approach spearheaded by the Scottish Government’s policies and practices. Some tier one suppliers were said to be driving improvement in the public sector in England, echoing more of an individualised rather than systematic approach.

“In England...the number of major contractors who’ve got designated people who take it seriously and have transformed the way that organisations approach procurement...that’s been the biggest transformation or reflection in England...where they’ve got dedicated officers driving sustainability and driving social value...because...they got the signal, this is how you’re going to win contracts...Fundamentally, [in Scotland] you’ve got a government which is pushing it firmly and keeps making sure it happens.” (Wider stakeholder)

“The construction industry was way ahead of any of the local authorities [in England], because they saw this coming.” (Wider stakeholder)

The accessibility and close working relationships between ministers, Scottish Government teams, and local government were considered by some respondents to be significant facilitators. A few respondents said that the size of the country enabled this accessibility and the delivery of integrated benefits, due to having fewer local authorities.

“If you want to talk to the local authorities in Scotland, you can get 32 people in a room...it's more like 500 in England so you're never going to get that interaction...it's far more coordinated in Scotland with everybody working together.” (Government)

A common opinion among respondents was that there is evidence of a commitment to engagement and continuous improvement across the whole of the UK. For example, Wales are committed to ensuring the successful implementation of the Wellbeing of Future Generations (Wales) Act and were said to have invested in staff to engage with public bodies to support the implementation of the Act, identifying examples of good practice, and providing support where there are missed opportunities. Wales are also undertaking a Section 20 review which examines how public bodies are considering procurement in their wellbeing objectives.

Integrated approach

Some respondents perceive the integrated approach across Scotland as being enabled by high-level transparency and commitment to a continuous improvement process and facilitated by a range of tools, support and training that drive consistency. Sustainable procurement being embedded in the early stages of a contract in Scotland was viewed as best practice by almost all respondents. In contrast, some described the approach in England as more fractured, with the success of sustainable procurement being more dependent on the effort and progress of particular local authorities rather than a committed, transparent, central UK government approach.

“There is a difference in perception of the role of procurement – in Scotland, procurement is engaged in the planning stage, not the buying stage.” (Government)

“In England, it’s been devolved organisations like the local authorities which have adopted it and created their own ways of doing it and toolkits...But there’s been no central government backing it apart from the fact that they are now waking up to it...so it will be reflected in public procurement and the Green Book, but nobody is really owning it in the way in which the Scottish Government own it and keep trying to bang the drum...Fundamentally in England, it depends upon local organisations owning it and making it work and choosing to do so. Which is why you get a very fractured position.” (Wider stakeholder)

That being said, a respondent perceived a key enabler in the UK Government to be the introduction of Commercial Officers within public bodies, who embedded procurement early in the journey:

“In UK Government...they’ve done a great job in making sure that every department has a Commercial Officer, those officers sit on all their committees....I think in Scotland, most public bodies probably don’t have very many Commercial Officers that sit on the more senior committees and have that degree of influence....If you’ve got a Commercial Officer there in the early thinking stages...it’s another way that you can get in early on the left-hand side of the timeline and start to influence things properly.” (Government)

In common with the NPF in Scotland to which local priorities are aligned, Wales have seven national wellbeing goals that contribute to the setting of wellbeing objectives within public bodies alongside tailoring such objectives to local priorities. These are: a prosperous Wales, a resilient Wales, a healthier Wales, a more equal Wales, a Wales of more cohesive communities, a Wales of vibrant culture and thriving Welsh language, and a globally responsible Wales.

Supplier development and supporting tools

Activity undertaken across the UK to develop the supply chain was considered as best practice. Many respondents spoke in particular about the supplier engagement programmes (including the supply chain engagement programme and associated frameworks established as part of YORhub approximately ten years ago) and the introduction of Sell2Wales and Public Contracts Scotland. In addition, the UK government departments have introduced an

SME Champion and a Social Value Champion to enable and support local businesses to maximise procurement opportunities.

That being said, the tools, support and training provided by the Scottish Government to aid the journey of achieving sustainable procurement outcomes were praised by many with one respondent describing these as setting Scotland apart. This includes the Sustainable Procurement Tools platform and the Procurement Journey website.

“The...supplier reach the Scottish Government has...I think that's outstanding and an exemplar of best practice...If I go on the Scottish Government website...I can see across...the different areas what's happening, what events there are, and if I was a supplier, that would be a fantastic resource. And that's something...Scotland's way ahead of...that kind of reach into suppliers. So that's a huge benefit... I think the Scottish Government's done a lot of fantastic work in that area.” (Government)

Demonstrating outcomes

The other UK nations appear to have faced similar challenges to Scotland in monitoring and measuring impact, having also not arrived at a unified approach. In Wales, respondents spoke of there being a hybrid approach using various toolkits and measures, with research currently being commissioned to evaluate the most effective measurement tools. The UK approach, at a government department level, was said by a few respondents to reflect the Scottish model of prioritising social impact rather than monetary benefit, specifically to enable diversity in the supply chain (although this approach is not necessarily applied by local authorities).

“It's all about a level playing field...we [UK] deliberately adopted a qualitative approach to allow...SMEs an opportunity so it didn't become a numbers game...We wanted it to be the quality of social value and how it makes an impact in local environments...When we took our measurement system forward, we were incredibly keen that we didn't have financial proxies...If we had a race of quantity, then we would have...created a barrier to SMEs participating in government contracts...For us, it's all around trying to grow diversity of supply chains.” (Government)

A respondent described Northern Ireland as currently developing more of a quantitative solution and metric for measuring social impact. Within the tender process, a specified cost of the social impact is required, so they can recoup that cost if the benefit is not delivered. Alongside this, a respondent indicated that they issue “yellow and red cards” which dictate whether the supplier can bid for a government contract in the future.

“It's complicated, but I think you need to quantify it in some way and we [Northern Ireland] will be doing our best to do that...If you don't quantify it...how are you going to build it into your business case?” (Government)

Community Wealth Building

When examining sustainable procurement outcomes and processes across the UK, the concept of ‘Community Wealth Building’ is a common theme. Respondents spoke of the ‘Preston model’ and its ethos and priorities. Fundamentally, Community Wealth Building

was viewed as a valuable concept, which enabled sustainable procurement outcomes in a community. There were two key reflections from respondents.

- 1) This was not a new concept, but instead encompassed a range of valuable approaches which facilitated community benefits that had long existed in Scotland and had been reconceptualised in the new term of Community Wealth Building. To illustrate, community benefit clauses were included in Commonwealth Games contracts approximately ten years ago in Scotland.

“Community Wealth Building...which is sort of being...rebranded, has pretty much been...how we’ve done our business for...years...They just came up with a badge.”
(Other public body)

- 2) The approach in Scotland of sustainable procurement enabling economic, social and environmental outcomes is more holistic and integrated than the original Community Wealth Building model/Preston model that centred on the local economy.

“If you want to look at it through the lens of Community Wealth Building, which is just the latest buzzword...you have to have social, economic, and environmental benefits...So whether we call it community benefits in procurement, whether we call it community wealth building...I don't think it matters. As long as you're...opening up every opportunity for inclusive economic growth.” (Government)

Preston Model

The Preston Model has gained much publicity and traction in the realm of Community Wealth Building. The model was borne from a desire to evaluate local spend in Preston, reflecting a similar approach applied in Manchester, with the aim of strengthening the local economy. The timing of this coincided with the Social Value Act in 2012. Spend analysis indicated that Preston had low local spend activity (5% in Preston and 39% in Lancashire¹¹⁹) which initiated target setting for local spend in both Preston and the wider Lancashire area (a more recent iteration of the model has introduced a possible Northwest region analysis).

In fact, a spend analysis approach was initiated by the Scottish Government in 2006/2007. The Scottish Procurement Information Hub was developed in response to recommendations contained in the Public Procurement in Scotland Report (2006). The third-party tool allows over 100 Scottish Public Sector bodies the means to examine spend by analysing accounts payable data and is used to identify collaborative procurement opportunities. The service is fully funded by the Scottish Government. The data enables the Scottish Government and other contributing Scottish public sector bodies to report on public sector procurement spend including providing answers to official requests for information such as Parliamentary Questions, Freedom of Information enquiries and annual reporting required for legislative purposes.

¹¹⁹ Preston City Council, How we built community wealth in Preston: Achievements and lessons, https://www.preston.gov.uk/media/1792/How-we-built-community-wealth-in-Preston/pdf/CLES_Preston_Document_WEB_AW.pdf?m=636994067328930000

A respondent involved in the Preston model indicated that a key aspect of the model was the benefit of collaborative working. This included the on boarding of the six anchor institutions, a significant enabler, as were various networking and supplier development opportunities (including simplifying paperwork to aid engagement). The model was said by the respondent to highlight the effectiveness of spend analysis as an approach, of increasing place consciousness, and the value of supporting the local economy including training provision and engagement events.

The respondent indicated that a further learning was that traditional procurement being focused on the 'middle third' (i.e., contracts) misses the impact to be gained from the pre-tender, early engagement phase and the contract management stage (issues raised through the current research). Although publicised as a model, the approach was not said to be 'lift and shift' (i.e., moving the model from one environment/location to another without stopping to redesign or modify to meet local need) but instead was described as an individual, ad hoc solution to rebuilding the local economy in Preston.

"We recognised that there was a massive value in the encouragement and on boarding of...an initiative or a project involving the six major institutions based in or heavily impacting on the economy of Preston...Trying to send that message of what is social value out to the smaller SMEs, and I think Preston did achieve...that change of mindset, the change of place consciousness among buyers and suppliers...and recognising the value of spend analysis...We recognise that procurement, it's concentrated on the middle third...what our project tried to relay is the outer thirds are arguably the most important. Pre-procurement...skipping through the competition to the contract management...is equally important." (Other public body)

Enabling the local economy

The research indicates that activity to develop the supply chain and local economy is undertaken in all nations to varying degrees. Within Scotland, there were said to be varied approaches and activity that enable local spend including collaborative working with economic development teams to support and develop local supply chains and make the most of the Quick Quote process.

Robust supplier engagement, considered by respondents to be embedded as best practice across Scotland, is characteristic of Community Wealth Building and the delivery of sustainable community benefits. An example is the Dundee First approach applied by Social Security Scotland which, for unregulated spend, looks to attract Dundee suppliers and make use of the Supported Business Framework.

"We're very, very focused on contract and supplier management and supplier development, which is good for Scotland...good for all our citizens." (Wider stakeholder)

The Community Wealth Building approach taken by North Ayrshire Council to encourage local spend includes increasing the threshold for works contracts procured through Quick Quote to the value of £2 million (with senior management support).

A few respondents perceived facilitators to local spend to include the Supplier Development Programme and the Scottish Government-funded Grow Local tool, an additional optional module within the Scottish Procurement Information Hub. This tool provides management information to organisations to help them assess the potential to increase economic activity within a local area or region. The information helps to inform initiatives to develop supply chain activity and encourage local companies to bid for an increased share of public sector spend on goods and services. It was said to constitute effective collaboration between procurement, economic development and enterprise.

A challenge raised by a few respondents was over-prioritisation of local spend detracting from best value and generating wealth in the overall economy across Scotland, including releasing economies of scale (as was highlighted in the Scotland Excel case study in Appendix 3).

“One of the things that we are keen on and have been for a while is...don't close your borders to the other council area, in terms of only buying from suppliers in your area...you need to look at it from a holistic point of view...[What] Scottish Government have done well, since we began the whole area of procurement reform, is building a good network of data and data analysis...through the Information Hub, because that enables councils and other public bodies to be able to track what was spent with whom, and on what.” (Wider stakeholder)

Some respondents highlighted the challenges involved in achieving and measuring consistent and increased local spend, with it being described as “erratic” and difficult to predict. A further reported challenge highlighted by one respondent was lack of capacity and capability within the local supplier community to deliver contracts. This supports the rationale of ongoing resource being directed to supplier development. Finally, given that sustainable procurement in Scotland encompasses economic, social and environmental outcomes, a few respondents maintained that focusing purely on local spend as the outcome is insufficient.

