



Forestry and  
Land Scotland  
Coilltearachd agus  
Fearann Alba

# Procurement Strategy

April 2022-March 2023

Forestry and Land Scotland



Scottish Government  
Riaghaltas na h-Alba  
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# Introduction

On 1 April 2019 Forestry and Land Scotland (FLS) was established as a new Executive Agency of Scottish Government.

We are the largest land manager in Scotland, responsible for managing Scotland's national forests and land in a way that supports and enables economically sustainable forestry; conserves and enhances the environment; and delivers benefits for people and nature.

**Our mission is**

“looking after Scotland’s forests and land, for the benefit of all, now and for the future”.

**Our vision is**

“forests and land that Scotland can be proud of”.

In order to do its job, FLS has to meet wide ranging procurement needs. These range from contracts for large-scale planting and timber felling to roads maintenance, and a range of contracts that support our workforce and infrastructure, such as software, fleet and training services. We have around 250 high value contracts and framework agreements and hundreds of lower value contracts.

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Deer Culling Peatland Restoration Fencing Supply & Install  
Harvesting & Extract Mechanised Ground Operations Plant Supply  
**Restock** Responsive Chainsaw Operations **Plant Supply**  
Woodland Creation **Forest Management** Beat-up  
Low-loader moves Timber Haulage **Plant Haulage**  
**ERP System** Environmental/Soils Surveys Land Valuation  
**Office Supplies** **Building Surveying** Vehicle Livery  
Electric Battery Charging Points Forest Roads Waste  
Roads Maintenance Harvesters and Forwarders Network Lines  
Engineering Consultancy **Catering Concessions**  
Buildings Compliance **Pay-by-phone** Technical Training ATV/Quad’s  
Seed Collection Seed Extraction **Nursery Labour**  
Drill & Blast Works **Explosive Supply** Mensuration Surveys  
Software licenses **IT Desktop** Mobile Client Devices  
**Pesticides** Aerial Surveys Data Security First Aid Supplies  
Interim Staff Corporate Signage Forest Road Bridges

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Procurement is simply the process that allows FLS to buy goods, works and services from other businesses. It starts with FLS identifying a need; inviting businesses to make us an offer to meet that need through open competition; awarding and managing the contract; and making sure that it delivers what we need in the way that was agreed. Working with teams across the organisation, our national procurement team oversees the process that results in significant work for suppliers and Scotland's rural economy.

FLS' annual operating budget is approximately £120 million and around £81 million (67%) of this is channeled into procurement.

This is a short duration strategy which continues to deliver against the aims of the previous strategy, while our procurement function moves into a new Commercial Development Directorate, as part of a restructure within FLS. It continues to build on our approach to achieving sustainable outcomes, including financial sustainability, through all of our procurement activities, during an extended period of supply chain disruption.

In this coming year, we will undertake stakeholder consultation to inform our procurement strategy from April 2023 onwards. However in the meantime, this short duration strategy builds a common understanding for FLS staff, stakeholders and existing and potential suppliers, of our procurement activities, aims and commitments in the coming 12 months.

Everyone involved in FLS procurement has a part to play in bringing this strategy to life and ensuring our contracts represent best value for the public purse and deliver the best results for Scotland's forests and land.

## The context

The legal framework underpinning the delivery of public procurement in Scotland sets out the need for organisational procurement strategies with sustainability at their core.

This framework has also expanded to other areas of government policy, particularly with regard to building responsible supply chains and more recently to an emerging collaborative approach to tackling the Climate Emergency.

Drawing on a wide range of procurement data, staff consultation and stakeholder feedback we have identified a series of national and local objectives and pressures, which together with legal and policy imperatives create the basis for our strategy:

With public finances constrained, we will **prioritise our core activities** to **safeguard our financial sustainability**

We will **support** the professional and technical development **needs of our staff**

We will **mitigate the risks** of our supply chain having a uniquely high proportion of SME's (including micro-SME's), an increasing retirement rate and poor succession planning

**Achieving our key targets** will mean **improving forward planning** of our **core priorities**

We will **increase our focus on contract and supply chain resilience** following Britain's departure from the EU and the continued challenges presented by COVID-19 and other disruptions to the marketplace

We will **improve our understanding and management** of supply chain risks

We will **promote equal opportunity** for all suppliers

We will get **better at responding to changes** in the natural environment and the markets we operate in

We will **manage** our procurement activities **consistently, efficiently and effectively**

Our Executive Team have further set out seven business sustainability principles to guide all FLS activities, including procurement, and the key objectives of these are:

- 1 Long-term financial sustainability**  
Management of our land, forests and assets will be tested against achieving long-term financial sustainability for FLS
- 2 Develop new opportunities and improvements**  
Developing new opportunities and continuous improvement will be key in securing the future of FLS – we need innovation and entrepreneurship to achieve the best value for FLS and for Scotland
- 3 Moving to modern business processes**  
Look at how we make the most of technology and automation to reduce or eliminate manual, low level and low value interactions and transactions
- 4 Demonstrate best value**  
We'll evaluate everything we do and will deliver directly only where this is the best option – for value, for quality, for outcomes, or for health and safety. Otherwise we'll contract or facilitate others to reduce direct overheads
- 5 Best solution to the best outcomes**  
Where goods, services and activities are outsourced FLS will facilitate, partner, enable, permit, manage and supervise as necessary to ensure outcomes are to the appropriate acceptable standard with minimum intervention unless there are breaches of contracts or agreements
- 6 Take lead role in climate change challenges**  
Take a lead role in responding to the climate change challenges and make more of our role in advocacy, influencing and exploring new market opportunities through partnering
- 7 Become carbon neutral**  
We'll adapt our operating model in pursuit of being carbon neutral – with greater flexible working and reduced long-term reliance on travel and built infrastructure

In relation to these principles we will always challenge whether there is a more efficient or financially sustainable way of doing things.

