



# Procurement Strategy

## 2025 - 2028

Lead Manager	Chris Sanderson, Head of Procurement
Responsible Director	Colin Neil, Director of Finance
Approved By	Corporate Management Team, Finance Planning & Performance Committee and NHS Board
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# Procurement Strategy 2025-2028

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## Executive Summary

The professional management of procurement activity is an important factor contributing towards the efficient operation of Greater Glasgow and Clyde Health Board (GGC) and achievement of its Corporate Objectives. It is vital to staff and patients that the goods, works and services are of the highest quality and are provided to GGC within optimum commercial arrangements.

Delivering Best Value and supporting delivery of efficiency savings is a key priority for the Board to enable financial sustainability and Procurement plays a significant part in this. GGC has a 'trade spend' of approximately £887m with third party suppliers, and as such, is influenceable by procurement activity.

The Procurement Strategy positions procurement activity visibly within the organisation, establishing Board level commitment to, and involvement in, the management of procurement deliverables. It also sets out clear, measurable objectives and priorities for improvement which will be closely monitored.

The strategy addresses key procurement issues over a three year time frame and is subject to annual review. It will be monitored quarterly through the Procurement Steering Group, chaired by the Director of Finance, with annual reports to the Corporate Management Team (CMT) and Finance, Planning and Performance (FP&P) Committee.

In addition, progress against the strategy and its associated strategic objectives will be covered within Procurement Annual Report which is a mandatory requirement of the Procurement Reform (Scotland) Act and will be published on the Board's external website.

The strategy will shape procurement procedures which set out the detailed operational controls governing procurement activity in a manner which meets the requirements of the Standing Financial Instructions and relevant legislation. The strategies and structures set out in this document apply across GGC and all procurement activity undertaken within the Board.

## Governance Arrangements

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 Director of Finance. The PSG reports into the CMT and FP&P committee providing an annual report on progress towards delivery of objectives and targets.

The remit of the Procurement Steering Group is as follows:

- 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 is 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

## Roles and Responsibilities

### Chief Executive

The Health Board's Chief Executive Officer (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 GGC.

### Board Nominated Lead Director

The nominated Lead Director for Procurement is the Director of Finance

### Chair of the Procurement Steering Group

The chair is the Director of Finance

### 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

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	All medicines
Infrastructure Planning and Delivery	Capital Infrastructure Investment and management of revenue funded Infrastructure Agreements
Operational Estates*	Minor building works, repairs, asset maintenance and replacement
eHealth	All IT Projects, software, hardware and desktop
Procurement	Medical / Surgical Products, Medical / Imaging Equipment and associated maintenance, Estates, Facilities, Corporate (HSCP/Public Health and other corporate requirements) and all other 'in scope' non-pay expenditure

*\*The Estates & Facilities Commodity Teams within the Procurement Department put in place local over-arching framework contracts to be utilised by the Operational Estates Team*

# National Strategy Development

Since the last GGC Procurement Strategy was published there have been two developments which have changed the national context.

One is the creation of the first Public Procurement Strategy for Scotland<sup>i</sup>, published by the Scottish Government in April 2023

In summary, the objectives contained within this strategy are:

- **Good for Businesses and Employees** covering suppliers, supply chain resilience, SMEs, third sector and supported businesses and contract management
- **Good for Places and Communities** covering Community Wealth Building, fair work first and community benefits, Supporting a sustainable built environment, whole life costing, community participation, climate crisis and environment
- **Good for Society** covering Economic Wellbeing, Emergency situations, Food security
- **Open and Connected** covering Global Reach, Connectivity and Consistency

The other is the creation of the first NHS Scotland Procurement Strategy<sup>ii</sup> published by National Services Scotland in October 2024

In summary, the objectives of this strategy (which sit within the context of the Scotland-wide strategy) are:

- **Collaborative Procurement**
- **Embed Sustainable and ethical procurement, supporting our communities and economy**
- **Develop supplier relationships, maximising value and reducing supply chain risks**
- **Assuring contract and supply chain security and resilience**
- **Procurement technologies: Digitisation and technology roadmap**
- **Developing procurement workforce capability and skills**
- **Governance and regulated procurement compliance**
- **Capability to monitor and report**
- **Continuous improvement and procurement service development**

In developing this new GGC Procurement Strategy it therefore needs to be framed within the Health Board strategic objectives of Better Care, Better Health, Better Value and Better Workplace as a priority, but must also align with these two new key national strategies and associated objectives

# Supplier Spend Overview

In the 2023/24 financial year, GGC had a trade spend of approximately £887m with third party suppliers. The table below provides a breakdown:

Category	Spend	Category	Comment
Pharmaceuticals	£290.5m	B	Mostly NP contracts. Includes Home care and medical gases
PFI / Hubco Hospitals & Health Centres	£89.4m	C	Health Board contracts for some hospitals and Hubco health centres
Medical Devices & Clinical Consumables	£80.8m	B	Mostly NP frameworks for higher value products not supplied via the National Distribution Service
Utilities & Energy	£70.1m	A	Scottish Procurement Utilities frameworks
Estates (including construction)	£53.9m	B/C	Mixture of national and local frameworks
Medical / Imaging Equipment	£52.4m	B	Mainly NP or NHS Supply Chain frameworks
National Distribution Service ( <i>run by National Services Scotland – National Procurement</i> )	£39.5m	B	Fast moving, lower value ward / theatre ED supplies and cleaning / janitorial products
Supplementary Staffing	£39.1m	C1	Majority now covered by Cat C1 West of Scotland Neutral Vendor contracts (Medical locums, nursing, AHP)
Health & Social Care	£37.0m	C	Local contracts mainly for HSCP and Public Health requirements
Facilities	£36.8m	B/C	Mixture of local and national contracts
Laboratory Equipment & Services	£36.7m	C	Mainly covered by the Board's Labs Managed Service contract
Information Communication Technology	£31.7m	A/B	Main coverage through Scottish Procurement / CCS and NP
Vehicles	£6.9m	A/B	Coverage via CCS and NP frameworks
Taxis / Patient Transport	£5.0m	C	Local contracting activity
External Medical Services	£5.0m	B	Call-offs from NP frameworks
Professional Bodies & Services	£2.8m	C	Local contracts
Travel & Accommodation	£1.6m	A	Exclusively via a CCS framework call-off
Translation & Interpretation Services	£1.6m	C	Exclusively via a local contract
Other Goods & Services	£1.3m	C	Small value local contracts
External Print / Promotional	£1.2m	B	Call off contract via NP framework
Communications, Marketing & Media	£1.0m	C	Local contracts
Stationery & Office Products	£0.98m	A	Exclusively through Scottish Procurement public sector framework
Staff Uniform & Clothing	£0.74m	B	Exclusively through NP contract
Training	£0.60m	C	Local contracts
<b>Grand Total</b>	<b>£887m</b>		

Category A contracts or frameworks are for pan-public sector requirements e.g. those let by Scottish Procurement or Crown Commercial Service (CCS). Category B are sector specific, in our case the health sector and are those let by NSS National Procurement (NP) although we occasionally make use of other sector specific framework providers. Category C are those that are carried out by the Health Board where the requirement is for our organisation only. There is also a category C1 for local contracts where we collaborate with other Boards either on a West of Scotland basis or with neighbouring Health Boards. Category C/C1 accounts for around 50% of our trade spend.

