

Summary of NHS Scotland (NHSS) Procurement Strategies

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Purpose of document	Summarisation of documents of high importance for the Business Case
Other detail (delete row if appropriate)	

Related projects	Names and doc reference numbers
Keywords	NHS; Procurement; Reform; Framework; Sustainable; Ethical, Community benefit; Governance; Performance; Resources; Collaboration; Sourcing; Engaging; Journey; Technical User Groups; annual action plan;

Name of Strategy:	NHS Scotland (NHSS) Procurement Strategies
Date:	N/A
URL:	
Key words:	NHS, Procurement, Reform, Framework, Sustainable, Ethical, Community benefit, Governance, Performance, Resources, Collaboration, Sourcing, Engaging, Journey, Technical User Groups, annual action plan
Why does this strategy exist? (what's the problem / opportunity this stems from)	<p>The main driver for change in NHSS Procurement has been the change in approach to procurement from the Scottish Government as it begins to adopt the agenda set in the Review of Public Procurement in Scotland Report & Recommendations 2006 (McClelland Report). The report outlined the goal of increasing efficiency and professionalism through organized collaboration and a national effort to embrace best practice. This applies to all public sector bodies including NHSS Bodies.</p> <p>NHSS is required to show annual progress in the implementation of applicable recommendations made in the McClelland report, both to the Government and other parties such as the National Centres of Procurement Excellence (NCoPE). As Public Sector Procurement is undergoing significant change with a focus on delivering performance improvements and achieving financial savings through more efficient and coordinated service delivery. NHSS must engage with the NCoPE, and the identification, development, and implementation of best practices in procurement.</p> <p>More recently the Scottish Procurement Reform Act 2014 has placed procurement at the heart of Scotland's economic recovery. It sees procurement as an integral part of part of policy development and service delivery. The concept is simply the development of a business friendly, socially responsible procurement process. Using public spending to create true public value beyond simply cost/quality in purchasing.</p> <p>A final factor in driving the changes outlined in NHSS procurement strategies is the requirement for NHSS to adopt a whole organization commitment to deliver sustainable procurement, as outlined in the Scottish Sustainable</p>

	Procurement Action Plan. It requires organisations to address the social, economic, and environmental implications in every procurement exercise.
Summary:	NHSS bodies want to ensure that they meet the expectations of their customers, are able to measure their work against the best practice, and have the capability to promote continuing improvements towards procurement excellence. NHSS Procurement services wish to keep in line with the Scottish Governments Procurement Journey.
Key goals and means to achieve them:	<p>NHSS Procurement services aim to provide support for all NHSS bodies to help contribute in the efforts to improve the health and wellbeing of the people of Scotland. They will enhance both the quality of their procurement services and working methods to consistently meet the needs and expectations of their customers. The base principle for improving Procurement procedures is that effective Procurement makes a key contribution to improving health by optimising the resources available for health priorities.</p> <p>NHSS acknowledges that Sustainable Procurement is fundamental to all procurements, and aims to utilize all legislation, when applicable, to deliver Sustainable Procurement. This will be achieved by taking a policy approach in keeping with the global compact, the UN standard for responsible business practice. The compact is globally recognised and universally applicable, covering human rights, labour rights, safeguarding environment and anti-corruption. Alongside this NHSS aims to ensure that all procurement staff will receive training to understand and carry out the sustainable procurement policy.</p> <p>The Global Compact also informs on NHSS's aims to adopt a more ethical approach in its procurement procedures, along with this NHSS are committed to engaging with suppliers, contractors, and business partners to adopt a similar approach in their own procurement exercises.</p> <p>NHSS aims to align itself with the direction of the Scottish Governments Procurement Policy, fully complying with the Procurement Reform (Scotland) Act 2014 duties as of autumn 2015. Part of the reform requires NHSS bodies</p>

to outline their own strategies, each outlining the above mentioned sustainable and ethical changes. The immediate aims of their strategies can be separated into making improvements within specific fields, in accordance with Scottish Government legislation.