“We work hand in hand with our economic growth team, and every time we go to procure something, we'll say ‘are there any locals that we should be engaging with, and can we invite them if it's a quick quote’ and quite often, it's a case of...there's nobody...in that industry, or there are people, but they don't have the capacity. So that is the biggest barrier for us increasing our local spend.” (Other public body)

“It has to include fair, ethical work, not just local work.” (Other public body)

Collaboration across the UK

Some respondents spoke of the positive, collaborative relationships they shared with their counterparts across the UK, with an ethos of sharing best practice and generating mutual benefit. These respondents felt the UK nations have a shared objective of embedding sustainability “for the best reasons” although they may apply different approaches or have differing priorities.

“We're not actually racing against anyone else. We're all trying to embed sustainability...we keep handing the baton to each other, not just the people in our own lane...and if someone's fallen behind a wee bit, they're always welcome to ask.”
(Government)

Many respondents did not appear to have a wealth of knowledge of different procurement practices across the UK, other than general reflections of best practice. That being said, many spoke of the general progress being made across the UK and the devolved nations, with a few mentioning the real desire and commitment within Scotland to seek out new practice and lessons learned. This suggests a need for the current research which aims to benchmark and share best practice to increase awareness and understanding.

A key theme in terms of sharing best practice and process to reduce duplication of effort, was the need for contextualisation of setting and context. A few respondents stressed that they did not advocate for ‘lift and shift’ models but instead were keen to learn from other areas and nations and then apply that learning to their own practice.

“I never think these things are directly transferable.... What we’re developing here might be the framework, but it has to be contextualised, it’s never going to be...a one size fits all...I think it has to be more nuanced than that. I think it has to be more contextualised...but build on lessons learned...We just have to make it fit into the National Performance Framework.” (Wider stakeholder)

Chapter 4: What Good Looks Like in Terms of Sustainable Procurement

A key research objective was to gather information on current practice and examine what good looks like in relation to sustainable procurement. Respondents outlined a range of factors that equate to ‘good procurement’ and are discussed in this chapter.

Embedding and integrating sustainable procurement in the contract management process

The most common opinion of what good looks like was embedding sustainable outcomes within the procurement process and the core of the contract, making it a “golden thread” from strategy to contract to delivery. Some spoke of community benefits being embedded in practice from procurement strategy to tools and training, considering it as “business as usual”. On the other hand, many considered it a wasted opportunity that sustainable procurement was currently conceptualised as an add-on rather than a core element of practice. In almost all cases, procurement teams are involved mainly in the ‘middle third’ of contract delivery and management which involves supporting the tendering process. Although there is some level of involvement by procurement teams in the pre-tender stage, there was general consensus that earlier initiation of this involvement would generate better outcomes.

“We get involved in the procurement process at a stage where a project’s been approved...by the time it gets to us, we can influence bits of it but not the whole thing...some of it is not in our control...we don't have a team that's involved with

someone at the project approval stage...where we could maybe have a bit more impact.” (Other public body)

In fact, it was suggested by some respondents that sustainable procurement outcomes should be considered at the earliest opportunity, at needs conceptualisation and strategy creation stage in order to maximise outcomes. It was recognised that this did require additional resource. One public body had split their procurement team into a contract development team and contract management team, which they perceived to be successful.

“A golden thread throughout the entire procurement process...It's at the core of the contract...It's not your add on.” (Wider stakeholder)

“Good procurement will deliver sustainability if you consider the right things at the right time...If you're not in that project definition and planning stage, and you're brought in when they're just about to go to market, you've lost the opportunity to influence the direction of travel...Procurement doesn't start with a specification...procurement starts with when a commissioner thinks that they might need something. And that need hasn't even been articulated...We need to have an influence that far back in this.” (Government)

Linked to integration, for some respondents, sustainable procurement was procurement which represented best value.

“Sustainability should be best value...it should be releasing efficiencies.” (Other public body)

Collaboration and networking

A common opinion on what good looks like to enable continuous improvement within sustainable procurement is the extensive range of forums that exist across the public, private and third sectors. The research has highlighted that there is an ethos of enabling collaboration and engagement to drive the agenda. The actions arising from the McClelland report in the form of the Procurement Reform Programme were perceived by some respondents to have spearheaded the creation of networks and forums across Scotland, together facilitating collaborative and integrated approaches. Examples include the Procurement Capability Group, the Scottish Local Government Procurement Forum, and the Procurement Improvement Programme. Another example is the widespread engagement with approximately sixty organisations on the development of the Sustainable Procurement Tools. This commitment to engagement helps to ensure coproduction and buy-in to new activity to increase its chance of successful implementation.

“When we develop a new tool, it's not done in an ivory tower. It's done with and by the buying community.” (Government)

The establishment of virtual networks and meetings due to COVID-19 was mentioned by a few respondents as having increased accessibility and attendance at such forums.

The Community Benefit Champions network, funded by the Third Sector Division in Scottish Government and supported by the Procurement Directorate (this illustrating early and ongoing cooperation across the Scottish Government), was clearly popular among respondents. The perceived benefits of peer networks facilitating exchange and generation of solutions were thought to be significant, with it being suggested by some respondents that this network could be reinstated, or in fact, similar networks could be created.

“I happen to be a believer that people learn a lot more from talking to colleagues...I think there's a lot to be said for reinstating networks of people who can find solutions themselves.” (Wider stakeholder)

The Centres of Expertise were said to be key in facilitating such networks by a few respondents. To illustrate, the Sustainable Procurement Steering Group within NHS National Procurement encourages consistent understanding of issues faced and allows for the commissioning of solutions to progress key strategic areas (such as how to apply a consistent approach to Fair Work First). This collaboration was reported by some respondents to have driven sharing of best practice, reduced duplication via sharing of knowledge and resources so as not to ‘reinvent the wheel’, and generated cost savings. Another important source of networking mentioned by some respondents was between public bodies and suppliers, much of which is facilitated by the Supplier Development Programme.

“Community benefits and social value doesn't just happen, you need to drive it and manage it to make sure it's actually done and that's facilitated by market engagement with suppliers.” (Other public body)

“Networking is the biggest thing that has led to tangible success, and genuine collaboration.” (Government)

The extensive procurement community network within Scotland was said to have flourished due to the smaller size of the country. In fact, the effective collaborative networking across Scotland facilitated by these established networks was viewed as critical in the COVID-19 response and the fact that Scotland did not run out of PPE during the pandemic.

“An absolutely critical factor in our success with PPE was the reform programme having established a network of public procurers, right across Scotland across every single sector. So, if a local authority was running low on PPE, they not only knew that national procurement, the NHS, was able to give them some, they knew who to phone as the mobile number was already in their phone, and they actually knew the person on a personal basis.” (Government)

These networks were said to facilitate engagement (and early engagement) among procurement stakeholders, and the principle of full stakeholder engagement in the planning/strategy stage to facilitate the most integrated approach and maximum impact. A key benefit would be enhancing shared understanding, buy-in and involvement in the early phases of determining what need should be addressed and what the preferred outcomes would encompass.

“Where do we intercept the interest of the community with the interests of the council with the interests of the business community? Where do those meet?...The closer those circles become, the wider the intersection between those becomes.”
(Wider stakeholder)

“Going forward, we're going to have much more emphasis on the teams who are developing these major construction projects...At the point where they're doing the design, development and consultation with the local communities in the project Inception stages, they should be starting to develop the community benefits plan for the project at that point.” (Other public body)

Similarly, many respondents indicated that ensuring sustainable procurement outcomes are tailored to local need, facilitated by robust and comprehensive community engagement and consultation, is considered critical to driving meaningful benefit. This aligns with the place-based approach.

“It's making sure that what we're doing captures the needs and the requirements of not just the people who are receiving the service, but the wider community as a whole...it's so important to do things with people and not to people.” (Other public body)

Developing the Supply Chain

There appears to be a long history, and a demonstrated commitment in Scotland to developing the supply chain and the local economy.

“A lot of my time and focus is spent on getting the first bit right – supplier development...if you build it, they will come.” (Other public body)

A key strength of this approach is the joined up, collaborative nature of the programme facilitated by a range of resources and activity including the Supplier Journey and the Supplier Development Programme¹²⁰. The Supplier Development Programme was spoken of highly by many respondents; to date funded primarily by local authorities and the Scottish Government. This is a collaborative, proactive programme involving procurement and economic development. The programme aligns with Community Wealth Building given its aim of providing local suppliers with the knowledge, skills and preparation required to maximise contracting opportunities in their communities. This approach aims to support the supplier community to be ‘tender-ready’, and to develop their capability and expertise for embracing tender opportunities. This is achieved through the facilitation of engagement opportunities, information sessions and sharing contract pipelines and future opportunities.

“What are the skills and what's the industry capability we're going to rely on in the future to deliver all our ambitions? That's what this programme is about.”
(Government)

¹²⁰ Supplier Development Programme,
<https://www.sdpscotland.co.uk/>

“Looking at how we can be engaging with our local supply base, identifying those who maybe are currently not accessing council opportunities, and trying to help understand why they're not engaging with council tenders. So what are the barriers for them?...How can we help to build capability in the sector...and help them to improve the way that they look at public sector tenders on the whole?” (Other public body)

An example of this approach was the introduction of a specific buyer engagement team procurements in the run-up to the Commonwealth Games in Glasgow in 2014. This team undertook business engagement to help build the proportion of local businesses with the capacity and capability to tender for opportunities. It is recognised that in the current climate of ongoing resource constraints, this would be a significant programme and resource commitment, but it is an element of best practice that could be borne in mind for larger projects.

The concept of proactive development also appears to exist within the supplier community, with some larger suppliers indicating that they have initiated early engagement with the SME community to establish a network of businesses that can collaborate to deliver contracts.

“Some of the larger organisations have SME, pre-registration capabilities...the basic concept is that you go into the indigenous SME community, and you find subject matter experts...and you bring them on board, and you get them able to do business with you ahead of procurements coming out. I think that is very valuable. I think that needs to continue.” (Supplier)

Public bodies also focus on supplier development through supplier surgeries (information events for suppliers), Meet the Buyer events and Talking Tender events organised by the Supplier Development Programme. The statutory requirement for such authorities to produce and share a two-year action plan was highlighted by one respondent as an enabler to supply chain development and readiness.

“We have a two year forward plan that’s a statutory requirement...we have to gather information from the services and what they're planning to procure over the next 48 months. And that has to be published. Now, it's never going to be perfect...Any supplier can go into it and see where there's maybe going to be opportunities, and they can gear themselves up towards that. So, it helps get the market ready...it gives them that time.” (Other public body)

To facilitate early engagement and planning, a supplier suggested that further detail on the sustainable procurement requirements when advertising prior information notices would be of huge benefit. This would provide suppliers with the time to put the most effective solutions in place.

“The longer you have...to respond or prepare for a procurement, the better you can get those outcomes...when the Scottish Government put out a prior information

notice, you get to see a procurement is coming. That never talks about the sustainable element.” (Supplier)

Well-resourced, integrated and skilled team

Good practice in sustainable procurement was considered by many respondents to necessitate investment and resource in an experienced, highly skilled team with the capacity and capability to influence all stages of the procurement. Commonly, respondents spoke of public bodies having a Community Benefits/Sustainable Procurement Champion (a dedicated resource to facilitate supplier development, the tender process, and contract management to measure and demonstrate outcomes) as being a significant enabler to maximising impact from procurement outcomes. The existence of this resource did vary between public bodies. Procurement was described as a craft, necessitating a multi-skilled team.

“Procurement isn't just following a process or a procedure. You have to be intelligent; you have to understand your craft...You have to...understand the market, understand the players, and how you can make the most value through that.”
(Government)

Integration in the form of cross-team/departmental partnership working across local and regional government, public bodies and suppliers was said to be key to success. Similarly, an integrated team with a range of skills and expertise to effectively procure, manage and deliver a contract was viewed by some as best practice, given that procurement staff were experts in procurement rather than on other specific topic areas. A further benefit of integration within a public body was suggested by a few respondents as different specialisms being called upon to advise and manage different parts of the contract (such as the Employment and Training Unit within a local authority taking responsibility for the management of modern apprentices).

