Minister for Community Wealth and Public Finance Tom Arthur MSP



T: 0300 244 4000

E: scottish.ministers@gov.scot

The Convener Economy and Fair Work Committee Committee Office Room T3.60 Edinburgh EH9 1SP

03 May 2024

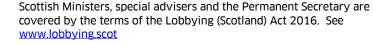
Dear Convener

Following my appearance at the Economy and Fair Work Committee on 17 April, please find attached the additional information which was requested on the day.

- **Annex A** Around food procurement and structural rigidity, and the evidence from the Scottish Wholesale Association, feedback from discussions with the Minister responsible for food regulations.
- **Annex B** Further clarity around the quick quotes process. Reference made to a distinction between the quick quotes 'inbox' available through PCS and the ability of contracting authorities to use the quick quotes process for smaller value contracts. How widely is the quick quotes process used across contracting authorities? Are there different systems being used to manage this?
- **Annex C** Detail of what SG has done over the last year to facilitate and share good practice (and to dissuade risk aversion) and engage with contracting authorities on those issues. As well as attending some of the meetings of officials listed in the Annex, I met with representatives from across the Scottish public and sectors on multiple occasions to discuss best practise in public sector procurement.
- **Annex D** Fairly traded goods and the apparent confusion around the definition







I also wanted to take this opportunity to also share our recently published <u>SME and Third Sector Procurement Action Plan</u>. The plan sets out the steps we will take to support and improve opportunities for SMEs and third sector organisations within the procurement process.

If you require any further information then please don't hesitate to contact me.

Yours

TOM ARTHUR





ANNEX A

Food Procurement and Structural Rigidity (Scottish Wholesale Association)

The Nutritional Requirements for Food and Drink in Schools (Scotland) Regulations 2020 ("the Regulations") are based on scientific evidence and dietary advice designed to ensure that children and young people are provided with an appropriate amount of energy and key nutrients including fibre, as part of their school day, to support their healthy growth and development.

The Regulations focus on nutritional content of food, drink and meals and are designed to be flexible enough to allow school caterers to design menus which meet the needs and preferences of the children and young people they serve. So long as they meet the relevant standards set out in the Regulations, decisions relating to what products should be included in those menus are at the discretion of local authorities. For example, any type of bread can be offered so long as it contains the minimum amount of fibre specified in the 'Bread standard' of the Regulations.

Statutory guidance 'Healthy Eating in Schools' accompanied the Regulations and is designed to support anyone with a role to play in the provision of food, drink and meals in local authority and grant aided schools in Scotland.

The nutrient standard for fibre set out in the Regulations, which applies only to school meal provision, was amended from the earlier 2008 standard to bring it into line with the new Scottish Dietary Goals and reflect the recommendations of the Scientific Advisory Committee on Nutrition. The new school food standard for bread set out in the Regulations, which applies to bread served across the school day including mealtimes, was introduced to support the increased provision of fibre-rich products to help contribute towards meeting the nutrient standards for school meals and, more broadly, the Scottish Dietary Goals appropriate within the context of the school day.

We expect that that having clear, evidence-based nutritional standards and guidance will help potential providers to the Scottish public sector by providing certainty of demand for them.



ANNEX B

Quick Quotes

Whilst we do not hold data on how such procurement exercises are conducted, and noting that use of the PCS system is not the only system through which quick-quotes can be processed, data from Public Contracts Scotland (PCS) shows that in financial year 2023/34, all 32 local authorities in Scotland published Quick Quote notices on PCS.

In total, 5,024 Quick Quote notices were published by local authorities, accounting for a little over half of the total of 9,890 such notices. These notices relate both to the award of lower value contracts and to call-offs from framework agreements, where the Quick Quote functionality on the site was used to conduct a mini-competition under those agreements.



ANNEX C

Sharing and Facilitating of Good Practice

Sustainable Public Procurement

The National <u>sustainable procurement tools</u> and supporting <u>guidance</u> are central to enabling public sector buyers to comply with public procurement policy and legislation. The tools have been designed to help public bodies identify and achieve economic, social and environmental outcomes through their procurement activity. The supporting guidance covers a range of socio-economic and environmental topics and provides information on how to tackle related risks and opportunities at each stage of the procurement process. The current Sustainable Procurement Tools website was launched in June 2020. Alongside the 164 public bodies that are registered, we are delighted that the tools are also proving useful to public and private organisations in other parts of the UK and further afield. At the end of March 2024 there were over 2,800 users across 385 organisations.

To assist procuring organisations in using the tools a range of guidance in different formats is provided on the website including:

- 'How to' videos on using the tools; including an introduction explaining the aims and benefits, when to use, and the outputs of using the tools;
- User guides; and
- Completed best practice examples for a range of commodities.

During 2023-2024, we added a range of new and updated guidance to the site:

- Updated Fair Work First in Procurement guidance in March 2024 to support the implementation of Fair Work First through procurement.
- Updated Security and Crime guidance in August 2023 covering the procurement of products, services or works, where there may be concerns regarding security and crime, including Serious Organised Crime and Cybercrime.
- Three new case studies, making a total of nine case studies available on the site.

