

Procurement Strategy

2021 –2024

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Equality and Diversity Impact Assessment

EQIA

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1. Introduction

This document is an annual update of our Procurement Strategy (2021-2024) to support NHS Golden Jubilee in the delivery of their corporate objectives in line with public procurement legislation, the Scottish Model of Procurement and Scottish Government policy.. Following the UK's exit from the European Union, only minor amendments were made to Public Contract (Scotland) regulations to reference domestic instead of EU legislation and procurement exercises covered by these regulations are no longer advertised EU wide under the Official Journal of the European Union (OJEU) but are instead advertised only via UK Government Find a Tender Service through Public Contract Scotland. Regulated procurement activity otherwise remains unchanged and will remain status quo for the foreseeable future.

As a result of the Covid-19 Pandemic the Procurement Service was called upon to provide additional support to ensure service continuity whilst working collaboratively with colleagues at National Service Scotland to secure appropriate PPE. We will continue to respond to the demands of the pandemic and extend this support to new services as required to assist our remobilisation & recovery plan.

The Scottish Government's policy drivers for public procurement are predominantly centred around **sustainability, economic development and tackling inequality**. The key priorities of the Procurement Service's Procurement Strategy are outlined in Section 4 of this document and correspond to national outcomes as detailed in the National Performance Framework.

Whilst it is not necessary to detail the legislative and policy background that governs public sector procurement in this document, we will ensure that the Procurement Service complies with the legislative framework, policy drivers and developments, which will be addressed through the annual work plans.

This Strategy has been developed in consultation with stakeholders within NHS Golden Jubilee and will be signed off by the Senior Leadership Group and the Audit and Risk Committee on behalf of the Board. It is based on the guidance for procurement strategies produced by the Scottish Government (SG). Compliance with NHS Golden Jubilee Standing Financial Instructions and legislation pertaining to public procurement is the minimum standard. The Procurement Service will aim to function beyond that level and align with best practice. This document relates wholly to NHS Golden Jubilee.

2. Our vision, mission and role of the Procurement Service

Vision

To develop, through a process of continuous improvement, to be a high performing team that delivers sustainable, innovative, ethical and high quality procurement solutions, taking account of best value for money and service requirements.

Mission

To provide a high quality, efficient and legally compliant procurement service that meets the needs and expectations of all service partners to support corporate objectives. To provide added value through embracing innovative and digital technologies, sustainable solutions, attaining value for money and recognising environmental benefits, social benefits and key priorities, detailed below.

Role

Our work focuses on:

- Delivering effective local, national and specialist services which enable and support improvements in the health and well-being of all our customers.
- Providing an efficient and effective service which delivers sustainable value for money and improved care experiences, supports continuous improvement to the delivery of services to NHS Golden Jubilee customers and fosters sustainable procurement through contracting activity.
- Increasing the visibility of procurement, reviewing and refreshing engagement with stakeholders throughout NHS Golden Jubilee to provide advice and support on public procurement activities whilst maintaining effective governance and identifying areas of best practice.
- Continuing to develop the skills and expertise of our team to deliver a high quality service to our stakeholders and working together to shape decisions and solutions whilst maximising the use of digital technology to improve and future proof our service.

3. Contracting activity

Our approach to buying goods, services and works reflects the Scottish Model of Procurement, in order to deliver an appropriate service that supports the objectives of NHS Golden Jubilee. We aim to achieve best value by working closely with our stakeholders to understand their requirements, and with suppliers to understand the relevant market sectors. Procurement processes are based on fair, open and transparent competition which is proportionate to the scale and purpose of the contract, and meets our legal obligations. Contracts are awarded using a mix of criteria appropriate to the subject matter of the contract.