## Legal and Regulatory Framework

Since the publication of the last Procurement Strategy, Health Boards in Scotland must continue to adhere to the public sector procurement regulations, specifically:

- The Procurement Reform (Scotland) Act 2014
- The Public Contracts (Scotland) Regulations 2015

Post EU-exit, these regulations are now within the devolved competency of the Scottish Government and there are no plans to reform or change the legal and regulatory arrangements in the current parliamentary session. Any developments in the next parliamentary session will be monitored by the Procurement Steering Group

We must also continue to comply with the Scottish Government Department of Health and Finance CEL 05 (2012) 'Key Procurement Principles'<sup>iii</sup> which contains 7 key principles, the first of which is:

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

Post EU-exit, the UK Government has taken forward reforms of the public sector Procurement legislation that applies to English and Welsh contracting authorities, which resulted in the passing of the Procurement Act 2023. Secondary legislation to establish a new set of Procurement Regulations went live in February 2025.

The new regulations apply to English and Welsh contracting authorities only. Subject to policy guidance from the Scottish Government Procurement and Property Directorate, we are working on the assumption that the Board will be able to continue to 'call off' from contracts established by English and Welsh authorities in future (such as Crown Commercial Service and NHS Supply Chain)

# Key Priorities

The previous Procurement Strategy contained nine objectives which have now been consolidated into five key priority areas in this new strategy. These are:

## 1. Ensure Continuity and Security of Supply

- Aligns with GGC Corporate Objective: **Better Care**
- Aligns with NHS Scotland Procurement Strategy Objective: Assuring Contract and Supply Chain Security and Resilience
- Aligns with Scottish Government Procurement Strategy Objective: Good for Businesses and Employees

## 2. Deliver Value for Money

- Aligns with GGC Corporate Objective: **Better Value**
- Aligns with NHS Scotland Procurement Strategy Objectives: Collaborative Procurement; Developing supplier relationships; maximising value and reducing risks
- Aligns with Scottish Government Procurement Strategy Objectives: Open and connected; good for Businesses and their employees

## 3. Improve Governance and Compliance

- Aligns with GGC Corporate Objective: **Better Value**
- Aligns with NHS Scotland Procurement Strategy Objectives: Governance and Regulated Procurement compliance; Capability to monitor and report

## 4. Corporate Social Responsibility objectives

- Aligns with GGC Corporate Objective: **Better Health**
- Aligns with NHS Scotland Procurement Strategy Objective: Embedding sustainable and ethical procurement
- Aligns with Scottish Government Procurement Strategy Objectives: Good for places and communities; Good for society

## 5. Workforce Development

- Aligns with GGC Corporate Objective: **Better Workplace**
- Aligns with NHS Scotland Procurement Strategy Objectives: Developing Procurement workforce, capability and skills; Procurement technologies: digitisation and roadmap; Continuous improvement and Procurement Service Development



## Ensure Continuity and Security of Supply

Maintaining supply chain security is a key issue for the Procurement function, especially for medical products and medicines but also for wider works and services.

### **Ward Product Management and the Role of the National Distribution Service**

For medical / surgical products, the principal way of ensuring supply chain security is through deployment of a high quality 'Ward Product Management' (WPM) Service within our Acute hospital environments. Approximately half of the Procurement Department workforce are involved in the WPM service and there are a number of staff who work in the Procurement Central Store site who manage the flow of products to community sites

WPM services at Acute sites and movement of products to community sites is managed by the Procurement Department using the recently nationally deployed 'Genesis' software and is highly integrated with the National Distribution Service (NDS) which is run by NSS – National Procurement. A network of NDS warehouses hold 4-6 weeks' worth of stock on behalf of all Boards covering around 9,000 products, of which NHS GGC utilises around 3,000. Health Boards place orders to the NDS typically on a weekly basis and will hold around 10 days' worth of stock on site which is 'topped up' on a weekly cycle.

Maintaining high quality and efficient WPM services and having a strong relationship with NDS colleagues ensures that we maintain a high level of supply chain security for our fast moving / lower value medical products and cleaning / janitorial items which form the majority of items used in Wards, Theatres and EDs.