“People who are procurement people, are very necessary and important, because you need to do the procurement right and keep within the rules...if they don't know what they're buying, they shouldn't be buying it.” (Other public body)

Conversely, a lack of integration in terms of embedding social impact within the core of the contract, and contract management to ensure the demonstration of outcomes was thought by some respondents to bring significant challenge.

An example case study included in Appendix 3 is Renfrewshire Council where sustainable procurement outcomes are enabled by an integrated team comprising representatives from different departments. Further benefits of this integrated approach include a dedicated Community Benefits Officer, resource investment in that team, and the establishment of a Community Benefits Forum.

“It's not just procurement professionals looking at this...we've got the levers through procurement and the regulations, and the activities that procurement teams can undertake, but actually they can't deliver all of this...Procurement...is a hub of this,

but all the spokes need to come off and bring in other colleagues as instruments to drive that to other parts of the organisation.” (Other public body)

Provision of support and training enabling consistency

In the view of some respondents, a key characteristic of the Scottish Government approach is to support the effective delivery and implementation of sustainable procurement (enabled by the Act) by means of practical support, frameworks and sharing of information and best practice. Crucially, some respondents highlighted the production and refinement of the Sustainable Procurement Tools and increasing transparency enabled via the Procurement Journey and Supplier Journey website.

“The transparency of the Procurement Journey and the tools that go along with it has been a major success and sets us apart from the UK.” (Government)

Some respondents spoke of the procurement team within the Scottish Government prioritising and enabling cross fertilisation of ideas, concepts and methods.

“We've got all the support we need from government colleagues. We're really fortunate and have a great relationship...I think anything we asked for them to help us with regionally they're absolutely there. They're really good...constant engagement at our groups.” (Other public body)

Ongoing training was perceived by many respondents as critical to embed and refresh ideas and contextualise new developments. Perhaps the most important aspect of the training highlighted by some was to continue to translate, interpret and simplify the procurement tools and the requirements of the Act. A key aim suggested by some respondents was to provide updates and ongoing communication to ensure consistency of practice at both a regional and local level.

“The key to getting people motivated is giving them the skills that they need to feel confident.” (Other public body)

“Not all organisations are equal in terms of their skill set, in terms of their systems...So having really clear tools, having training that's managed and refreshed on a regular basis...And for people to understand what it is they're asked to do and whether it's a nice to have or whether it's a mandatory requirement.” (Government)

Some respondents suggested that the provision of a more defined interpretation of the Act via training would be of benefit to public bodies. Respondents did, however, acknowledge that the guidance was less defined to allow for flexibility, nuance and the ability to tailor to local needs. This echoes a common theme within the research which is the balance between less defined guidance and structures to allow for nuance, with a desire among some respondents for greater direction, frameworks and specific guidelines on implementation. This again indicates a need for further support and training in this area, echoing back to the McClelland report recommendations on annual training for procurement professionals.

“I think sometimes the Scottish Government are quite vague with our guidance and I know why we do that because it allows people to develop their own, but in the absence of that people make it up...So I think there's something about helping people interpret what it actually means.” (Government)

Monetisation of social impact

Linked to the concept of evaluating the impact of community benefits, was allocating monetary value to the impact of the benefit. Respondents spoke at length about the Scottish Government approach of non-monetisation, a view which was generally supported and viewed as best practice. Some maintained that it was incredibly difficult to allocate a monetary value to the potentially wide-ranging social impact associated with an action delivered through a contract. Instead, many respondents spoke of focusing on more qualitative outcomes and the often, intangible benefits delivered to an individual, family or community by providing opportunities. Monetisation was thought by many to drive the wrong outcomes by assuming that monetary value equated impact. This was described as a crude measure that attempted to “make order into something that’s really quite complicated”. It was felt by some respondents that the far-reaching complexity and nuance of community or social benefits were said to be impossible to capture by means of a calculated figure.

That being said, some respondents did acknowledge that attributing a monetary value offered a more simplistic, standardised solution that many would find helpful, despite being an arbitrary rather than valuable solution. Despite broad agreement that monetisation was ineffective, many respondents expressed a desire to work towards a solution for how such benefits could be conceptualised or monitored in the longer term to demonstrate clearly articulated outcomes. One suggestion was to have more of a hybrid approach where an element of monetisation was considered (when appropriate) alongside more qualitative outcomes. Given the complex nature of this solution, a few respondents offered other solutions such as a longer-term strategy or project on demonstrating impact, or advanced training for the supplier community on how to demonstrate the “nuance” of community and social benefits.

“Buyers are very comfortable with numbers in a spreadsheet...but when it comes to community benefits...as soon as you introduce something that just monetises, you remove all the nuance, you remove all the local thinking about...what's important for our community?...What we're trying to get at here is much more complicated than a number in a spreadsheet. So it comes down to are we able to give our buyers the correct training and the correct support for them to think about the nuance?...If we're not doing it enough...we need to know that. We need to put more resources into that.” (Government)

High-level commitment to continuous improvement

Many respondents within Scotland perceived high-level leadership buy-in, and commitment to and belief in investment in the sustainable procurement agenda within Scottish Government, public bodies and suppliers to have been a key enabler.

“Elected members have become a key to that...so having that buy in at that level is so important.” (Wider stakeholder)

Ministerial objectives and priorities (including Climate Change, Fair Work and Equality practices) were considered by some respondents as pivotal in driving activity and improvement. This links to the common research theme that sustainable procurement is perceived as an effective enabler to achieving holistic outcomes, and to making a tangible difference to the lives of people in communities across Scotland.

“I think very early on, we had real good ministerial support...I think that visible leadership was really, really important.” (Government)

Linked to this is the ongoing development of sustainable procurement in response to stakeholder needs, facilitated by a continuing process of engagement. This has resulted in investment in system development to e.g., track local spend across Scotland, and has been evidenced by how learning from key initiatives or pilot schemes has shaped the development of public programmes, building on best practice and lessons learned.

This commitment has also been demonstrated by the commissioned independent research and reviews that measure the impact and progress of community benefits and the Sustainable Procurement Duty. It has also been demonstrated through the publication and sharing of case studies. This activity aims to build on best practice and share key areas of success to drive improvement.

“The whole programme that ran in 2020, the independent review is because we really know there's more we can do...we are on this journey of continuous improvement...we're not complacent. And we are continuing to evolve.” (Government)

Use of the Sustainable Procurement Tools

The tools have been available for many years, with the online platform being launched in 2020. Although the tools website is primarily aimed at the public sector to help embed sustainable procurement into all parts of their procurement process, there are a range of users from different disciplines including the majority of public sector bodies, private sector companies, and individuals (including students) from across Scotland, the UK and beyond.

Overall, respondents spoke of the procurement tools very favourably (particularly the Sustainability Test and Prioritisation Tool, with the Flexible Framework to a lesser extent). Some respondents had been making effective use of the tools for some time, and in fact, one organisation had mandated the use of the Sustainability Test. Others had further embedded the tools within procurement including the contract management phase, which was said to increase accountability to report on progress.

“The tools are fantastic...We have been using the Sustainability Test for a long time very successfully...we're actually using it much better now than we ever have...The prioritisation is really useful for us as well, because it helps us to decide at what level we can be really influencing with our own strategy.” (Other public body)

A suggested improvement for maximising effectiveness of the tools was a best practice library of worked examples on the website to enable organisations to develop further expertise. A further suggestion was including guidance regarding Fair Work First. Despite the success of the tools, some respondents did reiterate the ongoing recognised challenges involved with achieving effective engagement and use of the tools and ensuring tangible outcomes, given the range of indicators to be considered. As such, it would appear to be beneficial to continue an ongoing training and support programme on effective use of the tools.

“Best practice examples...a library, that's online...I still think that there's probably expertise that's missing, people are probably reluctant to put their sustainability tests on there because they probably know that they're a bit light in terms of information...so having some examples would be really good.” (Other public body)

“Getting people to use the tools, getting people to understand that they have to put considerable effort in to get a good output...There are 23 or 24 indicators that people are expected to consider in every contract which can be daunting...and people are not experts on every topic so it's overwhelming.” (Government)

Defining the scope of sustainable procurement requirements within a contract

Current practice varies in terms of how public bodies outline their requirements for community benefits/social impact requirements within a tender, although enabling benefits that are relevant and proportionate is a common thread and considered best practice. Some public bodies include their priorities for community benefit as a condition of contract and specifically outline what is to be delivered (e.g., number of work experience placements) to increase transparency, and ensure tenderers are clear on what benefits are required.

Some public bodies have introduced a points-based menu system for community benefits with the contract value linked to the level of deliverables. This was felt to aid transparency and accountability. It also ensured a spread of community benefits across a range of varied areas including employability, ensuring SME, third sector and supported businesses involvement, and community and educational projects.

“We have almost set up a menu of what we're looking for...we're not necessarily saying you as a contractor have to provide this...we're saying, here's what we're looking for, do you think you can deliver? Or what bits do you think you can deliver?...It's just a bit more specific and a bit more targeted.” (Other public body)

Some public bodies, whilst acknowledging the wide scope of community benefits, have prioritised employability and training as a key, local need. In some cases, this has translated to a points-based system outlining a requirement for a certain proportion of community benefits to be employability focused.

Assessment processes and requirements

Within the general ethos of accountability, transparency and continuous improvement, the introduction of the Procurement Capability Assessments (PCA) was viewed by some respondents as a significant enabler to measuring and demonstrating impact and progress.

PCAs were replaced by the Procurement and Commercial Improvement Programme (PCIP) in 2015 with the most recent iteration including a section specifically related to sustainable procurement. This programme was thought by some respondents to be introduced to raise the bar in terms of measuring performance and driving behaviour change and improvement.

“What it was saying is that...you've all done really well on your PCA, and that's brought you all up to this level. What do we need to then do...take you up to the next level?” (Other public body)

Respondents had conflicted views of PCAs (now PCIPs) in terms of the positive outcomes derived from having a transparent assessment process in place, balanced against the resource required to deliver the assessment. Despite resource issues, the PCIPs were described by some as an enabler to driving improvement.

“It's massively labour intensive....you're obviously always wanting to be as close to the top of the level as you can be... it's something that motivates us to keep going with the good practice because you know that you're getting assessed every two years...So it's quite a strong driver to keep going in the right direction...it's actually the amount of work that goes into it that people struggle with when they're really, really resource strapped but the principles behind it are sound.” (Other public body)

Reporting processes and requirements

Many respondents spoke of the importance of monitoring, demonstrating and publicising sustainable procurement outcomes, with the annual reports providing a clear opportunity and format to drive improvement and behaviour change and increase transparency and share best practice. In some cases, respondents spoke of such reports being shared with elected members which helped to drive improvement and focus, and put simply “what gets measured, gets done”.

“The annual reports are incredible. They really push public bodies to deliver and demonstrate. Because every single year, they've got to publish their success against the strategy that they also have to publish.” (Government)

The reports were viewed by some respondents as an effective vehicle for demonstrating transparency and accountability of outcomes, raising the strategic profile of sustainable procurement and fundamentally, driving improvement.

“Inevitably...one local authority is going to compare itself with its neighbour. I think it introduces a...competitive nature... But it's also raising the profile of procurement as our strategic delivery tool...So I think it's improving things across the piece.” (Government)

Despite there being extensive guidance and a template available to produce these reports, some respondents indicated a need for a standardised template to aid completion and allow for easier comparison across the reports. This indicates a potential lack of awareness of the guidance that currently exists, or that refinement may be required to create guidance and a template that are more user-friendly and effective.

