



**Scottish Prison Service**

**Unlocking Potential  
Transforming Lives**

# Annual Procurement **Report**

**2023-24**

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# About the Scottish Prison Service

The SPS is an Executive Agency of the Scottish Government. There are currently eighteen prisons located across Scotland: seventeen directly operated by SPS and one operated by a private sector operator under contract to SPS. HMP Kilmarnock transitioned from private to public ownership in March 2024. There is also an SPS Headquarters, an SPS College and SPS Fauldhouse which serves to provide a Central Stores and operational training facility. SPS directly employs around 4,600 staff.

SPS operates the Victim Notification Scheme for registered victims of crime, who have the right to receive information about the progression and eventual release of the person convicted of the offence against them. SPS also manage the contract for the Scotland-wide Court Custody and Prisoner Escorting Service for the provision of the safe and secure transport of those in custody to and from Courts and appointments on behalf of multi-agency Criminal Justice Partners.

The role of Scotland's prisons is derived from two key documents: the Scottish Government's '[Vision for Justice in Scotland 2022](#)' and the Scottish Sentencing Council's 'purposes of sentencing'. The work of SPS staff and prisons contributes to the delivery of the National Outcomes specified in the [National Performance Framework](#) particularly the outcomes of:

- We live in communities that are inclusive, empowered, resilient and safe; and
- We respect, protect, and fulfil human rights and live free from discrimination.

The SPS also delivers actions that contribute to realising the National Strategy for Community Justice. The SPS engages and works with a variety of justice and third sector partners that variously support or are involved with, individuals in the community, in-custody and leaving custody. This report illustrates some of the collaborative activity to tackle the cycle of reoffending.

## Procurement Strategy

The SPS Corporate Plan, published on the SPS website, sets out our organisational objectives in the period covered by this Annual Procurement Report (APR). The SPS has published its [Corporate Plan](#) which covers a five-year period (2023-28).

The legislative provisions of the Procurement Reform (Scotland) Act 2014 require that larger public bodies publish a [Procurement Strategy](#). SPS published its Procurement Strategy which aligns with the current SPS corporate planning cycle (2023-28).

The SPS continues to recognise the importance of effective public procurement in supporting the SPS's operational activity, ensuring that SPS derives value for money from its external expenditure and that the Goods, Services and Works procured are fit for purpose. SPS corporate priorities are typically reflected in Annual Delivery Plans which, in turn, often variously require procurement action and contract activity. This APR illustrates how the SPS has used its procurement activity to address the various legislative and policy requirements set out in the Procurement Strategy.

# Foreword from the Head of Procurement



I am delighted to publish the SPS's seventh Annual Procurement Report (APR) in accordance with the requirements of the Procurement Reform (Scotland) Act. SPS has endeavoured to extract and publish relevant information to inform our stakeholders about the range of contracts and outcomes achieved by the SPS through its procurement activity over the period.

At the beginning of the year, the Scottish Government launched the Public Procurement Strategy for Scotland 2023-28. This reinforced the importance of the Sustainable Procurement Duty, requiring public sector bodies to buy in a way which is 'good for businesses and employees', 'good for society', 'good for places' and communities and is 'open and connected'. This provided a welcome opportunity for SPS to publish our own Procurement Strategy covering the same period and ensuring that our procurement activity and approach remains aligned with the 'good for' themes and the open and connected undertaking.

2023-24 saw SPS deliver a number of key projects for which procurement activity was a key enabler. SPS reached a key milestone in its HR Digital Transformation programme, with the award of the contract for a new HR Digital platform being made in May 2023. The PFI contract for HMP Kilmarnock completed its 25-year term towards the end of the period. This was the first PFI handback in Scotland, and required a huge amount of operational planning and management and saw HMP Kilmarnock transfer smoothly into SPS operation in March 2024. Significant progress was also made with HMP Highland (the replacement prison for HMP Inverness) with further Advance Works contracts being awarded during the year and progressing on site and the main works contract being finalised towards the end of March 2023. HMP Highland will provide a modern and progressive environment which is supportive to rehabilitation and will play a key role in the community in which it serves. It is designed for sustainable operation and produce zero direct carbon emissions.

Whilst these three projects represent only part of the programme of work reflected in this report, they serve to underline the importance of good planning and teamworking which remain both central and essential to successful delivery of procurement activity across SPS and can be seen throughout this report which once again underlines a challenging but highly productive year.

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## Looking back at 2023/2024

**£235.8m**

**Procured External Spend**

27% (£63m) with Scottish based businesses.

**£243,911**

**Spend with supported business**

(Including via supply chain)

**£43m**

Spent via the PECOS e-procurement system

**£160.4m**

Contracts Awarded

**97%**

Of SPS invoices paid within 30 day period

**37**

New Regulated / Call-off procurements

**£72.8m**

**Spent with SMEs**

(Plus £9.8m of 'local' spend through sub-contract / supply chain activity)

**83**

Contracts Awarded

**3**

New regulated procurements with Community Benefit provisions

**£827,000**

Sales generated through Prison Industries / SPS Fauldhouse

# 1. Contextual Background - Procurement in the SPS

SPS has a well-established procurement environment with mature policies and practices that support effective public procurement. The elements set out in this section are key enablers of being able to discharge effective procurement – both “Regulated” projects and those within the scope of the wider Public Contract regulations. SPS expects its procurement activity to be delivered in a way which ensures that it meets the legal, ‘best practice’ and wider socio-economic-environmental obligations required by legislation and through Scottish Government policy.

## 1.1 Compliance with Legislation

The management of public procurement activities in Scotland is subject to a general duty to undertake ‘Regulated’<sup>1</sup> procurement in a transparent and proportionate manner and treating all potential suppliers fairly and without discrimination.

The SPS Procurement Strategy recognises that the Procurement Reform (Scotland) Act 2014 created a statutory obligation to consider the Sustainable Procurement Duty (i.e. the wider socio-economic-environmental factors) including Community Benefits within procurement activity. Other legislation and policy considerations promote Fair Work First, taking forward actions to ensure Health & Safety at Work, addressing the provisions of the UK General Data Protection Regulations and Cyber-Security, addressing the Climate Crisis / Net Zero, and to encourage contractual outcomes that directly or indirectly contribute towards various National Outcomes.

SPS continues to actively contribute to the cross-sectoral Procurement Policy Forum and disseminates emerging procurement policy and guidance (including [Scottish Procurement Policy Notes \(SPPN\)](#) and [Construction Policy Notes \(CPN\)](#) within SPS. We conduct regular discussions on policy and best practice in SPS procurement contract development, contract management and full team meetings to ensure awareness of policy and its application within our procurement activity.

The SPS also continues to contribute to the programme of best practice set up by the Central Government Procurement Collaboration Group. This network shares best practice amongst a core sectoral group.

To assist the SPS’s understanding and interpretation of procurement legislation, policy, and best practice it actively engages with Scottish Central Government. The Scottish Government Legal Department (SGLD) is consulted for specific guidance in interpreting and applying legislative and case law provisions within procurement.

## 1.2 Procurement Policy and Arrangements

Procurement Policy & Services Department (PPSD) is located at SPS headquarters.

<sup>1</sup> “Regulated” procurement reflects requirements whose aggregate value over the term of the contract is estimated to be >£50k (Goods or Services) and >£2m (Works).

## 1.2.1 Contract Development

PPSD conducts the full cycle of SPS procurement and contract management activity for the majority of the SPS's annual external expenditure: £235.8m in 2023-24 (£233.42m in 2022-23). In any given year, PPSD typically tenders, awards, reviews and/or extends ~150 contracts for Goods, Services or Works to underpin SPS business needs. These projects are of varying complexity and span a range of values across Regulated and Non-Regulated procurement (as defined by the Procurement Reform (Scotland) Act 2014).

An SPS Procurement Manual and associated policy and practice underpin SPS fulfilling the obligations set out in the Public Procurement Regulations, relevant Statutory Guidance and the best practice 'Procurement Journey.' SPS procurement policy includes a number of core principles that underpin the programme of activity including:



- PPSD advertising and competing larger contracts (>£20k in value). This is accompanied by flexibility for devolved procurement officers to award business, which is not met already covered by national contracts, in response to local operational needs (<£20k).
- procurement procedure thresholds (aligned with the above principles).
- the mandated use of relevant national contracts / framework agreements (including category A and B collaborative contracts established by Scottish Government or others) within SPS
- appropriate separation of duties between delegated financial and procurement authorities; and
- controls to support good governance and accountability for procurement decisions in SPS with exception such as Non-Competitive Actions being subject to specific control approvals, and
- consideration of the obligations flowing from the Sustainable Procurement Duty including those related to the climate crisis / net zero objectives, Fair Work First, etc.

Over 90% of the SPS's external expenditure is conducted through central contracts set up by the SPS directly or through call-off from relevant available collaborative contracts. The balance is managed through devolved procurement activity.

SPS empowers specific staff (DPA Officers) across the SPS estate to undertake transactional procurement at a local level up to the value of £20k within parameters set out in the SPS Procurement Manual e.g. where there is no national contract, and subject to quotations being obtained in competition for requirements above £3,000 in value. This balances the legal requirement to consider procurement activity at a corporate level with a necessary degree of local procurement autonomy to flexibly respond to local needs and/or emergencies. PPSD delivers commercial awareness training to devolved DPA Officers and hosts regular meetings with the Procurement Leads Group from prisons.

PPSD engages closely with relevant 'internal client' stakeholders from pre-procurement / planning activity, through the procurement processes and into establishing area-specific or 'national' contracts.

Some examples of Contract Development activity undertaken during 2023-24 is provided in the following Case Studies:

## Case Study: Development and Learning | Contract Development

### Background

SPS initiated a project in 2023 to review its strategy for Learning and Skills. The new strategy, 'Learning for a Better Future' was developed in conjunction with Education Scotland and provides the basis for establishing the requirements for the national prisoner education contract.

The national contract for Learning and Skills is currently delivered under a single provider model with Fife College the incumbent supplier and is due to expire at the end of July 2025. The procurement workstream was tasked with reviewing the procurement strategy and specification and initiating the retendering exercise for the new service ('Development and Learning').

### Procurement Activity

The current contract for Learning and Skills is well-established and supports the existing strategy. The re-tendering of the contract provides an opportunity to reset the approach to and learning service to align it with Learning for a Better Future. This new strategy was being developed in the early part of 2024 and, to ensure that the overall programme for contract renewal was met, the procurement strategy agreed, and the re-tender initiated.

SPS placed a Prior Information Notice on Public Contracts Scotland in November 2023 and undertook extensive market sounding, informed by the developing strategy. This market sounding informed the Procurement Strategy with SPS electing to follow a 'Competitive Procedure with Negotiation' (CPN). The CPN approach would enable bidders to develop their proposals in iterations with a view to encouraging innovative approaches and maximising the opportunity to increase value for money from the new contract. SPS also reviewed the contractual payment mechanism with a view to introducing an incentive-led approach. Again, this is expected to provide an opportunity for increasing value for money over time.

The extensive pre-procurement activity put SPS in a good position to execute the procurement procedure with a view to awarding a contract in early 2025 to enable up to 6 months for implementation planning and execution.



## **Case Study: In Cell Telephony System (SPS-02034) | Contract Development and Infrastructure**

### **Background**

SPS provides in-cell telephony to the people in its care. This was introduced during the Covid-19 pandemic to support safety and well-being of people in custody experiencing extended periods of isolation in-cell. In-cell telephony was originally provided through a secure private network based on 2G mobile technology. The use of mobile communications in prisons was a temporary measure and SPS developed plans to provide a long-term telephony solution using wired technology. In addition, SPS expects to develop the provision of in-cell services over time to increase its operational efficiency and effectiveness and to promote personal agency for the people in our care. Services to be introduced over time include e.g. booking visits and canteen, accessing in-cell learning material etc.

### **Procurement Activity**

SPS assessed options to provide a long-term reliable and secure telephony solution for use in-cell. This was informed by detailed market sounding to ensure viability, fitness for purpose and cost effectiveness (to procure and to operate). The approach to procurement was notable for two reasons. Firstly, the procurement and implementation of cabling infrastructure in all cells across SPS was completed in 22/23 and included additional capacity to support both a telephony system but also future in-cell systems (two or sometimes three Cat 6 cables were installed to provide future capacity); it is estimated that this pre-emptive approach i.e. removing the need for a second cabling installation programme in future resulted in a saving (cost avoidance) of up to £3m. Secondly, SPS challenged the business need for the Prisoner Telephony solution and determined that an analogue handset would provide sufficient functionality for our purposes and would be far more cost effective (c. £300k vs. digital alternative and greatly reduced replacement costs over time).

Following the procurement of the new telephony system, SPS was able to review and update the charging model for users of the system – to ensure that this remained cost effective for user whilst at the same time ensuring cost recovery for SPS.

## Case Study: HMP Highland (SPS- 10600 Main) | Award of Main Works Contract

### Background

HMP Highland is the replacement prison for HMP Inverness. The new prison will have a design capacity for 200 adult men and will be located at the Inverness Retail and Business Park situated on the eastern outskirts of the city.

SPS conducted a two-stage design and build tender and awarded a Pre-Construction Services Agreement or PCSA (Stage 1 contract) to Balfour Beatty Construction Limited in September 2021. The primary activity under the Stage 1 contract was the provision of a full design for the prison and a final main works pricing proposal.

### Procurement Activity

The final design and cost proposals were submitted by the contractor and the main works contract awarded in early 2024. As well as providing much needed additional capacity vs. HMP Inverness, HMP Highland will provide a fit for purpose facility which will provide a wide range of benefits not only for those in the care of SPS, but for the wider community, staff who will work in the prison and the Scottish Government, by contributing to the National Performance Framework and working towards achieving the National Outcomes. Some of the key themes are as follows:

- Fundamentally improve the decency and dignity for those who will live in the prison, as well as those who will work there. It will reduce the time staff spend on transactional work and support rehabilitation.
- Provide a wide variety of community benefits HMP Highland Social Impact Plan being.
- HMP Highland removes transactional tasks of prison officers and allows the focus to be on engagement with those living in the prison. The prison design and digital enhancements will enable facilities in-cell and increase relational activity and provide enhanced opportunities in an appropriate environment. It will enable the development of skills for life and the development of social capital.
- Improved physical security within the prison, particularly with regards to CCTV and electronic locking. Smaller sections in each hall supports people within prison to feel safer and this includes the staff working there. The new cells will include reduced ligature fixings, fixtures and equipment which create a safer environment for those in distress and at risk of self-harm or suicide.
- The facility will have zero direct carbon emissions under normal operating conditions through to decarbonisation of the heating of the facility including:
  - Improve the energy efficiency of the building stock to reduce heat demand;
  - Installing high efficiency equipment; and
  - Deployment of a zero direct emissions strategy to replace fossil fuel use for heating, (e.g. natural gas), cooking etc.