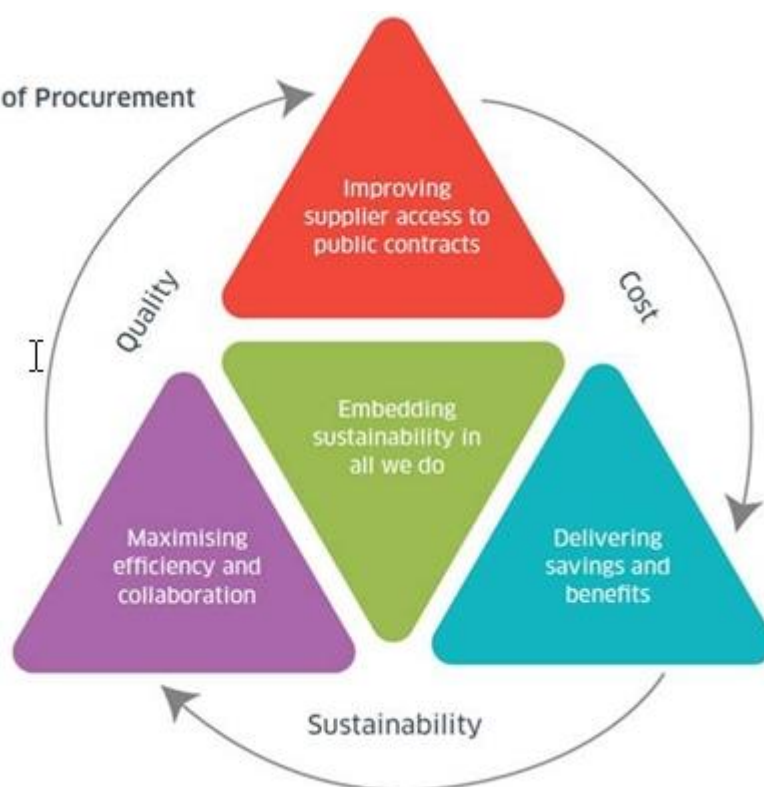
The Head of Procurement is responsible for development of procurement guidelines, principles, operating procedures and work instructions. In particular, this reflects fully the content of Scottish Government Department of Health and Finance CEL (212) 05 Key Procurement Principles.

https://www.sehd.scot.nhs.uk/mels/CEL2012_05.pdf

This CEL states that:

“Where national, regional or local contracts exist (including framework arrangements) the overriding principle is that use of these contracts is mandatory. Only in exceptional circumstances and only with the authority of the Board’s lead Procurement Manager or the Director of Finance, based on existing schemes of delegation, shall goods or services be ordered out-with such contracts. Procurement leads will work with National Procurement and other national contracting organisations to ensure best value decisions are made, and that a record of exceptions is maintained for review”

Figure 1
Scottish Model of Procurement



For each procurement project that exceeds £50,000 ('regulated procurement') we will develop a sourcing strategy. These strategies are based on tools provided in the Scottish Government's Procurement Journey. [The Procurement Journey](#) is a structured system of processes, managed by Scottish Government, which illustrates each step from identification of need to contract management. The Procurement Journey is intended to support all procurement activities and help manage expectations of stakeholders, customers and suppliers alike and facilitates best practice and consistency across the Scottish public sector.

NHS Golden Jubilee will use the Procurement Journey process and documentation for all regulated procurements.

The Board are required to publish annually within the Procurement Annual Report, a list of Contracts that have been awarded within the previous financial year.

4. Key priorities

The purpose of this Strategy is to set out the strategic direction for the Procurement Service for the next 3 years. (2021-2024)

The key priorities of the Procurement Service's Procurement Strategy are:

(a) Continue the quest for best value

We will engage with stakeholders and suppliers to identify new ways to achieve best value through supportive challenge of specifications and service levels, the use of innovative solutions where appropriate, and ongoing engagement with key suppliers and stakeholders through the contract management process post-award. We will embrace quality improvement with a view to ensuring that our processes are as efficient as they can be for the benefit of our stakeholders, our suppliers and ourselves.

(b) Sustainable procurement

Sustainable procurement can be defined as "A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment".

We will continue to develop our practice with respect to sustainable procurement duty, outlined in Procurement Reform (Scotland) Act 2014 - The sustainable procurement duty dictates that before any purchase is made, a contracting authority must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates with a view to reducing inequality. It also requires the contracting authority to consider how its procurement processes can broaden access to contracts for Small and Medium Sized Enterprises (SMEs), the third sector and supported businesses. There is an expectation that there will be a positive social impact from procurement activity in Scotland.