“You really need to have prescriptive headings that people fill in. Otherwise, they'll make it up themselves what they think should be in it...and that makes it almost impossible to compare.” (Government)

Alignment with National Outcomes

It was suggested by a few respondents that what good looks like in terms of outcomes, are those outlined in the National Performance Framework (NPF). The NPF enables consideration of what is good for businesses and employees, places and communities, and individuals. With this comes a requirement to demonstrate the economic, social and environmental contribution of procurement.

Given the apparent lack of true understanding of the NPF and its application among respondents, there is an opportunity to increase awareness and understanding of the NPF, specifically as it is the overarching framework against which to align progress and outcomes. There were some suggestions that the NPF should be elevated within procurement to a greater extent, to ensure greater alignment of outcomes and demonstration of success linked to the framework. A further suggestion was introducing a NPF champion within each public body with a remit of aligning procurement to the NPF.

“What good looks like is already set out in the National Performance Framework...[which] was developed...with input not just from public authorities...but from the citizens of Scotland...What we're doing in procurement is aligned to that National Performance Framework.” (Government)

Linked to this issue was better promotion of the sustainable procurement agenda in Scotland. Some respondents felt that as such outcomes are embedded within process and thinking within Scotland, the Scottish Model of Procurement is not particularly publicised or celebrated to any great extent, thus comprising a missed opportunity in terms of sharing best practice and success.

“It's so, so ingrained, it's so normal, that actually we forget to talk about it even publicly, and we forget to really highlight it...We don't do news releases about it, we don't get the coverage, which means it doesn't have the same political traction...we're doing it so unthinkingly...and it's just the norm.” (Government)

Future proofing of outcomes

Linked to sustainability, it was proposed that procurement outcomes should have longer-term benefits as opposed to those which are very much short-term so as to achieve maximum value and impact in the longer term. This suggestion linked to the concept of good procurement, that if the most effective processes are followed including defining local need, then outcomes should be valuable in the longer term. The concept of legacy was also mentioned, with a public body considering legacy in terms of which benefits should be provided. Taking this a step further, it could be that legacy is one element used to better scope and define the type of preferred benefits outlined in a tender document.

“All the decisions that we make have to withstand and be future-proofed...Good, sustainable procurement has to stand up to the test of time.” (Wider stakeholder)

“We have a consideration of legacy...as a random example...a one-off food bank donation...we would count that as community benefits and it's obviously a very good thing for our contractors to be doing. But actually, comparatively, if...they installed a playground in the local primary school, or if they donated some of their spare topsoil to a local community gardening project, it means the community actually has a facility that is there for a long time after the project has gone, as opposed to just a one-off thing that we hand over and then leave behind.” (Other public body)

A further point raised was that sustainable procurement should involve effective delivery of the service/contract that has been delivered, to enable a sustainable economy. It was suggested that the public sector had a role to play in supporting private industry to deliver sustainably and effectively.

“Sustainable procurement can also be looking at the whole life operation of the asset...we need to be doing something for industry as well as getting the best from industry...We see a sustainable industry as a key goal alongside delivering the right thing and delivering it well.” (Other public body)

Chapter 5: Barriers and Challenges to Achieving Sustainable Procurement Outcomes

Given the complexity and multi-layered nature of sustainable procurement, it is perhaps unsurprising that respondents highlighted a range of barriers and challenges to both the process and achieving outcomes, alongside some suggested solutions, which are outlined in this chapter.

Lack of consistency

There appears to be a delicate balance to be achieved between enabling flexibility and tailoring of approaches across public bodies, including integrated, consistent approaches that reduce duplication of effort. This was raised by many respondents in relation to a range of issues including tender evaluation, monitoring performance and impact, training, and establishing processes. Some respondents expressed a desire for a national approach to sustainable procurement, which could be incompatible with the ambition for public procurement to integrate place-based considerations. The scale of the challenge was recognised by many respondents who highlighted the complexity of the structures and range of organisations involved in delivering sustainable procurement outcomes. Suppliers suggested that greater consistency might allow for maximising opportunities, given that practice varied widely among public bodies, with it being suggested that some were unclear what to ask for.

“One of your largest challenges...is that the public sector in Scotland is not a single organisation...it's made up of lots of individual, independent legal entities. And sometimes that makes it really difficult to be consistent across the piece.” (Other public body)

This indicates a need for increasing awareness of the importance of nuance and of individualised approaches to meet local need while simultaneously considering whether there are opportunities for the introduction of consistent/national approaches in particular areas.

Difficulties monitoring, measuring and evaluating tenders

A significant commonly experienced challenge was the process of managing, monitoring measuring and evaluating community benefits. While recognising the nuance and the need to tailor approaches to local need, many respondents did recommend some level of consistency and guidance in how benefits should be evaluated.

Monitoring benefits

A clear research finding is the challenge involved in ensuring sustainable procurement outcomes are properly considered and delivered via the contract management process. This is partly associated with procurement departments generally having less involvement in this stage, with another department assuming responsibility once the contract is awarded. The level of resource and expertise required to monitor the delivery and impact of such benefits appeared to be a particular challenge, given the wide-ranging, holistic definition of social impact.

To address this, a common suggestion was for better resourcing of procurement teams so that they have the capacity to be involved in the entire procurement (i.e., from project inception, through to tendering contract award and contract management). It was felt that this would yield consistency and generate demonstrable outcomes. A related recommendation would be ensuring a whole organisation approach to procurement to enable integration and pooled resources to ensure that procurement plays a role in delivering the wider local and national priorities. Good practice examples of this include local authority employability teams undertaking contract management for training and recruitment community benefit requirements.

“What is difficult around all of this is the contract monitoring...Because procurement is the facilitator, we can put things into the tenders and the contracts but when it comes to the actual monitoring, who is responsible? Because the services themselves will just say I want to get the service delivered.” (Other public body)

Measuring benefits

The ‘soft’ nature of social and community benefits was said by some respondents to lead to subsequent difficulties in measuring and tracking impact. A further challenge was the reported lack of awareness and understanding in the perception of some respondents, of the definition of social impact within Scotland leading to underreporting. As a result, some organisations preferred monitoring numbers as a measure of impact, rather than capturing more qualitative outcomes. However, as mentioned previously in relation to monetisation, some respondents maintained that quantifying training and employment benefits such as number of apprentices or training places offered fails to capture the true impact of what an apprenticeship can mean to an individual or a family. Again, echoing a common research theme, while acknowledging the need for flexibility and tailoring of benefits to local need, many public bodies did express a preference for some level of consistency. This consistency,

facilitated by training and guidance, would involve defining the process for identifying benefits that would offer maximum impact. This was particularly the case for the 'softer benefits' (i.e., those benefits less amenable to rigid quantitative evaluation).

"We're probably under reporting what we're doing because of the difficulty in getting people to interpret what we are defining as a community benefit, and then reporting it back to us...I think that's probably one of our key challenges." (Other public body)

Evaluating tenders

An area that caused concern for public body buyers was the procedure for scoring the quality and effectiveness of proposed benefits within a tender document. Specifically, some respondents had a lack of confidence in interpreting and measuring how these benefits better aligned with community need in one tender versus another. This led to concerns about how to score objectively, without being discriminatory. It was commonly suggested that training and guidance in this area would be beneficial, as would guidance or standardised methodology on measuring the proposed impact of particular tenders.

"A lot of training is still required for procurement staff on how we evaluate, and the methodology about how we compare apples with apples because...I always think it's a grey area...It's obviously got to be proportionate and relevant...If there was some help on how we score them, that would help buyers." (Government)

It was suggested that public bodies had to be more strategic and specific in how they outlined their social impact requirements from the contract. There was a concern by a few respondents that public bodies relied on the social impact deliverables from a contract to deliver on their strategic responsibilities but sometimes failed to explain fully the outcomes they want to see.

"There needs to be a strategic intent from the commissioning organisation as to what they want to achieve from leveraging their investment...I don't see enough of those objectives coming through in their requirement of the brief for a project." (Other public body)

Lack of resource and capability

A commonly experienced barrier to delivering sustainable procurement outcomes was a lack of procurement-related resource and capability within an organisation, an issue that has been exacerbated by austerity. This was thought to be the case across the board, with public bodies operating without Corporate Procurement Managers and SMEs lacking the capacity to consider and deliver social benefit.

Resourcing of procurement departments and in particular, the lack of resource for Community Benefit Officers was said by many to create a particular challenge. This role was described as a huge enabler that provided a clear focus and commitment to ensuring delivery of benefits through effective contract management. The perceived increased workload involved with managing the full range of sustainable outcomes was an associated challenge highlighted by some respondents.

“That has been a real erosion. Some of the councils that were maybe furthest ahead have lost their dedicated person. And partly, that's because it's been embedded. But usually, it's been because an individual [has] moved on, and then the post has either not been filled or been filled differently.” (Other public body)

“The demands upon us every year, appear to be greater, and it takes us longer to do a good job and get the outcomes Scottish Government's wanting and our own organisation's wanting. We don't have enough time and we don't have enough resource.” (Other public body)

Again, linked to resource, a few respondents highlighted other challenges including smaller procurement departments having more limited opportunities to maximise the impact of the procurement tools and available training. It was noted that another impact of the “shrinking of organisations” being the lack of space and time required for cross-organisational, strategic working that enables greater impact.

“Austerity...things that are central, like procurement tend not to be well resourced. So, some of the ability to collaborate, even within a council across common areas of activity are diminished, because there's insufficient resources to really strategically plan.” (Wider stakeholder)

To summarise, there are significant concerns that resource restraints will impact the quality of both the procurement process and associated outcomes. One suggestion was increasing efficiency of resources through increased integration of process and strategy.

“If we're to deliver this...properly, we need more resource, or we need to use the resource that we've got more efficiently and effectively.” (Other public body)

Recruitment difficulties

A significant challenge within local authorities is the recruitment of public procurement professionals. Some respondents reported long-standing open vacancies in their organisations leading to significant resource and skills gaps.

“Like every other local authority in Scotland, we can't recruit.” (Other public body)

Despite the Scottish Government strategy for addressing this issue through their Procurement People of Tomorrow programme, some felt that significant challenges were said to still exist in this area. One suggestion was to extend the programme and employ a coordinated approach across a range of bodies and organisations in Scotland. The consistent approach and guidance to sustainable procurement in Scotland was thought by some to make working across different organisations easier.

“We need to be bringing new people into the profession and a coordinated response on that would be very helpful so that someone [comes] into the NHS...then get some time in a local authority, come into central government, spend some time in a university and really get to understand the full gambit of public procurement in Scotland.” (Government)

Competing and changing priorities

A key perceived strength amongst almost all respondents of the sustainable procurement agenda in Scotland is the holistic definition encompassing economic, social and environmental aspects. This did however bring challenge in the view of some respondents, in terms of managing competing and evolving priorities, and multiple targets meaning resource is finely spread.

“It's great that it [procurement] goes into other areas...I think it's exactly what we should be doing...and it's really resulted in change. But it's also just more and more requirements...more and more reporting...it increases the ask to your contractors as well.” (Other public body)

As community benefits had long been on the agenda and are embedded within procurement, in the view of some respondents, this had resulted in less focus and resource being directed towards this area (including the removal of the Community Benefits Champions Network) with concerns that outcomes may diminish as a result.

“We are...taking our eye off the ball with community benefits. There may be a belief that the social stuff is done, and everyone knows what they are doing with it so now we will move on to the next thing...I think that the danger is that you see a bit of an erosion of that...it's almost as if the focus has shifted...it maybe has weakened some of the impact.” (Other public body)

Difficulties measuring environmental impact

Linked to the challenge of competing priorities was measuring environmental impact. Although the current research scope did not include environmental outcomes, this was highlighted as a significant upcoming challenge by some respondents, specifically in terms of measuring carbon emissions and monitoring outcomes through the contract management process. Those who mentioned this issue suggested it to be essential that the Scottish Government provide guidance and support in this area.