- **Performance:** NHSS aims to improve overall performance by meeting the recommendations in the McClelland report, embracing and supporting continuous improvement, and meeting the requirements of NHSS and other Governing bodies. All NHSS bodies will ensure that Procurement Staff can perform to their full potential and that all procurement exercises are compliant with the most current legislation.
- **Governance:** To develop improved governance and quality standards arrangements. NHSS will work with the National Procurement organisation taking a leading role in the Procurement steering group and developing work instructions. NHSS will use the Procurement Journey, a continually changing (in accordance with legislation changes) source for guidance and documentation for the Scottish public sector.
- **Resources:** Further developing an integrated procurement function, to serve the needs of all NHS Scotland and its collaborative partners. While developing and resourcing the Procurement service appropriately so it can meet the economic demands of the NHS and the changing requirements seen throughout the lifecycle of the various strategies.
- **Collaboration:** In fostering collaboration, NHSS will engage and communicate with various Procurement managing bodies (Scottish Procurement Directorate, NHS National Procurement etc.), stakeholders including customers and suppliers, and cultivate collaboration with health and social care partnerships and other Public bodies in Scotland. In accordance with legislation, Technical User Groups (TUG's) will be established by each Health Board for key procurement projects, ensuring that public/patient participation is used wherever appropriate. Collaboration between different Health Boards will be aided using the NSS Shared Support Services Programme, to re-model and share resources to help procurement excel on behalf of all partners on a Centre of Expertise

	<p>basis. The health boards will be split into the East of Scotland Procurement Consortium and the West of Scotland Procurement Group.</p> <ul style="list-style-type: none"> - Sourcing: In maximizing NHSS's uptake of contracts and collaborative opportunities, all bodies within NHSS will follow procurement legislation to ensure social responsibility and ethical consideration in all work, working sustainably whenever possible, and to consider the effects on partner's businesses, and third party organisations in every procurement exercise. Sourcing will be supported by TUGs when appropriate, helping health boards respond to user demand, while allowing Procurement services to review the changing supply market in set time periods. Health boards will ensure consistent and professional management of expenditure across the three best value supply chain dimensions; Purchase Demand Management; Supply Base Management; and Total Cost Management, the Procurement Journey toolkit will be used to manage all expenditure. <p>All NHSS health boards will annually report on their individual procurement strategies as set out in the Procurement Reform Act, and be shared with all members of their individual procurement services. NHSS will support the continuous improvement in all areas involved in procurement. This will be governed by through Business Assurance Work Sessions, these will track actions of all strategies to ensure the aforementioned continuous improvement takes place.</p>
<p>Expected outcomes:</p>	<p>The strategy plans for all Procurement services in NHS Scotland will be managed by the Procurement professionals within the Procurement department. This will ensure that the proposed plans will be completed, with immediate changes building momentum for years to come. Directors of procurement will ensure that NHSS health boards adhere to best practice, and comply with all EU and other legislation to reduce risk.</p> <p>This in turn will reduce costs in key areas, and achieve benefits for all customers. There will be Staff Training and development to help achieve the goals set out in the various strategies. Customer engagement and close</p>

	<p>liaising with governing bodies will improve NHSS's collaborative efforts, and ensure timely implementation and compliance with national contracts.</p> <p>Procurement services will use their strategies aims and objectives to form annual action plans showing intended targets to help measure progress, and keep each strategy on track.</p>
<p>Key quotes:</p>	<p>- The 10 principles of the Global Compact are:</p> <p>Human Rights</p> <ul style="list-style-type: none"> - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and - Principle 2: make sure that they are not complicit in human rights abuses. <p>Labour Standards</p> <ul style="list-style-type: none"> - Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; - Principle 4: the elimination of all forms of forced and compulsory labour; - Principle 5: the effective abolition of child labour; and - Principle 6: the elimination of discrimination in respect of employment and occupation. <p>Environment</p> <ul style="list-style-type: none"> - Principle 7: Businesses should support a precautionary approach to environmental challenges; - Principle 8: undertake initiatives to promote greater environmental responsibility; and - Principle 9: encourage the development and diffusion of environmentally friendly technologies

	<p>Anti-Corruption</p> <ul style="list-style-type: none"> - Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. - “The culture is one of continuous improvement with robust governance and accountability across all areas of activity.” - “NHS Lothian currently expends over £474 million each year on non-pay expenditure” - “NHS Tayside currently expends over £205 million each year on non-pay expenditure” - “Effective Procurement makes a key contribution to improving health by optimising the resources available for health priorities” - Definition of Sustainable Procurement: "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"
<p>Parent/child document (of what)?</p>	<ul style="list-style-type: none"> - Procurement Reform (Scotland) Act 2014 (http://www.legislation.gov.uk/asp/2014/12/pdfs/asp_20140012_en.pdf) - A ‘2020 Vision’ published by SGHSC in Sep 2011 - Scottish Sustainable Procurement Action Plan (html version: http://www.gov.scot/Publications/2009/10/sspap) - Scottish Procurement Policy Handbook published by Scottish Procurement and Commercial Directorate 2008.