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Section 1 – Introduction/Executive Summary

In accordance with the Procurement Reform (Scotland) Act 2014 (“the Act”) all public sector organisations with an annual spend of greater than £5m are required to publish a Procurement strategy.

NHS Education for Scotland (NES) is an education and training body and a national health board within NHS Scotland. We are responsible for developing and delivering healthcare education and training for the NHS, health and social care sector and other public bodies. We have a Scotland-wide role in undergraduate, postgraduate, and continuing professional development.

The NES Strategy for 2023-26 focuses on being a collaborative, innovative and inclusive learning organisation that provides high quality education, training, workforce development, workforce data and technology for Scotland’s health and social care workforce. Our vision is to support better rights-based quality care and outcomes for every person in Scotland through a skilled, capable, and resilient health and social care workforce.

NES plays an important role in improving the health of the population and reducing health inequalities in our communities. By attracting people to careers in health and social care, we can create jobs and boost the economy. Our work programmes ensure that those who work in health, social care and social work are skilled, confident, and motivated to continually improve outcomes for people. We promote and uphold human rights through our education and training and provide challenge where these are not being upheld.

We recognise the challenges being experienced across the health and social care sector as Scotland's population ages and we recover from the impact of the pandemic. The need to balance increased and changing health and social care needs alongside the availability of workforce and finance means it has never been more important to find new ways of supporting staff wellbeing, working in local communities, and to innovate, using technology, data, information, and intelligence to find better solutions.

This Procurement Strategy is designed to provide a framework within which Procurement contributes to the delivery of these objectives, whilst recognising the requirements of the Scottish Government, The Public Procurement Reform Board, NHS National Procurement, UK Procurement Law (post Brexit), and critically the changing demands of NES itself.

NES works closely with the wider NHS Scotland and NHS National Procurement (NP) around the development and compliance with national policy and contract initiatives aligned to Scottish Government’s ‘Procurement Journey,’ ensuring that collaborative best practice is shared across National Health boards and the wider public sector.

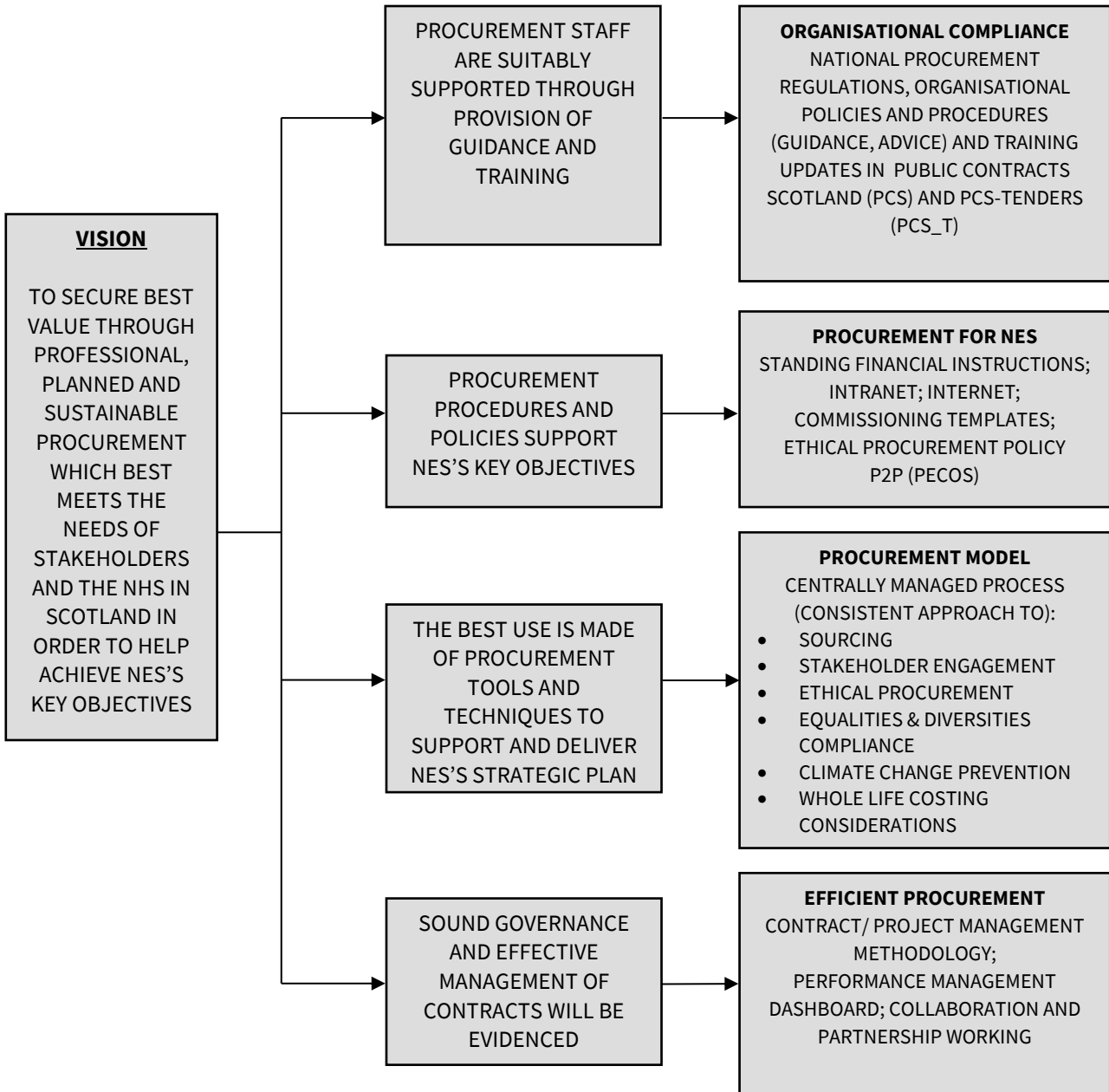
Our Procurement Strategy delivers ongoing improvement in Procurement best practice where our staff are supported and developed to ensure procurement choices are truly reflective of corporate policy objectives. This Procurement Strategy ensures that we are focussed on delivering the best goods and services for the NHS and that we are making a positive difference to Scotland and a measurable contribution to the Scottish economy.