Colleagues at National Procurement (NP) issue Customer Supply Notices (CSNs) to Health Boards to advise of any product shortages and proposed substitutions. The Procurement team manage this process in tandem with NP and ensure this is clearly communicated to internal stakeholders and information published prominently on the Procurement intranet page.

### **Pharmacy Distribution Centre**

Whilst National Procurement contracts are in place to cover the vast majority of Secondary Care medicines, supply and distribution of hospital drugs is managed through the GGC Pharmacy Distribution Centre (PDC).

The PDC is responsible for the purchase of medicines and homecare services and for the distribution of medicines to wards departments and dispensaries within the acute and mental health hospital services. The homecare service arranges the delivery of specialist medicines to patients in their own homes after they have been stabilised on their therapy and the clinical decision is made that they require long term therapy. The vaccine holding centre (VHC) is responsible for the storage and distribution of vaccines to meet childhood and national vaccine campaigns.

The PDC boasts state-of-the-art robot technology using ten high-tech robots. The robots have revolutionised the distribution of medicines, freeing up more than 40 staff to focus on direct patient care which contributes to the quality care experience and enhances patient safety.

The centre, in which £3.1 million has been invested when it was created between 2008-2010, replaced 14 pharmacy stores with a single purchase and distribution point for all medicines used by our hospitals and clinics. 90,000 packs are purchased and distributed per week to circa 4,000 destinations via secure drop points. In addition, the centre manages the homecare service providing specialist medicines directly to 17,500 patients at home.

Pharmacy Services (PS) ensure that key principles are adhered to ensuring that activities are carried out in accordance with the relevant legislation and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. These key principles are under-pinned by policies and procedures.

Good Distribution Practice (GDP) offers quality assurance which ensures that products are consistently stored, transported and handled under suitable conditions as required by the marketing authorisation (MA) or product specification and compliance with the Safe and Secure Handling of Medicines policy. Responsible Persons (RP) have been appointed at the PDC who have defined authority and responsibility for ensuring the quality system is implemented and maintained. Key personnel involved in the warehousing of medicinal products have appropriate ability and experience to guarantee that products are properly stored and handled. This is fulfilled ensuring that all staff are trained in relation to the duties assigned to them and that on-going training is recorded and reviewed on an annual basis.

There is growing concern about the impact of medicines shortages on patient care in the UK and around the world. While national systems have historically mitigated the impact shortages have had on patients, mounting pressures mean that further action is needed. Shortages are increasingly affecting patient care and healthcare teams, underscoring the need to invest in and strengthen the systems in place.

Pharmacy Services are due to embark on a review of the Royal Pharmaceutical Society, Medicines shortages: Solutions for Empty Shelves which provides a comprehensive assessment of what is causing medicines shortages, their impact on patients, pharmacists and healthcare professionals, and what more can be done to mitigate and manage medicines shortages. This will inform the development of an action plan for 2025/26 which will see a pharmacy wide single system response to improve access to medicines for all patients.

## **Cyber Security**

In recent years there has been a significant increase in the number of cyber-attacks resulting from vulnerabilities within the supply chain. These attacks can result in devastating, expensive and long-term ramifications for affected organisations, their supply chains and their customers. Procurement services recognise the cyber risk presented to the Board through supply chain compromise and adopt a risk-based approach to procurement, contract management and will collaborate with suppliers to mitigate the risk and respond to emerging issues.

