

NHS Greater Glasgow and Clyde	Paper No. 22/07
Meeting:	Board Meeting
Meeting Date:	22 February 2022
Title:	Annual Procurement Report – Procurement Strategy 2022-2025
Sponsoring Director/Manager	Tom Steele, Director of Estates and Facilities
Report Author:	Chris Sanderson, Head of Procurement

1. Purpose

The purpose of the attached paper is to satisfy the Board's legal duty under Section 15 of the Procurement Reform (Scotland) Act to prepare and publish a Procurement Strategy setting out how regulated procurements (those over £50,000 (ex VAT)) will be carried out.

The revised Procurement Strategy covering the period 2022-2025 is an updated version of the 2019-2022 Procurement Strategy approved at CMT and FP&P in August 2019.

2. Executive Summary

The paper can be summarised as follows:

The following sets out how the requirements of Section 15 of the Act are captured in this strategy:

Requirement	Link to strategy
How the Board intends to carry out regulated procurements to: <ul style="list-style-type: none"> • contribute to the carrying out of its functions and the achievement of its purposes • deliver value for money • be carried out in compliance with its duties under the procurement rules 	These are contained in section 3 and throughout the strategy document.
A statement of the Board's general policy on <ul style="list-style-type: none"> • the use of community benefit requirements • consulting and engaging with those affected by its 	These are contained in section 4

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<p>procurements</p> <ul style="list-style-type: none"> • the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements ¹ • promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act • the procurement of fairly and ethically traded goods and services 	
<p>A statement of the Board's general policy on how it intends to approach regulated procurements involving the provision of food to improve the health, wellbeing and education of communities in the authority's area</p>	<p>This is contained in section 4</p>
<p>Set out how the Board intends to ensure that, so far as reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented for :-</p> <ul style="list-style-type: none"> • payments due by the authority to a contractor • payments due by a contractor to a sub-contractor • payments due by a sub-contractor to a sub-contractor 	<p>In relation to item (i) this is contained in section 4</p>
<p>The Board must ensure that:</p> <p>(a) before carrying out a regulated procurement, to consider how in conducting the procurement process it can—</p> <p>(i) improve the economic, social, and environmental wellbeing of the authority's area,</p> <p>(ii) facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process, and</p> <p>(iii) promote innovation, and</p> <p>(b) in carrying out the procurement, to act with a view to securing such improvements identified as a result of paragraph (a) (i).</p>	<p>This is contained in section 4</p>

The substantive changes that have been made to the previously endorsed strategy are as follows:

- New section on Achieving Financial Balance and Best Value in section 3.2
- Enhanced description of how sustainability objectives will be woven into the Procurement strategy
- Re-arrangement of the strategy narrative to ensure that there is a logical flow from the Board's corporate objectives, to Procurement objectives and on to measurable KPIs
- Rather than re-state the key actions at the end of each narrative section as was the case in the 2019-22 strategy, these statements have been removed and instead against each of the nine main service strategies at least one Key Performance

¹ The Board will review and develop systems to support good practice for payment of sub-contractors during the period of this strategy.

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Indicator has been assigned. These are then set out in Section 5: Key Performance Indicators. These will be the KPIs which will be reported quarterly to the Procurement Steering Group, Bi-Annually to FP&P and Annually to CMT via the Procurement Annual Report and will be a measurable and targetable way of determining the extent to which the strategy is being successfully implemented

- General streamlining of narrative throughout to make the content more concise

Refresh of the strategy was one of the key recommendations of a recent internal audit report on Procurement activity. Auditors also wished for the Procurement Manuals for Estates and Capital Planning to be updated and other areas Procurement Operational Plans to be refreshed. The re-introduction of the Procurement Steering Group. Devolved areas to update the Contract Register and review of all tendering activity in line with SFIs and Scheme of Delegation. The revised strategy has been shared with internal audit ahead of bringing it to the committee. They have commented that the strategy is clear and comprehensive and in particular it is good to have the approach to training more clearly articulated (covered in section 4.7).

The strategy was tabled at CMT on 3rd February 2022 and it was endorsed by them.

The strategy was tabled at FP&P on 15th February 2022 and it was endorsed by them.

3. Recommendations

The Board is asked to consider the following recommendation:

- To endorse the revised Procurement Strategy 2022-2025

4. Response Required

This paper is presented for **approval**.

5. Impact Assessment

The impact of this paper on NHSGGC's corporate aims, approach to equality and diversity and environmental impact are assessed as follows:

- **Better Health** **Positive** Procurement activity can result in better value for money and better outcomes within contracting activities in areas such as public health and health improvement. There are a number of examples where Procurement activity has ensured community benefits which are contained within the report.
- **Better Care** **Positive** Procurement activity can positively impact the quality of goods and services the Health Board buys which can have benefits for patient care

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- **Better Value** **Positive** By exposing our requirements to competition, this typically results in achievement of best value in terms of cash releasing and non-cash releasing benefits
- **Better Workplace** **Neutral**
- **Equality & Diversity** **Neutral**
- **Environment** **Positive** There are references throughout the strategy linking sustainability with good procurement practices

6. Engagement & Communications

The issues addressed in this paper were subject to the following engagement and communications activity: The preparation of the revised strategy was led by the Procurement Department with input from the devolved Procurement Board Leads including Pharmacy, eHealth, Capital Planning, Operational and Corporate Estates. Input was also sought from the Interim Head of Sustainability and the senior Finance team. The strategy was tabled at CMT on 3rd February and it was endorsed by them.

7. Governance Route

This paper has been previously considered by the following groups as part of its development:

- Procurement Steering Group
- Corporate Management Team

8. Date Prepared & Issued

Date prepared: 15 February 2022.

Date issued: 15 February 2022.



Procurement Strategy 2022 – 2025

(April 2022 – March 2025)

Lead Manager:	Chris Sanderson, Head of Procurement
Responsible Director:	Tom Steele, Director of Estates & Facilities
Approved By:	Corporate Management Team
Date Approved:	xxxxxxx
Date for Review:	Annually at 1 st April
Replaces Previous Version:	2019-2022

Procurement Strategy 2022 - 2025

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1. OVERVIEW

1.1 Introduction

The professional management of procurement activity is an important factor contributing towards the efficient operation of Greater Glasgow and Clyde Health Board (GG&C) and the attainment of its Corporate Objectives. It is vital to staff and patients that the built environment, improvement projects, supplies, medicines and services of the highest quality are provided to GG&C within optimum commercial arrangements.

Delivering Best Value and supporting delivery of the Board's Financial Improvement Plan is a key priority for the Board to enable financial sustainability. GG&C has a non-pay revenue spend of around £940m per annum (excluding Prescription Charges) of which approximately £660m is expenditure with third party suppliers, and as such is influencable by procurement activity. The remainder of the non-pay expenditure is non-influencable (e.g. inter public sector organisational transfers, rates, finance charges, depreciation),

Additionally GG&C spends between £35m - £100m per annum on Capital purchases covering new buildings, building repair, medical equipment and IT hardware and software.

This Procurement Strategy positions procurement activity visibly within the organisation, establishing Board level commitment to, and involvement in, the management of GG&C's procurement deliverables. It additionally sets out clear, measurable objectives and priorities for improvement which will be closely monitored. Progress against strategic objectives will be reported annually via the Procurement Annual Report which is a mandatory requirement of the Procurement Reform (Scotland) Act.

The report will be presented to and signed off by GG&C's Corporate Management Team meeting. Progress against this strategy shall be monitored quarterly through the Procurement Steering Group with bi-annual reports to the Finance, Planning and Performance Committee (FP&P). The strategy addresses key procurement issues over a 3 year time frame and is subject to annual review.