“This is where I feel...that procurement is creaking...it's maybe just one ask too many, probably linked to the point that we don't really understand climate and carbon...I think on top of COVID, and cuts, and all the other pressures that procurement people will say they're under and we know they are, then climate is maybe in danger of looking like the straw that's going to break the camel's back. And that's why public bodies and...local authorities in particular are going to need a lot of help with this.” (Wider stakeholder)

A few respondents suggested that closer partnership working between public bodies and suppliers should be encouraged to find a solution, echoing a common theme in the research of innovation and agility being important enablers for the delivery of social impact and community benefits.

“On the innovation front, setting ourselves big challenges...but recognising that the solution is going to be delivered by the marketplace, and having a conversation with that marketplace about what can be done, what the future can look like if they

deploy their resources and their expertise...Public procurement can't do this without the market...they have the innovation, they have the expertise, they have the technology...There are a lot of smart people out there who could do a lot more than we're asking them to do, because we just haven't articulated the ask in the way that we should be." (Wider stakeholder)

Chapter 6: Discussion and Recommendations

The current research sought to examine sustainable procurement across the UK, to identify the journey across the UK nations, establish what good looks like, identify best practice and lessons learned, and provide recommendations for the future of sustainable procurement.

A clear research finding is the success of Scotland's journey of achieving sustainable procurement outcomes, driven by a strong passion and commitment across all sectors. The Scottish Government, enabled by ministerial support, have directed much effort and resource to continually improve practice and outcomes. This has included reviews of practice, consultation with key stakeholders, and ongoing engagement within the sector. The ethos is one of collaboration and support, driven by an authentic desire to learn and do better, which has been central to the success of the journey of achieving sustainable procurement outcomes. Established networks were viewed as a critical success factor that enabled sharing of practice, reduced duplication of effort, and provided an opportunity to bring the different sectors involved in procurement together to maximise outcomes. It is also recognised that as Scotland is a smaller country, there is greater opportunity for key stakeholders within Scotland to come together and share ambitions and outcomes.

A key characteristic of sustainable procurement in Scotland is its holistic definition encompassing economic, social, and environmental outcomes that enable inclusive growth and a fair, ethical society. This over-arching definition was viewed to be fundamental to sustainable procurement in Scotland, rather than an over-reliance on economic benefit. The National Performance Framework provides a clear set of outcomes to aspire to, and to which all local priorities can be aligned. These were viewed as key enablers for sustainable procurement in Scotland that aligned with place consciousness and ensuring approaches are targeted to local need.

This holistic definition and the range of benefits to be considered is reflected in Scotland's approach of non-monetisation of community benefits. This approach recognises that the qualitative, far-reaching outcomes to be gained from community benefits cannot be neatly reduced to a figure. This approach is welcomed, as it allows for the full scope and nuance of benefits to be considered. Nevertheless, there were continuing reported challenges in the evaluation of contracts and the demonstration of outcomes that indicate a need for further activity in this area.

A key enabler for the Scottish Model of Procurement was the introduction of the Procurement Reform (Scotland) Act 2014, described as a powerful piece of legislation that enables community benefits and social impact to be core to sustainable procurement. This was seen to set Scotland apart in terms of driving improved practice and behaviour. The Act

has also been significant in terms of encouraging transparency, accountability and sharing of best practice, through the requirement for public bodies to publish their strategies and annual procurement reports.

The research indicated that Scotland has a long and effective history of supplier engagement and development, driven by a desire to support the local economy and maximise outcomes. This is evidenced by the Sustainable Procurement Tools, the ongoing provision of training and support, the Supplier Development Programme, and the Procurement Journey and Supplier Journey websites. Together, these create a strong framework and support for those delivering sustainable procurement outcomes. Across the other UK nations, this level of support being available to suppliers was hailed as best practice and an achievement to aspire to. This is a critical area to continue to deliver and develop, given the ever-evolving nature of procurement considerations (including the strengthened focus on measuring environmental impact).

The journey across the other UK nations has also moved forward significantly. There does not appear to have been as coordinated and consistent or prolonged a response as in Scotland. Scotland has greatly benefited from a top-level commitment and effective networks and collaboration enabling an integrated and strategic approach, which has not always been the case in the other UK nations. There is also variation in how sustainable procurement has been defined, and the emphasis placed on the triad of economic, social and environmental benefits. There have been successes including the Well-being of Future Generations (Wales) Act whose implementation is supported by a commissioner, and the recent traction in England surrounding the Social Value Act including increased responsibilities among government departments.

An interesting area of the current research was consideration of the 'Preston Model' and how this has grown to be considered as Community Wealth Building. This concept has gained interest and traction, which is a positive in giving more prominence and attention to the sustainable procurement agenda. It also demonstrates the power of translating a complex ethos and commitment into a digestible model. The elements of the model are valuable to sustainable procurement outcomes and are already heavily embedded in the Scottish model of sustainable procurement. Such elements include a focused effort on strengthening the local economy through engagement and support of local suppliers, using spend analysis to drive activity and monitor progress, collaboration, and extending the scope of procurement to encompass strategic planning to effective contract management. It highlights the value of effectively sharing and communicating the core elements and benefits of procurement within a tangible model. This concept is reflected in the recommendations arising from the current research.

More recently, the UK Procurement Bill offers an opportunity to strengthen sustainable procurement within England in particular. There are various strands of the policy that will enable a coordinated approach leading to sustainable outcomes, although these activities are already successfully embedded within Scottish practice and enabled via current Scottish legislation. There is, however, a desire and commitment within Scotland to continually review and monitor the progress and implementation of the Procurement Bill to determine if Scotland could learn from any of its proposals and achievements.

At the heart of Scotland's journey of achieving sustainable procurement outcomes is an ethos of continuous improvement and addressing the barriers that exist to achieving outcomes. There were a range of challenges identified through the research that were said to add challenge and complexity to achieving integrated, sustainable outcomes. A significant barrier which is in fact reflective of the current economic climate is resource constraints (exacerbated by austerity), and the loss of Community Benefits Officers. A related issue was a perceived lack of procurement professionals, an issue the Scottish Government is attempting to address through their Procurement People of Tomorrow programme.

The holistic definition of procurement, and the balance between enabling tailored solutions and activity aligned with local priorities and ensuring consistency of practice was also highlighted. The extent to which public bodies should specify particular types of social impact within their contracts also generated a difference in opinion. These issues led to reported challenges in terms of awareness, knowledge and expertise on the most effective ways of evaluating tenders and measuring, monitoring and demonstrating outcomes. The principle of non-monetisation of outcomes was generally supported, but there is a need to further explore this area to provide public bodies with guidance, support and training on how to measure and evaluate the nuance of the holistic nature of the benefits arising from social outcomes.

The most common definition of what good procurement looks like was integration of sustainable procurement within the entire contracting journey. Beginning with strategy development and needs conceptualisation, to tender development, contract award and management. Procurement being the "golden thread" rather than an afterthought was seen to result in the most beneficial, sustainable outcomes.

To conclude, Scotland is regarded by most respondents as a leader in the field of sustainable procurement which is due to the ongoing commitment and dedication amongst the Scottish Government and key stakeholders to continue raising standards and maximising outcomes. Given the success of Scotland's journey of achieving sustainable procurement outcomes and the benefits to be gained by raising the profile of the Scottish Model of Procurement, it is strongly recommended that the model is subject to a strategic marketing and communications plan to raise its profile. The model could be considered as a case study in itself which has never been given the prominence it deserves in terms of its potential impact of sharing and influencing practice.

Recommendations

The recommendations from the research are outlined below, linked to key stakeholder group.

Scottish Government

- Resource is directed towards activity to market The Scottish Model of Sustainable Procurement, to share best practice and increase awareness of Scotland's role as a leader in this space.

Suggestions include:

- Translating the model to contain a vision, purpose, goals and objectives.

- Creating a brand and identity for the model that is translatable to a range of audiences.
 - Investing in a communications strategy to share the results of the model widely.
 - Undertaking a promotional campaign for the model across the UK to both procurement professionals and those working outside the sector.
- Work is undertaken to promote the National Performance Framework across the Scottish public sector. This includes increasing understanding and awareness of how outcomes can be aligned to this framework.
 - A specific engagement exercise is undertaken with public bodies to further explore the challenges faced in evaluating tenders and the benefit of particular social impact proposals.
 - Future consideration is given to the most effective ways that public bodies can evaluate social impact and demonstrate outcomes so that guidance can be provided to public bodies within tender documents, including further explaining the stance and rationale behind the preference for non-monetisation.
 - Work is undertaken to continue to address the lack of procurement professionals within the sector, including a consultation exercise with public bodies to help refine the Procurement People of Tomorrow programme.
 - The ongoing programme of training and support provided to public bodies continues, to further enable and reinforce effective use of the Sustainable Procurement Tools, and increase awareness, understanding and confidence in achieving sustainable outcomes. Echoing the McClelland report, annual training for procurement professionals is recommended.
 - Consideration is given to establishing a Sustainable Procurement Champions Network to allow for valued networking opportunities.
 - Work is undertaken to promote the guidance and templates available to support completion of the annual procurement reports, given the apparent lack of awareness of the existing tools and the request for an annual reporting template to be shared.
 - An ongoing review of the Procurement Bill is undertaken to ensure there is no key learning that is of benefit.
 - Further consideration is given to the Future Generations Act in Wales, to assess any transferable learning including the role of a commissioner to act as a “guardian” for the Scottish Model of Sustainable Procurement.
 - A best practice library of worked examples of the tools are included on the Sustainable Procurement Tools platform.

Public bodies

- Consideration is given to further embedding procurement in all stages of the journey and establishing mechanisms for procurement to be involved at the earliest possible stage when needs and strategies are being established to maximise outcomes.
- Further integration is undertaken within public bodies, and consideration is given to Sustainable Procurement Forums as a means of ensuring a multi-stakeholder approach to measuring procurement outcomes.
- An engagement/consultation exercise is undertaken with the supplier community, to enable the benefits that can be reaped from innovative approaches and the specific expertise that the market can bring to maximising sustainable procurement outcomes.
- Consideration is given to the introduction of a NPF Champion within each public body with a remit of aligning procurement to the NPF.

All stakeholders

- Continual efforts are made to engage with fellow stakeholders across the UK to share best practice and key learning, and to review any emerging practice, policy or legislation of note.
- Better resourcing of procurement teams is considered to increase their capacity for involvement in all stages of procurement to yield consistency and generate demonstrable outcomes.
- A whole organisation approach to procurement is applied to enable integration and pulled resources to ensure that procurement plays a role in delivering the wider local and national priorities.

Appendix 1: Topic Guide

- Confirm happy with information sheet
- Confirm happy to sign consent from
- Check no other questions

Introduction

- Details of role, length of time in the organisation, main duties etc
- Their role in the procurement process/journey (PROBE FOR DETAILS AND REFINE INTERVIEW ACCORDINGLY)

History of procurement

- Could we begin by discussing your understanding of the evolving role of procurement, and specifically, sustainable procurement leading to social impact within Scotland? And in the UK in general?
- What have been your experiences in this area? (Probe for differences if have worked for more than one contracting authority)
- What have been the key learnings/solutions?
- What have been the key facets to moving this work forward e.g., policy/legislation/embedding/promotion/sharing of results/buy in at senior level?
- What have been the main barriers?
 - what solutions have been put in place to overcome these barriers?
 - which ones still exist?

Current procurement practice

- How would you rate the effectiveness of the current processes in place in procurement policy and legislation with respect to facilitating and driving wider economic, social and environmental benefits? PROBE
 - accessibility
 - threshold
 - frameworks
 - outcomes focused approach rather than monetary value
 - support provided via e.g., Procurement Journey and Supplier Journey, SPPNs, Climate and Procurement Forum etc.
- What your opinions of the associated tools and guidance?
- What resources/practices have been enablers?
- How would you rate the support provided to SMEs and third sector organisation to be procurement ready? (Supplier Development Programme, Partnership for Procurement)

To what extent do you agree that

- sustainable procurement outcomes are being integrated?
- sustainable procurement outcomes are achieving significant positive impacts in Scotland?
- Why do you say that?

And are you aware of how this information is recorded, shared, promoted?

What good looks like?