# The parameters

The FLS Corporate Plan sets out five Corporate Outcomes that show how we will contribute to achieving the national outcomes set out within Scotland's National Performance Framework. This strategy sits under the Corporate Outcome 'A High Performing Organisation'.



FLS is recognised as a high performing, efficient and effective, financially sustainable organisation that continues to transform and adapt.

Procurement activity also helps FLS Business Plans to further contribute to national outcomes at a local level.

## Legal and Policy Framework

Public procurement in Scotland aims to: improve supplier access to public contracts; embed sustainability; maximise efficiency and collaboration; develop people and capability; and also deliver savings and wider benefits.

These objectives, ratified in legislation, are at the core of FLS policies, tools and processes, which additionally reflect updates to case law, national policy and best practice. Collectively these include:

- [The Procurement Reform \(Scotland\) Act 2014 \(the Act\)](#);
- [Statutory Guidance to support implementation of the Procurement Reform \(Scotland\) Act 2014](#);
- [The Public Contracts \(Scotland\) Regulations 2015](#);
- [The Procurement \(Scotland\) Regulations 2016](#);
- [The Concessions Contracts \(Scotland\) Regulations](#);
- [Scottish Procurement Policy Notes \(SPPNs\)](#);
- [Scottish Government's Procurement Journey](#);
- [The Construction Procurement Manual](#); and
- [The Scottish Public Finance Manual](#)

All staff involved in procurement and contract management activities are required to use and adhere to these policies.

Our FLS Procurement Compliance and Policy Statements set out how we will meet the mandatory requirements of the Procurement Reform (Scotland) Act 2014 for Regulated tendering.

### **Other Relevant Legislation**

FLS will also take account of other relevant legislation, in the context of its procurement activities, including but not limited to:

- The Climate Change (Scotland) Act 2009
- The Climate Change (Duties of Public Bodies: Reporting Requirements)(Scotland) Amendment Order 2020
- The Health & Safety at Work Act 1974
- The Equality Act 2010
- The Modern Slavery Act 2015
- The Human Trafficking and Exploitation Act 2015
- The Data Protection Act 2018



# The strategy

This strategy outlines our strategic aims for the coming 12 months. These aims have been developed in consultation with our staff and require active support and commitment to develop and improve.

## Our Aims

Forests and Land that Scotland can be proud of				
1. Business Outcomes	2. Relationships & Culture	3. Governance & Process	4. Professional & Technical	5. Information & Technology
Our procurement activities are aligned to corporate objectives. They are planned, organised and executed safely to deliver value for money. Sustainability is embedded and innovation is embraced.	Our procurement relationships across FLS functions and with the supply chain and stakeholders are respectful, collaborative, impartial and mutually beneficial for all.	We have an effective and resilient operating model where delegations and risks are managed at the correct level. Our processes and tools are efficient and compliant.	Procurement and commercial skills and capabilities are understood and linked to job profiles. Effective training and development is available. Everyone involved in the cycle is confident and competent for their part.	Use of technology is optimised to enable effective tendering, contracting, purchasing and payment. Systems facilitate data capture, monitoring and reporting. Delegations are automated and value is captured and measured.

## Our Commitments

For the one year period of this strategy, we will continue to deliver against five strategic commitments that will act as the catalyst for change and look to address any issues and inefficiencies. The most significant of these commitments is a new category management approach with a commercial focus on contract management.

Commitment	Aim
<p><b>1) Develop our strategic category management model</b> to align our work with FLS corporate outcomes. In doing so we will improve our understanding of market dynamics/conditions and explore all market options, including innovative ideas from industry. We will recommend optimal procurement models that will help improve planning, streamline our workload and contribute to long term financial sustainability and net zero ambitions.</p>	<p>Business Outcomes</p> <p>Relationships &amp; Culture</p> <p>Governance &amp; Process</p>
<p><b>2) Implement new Contract Management structures, processes and plans,</b> embedded within our category approach to improve commercial outcomes, meet regulatory requirements and demonstrate value for money.</p>	<p>Business Outcomes</p> <p>Relationships &amp; Culture</p> <p>Governance &amp; Process</p> <p>Professional &amp; Technical</p>
<p><b>3) Develop clear governance and leadership in procurement</b> across the organisation with delegated authority clearly identified. Our focus on continuous improvement will help us to evolve our work practices, improve compliance and our management of risks.</p>	<p>Relationships &amp; Culture</p> <p>Governance &amp; Process</p>
<p><b>4) Clarify roles and responsibilities and embed training and support structures</b> for everyone involved in the procurement process. We will recognise procurement as a core activity, ensuring those involved are supported, capable and accountable.</p>	<p>Relationships &amp; Culture</p> <p>Professional &amp; Technical</p>
<p><b>5) Improve our procurement infrastructure</b> and the efficiency of our technology and processes to show how well we are working and allow us to make data driven decisions to continuously improve.</p>	<p>Information &amp; Technology</p>