Clear targets and timescales were established in relation to procurement activity undertaken at strategic and operational levels. These targets will in turn be reflected within the individual performance plans of appropriate Divisional and Departmental Senior Managers.

The strategy will shape GG&C's procurement procedures which set out the detailed operational controls governing procurement activity in a manner which meets the requirements of GG&C's Standing Financial Instructions and relevant legislation. The strategies and structures set-out in this document apply to all GG&C Divisions and all procurement activity undertaken by GG&C.

1.2 Executive Summary

This strategy builds on the 2019-2022 version and continues to ensure GG&C's procurement service aligns with local and national strategies. It is intended to focus procurement service providers in delivering the highest level of service to end users whilst delivering best value goods and services. The key themes from the strategy are:

Harnessing Buying Leverage: To ensure that GG&C harnesses its revenue and capital budget trade spend leverage and national leverage to deliver best value; that it works collaboratively with other Health Boards and Public Bodies; and that it has the capacity and capability to deliver at a local level

Tracking and Reporting Benefits: To ensure that GG&C can demonstrate delivery of improvements flowing from improved contracting and that it can track and report benefits accrued.

Improving Quality: To ensure that goods and services are provided to the required levels of quality to deliver excellent services

Improving Purchase to Pay Processes: To exploit fully the available eProcurement technologies to improve services to end users and minimise resources deployed in ordering administration.

Managing Expenditure: To ensure processes and systems are in place which support the effective management of GG&C's expenditure. This includes; management of catalogue content and authorising expenditure.

Improved Logistics: To continue to maximise the benefits from NHSS's National Distribution Centres, GG&C's Centralised Pharmacy Distribution Store, the Procurement Area Central Store and our Ward Product Management services.

Staff Training and Development: To provide Service Users and procurement services staff with appropriate training to improve their awareness and to develop capacity and skills in relation to procurement legislation, governance and complex procedures which if incorrectly applied could leave GG&C open to legal challenge and potential fraud.

Corporate Social Responsibility (CSR): To deliver CSR aims including engagement with SME's and Social Enterprises; meeting sustainable procurement targets, delivering an ethical supply policy and supporting the delivery of GG&C's Employability strategies.

Commitment to Continuous Service Improvement: To maintain a continued focus on service improvement via dedicated customer services resource; service feedback forums; clear communication channels; and robust KPI's.

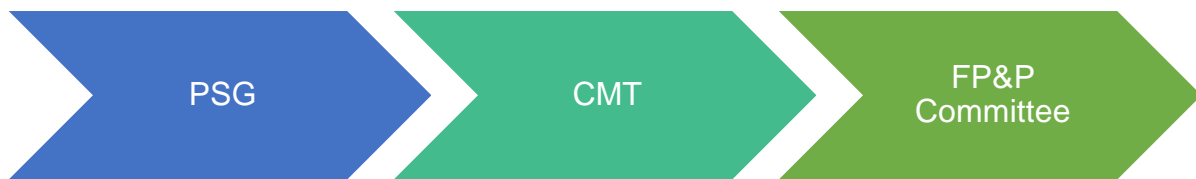
2. GOVERNANCE

2.1 Governance Structure

The Procurement Steering Group (PSG) is responsible for promoting good procurement practice, ensuring that the Board meets best practice and adheres to procurement regulations, overseeing procurement performance and leading on the Board's Procurement Strategy

The PSG meets quarterly and is chaired by the Deputy Director of Facilities and Corporate Services.

The PSG reports into the CMT and from there to FP&P and provides a bi-annual report on progress towards delivery of objectives and targets.



Remit of the Procurement Steering Group

- To create and implement the Procurement Strategy
- Oversee implementation of functional annual operating plans
- Monitor compliance with local and national Procurement policies
- To ensure that procurement matters are integrated into wider corporate plans and objectives
- Oversee contractual & tendering arrangements
- Act as project board for specific projects
- Monitor performance of procurement functions, including:
 - Capability assessments
 - Key Performance Indicators
 - Achievement of work plan savings
 - Progress with internal / external audit actions
 - Risk Management

2.2 Roles and Responsibilities

❖ Chief Executive

The CEO is accountable to the Board for the achievement of the objectives associated with the Procurement Strategy. The CEO nominates a Lead Director to take primary responsibility for procurement services across GG&C.

❖ Board Nominated Lead Director

The nominated Lead Director for Procurement is the Director of Estates and Facilities.

❖ Chair of the Procurement Steering Group

The chair is the Deputy Director of Facilities & Corporate Services

❖ Head of Procurement

The Head of Procurement is responsible for developing and maintaining governance best practice and processes in procurement across all five 'lead' departments.

❖ Procurement Board Leads (Board Leads)

Specific responsibility for the delivery of the strategic objectives set out herein is vested in Board Leads - senior managers who are professionally accountable in relation to procurement activity. The Board Leads manage specific procurement remits and are accountable for the delivery of the strategic objectives. The Board Leads areas of delegated responsibility are:

Board Lead	Delegated Area of Responsibility
Pharmacy Services (PS):	All medicines
Capital Planning:	All major building projects
Operational Estates:	Minor building and building repair projects*
eHealth:	All IT projects, software, hardware and desktop.
Procurement:	All other 'in-scope' non-pay expenditure

** The Estates & Facilities Commodity Team within the Procurement Department puts in place local overarching framework contracts to be utilised by the Operational Estates Team*

In some cases the Procurement Department may delegate purchase order responsibility to other 'expert' departments (e.g. Medical Physics, Catering and Laboratories), whilst maintaining overall responsibility for commercial arrangements.

❖ **National Context**

An NHS Scotland (NHSS) Procurement Strategic Group has been established to oversee the delivery of a consistent procurement service to NHSS and champion best practice improvements. The Head of Procurement from GG&C represents the West of Scotland Boards on this group and will play a full role to ensure outcomes support GG&C's and the West of Scotland's key objectives.

Reporting to the Procurement Strategic Group, there is a Procurement Services Senior Management Team (PS-SMT) comprising Health Board Heads of Procurement and Senior leaders from NSS National Procurement. The GG&C Head of Procurement represents the Health Board on this group.

2.3 Expenditure Governance

Non-Pay expenditure governance is subject to GG&Cs Standing Financial Instructions (SFIs) and Scheme of Delegation. This provides four discreet phases for expenditure authorisation:

Phase	Activity	Authorised Officer
Phase 1:	Request for tender/purchase	Specifier / Requestor
Phase 2:	Release of funds	Budget Controller
Phase 3:	Tender / Purchase	Board Lead (BL)
Phase 4:	Contract Management	Specifier/Requestor & BL

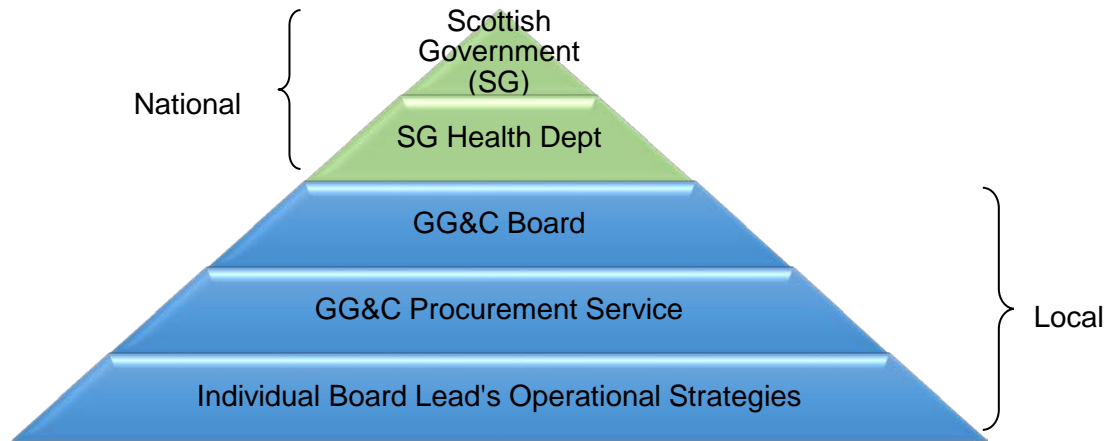
- Phase 1 and 2 are managed via delegated levels of authority to approve requisitions / expend budgets via directorate management structures in accordance with GG&C's Scheme of Delegation (SOD).
- Phase 3 is managed by GG&C's delegation of procurement responsibility to the Board Leads.
- Phase 4 is managed by the Specifier/ Requestor of the goods /services with support from the Board Leads.

