Accountant in Bankruptcy (AiB) Procurement Strategy 2022-2024

**Contents**

[Terms 3](#_Toc153895209)

[Executive Summary 5](#_Toc153895210)

[About AiB 6](#_Toc153895211)

[The Purpose of AiB’s Procurement Strategy 8](#_Toc153895212)

[AIB Procurement Mission and Strategic Aims 8](#_Toc153895213)

[Contracts, Frameworks and Projected Contracting Activity 14](#_Toc153895214)

[Policies tools and procedures Governance 14](#_Toc153895215)

[Annex A – Upcoming Procurement activity 19](#_Toc153895216)

# Terms

|  |  |
| --- | --- |
| Term | Description |
| AiB | Accountant in Bankruptcy. An agency of the Scottish Government. |
| CIPS | Chartered Institute of Purchasing and Supply. |
| DAS | The Debt Arrangement Scheme. A debt relief product. |
| DPA | Delegated Purchasing Authority delegated to staff by The Accountant. |
| Easebuy | Purchasing system. |
| EU | The European Union. |
| FTS | Find a Tender Service. An online portal used by Public Buyers and Suppliers. Post UK exit from the EU all above threshold public contract opportunities must be published on the FTS. |
| Maverick spend | Off-contract spend. |
| MEAT | Most Economically Advantageous Tender. Considering qualitative, technical, sustainable aspects as well as price. |
| PCIP | The Procurement and Commercial Improvement Programme. |
| PCS | Public Contracts Scotland. Online portal used to advertise public contracts. |
| SG | Scottish Government. |
| SME | Small Medium Enterprise. Micro, small and medium sized enterprises which employ less than 250 employees. |
| SMT | The AiB Senior Management Team. |
| SPPN | Scottish Procurement Policy Notes. SPPNs give advice to public bodies on procurement policy |
| Supported Businesses | A supported business’s primary aim is the social and professional integration of disabled or disadvantaged persons. Supported Businesses must have at least 30% of staff that are disabled or otherwise disadvantaged. |
| TEP | Technical Evaluation Panel. A panel of individuals familiar with the organisation’s priorities and goals, who demonstrable technical ability to evaluate tenders. |
| The Accountant in Bankruptcy (The Accountant) | Agency Chief Executive and Accountable Officer. Trustee of AiB bankruptcy cases. |
| UIG | User Intelligence Group. A group of subject matter experts who will assist in developing the procurement strategy,  selection and award criteria and possibly evaluate tender responses. |

# Executive Summary

Section 15 of the Procurement Reform (Scotland) Act 2014 requires any public organisation, which has an estimated annual spend of £5 million or more, to prepare and publish a procurement strategy. The period the procurement strategy covers can be defined by the organisation. To coincide with the next Procurement and Commercial Improvement Programme (PCIP) assessment this strategy covers the years April 2022– March 2024. This strategy is reviewed annually in line with AiB Business Plan.

This AiB 2022-2024 Procurement Strategy recognises the impact that our procurement policies and procedures can have on the Scottish Government (SG) Purpose, Strategic Objectives and the AiB Strategic Purposes. The procurement function is an essential part of the Agency helping to ensure AiB can provide our required services by ensuring contracts with suitable Suppliers are in place to meet our requirements. This strategy sets out the strategic focus for procurement activity, including contract and Supplier management within AiB.

The AiB Procurement Team retained gold PCIP status during the last PCIP assessment. The next assessment has been delayed to 2024 and we intend to build on this success over the next two financial years. We will seek to collaborate across AiB and with Scottish Government staff to identify procurement opportunities to improve the services we provide, while also considering how we can contribute to improving the social, environmental and economic wellbeing of Scotland.

Our previous Procurement Strategies and our latest Annual Procurement Report can be found on the AiB [website](https://www.aib.gov.uk/guidance/publications/corporate/procurement-strategy).

Amanda Dowse

AiB Head of Finance 8th July 2022

# About AiB

Accountant in Bankruptcy (AiB) is an Executive Agency of the Scottish Government (SG) under the terms of the Scotland Act 1998. The Agency operates independently and impartially while remaining directly accountable to Scottish Ministers.

The Accountant in Bankruptcy (The Accountant) is an independent Statutory Officer and an officer of the court appointed under section 199 of the Bankruptcy (Scotland) Act 2016. The accountant is also Agency Chief Executive and Accountable Officer.