Section 2 – Procurement Vision/Mission Statement

“To secure Best Value through professional, planned and sustainable Procurement which best meets the needs of stakeholders and the NHS in Scotland in order to help achieve NES’s key objectives.”

VISION	PROCUREMENT THEMES: We shall ensure	GOOD PRACTICE
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Section 3 – Strategy Rationale/Context

This strategy sets out a number of key Procurement themes and will be supported by the ongoing review and implementation of Procurement best practice. The Strategy is structured to support effective sustainable Procurement across NES to ensure that we use Procurement strategically to deliver our vision of ‘supporting better rights-based quality care and outcomes for every person in Scotland through a skilled, capable and resilient health and social care workforce’ and contribute to wider national outcomes. The Strategy will allow NES to respond to the changing public-sector Procurement environment whilst encouraging continual improvement and innovation.

The full benefits of the Strategy are realised through the commitment and priority given to it by the NES Executive Team and through the positive support and contribution of NES Directorates.

The outcomes are aligned to the Sustainable Procurement Duty, which requires us to buy in a way which is:

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

The strategy’s objectives are to ensure

- Improved commercial performance, best Procurement practice and minimal process costs to deliver best value.
- Adaptability to meet and respond effectively to changing needs in a dynamic business and healthcare environment through effective management and control.
- A more robust service provision from an integrated team approach that provides flexible resources more efficiently with commitment to collaboration and partnership across the NHS in Scotland and the broader supply community.
- A commitment to deliver a proactive approach to ensuring that all goods and services procured are sourced ethically in terms of both the way the NES procures and in terms of the standards that we expect our suppliers, service providers and contractors to meet. We will continue to consider how procurements are conducted and contracts are developed, to reduce barriers and enable participation for SMEs, Third Sector organisations, and Supported Business.
- Informed decisions as we engage early with suppliers to create innovative solutions to positively respond to the climate crisis and ensuring that we eliminate waste throughout the supply chain where possible. We must also act in a way that will secure net zero emissions through a Just Transition and promote a circular economy.
- Maximisation of economic and social benefits wherever practicable, adhering to the best principles of Community Wealth Building and the fundamentals of the Anchor Institution through procurement and commissioning, applying fair work practices, developing good enterprises, and secure supply chains.



Our Procurement Strategy assists in co-ordinating activities to deliver improvements in Procurement practice. Procurement skills are supported and developed to ensure Procurement choices are truly reflective of corporate policy objectives, that all Procurement rules are complied with, and supplier and contract management arrangements are implemented appropriately.

The following themes have been identified within NES and support the achievement of NES's Procurement vision. The themes are set out to underpin the development of the Procurement Strategy and accelerate the delivery of NES's strategic priorities.

The core themes of the Procurement Strategy are to ensure that:

- All staff undertaking Procurement activities are suitably trained
- Procurement procedures and policies are fully aligned with the Scottish Government's Procurement Journey, to support NES's key objectives and enable continuous improvement
- NES make best use of modern Procurement models and technology to deliver NES's strategic priorities
- Economic and social benefits are maximized through procurement and commissioning, applying fair work practices, developing good enterprises, and secure supply chains whilst evidencing sound governance and effective management.



Section 4 – Strategic Aims, Objectives & Key Principles

The overarching theme of this strategy is to continuously improve upon the contribution Procurement can make in both NES and the wider public-sector Procurement community and embed the position of the procurement process higher up the value chain. The earlier the Procurement Team is involved in the acquisition of goods and services the more value it achieves. Procurement is involved, in a collaborative style, at the earliest stage of the sourcing process, from ‘Day One’ when our internal stakeholders are considering solutions, sourcing options, and specifications.

Key priorities over the next four years will include: -

The Sustainable Procurement Duty

Sustainable public procurement aims to make the best use of public money, helping us to achieve our overarching purpose and strategic objectives.

The sustainable procurement duty, outlined in Procurement Reform (Scotland) Act 2014, aligns with our purpose to create a more successful country through increasing sustainable economic growth. It is underpinned by the National Performance Framework and Scotland's Economic Strategy.

The Sustainable Procurement Duty requires that before a contracting authority buys anything, it must consider how it can improve the social, environmental, and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

It also requires a contracting authority to consider how its procurement processes can facilitate the involvement of SMEs, third sector bodies and supported businesses, and how public procurement can be used to promote innovation.