Each Board Lead will ensure that all procurement activities delegated to them are carried out in accordance with GG&C's SFI's and that all expenditure achieves best value for money.

3. DEVELOPMENT OF STRATEGIC DIRECTION

3.1 Overarching GG&C Context

To ensure there is effective alignment with National and GG&C strategies this strategy is set within the context of the following hierarchy of strategies.



This document establishes the GG&C Procurement Service strategy. This will be used as the basis for the development of operational strategies for each Board Lead's area of responsibility during the period of the strategy.

3.2 Overall Context for Procurement

The Board's Corporate Objectives set-out high-level strategies of:

- Better Care
- Better Health
- Better Value
- Better Workplace

The detailed aims of these objectives include: reducing demand on Acute services; improving waiting times; meeting the challenges of unscheduled care; redesigning the way we deliver services; tackling Public Health priorities; meeting key financial targets and providing a high quality workplace for our staff.

The Corporate Objectives and supporting strategic documents evidence recurring themes which can be directly and positively influenced by high performing Procurement Services including:

- Tackling the increasing cost of delivering the healthcare our population demands.
- Delivering patient centred services.
- The shift of services from hospital to community and home.
- Embracing latest technology and innovation.
- Reducing inequalities and ill health by influencing and utilising the externally provided services to the NHS and the wider business environment.

EU Exit

With the UK having left the EU, minor amendments were made to the Public Contracts (Scotland) Regulations to reference domestic instead of EU legislation. Procurements under these regulations are no longer advertised EU wide under the OJEU (Official Journal of the European Union), but rather within the UK only via the UK Government Find a Tender service (which receives a feed from the Public Contracts Scotland portal).

Except for these changes, regulated procurement activity remains much the same, however the UK Government is consulting on changes to Procurement Regulations which includes consultation with devolved administrations as Procurement legislation is now devolved to the Scottish Government under post-EU Exit arrangements Any proposed changes to procurement legislation are only likely to take effect towards the end of the timeframe of this strategy; nonetheless the Procurement Steering Group will monitor the situation closely.

Covid-19 Pandemic

The Covid-19 Pandemic has clearly had a profound impact on the Health Service and population of the UK as a whole. NHS Scotland Health Boards have had to react to the pandemic in an unprecedented manner and clearly, Procurement Departments within Boards and at national level (National Procurement) were critical to the response in terms of supply of goods and services, in particular PPE, vaccinations and associated consumables, labs testing equipment and consumables, medical equipment and medical devices & clinical consumables.

Like many other services, Procurement has to continue to respond to the demands of the pandemic and balance business as usual activity alongside this. During the next three years of this strategy it is envisaged that this will remain the case.

Sustainability & Net Zero

As set out in Scottish Government legislation and NHS Scotland Sustainability Policy, NHS GG&C procurement will endeavour to ensure supply chain resilience, while promoting circular economy and reuse across all commodity streams where it is within NHS GG&C's remit and authority.

Monitoring progress and success will require benchmarking and target setting for supply chain emissions that contribute to our Net Zero targets, as a key non-financial reporting requirement for NHS GGC's Sustainability Governance and Corporate objectives.

National Best Practice Development

The Procurement & Commercial Improvement Programme (PCIP) has been in place since 2009. The programme is intended to assess procurement capability across the public sector with the aim of identifying best practice which can be shared; gaps in procurement capability to help prioritise development of performance improvement work/tools across the Scottish public sector; and priorities for improvement plans by individual public bodies.

GG&C procurement services were assessed in November 2015 and rated as A+ the highest available rating. A further assessment was expected around 2019-20 however all activity was paused due to the Covid-19 pandemic. A further PCIP assessment is expected over the lifetime of this strategy and GG&C BLs will strive to maintain the highest available rating whilst using the exercise to understand areas of improvement and to seek to understand best practice.

Achieving Financial Balance and Best Value

The prevailing economic conditions (exacerbated by the effect of the Covid-19 pandemic) together with an ageing population demographic, increasingly technically complex treatments and underlying inflationary pressures has given rise to significant financial pressures across all areas of GG&C spend.

A restriction on budget uplifts against these financial pressures continues to create an overall net reduction of financial resources available. With 75% of expenditure being committed to pay, the need to reduce non-pay expenditure and deliver best value for money solutions contribute to the ability of GG&C to be successful in its overall aim of delivering effective and high quality health care services and its Financial Improvements Programme.

GG&C strives to achieve the delivery of the Corporate Objectives and provide the levels of service required by our population. Achieving financial balance is and will continue to be a significant challenge going forward during the period of this strategy. It is likely that longer term financial balance will only be achieved through whole service redesign.

Supporting GG&C's Divisions and Directorates in achieving their annual and longer term financial plans is a critical responsibility of Procurement Service providers. This strategy sets out specific strategies and targets for Board Leads to deliver in this respect.

Key priorities aligned to this include:

- Expand and improve the extent to which our third party supplier spend has been influenced and/or covered by formal contract arrangements in order to drive out further savings, efficiencies and innovation. We shall continue to engage with internal stakeholders and work side by side to manage our key suppliers and contracts.
- Proactive analysis and review of information available to minimise local stock holding levels and drive to standardise/rationalise agenda seeking where possible to reduce the variation in the cost of similar operations.
- Use spend analytics platforms to proactively develop and maintain a 3-5-year comprehensive work plan including worked savings opportunities. Seeking to minimise the number of waivers raised.
- Consistently meet and deliver the Financial Improvement Plan procurement efficiency targets.

Procurement Services Strategic Role

Key priorities aligned to this include:

- Supporting services to change the way they deliver to enable more care in a community setting via the development of the built environment; delivery of more healthcare at home; and contracting of public health services to support people in our communities.
- Supporting the redesign of our Acute services built environment and delivering the bought-in goods, services and medicines needed by our patients.
- Using our role as a procurer of goods and services to support the Board's employability and child poverty initiatives.
- Providing input and support in delivery of annual Financial Targets and Financial Plans.
- Supporting delivery of best value solutions for digital care and capital investment plans
- Ensuring delivery of effective training and support to staff involved with procurement activity.

Procurement Services can support these by maintaining high quality services to GG&C services, ensuring the right goods and services at the right price and at the right time are provided. Additionally Procurement Services will support innovation and service development through best practice market engagement and tendering practices.