AiB is responsible for administering the process of personal bankruptcy in Scotland. It is responsible for the determination of personal and entity bankruptcy applications, making decisions on debt payment programme applications and payment distribution under the Debt Arrangement Scheme (DAS) and protecting trust deeds. All bankruptcies, trust deeds and DAS payment programmes are recorded in public registers maintained by the agency along with details of corporate liquidations and receiverships.

**Our mission is:**

“To provide access to fair debt relief and debt management processes for the people of Scotland, taking account of the rights and interests of those involved.”

The AiB Business Strategy focuses on three Strategic Purposes:

* Delivering our Core Products.
* Continuous Improvement.
* Building and Maintaining Effective Stakeholder Relations.

The 2022-2023 AiB Business Plan also contains five Detailed Objectives:

* Objective 1 – Business Focus: Delivery of Core Products
* Objective 2 – Business Focus: Continuous Improvement
* Objective 3 – Business Focus: Stakeholder Engagement (internal and external)
* Objective 4 – Business Focus: Agency governance and achieving best value
* Objective 5 – Environment and Social

Further information on the Agency can be found on our website: [www.aib.gov.uk](http://www.aib.gov.uk/)

The AiB Strategic Purpose and AiB Business Plan Objectives are consistent with the SG Purpose and Strategic Objectives.

The SG Purpose is to “focus government and public services to create a more successful country, with opportunities for all of Scotland to flourish through increasing sustainable economic growth.”

There are five strategic SG objectives that underpin this core purpose:

* **Wealthier and Fairer**: enabling businesses and people to increase their wealth and more people to share fairly in that wealth.
* **Healthier**: Helping people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to healthcare.
* **Safer and Stronger**: Helping local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.
* **Smarter**: Expanding opportunities for people in Scotland to success from nurture through to life-long learning, ensuring higher and more widely shared achievements.
* **Greener**: Improving Scotland’s natural and built environment and the sustainable use and enjoyment of it.

All our objectives impact on the SG’s National Outcomes as defined in the [National](https://nationalperformance.gov.scot/) [Performance Framework](https://nationalperformance.gov.scot/).

# The Purpose of AiB’s Procurement Strategy

The Strategy complements our Corporate Plan by ensuring that our contracts are effectively procured and managed whilst delivering best value for the public purse. We will take appropriate action to ensure that our service costs are reduced wherever possible to minimise the requirement for public funding, and we will strive to continuously improve our processes and standards of service.

The importance of the procurement function is acknowledged throughout AiB and the Senior Management Team (SMT) demonstrate a commitment to integrating good procurement practice into the decision-making process of the organisation. By maintaining strong relationships across the agency, we can ensure that appropriate procurement processes are followed, and the Strategy aims to build on this to further improve commercial awareness throughout the organisation.

# AIB Procurement Mission and Strategic Aims

The procurement function sits with the Procurement and Finance team within the AiB Corporate Services branch, providing a direct link to the Senior Management Team through the Head of Finance.

The Procurement team consists of a Head of Procurement, a Procurement Manager, a Procurement Officer and a Procurement Administrator. As of 1 April 2022, the Head of Procurement and Procurement Officer posts are vacant. Temporary measures are in place to provide the team with assistance until these are filled. The team is being supported by a procurement professional in the SG Procurement Shared Service team as well as a shared resource from another government agency. Procurement networks and forums provide additional support and guidance to the team. The team have good working relationships with all business areas across the Agency and actively contribute to discussions and decisions on procurement and spend at a range of meetings including User Intelligence Groups (UIGs) and programme and project boards.

The team has responsibility for all procurement tasks and work closely with the AiB Contract Management team who manage most AiB contracts, and the AiB Efficiencies and Technology team who oversee our specialist IT contracts.

The Procurement Manager is working towards the Chartered Institute of Procurement and Supply (CIPS) qualification. Once filled, the Head of Procurement and Procurement Officer roles require to hold or be willing to undertake the same qualification.

**Our Procurement Mission is:**

“We will compliantly and effectively procure and manage our contracts to deliver the required services, value for money, and continuous improvement in sustainable ways, while promoting commercial awareness through all our processes.”