The Sustainable Procurement Duty is referred to in the Public Procurement Strategy for Scotland, and sustainable procurement is central to multiple strategic objectives. Prominent examples include:

Good for Businesses and their Employees - Maximise the impact of procurement to boost a green, inclusive and wellbeing economy, promoting and enabling innovation in procurement. By ‘business’ we include any organisation or enterprise engaged in commercial, industrial, or professional activities including voluntary, charity, and non-profit entities.

SMEs, Third Sector and Supported Businesses - NES strives to consider how procurements are conducted and contracts are developed, to reduce barriers and enable participation for SMEs, Third Sector organisations, and Supported Business

Good for Society, Places and Communities - Wherever possible, NES will maximise the impact of procurement with strong community engagement and development to deliver social and economic outcomes as a means to drive wellbeing by creating quality employment and skills.

Community Wealth Building – Fair Work First and Community Benefits, maximising economic and social benefits through procurement and commissioning, applying fair work practices, developing



good enterprises, and secure supply chains. Wherever practical, NES engages with communities to understand local needs and requirements to help shape procurement policies, initiatives, and contracts.

Innovation in the Supply base – NES continues to actively promote early supplier engagement to foster innovative and entrepreneurial responses to educational needs and requirements.

Supply Chain and Resilience - NES encourages a sustainable supply base that can support our work to provide resilient and robust supply chains. We develop appropriate relationships and put forward looking plans in place to support the development of the appropriate supply markets, improving security of supply and reducing risk.

Whole life costing - Promoting sustainable procurement through routine consideration of whole life costing to ensure value for money in procurement, minimise environmental damage and maximise socio-economic benefits. Compliance with the sustainable procurement duty is the mechanism through which public procurement contributes to and tracks its contribution to our overarching purpose.

Climate Crisis and the Environment

Making informed decisions, we need to continue to engage earlier with suppliers to create innovative solutions to positively respond to the climate crisis. Within the NHS Scotland Climate Emergency and Sustainability Strategy there are five main themes, each with associated actions and targets to achieve to support our overall net-zero ambitions.

Sustainable Buildings & Land: Focusing on the actions we will take to help create truly sustainable NHS buildings, reducing our building greenhouse gas emissions, adapting our estate to climate change impacts, embedding good environmental stewardship of our services, buildings, and infrastructure assets, reducing our waste, and managing it better and the sustainable future development of our NHS healthcare estate

Sustainable Travel: Reducing the need to travel, promoting active travel, promoting public and community transport, and decarbonising our business travel.

Sustainable Goods and Services: We need to reduce our demand for resources and avoid accumulating waste, we need to value the resources that we do consume by designing them to last, reusing them and recycling them when they reach the end of their useful life.

Sustainable Care: The way we provide care can have a major impact on both our communities and the environment and is key in our transition to a net-zero health service. By changing how we plan, procure, and deliver services we can empower people to have more control over their health and deliver rapid and long-lasting change, which is environmentally sustainable, increases our contribution to good health and reduces health inequalities.

Sustainable Communities: Supporting health and wellbeing, building community resilience, and engaging our communities

The growing threat to public health from the climate emergency increases the need for action. We all have a clear responsibility to respond in a way that nurtures good health for the population and



the planet. We must act in a way that will secure net zero emissions through a Just Transition and promote a circular economy.

NES Procurement is actively involved in the NHSS Sustainable Procurement Steering Group (SPSG) - colleagues from across NHSS Procurement, Sustainability and Scottish Government who have a clear focus in progressing sustainable procurement across our NHS Scotland procurement and supply management activity. The SPSG is a subcommittee reporting to the NHSS Procurement Services Senior Management Team (SMT) which ensures all activity is approved and standardised across NHSS Procurement Services.

Our role as an anchor organisation

Anchor institutions are one of the specific focuses of the Place & Wellbeing programme within the Scottish Government's Care & Wellbeing Portfolio. Procurement is committed to supporting NES's ambitions in respect of acting for the benefit of the local communities we serve and recognise that we can positively contribute to local areas in many ways beyond providing healthcare. Our strategy will strive to make a difference to local people including our staff through working more closely with our local partners to use our buildings and spaces for wider social benefit, making local sourcing possible, and reducing our environmental impact.

We also recognise the NHS's role as an anchor organisation for Scotland as a whole and recognises that there is the potential for us to contribute to the NHS's efforts to reach net-zero and provide an exemplar for other sectors of the country. As part of this future aspiration, NES has an opportunity to model our sustainability goals around fair employment, gender equality and sustainable communities and in so doing tackling inequalities.

Procurement will ensure that we can do this while still obtaining best value and quality by supporting an improved, resilient, and responsive supply chain

NES ensure that all tenders contain Fair Work clauses (which directly flow into procurement contracts) ensuring community and voluntary organisations have the opportunity to tender.

NES Procurement will support new models of education and training, in collaboration with partners, across health and social care disciplines. We will also support acceleration of skills development in areas key to service transformation including leadership, digital and data.

Contract Management

Procurement will support the organisations endeavours to ongoing proportional contract management to ensure the right outcomes are delivered and the performance of contracts is maximised.