The Procurement Services are now able to harness the potential as a major buyer of services, supply and works to directly deliver outcomes such as Modern Apprentice placements across new build projects and employment for people with disabilities via purchase of goods/services from Supported Businesses

Specific examples of where Procurement Services can directly influence and support these critical drivers include:

- Employability, Financial Inclusion and Responding to Recession – Board Leads will continue to deliver the Better Health Through Employment strategy which uses Community Benefit Clauses to provide employment and training opportunities via our contracted goods and services.
- Tackling Inequalities – Board Leads will continue to implement the Equality and Diversity (E&D) procurement guidance which includes E&D assessments at procurement strategy stage and in the built environment specifications.
- Quality – Health Acquired Infection considered in specifications; patient centred design; engage with staff via TUG groups; consideration of Facing the Future Together responses;
- Sustainability- Establish supply chain carbon footprint and action plan to reduce this impact through circular economy practise. Developing projects and initiatives that support NHS GGC overall sustainable development strategy such as; championing low carbon travel buying options; supporting SME engagement; implementing the Procurement Reform Act; use of Lifecycle Costing.

3.3 Services Specific Context

Pharmacy

Pharmacy Services (PS) are focused on delivering safe, efficient and effective ways of working. This includes centralised purchasing services and the use of robotic technology to supply medicines across the organisation. The service also supports our patients to derive maximum benefits from the appropriate use of their medicines in a timely manner.

Collectively with other Acute Pharmacy colleagues across Scotland GG&C's Pharmacy Service collaborate to maximise combined buying power of NH Scotland to deliver savings by adhering to national contracts which have been negotiated on our behalf by procurement experts at National Procurement Scotland (NP).

The Pharmacy Distribution Centre spends around £280m per annum on pharmaceuticals and this is influenced by national review and pharmaceutical work-plans. Key initiatives ongoing during this strategy period include:

- Biosimilar prescribing - development of prescribing framework/clinical guidance
- Access to drugs via CP model
- Homecare - shared care arrangements – spend approx. £70m
- Other medicine spend approx. £175m
 1. £115m - non branded (generics) - combination of National and Zone contracts where discounts are available
 2. £50m - branded - access to PPRS (government discount) and Patient Assess Schemes (PAS)
- 2022/23 - we expect an increase of medicines spend circa £20m as a result of new products entering the market.

Other Pharmaceutical Influences to be considered are:

- **Achieving Excellence in Pharmaceutical Care – A Strategy for Scotland** - review service models for access to medication i.e. low risk products via community pharmacy (review of homecare services being undertaken nationally). Effective, appropriate patient treatments at the right time ensuring reduced waste, clinical and cost effective use of medicines and technologies i.e. robotics
- **Wilson & Barbour Review** (review of pharmaceutical care to patients in the community), www.gov.scot/Resource/0043/00430209 - reference to homecare (20 - 25% of overall acute medicine spend associated with homecare, again route low risk via CP model)
- **MHRA Good Distribution Practice (GDP)** - regulation, directives and guidance to be followed when purchasing and distributing medicinal products Collaborative working - proc/pharmacy synergies (silent deliveries, Pecos), NP contracts, WOS Zone contracts (small spend)

Operational Estates

The Procurement Department established Estates & Facilities Commodity Teams in 2014 to focus on developing local framework agreements for use by the Estates Department and also to provide commercial advice. This has helped to ensure the quality and capacity of contractors, re-set commercial terms and improve overall contract management to achieve best value for money for GG&C. The service will continue to establish and renew such frameworks and provide commercial advice over the period of this strategy.

Capital Planning

Procurement processes for Capital Works projects operate within the context of governance, guidance and strategic directions set by National Government (UK and Scottish). Policy set by Scottish Government is published as Scottish Procurement Policy Notes and also Construction Policy Notes.

The baseline reference for all strategy is Scottish Government Construction Procurement Handbook (Dec 2018). All major building projects are subject to these provisions whether within delegated limits or subject to SGHD approvals.

In addition to the above the Scottish Government Health and Social Care Directorates have mandated the use of the Scottish Capital Investment Manual (SCIM). This is additional guidance to the Construction Procurement Manual in an NHS context and sets out the processes and content for various stages for the development of business cases from Strategic Assessment through to Initial Agreement before Outline and Full Business Case approval. The principles set out in SCIM are applicable to the development of all investment schemes regardless of their size or complexity¹

eHealth

Procurement processes for IT systems and services work within the context of governance, guidance and strategic direction set by National Procurement and the eHealth Strategy, as well as more overarching Public Sector Strategies led by Scottish Government. All local procurement activity is carried out in line with GG&C policies and procedures.

The eHealth team have specialist knowledge relating to IT hardware, software, licensing and support agreements and ensure that appropriate contract management is in place for all the Board's IT systems and services. Standardisation, supportability, affordability and cyber-security are key elements within procurement and contract review processes.

The team support NHS Scotland harness buying leverage through consortium procurement activities (regionally and nationally), such as on common IT systems

¹ It should be noted that the current SCIM is out of date in respect of delegated limits and business case requirements. The requirements specified in the SFIs/SoD were agreed between the Head of NHS Strategic Investment, the NHSGGC Head of Capital Planning and the NHSGGC Head of Financial Governance pending issue of an updated SCIM.

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procurement. And the team support eHealth elements of the Board's innovation activities in line with Research & Innovation processes and strategy.

Medical Physics

The Medical Physics Department has specialist knowledge in relation to the technical aspects of medical equipment, is registered to the ISO 55001 Asset Management Standard and therefore is ideally placed to support the Procurement Department in this area of contracted services. Close links will be maintained during this strategy period in order to maximise the synergies between the two departments and a single point of contact will be continued, using a senior Technical Manager within Medical Physics, who has responsibility for co-ordination of the delegated contracts and liaison with the Procurement Department.

An overarching medical equipment contracts register is maintained and a senior member of technical staff will act as a single point of contact in relation to capital equipping projects.

The Procurement Department will continue to provide a commercial and ordering service to Medical Physics who will be responsible as technical advisor. Further to this, the Medical Physics Department will continue to work with the Procurement Department to minimise the number of outsourced contracts by a comprehensive review, with a view to an in-house solution.

Health & Social Care Partnerships

The six Health & Social Care Partnerships (HSCPs) within NHSGGC are committed to improving joined up planning and commissioning arrangements for delivery of care to our population. Examples of successful joint approaches already exist with the Healthcare Improvement, Mental Health Services and similar community based contracted services as well as the success of the new Health Centre procurement via the HubCo new building arrangements.

The Procurement Department are committed to supporting the contracting requirements of the HSCPs via the Corporate Commodity Team.

Summary

The Procurement Steering Group will continue to ensure strategic alignment with national and local drivers and will develop best practice improvements utilising the revised Procurement & Commercial Improvement Programme (PCIP) national assessment programme.

The Board Leads will develop operational strategies based on this overall strategic plan annually during the period of this strategy.

Progress in delivering this strategic plan will be reported to the Procurement Steering Group quarterly and to the FP&P Committee meeting bi-annually. The Procurement Annual Report will also report on progress against this strategy and will be submitted to CMT annually.

4. GG&C PROCUREMENT SERVICES STRATEGIES

The following strategic themes reflect the National and Local strategies and form the basis of the main section of this paper. They are the basis for the KPIs that will determine successful delivery of this strategy.

- 1 Harnessing Buying Leverage
- 2 Tracking and Reporting Benefits
- 3 Improving Quality
- 4 Improving Purchase to Pay Processes
- 5 Managing Expenditure
- 6 Improved Logistics
- 7 Staff Training And Development
- 8 Corporate & Social Responsibility
- 9 Commitment To Continuous Service Improvement

4.1 Harnessing Buying Leverage

Category Management

Each Market Category of spend has a broad commercial strategy driven by the type of goods or services procured and their fit to the NHS Scotland Contracting Framework. The NHS Scotland Contracting Framework is designed to aggregate demand across the Public Sector to a level where best value can be achieved. The framework establishes the lead contracting authority and defines contracts into 'Contracting Categories' which define this responsibility. The framework 'Contracting Categories' relevant to NHSS are:

- **Category A** – Contracted for all Scottish Public Sector bodies by Scottish Procurement (part of the Scottish Government) or across all UK Public Sector Bodies by Crown Commercial Service (part of the Cabinet Office / UK Government)
- **Category B** – Contracted for all NHSS Health Boards by NHS National Procurement.
- **Category C** – Contracted individually by Health Boards.