## Case Study: Youth Work (SPS-01963) | Contract Development

### Background

SPS has had a longstanding relationship with a supplier for the provision of Youth Work services – successfully tendering on multiple generations of the contract.

### Procurement Activity

SPS undertook a procurement process for the Provision of Youth Work Services (SPS-01963) during 2023-24 as a renewal for the long-term existing youth work contract (01327). As part of the pre-procurement process PPSD conducted significant internal stakeholder engagement with those responsible for the young population, the majority of whom are in HMP & YOI Polmont. The early engagement highlighted how the needs of the young people and the service requirements had evolved during the most recent contract term, and this helped inform the procurement strategy for the future contract. PPSD worked closely with the stakeholders to develop a new statement of requirements with a view to adapting the service in line with the changing needs of the population as well as improving on, and enhancing, opportunities for integration for those in our care.

PPSD conducted an Open Tender process for the provision of the contract. The successful bidder was Kinetic Youth Ltd: an organisation that SPS had not worked with previously.

The award of the contract to Kinetic Youth Ltd brought about a number of technical and commercial benefits including a saving ~£79k on year 1. Early indications have evidenced an enhanced level of engagement and interaction with the young people in custody and the success of the contract has resulted in SPS looking to broaden the access to other SPS sites with young people in custody during 2024/25.

## **Case Study: HR Digital Transformation (SPS-02036) | Contract Development**

### **Background**

SPS has three HR digital systems, under three contracts, with three different suppliers, for 3 different services: Payroll; Core HR (e.g. absence management, annual leave); and Recruitment. As part of the SPS corporate plan, a strategy was developed to transform these systems to a more streamlined, effective and efficient cloud-based integrated system which would include these three areas plus on-boarding, and time and attendance. A Project Team was developed with procurement directly represented.

### **Procurement Activity**

SPS carried out early stakeholder engagement to determine the overall aims and objectives of the project. This was informed by an RFI (Request for Information) process published in Public Contracts Scotland which attracted a level of response and supported the SPS development of a detailed statement of requirements. Separately, the SPS liaised with a number of public sector organisations with recent experience of similar projects. This further supported the development of a detailed technical and functional specification. This confirmed the opportunity for the SPS to consolidate its HR system requirements under a single HR digital platform which would be readily available in the marketplace.

A Restricted procurement procedure was undertaken. This enabled SPS to narrow the competition to 6 potentially suitable bidders and ultimately 2 fully compliant tenders were received and evaluated. A contract was awarded to MHR UK Limited on the basis of the strength of its overall technical and commercial offer.

The award of this contract provided the SPS project team with an excellent platform for configuring and optimising an HR digital solution based around a market leading 'off the shelf' product.



## **Case Study: HMP Kilmarnock Handback | Programme of Procurement Activity**

### **Background**

HMP Kilmarnock was procured under a 25 year PFI contract between SPS (Scottish Ministers) and Kilmarnock Prison Services Limited (KPSL). The contract, which was awarded in 1998 was for the design, construction and financing of the prison but also included the full outsourcing of the prison operation (latterly subcontracted by KPSL to Serco. The prison was scheduled to handback to SPS for SPS's operation from 17th March 2024 and represented the first PFI handback in Scotland.

### **Procurement Activity**

A Procurement Workstream was commissioned as part of the HMP Kilmarnock handback project in order to plan and execute a wide programme of procurement activity - including both the inclusion of HMP Kilmarnock in SPS national contracts and/or the setting up of local contracts as required.

This programme of work required production and execution of a detailed plan covering all aspects of expenditure envisaged at HMP Kilmarnock. This included consideration of all supply, service and maintenance requirements in order that these were available ahead of the handback or from the handback date itself. This required a great deal of coordination and expediting to ensure that the procurement activity supported as seamless a transition into SPS operation as possible.

In practice, this required both planning and suitable procurement action being executed against c.150 discrete contract areas. Due consideration was also given to existing contractual arrangements including where this involved small and medium sized enterprises and/or local suppliers. This was with a view to ensuring the best sustainable outcomes possible whilst demonstrating value for money.

HMP Kilmarnock was successfully handed back for SPS operation on 17th March 2024. The Procurement Workstream ensured that all critical services were in place (including e.g. utilities and security systems) and that all other key supply and service arrangements were in place and operational to coincide with the transfer to SPS operation.

## Balanced Scorecard

The SPS has been rolling out the use of Balanced Scorecards within the eCM module on Public Contracts Scotland-Tender platform. This is a new contract management tool for SPS to formalise the process of monitoring a supplier`s performance against their



contractual requirements. The balanced scorecards track KPIs and produce a measurement and tracking mechanism for the performance of SPS suppliers as completed by SPS `Technical owners` and local procurement managers. SPS plans to implement Balanced Scorecard for most applicable `classified` contracts managed by PPSD and is prioritising Gold and Silver contracts.

## Contract Management Policy

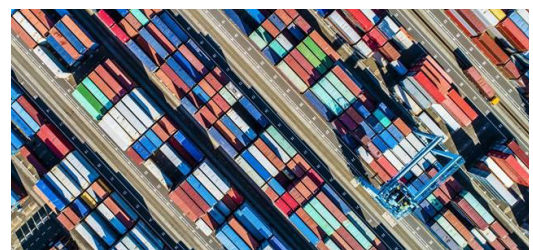
During FY 23/24, PPSD introduced its Contract Management Policy, laying out policy for all classified SPS contracts managed by PPSD (meaning all National contracts awarded by PPSD) and Operations Directorate (Private Prison(s) and SCCPES). Supplementary guidance is available to support policy compliance for both PPSD and Operations Directorate managed contracts.

1	<b>To manage the programme of renewal contracts.</b>  (i.e. to ensure that for recurring requirements, there are no or minimal gaps in contract coverage).	MANDATORY: All Contracts
2	<b>To ensure the contract delivers its obligations.</b>  (i.e. to ensure that the supplier is delivering to the terms, conditions, and specification set out in the contract).	MANDATORY: PLATINUM & GOLD contracts  DISCRETIONARY: SILVER AND BRONZE contracts wherever possible
3	<b>To undertake proactive management to drive further value.</b>  (i.e. to seek further value from the contract by way of, for example, working with the supplier on order/delivery efficiencies, sustainability outcomes).	DISCRETIONARY: ALL Contracts where possible

The SPS **Contracts Committee** was set up in 2023 and chaired by PPSD, to mitigate the risk that: if SPS contracts are not managed to ensure delivery of service and best value, this may lead to poor service delivery and additional cost to the business. It meets every 6 months. The aim of the Contracts Committee is to provide executive management and corporate oversight on the contract management activities undertaken within the SPS with senior, director level representation from all directorates. In performing this function, the Committee provides overarching governance of SPS contracts, which includes:

- Reviewing corporate contract risk categories (Platinum, Gold, Silver, Bronze); and
- Receiving contract performance reporting (including Balanced Scorecard reporting).

The Head of Procurement continues to chair an **SPS Supply Impact Response Group (SIRG)** and provides reports to the SPS Executive Management Group. SIRG focuses on SPS contracts: supply availability, minimising inflationary cost impacts, and taking actions (through procurement or contract management activity) that support operational resilience.



Energy, food costs and construction materials were all areas which exhibited inflationary pressures or supply issues for SPS to manage. The inflationary backdrop has softened during this period and, as a result, the focus has shifted from management of supply impact to awareness on key economic measures e.g. inflation, interest rates and any key focus areas including food inflationary impacts. PPSD has continued to track any contracts significantly affected by supply issues. Additionally, period 'snap shots' are noted on the quantity of tender returns in response to concerns on the number of tender returns across a wide range of contracting activity. The SIRG has been well supported by senior management in recognition of the impact that supply disruption and inflationary pressures can have on SPS operations.

### **1.2.3 Stakeholder Voice**

SPS procurement activity continues to maintain close engagement with Operations Directorate and other key stakeholders regarding contracts which are specific to their business area; both in terms of contract development and post-award contract management. We use various routes to engage stakeholders to inform procurement activities and decisions. That includes:

- User Intelligence Groups (UIG) being also formed as necessary to agree procurement strategy, contract requirements and specifications,
- Relevant stakeholders and UIG members also being engaged during tender evaluation, contract award decisions and in supporting contract and supplier management arrangements; and
- Staff members and unions are represented in terms of decisions relating to uniform.

SPS applies the principles described in the [Scottish Approach to Service Design \(SAtSD\)](#) and seek to ensure that people in SPS care are 'supported and empowered to actively participate in the definition, design and delivery' of the services provided by SPS (from policy making to live service improvement). In this way, any subsequent procurement activity will be informed by internal stakeholders reflecting relevant positions into definitions of business needs and through end-user feedback. This includes:

- A Prison Canteen Control Board and individual Prison Involvement Advisory Committees (PIAC) which provides opportunities for those in custody to be consulted about the range and type of products made available.
- In-prison forum groups provide feedback about prison catering / menu choices.

SPS's use of community benefit provisions in major Works projects have also led to significant pre-tender engagement with community-based stakeholders such as the economic development team or community benefit lead in the relevant local authority. The dialogue has allowed SPS to develop a sense of what the local area and each local authority would value and prioritise, and to connect contractors into some of the local networks that could support delivery of outcomes.

We see the above, and SPS's ongoing engagement with statutory, criminal justice and third sector partners (see section 3.5) being an inherent part of SPS engaging within the local communities that we serve. The SPS will continue to promote and undertake this type of engagement where SPS and the prisons themselves are viewed as anchor organisations within their community.



## 2. Value For Money

The SPS Strategic Themes anticipate that its services are effective and provide value for money. Procurement professionals recognise that competition, effective engagement with the market, and ensuring that the resulting contracts are performing, are all key elements to achieving value for money.

The way that SPS interacts with suppliers is a key component to achieving effective procurement and contract outcomes particularly for the more involved projects. SPS takes active steps to undertake pre-procurement activity, early market engagement and to be accessible to prospective bidders.

SPS has continued to advertise its contracts appropriately (through the Public Contracts Scotland website) endeavouring to make these opportunities as accessible as possible for small, medium and large suppliers alike. In doing so, we also appreciate that the significant expenditure of public funds through contracts can continue to support the Scottish Government post Covid-19 'restart and recovery' policy and contribute value to the wider economy of Scotland.

SPS also actively undertakes post-tender debriefing (for both successful and unsuccessful bidders). We have seen several bidders reflect on such feedback and develop their approach when next tendering to the SPS. We continue to see this process as providing a valuable opportunity for stimulating competition both at the time and in the future.

Section 1, paragraphs 3 and 4 of this report provide a summary of the Regulated procurement activity conducted by the SPS during 2023-24.

SPS routinely undertakes active contract management throughout the period of the contract to ensure value for money – see Section [1.2.2 Contract and Supplier \(CSM\)](#). Additionally, a working group was commissioned by SIRG to identify how SPS might manage demand through National contracts with a view to progressively securing better value for money over time and 'buying better'.

### **Case Study: HMP Kilmarnock Handback | Settlement Agreement and Dilapidations**

#### **Background**

HMP Kilmarnock was procured under a 25-year PFI contract between SPS (Scottish Ministers) and Kilmarnock Prison Services Limited (KPSL). The contract, which was awarded in 1998 was for the design, construction and financing of the prison but also included the full outsourcing of the prison operation (latterly subcontracted by KPSL to Serco. The prison was scheduled to handback to SPS for SPS's operation from 17th March 2024 and represented the first PFI handback in Scotland.

#### **Procurement Activity**

A key consideration for the handback of HMP Kilmarnock was ensuring that the physical assets were handed back commensurate with the contractual undertakings with regards to the maintenance and condition of the assets. SPS procured building surveyor services to work alongside the contractor's surveyor to provide a final condition survey all of the assets. This was undertaken 12 months prior to handback with a view to agreeing a programme of dilapidations works. Where this was clear-cut, the work programme of dilapidations commenced. Given the nature of the assets and that they had been in operation for c. 24 years, there were inevitably areas where the extent of the dilapidations works required to be agreed and interpretation and legal advice was required to determine the final programme of work. In order to resolve the matter SPS, the contractor and the operator entered into detailed commercial discussions. A final programme of dilapidations works and end of term undertakings were established between the parties and a tripartite Settlement Agreement was signed to enable the end of contract obligations to be fully concluded and demonstrable value for money obtained.

## 3. Sustainable Procurement Duty (SPD)

SPS procurement activity recognises the need to proportionately consider and address the Sustainable Procurement Duty (SPD) for 'Regulated' procurements. The Procurement Reform (Scotland) Act 2014 and associated Statutory Guidance outlines a range of policy areas for consideration within procurement projects. Key areas such as Community Benefits, involvement of SMEs, engagement with the Third Sector and Supported Businesses, Climate / Net Zero, and addressing socio-economic-environmental aspects within the authority's area feature elsewhere in this APR.

As Scotland's prison service, the SPS has a strong sense of purpose around social value activities that engage with individuals in custody, those leaving custody and their families. In SPS's case, the "Authority's area" includes all of Scotland and the communities that the prisons service. SPS procurement activity therefore seeks to generate improved economic, social and/or environmental outcomes on a broad basis. SPS has a track record of working collaboratively with local authorities, other statutory partners, and the Third Sector through various operating arrangements to support our target groups.

The SPS Procurement team has considered the various Scottish Government guidance around the SPD. PPSD maintains a Sustainability Prioritisation Tool that provides a basis for the internal client and buyers to make informed decisions about the relevant and proportionate aspects of the SPD that they wish to prioritise within individual Regulated or Non-Regulated procurement projects.

### 3.1 Sustainable Procurement Duty - Social and Economic Value

SPS is aware of the contribution that some of our major contracts and expenditure provides to the economy, employment, and local spending power. The quantification of the impact continues to prove challenging and remains an area we continue to assess on a contract-by-contract basis especially with suppliers which have more mature recording methods which support reporting. For example, sub-contract work and spend with local suppliers on materials and new employment within a 30-mile radius of a construction site.

The SPS contract for the supply of Retail Goods with Filshill delivers a range of social value outcomes, whilst delivering a consistent and VFM service. Some of these outcomes include, for example: supporting several SME businesses within the supply chain, with over 20% of ~6,000 product lines coming from 63 local suppliers based in Scotland. In addition, Filshill engage in community projects and have contributed to a number of these which include, for example: donating sports equipment to local groups and holding a breakfast event with the Scottish Healthy Living Programme in Knightswood Primary School, providing over 400 pupils with a healthy breakfast.

Bidfood, the SPS supplier for the supply of frozen food supports its local workforces – their depots are embedded members of many of the communities they work in, with many of their workforces coming from the local area. Depot teams will advertise locally as well as on job boards to help support the local labour force. On a national level Bidfood are working on many new initiatives post-Covid-19 to help support the unemployed across the UK and are intending to work with such schemes as: BEAM (who are supporting the homeless in London), Kick-Start (a government run scheme to generate new posts for the unemployed), as well as expanding their ROTL program and finding ways to help local unemployed ex-forces personnel.