NES Strategic Key Themes and Approach

Educational Research

Our ambition is to be a world class organisation for education, training, and learning, working with the Office of the Chief Scientist to the Scottish Government, as well as other partners, to build research capacity within the health and social care system. We will focus on educational research and knowledge services, including the use of artificial intelligence (AI) in education, to shape the future of learning within health and social care and ensure best practice can be adopted across the sector. We will also research how technology can improve the education and training of the health and social care workforce, encompassing both paid and volunteer roles. Procurement will continue to support developing models of National Commissioning of Education and Learning and ensure consistency, open and fair competition, and demonstrable value for money.

The NHS Scotland (NHSS) Academy

NHS Education for Scotland and NHS Golden Jubilee have partnered to create the NHS Scotland Academy - a unique approach for workforce development and sustainability bringing together the attributes and experience of both organisations to provide a model of education delivery. National NHS Scotland Academy will provide a co-ordinated approach delivering training linked to workforce and skills gaps, recruitment and NHS needs. The Academy supports workforce transformation and sustainability through accelerated learning for key roles. Integrated, ethical and efficient collaborative Procurement is an implicit component in the evolution of this pivotal strategic objective.

Support for National Technology Services

To support delivery of Scotland's Digital Health and Care Strategy (a joint initiative between Scottish Government and COSLA), we will use technology to improve health and social care services, working collaboratively with partners. This includes building digital solutions and using cloud-based services to support better outcomes for the people of Scotland and address inequalities. We will develop a national digital platform that integrates data, intelligence, and applications, and deliver a Digital Front Door to make it easier for people to access services and information. Our aim is to help health and social care staff work more efficiently and effectively by providing them with the information they need. We will also work collaboratively as part of Accelerated National Innovation Adoption to assess and scale innovation, supporting the sustainability of NHS Scotland. NES Procurement will ensure we take an innovative and dynamic approach to supporting our digital ambitions.

Data, Intelligence and Workforce Supply

Our role as the official provider of workforce statistics and strategic delivery partner of Scottish Government on technology and information resources is growing to meet the pressures faced by health and social care and societal need. Over the next three years, we will target skills development in digital and seek to improve the range, quality, detail, analysis, and reporting of workforce data.



Building on the role of the Centre for Workforce Supply, we will work collaboratively with health, social care, and academic partners to utilise population health and workforce data. This will enable data informed workforce planning, service redesign, new models of care and creation of new roles and qualifications. Procurement will seek ways to maintain our agile approach incorporating as much flexibility

Digital Library Service

NES continues to take the lead in the commissioning, development, and continuous improvement of the Digital Library service for NHS Scotland. The essential aim of this service is to maintain a high quality national digital library service that meets the needs of health and social care staff across Scotland for practice, education, and research. This work will be re-tendered within the life of this strategy and underpins our ambition is to be a world class organisation for education, training, and learning.



Procurement Objectives

In all Procurement activity NES will strive to obtain the following:

OBJECTIVE 1 – ALIGNMENT WITH THE NES STRATEGIC PLAN AND CORE VALUES

Procurement is one tool, albeit an important one, in achieving NES's overriding objectives, as laid out in the new NES Strategic Plan approved in May 2023. Procurement objectives must be compatible with corporate values, plans and priorities both in the short and long term. To achieve these corporate priorities an effective Procurement process is fundamental. The way NES embeds and develops Procurement activities to reflect these values and priorities are contained in more detail in the Action Plan shown in Appendix 1.

OBJECTIVE 2 – DELIVER VALUE FOR MONEY AND BEST VALUE PROCUREMENT

Whilst the focus of the Procurement process is traditionally on obtaining value for money, it should be borne in mind that cost should not be the overriding consideration. Added value factors such as benefit to patients, sustainability, climate emergency, community benefits, fair work practices, quality and workforce planning requirements should also be considered. The Procurement Team develops a balanced evaluation criteria and weightings with Directorates that accurately reflect the importance of criteria such as quality, delivery, and cost.

OBJECTIVE 3 – MAKING IT EASY FOR SUPPLIERS TO DO BUSINESS WITH NES

NES aims to encourage competition and to grow the supply base for the purchases it makes. This is done by ensuring there are no barriers or impediments that could deter appropriately qualified suppliers from doing business with NES. All competitive Procurement activities are widely advertised using both NES internet and the Public Contracts Scotland web site. Specific guidance for suppliers who wish to engage with NES is also accessible on the NES website and our Ethical Procurement Policy clearly sets out our expectations of the supply chain.

Procurement's drive for continuous improvement ensures that tender paperwork is transparent and written in plain language, engaging potential contractors and suppliers, and avoiding unnecessarily complicated tender documentation which is disproportionate to the value of the contract.

OBJECTIVE 4 – LESSONS LEARNED FOR THE FUTURE

NES learns from its mistakes through continuous evaluation and review of tendering activity and disseminates any best practice amongst its staff. Accordingly, we constantly seek ways to ensure that evaluation and review are built into Procurement methods and processes and that Procurement activities are planned, monitored and co-coordinated.



NES Procurement Principles

The following principles, a number of which reflect NES's Procurement objectives, form the basis of Procurement within NES. To aid this process a variety of guides have been developed e.g., purchasing, contracts, specification, and content guidelines to assist all NES staff involved in Procurement/commissioning. These guides are designed to assist NES staff to understand key issues such as the various Procurement thresholds, specification writing and contract /supplier management.

PRINCIPLE 1 – FINANCIAL JUSTIFICATION

Any major Procurement exercise will involve the production and approval of a NES Business Case (or Project Initiation Document). Budgetary consideration will be established before any Procurement exercise is kicked off and agreed with our Finance Business Partners.

