

Procurement Strategy

2024-2027

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1.1	17/05/2024	Minimal changes to <u>Equal Treatment</u> Section to add reference to the Public Sector Equality Duty and our boards Diversity and Inclusion strategy and associated Equality Outcomes.	RW	Yes
1.2	01/04/2024	Addition of NHS Scotland Academy to introduction, and GAP analysis to monitoring and reviewing.		

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Equality and Diversity Impact Assessment

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Introduction

NHS Golden Jubilee continues to play a unique and valued role within NHS Scotland, collaborating with NHS Boards across Scotland to deliver high quality healthcare to our national population.

NHS Golden Jubilee have continued supporting NHS Scotland, reinforcing our position as the original National Treatment Centre by carrying out 72,500 planned care procedures in orthopaedics, cataracts, general surgery, colorectal, scopes and scans. In addition, we also performed 9,000 cardiology, cardiac and thoracic procedures, including 40 heart transplants – a record number carried out for Scotland.

Our Phase 2 expansion, known as the Golden Jubilee Surgical Centre, is scheduled to be completed in summer 2024. Part of the National Treatment Centres Programme, this new building extension will provide extra orthopaedic, general surgery and endoscopy services to benefit patients across the country.

Although focused on treating as many patients as possible, the organisation has continued to innovate through increasing our use of robotic surgery in orthopaedics, lung and colorectal surgery.

NHS Golden Jubilee performed the first Meniscal Transplant in Scotland, potentially benefitting thousands of younger patients every year and was also the first Scottish Health Board to perform Endoscopic Vein Harvesting (EVH), as part of a coronary artery bypass graft.

In 2022/2023, our Research Institute was involved in approximately 150 research projects (active, follow up and proposed) with a range of academic and industry partners. During the year, we cemented our University Hospital status, working with the University of Strathclyde on a number of innovative patient improvement projects across our multi-disciplinary team.

Through our national Centre for Sustainable Delivery (CfSD), we have launched the Accelerated National Innovation Adoption (ANIA) Pathway, which will ensure a faster route to develop and deploy technology and redesign initiatives across our NHS in a Once for Scotland approach.

To further ensure sustainable, faster and equitable healthcare treatment across Scotland, CfSD is modernising patient pathways in areas such as lung cancer diagnosis and cataract surgery, as well as the Rapid Cancer Diagnostic Centres.

The NHS Scotland Academy is an exciting partnership between NHS Golden Jubilee and NHS Education for Scotland to offer accelerated training for a wide range of health and social care roles and professions. The Academy will provide an opportunity for staff to improve their skills in specific areas, using residential, distance and virtual reality learning. It will offer attractive training programmes linked to recruitment and career progression.

There is no doubt NHS Golden Jubilee in common with all NHS Boards in Scotland has financial and operational challenges ahead. There are significant cost pressures resulting from demand, cost of supplies, energy, general inflation and pay costs. NHS Golden Jubilee is working towards achieving the 3% efficiency target for 2023/24 based on a local Sustainability and Value Programme known as 'Achieving the Balance'.

This is a refined programme approach for 2024/25 and beyond that will focus on sustainability and value, providing a more rigorous governance framework in the identification, evaluation and delivery of efficiencies for each project workstream.

Executive summary

This Strategy has been developed in consultation with stakeholders within NHS Golden Jubilee and the Senior Leadership Group, the Audit and Risk Committee and the board have approved this strategy and are committed to its aims, objectives and delivery.

This document sets out the Procurement Strategy (2024-2027) 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. This Strategy will be refreshed annually.

The Scottish Government's Public Procurement Strategy for Scotland 2023 to 2028 details the aims of its National

Performance Framework to:

- create a more successful country
- give opportunities to all people living in Scotland
- increase the wellbeing of people living in Scotland
- create sustainable and inclusive growth
- reduce inequalities and give equal importance to economic, environmental and social progress

The key priorities for NHS Golden Jubilee linked to these aims are detailed in Section 4 of this document.