SPS addiction testing provider Abbot Toxicology submit quarterly Social Value reports which include updates on various undertakings including, for example: running their annual Thames Expedition in August 2023. Raising money for Make-A-Wish® UK. The running of the event relied heavily on Abbott volunteers to support with logistics. This included setting up and taking down campsites, organising and serving food for breakfast and lunch each day, and providing some much-needed encouragement along the way! Abbot's teams canoed 100 kilometres of the Thames over three days, raising £7,790.

Further, also in August 2023, Abbott launched Abbott STEM Discovery. This is a virtual, gamified platform that inspires young people to pursue studies and careers in Science,



Technology, Engineering and Mathematics (STEM). Abbot advertised the programme asking interested school and university-aged family members to register for the programme. Abbott STEM Discovery is open to all school children as well as those currently attending further or higher education.

The following case study provides an insight into how SPS Prison Industries has engaged with Recycle Scotland.

## Case Study: Recycle Scotland | Refurbishment Project (Prison Industries)

### Background

Recycle Scotland is a leading office furniture recycling solution provider based in Livingston, West Lothian. They provide a sustainable and environmental answer to the disposal of redundant furniture, fittings, and equipment in the workplace. The Recycle Scotland Project currently engages individuals in the care of SPS to provide sustainable and environmental answers to the disposal of redundant furniture, fittings and equipment in the workplace. Through this engagement, the project provides secure work-based activity for those in-custody to obtain transferable skills, practical work-based experience and, where relevant, for some to progress towards a qualification. Persons released from custody may then have practical life-skills, qualification and experience. Ideally the combination of these elements may facilitate potential paths toward employment for some individuals.

### Procurement Activity

To date, Recycle Scotland have completed a contribution of over 128 social value hours<sup>2</sup> and a carbon saving of ~3,874 kg<sup>3</sup>. These were achieved through three separate projects:

- » **Desk Project** – people in the care of SPS, under the supervision of SPS staff, conducted the refurbishment / repair of 50 desks. The benefits were clear in:
  - Engaging 12 different individuals in meaningful activity;
  - Financial contribution to the appropriation in aid fund which facilitates the Rehabilitation and Care Agenda;
  - Return on Investment of ~47 social value hours; and
  - Carbon savings of ~1,625 Kgs.
- » **Task Chair Project** – again people in the care of SPS, under the supervision of SPS staff, conducted the refurbishment / repair of 12 task chairs. Again this seen benefits of:
  - Engaging 6 different individuals in meaningful activity;
  - Financial contribution to the appropriation in aid fund;
  - Due to the complexity of the work, a return of ~29 social value hours; and
  - Carbon savings of ~624 Kgs.

2. Social Value Hours calculator based on internal Purposeful Activity hours and community payback.  
3. Carbon Saving calculated using the Reuse Network Impact Calculator and presenting each product as an item of household furniture.

- » **Desk 2 Project** – people in the care of SPS, under the supervision of SPS staff, conducted the refurbishment / repair of 50 desks. The benefits were clear in:
  - Engaging 10 different individuals in meaningful activity;
  - Financial contribution to the appropriation in aid fund which facilitates the Rehabilitation and Care Agenda;
  - Return on Investment of ~52 social value hours; and
  - Carbon savings of ~1,625 Kgs.

Work is currently ongoing with a further contract to conduct the refurbishment/repair of 1,400 desks for the University sector. The environmental, social and employability development objectives obtained in this partnership not only align with several of the Scottish Governments' National Outcomes (including policies regarding inclusion, tackling deprivation and supporting communities), and the SPS's own interest in Reducing Reoffending, Transforming Lives. The re-use and recycle and circular economy perspective also aligns with Zero Waste Scotland and Scottish Government objectives.

## 3.2 Fair Work First and Living Wage

SPS has been an Accredited Living Wage employer since 2016. As well as ensuring that SPS continues to pay its employees the current Living Wage, SPS procurement activity contributes by including Fair Work First provisions (including Living Wage) in tenders and bid evaluation.



## 3.3 Equality and Diversity

SPS continues to consider Equality and Diversity in its procurement activity and the need to comply with the [Equality Act 2010](#) and the 'General Duty'. SPS includes equality provisions in the tender specification and, where appropriate, in the contract award criteria, and/or the terms & conditions pertaining to contract performance.

All new staff undertake the SPS E&D e-learning via the SPS College, and the SPS's Equality & Diversity classroom-based training. In procurement, this learning is also supported by specific guidance to inform decisions about equality matters within tenders and contracts.

The SPS LGBTQ+ network (PRISM) is a fully inclusive network which invites everyone (including supplier / contractor staff who work in prisons) to join no matter what sexual orientation they identify as. PRISM regularly promotes LGBTQ+ events and celebrations such as the annual Pride Month or the International Day Against Homophobia, Transphobia and Biphobia (IDAHOBIT) within SPS. The SPS disability and Women's networks are also open to employees of contractors who regularly work in prisons in Scotland. The SPS internal website regularly promotes equality matters and events such as LGBTQ+ or Black History Month.

SPS continues to be accredited as a Diversity Champion by [Stonewall](#). The accreditation process considers, amongst other factors, how an organisation's procurement activity contributes towards eliminating discrimination and promoting equality. Several suppliers used by the SPS are 'Diversity Champions' in their own right.

The SPS Learning & Skills contract with Fife College reflects the need to provide learning services that are sensitive to, and respond to the needs, of individuals in general and specifically within the nine protected characteristics. There is also an obligation to ensure accessibility, and to promote the key facets of the Public Sector Equality Duty (PSED) through the learning activities.

The Scottish Prison Service is committed to a culture of respect and support for both people in our care and staff, and we do not tolerate discrimination in any form. We welcome the good work done by CEA, and will continue to engage with them, and other partners like Fife College, who share these key principles.

### 3.4 Supported Business

SPS continues to work in collaboration with the British Association for Supported Employment (BASE) to build on the well-established, successful partnership. Section 4 of this APR provides further information on the SPS engagement with Supported Businesses.

### 3.5 Third Sector and Social Enterprise

SPS appreciates the distinctive and vital role that the Third Sector plays in supporting people in our care or following liberation. This section reflects where SPS engages with the Third Sector and a number of other public bodies to provide joined-up services to those in or leaving custody.



#### 3.5.1 Contracted Services

Various Third Sector organisations provide services through contracts (local and National) awarded by the SPS including Lifelink, Kinetic Youth, the Samaritans, Barnardo's, Paws for Progress, Forth Sector, and Scotland's Bravest.

#### 3.5.2 Externally Funded Third Sector Activity

SPS is not permitted to provide grants to Third and independent sector organisations however there is a significant body of grant funded activity made available by this sector to those in or leaving custody. This is additional to any 'contracted' expenditure by the SPS itself. These arrangements are typically subject to an SPS Third Sector Partnership Agreement that sets out the obligations and intended outcomes.

SPS maintained its established links with the [Criminal Justice Voluntary Sector Forum \(CJVSF\)](#) and held regular meetings on a bi-monthly basis to share updates on work of mutual interest. The Head of Social Justice also attended a member's meeting in



December 2023 to share key SPS work for the year ahead and how that would impact on the third sector. Discussions have also continued around the Third Sector Partnership Agreement in 2023-24 to ensure effective partnership working to achieve the delivery of positive outcomes for individuals, families, and communities.

- **Public Social Partnerships (PSP)**

Scottish Government and the SPS are amongst a number of public sector bodies that continue to provide oversight and governance of the three justice facing Public Social Partnerships (PSPs) – see below. These were established in 2012 to provide throughcare services to assist those in or leaving custody, transition into the community. The **Moving On PSP**, led by Action for Children, was wound down in 2023-24. Scottish Government - Community Justice Division will continue to fund New Routes and Shine PSPs for 2024/25 (see description of each service below). However, Community Justice Scotland (CJS) is collaborating with Scottish Government to review voluntary throughcare and mentoring services (which are provided by the PSPs) for people on remand and leaving prison after short term sentences of up to four years and will commission a new national voluntary throughcare service during 2024/25 to commence in April 2025.

Each PSP has a lead organisation, a network of third sector partners and governance arrangements that include relevant public sector partners such as the Scottish Government, SPS and others.



**New Routes PSP** is led by the Wise Group with Apex Scotland, Sacro, Families Outside and SAMH as partners. The service provides access to New Routes mentors within the following prisons – HMPs Addiewell, Barlinnie, Dumfries, Edinburgh, Glenochil, Grampian, Greenock, Inverness, Kilmarnock, Low Moss, Perth and Polmont. The mentors provide specialist one to one support and guidance for men leaving prison for up to six months' pre-release and six months' post-release. All partners within the New Routes PSP continue to complete tracing activity for clients who do not engage post-release. This ensures reasonable attempts are made to re-offer the service-to-service users who have disengaged. The service continued with the purchase of mobile phones which are valuable not only for integration and engagement but also contacting family and preventing risk of loneliness. The service will also take on those previously supported by the Moving On service during 2024/25.

**Shine PSP** is led by Sacro with partners including Apex Scotland, Barnardo's, Circle, The Wise Group, Turning Point Scotland, Access to Industry, and the Venture Trust.

During 2023-24 the PSP provided a mentoring service at HMPs Stirling, Edinburgh, Grampian, Greenock and Polmont. Mentors work with women up to 6 weeks pre-release and a minimum of 6 months in the community. Shine also works with women on remand and those who are subject to a Community Payback Order. Shine worked with the SPS in adapting the mentoring service model to reflect the needs of those who reside in the two new Community Custody Units. The Shining On pilot project, based in the Forth Valley area, continued and built on the work carried out by Shine Mentors with their Mentees. Shining On provided women who have completed their formal mentoring support with Shine and are ready to engage with a volunteer to continue to work to achieve personal goals and gain confidence. The service worked to increase wellbeing and reduce social isolation.



## • Prisoner Visitor Centres and Visits

The operation of the Family Visitor Centres at each Scottish prison is managed through local Service Level Agreements (SLAs) with a Third Sector or faith-based partner. Activities are managed within the context of the SPS Family Strategy and the ethos of including and engaging families. The Visitor Centres work to a National Performance Framework developed in collaboration with SPS, Scottish Government and key stakeholders, outlining the shared outcomes to provide consistent standard of support across visitor centres. The centres support families, provide facilities for children, link families into local services, and provide a listening ear when people need it most.

The visitor centre at HMP Addiewell is a partnership between Sodexo and Cyrenians – a charity aimed at tackling the causes and consequences of homelessness. Family support services in Greenock and Dumfries have been introduced to provide ongoing support for families visiting these establishments where there is no standard visitor centre provision, and the feedback has been positive.

A National Prison Visitor Centre Steering Group provides oversight of the operating arrangements and SPS representatives regularly attend and input to the group, providing updates and sharing of practice, promoting engagement and partnership working. These arrangements are funded by external sources with the SPS undertaking various support obligations in respect of the physical upkeep of the facilities and working in partnership to deliver on key outcomes within the Family & Parenting Strategy.

Prison Visitor Centre managers and the national prison visiting lead were actively consulted in the development phase of the new SPS Family and Parenting Strategy 2024-29. Furthermore, SPS has created a national family contact officer forum to engage in best practice and promote engagement with visit centres across the prison estate.

SPS held a seminar in October 2024 to launch the strategy and visitor centres were invited to this session, designed to bring the strategy to life, network and discuss progressing the outcomes within the strategy. The family and parenting policy lead for SPS also attends the visitor centre manager away day to discuss any relevant policies and receive any feedback to inform policy and practice.

## 3.6 Health and Wellbeing

### 3.6.1 Food Contracts

The SPS food contracts and menu planning reflects that prison catering operations run 365 days per annum providing 3 meals per day to approx. 8,000 individuals in custody. SPS recognises that a healthy, nutritious, and varied menu (informed by NHS healthy eating guidelines / targets, dietary and religious needs) provided by the in-house catering officers is a core part of the prison regime and contributes to the wellbeing of those in custody.

NHS national dietary guidance reflects a reduction in the consumption of high fat, salt and sugar products, and an increase in fruit and vegetable consumption. The menu choices provided routinely reflect vegetarian, vegan, Kosher and Halal requirements. SPS food contracts therefore seek to provide SPS caterers with good quality food products and ingredients that allow SPS to serve varied, seasonal menus. Ingredient and allergen information is made available by the contracted suppliers which is shared with SPS caterers.

### 3.6.2 Health Promotion/Wellbeing

Paws for Progress CIC is a non-profit organisation that is reliant upon external funders to support its work of animal based therapeutic services. Paws for Progress work across a range of settings including schools, prisons and in the community.



Their flagship project is the prison-based rescue dog training programme at HMP & YOI Polmont, established in 2011, which continues to develop and expand, benefiting both the young people and the rescue dogs involved.

## 3.7 Fairly and Ethically Traded

SPS's standard approach to procurement includes consideration of what Fair and Ethically Traded provisions could apply appropriately and proportionately within the SPS's general requirements.

Section 54 of the Modern Slavery Act 2015 requires that commercial organisations, whose turnover is at least £36m per annum, prepare and publish a Slavery & Human Trafficking Statement in respect of their business activity, policy, and supply chain practices. The Act sets out obligations to ensure appropriate checks, training and due diligence is enacted to minimise the potential for slavery and human trafficking within business activities. Where



relevant to the contract, SPS may require that bidders evidence their Ethical Trading Policy. Part of the training for procurement staff includes material related to the risks of Modern Slavery and Serious Organised Crime in supply chains. Both are reflected into the risk profiling at the Commodity / Service Strategy stage of a procurement.

## 3.8 Climate Crisis/Net Zero

The SPS recognises the imperative to take steps to address the climate crisis, promote circularity (reduce, reuse, recycle, (the 3Rs)) and to contribute towards Scotland's Net Zero ambitions. Within PPSD we recognise the role we can take to ensure that projects support these objectives and identify projects that can make a significant contribution. Examples include:

- The planned prison infrastructure projects HMP Highland and HMP Glasgow which are being designed and will be constructed to achieve zero direct emissions in operation; and
- The decarbonisation and phase out petrol and diesel cars and light vans from the SPS fleet, including the installation of EV charging stations

In addition, PPSD is responsible for SPS Fauldhouse which has a wide role in relation to prison industries. See Social and Economic Value.

### 3.8.2 Climate Crisis - Supplier Activity

In line with Procurement Reform (Scotland) Act 2014, SPS tenders typically include a question relating to the Sustainable Procurement Duty within all relevant tenders. The bidder/ suppliers are required to detail their actions to address social, economic, and environmental aspects within their operations and to also propose SPS specific initiatives where possible. Examples include:

- Allied Bakery (Bread and Rolls) commitment to ensuring that all paper and cardboard used to pack and transport their products are sourced from sustainably managed temperate forests and, where possible, utilise recycled materials; and
- Bunzl Greenham and Arrow County Supplies (Janitorial Products) are both committed to achieving Net Zero (by 2045 and 2040 respectively). Bunzl have developed a Carbon Calculator which they can use to show SPS the carbon emissions related to processing and delivering orders. They can work with the SPS to allow for improvements to order efficiency to save time, cost, and carbon emissions. Arrow have achieved 100% recyclable primary packaging and are focused on ensuring available environmentally friendly products.