- In your opinion, what does good look like in terms of sustainable procurement leading to social impact?
- Do you have any feedback/evidence on the long-term impact of procurement in terms of sustainable outcomes?
- What are the key factors that would define this?

Do you have any instances of best practice that you think should be shared? In relation to

- social impact/community benefits/developing the supply chain
- other sustainable procurements outcomes
- Fair Work practices
- innovative ways of engaging with communities to set local, as well as meet national priorities
- considering equality and the impact on particular target/vulnerable groups
- social impact being at the centre of the organisation's approach to procurement
- social impact/community benefit and procurement being embedded in BAU activity within contractors (including roles created to support this)
- collaboration leading to maximised outcomes – early engagement
- how benefits relate to National Performance Framework
- procurement of sub-contractors
- contract management

And what are the key learning/themes that we should pull from this?

What are the best ways to promote/share this information so it can be implemented?

How can we be innovative in this approach?

Barriers

What barriers exist? PROBE

- buy in, negative perceptions
- size of organisation – fair competition
- measuring impact, additionality and sustainability
 - resources, cost and capability within organisation
 - detailing who has ownership for this once the contract ends
 - lack of evidence base of long-term outcomes
 - need for systematic monitoring
 - awareness of how social impact/community benefit relate to procurement
 - wide scope of what constitutes social impact and sustainability, consistent measures to indicate this
 - balancing local and national priorities
 - lack of clarity on definitions
 - perception that community benefit mainly relates to construction (generally short-term contracts so how does this link to sustainability?)
 - targeting of specific disadvantaged groups
 - accountability in delivery of outcomes

Learning from the UK

**refine depending on individual's role/awareness/understanding of UK policy and practice and repeat above questions accordingly

- What is your understanding/awareness of how procurement works in other parts of the UK?
What could we learn from this practice/these areas?
- And what should the UK learn from what Scotland is doing?

Do you have any other comments in relation to sustainable procurement that we have not covered?

Appendix 2: Case Studies from the Qualitative Research

Scottish Government – Effective Supplier Relationship Management to sustainable outcomes from the Warmer Homes Scotland scheme (2015)

Situation

Warmer Homes Scotland (WHS) is the Scottish Government's national fuel poverty scheme designed to reduce the number of Scottish households living in fuel poverty. The contract, valued at £224 million, was awarded to Warmworks Scotland LLP in 2015 for 5 years with the option to extend for a maximum of 2 years.

Task

The task was effective management of the entire contract process from tender to delivery, which ensured maximum sustainable procurement outcomes.

Actions

Scottish Government Procurement were involved in the supplier relationship management of this contract from the outset, using lessons learned and building on the 'gold standard' WHS model.

Members of the contractor's team were invited to sit on both the operations and strategic board as part of the supplier relationship management dual governance approach to create a strong partnership approach where the contractor feels empowered and at the centre of decision making.

The project applied an innovative approach to managing key performance indicators (KPIs) which were monitored monthly and broken down by each region. The KPIs were linked to the contractor's payment, meaning when the contractor failed to achieve the required KPI score per region, a pre-set deduction was made which was reinvested directly into WHS, allowing the Scottish Government to support additional Scottish households living in fuel poverty.

To achieve additional ethical outcomes, the Scottish Government opened negotiations with Warmworks concerning a possible two-year contract extension. During negotiations, the Scottish Government outlined the requirement to build on the existing excellent reputation of the scheme with ethics, the environment, customers and service quality at the heart of any additional offers.

Customer engagement was achieved through ministerial visits and events, staff participation in inspection visits and customer focus groups.

The Scottish Government participated in every Warmworks' contractor forum where ministers and senior officials delivered presentations and ran workshops. The contract management team was available throughout the event to answer questions and learn from installers.

Results

The impact of the continuous improvement requirement in the contract and excellent supplier and relationship management (SRM) have enabled more households to be supported through the introduction of additional innovative measures to WHS.

The outcomes sought from the scheme were reducing fuel poverty, reducing carbon emissions and supporting the economy through jobs and skills training while delivering value for money for the Scottish Government. To date, WHS has helped nearly 20,000 customers reduce their fuel bills by an average of £323 a year, saved 33,033 tonnes of CO₂, and supported 2,859 jobs and training opportunities.

The total financial savings on 31 March 2020 were £8.57 million equating to approximately 1,244 additional households benefiting under WHS.

WHS has achieved community benefit and social outcomes unmatched against other Scottish Government contracts. During contract extensions negotiations, the Scottish Government worked with the contractor to agree a package of social commitments that surpass the existing contractual commitments including the creation of 611 new jobs and 119 trade apprenticeships.

In terms of emissions, a range of new measures and technologies have been successfully introduced to the scheme including low carbon heating options and Q-BOT, a remote-controlled robot that delivers underfloor insulation beneath previously inaccessible floors thereby increasing the energy efficiency of the home.

Drawing on the experience of contract managing the WHS contracts, the Scottish Government's innovative approach of managing KPIs resulted in a KPI saving of £1,845,543, allowing the Scottish Government to support an additional 264 fuel poor households. This approach ensured that none of the £32 million annual budget was lost whilst also driving improvement in the contractor's performance. In addition, more fuel poor customers were supported, whilst ensuring the full scheme budget filtered down to the supply chain and was reinvested into the Scottish Government Employment Skills Plan.

In terms of ethical outcomes, the Scottish Government secured the following improvements through contract extension negotiation:

- Introduction of an annual Ethical Supply Chain Audit including modern slavery requirements
- Extending the time that manufacturers warranties cover installations
- Extra language translation services
- Putting in place formal partnerships with schools and colleges to promote apprenticeships and training opportunities
- Expanding the provision of enabling funds for customers; and
- Carrying out pilot projects to inform future policy development.

When WHS closed in March 2020 due to COVID-19 restrictions, the strong, established relationship helped both organisations respond in an efficient and proportionate

manner. The Scottish Government provided supplier relief funding to keep staff operational while Warmworks provided an emergency service to customers, both parties agreeing contract variations and developing a new physically distant customer journey ready for the restart.

Procurement have designed, developed and implemented a seven-module bespoke training programme, including a supplier relationship management module. The programme is mandatory for all Scottish Government Contract Managers (and available to all Scottish Government agencies), with 70+ colleagues having been trained to date. This approach, including the continuous improvement model, embedded quality assurance and ensured lessons learned were shared with other public bodies including the UK Government and the Welsh administration, helping to shape the design of similar schemes across the UK.

Scottish Prison Service (SPS) Innovative collaboration with the third sector (ongoing)

Situation

The SPS procurement team has a well-established appreciation of the Scottish Government policy objectives which have related to their organisational objectives and purpose (this includes linking back to National Outcomes).

They have developed an approach towards leveraging a range of economic, social and environmental outcomes from their larger contracts that support those in or leaving custody.

Many in custody have complex needs and are from economically/socially disadvantaged groups.

There are established links between certain economically disadvantaged areas of Scotland and many of those in custody come from those areas.

SPS procurement have delivered community benefits for over a decade, from the build of the new HMP Low Moss in 2011, to each successive new build. This has allowed them to develop their approach.

They have benefited from consistent leadership in the procurement team, who champion social impact.

Over the years, SPS started to realise there were many different touch points where they could engage or get partners to engage in relation to community benefits.

Task

SPS requires a broad canvas and range of partners (third sector or Supported Business) to address sustainability outcomes.

Actions

The approach SPS take is to start early and signpost early. As they are not responsible for the delivery of community benefits, they instead create the space for partners to deliver these, which is where they have had more success.

They make use of the Prioritisation Tool on the Sustainable Procurement Tools platform at the pre-procurement planning stage. This provides a means of prompting narrative-based outcomes and dialogue with the internal client around a range of social-economic and environmental outcomes that may be relevant to the project, themes which then flow into the tender and contract.

SPS has an eco-system of third sector partners in and around the justice sector with whom they engage. They provide services to those in or leaving custody or their families.

SPS engage with the Criminal Justice Voluntary Sector Forum (CJVSF) via their Strategy & Stakeholder Engagement Directorate (S&SE). Whilst there are some services commissioned and procured by the SPS directly from the third sector, the majority of SPS work here is the result of grant funded activity by the Scottish Government and/or others. For example, the Scottish Government fund several Public Social Partnerships to £4.5 million per annum.

Where not 'procured' and contracted by the SPS, they typically seek to agree a Third Sector Partnership Agreement to underpin the work with individual third sector organisations.

The third sector works to provide a throughcare bridge from custody to community by addressing homelessness, tackling addiction, and supporting individuals towards employability. There is a drive to direct social impact from SPS contracts towards partners in this justice eco-system and for SPS tenders to prompt work with these organisations. That provides a broad canvas of organisations working across different social needs that contractors/suppliers could engage.

SPS have also promoted use of Supported Businesses in main contractor supply-chains that has proven fruitful in terms of some work flowing towards that sector. Kier Construction pivoted their approach to community benefits on their Barlinnie contract to work with Families Outside, an organisation that acts on behalf of families who have people in custody. See results below.

Results

SPS and Kier Construction identified that IT and graphic design support was needed, and this was subsequently provided through Kier Construction's IT department.

Keir Construction provided IT awareness training to 34 beneficiaries and supplied a graphic designer to support the charity to undertake in-house marketing and design.

NHS Scotland's Procurement Services (2020)

Situation

The emergence of the COVID-19 pandemic in 2020 introduced the need for the development of virus test kits.

Task

NHS Scotland were required to develop a virus test kit (VPSS Kit) to obtain potential coronavirus samples from care homes and other organisations. These were transported to newly established Regional Laboratories for testing. The previously supplied Virus Transport Medium kits (VTM Kit) provided by the Department of Health & Social Care (DHSC) were proven not to be suitable for the new laboratories. This change in process allowed safer transportation and handling, a faster testing process and a reduction in equipment processing once received at the Regional Lab.

Actions

The requirement to design and assemble a specific medical device (VPSS Virus test Kit) based on a known and tested product allowed an innovative approach to be taken. Maximisation of the Scottish supply chain working in combination with Scottish Enterprise, the Regional Laboratory Clinical Leads, the Scottish National Laboratory Programme and National Procurement to design an efficient, safe, cost effective and environmentally improved product.

Results

The utilisation of the VPSS solution within the virus test kit makes the sample transportation and further testing a safer option for all staff involved in the process. Several sustainability benefits have been realised because of the procurement strategy adopted by NHS National Procurement in conjunction with Scottish Enterprise and the clinical quality group from the National Laboratories Programme. These include environmental impacts such as packaging reduction (outer package and contents), process flow improvement, reduction in equipment usage (flow cabinet) and waste stream optimisation and local sourcing resulting in Greenhouse Gas Reduction CO₂ (transport miles).

The estimated saving in Green House Gas emissions from embodied carbon by the reduction in packaging is 297 tonnes of CO₂e (carbon dioxide equivalent) against the previous VTM kit through the 84% reduction in material weight. An additional estimated saving of 3.9 tonnes per year of CO₂e through avoidance of waste disposal emissions has also been calculated. All products were sourced from UK/Europe, except for the small plastic bag (Thailand).

In terms of social impact, the project involved utilisation of the Scottish and UK supply chain to source, assemble and deliver the product. The previous VTM kit provided by DHSC had no resultant employment in Scotland. The current VPSS Kit is sourced through Scottish based companies with a significant number of manufacturing, assembly, storage and distribution jobs directly related to the weekly production of the final product.

The new VPSS kit, as well as increasing efficiency in the Regional Laboratory process flow, has resulted in significant environmental savings including:

- Reduction in waste of 182 tonne p.a.
- Reduction in GHG emissions from embodied carbon of 297 tonnes p.a. (see note 1 at end of document) CO₂e
- Reduction in waste disposal emissions of 3.9 tonnes p.a. (see note 1 at end of document) CO₂e
- Reduction in equipment usage and resultant cleaning / maintenance and operation; and
- Reduction in additional staff time and resultant daily personal protective equipment (PPE).