Category A and B contracts account for approximately 50% of Health Board trade spend with the remainder being Category C.

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Market Category Strategies

The top 15 Market Categories are shown in the table below and account for £548m of influenceable spend. The table also identifies the national Contracting Category most commonly used (A, B or C)

Level 6 Account Name	Budget	Category	Comment
Drugs (Including Home Care)	£210m	B/C	Combination of National and Local contracts where discounts are available
Instruments And Sundries	£71m	B	Mostly NP frameworks/ contracts. Some local contract and local formulary and commitment call-offs
Misc.Influenceable	£42m	C	Mainly local contracts for patient support services
Diagnostic Supplies	£39m	B/C	Approx. £24m Labs Managed Service contract via Procurement Dept., balance mainly covered by NP contracts.
Equipment - Purchase	£34m	B/C	Bespoke equipment from national frameworks or local tenders
Proc Lead - Professional Fees And Charges	£26m	C	Corporate Contracts – and mixture of NP Frameworks, Agency Spend
Heating Fuel And Power	£26m	A	All from Pan Public Sector Scottish Gov. contract
Property Maintenance	£17m	C	Local frameworks or local tenders
Equipment - Service Contracts	£15m	C	Mainly local contracts. Some large values from national frameworks
Doctor Locums from Pay Budgets	£15m	C	GGC awarded WoS Regional contract
Surgical Appliances	£14m	B	Mostly NP frameworks/ contracts. Local formulary and commitment call-offs
Other Misc. Non Pay	£11m		
Paramedical Supplies	£10m	B	Mostly NP frameworks/ contracts.
Dressings	£10m	B	Mostly NP frameworks/ contracts.
IT Equipment - Service Contracts	£10m	A/B	Mostly national framework call-off

National Leverage

The Public Procurement Reform Programme set out a clear strategy for harnessing leverage at both a Pan Public Sector and Pan Health level. GG&C fully supports these National strategies and will work in partnership with colleagues in Scottish Procurement (Pan Scottish Public Sector Contracting), Crown Commercial Service (Pan UK Public Sector Contracting), NSS National Procurement (Pan NHS Scotland Contracting) and wider UK National buying agencies to harness the buying power of NHSS and the Public Sector.

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As the largest Health Board, GG&C are uniquely positioned to play a leading role in shaping national procurement strategies. It is essential that key staff are released to work with the national teams in this way.

NHSS Regional Collaborative Working

Consideration has previously been given to options around a shared/regional procurement service. While this could be significant resource and financial benefits to such an approach, concerns over striking the right balance between local and regional Procurement needs meant that proposals were not formally taken forward.

There have been senior Procurement leadership changes at most of the Boards who have traditionally been part of the West of Scotland Procurement Group (GG&C, Lanarkshire, Ayrshire & Arran, Dumfries & Galloway and Golden Jubilee) and recently a West of Scotland Procurement Group has been re-established. The aim of the group at this early stage is to look for regional collaboration opportunities where there is mutual benefit in doing so and to ensure co-operation around national initiatives that require a regional view or response.

Local Authority Collaborative Working

The formation of Health & Social Care Partnerships (HSCPs) has provided potential opportunities for joined up collaborative procurement activity with HSCP colleagues and across HSCP boundaries within GG&C. Where appropriate and supported by clear business case benefits, GG&C will continue to participate in future collaborative working initiatives.

Health Board Contracting

Approximately 50% (£325m) of the Health Board's revenue spend is contracted at a GG&C level. These include contracts in areas such as health promotion, early health intervention services, health and social care services, new buildings, building repairs, and other corporate requirements.

Health Board Capacity and Skills

To ensure National, Collaborative and Local strategies are translated and implemented at a local level to deliver maximum benefit Board Leads will maintain the capability and capacity of experienced and skilled procurement officers. A programme of staff development and succession planning will be implemented over the period of this strategy building on synergies between Board Leads and supporting coaching and mentoring of staff.

Board Leads will establish clear responsibilities for defined areas of spend which will be allocated to 'Portfolio Managers'. These 'Portfolio Managers' provide the capacity for GG&C to deliver maximum value from a range of national and local frameworks and contracts.

The Portfolio Managers will lead the implementation of National and Regional contracts in their portfolio area, establishing Technical User Groups (TUGs) as described in the 'Managing Expenditure' section below. Typically the Chair of the group

will be an end user of authority and together with the Board Lead team member will attend national or regional strategy groups representing GG&C's view. This TUG structure should ensure 'no surprises' when a contract is let and provide a mechanism for early engagement and implementation.

4.2 Tracking and Reporting Benefits

Revenue Expenditure

Board Leads will work closely with all GG&C Divisions / Directorates and National Procurement to develop an annual plan of Tier 2 strategies targeting best value buying across ranges of products. These will be established by budget and portfolio analysis and will support the budget management process.

Board Leads will maintain a project management system to plan, monitor and progress development and implementation of these agreed National and Local procurement initiatives. This will be maintained and reported monthly via the Heads of Finance and quarterly via GG&C's Director of Finance as part of the financial recovery reporting to the Health Board. Monthly progress reports will also be issued to National Procurement for collation of national statistics on contract implementation and benefit realisation reporting. In the first year of this strategy, the Procurement Department will adopt the national savings tracking software (Provalido) and will recommend roll-out to Board Leads if beneficial

Capital and Non-Recurring revenue

Board leads will establish project resources to deliver best value for capital and non-recurring expenditure. These are typically for 'one-off' projects and are time bound. Project management systems will be maintained to plan, monitor and progress development and implementation. Progress will be reported monthly in accordance with project plans to the relevant reporting body. It is recognised that these projects can be very high value and complex and may have project specific management and reporting regimes.

Board Leads will maintain records of cost improvement achieved via competitive tendering, cost variation reduction/ avoidance and other costs which would have been incurred without Board Lead intervention. This will be reported quarterly to the Procurement Steering Group as well as to the relevant reporting body.

4.3 Improving Quality

In addition to financial benefits, significant quality benefits are also expected to be achieved from improved contracting arrangements. These will be monitored on a project by project basis and will include:

- **Improved Specification of Need:** All relevant contracts will have a formal specification of need developed in conjunction with GG&C expert users. These expert users are specialist staff engaged by GG&C with detailed knowledge of the

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required goods or services. The Board Leads will provide best practice advice and guidance in the development of specifications.