## 4. Serious Organised Crime

The [Strategy for Justice in Scotland](#) identifies the importance of tackling serious organised crime. SPS aims to ensure that it does not work with suppliers that have such involvement or connections.

SPS has an Information Sharing Protocol (ISP) with Police Scotland. This provides a route for SPS to undertake SOC checks of suppliers (as permitted by the Public Procurement Regulations) with Police Scotland. These checks reflect a risk-based approach against business areas that Police Scotland has assessed as being most at risk of SOC activity.

PPSD also uses the [“Violation Tracker UK”](#) website to support our due diligence checks of proposed suppliers for regulatory or other violations. This website, along with other open source and the SOC checks with Police Scotland provides a basis to verify self-declarations made by suppliers through the Single Procurement Document (SPD) (Scotland). Collectively these due diligence checks serve to deter and detect specific hygiene issues that SPS may wish to consider further before we trade with a particular supplier or if we should continue to do so.

The SPS's routine requirement for all persons (including contractor staff) working in prisons to hold a valid Disclosure Scotland check plus security searching also serve as inhibitors to SOC.

The SPS recognises that it is not immune to attempts to corrupt / circumvent purchase to pay processes or from the threat of engaging with suppliers with connections to SOC. We will therefore maintain ongoing vigilance within our procurement activity, contract awards and contract management activity.

## 5. Health and Safety

SPS places considerable emphasis on ensuring that it continues to comply with the Health and Safety at Work Act 1974. It is important that SPS works with reliable contractors that are familiar with this legislation, understand their responsibilities and operate safe systems of work within the constraints of working within security-controlled premises.

Within its procurement activity, SPS continues to use tenders to check and test tenderers' understanding of their Health and Safety responsibilities and their track record. For example, requiring method statements that address Health and Safety, the Construction Design and Management Regulations (where applicable), evaluating these as part of the tender assessment, and ensuring compliance during the performance of the contract. Tenderers who do not fully comply in this way can be excluded from the tender process.

There is close liaison with Operations Directorate, Health & Safety and Fire Safety colleagues regarding the specification and standards and suitability of items, particularly those that may be provided in cells or in prison association areas. For example, during the year SPS adopted an in-cell kettle (H&S fire safety) that is being used in Ministry of Justice (MOJ) prisons as being a more reliable and cost effective alternative than SPS's existing product.

## 6. Payment of Invoices

SPS continued to take various steps to ensure prompt payment to the suppliers used and to the supply chain as set out in SPPN2/2022 including use of Project Bank Accounts (see 6.1 below).

All SPS contracts include a condition that commits SPS to pay all suppliers within 30 days of receipt of a valid, correct invoice. However, SPS aims to pay suppliers within 10 days of any undisputed invoice being received in accordance with Scottish Government guidance.

The various terms and conditions used by SPS also reflect obligations on contractors to pay their supply-chain promptly for properly completed work.

### 6.1 Project Bank Accounts

The major construction projects currently in progress (Highland and HMP Glasgow) are, or will use, [Project Bank Accounts \(PBA\)](#) to support prompt payment to the supply chain. A Commercial Manager in SPS Estates & Technical Services maintains oversight of the PBA arrangements.

The Terms & Conditions (T&Cs) used by the SPS also require prompt payment to sub-contractors. Where there is an extended supply-chain (e.g. major construction or Regulated Works) the assigned SPS Project Manager (Works) would serve as a local point of contact for any issues arising under a contract including in relation to payments or agreed retention payments. Suppliers and sub-contractors can also raise issues about SPS payment or main contractor / payment via the Head of Estates, to the Head of Procurement, or more generally to the SPS HQ Finance Department.

## 7. E-Commerce and use of Systems

SPS continues to encourage fair and open competition and SME engagement by advertising contract opportunities above £20k via the Public Contracts Scotland (PCS) website. In addition, for low value requirements, SPS uses PCS Quick Quote to enable bidders to provide electronic quotations on a fast turnaround basis. SPS continues to publish a Contracts Register in PCS.



As well as advertising on the PCS portal, SPS continues to use electronic tendering (via the Public Contracts Scotland Tender (PCS-T) system) as the preferred method of inviting tenders. This, and use of the SPD (Scotland) standard qualification questions, makes it easier and more cost-effective for suppliers to bid for SPS contract opportunities.

SPS continues to use electronic contract management (e-CM) within PCS-T as a contract database and management tool. SPS maintains and updates data within the Procurement Hub as part of support the Scottish Government's strategic oversight of public procurement expenditure.

The roll-out of an electronic Purchase to Pay system (based on the Scottish Government's Professional Electronic Commerce Online System or PECOS) continued during 2023/24. With most sites and functional areas already live, the focus during the period was on increasing uptake and adoption.

### • Professional Electronic Commerce Online System (PECOS)

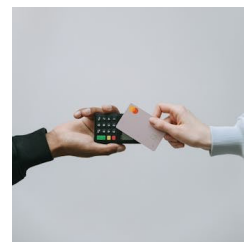
- By the end of 2023/24:
  - SPS has enabled a total of 311 active suppliers in PECOS (Note: by end of 2022/23 74 suppliers enabled);
  - SPS has bulk loaded c.1,000 suppliers to PECOS in total;
  - £44.48m (17%) of net spend transactions has been made through PECOS (Note: 2022/23 £1.5m (2%).)

SPS had committed to adopting PECOS as its primary purchasing tool across the organisation. 2023-24 marked a key year in this adoption with the PECOS team completing the roll out of PECOS to all sites across the SPS and continually expanding the user base and supplier enablement. Expanding the user base has required a blended approach to training and support for users including on-site training and virtual training and e-Learning as appropriate. In addition, as part of the preparation for HMP Kilmarnock transferring to SPS operation (March 2024), the necessary planning and configuration of PECOS was undertaken to enable HMP Kilmarnock to adopt PECOS early in 2024/25.

Significant progress was made throughout the period with adding suppliers and content with most of the expenditure through PECOS being with contracted suppliers. This underlines the importance to SPS of utilising an electronic purchasing tool to support the governance of SPS external expenditure. By the end of 2023-24 SPS was well positioned to execute on its plan for most of its external expenditure to be transacted electronically through PECOS.

- **Electronic Purchasing Cards (e-PC)**

E-PC accounted for ~£81,407 spend on 1,061 transactions for 309 invoices during 2023/24. Work continued during this time on the delivery and further roll out of e-PC by the SPS finance team. This included reviewing the use case and applicability for different categories of expenditure. e-PC is very much complementary to PECOS with the former being used to for low-expenditure and especially one-off transactions and the latter for larger categories of expenditure, especially where this is contracted.



## 8. People (Achieving Professional Excellence)

SPS seeks to promote the procurement profession and to encourage individuals to commence and develop a career in procurement. The SPS procurement team (PPSD) continued its proven Procurement Career Pathway (PCP) and to employ a 'grow from within' approach – introducing, developing, and promoting talent. The PCP provides viable entry (and exit) points for new, less experienced, or existing SPS staff to join the SPS procurement team and to develop their skills, experience and capabilities. PPSD supports this through structured in-house learning, coaching and encouraging the professional development of individuals. Several of the PPSD team are working towards achieving the CIPS professional qualification.



In addition, a number of the PPSD team have undertaken to complete the Government Commercial College Contract Management Foundation accredited online training, which is part of its [Contract Management Capability Programme](#) and provides 9 hours CPD at no cost to the SPS. Some have also gone on to complete the Beyond Foundation course which is part of that Programme. Access to this programme, specifically the Foundation and Beyond Foundation courses have been offered out to local procurement staff and key stakeholders involved in the delivery of contracts.

In 2023-24 PPSD hosted a 'Team Day' at the SPS College in Polmont. This brought together all members of the team, where there were structured discussions around various important areas including: culture (including hybrid working); PPSD's vision, strategy, and mission; related outcomes from the SPS People Survey; and procurement performance. Going forward these will be held twice a year and it is anticipated that one of these, per annum, will be a 'learning' day.

## • Devolved Procurement

PPSD continued work to provide support to delegated procurement staff across the organisation. This included maintaining a support network through the established 'Procurement leads' and 'Estate leads' groups. PPSD also ensured the provision of documents and guidance to support local procurement activity undertaken by Delegated Procurement Officers (such as Request for Quotations or various contract management activity). These networks also serve to increase awareness of the various policy and practice agendas such as Net Zero and to encourage best practice.

Training for devolved DPA Officers continues with on-line virtual delivery during the pandemic and this approach continued to be developed along with e-learning modules (including Climate Literacy) being available via the SPS College My-Lo platform.

## 9. Procurement & Commercial Improvement Programme

After several years of hiatus, the cross sectoral procurement and commercial improvement programme (PCIP) was resumed during the year. The PCIP programme assesses the procurement performance and approach by each individual organisation. This was the third generation of PCIP ('cycle 3') and a lighter touch approach was taken. Rather than a root and branch review of all aspects of procurement activity, the assessors undertook a 'pulse check' focused on 11 key mandatory themes. In addition, SPS identified 3 discretionary themes. SPS was scheduled to be assessed in May 2024 and, in anticipation of this, undertook a range of planning and preparation activity for all 14 themes from January to April 2024. The preparation process itself, whilst resource intensive, provided a useful opportunity for reflective thinking by the wider SPS procurement team.

## 10. Collaboration

SPS supports sectoral (central government) and national collaborative procurement activities and engage at various levels. For example, ensuring relevant representation at the:

- Procurement Collaboration Group (PCG),
- The Central Government (CG) Cluster Group,
- Participation in the national Scottish Government Procurement Policy and Construction forums,
- Public Sector Food Forum (PSFF),
- Ensuring relevant contribution to other initiatives that further effective working, and
- Supporting the collaborative procurement agenda by leading or supporting certain activity.

### 10.1 Collaborative Contracting

In any given year approximately ~25% of the SPS's annual external expenditure is undertaken and managed through collaborative contracts either set up by the Scottish Government, Crown Commercial Services, Scotland Excel, the SPS itself, or others. In 2023-24, this percentage is much higher (>90%) due to Advanced Works and Main Works contracts for the design and construction of HMP Highland being awarded by SPS (and procured under a Crown Commercial Services Framework Agreement).

SPS has continued its successful collaboration with the HM Prison and Probation Service (HMPPS) in England for some relevant contracts (e.g. staff uniform, prison mattresses, etc) and with Police Scotland where there are common operational requirements. This reflects the desire to utilise procurement resources effectively through joint working and collaboration where there is good rationale to do so.

The SPS continued to provide contract management oversight for three significant collaborative contracts. Occupational Health Service framework and Employee Assistance Programme (EAP) for the Central Government sector in Scotland and the Scottish Court Custody & Prison Escort Contract (SCCPES) which provide services to the Scottish Courts, Police Scotland and the SPS itself.

## 11. Commercial Activity and Employability

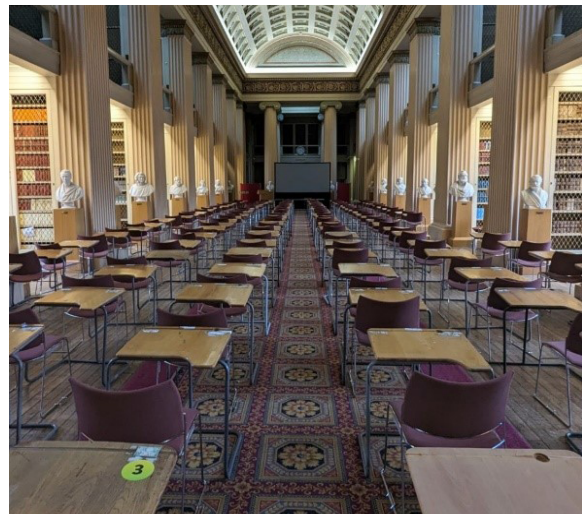
### 11.1 Commercial Activity - Prison Industries

PPSD has responsibility for the range of commercial, sales and logistics activity undertaken at SPS Fauldhouse (Central Stores) to support [Prison Industries](#).

This year saw Prison Industries / SPS Fauldhouse generate over £827k of production value for items of external sale and internal use, such as garden furniture, cell furniture and prisoner clothing. This was an increase of over 16% on the values produced the previous year. Although Prison Industries continue to have constraints on activity and capacity, the team at SPS Fauldhouse were also able to introduce a new collaborative partnership with Recycle Scotland.

Prison Industries worked in partnership with the University of Edinburgh and Recycle Scotland on a project to refurbish 1,400 exam desks. The desks, which were previously at the end of their usable life, were restored sympathetically to maintain their original character while ensuring their durability for future generations of students. The process involved a straightforward refurbishment: stripping old paint, applying new coats, and sanding and varnishing the desktops.

The image on the right shows the 'before' desks to the left (marked exhibit 3) and the 'after' desks to the right.



This initiative aims, not only to provide a sustainable furniture solution for the university, but also to deliver significant social, environmental, and economic benefits.

Through this engagement, those in-custody were able to obtain transferable skills, practical work-based experience and, where relevant, for some to progress towards a qualification. Persons released from custody may then have practical life-skills, qualification and experience. Ideally the combination of these elements may facilitate potential paths toward employment for some individuals.

SPS Fauldhouse continued its ongoing prisoner work placement programme. This included engagement with at least 2 individuals from HMP Barlinnie who commenced at SPS Fauldhouse in warehouse support roles before progressing to open conditions at HMP Castle Huntly.

There is a range of procurement activity undertaken to support Prison Industries to source the material and equipment that underpins the manufacture of timber, textile and engineering products produced in Scottish Prisons. SPS Fauldhouse managed these purchases in 2023-24 in line with the manufacturing programme.

## 11.2 Employability Activities

SPS Strategy & Stakeholder Engagement Directorate has the corporate lead in respect of the [Skills and Employability initiatives](#). This includes engaging with organisations / employers that might wish to work with the SPS or who champion employing people with convictions upon their release in sectors that include hospitality, construction, and recycling. There is a correlation with the community benefits activity conducted through SPS procurement, the SPS vocational training and social inclusion activities to unlock potential amongst those in custody. During 23/24 two establishments have been piloting Microsoft Embrace Mentoring to support people in our care prepare for release and highlight job prospects in technology.

## 12. Useful Links

The SPS website publishes quarterly [Public Information Page](#) updates about prisons and the numbers in custody.

The SPS Procurement Strategy and prior Annual Procurement Reports from 2017-18 onwards can be found in the SPS Website / Publications / Performance Reports.