We will continue, at every opportunity, to promote innovation and harness more sustainable technologies whilst encouraging suppliers to provide more sustainable goods and services. Scottish Government's Sustainable Procurement Tools are used to complete each purchasing strategy to provide guidance and indicators for consideration and action for climate change considerations. We recognise that Sustainable Procurement is a fundamental principle of all Procurements.

(c) Promoting Equality and Tackling inequalities

We will continue to comply with the legal requirements of the Equality Act 2010 which specifies that procurement should pay due regard to the award criteria (economic viability and performance) and

equality considerations. The Procurement Service has the responsibility for ensuring all procurement meets the requirements of Equality & Diversity Legislation and make suppliers aware of the requirement of the Equality Act 2010. This is embedded in [our Invitation to Tender Documents](#) where suppliers are asked to provide information on Company Policy and Practice to enable us to log market compliance with equality legislation and best practice.

(d) Collaborative working

We will continue to engage with NHS national boards' in order to use our resources as efficiently as possible. We will seek collaborative opportunities within the NHS and beyond wherever these have the potential to deliver value to our Board. We will continue to work with the West of Scotland Boards whilst exploring any opportunities Scotland wide and in particular Lothian Health Board in further maximising both joint and cardiac device procurements.

(e) Team development

In order to achieve the key priorities, set out above, we will continue to develop the skills of procurement team members to ensure they remain capable of delivering a high quality, legally compliant service. We will continuously seek innovative ways to recruit and develop new and existing members of the team in recognition of the current gap in these skill across the procurement community including the NHS in Scotland. We will work closely with other public sector bodies and further education institutions to maximise these opportunities.

5. Policies

In this section, we set out our general policies on a number of key areas, together with a statement on how we will monitor these over the period of the strategy.

5.1 Policy on the use of community benefits in our contracts

In support of our commitment to the Sustainable Procurement Duty, we commit to maximizing Community Benefits from procurement activities. Community Benefit Clauses are contractual clauses which can be used to build a range of economic, social or environmental conditions into the delivery of public contracts. They can contribute to sustainable procurement and enable organisations to contribute to the achievement of outcomes which deliver social benefits.

These will include:

- Creating opportunities for supported businesses and third sector organisations to deliver public services
- Employment and training opportunities for the long term unemployed and disadvantaged individuals

- Creating opportunities for SMEs to deliver public services
- Environmental activities
- Support for community initiatives

The Public Contracts (Scotland) Regulations 2015 enables public bodies to include Community Benefits in the process and we will continue to assess all regulated procurements for inclusion of Community Benefit Clauses.

We will monitor the community benefits achieved and report this in The Annual Procurement Report.

5.2 Policy on consulting and engaging with those affected by our procurements

The Procurement Service works with Technical User Groups (TUGs) for key projects. TUG members may include users of the goods or services, budget holders, senior management, subject matter experts and staff representatives when appropriate. Each TUG will have delegated authority for decision making and product/service selection for local contracts and will represent NHS Golden Jubilee at National Commodity Advisory Group Panels (CAP) for national contracting activity.

We will record any complaints about failure to consult and report this in The Annual Procurement Report.

5.3 Policy on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements

NHS Golden Jubilee understand that public procurement is a key driver of policy development and service delivery which supports sustainable economic growth and, as such, supports the right of employees to earn a fair wage. The Board is currently seeking accreditation as a Real Living Wage employer and we will work with suppliers through contract and supplier management, and through addressing fair work practices in procurement processes to encourage suppliers to pay the Real Living Wage within their staff structures. We will [apply Fair Work First criteria](#), including fair pay for workers, in in any regulated procurement process where relevant and proportionate to do so. The compliance of key suppliers will be monitored through the contract management process.

5.4 Policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 and any provision made under that Act

NHS Golden Jubilee has a policy for the Management of Contractors which is aimed at promoting compliance with the Health and Safety at Work etc. Act 1974, and a broad range of other health and safety legislation. This policy is provided to contractors and they are required to comply with it. In addition, the Service uses standard NHS terms and conditions of contract which require contractors to comply with health and safety legislation, and provide remedies for any failure to comply with this. Key suppliers will be monitored through the contract management process.