- **Rigorous Selection Processes:** All contracts will be subject to a rigorous selection processes involving GG&C expert users in evaluation of products and services being tendered. The most economically advantageous in terms of quality, service and cost criteria will be selected.
- **Quality Assurance Reporting:** Each Board Lead will implement a formal quality assurance reporting system to allow Users of procurement services and products/ services supplied to feedback on issues arising. In this context Users are the wider staff groupings who actively use the goods and services on a day to day basis.
- **Enhanced Contract Management:** Portfolio Managers will implement enhanced contract management for strategically important suppliers in their portfolios. Suppliers will be selected based on a value/risk assessment and be subject to “key account” management including quarterly reviews, quality management, invoice settlement and KPI reporting. Detailed activities may include:
 - Supplier adherence to Health and Safety -Contractors and sub-contractors will be required to comply with the Health and Safety at work Act 1974 (c37) and any provision made under the Act.
 - Payment of Invoices – GG&C’s Payment terms will support the aims of Section 15 of the Procurement Reform (Scotland) Act 2014 with an aim to settle all undisputed invoices within 30 days. This will be monitored through the financial KPIs and reported as part of the Health Boards Annual Report and Accounts and Procurement Annual Report.
 - Carbon Reporting and Circular Economy – Where appropriate, within the local tendering process, suppliers will be asked to detail the carbon impact of their products or services as part of GGC’s supply chain and where possible improve the circularity of their products and services
- **Commercial Management Post-Award:** Currently commercial management of a contract or order is carried out principally by the End User (the Divisional or Directorate representative responsible for the service (e.g. CSM, Project Manager, and General Manager). These representatives are also responsible for the development of positive working relationships with the supplier and the motivation of the supplier and their staff to deliver services/ goods to the requirements of GG&C. In other cases a devolved Board lead area may lead on these activities, for example eHealth such as eHealth lead regular service review meetings for key systems / high value contracts.

4.4 Improving Purchase to Pay Processes

eProcurement

Software based systems to support the procurement process from sourcing to payment are commonly referred to as an eProcurement solution. The implementation of these solutions are a pre-requisite to meet the NHSS and Scottish Government Procurement Policies and the prevailing Health Board Procurement Strategy. The sections below set out the strategy in relation to this requirement.

Purchasing Process (eOrdering)

Electronic Ordering is the 'front end' of the eProcurement solution. It provides a desktop ordering tool which allows authorised staff to access catalogue content and place order requests for required products. GG&C has adopted the National eProcurement front end system (Pecos) and currently over 8,500 users have direct access to order their normal recurring goods.

In 2019-20, a total of 334,365 purchase orders were raised via Pecos. Of this total, 13% began as a paper requisition (also known locally as an 'indent') which were processed by the Procurement Department purchasing team into an official Pecos order. In 2021-22, based on part year numbers, the extrapolated total is forecast to be 283,182, with 8% being processed by Procurement from paper requisitions. This is as a result of increasing access to Pecos to first time users and opening up non-catalogue access to those who only previously had catalogue access.

Within the timeframe of this strategy it is intended to eliminate paper requisitions. This will be achieved by offering users two solutions:

- 1) Primary – Access to Pecos to raise own order
- 2) Secondary – Access to an e-ticket to send request to Procurement to raise the order

Management information will be used from the e-ticket solution to continuously convert higher volume users over to use Pecos. The objective will be to reduce the volume of orders being processed by Procurement to the lowest possible level leaving only complex orders where specialist skills / knowledge is required or where the end user ordering pattern is ad-hoc and infrequent.

If this objective can be achieved it will free up Procurement resource to assist end users with more value-adding activity in relation to servicing their needs more efficiently via upstream advice and support. Elimination of paper work flow will also benefit Procurement and end users alike in terms of process improvement and reduction to the ordering cycle time.

A recent Procurement Transformation Programme initiative at national level, resulted in a business case to move forward with a national single instance of Pecos. This has been rolled out in phases and it has been agreed that NHSGGC will go live in April 2022.

For medicines Pharmacy Services utilise a system referred to as Emis Ascribe although are currently pursuing a tender for a new stock management system. Contract award expected March 2022. Similar to Pecos this offers a stock management solution for ordering and issue of medicines to all bona fide customers within the organisation

Payment Process (eInvoicing)

Paperless invoicing is being delivered via the NHSS Shared Financial Services national strategy. GG&C is a full participant in this and Board Leads will support the project by encouraging suppliers to provide paperless invoices through tender specifications and supplier development initiatives. This will support the payment of invoices within 30 days as stated above.

4.5 Managing Expenditure

Supplies Budget Expenditure Management:

It is recognised that in addition to driving down prices the Board Leads will support Divisional and Directorate Managers in targeting high spending budget lines and work closely with them to seek cost improvements via consumption reduction, substitution, access controls and specification reviews.

Development and Control of Catalogued Content

GG&C has built electronic catalogues for the majority of products (and some services) regularly required by staff for the delivery of health services. Cataloguing content is recognised as a key control measure as it ensures that contract pricing visible to users is correct and contractually agreed. It also ensures invoice accuracy later on in the purchase to pay process. Currently 92% of all Pecos orders are from a catalogue source, with the remaining 8% 'free text' / non-catalogue.

This provides the database and foundation from which electronic ordering systems can be developed allowing staff to quickly access product information, order 'on-line', allow expert 'peer groups' to review and manage content and access, provide consistency of information and allow better commercial management of supply agreements. A by-product of high % catalogue based ordering also ensures high quality management information for undertaking of spend analysis.

Content Management and Technical User Groups (TUGs)

The concept of Technical User Groups was established in 2010. TUG's provide the peer group of expert users required to review and agree content and content changes to catalogues. This strategy proposes the continuation of delegation of decision making responsibility to TUG's for product choices. TUG's members require to communicate with other product users to ensure cognisance is taken of End User requirements. Where appropriate TUGs will consult and/or engage with those affected by the procurement subject to ensure a full understanding of the requirements can be developed. TUG decisions are final. Where national contracts are developed representatives of GG&C's TUGs will participate in national Commodity Advisory Panels to ensure national contracts meet GG&C's requirements.

Controlling Access

The functionality of GG&C's eProcurement Systems allows controls to be implemented which manage access to catalogue content. These controls and targets are:

- **Password controlled access to the eProcurement system:** All users to have individual passwords.
- **Catalogue content access restricted to defined roles:** There are many products catalogued which are required for day-to-day provision of services to patients and access is therefore not restricted. Other more specialised products can be restricted and access limited to those wards and departments where usage has been approved. Restrictions have been implemented for all specialised products

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and are subject to regular reviewed. A best practice example of this is that no access to IT equipment is available on the catalogue for general end users. Access is restricted to IT procurement team due to dependencies with licences, installation of equipment, etc.

- **Financial limits on ability to approve electronic requisitions:** All User Roles have financial limits applied in line with SFI requirements. These will be maintained and regularly reviewed in conjunction with GG&Cs Scheme of Delegation.
- **Quantity limits on the volume of products which can be ordered on each requisition:** All products catalogued will have a maximum order quantity set. This reduces the risk of over-ordering. All products with such limits will be regularly reviewed in conjunction with the End Users and the responsible Board Lead.
- **Order Value Limits:** Budget management functionality is available in PECOS to set maximum values a user can order in a set period (e.g. day/week/month). GG&C has rolled out this functionality (Budget Checker) across most of the major spending Directorates and it is being used locally to manage expenditure.

Authorisation of Expenditure

Non-Pay expenditure governance is provided in four discreet phases.

Phase	Activity	Responsible Role
Phase 1	Request for tender/purchase	Specifier / Requestor
Phase 2	Release of funds	Budget Controller
Phase 3	Purchase	Board Lead
Phase 4	Contract Management	Specifier/Requestor & Board Lead

Phase 1 and 2 are managed via delegated levels of authority to approve requisitions / expend budgets via Directorate management structures in accordance with GG&C's Scheme of Delegation.

Phase 3 is managed by GG&C's delegation of procurement responsibility to the Board Leads.

Phase 4 is normally managed by the Specifier/ Requestor of the goods /services with support from the Board Leads.

For purchases requested via the on-line ordering systems the delegated levels of authority are embedded in the software rules. This ensures clarity in terms of the authorising person's identity and their authority to approve.