Commercial or trade enquires about purchasing products manufactured by SPS Prison Industries should be directed to:

**Telephone:** 01501 773 979

**E-mail:** [spsindustries@prisons.gov.scot](mailto:spsindustries@prisons.gov.scot)

**Hyperlink:** [SPS Industries Brochure](#)



## Summary of the Regulated Procurement Completed by the SPS in 2023-24

This section provides a high-level summary of procurement activity undertaken by SPS in the reporting period 1 April 2023 to 31 March 2024:

1. SPS Annual Expenditure
2. Small and Medium Sized Enterprises (SMEs).
3. Summary of the Regulated Procurement Undertaken (Apr 23 - Mar 24).
4. Regulated Procurement Undertaken (Apr 23 - Mar 24) – Contract Specific
5. Non-Competitive Actions (NCAs).

### 1. SPS Annual Expenditure

In 2023/24 the SPS had an overall operating budget of £542m (2022-23, £443m)<sup>4</sup>. This covered the cost of SPS staff, service delivery contracts by external providers, buildings and energy, prisoner food and other costs, and administration.

In 2023/24, SPS procurement activity and external expenditure accounted for £235.8 (43.5%) of the overall SPS budget. 27% (£63m) of this was spent with businesses with a registered Scottish address (as indicated in the SPS finance system); £81.4k (<1%) was spent via the e-PC.

In 2023/24 procurement activity achieved savings and efficiencies of £11.1m (£16.22m in 2022-23).

The procurement activity undertaken by the SPS flows from the need to operate a sizeable public sector prison estate to accommodate, feed and support approx. 8,000+ persons in custody. There are also relevant supplies, services, IT and FM activities to underpin SPS operations and a staff group of approx. 4,600. There is a rolling programme of contract development / renewal activity as well as a range of in-year (planned and unplanned) requirements.

### 2. Small and Medium Sized Enterprises (SMEs)

In 2023/24 the SPS used 1,100-1,200 different suppliers:

- 71% of those are classed as SMEs.
- Approx. £72m (30%) of SPS's external purchase expenditure was spent via SMEs.

### 3. Summary of Regulated Procurement Activity (2022-23)

- Under the Procurement Reform (Scotland) Act 2014, "Regulated" procurement reflects contracts whose anticipated value is over £50k in value for goods and services or over £2m in value for public Works (excluding VAT). Contracts with values lower than these thresholds are classed as "Non-Regulated" procurement.
- In 2023-24 the SPS awarded 71 new contracts or Framework call-offs to a total value of £157.5m. Of these, 37 were Regulated public procurements and include the award of the Main Works contract for the design and construction of HMP Highland (£119m). See the table at point 4 below for details.
- There were also 6 non-competitive actions (value approx. £2.3m) that exceeded the Regulated procurement threshold and another 7 smaller non-regulated NCAs to a value of £605k. See the table at point 5 below for details.
- An overall total of 83 awards / contract activity (incl. NCAs); total value £160.4m.

4. [SPS Annual Report and Accounts 2023-24 published | Scottish Prison Service](#)

## Light Touch Regime

No light touch regime tenders were undertaken in the period.

## Lots

For all Regulated procurement, SPS gives due consideration under the [Public Contracts \(Scotland\) Regulations 2015](#), as to whether contract opportunities should be divided into Lots. This is partly with the intention of creating smaller work-packages that may be suitable for SMEs. The Commodity / Service Strategy for each project will typically consider Lotting and the optimum approach to ensure effective competition.

In practice, a significant number of Works, capital and some service contracts continue to be tendered as smaller projects below the relevant Regulated thresholds reflecting a per prison, or regional focus: Lots are not then applicable. SPS estates / FM activity is also split into four Areas – East, West, Central and North.

The SPS generally seeks to ensure consistency of Goods and Services supplied (and prices) across the prison estate. In doing so we seek to balance the value / duration of the contract with the need to ensure value for money through effective competition and with the costs of doing so (e.g. bidder costs and SPS internal procurement / contract management costs) for what may be relatively low value contracts particularly if split into Lots. The secure nature of prisons also requires SPS to work with suppliers that accept the inherent security provisions including searching, delivery and working time restrictions, and Disclosure Scotland requirements associated with prisons.

Despite the above, the SPS reflects Lotting where it is reasonable for the category and requirement to do so. For example:

- Trade Services contract was split into 2 area lots leading to an award to two suppliers,
- Design and Technical Services Framework – split into 2 lots



## 4. Regulated Procurement Undertaken (Apr 23 - Mar 24) – Contract Specific

The following table details the 37 Regulated contracts awarded (Total value ~£155.5m). There are also 34 Unregulated projects (Total value ~£2m). The sum of these 71 projects is £157.5m of new contract awards in 2023/24 (£36.2m in 2022-23).

Reference	Title	Supplier	Start Date	End Date	Est Contract Value	SME	Compliant with Procurement Strategy	Accredited Living Wage employer
SPS-02034	Prisoner Telephony System	Unify Business Solutions Limited	13/04/2023	27/03/2026	£1,260,000.00	Yes	Yes	No
SPS-01978	Prisoner Clothing & Footwear	Charles Fellows Supplies Ltd	24/04/2023	23/04/2026	£2,000,000.00	No	Yes	No
10600 AW6	Advanced Works for Design and Construction of HMP Highland: Foundations and Under Slab Drainage with Services	Balfour Beatty Construction Limited	28/04/2023	23/01/2024	£4,324,665.45	No	Yes	No
SPS-01988	Maintenance of Building Energy Management Systems	Enterprise Control Engineers	01/05/2023	30/04/2026	£354,681.60	Yes	Yes	No
SPS-02020	Employee Assistance Programme (EAP) and Welfare Service Framework Agreement (Collaborative)	Optima Health UK Limited	01/05/2023	30/04/2027	£140,000.00	No	Yes	Yes
SPS-02096	HMP INVERNESS Archaeological Watching Brief and Excavation Post Excavation Research Design	AOC Archaeology Group	08/05/2023	31/05/2026	£169,741.00	Yes	No	No
SPS-02036	HR Integrated Transformation SEE CASE STUDY	MHR International UK Limited	31/05/2023	30/05/2027	£1,622,806.00	No	Yes	No
SPS-01997	Supply of Catering Consumables	GMC Corsehill Ltd	01/06/2023	31/05/2026	£798,678.00	Yes	Yes	No
SPS-02101	IT Service Management Licences (ITSM) Licenses	SCC (Specialist Computer Centres)	23/06/2023	23/06/2026	£196,659.00	No	Yes	No
SPS-02091	Design, Build and Hosting of the SPS Website	Story UK Ltd	28/06/2023	27/06/2026	£53,459.52	Yes	No	No
SPS-01719	Organic Waste Disposal and Treatment for SPS	Enva Scotland Ltd	05/07/2023	04/07/2026	£141,821.47	No	Yes	No
SPS-02062	Provision of Mobile Metal Detectors	CEIA LIMITED	10/07/2023	09/07/2025	£130,450.00	No	No	No
SPS-02102	ITSM (IT Service Management) Professional Services	Thirdera UK Ltd	24/07/2023	31/12/2023	£54,562.66	Yes	Yes	No
SPS-02097	Specialist Systems at SPS CCUs	Pointer Ltd	28/07/2023	27/07/2026	£114,676.00	Yes	Yes	Yes
SPS-10880	Replacement of the MTHW Heating Pipework at HMP YOI Polmont	JBD Tritec	31/07/2023	31/03/2024	£1,194,949.00	Yes	Yes	No
SPS-02098	The Provision of SFG20	BESA Publications Ltd	01/08/2023	31/07/2026	£75,598.00	Yes	Yes	No
10600 AW5	Contract Amendment Advanced Works for Design and Construction of HMP Highland: Works Associated with Pre-Cast Concrete Panel Manufacture and Ground Improvement Works	Balfour Beatty Construction Limited	08/09/2023	11/12/2023	£1,870,970.13	No	Yes	No
10700 AW1	Advanced Works for Design and Construction of HMP Glasgow	Kier Construction Trading as Kier Construction - Strategic Projects	27/09/2023	16/08/2024	£14,354,995.82	No	Yes	Yes
SPS-02167	Milk & Dairy (NHS Framework)	Grahams Family Dairy	01/10/2023	30/09/2027	£3,320,000.00	No	No	No
SPS-02093	Maintenance of Generators and Oil Storage Tanks	Wallace Power Services Ltd	09/10/2023	08/10/2026	£207,000.00	Yes	Yes	No
SPS-02019	Staff Telephony	Virgin Media Business	16/10/2023	15/10/2026	£226,796.59	No	Yes	No

Reference	Title	Supplier	Start Date	End Date	Est Contract Value	SME	Compliant with Procurement Strategy	Accredited Living Wage employer
SPS-02031/A	Design & Technical Services Framework Agreement	Baker Hicks Limited	26/10/2023	27/10/2027	£196,828.18	No	Yes	No
SPS-02031/B	Design & Technical Services Framework Agreement	NORR Consultants Ltd	26/10/2023	27/10/2027	£244,468.50	Yes	Yes	Yes
SPS-02084	Prisoner Support Intervention Services at HMP Barlinnie	Royston Stress Centre t/a Lifelink	23/11/2023	22/11/2025	£105,400.00	Yes	Yes	Yes
SPS-01872	Software Defined Wide Area Network (SDWAN)	Virgin Media Business	25/11/2023	24/11/2026	£1,257,324.59	No	No	No
SPS-02094	High Needs Social Care at HMP Glenochil	Cera Care Operations Scotland Ltd	29/11/2023	28/11/2024	£204,000.00	No	Yes	No
SPS-02118	Data Re-Cabling at SPS College	NORTH SV LTD	19/12/2023	18/12/2024	£76,980.50	Yes	Yes	No
SPS-02006A	Trade Services	T Clarke Ltd	01/01/2024	31/12/2025	£50,000.00	Yes	Yes	No
SPS-02006B	Trade Services	Valley Group	01/01/2024	31/12/2025	£50,000.00	Yes	Yes	No
SPS-02143	Electrical Goods, Appliances and Accessories	I & A Grant	25/01/2024	24/01/2027	£183,000.00	Yes	Yes	No
SPS-02175	Multi-Site Provision of Electric Forklifts	Eurofleet Rentals Limited t/a Contract Plant Rental	08/02/2024	20/12/2026	£144,230.00	Yes	No	No
SPS-01963	Youth Work Services SEE CASE STUDY	Kinetic Youth	20/02/2024	31/03/2027	£594,434.16	Yes	Yes	No
SPS-02182	Firewall Replacement	BT PLC	26/02/2024	25/02/2027	£226,774.24	No	No	No
SPS-02181	Office 365 Back-Up Solution	Insight Direct (UK) Ltd	13/03/2024	31/03/2027	£217,954.80	Yes	No	No
SPS-02191	Video Conferencing Equipment and Licensing for Agents	Virgin Media Business	25/03/2024	24/03/2027	£179,090.65	No	Yes	No
SPS-02111	Atlas Locking System	ASSA Abloy Limited t/a Chubbs Locks Custodial Services	31/03/2024	30/03/2029	£164,446.60	No	Yes	No
10600A - Main	Design and Construction of HMP Highland	Balfour Beatty Construction Limited	05/04/2024	Exp June '26	£119,071,302.00	No	Yes	No

Note: Community Benefits for Advanced Works were recorded as part of the PCSA awards (Glasgow 22/23; Highland 21/22)

## 5. Non-Competitive Action (NCAs)

In 2023-24, the SPS undertook (6) Non-Competitive Actions (NCAs) which exceeded the Regulated procurement threshold to the sum of ~£2.3m (see table below), 2 of which relate to ensuring continuity of service for HMP Kilmarnock, which transitioned from private to public ownership in March 2024. In each instance, prior approval was obtained from the Head of Procurement and the rationale recorded for each NCA along with file note. The table below refers.

SPS Ref.	Supplier	Subject Matter	Estimated Value of NCA	Start Date	End Date
02098	BESA Limited	SFG20	£71,512	August 2023	July 2026
Reason for NCA: The current software used across the SPS estate is SFG20, this is considered the industry standard for building maintenance. The SPS currently have a service that is fully managed internally. The only provider of this is BESA Ltd as the owners of the software.					
01222	Bunzl T/A Greenham	Janitorial Supplies	£1,700,000	June 2023	June 2024
Reason for NCA: Extension due to a non award during and a requirement to revisit specification requirements. Contract re-tendered and due to be awarded during 2024-25.					
01610	Lapsley Limited	Support and Maintenance of EPOS System	£85,000	Feb 2024	Feb 2027
Reason for NCA: Software that is critical to the effective operation of prison canteen (prisoner shop). SPS anticipates the introduction of in-cell services in the medium term which would potentially replace this requirement.					
01327	Barnardos	Youth Work Services	£150,000	Nov 2023	March 2024
Reason for NCA: The prisoner profile at HMP & YOI Polmont has changed over a period of time and this, in turn, has given rise to a change in service requirements for SPS. To ensure SPS tendered with a clear understanding of future requirements, an extension to the existing contract was put in place to allow planning and execution of the new contract. The NCA also enabled the inclusion of an increased implementation period to allow for a smooth transition to any incoming new service.					
01866	Unilink Software Limited	Kiosk Solution at HMP Shotts (Proof of Concept)	£85,000	Feb 2024	Feb 2025
Reason for NCA: Continuity of service is required at HMP Shotts while the national in-cell services contract tender process is being undertaken.					
02174	Unilink Software Limited	Provision of the CMS (Custodial Management System) at HMP Kilmarnock	£246,244	Dec 2023	Dec 2024
Reason for NCA: HMP Kilmarnock had the CMS pre-transition. A decision was made to continue to use this system to ensure continuity of service post transition.					

Additionally, there were 7 smaller non-regulated NCAs to a total value of (~£605k). These comprised various low value reactive Works / FM related projects, some urgent replacement equipment, and specialist external advice, etc.

### Review of Regulated Procurement Compliance

The SPS Procurement Strategy 2023-28 set out the main objectives and priorities for the APR during the period.

The prior sections of this APR set out how the SPS ensures that relevant factors are reflected into Regulated procurement activity and that these contracts meet SPS organisational needs whilst providing several value-add outcomes. This Section 2 sets out the range of activities that support SPS to assure compliant procurement activity.

#### 1. How does SPS Ensure Compliance?

Procurement processes within SPS are structured in such a manner that Regulated projects are managed and overseen by a professional procurement function in conjunction with stakeholders. Each procurement process is subject to a number of 'gateway' approval stages with the internal client as projects progress e.g.

- » Commodity / Service Strategy;
- » Invitation to Tender;
- » Contract Award Recommendation report;
- » Contract preparation and sign-off within PPSD; and
- » Contract Management Activity (post award).

The SPS scheme of Delegated Procurement Authority (DPA) supports the above by escalating the gateway review and contract signature within the PPSD management.

The procurement arrangements, policy and processes enable SPS to meet the provisions set out in its Procurement Strategy for conducting Regulated procurement. Staff are trained and have relevant management support to enable them to operate effectively and confidently within the regulatory and best practice framework.