## Our Actions

To achieve our commitments we have set the following actions:

Action	Aim
<ul style="list-style-type: none"> <li>• Progress a phased, prioritised, programme approach to category strategy development &amp; implementation</li> <li>• Set tendering &amp; contract management plans and targets for each category, including those related to climate change reduction measures, climate change adaptation measures, and promoting biodiversity, where appropriate, linked to corporate outcomes</li> <li>• Establish regular monitoring and reporting cycles for each category</li> </ul>	<b>Business Outcomes</b>
<ul style="list-style-type: none"> <li>• Undertake pro-active engagement with our staff and stakeholders to develop our category approach</li> <li>• Continue to increase the profile and senior sponsorship of procurement; addressing any cultural barriers along the way</li> <li>• Undertake a targeted approach to supplier development activities</li> <li>• Continue to develop our business partnering model to provide support and create connection between the procurement team and others with delegated procurement and contract management responsibility</li> </ul>	<b>Relationships &amp; Culture</b>
<ul style="list-style-type: none"> <li>• Launch new Standard Operating Procedures that embed new contract management processes</li> <li>• Create mechanisms to track, report and act on contract performance including: spend, risks, opportunities, deliverables, savings, lessons and resumptions</li> <li>• Consider procurement succession planning and take action to build a resilient team</li> <li>• Review delegated purchasing authority, considering compliance; competence; separation of duty; and process, record keeping and risk reduction, making recommendations for change</li> <li>• Continue work to process map our activities for the entire procurement cycle, simplifying or making them more efficient where we can</li> </ul>	<b>Governance &amp; Process</b>
<ul style="list-style-type: none"> <li>• Embed a new roles and responsibilities framework for contract management with clear escalation paths</li> <li>• Embed clear objectives and responsibilities for procurement and contract management activities into staff's performance reporting</li> <li>• Launch a new suite of training options for contract management</li> <li>• Review our procurement training offering for staff with Delegated Purchasing Authority, including development of climate literacy to support new regulatory requirements</li> </ul>	<b>Professional &amp; Technical</b>
<ul style="list-style-type: none"> <li>• Procure an integrated digital solution covering our finance, purchase to pay and business planning needs which removes manual delegation, aids compliance and provides the necessary functionality, control, data and reporting required for all functions</li> </ul>	<b>Information &amp; Technology</b>

## **Implementation and Monitoring of our Commitments and Actions**

All of our procurement activity helps the organisation deliver against our five Corporate Outcomes set out in the Corporate Plan 2022-2025 but our work best corresponds to the 'High Performing Organisation' Outcome.

Taking a cross-Functional/Regional approach, we will develop our procurement action plan into a detailed list of tasks, that are time bound, with collective responsibilities set out for those involved in delivering our commitments.

Our commitments are transformational and are likely to be delivered over a longer period than is covered by this short duration strategy. However, we are committed to delivering the improvements we have set out and we will provide regular progress updates to the FLS Executive Team and also in our Annual Procurement Report.

# The conclusion

The Executive Team has approved this strategy that will be led by the Deputy Head of Procurement, supported by the Director of Commercial Development.

The strategy will be delivered by the Procurement team, with support from other teams across FLS.

The Procurement Reform (Scotland) Act 2014 requires FLS to report on our regulated procurement activity for the preceding year. In accordance with Section 18(2) of the Act, the Annual Procurement Report will include:

- A summary of regulated procurements that have been completed during the year covered by the report;
- A review of whether those procurements complied with the FLS Procurement Strategy;
- The extent to which any regulated procurements did not comply, and a statement detailing how FLS will ensure that future regulated procurement will comply;
- A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report;
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the report period;
- A summary of regulated procurements expected to commence in the next two financial years; and
- Reporting on other matters contained within this strategy.

To further supplement this reporting, we have set the following performance indicators which we will report against, in addition to the commitments and actions made throughout this Procurement Strategy:

Ref	Performance Indicator	Target
1	Category strategies developed and approved	Prioritised, resourced plan with timings developed and approved for all categories with marked progress made on development of top priority categories
2	Savings-tracking undertaken on key contracts	Actuals against targets reported in Annual Procurement Report for 22/23
3	Reduce unplanned contract extensions and variations	Reduction in volume and value compared with previous year
4	Reduce number of non-competitive actions	Year on year reduction based on benchmark data from previous year

In line with the Procurement Reform (Scotland) Act 2014, we will review this Strategy annually to ensure that it continues to reflect our Corporate Plan and Scottish Government's National Outcomes. Any revised version of this Procurement Strategy will be published on our [website](#).



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