For purchases requested via paper based systems authorisation relies on signatures of authorised staff. Maintaining up-to-date authorised signature lists together with the manual checking of signed indents becomes increasingly difficult to manage effectively within a very large Health Board. The move to the substantial use of on-line ordering with embedded authority levels addresses this risk. Any remaining paper indents can be channelled through a substantially reduced number of authorised signatories and Board Leads can apply closer scrutiny to those received. As stated earlier, the intent is to eliminate paper-based requisitions completely during the lifetime of this strategy.

4.6 Improved Logistics

National Distribution Service

In line with the National Logistics Strategy for NHSS, GG&C has fully adopted the National Logistics Services via the NSS NP National Distribution Centre. During the Covid-19 pandemic this has expanded to provision from three large warehouses. NDC (and the associated network of warehouses) provide approximately £37m of products each year to GG&C.

The NDC service costs are top-sliced from NHSS Boards. This has been agreed to ensure all HB's contribute proportionally to the service and those under using the service do not allow the burden of costs to fall on those adhering to this national strategy.

NDC despatch daily on a Monday-Friday basis to the main Acute Hospital sites across NHSGGC usually via a 'silent' delivery service conveyed to sites during the night in articulated Lorries. Deliveries are also made to the Area Central Store at Dava Street which replaced the previous Hillington Stores facility in 2020. The central store acts as a trans-shipment point for outlying community hospitals and health centres which are distributed via the GG&C transport service.

Central Pharmacy Distribution Store

The central store with robotic technology has been fully operational since 2011 and continues to be to be the single point of purchase and supply within GG&C.

Ward Product Management and Inventory Management

Ward Product Management (WPM) services have been introduced for General, Medical Supplies and Pharmacy Medicines. These services support wards and department directly in managing their local working stock and supply chains.

In 2020 a business case was taken forward by NSS National Procurement to secure funding from Scottish Government to re-provision the software that is used across all NHS Scotland hospitals to run the Ward Top up Process. The contract was awarded to Genesis Automation. This is now being rolled out via the supplier and with central resource from NSS National Procurement. NHSGGC is scheduled to go live in May 2022. The software will replace the existing software used for the Ward Top Up process but will have the additional full inventory management functionality.

In due course this will allow the Board to adopt this technology in particular high value local store areas e.g. theatre stores which can open up the potential for better control of inventory and provision of cost per case data

Home Delivery Services

Pharmacy Homecare enables medicines prescribed by the hospital specialists to be delivered to patients in their own homes. It is proposed these medicines should be delivered through NHS pharmaceutical care services to allow capture of prescribing

information for the patient and to assess suitability and compatibility with other medications. This would allow for appropriate governance and monitoring and by having a complete record of all medications that a patient is taking, adequate monitoring can be provided.

Models of Homecare should be designed for the provision of hospital Homecare medicines co-ordinated through integrated working between hospital, community pharmacists and pharmaceutical industry. It is therefore considered appropriate for secondary care teams and those working in primary care to work collaboratively together to deliver homecare medicines or hospital at home clinical pharmacy services where complex or specialised medicines are being taken. It is recognised that this is a fundamental shift in approach to support the Strategy for Scotland, referred to earlier, and the Board's Corporate Plan to move services from hospital to community and home. It will be developed separately by the Pharmacy Service.

Additionally a national group has been established via NSS which will provide an overarching governance to the strategic development of Pharmacy Services.

4.7 Staff Training and Development

Procurement legislation, governance and procedures can be complex and if incorrectly applied leave GG&C open to the risk of legal challenge or fraud. This strategy provides for training Service Users and procurement staff to improve awareness and to develop capability and skills.

GG&C's procurement services will seek to adopt the Scottish Government's [Procurement Competency Framework](#) which was re-launched in July 2021 establishing awareness across service users through to leadership skills in Board Leads

In particular, the comprehensive [Procurement Competency Learning Curriculum](#) will be used as a foundation on which to build local training and development plans linked to specific roles across the Procurement Department and devolved areas.

Service User Training

Modern procurement practices, systems and constantly evolving procurement legislation requires End Users of procurement services to be given training either on specific applications (i.e. eProcurement) or more general matters (i.e. regulated procurement tendering rules). The Board Leads will develop User Training plans to accompany any significant developments and work in conjunction with other Board Leads to cover the wider procurement service scope.

The Procurement Department has produced a number of '10 minute Guides' giving high-level guidance on subjects such as undertaking of regulated procurements and VAT rules to non-department staff. These will be developed and maintained and be published on the Procurement Department's web page. It would be the intention to start converting these to short video guides as this is increasingly the way that users prefer to consume such guidance.

To support the training of End Users a series of on-line 'Learnpro' training modules have been developed and are available for staff induction and to support staff development and core skills training requirements. Additionally regular face-to-face training / briefings will be given as agreed with Division/Directorate Management as required.

To ensure all GGC staff are fully aware of their obligations with regards to business conduct, specific training material and support will be created and provided during this strategy period. Training compliance will be monitored via the Procurement Steering Group who will ensure that a training matrix is developed to ensure that relevant training is carried out with all members of staff who conduct procurement activity.

Procurement Services Staff Training and Development

❖ Skills Development and Personal Development Plans

All staff providing procurement services will have PDP/ Training plans established via Turas on an annual basis with 6 monthly follow-ups. A Training Competency Matrix will be maintained to ensure training is focused on core competencies for the appointed role utilising the Scottish Governments Competency Framework. .

❖ Statutory and Mandatory Training

The Procurement Steering group will establish Statutory and Mandatory procurement training for staff delivering procurement services. These would be in addition to professional based requirements and GG&C required statutory and mandatory training. This training will be set on a rolling 3 year programme to allow retraining requirements to be spread over a 3 year period.

❖ CIPS Professional Qualifications

The [Chartered Institute of Procurement and Supply](#) (CIPS) is the professional body for Procurement. GG&C is committed to improving the level of staff professionally qualified to CIPS Diploma, Advanced Diploma and Professional Diploma level. The Professional Diploma is equivalent to degree level and on attainment, the individual can apply for membership of the Chartered Institute, thereby obtaining MCIPS status. Staff undertaking these qualifications will be given the full support and mentoring from Board Lead senior managers.

❖ Other Relevant Qualifications:

The Capital Planning and Estates Procurement staff providing procurement services will either seek CIPS qualifications or have equivalent professional qualifications appropriate to their role.

❖ Succession Planning:

The Scottish Government's Procurement People of Tomorrow (PPoT) has been established and it recognises the ageing procurement workforce where approximately one third of the workforce in many large organisations would be able to retire in the

next 5 years. PPOt has established a new generation strategy for the Scottish Public Sector with a range of vocational and academic pathways including:

- Modern Apprenticeships
- Business Management Graduate Apprenticeships
- HND supply chain management
- BA (Hons) international supply chain management
- Chartered Institute of Procurement and Supply (CIPS) professional qualifications

Over the lifetime of this strategy, recruitment and retention of high quality Procurement staff will be critical and it will therefore be essential to develop innovative approaches to ensure that we can maintain high quality procurement services.

4.8 Corporate and Social Responsibility (CSR)

Building on the themes set out in section 2 and the requirements of the Procurement reform Act (2014) and the Procurement (Scotland) Regulations 2016, CSR defines a range of initiatives aimed at improving the ability of the organisation to positively impact on society whilst reducing its impact on the environment via changes to Procurement policy and practice.