In working towards our mission AiB Procurement have four Strategic Aims that link to the Agency’s Strategic Purposes and Business Objectives:

* Strategic Aim 1 - Legislative Compliance, Governance and Achieving Best Value
* Strategic Aim 2 - Economic Growth and Sustainability
* Strategic Aim 3 - Procurement Capability and Improving Commercial Awareness
* Strategic Aim 4 - Stakeholder Engagement and Collaboration

**Strategic Aim 1 - Legislative Compliance, Governance and Achieving Best Value**

(*linked to Agency Objectives 1, 2 and 4*)

**We will:**

* Continue to promote and ensure procurement compliance throughout AiB through awareness sessions.
* Work with AiB colleagues to ensure that available contracts are used, and correct purchasing processes are followed. Complete spot checks for off-contract spend.
* Ensure our procurement practice reflects our Business objectives and Strategic aims.
* Ensure that all regulated procurement exercises are conducted fairly and transparently, encouraging competition and ensuring all tenderers are treated equally at all stages of the process.
* Keep maverick spend as low as possible to ensure that we are spending public money effectively through recognised contracts. Our ‘on-contract’ spend is consistently maintained at between 96% and 98% of total procurement influenced spend.
* Ensure that our contracted Insolvency Practitioners and Legal Agents use our other contracted Suppliers when working on AiB cases. Our Insolvency Practitioners have access to Legal Services, Sheriff Officers, and Chartered Surveyors and our Legal Agents regularly make use of our Sheriff Officers and Chartered Surveyors contracts.
* Ensure that there are contracts in place that provide the necessary services and seek value for money and improvements when awarding these contracts. These range from major high value/high risk contracts such as Insolvency Services, IT Development and Legal Services down to support services such as mail collection and printing services.
* Help AiB achieve value for money using Collaborative Frameworks and AiB owned contracts by ensuring the best balance of cost and quality is achieved in each procurement process, contributing to effective contract management processes, and continuous improvement.
* Report on commodity spend and on/off contract spend throughout the year and continue to develop savings and benefits reporting in conjunction with the Finance team in line with the Procurement Benefits Reference Guidance. We will upload spend information to the Scottish Procurement Information Hub to assist with reporting and identifying collaborative opportunities.

**Strategic Aim 2 - Economic Growth and Sustainability** (*linked to Objective 5*)

**We will:**

* Include community benefits and sustainability considerations in all applicable contracts in proportionate ways. We will do this in line with the sustainable procurement duty which requires a contracting authority to think about how it can improve the social, environmental and economic wellbeing of the area in which it operates through its procurement activity.
* Facilitate the involvement of Small and Medium Enterprises (SMEs), third sector bodies and supported businesses where possible. AiB currently have high value contracts in place with Scotland based SMEs, Suppliers who employ graduate programme staff and apprentices, and we promote the use of Supported Businesses for all suitable requirements. Our largest framework (Insolvency Services) is currently split into regional lots to enable smaller organisations the flexibility of bidding for individual lots if that is more suitable for their business.
* Welcome school students from the local community to the Procurement team as paid summer placement staff as part of the Developing Young Workforce (DYW) scheme. In the past students have helped with invoicing and administration tasks and in turn have gained valuable new skills and experience of the working environment. Due to the COVID-19 pandemic the DYW schemes for 2020-21 and 2021-22 were cancelled, however we will consider our options during the 2022- 2024 period.
* Continue working towards becoming a carbon zero organisation in support of SG targets to achieve Carbon Zero by 2045. Since 2019-2020 AiB have been carbon neutral and have an on-going partnership with Trees for Life. During the coming year we will explore energy efficiency and decarbonisation schemes.
* Continue to consider fair work practices in line with the Fair Work First guidance, such as the payment of the real living wage, no inappropriate use of zero-hour contracts, provision of training and workplace development opportunities, the gender pay gap and equality and inclusion issues in all appropriate contracts. These aspects will be monitored throughout the contract management process. AiB will continue to award contracts based on the Most Economically Advantageous Tender (MEAT) for all regulated procurements.
* Continue to promote the use of supported businesses. The Agency has commenced a project to review and refresh the office space at Kilwinning to reflect the new hybrid working model, maximise the use of space and strengthen collaboration between staff and teams. Supported Businesses will be considered for our requirements.

**Strategic Aim 3 - Procurement Capability and Improving Commercial Awareness**

(*linked to Agency Objectives 1-4*)

**We will:**

* Continue to work with Senior Managers and other AiB staff to identify services or business areas where we can improve performance through an innovative procurement approach.
* Actively participate in relevant AiB project processes providing procurement guidance.
* Actively participate in business planning processes gaining awareness of current business issues and influencing corporate decisions.
* Review procurement skills and resource levels required by AiB and prepare training plans to meet these needs.
* Work with the Learning and Development team to source appropriate training, qualifications and continuous professional development for procurement and contract staff.
* Continue implementing the PCIP action plan, including the introduction of customer feedback processes and introduction of a formal procurement sustainability strategy.