PRINCIPLE 2 – SPECIFICATION OF REQUIREMENTS

Specifications are carefully drawn up and clearly state the required outputs, deliverables, and performance standards. They will comply with relevant quality service standards and performance indicators. Staff must also be aware of and comply fully with all the National Contracts negotiated by Scottish Government and NHS National Procurement. When setting out specifications NES staff also need to be conscious of the need to enable local businesses and small and medium sized enterprises to do business with NES. Detailed guidance is provided on the NES Intranet to ensure compliance.

PRINCIPLE 3 – ASSESSING AND MINIMISING RISK

The risks associated with Procurement are assessed as part of the project initiation. Assessments include ways to share and manage risk as well as advice and guidance on exit strategies to minimise any impact to NES.

PRINCIPLE 4 – QUALIFIED AND EXPERIENCED STAFF RESOURCES

NES Procurement staff will be suitably and appropriately trained via formal and on the job routes and training is aligned to the Scottish Government Procurement Competency Framework. Procurement and Contract user guidelines have been developed and issued to non- Procurement staff to ensure they have an appreciation of the key steps involved in the Procurement Journey.

PRINCIPLE 5 – SUSTAINABILITY

Addressing the harms caused by the climate change emergency is a Scottish Government national priority. All Procurement will take account of the need for sustainability and the wider social, economic, and environmental impacts.

a) Procurement shall have due regard to the “whole life” of the goods or services procured

b) sustainability and environmental issues will be considered in each procurement. This will include applying the ‘six simple steps’ approach for SME’s detailed in the Scottish Government



guidance and the sustainability guidance and principles provided under the UN Global Compact initiative and.

c) Fair work and community benefits where appropriate to the nature of the procurement.

PRINCIPLE 6 – EQUALITY AND DIVERSITY

NES has a commitment to ensure that everyone it deals with and those who they employ are treated fairly and equally regardless of race, colour, gender, disability, age, ethnic or national origin, trade union activity or faith. NES's scheme for Equality and Diversity reflects this commitment. These commitments are reflected in all Procurement processes, contract templates and SLA's. All procurement documentation is reviewed annually, in consultation with the Equality and Diversity Adviser in line with our Procurement Duty. NES has published an Ethical Procurement Policy to explicitly detail our commitment to Fair Work Practises and our expectations of our supply chain.

PRINCIPLE 7 –CONTINUOUS IMPROVEMENT

The Procurement team takes a key role in the performance measurement and management of key suppliers and contracts. All contracts will be monitored to ensure that all specified deliverables/outputs and timescales are successfully achieved within budget.

Where a contract or service level agreement is going to run for a number of years, the contract/SLA will be sufficiently flexible to provide for evaluation, improvement and change of circumstances throughout the period of the contract.

PRINCIPLE 10 – FRAUD AWARENESS AND PREVENTION

NES has a zero-tolerance approach to fraud: there is no acceptable level of fraud. There is a role for all members of staff and all suppliers in establishing an effective counter fraud culture by engaging and being alert to the risk of external and internal fraud; the potential for money laundering; identifying suspicious activities and control weaknesses; and reporting any suspicions quickly and appropriately.



Section 5 – Procurement Process

All Regulated Procurement opportunities will be advertised via the Public Contract Scotland (PCS) website and will utilise PCS Tenders.

The following thresholds are in place

- £0k to £10k – Value for Money must be demonstrated
- £10k to £25k – Quick Quote via PCS (Procurement Journey Route 1)
- £25k to £50k – Tender via PCS (Procurement Journey Route 1)
- £50k to £116k - Tender via PCST (Procurement Journey Route 2)
- >£116k - Tender via PCST advertised Find a Tender (FTS) (Procurement Journey Route3)

NES Procurement Risk Matrix						
Spend (ex VAT)	≥ £116,407*	FTS	FTS	FTS	FTS	FTS
	>£50,000 < £116,407	PCS	PCS	PCS	PCS	PCS
	>£25,000 ≤£50,000	PCS	PCS	PCS	PCS	PCS
	>£10,000 ≤£25,000	PCS Quick Quote	PCS Quick Quote	PCS Quick Quote	PCS Quick Quote	PCS
	>0 ≤£10,000	Value for Money	Value for Money	Value for Money	Value for Money	PCS Quick Quote
		Very Low	Low	Medium	High	Very High
		Risk				
<i>≤ Less than or equal to, ≥ greater than or equal to</i>						

* These threshold values are revalued every two years. This figure is valid from 1/1/24. Note they will no longer be linked to the EURO exchange rate

Policy on regulated procurements (any procurement greater than £50k)

The Procurement Reform Act 2014 requires public bodies to state how they intend to carry out regulated procurements with regard to the following specific categories;



The Procurement of fairly and ethically traded goods and services:

NE has developed and published an Ethical Procurement Policy to clearly state our position and our expectation of our supply base in regard to fairly and ethically traded goods and services. In addition to the NES Ethical Procurement Policy, NES have published a Supplier Code of Conduct on the NES internet which sets the standards for doing business with us.

We ensure that payments to contractors, subcontractors and third tier subcontractors are made within 30 days: NES utilise a standard set of terms and conditions that state we pay suppliers within 30 days of receiving an invoice, although we strive to achieve 10 days in line with Scottish Government policy and this is a key measurable metric. These terms and conditions also require suppliers' subcontractors to be paid within 30 days.