The Sustainable Procurement Duty, requires public bodies in Scotland to buy in a way which is:

- good for businesses and employees
- good for society
- good for places and communities
- open and connected

This strategy documents how this will be achieved within NHS Golden Jubilee.

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

Vision

To provide a professional, collaborative support service which adds value and reduces risk across the supply chain.

Mission

To contribute in the delivery of the overarching NHS Scotland Procurement mission:

- To support the health and wealth of Scotland by delivering services and solutions which stimulate equality and economic growth.
- To ensure the continuity of supply, providing goods and services where they are needed, when they are needed.
- To embrace emerging technologies and digital solutions to create a commercial function fit for the future.
- To add value in all that we do, creating opportunities to deliver financial and wider economic benefits from our services.
- To ensure the positive impact on patients is a key factor in our commercial decision making.
- To ensure the highest levels of transparency and controls for the use of the public funds entrusted to us.

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. Strategic rationale

The purpose of this Strategy is to set out the strategic direction for the Procurement Service for the next 3 years (2024-2027).

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”.

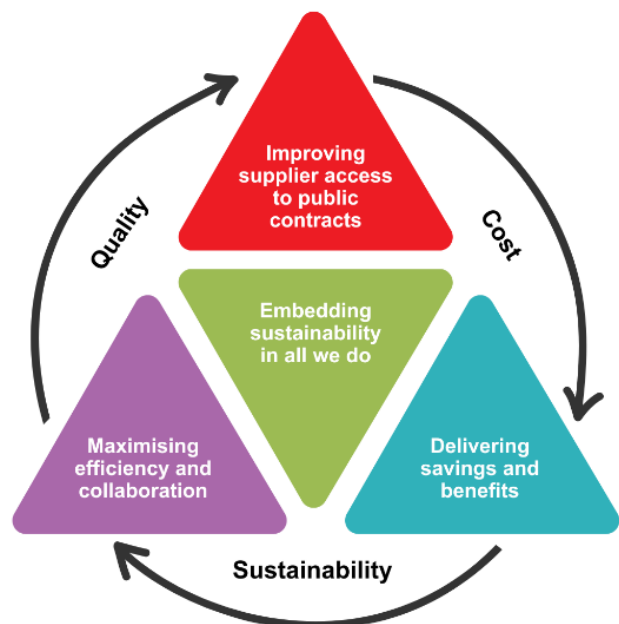


Figure 1: Scottish Model of Procurement

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.

4. Strategic aims

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.

Procurement are a sub-group of NHS Golden Jubilee's 'Achieving a Balance' programme and have identified the following project areas to improve value:

- Reporting Improvements – these will give budget holders better information to inform their own decisions.
- Review use of existing agreements.
- Reduction of non-contracted spend.
- Further roll out of scan for safety system.
- Consideration of innovative routes to market.

(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. We recognise that Sustainable Procurement is a fundamental principle of all Procurements.

Procurement form a sub-group of NHS Golden Jubilee's Climate Change and Sustainability Steering Group and report in to the main group against progress on:

- Development of this strategy.
- Utilising Scottish Government's Sustainable Prioritisation tool against each year's work plan to identify procurements to target for sustainable benefits.
- Inclusion of sustainability criteria using the sustainability test tool.
- Reporting of benefits delivered by contracts.

(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 and 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.

Our Head of Procurement has previous experience within this area and is a member of the NSS NHSS Sustainable Workforce Steering Group. This group will provide senior leadership to champion, mentor and develop sustainable workforce solutions for NHSS Procurement Services.

(f) Systems and Reporting Improvements

We will continue to consider systems and reporting improvements. This will include roll out of delegated purchase order approvals via PECOS as well as further roll out of the Scan for Safety System and linked reporting of the new data gathered as part of this system. As an early adopter our input into Scan for Safety reporting can then have national benefits as the system is rolled out across other boards.