**Strategic Aim 4 - Stakeholder Engagement and Collaboration** *(linked to Agency Objective 3)*

**We Will:**

* Work with the Contract Management and Efficiencies and Technology teams to implement appropriate contract management processes for all suppliers, monitored through review meetings, financial checks and audit processes. Contract handover documentation will be provided for new contracts.
* Work with SG colleagues to ensure that collaborative opportunities are utilised where possible.
* Be active in the wider SG Procurement network, through cluster group meetings and other events.
* Ensure early market engagement, publishing Prior Information Notices (PINs) and Requests for Information (RFI) where appropriate. For some of our procurement exercises we also hold industry events to meet prospective suppliers and provide information about the upcoming process.
* Conduct customer satisfaction surveys where appropriate to gain an insight into the services our customers receive from some of our procured Suppliers as well as their thoughts on AiB processes.

# Contracts, Frameworks and Projected Contracting Activity

AiB use a number of SG and Crown Commercial Services (CCS) collaborative frameworks for the provision of goods and services, but also operate a number of AiB owned contracts.

AiB will conduct procurement exercises as required and as previously stated where possible we will facilitate the involvement of SMEs and Supported Businesses. Procurement will regularly report to the Senior Management Team (SMT) on procurement activity and continue to report on contract spend data on a regular basis.

Details of AiB projected contracting activity are detailed at [Annex A](#_bookmark7). This activity may be subject to change dependant on budgetary constraints and priority adjustments. A User Intelligence Group (UIG) of key staff will be set up for each regulated procurement exercise and individual procurement strategy documents will be drafted detailing each planned procurement process.

# Policies tools and procedures Governance

AiB adhere to the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016 and follow the Procurement Journey guidance in all Procurement exercises. To ensure transparent, fair and open competition AiB use Public Contracts Scotland (PCS) and electronic communication throughout all tender processes. Above threshold notices are published on the UK e-notification system called Find a Tender Services (FTS). All procurement documentation is stored in secure eRdm files that are only accessible by procurement staff.

For each procurement exercise we ensure that each member of the Technical Evaluation Panel (TEP) and User Intelligence Group (UIG) signs a confidentiality and impartiality agreement before they have access to any tender documentation. All pricing information is removed and evaluated separately by procurement staff to ensure that evaluation panel members are basing their evaluation only on the information contained in the quality section of the tender responses.

AiB last completed the PCIP Lite assessment in October 2019 retaining our gold status, and because of continual process and governance improvements we increased our overall score by 10%. The Procurement team has implemented an action plan to target recommendations made because of the assessment. We complete the procurement competency framework for all roles within the Procurement team and have used this to find training requirements for staff. Only one member of staff is currently studying towards attaining CIPS qualifications however those filling the vacant posts will require to hold or undertake this qualification once in post.

As an agency of the Scottish Government our Chief Executive has the authority to purchase and let contracts and delegates this purchasing authority to individuals throughout AiB. Delegated Purchasing Authority (DPA) has been given to various staff within the Procurement and Contract Management Teams, Case Management Team, and Finance Team. Each of these staff have different purchasing limits based on their grade and job role. This authority is different from Financial Authority which has also been delegated to different individuals throughout the Agency. No single person has both DPA and Financial Authority to ensure separation of duties throughout the purchasing process. The Procurement team has devised a training pack for members of staff with delegated purchasing authority. This training is refreshed on an annual basis and must be completed before a DPA letter is issued by the Chief Executive. Staff with DPA have the authority to purchase ad hoc items not already covered by a contract, while Procurement staff have the authority to run procurement exercises on behalf of AiB. As detailed under Strategic Aim 1 above, the Procurement team will aim to introduce spot checks on spend via our case management systems to ensure appropriate purchasing processes are being followed, with spend analysis being undertaken on a regular basis.

AiB have a purchasing request system that is accessible to staff via our intranet. All non-case related purchases must be added to this system for approval by a budget holder with Financial Authority before the request is added to our Easebuy system or paid via Electronic Purchasing Card (ePC). This process ensures that all purchases are approved at two stages before the order is electronically sent to the supplier or paid via ePC.

Investigations into introducing efficiencies to the process are ongoing, including the option of removing the purchasing request system and allocating purchasing responsibility to named team members throughout the Agency.

**Stakeholder and Supplier Engagement**

The Procurement Team has good relationships with staff across the Agency and provides support advice and guidance on procurement processes, ensuring the most appropriate route for procuring goods and services is being followed. Our Contract Management teams have close working relationships with suppliers and meet regularly to review and discuss the contract. Annual continuous improvement events are held with input from various areas of AiB and representatives from our major contracts. During the COVID-19 pandemic stakeholder contact was maintained by virtual means and now that the Agency is operating a hybrid working model face to face events are being offered to our stakeholders.