Use of PCS, PCS-T, and e-Contract Management (e-CM) enables PPSD to maintain records (including tenders, bids, and contracts, etc.) in electronic form within the respective systems. Contract development activity (new projects), and the cyclical renewal of contracts that require to be retendered, is planned by the respective managers in PPSD.

#### 2. Devolved Procurement

Where there are no national or other centrally awarded (collaborative) contracts, prisons undertake devolved procurement activity up to £20k in accordance with the provisions set out in the SPS Procurement Manual and policy. The responsibility for procedural and process compliance rests with the Governor / Finance Manager of the respective prison.

PPSD advises and supports this devolved procurement activity as required. This may include reviewing aspects of the procurement process - the procurement route or bid evaluation method for example.

PPSD continues to provide training, support and regular network meetings are held for devolved procurement leads at each prison to develop their capabilities to compliantly manage lower value tender activity at a local level.

#### 3. Non-Competitive Action (NCA)

SPS actively seeks to minimise the number and scope of Non-Competitive Actions (NCA) in any year through a combination of pre-planning known renewals, requiring that the business area concerned provides rationale and obtain the prior approval from the Head of Procurement for an NCA.

Any decisions taken to approve an NCA need to balance the Public Procurement Regulations and SPS procurement policy with value for money and meeting business needs versus the commercial and legal risks of making an NCA. NCA requests are reviewed and either approved or rejected by the Head of Procurement based on the rationale and justification provided.

It should be noted that the SPS Procurement policy does permit exceptional purchases at the devolved local level to meet emergency or operational needs however it is expected that the situation would be regularised as soon as practicable through a procurement or use of an existing SPS contract. The site concerned would highlight any exceptional instances and these are recorded by PPSD along with the rationale. Section 1, paragraph 5 reflects where NCAs were undertaken in the year along with the reasons for these.

## **4. Contract & Supplier Management**

The SPS's proactive, planned approach to Contract & Supplier Management provides assurance that contracts are delivering the intended outcomes. Where this is not the case, relevant action is taken in conjunction with the relevant internal stakeholder/ Directorate and the supplier.

Contract management activity reviews contracts at agreed review points e.g. where any annual price review is required, or ahead of SPS considering extension of an existing contract. This typically includes reviewing contract performance and business need with the internal client and PPSD undertaking price benchmarking ahead of making a gateway recommendation to either extend or retender specific contracts. This review activity is intended to inform the PPSD contract development team of upcoming projects that require re-tender or extension. SPS also monitors payment performance to suppliers as previously described in paragraph 6 of this report

## **5. Audit**

The Scottish Government Audit function and Audit Scotland undertake oversight of the SPS including the procurement function and processes (both PPSD and devolved procurement).

Scottish Government commissioned Ernst & Young (EY) to undertake a review of SPS Contract Management processes. The June 2022 report made various specific recommendations. In response, PPSD and the Contract Management Unit in Operations Directorate progressed work on this during 2023-24. Key activity undertaken during this period include:

- revisiting the contract management working practices and categorisation to ensure the guidance remains fit for purpose / aligned to the needs of the SPS business;
- establishing an SPS Contracts Committee to provide high level corporate oversight of the contract management arrangements. See 1.2.2 Contract and Supplier Management (CSM); and
- developing a contract management training programme for procurement staff and 'technical owners.' See Section 8 People (Achieving Professional Excellence).

### Community Benefit Summary

The legislative environment reflected in the Public Contract (Scotland) Regulations along with the Community Benefit provisions of the [Procurement Reform \(Scotland\) Act 2014](#) encourage public bodies to consider how their procurement activities can be used to underpin social, economic or environmental considerations within the performance of public contracts.

### SPS Approach to Community Benefits

In the period covered by this APR, SPS reflected Community Benefits into all Regulated procurements where the estimated value of the contract was equal to or greater than £4m. For SPS, a particular focus is the social element of community benefits affecting persons in, or leaving, custody. Many such individuals come from backgrounds and situations (often areas of multiple deprivation) that cause them to be disadvantaged relative to others. In addition to highlighting this priority group, SPS also actively promotes and encourages the use of Supported Business and social enterprise in the main contractor supply chains.

The Sustainable Procurement Duty and Community Benefit provisions within public contracts also provides SPS with an opportunity to leverage community benefit outcomes which support the SPS Employability Strategy and SPS's own "Unlocking Potential, Transforming Lives" agenda – whether those affected are in, or have left custody. This can be through direct engagement with SPS (offers of work-placements or employment, or engaging with SPS Prison Industries), working with external partners who work with prisons to support prisoners or their families, or engaging supported business or social enterprise in the supply-chain.

The SPS approach also recognises that there is a need to engage with relevant stakeholders (such as the local authority) before, during and after any procurement process to ensure that community benefit outcomes are carefully considered, supported, and reported.

SPS routinely considers the inclusion of community benefits for its tendered contracts. This is not limited to Regulated procurement but applies to any contract for which this is both appropriate and practicable and can form part of a bidder's offer. This consideration has formed part of the individual commodity / service strategy, tender, contract, and contract monitoring.

In Works projects, SPS uses the Construction Industry Training Board (CITB) matrix to broadly set out expectations about community benefits outcomes based on the value and duration of the project. The construction sector is familiar with the CITB methodology and the concept of Community Benefits and are generally well positioned to deliver these types of outcomes (especially on large scale, higher value, longer-term projects). However, SPS also seeks to secure community benefits in relevant Goods and Service contracts.

Collecting, recording, and validating data in relation to Community Benefits remains an ongoing challenge. This includes the facility to report on what Community Benefits pledges were made and the extent to which the resulting outturns were specifically linked to that contract.

The remainder of this section provides a summary of the outcomes achieved in the period.

# 1. Community Benefits Included

The following tables outline the agreed Community Benefit and outcomes achieved in the reporting year. There were three new contracts awarded and ten legacy contracts with ongoing Community Benefits.

1. Design & construction of the HMP Glasgow (Pre-Construction Service Agreement stage)	Supplier: Kier Construction
Contract Start Date: July 2022	End Date: Jan 2024
Contract Value: £13.4m	Contract reference: SPS-10700
<p>The HMP Glasgow project sets out to deliver Community Benefits in accordance with Construction Industry Training Board (CITB) requisite range of community benefits for a construction project of c. £80m+ (band 9). The project remains at Stage 1 (incorporating design and some advance works). Under the PCSA, Kier continues to develop its social value and community benefits realisation plan whilst the SPS project team works towards a recommendation to proceed to the main works contract (Stage 2).</p> <p>During Stage 1, a Social Value Steering Group (SVSG) has been set up by the project SRO and will guide the development of both existing and proposed new partnerships. The SVSG incorporates the Scottish Prison Service and a range of stakeholders with a direct interest in the community impact of the new facility, should it proceed to contract. (stakeholders include inter alia the Glasgow Community Justice Authority, Scottish Government, BASE). Kier has targeted a 60% Social Return on Investment (SROI) reflecting (social 7% and local economic value 53%). Some specific community benefit and social value deliverables include:</p> <ul style="list-style-type: none"> <li>• The creation of a Community Benefits Mission Statement for HMP Glasgow.</li> <li>• Adopting their sustainability framework 'Building for a Sustainable World' for the project which fully aligns with the Scottish Government's National Outcomes. This will ensure the contract will directly contribute to the delivery of these outcomes.</li> </ul> <p>Several specific commitments including:</p> <ul style="list-style-type: none"> <li>• A target of 200 Work placements for those in education and in priority groups – these will be in a range of construction-related disciplines and have a view to progression into apprenticeship or employment.</li> <li>• The creation of 100 new sustainable jobs for local people, including 40 sustainable jobs for prison leavers, 50% local employment, 90% offsite local employment and 50 apprentices / trainees.</li> <li>• 40 jobs for prison leavers</li> <li>• 50 careers events to promote careers / STEM initiatives and 500 hours of employability support.</li> <li>• £200k spend to be allocated to social enterprise and/or supported business</li> <li>• £50k allocated to support community initiatives/local social enterprise</li> <li>• &gt;4000 training weeks</li> <li>• 10 case studies demonstrating direct social impact from the project and</li> <li>• A number of vocational and employability programmes with several identified partners.</li> <li>• Several initiatives planned with a local youth action group including life skills.</li> <li>• Initiatives to support a local garden and growing project in the area</li> </ul> <p>At project completion, Kier will provide a full social value impact report with cost-benefit analysis, case studies and testimonials to illustrate the impact.</p> <p>Fair Work First</p> <ul style="list-style-type: none"> <li>• Kier Construction committed to Fair Work First practices / Living Wage at the start of the project.</li> </ul> <p>Prompt Payment</p> <ul style="list-style-type: none"> <li>• SPS will use of a Project Bank Account (PBA) so that Kier and its participating sub-contractors are paid concurrently and promptly throughout both the PCSA and the subsequent Works contract.</li> </ul>	



*Artists Impression of the new HMP Glasgow in Provanmill, Glasgow.*



## 2. Design & Construction of the HMP Highland in Inverness: PCSA and Main Construction Works

Supplier: Balfour Beatty

Contract reference: SPS-10600

The HMP Highland project set out to deliver Community Benefits in accordance with CITB guidelines for a construction project of circa £50+m (Band 9).

The APR 2021/22 had indicated the broad set of Community Benefit and social value commitments reflected in Balfour Beatty's bid and the APR 2022-23 provided an update on outcomes during that period. This APR reflects outcome reporting for the initial Pre-Construction Services Agreement (PCSA) phase of the project and the main construction works.

Balfour Beatty are committed to working with SPS to identify a community improvement project which will be delivered during the construction of HMP Highland. The identified project will link with overall SPS aspirations of either supporting young people in local Highland community at risk of offending or supporting former prisoners within the Highland region.

Balfour Beatty are committed to supporting SPS with their aspirations to reduce reoffending rates within the Highland regions and offer opportunities for former HMP Inverness inmates.

To increase opportunities to create work placements and jobs, Balfour Beatty are committed to working with their supply chain to highlight opportunities for businesses to support work placements and build long term relationships with SPS which last beyond the construction of HMP Highland.

In addition, Scottish Social Enterprises with experiences of supporting prisoners are to be appointed to the project in supplementary areas out with traditional construction roles which will include Site Cleaning & onsite Hospitality.

Businesses committed to supporting opportunities for former HMP Inverness prisoners:

- Balfour Beatty
- UB Civils LTD
- G & A Barnies
- BSB Structural
- FP McCann
- Sunbelt Rentals
- BB Ground Engineering
- Curtis Moore

Further businesses will be engaged in discussions as they are appointed onto the project.

The Balfour Beatty Social Impact Manager provides oversight and direction to the various agreed activities and the outcomes set out in this APR. Balfour Beatty has reported using the National TOMS (NT) metrics for the period **April 2022 to March 2024**:

### Main Construction Works

**NT1** – 4.94 full time equivalent direct local employees (FTE) hired or retained for the duration of the contract.

**NT7** – 11 hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice, and careers guidance (over 20-year-olds).

**NT8** - 26 staff hours spent on local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks, introduction to the construction industry

**NT12** – 0.6 weeks of meaningful work placements or pre-employment courses – support for UHI student via our Equate Scotland programme for female students.

**NT18** - £1.3m spent with local supply chain – Highland based supply chain delivering key subcontract packages including groundworks and M&E offsite manufacturing.

PCSA Delivery

**NT1** – 15.85 full time equivalent direct local employees (FTE) hired or retained for the duration of the contract.

**NT4** - 3 full time equivalent direct local employees (FTE) hired on the contract who are NOT in Employment, Education or Training (NEETs). G&A Barnies created apprenticeship positions for participants through our project partnership with the Scottish Academy for Construction Opportunities (SACO) programme. Trainee role created for Barnardos SACO participant.

**NT7** – 25 hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice, and careers guidance (over 20 year olds). Balfour Beatty supported 3 x DWP Employability event for inmates in HMP Inverness, including the first in person session within the prison in three years since Covid pandemic, supported the UHI CECA Academy programme and supported Barnardos to secure national CITB SACO programme funding for Highland region.

**NT8** - 101 staff hours spent on local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks, introduction to the construction industry. Balfour Beatty supported DYW regional events through DYW Inverness regional team, supported UHI Site visits, Highland Council employability groups and project team delivered 2 x Baker Hicks Family Design projects at Millburn Academy in Inverness.

**NT10** – 2 weeks of apprenticeships provided on the contract (completed or supported by the organisation) – GA Barnies apprentices on site.

**NT11** - 27 hours dedicated to support young people into work (e.g., CV advice, mock interviews, careers guidance (under 20 yr..). Balfour Beatty supported workshops for young people completing Barnardos' employability programmes.

**NT12** – 7 weeks of meaningful work placements or pre-employment courses; 1-6 weeks student placements (unpaid). G&A Barnies hosted work placements in their local factory at Carsegate, Inverness via the Highland 'Scottish Academy for Construction' programme. Project supported two placements via UHI, supporting Foundation Apprentice Civil Engineering placements.

**NT13** – 12 weeks of meaningful work placements that pay Living Wage; 6 weeks or more – Baker Hicks hosted student placement via University of Highlands & Islands (UHI) in partnership with Architectural technology dept. GA Barnie supported the Balfour Beatty placement programme with Royal School of Military Engineering (RSM), hosting RSME student placement in Inverness depot.

**NT15** - 72 hours of expert business advice to TSOs and SMEs in the supply chain – Highland supply chain event hosted in Inverness by Balfour Beatty Procurement team with attendance by Regional Scotland Managing Director and HMO Highland Project Director. Event focus on Sustainability and Social Value. Balfour Beatty supported two regional North School Meet the Buyer events, Meet the Buyer North in Aberdeen and SPS Meet the Buyer event in Fort William.

**NT18** - £9.8m spent with local supply chain – Highland based supply chain delivering key subcontract packages including groundworks and M&E offsite manufacturing. 79% Local spend (within 10 Miles).

**NT29** – 8 hours volunteering time provided to support local community projects – staff volunteering support in partnership with New Start Highland

3. Scottish Court Custody & Prison Escort Services (referred to as "SCCPES")	Supplier: GEO Amey PECS Ltd
Service Start Date: Jan 2019	End Date: Jan 2027
Contract Value: £30m p.a.	Contract reference: SPS-01500

### Supply chain engagement

GEO Amey has maintained its longstanding use of Supported Businesses and Social Enterprise in its supply-chain for the contract.		£ Spend in FY 2023-24	Aggregate £ spend
<b>Supported Business</b>			
• Staff Uniform	Haven Products	£125,584	£709,915
• Vehicle Base Cleaning	All Cleaned Up	£65,147	£344,718
• Vehicle Base Furniture	City Building / RSBI	£0	£73,663
<b>Total spend with Supported Business</b>		<b>£190,731</b>	<b>£1,128,296</b>
<b>Social Enterprise</b>			
• Document Management & Storage	WildHearts	£0	£252,516
<b>Total in FY 2023-24 and in aggregate since contract commencement in early '19</b>		<b>£190,731</b>	<b>£1,380,812</b>

During 2023-24 GEO Amey continued to use the Supported Business 'All Cleaned Up Scotland' to provide cleaning services in its operational bases in Scotland. However, at the end of financial year 2023-24 All Cleaned Up, went into administration. In order to secure employment for their employees, who provided services to GEOAmey, they arranged for one of their shareholder company's (Amey) to recruitment them directly - securing employment and continuation of services

### Environmental - Climate Crisis – Vehicle Fleet

GEO Amey launched an environmental committee to review its environmental impact and identify Net Zero opportunities with a particular focus on its vehicle bases. Initial surveys have been undertaken at all sites to establish potential environmental actions. The environmental committee are in the process of contacting the landlords for all vehicle base sites to explore the possibilities and appetite for environmentally beneficial actions.