Renfrewshire Council – Integrated approach to procurement

Situation

Procurement sits in the Policy and Commissioning service under the Chief Executive and has close ties with other services.

The team is responsible for all procurements ensuring the same level of scrutiny and oversight for all contracts.

The team at full capacity is 24 staff (in February 2022, there was a team of 16 due to recruitment challenges) including a Sustainable Procurement Officer (focusing on social-economic/community benefits) and a recently appointed Sustainable Procurement Officer who will focus on Environmental Benefits.

Task

The Council has considered the best methods of ensuring an integrated approach to procurement with cross-organisational involvement to ensure a range of expertise is applied to achieve maximum benefit.

Actions

The Council operates a Community Benefit Forum which is a multi-stakeholder group that represents different areas of the council and the third sector. It includes representatives from Economic Development (who focus on employability, supporting the local business community, working with young people) and Children's Services. This enables procurement to have a wider sphere of influence and ensure a wider group of people are involved in the delivery of contracts to maximise the impact.

For example, they hold mobilisation meetings where the relevant members of the Community Benefit Forum attend to help deliver and manage the socio-economic outcomes. If a construction contract contains community benefits in the form of training for people who are currently unemployed, the Community Benefits Officer links with Invest in Renfrewshire (the employability arm of economic development). They work with the contractor to find a placement and undertake mentoring and support of the person to ensure the placement sustains.

Through this forum, contractors have worked with Children's Services to support initiatives in schools. To illustrate, a contractor on the multi-trade's framework provided a joiner to attend S5 and S6 technical classes to teach the class real life practical joinery skills. This provided an opportunity to gauge if they were interested in a career in this field.

Result

Cross-organisational support enables the delivery of community benefits as it offers a range of expertise linked to the specifics of delivery.

The forum was deemed essential to the success of community benefit outcomes and was aided by a "huge team effort".

To illustrate, the ten-week joinery programme delivered in schools proved to be very successful – "the school absolutely loved it". It was a very positive programme, where the young people who were working with the tradesperson felt that they were actually talking to someone from the real world.

Shared Apprentices (2015 -)

Situation

Shared Apprentice Limited (SAL) is a not-for-profit organisation established in 2015 to support local construction employers to take on apprentices.

The rationale for this was the construction industry experiencing a downturn that resulted in a reduction in training funds. In addition, there was a lack of risk appetite for hiring apprentices due to the short-term nature of the work available. The unemployment rate among young people was rising significantly.

It was set up by Angus Council, Dundee & Angus College, Construction Industry Training Board (CITB) and local construction companies: Andrew Shepherd Construction, Pert-Bruce Construction and Robertson Group. It has also gained support from Scottish Building Apprenticeship and Training Council (SBATC), Scottish Electrical Charitable Training Trust (SECTT), Scottish Government and Skills Development Scotland.

Task

To support small and medium size businesses, offering them an option to take on apprentices without a long-term commitment, which would help to address the rising unemployment rate in young people.

To enable apprentices to complete a full apprenticeship programme by working with several different employers and to gain the skill set they require to become qualified.

Actions

SAL employs each apprentice directly and then contracts them out to each employer when the work is available.

SAL allows employers to dip in and out of apprentice training. The Scheme allows employers to take on an apprentice, for as short a duration as three months, with no commitment to the apprentice at the end. Once the apprentice has finished working with an employer, they are found another placement, and upon framework completion, they will be assisted in sourcing permanent employment within their chosen trade. SAL has close links with the public sector and is an excellent way for employers to offer something back to the local community whilst fulfilling their contractual obligations.

In 2017, Dundee City Council joined the programme achieving full Dundee and Angus coverage.

Although the purpose of the organisation is to support small companies, the large community benefit contractors support the organisation and are part of the board/governance structure.

Results

The Shared Apprentice allows employers to enjoy all the benefits of an apprentice, without any long-term risk or long-term cost to their business.

To date they have had 58 apprentices (with 79.31% sustainability) across seven vocational areas and worked with a total of 60 host employers (with 60% being SMEs and 27% being micro-organisations).

They achieved the Convention of Scottish Local Authorities (COSLA): Scottish Government – Delivering Excellence Award 2018.

For example, individual A has been employed with Shared Apprentice Limited since autumn 2017 as an electrical apprentice. He worked with different contractors through his apprenticeship all of which were on publicly funded projects. He worked with McGill's Construction on Robertson Construction Limited's Plot 6 (part of Dundee waterfront project). He then worked for Balfour Beatty on Regional Performance Centre funded by Dundee City Council. He also worked at a construction of energy from waste plant at MVV Baldovie (project funded by Angus Council and Dundee City Council). Once the work was completed there, he has been working with Imtech Engineering Services on Ogilvy Construction site working on Women's Community Custody Unit in Dundee.

Working on various sites with different employers has offered him a unique insight into how different companies operate, gave him experience of working with a variety of people on big commercial projects. He has now applied to sit his FICA which is the final exam after which he would be qualified electrician. Feedback from contractors has always been positive which is invaluable to him because after he qualifies, he can approach them and make a transition from his apprenticeship to employment easier as they already know him and his work ethics. At the same time using the Shared Apprenticeship model helped companies to meet their community benefit targets especially for contractors who are not local to Tayside or when projects were shorter than four years and direct employment of mainstream apprentices wasn't feasible.

Scotland Excel – Increasing quality and sustainability of food (2016 -)

Situation

Scotland Excel is the Centre of Procurement Expertise for the local government sector, serving Scotland's 32 local authorities and over 100 associate members from across the public and third sector. They input into various groups including sustainable council procurement.

They manage a range of frameworks including approximately £82 million worth of frameworks which are related to the procurement of food and the food used in schools, local authorities and care homes.

Task

There is increasing political and public scrutiny to ensure a high quality of food in schools and that it is sustainably sourced.

The aim is for all products used in schools to be sustainable through to end of life including furniture, computers whiteboards as well as food.

Actions

Food is a flagship category, with six different frameworks being in place that are sub lotted so suppliers can bid for one or any/all. In some cases, council areas are further divided into smaller sub lots to attract local suppliers and SMEs.

The supply only element on Groceries and Provisions and Frozen Food means manufacturers can bid directly.

They agreed with councils that the fresh meat sourced as part of the tender should be Red Tractor Assured, Protected Geographical Indication, or Farm Assured.

They collaborate with a range of groups including Association of Public Sector Excellence, Soil Association, Farmers Union, Quality Meats Scotland and Zero Waste Scotland.

They introduced user information groups from the councils, including pupil groups in schools.

They agreed to pool the volumes so that the increased spending power could be used to achieve better prices and increased quality.

Results

75% of the spend on the Fresh Meats framework is in Scottish produce, with almost all being British products.

Across the whole food portfolio, spending by councils on Scottish products has continued to rise. Over the past five years from 2016 to 2021, it has increased from £8.8 million to £15.8 million, and it now accounts for more than 36% of all spend through our food contracts.

Appendix 3: Case Studies from the Literature Review

2003	<p>Glasgow Housing Association (GHA) Frameworks¹²¹ (now part of Wheatley Housing Association)</p> <p>In 2003 GHA was the largest of the UK pilots for housing stock transfer. It received an initial investment of £750 million over 5 years. The Housing (Scotland) Act 2001 gave it similar wellbeing powers to that of the 2003 Local Government Act, enabling it to incorporate Targeted Recruitment & Training (TR&T) clauses, with its own policy for regeneration. This enabled it to maximise social and economic benefits through the procurement process. This legal and policy framework was considered sufficient to justify TR&T clauses as a core element in contracts.</p>
2004	<p>Dundee¹²²</p> <p>Forthill Primary School was one of 12 schools to be refurbished / rebuilt in Dundee under the Public Private Partnerships Schools Modernisation Projects. Dundee City Council chose to use this £3 million refurbishment and extension as a pilot to promote community benefits and TR&Ts.</p> <p>Falkirk Council¹²³</p> <p>Falkirk Council was one of the first local authorities to pilot embedding wider community benefits in all of their £108 million per annum expenditure. They achieved this by embedding community benefits in the Council Policy and changing their culture to reflect this. This was after a consultation with stakeholders and experts including outside consultants and private sector operators. This pilot was and continues to this day to be extremely successful. Its implementation and success are regarded as one of the building blocks of Scotland’s community benefits success.</p>
2008	<p>Raploch¹²⁴</p> <p>Raploch was one of 6 areas to be granted Urban Regeneration Pathfinder status by the Scottish Executive (now Scottish Government). The aim was to transform Raploch into a “21st century town”. Over 10 years this was to include the creation of 900 homes, and 225 training and job opportunities. The project was carried out with sustainable development and TR&T ingrained throughout. It has been widely recognised as a success on all fronts and helped demonstrate the effectiveness of sustainable procurement in Scotland.</p>

¹²¹ Scottish Government (2008), Community benefits in public procurement, <https://www.gov.scot/publications/community-benefits-public-procurement/pages/13/>

¹²² Scottish Government (2008), Community benefits in public procurement, <https://www.gov.scot/publications/community-benefits-public-procurement/pages/16/>

¹²³ Scottish Government (2008), Community benefits in public procurement, <https://www.gov.scot/publications/community-benefits-public-procurement/pages/17/>

¹²⁴ Scottish Government (2008), Community benefits in public procurement, <https://www.gov.scot/publications/community-benefits-public-procurement/pages/14/>

<p>2009</p>	<p>Gartcosh Scottish Crime Campus – Sustainable Procurement¹²⁵ A £65 million construction project including targets for environmental and community benefits. This was achieved through effective stakeholder engagement, working closely with the policy team at Scottish Procurement, North Lanarkshire Council and the contractors involved. It yielded results of 9 apprentices, 2 displaced apprentices, 15 new employees, 3 work experience placements, 65% of contract value awarded to Scottish SMEs plus more. The project also achieved BREEAM very good status and significant reduction in carbon footprint and landfill waste.</p>
<p>2010</p>	<p>Shotts Prison Phase 2 development, Scottish Prison Service (SPS)¹²⁶ As part of the construction of the new prison, SPS specified the requirement for contractors to consider community benefits. They developed a pre-qualification questionnaire in conjunction with North Lanarkshire Council as part of their early engagement to assess the bidders experience of community benefits. This focused on TR&T, SME and third sector involvement. This early market engagement allowed the winning contractor to suggest the opportunities they would be able to create, leading to 33 apprenticeships, 150 weeks paid work experience and 16 employment opportunities.</p> <p>Renfrewshire Council – Assessing procurement capability drives improvement¹²⁷ Following a Procurement Capability Assessment (PCA) Renfrewshire Council took the opportunity to transform its Corporate Procurement Unit (CPU), handling over £200 million of spend each year, from a fragmented administrative support section to a centralised strategic function. Its remit was to deliver significant financial savings through smarter procurement strategy and practice. This resulted in Renfrewshire increasing its assessment score from 21% prior to the project start to 75% (superior status) in 2012.</p>
<p>2011</p>	<p>Falkirk Council Uses Marrakech Approach to raise product and service standards¹²⁸ The Marrakech Prioritisation Methodology was used to assess when and how sustainability requirements could be incorporated into the procurement process. This resulted in a framework agreement that delivered social and environmental benefits. This included introducing minimum mandatory standards for cleaning products and services and enabled Falkirk Council to include Government Buying Standards as part of their contract renewals, ensuring that sustainable products would be used going forward.</p>

¹²⁵ Scottish Government (2015), Case Study 4: Gartcosh Scottish Crime Campus, <https://www.webarchive.org.uk/wayback/archive/20150828203611/http://www.gov.scot/Topics/Government/Procurement/casestudies/GartcoshCaseStudy>

¹²⁶ Zero Waste Scotland, Sustainable Procurement in Scotland – A Collection of Case Studies, https://sustainableprocurement.eu.com/documents/35631_A4_Case_Study_master_V5.pdf

¹²⁷ Scottish Government (2018), Case study 1: Renfrewshire Council, <https://www.webarchive.org.uk/wayback/archive/20180530050837/http://www.gov.scot/Topics/Government/Procurement/casestudies/renfrewcoun>