**Public Procurement Considerations**

### Community Benefits

The Agency will continue to include community benefits considerations in all appropriate contracts where the value exceeds £4 million over the term of the contract. Any community benefits identified during procurement processes will then be monitored throughout the contract by the Contract Management Team.

### Fair trade

AiB are committed to procuring fairly and ethically traded goods and services. Clauses regarding Supplier legal obligations relating to environmental, social and employment laws are included in each of our contracts.

### Prompt Payment

AiB promote prompt payment throughout each of our contracts and have a 10-day payment target for all Direct Running Cost (DRC) invoices received. During April 2021 to March 2022 AiB paid 96% of invoices within the 10-day target. Clauses to ensure that payments are made to suppliers and sub-contractors within 30 days are also included in all contracts and AiB paid 99% of invoices within 30 days during 2021-2022. AiB will consider future eInvoicing requirements in line with SG guidance and processes.

### Health & Safety

The Agency has health and safety policies in place and includes health and safety considerations in all contract terms and conditions.

AiB does not currently have a regulated contract in place for the provision of food for catering purposes, however if that was to change AiB would ensure that the appropriate consideration was given to animal welfare and health and wellbeing in the local community.

### Living Wage

Payment of the living wage is not currently mandatory for AiB contracts, but AiB supports the payment of the living wage and encourages Suppliers to pay the real living wage where possible. AiB, itself, is an accredited living wage employer. As previously detailed fair work practices will continue to be included and assessed in procurement exercises, including the payment of the real living wage.

### Brexit and Procurement

AiB had previously completed a risk analysis considering the impact of Brexit on all our AiB owned contracts. Our contract management colleagues also discussed possible Brexit concerns with Suppliers. Due to the nature of our contracts the majority were assessed as ‘low’ risk with a few of our higher value contracts as ‘medium’. Concerns relating to Brexit will continue to be monitored and discussed regularly at Supplier review meetings and at a Senior Management level.

### Russia and Ukraine

The UK Government has introduced financial and investment sanctions aimed at encouraging Russia to cease actions which destabilise Ukraine. Contracting authorities were asked to consider how they can further cut ties with companies backed by the states of Russia and Belarus. An assessment of AiB’s contracts has confirmed that there are no contracts with associations to these countries.

### Climate and circular economy

Procurement duties under the 2014 Act already require public sector organisations to consider and act on opportunities to improve the economic, social and environmental wellbeing of their areas through their procurements.

As per SPPN 1/2021: [**taking account of climate and circular economy**](https://www.gov.scot/publications/taking-account-of-climate-and-circular-economy-considerations-in-public-procurement-sppn-1-2021/)[**considerations in public procurement**](https://www.gov.scot/publications/taking-account-of-climate-and-circular-economy-considerations-in-public-procurement-sppn-1-2021/)**,** AiB will take account of climate change and circular economy in our procurement activity and we will report progress against these commitments in our Annual Procurement Report.

# Annex A – Upcoming Procurement activity

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Upcoming Procurement Activity** | | |  | | |
| **Contract** | **Current Contract End Date** | **Consider extension, retender or new contract** | | **Framework or DPS available?** | **Regulated?** |
| AiB Website Upgrade | n/a | New | | Possibly. SG capability and frameworks will be investigated if  procurement input is required. | Not Known |
| Penetration Testing | 26/03/2022 | Retender | | Possibly G Cloud framework will be investigated. | No |
| Office Refurbishment/Development | n/a | New | | Possibly Supported Services framework will be investigated | Not Known |
| Energy Efficiency and Decarbonisation Schemes | n/a | New | | Structural review/Feasibility study  may be required | Not Known |
| Back Up | n/a | New | | Possibly. SG capability and frameworks will be investigated if procurement input is required. | Not Known |
| Sheriff Officers | 22/02/2023 | Consider Extension | | Possibly. Frameworks will be investigated | Yes |
| Credit Checking Services | 30/06/2023 | Consider Extension | |  | Not Known |
| Postal Service – call off from SP-15-0014 | 30/09/2023 | Consider Extension | | SG Framework SP19- 035 also available to call-off |  |
| Print Design and Associated Services – Call-Off | 30/09/2023 | Consider extension | | SG Framework |  |
| Chartered Surveyors | 30/11/2023 | Consider Extension | | Possibly | Yes |
| Project Delivery Training | 06/11/2022 | Consider Extension | |  |  |