

Question 1:

Which is your preferred option in relation to the Act's goods, services and works thresholds?

c) Option 3: A bigger increase, i.e. £100,000 for goods and services and £4 million for works. Please note that under this option these thresholds will not be amended every two years to reflect inflation.

Question 2:

Optional. What are the reason(s) for your answer to question one?

Increasing the goods, services, and works thresholds beyond the rate of inflation will give local public bodies more ability to award contracts and allow smaller enterprises with more limited capacity for bid writing greater opportunities for carrying out public sector work.

We believe the thresholds should be increased at least in line with inflation since 2014. However, these changes also present an opportunity to assess the purpose of the thresholds. By increasing the threshold beyond inflation, public bodies would have more flexibility in tendering and awarding contracted work. This in turn would enable small- and medium-sized enterprises, in particular charities and social enterprises who may not have the same capacity for bid-writing as larger organisations, to take on more contracted work in communities.

Question 3:

Which is your preferred option in relation amending the community benefit threshold?

d) Option D: Threshold value is reduced to £1 million

Question 4:

Optional. What are the reason(s) for your answer to question 3?

Community benefits, particularly social and environmental benefits, are a vital aspect of Scotland's procurement strategy, as described in the Verity House Agreement as tackling poverty, delivering a net-zero just transition, and providing sustainable, person-centred public services. Community benefits are also one of the major axes third sector organisations have to compete with larger private sector enterprises. If community benefit consideration were introduced at a lower threshold, third sector organisations would be able to tender competitive bids for more contracts. Furthermore, mandatory consideration of community benefits would directly benefit communities by enabling them to receive more uplift from public projects.

The argument against lowering the community benefit consideration threshold, that doing so would be overly burdensome, does not stand up. Already, a significant number of contracts include community benefit considerations despite being below the current threshold, signalling that this process is not too onerous for smaller projects. The weighting of community benefits in evaluation is not so excessive that its inclusion in contracts would turn off potential providers. When bidding for contracts even at the lower proposed threshold of £1 million, the value of the award should allow for the capacity for describing community benefits.

Question 5:

Optional. Is there anything else you want to tell us about the goods, services, works or community benefit thresholds of the 2014 Act?

As it stands, the 2014 Act does not account for place-based differences. Communities in the Central Belt and those in North East Scotland and the Highlands have very different requirements which are not reflected in national contracts. Because of the static nature of the thresholds, rural communities may be underserved by a lack of consideration of

community benefits in lower value contracts, despite equivalent work being done in higher value contracts for more populated areas.