### Prompt Payment to Suppliers / Supply Chain

GEO Amey applies a standard payment provision of 30 days to all suppliers and transparently publishes its performance (in line with Business payment practices and performance reporting requirements). GEO also reviewed its supply chain to identify opportunities for increased efficiency (for example, consolidated invoicing) with reduced payment terms.

### Fair Work First (FWF)

All GEO Amey staff engaged in SCCPES are paid at least the Living Wage. GEO Amey launched initiatives to improve its employee work / life balance and implemented a network of mental health first aiders to support colleagues.

4. Learning and Skills (Education Services)	Supplier: Fife College
Start Date: August 2017	End Date: July 2025
Contract Value: £5.5m p.a.	Contract reference: SPS-01313

The focus of the contract is to provide a varied learning environment that supports an increase in the levels of attainment, engagement, and essential skills. Whilst aligned to service delivery, the Community Benefits are over and above the core contracted services themselves.

Prison-based learners submitted 246 entries (an increase of 108 from last year) to nominate Fife College staff who they felt had delivered exceptional learning experiences. HMP Glenochil was awarded “Prison Teaching Team of the Year” and a tutor within HMP Greenock was awarded with “Prison Teaching Staff Member of the Year”. Prison Learning and Skills was also strongly represented at the Fife College Innovation Awards in November 2023, with 9 entries, five of which were shortlisted, two were successful. A staff member from HMP Glenochil was awarded the “Innovative Use of Technology” award for their work blending learning experiences in the form of chess classes which have been a strong and valuable addition to the learning centre with students enjoying class content, events, and competitions. A staff member from HMP Grampian was awarded the “Innovative Curriculum Design” award for the delivery of a new National 3 History course, incorporating a range of different teaching methods and resources to enhance the overall learning experience.

### Scholarships

Two Adam Smith Foundation awards were made to prison-based learners in HMP Edinburgh and HMP Grampian with a total value of £500. This will support progression to higher level learning in custody and continuation of their learning on liberation.

### Training and Development

- Credit Bearing Awards and Individual Units – 1,740 in 2023/24 (1,527 in 2022-23) were achieved.
- Ten prison learners undertook and completed the London School of Music exams gaining qualifications at varying grades.
- Fife College continue to support ten Open University Open Learn Courses for learners in all establishments. Subjects included business, grammar, and finance.

### Charities and Community Events / Community Initiatives

Prison Learning Centres continued to engage with their local community and other partners etc to support & develop joint learning, competitions, activities, and local events that serve to build positive relationships. Examples in the year include:

- Fife College continue to assist and support learners applying to **The Hardman Trust** within HMP Castle Huntly and HMP Grampian. The awards ranged from workwear, tools, laptops and HGV training.
- Fife College learning centres continued their partnership with **Open Book**, co-facilitating weekly book group sessions for over 300 engaged learners in HMP Barlinnie, Edinburgh, Dumfries, Glenochil, Greenock, Stirling and CCU Lillas.
- Following the submission of funding applications in 2023, **Scottish Book Trust** awarded 11 partially funded ‘live literature’ author visits within HMP Castle Huntly, Dumfries, Bella, Edinburgh, Inverness, Lillas, Grampian and HMYOI Polmont The funding facilitated author workshops and motivated creative writing engagement by learners.
- In August and November 2023, Fife College at HMP Edinburgh and HMYOI Polmont hosted author events featuring **Chris McQueer**, a Scottish writer. As part of this event, a creative writing workshop was facilitated where learners developed characters with support and feedback from Chris.

- A total of 15 entries were submitted to the **Scottish Book Trust** annual writing project which are featured in the Scottish Book Trust “Book Week Scotland” in November 2023.
- Fife College was successful in receiving 160 copies of the quick read book ‘Dead Man Walking’ to celebrate World Book Night. Donated books allow staff to engage with wider prison populations, improving not only literacy but also self-worth, empathy, and mental wellbeing.
- In August 2023, Fife College in CCU Lillas collaborated with the **Edinburgh International Book Festival** to host an engaging workshop featuring poet Leyla Josephine. She shared her journey with poetry and dyslexia, which the five learners related to and felt inspired to explore their own creative expressions. Author and playwright Alan Bissett held a session with 20 learners in HMP Glenochil which learners found extremely interesting and entertaining. Additionally, author Doug Johnstone visited HMP Dumfries and Shotts where he held sessions with 11 learners in total, speaking about the process of novel writing.
- Fife College, with the **Creative Media Group (CMG)** in HMP Shotts, produced an annual calendar, highlighting the creative and inspiring works as submitted in the ‘Connections’ exhibition. Over 1500 calendars were distributed to learners in all establishments and digital versions were also shared with stakeholders.
- During April’s **‘Stress Awareness’** month, all learners had access to a range of activity packs, including mindfulness, meditation, wellness and stress management. In addition to the activity packs, several radio and tv programmes were created and displayed on prisoner information channels.
- In HMP Grampian, five learners crafted a humorous **Movember** display featuring a large paper mâché moustache to spark discussions on men’s health. They also hosted **Shirley’s Space**, a mental health charity, for two sessions attended by 15 learners, which included discussions and demonstrations of EFT tapping, a technique to alleviate stress and anxiety.
- In partnership with **Kirkcaldy Orchestra Society**, 23 learners attended seven music sessions to gain skills in writing their own musical composition and to study classical music, culture and performance. It provided students with a unique opportunity to interact with volunteer community-based musicians and to gain insights into the intricacies of composing for an orchestra. Students learned practical skills, listened to instrumental demonstrations and gained knowledge on non-traditional scoring methods to allow the learners to write their own compositions. The orchestra will performed these compositions in April 2024.
- In partnership with **Vox Liminis**, seven learners in CCU Lillas attended eight sessions and worked together to create their own song. The sessions involved activities which taught song structure and ways to unlock creativity and named their band the “Loveable Rogues”. The learners recorded their song and achieved SQA qualifications in core skills for Working with Others for their participation in these workshops.
- Fife College with SPS, coordinated a series of activities within CCU Lillas and HMP Castle Huntly for **Macmillan’s** World’s biggest coffee morning held in September 2023. In CCU Lillas nine learners supporting this event, designing and painting bedsheets, posters and bunting. As part of this project, learners worked towards achieving problem solving and working with others SQAs. Four learners in HMP Castle Huntly baked and sold cakes within the training kitchen to help raise money for those living with cancer. Furthermore, in partnership with SPS, Fife College learners held a four-day art exhibition to raise funds for McMillian cancer support. The exhibition was attended by SPS and FC management, Councillors, representatives from local councils, Longforgan Women’s Institute and partners from the Hardman Trust.
- In partnership with **St Andrews First Aid**, 10 first aid sessions were delivered in CCU Bella, Lillas, HMP Castle Huntly, HMP Glenochil and HMP Edinburgh to a total of 73 learners. The sessions focused on basic first aid, providing lifesaving skills which will support them when interacting with the public, families and into employment. All learners received a certificate of participation for completing the session.
- **Clackmannanshire Council** funded a three-month project, delivering four-week blocks of the Multiply – Games for Thinking programme within HMP Glenochil. This programme aims to boost people’s ability to use Maths in their everyday life. In total, 10 learners took part in the project with 50 PLH hours achieved.

- Fife College partnered with **Aberdeenshire Council CLD** to deliver a STEPS to Excellence course for the female group within HMP Grampian from January – March 2024. seven learners attended for 12 weeks, totalling 30 PLHs, learning new ways to release potential, gain confidence and receive an Adult Achievement certificate and an SQA in communications.
- Fife College continue to work in partnership with the **National Libraries of Scotland (NLS)** and to explore innovative ways to provide offline resource to learners, particularly for in-cell learning. In November 2022 we negotiated a significant donation including 40 historical themed DVDS which have been distributed to all establishments and can be signed out to learners for in cell study. Learners can also access an extensive range of National Libraries Scotland digital resources through the learning centre intranet system. Throughout the year, NLS have attended learning centres to promote the resources available to learners.
- In May 2023, **Chess in Schools and Communities** donated chess boards, teaching resources and magazines to learners in HMP Low Moss. These additional resources supported the creation of the chess club.
- Fife College successfully applied to the **Universal Music UK Sound Foundation** and received funding for music equipment for learners in HMP Greenock. The funding was used to purchase recording equipment along with a number of musical instruments. This has allowed more opportunities for learners to develop their music skills and resulted in a number of Koestler entries for 2024.
- In January 2024, the [Jean Armour Trust](#) supported the burns supper celebration at HMP Barlinnie which was attended by 32 learners. Prior to the celebration event, learners were involved in workshops to produce artwork, related poetry and creative writing which was then displayed at the event. SQA qualifications were achieved in working with others, creative writing along with working towards communications.

### **Creative Media Activities**

- Fife College in HMP Greenock worked with **Inverclyde Libraries** in February 2024, to facilitate two sessions with author and poet, Jim Ferguson. Twelve learners participated in the event.
- Fife College showcased creative arts at the annual [Connections](#) exhibition. The overarching aim was to develop and deliver an exhibition of prison-based learners' creative artwork, working with key stakeholders including SPS, Fife College prison and campus-based staff. The 'Connections' exhibition for 2023, had the theme of 'Climate' and launched on 16th November 2023 at the Kirkcaldy campus, with Fife College and SPS senior management representatives, Fife College staff who also helped set up the exhibition on site. The 'Connections' art exhibition ran for a period of two weeks during November 2023 with 101 pieces of artwork from across all 15 establishments being featured. Additionally, a specially designed and innovative digital exhibition and video walk through were created with an offline version also produced for in prison viewing, allowing visitors, prison-based learners, and their families to experience the event. The digital exhibition attracted 367 Page views and 112 virtual visitors.
- The learning centre in HMP Shotts partnered with **Talbot Rice Gallery** to facilitate two workshops attended by 15 learners. One session was a virtual tour of their current exhibition and the other a practical workshop. These sessions have provided inspiration for Koestler entries along with supporting SQA personal development awards.
- HMP Perth learning centre in partnership with **Edinburgh University**, facilitated a learning programme where 24 learners interacted with the Universities' heritage collection in March 2024 cumulating in 1,200 PLH hours. The ten-week project covered a wide range of historical issues and learners made tunnel books (an 18th century version of a 3D Book), used VR headsets to look at panoramic paintings featuring the work of famous town planner Sir Patrick Geddes, images of what cities of the future might look like, Dolly the Sheep and Genetic modifications.
- **Glasgow University** in partnership with HMP Barlinnie completed a 12-week course with 88 learners in Philosophy and English/Creative Writing, tailored to both mainstream and protection groups. The Philosophy segment fostered critical thinking, debate, and philosophical practice, covering topics like logic, morality, and human nature. English/Creative Writing enhanced literary skills and creativity. Each session included progressive learning, with interactive elements and structured exercises, catering to the diverse needs of the prison population. Learning outcomes and feedback were shared on the Bared Wireless radio station.
- Across all 16 Fife College prison-based learning centres, the 'Hope Project' was completed in partnership with the National Scottish Poet Ms Kathleen Jamie. The project aimed to produce a collective poem that included lines from all prison-based learning centre across Scotland. This encouraged learners to use poetry to express their own thoughts and feelings; their lived experience, trauma and recovery,

all surrounding the theme of hope. Each centre was tasked with submitting ten lines, all beginning the same way: "Hope feels like... ". In total 270 lines were submitted to Ms Jamie who will create a poem with all the lines provided.

- Stove Network are a local arts organisation in Southwest Scotland, who partnered with Fife College Learning Centre in HMP Dumfries to produce artwork and creative writing pieces based around the theme of 'Keep Looking Up'. This was also linked to the Wild Goose Festival that takes place in Dumfries each year with the artwork and creative pieces featured in the Stove Cafe in Dumfries. In total over 40 learners took part either in the workshops led by members of the Stove Network or by producing pieces to be part of the exhibition.
- Learners were involved in a project to brighten up the Scottish Prison Service visit room within HMP Inverness. They created a large mural which came to life after 8 weeks of design and painting. As part of this project, 5 SQA qualifications were achieved by learners.

## Section 4

### Supported Businesses Summary

The SPS has continued to work in collaboration with the [British Association for Supported Employment \(BASE\)](#) and to build on what is a well-established relationship. BASE, and its members, continue to be supportive of working with SPS to provide opportunities for persons in or leaving custody that are disabled or disadvantaged persons.

SPS's procurement activities continue to promote and explore opportunities to engage with the Supported Business sector for Reserved Contracts wherever there is a fit between SPS requirements and the goods or services offered by this sector. SPS seeks to leverage engagement with supported business in one of three ways:

- » Reserved Contracts.
- » Local or national procurement by the SPS; and
- » Supply chain opportunities as illustrated in the latter part of the table overleaf.

For potential Regulated or Non-Regulated procurement, PPSD refers to the [BASE Supported Business Directory](#) and the Scottish Government Supported Business Framework. SPS adjusted its Procurement Policy several years ago to increase the value which prisons can 'direct award' to Supported Business through the Scottish Government Framework without seeking competitive quotations. These thresholds remain and provide a basis for SPS to engage with Supported Business at a local level:

Furniture and Associated Products	<£5,000
Textiles/Personal Protective Equipment	<£5,000
Signage	<£10,000

#### 1. Regulated Procurements placed with Supported Businesses

No Regulated contracts were awarded by the SPS to Supported Businesses during the period covered by this report.

SPS activity with Supported Businesses generally continues to reflect a series of direct awards typically for work / products whose value was < £5,000 (as per our policy above) or continued use of contracts awarded in prior years.

## 2. Spend with Supported Businesses

The following table summarises the total £ expenditure by the SPS with Supported Business during the period of this report. The table also reflects main contractors (appointed by the SPS) that have made identifiable expenditure with Supported Businesses as part of a Community Benefit.