5.5 Policy on the procurement of fairly and ethically traded goods and services

NHS Golden Jubilee will consider the requirement for specifying fairly traded and ethically traded goods and services in relevant procurements on a case by case basis, as set out in its sustainable procurement policy. The Board will adopt the guidance from both, the Scottish Government, and the Chartered Institute of Purchasing and Supply with the aim to eliminate Modern Slavery and Human Trafficking from within its supply chain.

NHS Golden Jubilee currently procure only minimal amounts of goods and services that could have a fair trade or ethical trade implications, and most of these commodity areas would be covered by National Procurement framework contracts e.g. staff uniforms (cotton content), foodstuff

5.6 Policy on how it intends its approach to regulated procurements involving food to:

- **improve the health, wellbeing and education of communities in the authority's area**
- **promote the highest standards of animal welfare.**

NHS Golden Jubilee promotes the use of National Framework Contracts to procure all food required for both patients and staff and therefore the requirement to undertake regulated procurements in respect of food and related provisions is rare. Any regulated procurement required in respect of food will reflect the requirements noted above.

5.7 Payment processes

Scottish Government legislation requires all public bodies to pay invoices within 30 days.

- NHS Golden Jubilee comply with Scottish Public Procurement Notice 2022/02 (SPPN2202) to embed prompt payment performance in the supply chain through procurement processes and will ask suppliers to adopt the elements of Fair Work First when bidding for public contracts to ensure suppliers and sub-contractors are paid on time. NHS Golden Jubilee has policies on the Prompt Payment of Suppliers. These policies state that approved invoices will be paid within 30 days, although the Finance Department aim to achieve payment within 10 days. The procurement service will continue to ensure that all goods & services are receipted to allow payment as soon as possible after a successful delivery or provision of service. The Board support the use of credit card payments to facilitate prompt payment to suppliers where there is no other payment option available. Where the card is to be used for procurement, all due

process for procurement will have been followed as per the SFIs and the request to use the card will come from the Head of Procurement to the Assistant Director of Finance (Governance and Financial Accounting);
Departments will not be permitted to use the card to circumvent due procurement process;

NHS Golden Jubilee complies with the NHS policy on 'No PO no pay' (i.e. invoices must quote purchase order numbers). Any Invoice without a valid purchase order number is returned to the supplier. The requirement for invoices to show order numbers is made clear in the NHS terms and conditions of contract. These terms & conditions have been updated at 1st April 2022 following revision by Central Legal Office.

5.8 National Whistleblowing Standards

NHS Golden Jubilee has implemented systems to ensure compliance with the National Whistleblowing Standards. As a requirement of the Standards, NHS Golden Jubilee will ensure that contactors are aware of their responsibilities and the requirements of Standards.

6. Annual Procurement Report

The implementation of the procurement strategy is underpinned by the implementation of annual work plans. These plans are subject to continuous review by the Head of Procurement and reported to key stakeholders within the board on a quarterly basis.

The Procurement Reform (Scotland) Act 2014 required the Board Commence publication of an annual report for each financial year within 5 months of the end of the previous financial year. The annual report for financial year 2020/1 was published on ^{31st} August 2021 and the report for 2021/22 is on target to be published within the required timeframe.

The Annual Procurement comprises the following information as required by the Procurement Reform (Scotland) Act 2014:

- A summary of the regulated procurements that have been completed during the period covered by the report.
- A review of whether those procurements complied with this strategy for regulated procurements.
- If any regulated procurements did not comply with this strategy for regulated procurements, a statement of how the Service intends to ensure that future regulated procurements do comply.

- A summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period covered by the report.
- A summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the period covered by the report.
- A summary of the regulated procurements that the Service expects to commence in the next two financial years.
- Details on how the procurement service pays due regard to equality and achieve the equality objectives in line with the Equality and Human Rights Commission guidance

7. Strategy ownership and contact details

The owner of this Strategy on behalf of NHS Golden Jubilee is the Head of Procurement. The Strategy covers the period 1st September 2021 – 31st March 2024 and will be reviewed at least once a year.

The Strategy will be published on NHS Golden Jubilee’s website. Any amendments to this Strategy will be similarly published.

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