(g) Anchor Programme

Procurement sit on the NHSGJ Anchor Programme Steering Group. Anchor institutions can make a substantial difference to their local communities through:

- Employment
- Procurement of goods, services and infrastructure
- Environmental sustainability
- Land and assets
- Products and service delivery and design
- Working in partnership across a wider area or place

Procurement therefore have an important role within the group and in particular the local benefit derived from the procurement of goods, services and infrastructure. Procurement have agreed KPIs as part of this group which will be reported annually.

5. Spend

In financial year 23/24 NHS Golden Jubilee had a net influencable spend of £75.2m over 21,262 purchase orders and 1,082 suppliers.

6. Mandatory obligations

This section documents our approach to meeting the mandatory requirements of the Reform Act.

Regulated procurements

Our standard practice is that all Regulated procurements will be advertised on the Public Contracts Scotland (PCS) website. As we will advertise, and subsequently award, on the PCS website the functionality of the site will automatically publish and maintain our contract register for public viewing.

Equal Treatment

We will continue to comply with the legal requirements of the Equality Act 2010 and Public Sector Equality Duty (PSED) 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 applicable Equality and Diversity Legislation and make suppliers aware of the requirement of the Equality Act 2010 and associated duties. 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 in addition to delivering against our boards Diversity and Inclusion strategy and associated Equality Outcomes.

Sustainable Procurement Duty

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.

Organisational Policies

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.

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.

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 not permitted to mandate the application of the Living Wage within its supplier community. However, 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 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.

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.

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.

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.

Payment processes

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

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 and services are receipted to allow payment as soon as possible after a successful delivery or provision of service.

In addition, the Procurement Service uses standard NHS terms and conditions of contract which require contractors to pay their sub-contractors within 30 days. If this does not occur, sub-contractors may apply to our Board for support to resolve the matter.

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.

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.

7. Monitoring and reviewing

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 regularly.

Contract register

NHS Golden Jubilee will meet the requirement of the Reform Act to publish and maintain a public facing contracts register. NHS Golden Jubilee will utilise the functionality available on the Public Contracts Scotland website. Our commitment is to have all NHS Golden Jubilee public contracts of value above £50,000 appearing on this register.

Approach to framework call offs

Any call off from a Framework Agreement with a single supplier that exceeds or is expected to exceed (in the case of multiple call offs) a value of £50,000 over the lifetime of the Framework will have an associated contract award notice placed on Public Contracts Scotland advertising this fact.

Annual report

Our objective is to ensure NHS Golden Jubilee's annual report will be published in the second quarter of the following financial year in line with statutory guidance and the NSS annual reporting timetable.

The Annual Report will be published on the Golden Jubilee website. The annual report will contain the following information as a minimum:

- A summary of the Regulated Procurements that have been completed during the year covered by the report.
- A review of whether those procurements complied with NHS Golden Jubilee's Procurement strategy.
- To the extent that any Regulated Procurements did not comply with the Reform Act, reasons for this and a statement of how NHS Golden Jubilee 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 financial year covered by the report.
- A summary of any steps taken to facilitate the involvement of supported businesses in Regulated Procurements during the year covered by the report.
- A summary of the Regulated Procurements NHS Golden Jubilee expects to commence in the next 2 financial years.

GAP analysis

The procurement team will review and forward buyers guides with potential cost savings to client departments. The procurement team will attend GAP analysis meetings with national procurement to discuss these savings opportunities and will document where taken up or otherwise. GAP reports will also be provided to the balance programme.

8. 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 1 April 2024 – 31 March 2027 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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9. Policies / tools

The **Procurement Journey** provides guidance for public sector buyers who procure goods, services and care and support services. This includes relevant tools and processes.

For Suppliers, the **Supplier Journey** provides guidance on how to bid for public sector contracts.

- [Scottish Model of Procurement](#)
- [The Public Procurement Strategy of Scotland](#)
- [Procurement Thresholds](#)
- [PCIP](#)
- [Public Contracts Scotland](#)
- [Public Contracts Scotland – Tender](#)
- [Information Hub](#)

10. Glossary

<https://www.procurementjourney.scot/tools-templates/glossary>