Supported Business	Total Annual £ Spend	Commentary
CCL (North) Ltd	£17,331	Uplift of WEEE for recycling. Reserved contract. Non-Regulated, 3-year contract from June 20219 to June 2024.
Forth Sector (St Jude's Laundry)	£7,319	Laundry services for the SPS College. Reserved contract. Non-Regulated, 3-year contract (01955) from Feb 22.
Matrix Fife	£5,833	
Haven Products	£1,339	
Scott Direct	£1,228	
Dovetail Enterprises Ltd	£1,028	
Royal British Legion Industries	£622	
Lady Haig's Poppy Factory	£589	
RSBI/City Building (Contracts) LLP	£480	
Miscellaneous: RNIB Enterprises Ltd	£80	
<b>SPS Total</b>	<b>£53,180</b>	
<p>The work of GEO Amey with Supported Businesses is reported in the prior Section 3 as part of Community Benefits flowing from them performing SPS contracts. Their direct £ spend is summarised below:</p>		
GEO Amey to Haven Products	£125,584	Supply of GEO Amey staff uniform.
GEO Amey to All Cleaned Up	£65,147	Cleaning of GEO Amey's premises in Scotland.
<b>Supply-chain Total</b>	<b>£190,731</b>	
<p><b>In FY 2023-24, total overall expenditure with Supported Businesses was £243,911.</b></p>		



## Section 5

### Future SPS ‘Regulated’ Procurement 2023-24 and 2024-25

Regulated procurement reflects contracts over £50k in value for Goods and Services or over £2m in value for public Works (excluding VAT). “Non-Regulated” procurement reflects projects which are expected to be lower than the £50k or £2m thresholds. We have included the latter for information to provide transparency of these areas of expenditure.

This Section reflects the range of Goods, Service or Works contracts as of December 2024 which the SPS reasonably expects to tender during 2024-25, or 2025-26.

- » Whilst the SPS forward work programme can highlight upcoming contract renewals, the number of Regulated procurement projects and the estimated £ value is dynamic and subject to variation annually. Emerging or changing business needs and the availability of capital funding also influence when some projects may be progressed.
- » In some cases, SPS has yet to take a decision whether to exercise an option to extend an existing contract or to retender. The decision-making process will include consideration of the procurement route (including collaborative government contracts) that SPS could elect to use, and the term (duration) of any new contract. Some estimated £ values are shown as “per annum” on the basis that the duration of the upcoming contract has yet to be agreed with the internal client.
- » In some cases, at the date of publication of this APR (December 2024) a number of these contracts have been tendered and awarded.
- » SPS’s general practice is to tender contracts for routine supplies and services with a duration of anything between 2 and 7 years to balance the need for continuity of service and supply with an appropriate level of competition.

#### 1. Goods & Services - Planned Contracts including Renewals (Indicative)

Contract and Subject Matter	New / Extended / Re-let	Contract Notice Publication	Expected Award Date	Expected Start Date	Est Contract Value
Janitorial Paper Products	Re-Let	Awarded	Awarded 24/25	15/07/2024	£7,000,000.00
Domestic Abuse Support Services at HMP&YOI Polmont	Re-Let	Awarded	Awarded 24/25	10/09/2024	£330,415.68
Framework for Softwood Timber	Re-Let	Awarded	Awarded 24/25	17/07/2024	£1,158,968.00
Supply of Hot Food Trolleys	Re-Let	Awarded	Awarded 24/25	01/08/2024	£258,624.00
Extendable Batons	Re-Let	Awarded	Awarded 24/25	25/04/2024	£100,000.00
Maintenance of Lifts and Stairlifts	Re-Let	Awarded	Awarded 24/25	01/04/2024	£202,296.00
Contingency Food Packs	Re-Let	Awarded	Awarded 24/25	14/08/2024	£77,068.22
Provision of Relocation Services	Re-Let	Awarded	Awarded 24/25	04/11/2024	£67,068.00
Clinical and Washroom Waste	Re-Let	Awarded	Awarded 24/25	30/10/2024	£76,437.10

Contract and Subject Matter	New / Extended / Re-let	Contract Notice Publication	Expected Award Date	Expected Start Date	Est Contract Value
Support and Maintenance of the SPS F5 Infrastructure	Re-Let	Awarded	Awarded 24/25	01/08/2024	£277,032.01
Microsoft Licenses	Re-Let	Awarded	Awarded 24/25	01/04/2024	£5,287,471.74
Janitorial Products	Re-Let	Awarded	Awarded 24/25	16/06/2024	£7,000,000.00
Bread and Rolls	Re-Let	Awarded	Awarded 24/25	01/08/2024	£4,500,000.00
Water Quality Management Services	Re-Let	Awarded	Awarded 24/25	14/11/2024	£485,863.00
Provision of Solid Surface Sheets	New	Awarded	Awarded 24/25	21/10/2024	£178,060.00
UK and International Domestic Relocation Services	Re-Let	Awarded	Awarded 24/25	04/11/2024	£67,068.00
HR Salary Benchmarking	Re-Let	Awarded	Awarded 24/25	07/11/2024	£64,900.00
Fuel Cards	Re-Let	Awarded	Awarded 24/25	25/11/2024	£250,000.00
Occupational Health	Re-Let	Jun-24	Feb-25	Mar-25	£1,500,000.00
Packaging Material	Re-Let	Jul-24	Dec-24	Dec-24	£350,000.00
Maintenance of CCTV/PIDS	Re-Let	Dec-24	Feb-25	Mar-25	£939,000.00
IT Health Check and Cyber Essentials	Re-Let	Dec-24	Feb-25	Feb-25	£120,000.00
Vehicle Leasing	Re-Let	Dec-24	Feb-25	Oct-25	£1,500,000.00
Internet Connectivity	Re-Let	Jan-25	Apr-25	May-25	£90,000.00
Forensic Psychology Services for Risk Management Planning	Re-Let	Jan-25	May-25	Jun-25	£100,000.00
Maintenance of Boilers, Burners, Heating, Ancillary	Re-Let	Apr-25	Sep-25	Oct-25	£500,000.00
Framework Agreement for the Provision of a Quantity Surveying and Project Management Service	New	N/A	Dec-24	Dec-24	£2,000,000.00
LAN Hardware Supply and Support	Re-Let	N/A	Dec-24	Dec-24	£3,000,000.00
IT Hardware Support and Maintenance	Re-Let	N/A	Dec-24	Dec-24	£305,000.00
MOU Provision of Internal Audit Services	Re-Let	N/A	Feb-25	Mar-25	£100,000.00
Maintenance of X-Ray and Detection	Re-Let	N/A	Apr-25	May-25	£120,000.00
Cisco Enterprise Agreement	Re-Let	N/A	Dec-24	Dec-24	£110,000.00
Replacement of Boiling Pans x 2 at HMP Glenochil	New	N/A	Dec-24	Dec-24	£100,000.00
Mattresses and Pillows	Re-Let	TBC	Apr-25	May-25	£825,000.00
Clerk of Works Services	Re-Let	TBC	Apr-25	Apr-25	£700,000.00
Insurance Services	Re-Let	TBC	May-25	Apr-25	£65,000.00
Data Centre and Associated Services	Re-Let	TBC	May-25	May-25	£500,000.00
Pressure Treatment for Timber	New	TBC	Jun-25	Jul-25	£1,500,000.00
Soft Cuffs	Re-Let	TBC	Jun-25	Jun-25	£80,000.00

Contract and Subject Matter	New / Extended / Re-let	Contract Notice Publication	Expected Award Date	Expected Start Date	Est Contract Value
Maintenance and Repair of Radio Based Officer Alarm	Re-Let	TBC	Jul-25	Jul-25	£270,000.00
Provision and Maintenance In-Cell TVs	Re-Let	TBC	Aug-25	Sep-25	£580,000.00
PPE and Workwear	Re-Let	TBC	Oct-25	Nov-25	£750,000.00
Fully Managed Vending Service	Re-Let	TBC	Oct-25	Nov-25	£350,000.00
Offline Backup Solution	Re-Let	TBC	Oct-25	Oct-25	£90,000.00
Maintenance Specialist Systems at SPS CCU	Re-Let	TBC	Jun-26	Jul-26	£114,676.00
Prison Officer Uniform	Re-Let	TBC	Jun-26	Jul-26	£2,200,000.00
Retail Goods	Re-Let	TBC	Jul-26	Aug-26	£17,200,000.00
Maintenance of Standby Generators and Oil Storage Tanks	Re-Let	TBC	Sep-26	Oct-26	£150,000.00
Microsoft Service Support	Re-Let	Jan-24	Feb-24	Mar-24	£115,000.00
Packaging Material	Re-Let	TBC	TBC	TBC	£350,000.00
Material for High-Risk Clothing and Bedding	Re-Let	TBC	TBC	TBC	£110,000.00
Provision of IT Infrastructure Equipment & Maintenance	New	TBC	TBC	TBC	£3,000,000.00

## 2. Works - Planned Contracts including Renewals (Indicative)

Several of the Works projects that SPS reasonably expects to tender during 2024-25 are Non-Regulated (<£2m), however we have included some of the larger Works projects below. Maintenance estate-related contracts appear in the table above.

Contract and Subject Matter	New / Extended / Re-let	Contract Notice Publication	Expected Award Date	Expected Start Date	Est Contract Value
Replacement of Below Ground MTHW Pipework at HMP Shotts	New	Awarded	Awarded 24/25	29/04/2024	£398,592.00
Steam Boiler 2 - Emergency Replacement	New	Awarded	Awarded 24/25	30/04/2024	£255,570.00
CCTV Replacement at HMP Glenochil and HMP Dumfries	New	Awarded	Awarded 24/25	25/06/2024	£1,500,000.00
Dental Suite Ventilation Installation at HMP Greenock	New	Awarded	Awarded 24/25	26/08/2024	£72,520.00
Replacement Pipework at HMP Castle Huntly	New	Awarded	Awarded 24/25	30/09/2024	£422,047.23
Steam Boiler 3 & 4 Replacements, at HMP Barlinnie	New	Awarded	Awarded 24/25	02/10/2024	£798,759.00
HMP Greenock Re-Roofing (Phase 1)	New	Awarded	Awarded 24/25	23/07/2024	£664,392.08
HMP Dumfries Re-Roofing (Phase 1)	New	Dec-23	Jan-25	Feb-25	£1,500,000.00
MCWS Pipework Replacement HMP Greenock	New	Aug-24	Feb-25	Mar-25	£350,000.00
Multi-Establishment - All Areas Water Mist Pumps UPS	New	Aug-24	Dec-24	Jan-25	£250,000.00
HMP Perth Replacement of Window Hinges	New	Oct-24	Dec-24	Dec-24	£100,000.00
Design and Construction of HMP Glasgow (Main Works)	New	TBC	TBC	TBC	TBC (Regulated)

## Section 6

### Annual Procurement Report Template (Annex A)

#### 1. Organisation and report details

- a) Contracting Authority Name.
- b) Period of the annual procurement report.
- c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report?

Scottish Prison Service
1 Apr 2023 – 31 Mar 2024
Yes

#### 2. Summary of Regulated Procurements Completed

- a) Total number of Regulated contracts awarded within the report period.  
Note: The SPS made 37 contract awards in 2023-24 with the majority being non-Regulated.  
SPS publish a [Contracts Register](#) in the Public Contracts Scotland website.
- b) Total value of Regulated contracts awarded within the report period.
- c) Total number of unique suppliers awarded a place on a Regulated contract awarded during the period.
  - i) how many of these unique suppliers are SMEs.
  - ii) how many of these unique suppliers are Third Sector bodies.

37
£155.5m
33
19
1

#### 3. Review of Regulated Procurements Compliance

- a) Number of Regulated contracts awarded within the period that complied with your Procurement Strategy.
- b) Number of Regulated contracts awarded within the period that did not comply with your Procurement Strategy. ([See Section 1, part 5: Non-Competitive Actions](#)).

29
8

Note: As per Scottish Government guidance, the contract figures shown in (2) and (3) include where SPS awarded or called-off in the year from a Framework Agreement such as those set up by the Scottish Government or the Crown Commercial Service (CCS), etc.

#### 4. Community Benefit Requirements Summary

Use of Community Benefit Requirements in Procurement:

- a) Total number of Regulated contracts awarded with a value of £4 million or greater.
- b) Total number of Regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.
- c) Total number of Regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements.

3
3
0

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

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

2
3
6
13
£4,090,436
N/A
N/A

- Training (weeks) delivered through the contract.
- Volunteering (days).
- Career support.
- Educational / industry awareness sessions to schools / colleges.
- Support to Third Sector / SMEs
- Community Fund (financial donations to good causes).

Training Weeks: 172 weeks  
 Volunteering Days: 4 days  
 Career support: 34 hours  
 Educational awareness: 46 sessions  
 Support to third sector/SMEs: 42 hours +  
 Community Fund: £7000

## 5. Fair Work First and the real Living Wage

a) Number of Regulated contracts awarded during the period that have included a scored Fair Work criterion.	0
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of the Regulated contract awarded during the period.	0
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a Regulated Contract during the period.	12

## 6. Payment performance

a) Number of valid invoices received during the reporting period.	51,366
b) Percentage of invoices paid on time during the period (“On time” means within the time-period set out in the contract terms).	97.1%
c) Number of Regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	37

Note: Prompt payment of invoices in supply-chains features as a standard term in SPS contracts. 44,034 (86%) of invoices are paid within 10 days

d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0
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## 7. Supported Businesses Summary

a) Total number of Regulated contracts awarded to supported businesses during the period.	0
b) Total spend with supported businesses during the period covered by the report, including:	£53,180
i) spend within the reporting year on Regulated contracts.	£0
ii) spend within the reporting year on non-regulated contracts.	£53,180

Note: Supported Businesses also received £190,731 of supply-chain Community Benefit spend through contracts award by the SPS.

## 8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£235.8m
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£72.8m
c) Total procurement spend with Third sector bodies during the period covered by the report.	£717,980

Note: Section 3.5 of this APR summarises the SPS's wider engagement with the Third Sector including Grant funded services.

d) Percentage of total procurement spend through collaborative contracts.	>90%
e) Total delivered cash savings for the period covered by the annual procurement report	£10,264,510
f) Total non-cash savings value for the period covered by the annual procurement report	£870,383

## 9. Future Regulated procurements

a) Total number of Regulated procurements expected to commence in the next two financial years	53 *
b) Total estimated value of Regulated procurements expected to commence in the next two financial years	£67m *

\* Notes:

I. Whilst SPS can forward forecast and anticipate many contract renewals, the SPS forward programme in Section 5 (both the number of Regulated procurement projects and the estimated £ value) is dynamic and subject to variation based on a combination of factors. Factors include the availability of funding particularly for the potential major Works projects, emerging or changing business needs, whether SPS elects to exercise any available extension options provided in the contract, and the term (duration) of contracts that SPS elect to tender.

II. Non-Regulated Goods and Services projects (i.e.<£50k) have not been reflected in the figures in (9) above.



**THANK YOU**

**#HIDDENHEROES**

*THANK YOU to all SPS staff, everyone else working within the prison setting, our suppliers / supply-chain who continue to work with SPS to enable us to deliver a critical public service.*



DUGALD STEWART

BORN NOVEMBER 22 1753

DIED JULY 13 1828

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