In-scope themes for CSR policies would include:

- ❖ Impact of Society and Community Involvement
- ❖ Equality, Diversity and Human Rights
- ❖ Green Policies and Sustainability
- ❖ Ethics and Ethical Trading

Impact of Society and Community Involvement

The Procurement Reform Act requires authorities to comply with the sustainable procurement duty where applicable. This includes a requirement to support Small and Medium Enterprise (SME), Third Sector Bodies and Supported Business organisations gaining public contracts. This strategy proposes the development of operational procedures to enhance the ability of such organisations to successfully compete for GG&C work. Such procedures will focus on improving awareness of opportunities via advertising, providing a clear process of bidding and improving awareness via 'Meet the Buyer' events.

Additionally the sustainable procurement duty requires authorities to consider how the procurement process can improve the economic, social, and environmental wellbeing of the authority's area. Each contracting strategy for regulated procurements will positively consider these and assess the options to meet this requirement.

All parts of GG&C are required to consider what action they can take to help people get into work, stay in work and improve their health through work. Community Benefit clauses in public contracts allow GG&C to support this objective by seeking Community Benefits within its specifications for building, goods and services. GG&C's procurement services will therefore implement Community Benefits in accordance with prevailing legislation where appropriate

Innovation

The sustainable procurement duty requires authorities to promote innovation. In an increasing complex modern healthcare environment seeking innovative solutions is a vital element of procurement strategy development. Each contracting strategy for regulated procurements will positively consider innovation opportunities and develop output based specifications to allow for this where appropriate.

Equality, Diversity and Human Rights

All procurement exercises will take full account of GG&C's policies of Equality and Diversity to ensure goods and services are procured and performed in full compliance with the relevant policies and legislation. A risk assessment tool has been developed by the Procurement Department which determines risk levels and appropriate procurement strategies to mitigate.

Sustainability & Net Zero

NHS GGC will play a part in achieving the NHS Scotland's climate change commitments to secure net zero emissions. This will be an immense but necessary challenge and we will need the support of our supply chain in achieving this ambition. It is our ambition to engage with suppliers to benchmark our carbon footprint and develop achievable targets by 2023.

It is also our intention to request that suppliers taking part in local tendering activity are requested to measure their carbon footprint and communicate their plans to reduce emissions and embodied carbon in their products supplied. NHS GGC will include progress in this area as part of its sourcing and integrated supply chain management activities and publish an annual sustainability report

Ethics and Ethical Trading

GG&C's procurement service providers will seek to ensure that goods and services are bought ethically from supply sources which meet the ethical standards expected. To support this an Ethical Procurement policy will be developed and implemented covering:

- Equality and Diversity:
- Fairtrade:
- Serious and Organised Crime
- Labour Practices
- Modern Slavery
- Whistleblowing

GG&C will implement the Scottish Governments October 2015 Statutory Guidance on the Selection of Tenderers and Award of Contracts Addressing Fair Work Practices, including the Living Wage.

Provision of Food

GG&C's Food, Fluid and Nutrition policy provides the context for our approach to maximising the impact of food provision on the health of our communities. Our procurement approach includes:

- Continued commitment to work with National Procurement to ensure high quality sustainable products, locally sourced where appropriate and that promote the highest standards of animal welfare produce are core to NHSGGC catering services
- Progressive retail policy with requirement of all internal and external retailers/food providers to comply with nutritional and promotional criteria and demonstrate additional social benefits to community /patients.
- Advertising Position Statement limiting all commercial advertising, including food related advertising to be on the basis that the types of products or services do no harm and/or do not compromise health outcomes.

4.9 Commitment to Continuous Service Improvement

The majority of Board Lead procurement services have been centralised since the formation of GG&C. This section sets out the strategy to ensure the continued focus on service improvement via dedicated customer services resource; robust KPI's; supply forums; and clear communication channels

Dedicated Customer Services Resource

Each Board Lead will maintain a clear first point of contact for all enquiries relating to their services including central call help desks, IT based enquiry management systems, customer services representatives (who meet end users to resolve issues face-to-face) and an expediting resource to proactively manage supply chain issues.

Service Provision KPI's

To ensure full visibility of GG&C's procurement service a set of KPI's will be developed to provide a management overview of performance. Comprehensive KPI's currently exist for each Board Lead area which will be used as the basis for these service KPI's.

Information and Communication

As stated above, the centralised structures of procurement services present significant communication challenges to users of the service. The Board Leads will develop the following principal channels over the coming 3 years:

- Electronic ordering with paper based systems being phased out.
- Enquiries via dedicated customer services teams.
- Provision of high value and complex procurement advice / support
- Training via 'Learnpro', online videos and face-to-face events
- Customer feedback systems and forums.
- Department information and policies; via local intranet site.

5. KEY PERFORMANCE INDICATORS

To ensure that this strategy is being implemented successfully a set of KPIs have been developed, linking back to the nine main service strategies in section 4.

These KPIs will be reported quarterly to the Procurement Steering Group, Bi-Annually to FP&P and Annually to CMT via the Procurement Annual Report.

The KPIs can be refreshed annually when this strategy is refreshed. The KPIs are set out in Appendix A

6. STRATEGY MANAGEMENT

6.1 Review

This strategy will be subject to ongoing review and formal annual review by the Director of Estates & Facilities and the Head of Procurement. This will take account of changes to NHSS and Scottish Government policies and strategies and be reported and monitored through the Procurement Steering Group.

6.2 Communication and Implementation Plan

This strategy will be formally distributed to all Directorate and Divisional Directors for cascade to relevant team members. It will also be published on the Intranet Site and on GG&C's Procurement Web Page.

6.3 Monitoring

The objectives and targets set-out in this strategy will be subject to specific KPI's and form the basis for the Personal Objectives of the Board Leads.

Monthly KPI's will be produced as part of the Board Leads KPI's and formal Quarterly overview KPI's and reports will be prepared for and reviewed by the Procurement Steering Group.

Bi-Annual reports will be produced by the Procurement Steering Group for issue to FP&P. These reports will provide progress against the strategy objectives.

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Appendix A – Key Performance Indicators

No.	Service Strategy	KPI Description	Target
1	Harnessing Buying Leverage	Trade Spend covered by formal contractual arrangements	90%
2	Tracking and Reporting Benefits	Financial Improvement Plan	Achievement of Procurement FIP targets
3.	Improving Quality	Payment Performance (30 day target)	95% of valid invoices paid within 30 days of receipt (by volume and value)
4.	Improving Quality	Payment Performance (10 day target)	90% of valid invoices paid within 10 days of receipt (by volume and value)
5.	Improving Purchase to Pay Processes	Elimination of paper indents	100% of orders via Pecos directly or an electronic ticket then Pecos
6.	Managing Expenditure	Purchase Order spend: catalogue v non-catalogue	92% Catalogue
7.	Improved Logistics	Implementation of new Genesis Inventory Management System	Full rollout within WPM services by Sept 2022
8.	Staff Training & Development	Personal Development Plan completion	90% of in-scope staff to have a completed PDP
8.	Staff Training & Development	Training Plan Compliance	90% compliance against in-scope staff training matrix
9.	Corporate & Social Responsibility	Proportion of trade spend with suppliers based in the six local authority areas within the NHS GG&C geographical footprint	Baseline and target in development

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10.	Corporate & Social Responsibility	Proportion of trade spend with supported business as defined within the Public Contracts (Scotland) Regulations	Baseline and target in development
11	Corporate & Social Responsibility	Proportion of trade spend with accredited Real Living Wage employers	Baseline and target in development
12	Corporate & Social Responsibility	Develop a sub-set of Procurement Sustainability targets to be adopted by end March 2023	Incorporation of specific and measurable targets into strategy
13	Continuous Service Improvement	Contract Award Report Compliance	95% of notices published within 30 days of award)
14	Continuous Service Improvement	Supplier engagement	To hold at least one 'meet the buyer' session per annum