The tools host three, free of charge, eLearning packages and a further e-learning package on Fair Work First in Procurement is in development. Completion figures for the eLearning to 31st March 2024 are included below in brackets:

- Introduction to Sustainable Procurement introduces the user to the strategic role of procurement in addressing policy and legislative priorities, and the key outcomes and benefits that can come from sustainable procurement (597);
- Climate Literacy Intended to give users confidence to minimise risks and maximise opportunities associated with Climate Change (1,292);
- Circular Economy Intended to help buyers and suppliers understand their role in mobilising procurement and supply in the transition to a Circular Economy and 'Net Zero' (213).

While sustainable procurement is a regular topic at the Procurement Policy Forum, in 2019 we established the Climate and Procurement Forum to ensure that we are working collaboratively across sectors to maximise the opportunity to address climate through procurement. As part of this work we have been funding mentoring support for a range of public bodies to build their capability in this area.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot







Other recent supporting activity includes:

- Delivering 'Procurement Policy into Practice' face-to-face online sessions in March and April 2024, with over 300 procurement practitioners from all sectors of the public sector including Housing Associations and Registered Social Landlords upskilled over four 2.5-hour sessions.
- Delivering 3 rounds of sustainable procurement face-to-face online training in February and March 2024, to a total of 287 public sector participants across the nine 2 hour sessions:
 - Introduction to Sustainable Public Procurement
 - Using Procurement to address the Climate Emergency
 - Fair and Inclusive Procurement
- Leading several, well-attended sessions on sustainable procurement for our colleagues across the public sector including:
 - Sustainable Procurement Tools Introduction (26 April, 11 and 24 May 2023)
 - Climate and Procurement, Scotland Excel Conference (10 May 2023)
 - Climate and Procurement, Scotland Excel/LA Audience (17 May 2023)
 - Sustainable Procurement/Benchmarking Scotland Excel/LA Audience (14 June 2023)
 - Buying Social Justice (June 2023)
 - Procuring a Sustainable Future for People and Planet panel Improvement Service/Scotland Excel event (22 November 2023)
 - Statutory Guidance Stakeholder Engagement Workshop Sustainable Procurement and Circular Economy – February 2024
- Publishing several <u>Scottish Procurement Policy Notes</u> (SPPNs) and <u>Construction</u> <u>policy notes</u> (CPNs) over the course of 2023, including:
 - o Australia and New Zealand Free Trade Agreements: SPPN 1/2023
 - Public procurement annual procurement reports for 2022-2023 and 2023-2024: SPPN 2/2023
 - Supporting innovation through procurement: SPPN 3/2023
 - Legislation changes following the Republic of North Macedonia's accession to the Agreement on Government Procurement: SPPN 4/2023
 - Sustainability in construction projects: CPN 1/2023
- Nick Ford, the Scottish Government's Director of Procurement and Property also has a number of regular engagements to provide leadership and to share best practice around the Scottish public sector including:
 - Monthly meetings with the Chief Executives of Scotland Excel, Advanced Procurement for Universities and Colleges, and NHS National Procurement
 - o Bi-monthly meetings with the Chief Executive of Scottish Future's Trust
 - Regular one-to-one with Heads of Procurement from various Local Authorities and other public bodies
- Scottish Government officials meet regularly with the business community, supported businesses, social enterprises and charities through formal routes such as the Procurement Supply Group, SME roundtables, and 'Meet the Buyer' events. Officials also benchmark public procurement policy regularly with international colleagues
- There were multiple meetings regarding construction procurement including the Procurement Reform Steering Group and associated workshops, The Construction Accord Transformation Board, RAAC cross-sectoral working group, The Construction accord Fair Working Group, and the Scottish Construction Accord Quality Working group/ Construction Quality Improvement Collaborative

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot







Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

www.gov.scot



ANNEX D

Definition of Fairly Traded Goods

The confusion around fairly traded goods is due to the proliferation of fair trade and eco certification schemes that are all underpinned by varying criteria including Fairtrade, World Fair Trade Organization and the Rainforest Alliance. Most of these schemes bear a cost to the provider for certification.

Procurement law is clear on the use of such schemes and how they can be used as evidence of fair and ethical trade. In line with principles of relevance and proportionality, it requires a clear understanding of the criteria underpinning schemes before requiring or accepting them.

A contracting authority can ask for what they are buying to have been given an independently verifiable environmental, social or other label (such as a fair trade certification scheme), where all criteria relating to the label asked for are:

- Linked to the subject of the contract,
- o Clear to judge in an open and fair way which does not discriminate, and
- Open to anyone who meets the standards.

Where a specific label is requested, evidence of compliance with an equivalent standard or label must also be accepted.

Similarly, a contracting authority can include relevant and proportionate fairly traded criteria in its procurement and can accept appropriate certification as evidence of those criteria.

To support procurement of fairly traded goods and services, this is explained in guidance on Fair and Ethical Trade hosted on our Sustainable Procurement Tools website.

In summary, any requirement for fairly traded goods should include precise criteria that are relevant and proportionate to the subject matter of the contract. Subject to meeting the required criteria, a number of fair trade certification schemes may be accepted as evidence of compliance in procurement.