The payment of a Living Wage to persons involved in producing, providing, or constructing the subject matter of regulated Procurements:

NES have incorporated Fair Work Practices, including the Living Wage, in all regulated Procurements in line with Scottish Government guidance. The published NES Ethical Procurement Policy specifically encourages all contractors and suppliers to give fair consideration to implementing the Living Wage within their own supply chains.

The use of community benefit requirements:

NES include the use of community benefits in all contracts over the £4m threshold. However, it is a standard consideration in all tenders that suppliers review, consider and explore any opportunities to incorporate community benefits.

Wherever possible we will also consider the core principles of Community Wealth Building, adopting a progressive approach to procurement and developing local supply chains of businesses likely to support local employment and keep wealth within communities.

Consulting and engaging with those affected by its procurements:

NES Procurement engage with both internal and external stakeholders in developing all specifications. Stakeholders are a crucial part of the evaluation process.

Promoting compliance by contractors and sub-contractors with the Health & Safety at Work, etc. Act 1974 and any provision made under that Act:

NES contract terms and conditions require suppliers to comply with Health and Safety legislation

Consistency

Promoting consistent use of tools, platforms and systems, processes, guidance, and templates.

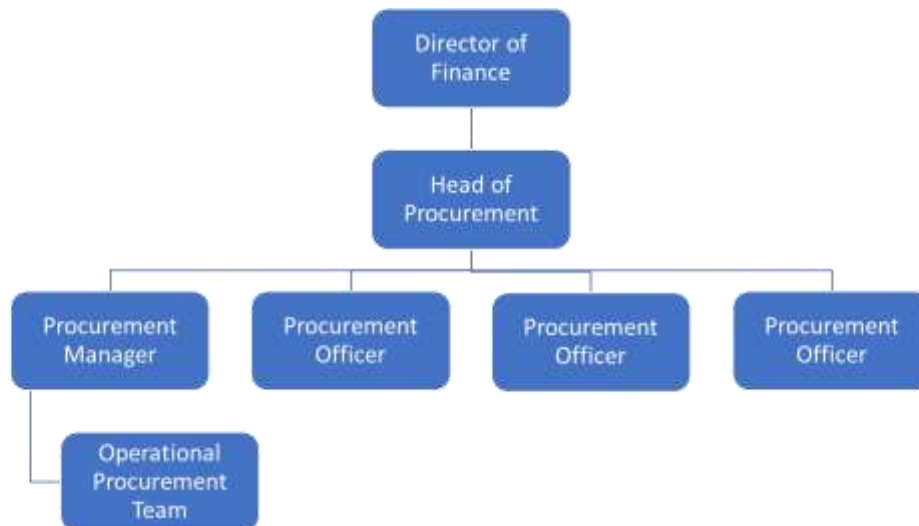


Section 6 – Procurement Team Organisation

The centrally managed Procurement Team is part of the Finance and Procurement Directorate. Procurement is responsible for the provision of professional advice and support, including all tendering activities, to any member of NES requiring Procurement or commissioning of goods or services. Procurement has full visibility of all NES spend and it is mandatory for NES staff to involve Procurement in any such activities. The main areas of responsibility of the Procurement team includes:

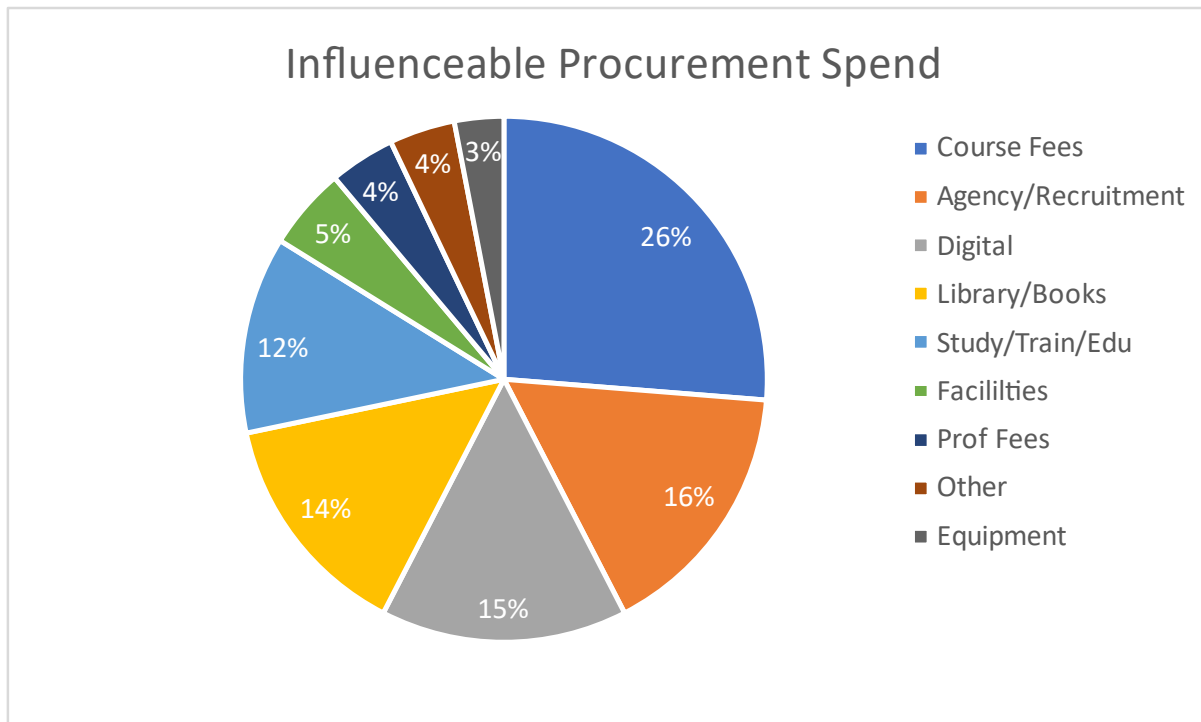
- Ensuring all procurement is undertaken in line with the requirements of the Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016 and the principles set out in the Scottish Governments Scottish Procurement Policy Handbook 2008, and the Scottish Governments published Procurement Journey
- Ensuring compliance with National Contracts, Procurement Directives and NES’s Financial Instructions.
- Undertaking all tendering activities including contract award
- Raising all purchase orders issued on behalf of NES
- Identifying opportunities for improved Procurement
- Facilitating and managing contract meeting and tender evaluation panels
- Development and implementation of policies, processes, and templates in line with the “Procurement Journey”
- Training and continuous professional development
- Promoting awareness of best Procurement practice
- Contract Management
- Guidance for suppliers