¹²⁸ Zero Waste Scotland, Sustainable Procurement in Scotland – A Collection of Case Studies, https://sustainableprocurement.eu.com/documents/35631_A4_Case_Study_master_V5.pdf

2012	<p>Scottish Government – Life cycle impact mapping informs procurement strategy development¹²⁹</p> <p>The Scottish Government tendered for Bio-mass Supply Arrangements. The process for this was influenced by the Marrakech Approach to identify risks as opportunities that are presented via life cycle impact mapping. It was agreed that this was a success and saved the government a significant amount of time and resources. One of the members of the procurement team responsible said “Following the Marrakech approach provides a fantastic return on investment”.</p>
2013	<p>Renfrewshire’s early engagement with suppliers delivering sustainable outcomes¹³⁰</p> <p>This case study illustrates the benefit to Renfrewshire Council of early supplier engagement, in the context of an organisation-wide and senior level commitment to embedding appropriate and relevant sustainability considerations at every stage of the procurement cycle. Outcomes included: more efficient and innovative supply chains; design and engineering efficiencies; better cost predictability; significant local employment; skills and SME opportunities; and community benefits.</p> <p>Scottish Futures Trust’s suite of Key Performance Indicators for hub¹³¹</p> <p>Working in collaboration with several stakeholders, most notably Local Authorities, NHS Boards and CITB, sustainability was addressed in the development of a suite of Key Performance Indicators (KPIs) by the Scottish Futures Trust (SFT). The sustainability criteria were applied to the delivery of numerous community infrastructure projects across Scotland. Amongst the KPI areas covered were community engagement and community benefits, sustainability and supply chain management. KPIs focusing on community benefits were developed to cover both recruitment and training as well as SME and third sector development. Under the heading of sustainability, KPIs addressed the achievement of BREEAM targets 1; reducing construction waste; re-use and recycling of construction waste; recycled content materials and Energy Performance Certificates.</p>
	<p>Perth & Kinross Council (PKC) – Furniture Procurement¹³²</p> <p>PKC attended Marrakech Approach training in 2011. Following this they implemented waste and procurement hierarchies. This challenged every decision to buy, meaning the purchase and/or disposal of furniture should be the last</p>

¹²⁹ Scottish Government (2013), Sustainable procurement case studies, <https://www.webarchive.org.uk/wayback/archive/20180530170228/http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/CSR/examples/ZWS>

¹³⁰ Scottish Government (2013), Sustainable procurement case studies, <https://www.webarchive.org.uk/wayback/archive/20180530170228/http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/CSR/examples/ZWS>

¹³¹ Scottish Government (2013), Sustainable procurement case studies, <https://www.webarchive.org.uk/wayback/archive/20180530170228/http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/CSR/examples/ZWS>

¹³² Zero Waste Scotland, Sustainable Procurement in Scotland – A Collection of Case Studies, https://sustainableprocurement.eu.com/documents/35631_A4_Case_Study_master_V5.pdf

resort. At the end of the 3 years this had reduced their annual furniture spend by approximately 85% from £293,000 - £33,000 (approx.).

Government Buying Standards help to drive environmental improvement and deliver value for money at Falkirk Council¹³³

Falkirk Council procurement staff attended a Marrakech Approach workshop in March 2011 where they identified the requirement to incorporate higher environmental performance standards into their framework for deep cleaning of kitchens. They achieved this by using the Government Buying Standards (GBS), formerly known as Quick Wins. The GBS are a set of purchasing specifications that encourage the smart procurement of more sustainable goods and services in order to achieve cost savings in public operations. The standards were developed by a Cross-Government Stakeholder Group for a range of commonly purchased products, including cleaning products and services. The standards are updated to ensure that they remain current with market developments.

Scottish Government's Bull Stud Facility¹³⁴

The case of the construction of a new Bull Stud Facility highlights the importance of considering sustainability outcomes at the earliest possible stage in the procurement cycle. This means considering sustainability risks and opportunities from design all the way through to operation and contract management. The appropriate sustainability requirements can then be incorporated into the procurement documentation at each stage in a relevant and proportionate manner, in line with the Marrakech Approach to sustainable procurement.

NHS Greater Glasgow and Clyde and Brookfield Multiplex – Good procurement is sustainable procurement¹³⁵

The Queen Elizabeth construction was a large design and build project in Scotland, which resulted in an impressive list of wider community benefits including 320 new jobs, 213 new entrants (including 58 apprentices), 107 partner jobs, and 154 work experience opportunities for young people. This was achieved via early engagement, including robust clauses in contracts providing a means of achieving sustainability from primary contractors cascaded through to sub-contractors, wider stakeholder consultations and innovation. They also employed the skills of a dedicated Community Benefits Officer. The project achieved BREEAM Excellence status and won numerous awards.

¹³³ Scottish Government (2013), Sustainable procurement case studies, <https://www.webarchive.org.uk/wayback/archive/20180530170228/http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/CSR/examples/ZWS>

¹³⁴ Scottish Government (2013), Sustainable procurement case studies, <https://www.webarchive.org.uk/wayback/archive/20180530170228/http://www.gov.scot/Topics/Government/Procurement/policy/corporate-responsibility/CSR/examples/ZWS>

¹³⁵ Scottish Government, Case Study 2: NHS Greater Glasgow and Clyde and Brookfield Multiplex, <https://www.webarchive.org.uk/wayback/archive/20160105191418/http://www.gov.scot/Topics/Government/Procurement/casestudies/NHSGlasClydeBrookfield>

<p>2014</p>	<p>Scottish Environmental Protection Agency – How web conferencing helped SEPA¹³⁶</p> <p>SEPA embarked on a project to greatly reduce the amount of travelling their 700 team members carry out. To achieve this, they worked with InterCall to implement web conferencing across their organisation. This had a very positive impact on expenses, time, carbon footprint and efficiency.</p>
<p>2018</p>	<p>Perth & Kinross Council (PKC) – Introduces Community Wishlist (CWL)¹³⁷</p> <p>PKC first developed their CWL in 2017. The model was to set up an online form on the PKC website which community organisations could complete with their request. CWL is currently managed by the Council’s procurement team. Although it got off to a slow start in the first year due to lack of awareness, the CWL has been a huge success, winning a GO Award and influencing others to implement similar initiatives across the UK.</p> <p>Wheatley Group¹³⁸</p> <p>Wheatley Group is a Scottish housing, care and property-management group, delivering services to over 210,000 people across 19 local authorities in Scotland. Wheatley actively promote the inclusion of community benefits for all regulated procurements. Wheatley is supported by their Charitable Trust, the Wheatley Foundation, who support a range of community and economic programmes and increase access to opportunities across Wheatley neighbourhoods, many of whom experience multiple disadvantage and deprivation. A dedicated Community Benefit Officer role sits within the Foundation Team, liaising with stakeholders and monitoring deliverables and performance. In 2018/19, of the 192 training and employment opportunities secured through community benefits 31% were taken up by people from priority groups, and 17% of opportunities created went to people living in Wheatley homes.</p>
<p>2019</p>	<p>Scottish Prison Service¹³⁹</p> <p>SPS has continued to develop its approach of reflecting community benefits and social impact provisions within its major construction and service contracts. The award of a £54 million contract in December 2019 to build the new Women’s National Facility (WNF) in Stirling being the most recent. This project reflects a range of actions intended to secure social impact for SPS, the relevant local authority and SPS target priority group.</p>

¹³⁶ Scottish Government, Case Study 3: Scottish Environmental Protection Agency, <https://www.webarchive.org.uk/wayback/archive/20150721120637/http://www.gov.scot/Topics/Government/Procurement/casestudies/sepa>

¹³⁷ Scottish Government (2020), Measuring social impact in public procurement: SPPN 10/2020, <https://www.gov.scot/publications/measuring-social-impact-in-public-procurement-sppn-10-2020/>

¹³⁸ Scottish Government (2020), Measuring social impact in public procurement: SPPN 10/2020, <https://www.gov.scot/publications/measuring-social-impact-in-public-procurement-sppn-10-2020/>

¹³⁹ Scottish Government (2020), Measuring social impact in public procurement: SPPN 10/2020, <https://www.gov.scot/publications/measuring-social-impact-in-public-procurement-sppn-10-2020/>

<p>2020</p>	<p>North Ayrshire Council become the first Scottish Local Authority to become a member of the Wellbeing Economy Alliance¹⁴⁰</p> <p>In August 2020, alongside the Liverpool City Region Combined Authority, North Ayrshire Council became one of the first two local authorities to join the Wellbeing Economy Alliance as members. Both councils have shown leadership with their leading “build back better” campaigns, which seek to revitalise their local economies through a green, sustainable recovery.</p> <p>Transport Scotland – A9 Dualling: Luncarty to Pass of Birnam¹⁴¹</p> <p>This ethos of this project is delivering community benefits and a commitment to bring meaningful and measurable change to the surrounding communities. Through this project, Transport Scotland have already exceeded the target of creating 30 new jobs over the project duration and are working to ensure that most of the opportunities created by this project are filled by workers from the local area. Other benefits delivered include 4,000 pupils and students engaged; 7 work placements for secondary school pupils; 2 foundation apprentices; 44 new jobs created including 4 through Fairstart and 6 placements for people with a conviction.</p>
<p>2021</p>	<p>North Ayrshire Community Wealth Building – First Annual Report¹⁴²</p> <p>The report details the first year in Scotland’s first Community Wealth Building project which began in 2019. They are developing a pan-Ayrshire approach to Community Wealth Building Fund with north, east and south Ayrshire. This is funded by the Scottish Government and Ayrshire Regional Economic Partnership. There are multiple projects, initiatives, collaborations and partnerships outlined in the report. It details one of the most exciting, captivating and innovative undertakings in Scotland in recent memory. Off the back of this, multiple other local authorities have now begun their own Community Wealth Building projects in what is sure to be a turning point in Scottish Sustainable Procurement.</p> <p>Facilities Services Management¹⁴³</p> <p>A large contract awarded by Scottish Government in 2021 for hard and soft facilities management (FM) services and related projects. The new contract will provide a range of sustainability outcomes over its duration including actions to support our climate change and circular economy obligations, and Scotland’s expectations in relation to social and economic outcomes including Environment: We value, enjoy, protect and enhance our environment; Economy: We have a globally competitive, entrepreneurial, inclusive and sustainable economy; Fair Work & Business: We have thriving and innovative businesses, with quality jobs</p>

¹⁴⁰ Wellbeing Economy Alliance,

<https://wellbeingeconomy.org/tag/north-ayrshire>

¹⁴¹ Scottish Government (2020), Measuring social impact in public procurement: SPPN 10/2020,

<https://www.gov.scot/publications/measuring-social-impact-in-public-procurement-sppn-10-2020/>

¹⁴² North Ayrshire Council, Community Wealth Building Strategy, Annual Report,

<https://www.north-ayrshire.gov.uk/Documents/cwb-annual-report-2021.pdf>

¹⁴³ Scottish Government, Sustainable Procurement Tools, Facilities Services Management,

<https://sustainableprocurementtools.scot/index.cfm/case-studies1/facilities-services-management1/>

and fair work for everyone and Human Rights: We respect, protect and fulfil human rights and live free from discrimination.

Reducing carbon footprint in ICT upgrade¹⁴⁴

Glasgow Kelvin College used life cycle impact mapping to identify areas for carbon reduction when they upgraded their ICT infrastructure to improve the speed and performance of their lab and shared PC computer equipment in 2020. The project contributed to the following National Outcomes: we are well educated, skilled and able to contribute to society; we value, enjoy, protect and enhance our environment; we are open, connected and make a positive contribution internationally; and we tackle poverty by sharing opportunities, wealth and power more equally.

¹⁴⁴ Scottish Government, Sustainable Procurement Tools, Reducing carbon footprint in ICT upgrade, <https://sustainableprocurementtools.scot/index.cfm/case-studies1/reducing-carbon-footprint-in-ict-upgrade/>



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