Procurement Team – Organisation chart



Section 7 – Spend

NES Procurement spend on influenceable external goods and services is approximately £25m (spend external to the NHS, based on most recent full financial year data from 2022/23). The full breakdown of annual spend is as follows –



Section 8 – Implementation, Monitoring, Reviewing and Reporting

Procurement of goods, services and works are regulated by standing orders and standing financial instructions (SFI's). Procurement report to the Audit and Risk Committee on a bi-annual basis. The A&RC is a sub-committee of the full NES Board, chaired by an appointed Non-Executive Director. Attendees at the A&RC can include: the Chief Executive, the Director of Finance, the Deputy Director of Finance and the Head of Procurement and Commissioning.

The Audit and Risk Committee independently supports the Accountable Officer and the Board by reviewing the comprehensiveness and reliability of assurances provided in relation to the governance, the risk management, the control environment and the integrity of the Annual Report and Accounts, Finance, Procurement and Properties and Facilities. This specifically includes considering and making recommendations to the Board on matters relating to the financial management of NES, including Procurement, efficiency programmes, resource allocation and the financial arrangements governing relationships with other organisations;

The Head of Procurement is responsible and accountable for all Procurement activities across NES. The centrally managed Procurement Team are responsible for ensuring that all orders and contracts awarded comply with the requirements of NES standing orders, SFI's and all relevant Procurement directives and legislation.



Section 9 – High Level Performance Targets

The formal NES contract register is publicly available via the PCS website and NES produces a Procurement Annual Report in Q3 of each year. This contains information on progress against the high-level performance targets.

High Level Objectives	Actual 2022-2023	Target 2022-23	Target 2024-27
Savings (% budget v actual against influenceable spend)	6.01%	3.25%	3.25%
Invoice Average Payment time (<30 days)	98.1%	95%	96%
Invoice Average Payment time (<10 days)	92.8%	85%	86%
Spend with SME's	63%	65%	69%
Framework Compliance	96.5%	96%	96%
Spend under contract	73%	75%	77%
Stakeholder Satisfaction Survey	81%	82%	85%
Contracts notices published with 60 days of award	90%	95%	96%
tender >50k issued on PCST	100%	100%	100%



Section 10 – Policies and Procedures

NES use various tools/guidance within the strategic Procurement process to assist and ensure best value. Utilisation of the tools also supports compliance with the Sustainable Procurement Duty. The key tools/guidance utilised by Procurement are:

- [Scottish Model of Procurement](#)
- [Public Procurement Reform Programme](#)
- [Suppliers Charter](#)
- [EU Procurement Thresholds](#)
- [Procurement Journey](#)
- [Sustainable Procurement Duty](#)
- [Public Contracts Scotland](#)
- [Public Contracts Scotland – Tender](#)
- [Scottish Procurement Information Hub](#)
- [General Data Protection Regulations \(GDPR\)](#)
- [PECOS](#)
- [NES Ethical Procurement Policy](#)
- [Fair Work Practises](#)
- [Community Wealth Building](#)
- [Scottish Government Procurement Strategy](#)



Section 11 – Strategy Ownership & Contact Details

The owner of the Procurement Strategy is:

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0131 656 4366



Section 12 - Appendix - Procurement Strategy Evolution and Action Plan

PROCUREMENT OBJECTIVE /PRINCIPLES	KEY ACTIONS from April 2024 to end of March 2027	KEY Activities from April 2024 to end of March 2025
<p>COMPATIBILITY WITH THE NES STRATEGIC PLAN</p> <p>Strategic focus – People</p>	<ul style="list-style-type: none"> An excellent workforce – ensure Professional Procurement training is encouraged Improved quality – identify, select, and manage best value supply base Clearly identify statement of requirements prior to tender Enhanced educational infrastructure – negotiate widest access to best tools 	<ul style="list-style-type: none"> Turas Learn/pdp’s aligned and managed Annual Procurement survey scheduled for Q2 2024 Standardised tender templates adopted across all regulated Procurement eLibrary – review with key stakeholders to ensure streamlined and cost-effective content to best meet targets
<p>DELIVERING VALUE</p> <p>Strategic focus - Performance</p>	<ul style="list-style-type: none"> Savings targets included in staff PDP (3.25% in 23/24) Suite of Spend Reports to be developed to support quarterly tracking and analysis of spend 	<ul style="list-style-type: none"> Savings tracked against budget and reported Spend under contract – increase target to 85% by end of 2024/2025 Seek further NHB collaborative working opportunities Evolve suite of reports to support quarterly tracking and analysis of spend Detailed reporting of SME spend to enable deeper analysis of opportunities.
<p>MAKING IT EASY FOR SUPPLIERS TO DO BUSINESS WITH NES</p> <p>Strategic focus - Partnership</p>	<ul style="list-style-type: none"> PCS used for all competitive procurement exercises Feedback offered to all unsuccessful bidders regardless of tender value Increased use of Quick Quotes (where appropriate) 	<ul style="list-style-type: none"> Continue to promote standard PQQ/RFI/RFQ/Tender documentation and ensure alignment to all Scottish Procurement Policy Notes (SPPN’s) All regulated procurement is managed via standardised ITT forms and PCS-T tender platform Quick quotes for all procurements >£10k in line with SFI’s. Contracts register formally published on PCS



PROCUREMENT OBJECTIVE /PRINCIPLES	KEY ACTIONS from April 2024 to end of March 2027	KEY Activities from April 2024 to end of March 2025
<p>SUPPLIER MANAGEMENT POLICY AND LESSONS LEARNED FOR FUTURE (MANAGEMENT OF CONTRACTS & CONTINUOUS IMPROVEMENT)</p> <p>Performance</p>	<ul style="list-style-type: none"> • Planning for approved Supplier and contract management Strategy. • Review effectiveness of Supplier Strategy supported by a survey of main stakeholders. • Roll out and establish contract management to appropriately identified contracts 	<ul style="list-style-type: none"> • Develop Supplier analysis to enable Contract Review and Management strategy for key suppliers & key contracts – by Q3 2021 • Re-invigorate overall Supplier Management process and target minimum three major PCST opportunities • Implement tailored SM solutions in line with PTP development of 'Once for Scotland' SM toolkit
<p>QUALIFIED AND EXPERIENCED STAFF RESOURCES</p> <p>People</p>	<ul style="list-style-type: none"> • Training Register (TURAS) maintained • Gap analysis undertaken for all staff & development plans produced 	<ul style="list-style-type: none"> • All staff to complete relevant 'TraintoProcure' modules • Training programme for Procurement Staff in line with the Procurement Journey • Climate Emergency literacy training for all Procurement staff. • Re-invigorate CIPS accreditation via NSS and highlight potential NES candidates via TURAS Appraisal • All Procurement staff to have undergone common NHB Competency Framework analysis of skills and training needs in 2024 (aligned to National Procurement Development Framework - Staff Evaluation Portal)
<p>ASSESSING AND MINIMISING RISK</p> <p>Performance</p>	<ul style="list-style-type: none"> • Risk Register to be developed for key commodities 	<ul style="list-style-type: none"> • Risk Register developed for all tenders greater than £100k • Lessons learned – review and record any lessons learned, develop register, and embed learning in new contracts.



PROCUREMENT OBJECTIVE /PRINCIPLES	KEY ACTIONS from April 2024 to end of March 2027	KEY Activities from April 2024 to end of March 2025
SOCIAL, ECONOMIC AND ENVIRONMENTAL ISSUES People and partnerships	<ul style="list-style-type: none"> NES Ethical Procurement Policy for NES Ensure full compliance with national guidance and best practice in equalities and sustainable procurement in accordance with the Procurement Journey. NHS-wide Sustainable Procurement Steering Group Climate Emergency and Prevention - ensure an appropriate focus on climate change, 'Net Zero' and circular economy obligations Develop thinking and approach to more active engagement in Community Wealth Building and Anchor Institution obligations 	<ul style="list-style-type: none"> Develop the Ethical Procurement Policy to further underpin and incorporate critical Sustainability, Equality and Diversity and Climate Emergency ambitions. Ensure Policy is included in all tenders and embed Sustainability ethos throughout NES through Specification guidance and sustained widespread use of standard templates Maintain Procurement representation on NHSS Sustainable Procurement Steering Group (SPSG) Develop knowledge base of Climate Change literacy, engage with other boards, and have a clear understanding of how contracting activity can support net-zero aspirations throughout the contract lifecycle, using the national tools and support available and maximising engagement with supply chains. Actively engage current and potential suppliers (and their supply chains) as key collaborative partners to support this agenda through pre-market engagement activity and in targeted activities as well as through ITTs and evaluation criteria.
DELIVERING VALUE THROUGH COLLABORATION Partnership	<ul style="list-style-type: none"> Attend Heads of Procurement National Health Board Meetings to develop and build network with other Health Boards and recommend future approach. Attendance at NHSS Procurement Senior Management Team (PSMT) 	<ul style="list-style-type: none"> Participate in collaboration and working group meetings with other National Health Boards and wider NHSS NP. NES to identify and lead a minimum of two collaborative procurements from overall NHB opportunities plan