The key objectives within this priority are therefore:

- Ensure that Ward Product Management Services at Acute Hospital sites are regularly reviewed and audited to promote ordering discipline and appropriate levels of local stock
- Utilise the enhanced management information capabilities of the Genesis Inventory Management system to undertake systematic reviews of hospital inventory levels to strike the correct balance between lean stockholding and continuity of supply
- Ensure that Customer Supply Notices (CSNs) are acted upon timeously and communicated well within the Board to ensure supply chain security
- Continue to maximise the benefits associated with the Pharmacy Distribution Service and Good Distribution Practice in Pharmacy

## Deliver Value for Money

Procurement Services recognise the financial challenges that the Board faces in meeting the levels of efficiency savings required to meet the financial plan and understand the key role that non-pay savings must contribute. The key objectives within this priority area are:

- Continue to collaborate with our sectoral 'Centre of Expertise' organisation: NSS National Procurement and ensure that NHS GGC plays a prominent role in national groups and initiatives
- Develop a commercial workplan of strategic sourcing activity each year which combines national contract implementation activity and local contracting activity that ensures NHS GGC is maximising the potential of national contract pricing and competitive tendering of local requirements on a prioritised basis
- Assuming that goods and products that are covered by national contracts are clinically acceptable, we will work with key clinical and other stakeholders to use the lowest cost of these clinical acceptable products unless there are compelling clinical reasons why this cannot be achieved
- Ensure that we have a well-developed, prioritised multi-year equipment replacement plan in line with the new Scottish Government Business Continuity Planning (BCP) methodology, feeding into the Board's overall capital plan, covering all capital equipment to ensure that we utilise the allocation of capital effectively focusing on end-of-life replacement and bringing down the age profile of our asset base. The Procurement Department will continue with the '1Plan4Glasgow' approach to medical and imaging equipment which feeds into the overall Board-wide BCP
- To take forward additional programmed initiatives via a Procurement Sustainability & Value team, outside of planned strategic sourcing workplan activity to influence non-contract spend, product choice rationalisation and sustainability initiatives as agreed with GGCs Sustainability & Value Programme Board
- To agree annual targets with the Sustainability & Value Programme Board covering recurring savings, non-recurring savings and cost avoidance, to monitor and report progress on these targets and to achieve required savings to contribute to the achievement of the Board's financial plan
- To ensure that at least 92% of our trade spend is covered and influenced via formal contractual arrangements and at least 92% of our purchase order lines are based on catalogue content (rising to 95% by the end of the 3 year period covered by this strategy)
- Embed the recently updated Contract and Supplier Management Guidance which outlines our refreshed approach to Key Supplier Management in terms of how we segment our supplier base, engage with key suppliers, monitor performance and how we utilise this process to drive benefits

# Improve Governance and Compliance

We must ensure that Procurement activity within the Board complies with external public sector Procurement Regulations and our internal Standing Financial Instructions. The key objectives within this priority area are:

## **Procurement Steering Group**

Ensure that we maintain the Procurement Steering Group as the key governance and oversight group for Procurement activity within the organisation and continues to be chaired by the Director of Finance or equivalent Executive Director as delegated by the Chief Executive Officer. The remit of the group is:

- 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 in wider corporate plans and objectives
- Oversee contractual & tendering arrangements including the incorporation of new legal requirements in contracts such as the Health and Care (Staffing) (Scotland) Act
- Act as a 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

## **Grip and Control**

Maintain a programme of 'Grip and Control' in relation to overall purchasing activity, specifically:

- Control 'discretionary' spend through restrictions on categories and through various system driven means which may vary from time to time depending on circumstances within the Board
- Ensure that the e-purchasing solution (Pecos) has an authorisation structure which mirrors the Board's Scheme of Delegation and that this is monitored on an ongoing basis
- Continue to progress rationalisation of the number of Pecos users to the minimum required to maintain operational efficiency
- Continue to undertake robust due diligence in response to new supplier requests using the Supplier Adoption procedure and keep this under review
- Where non-catalogue ordering takes place, to ensure that appropriate compliance checks are undertaken by the Procurement Department prior to budget holder approval
- To improve the performance of catalogue vs non-catalogue ordering to ensure that at least 92% of our purchase order lines are based on catalogue content (rising to 95% by the end of the 3 year period covered by this strategy)

## Authority to Procure

Ensure that we organise Procurement activity within the Board around the concept of who has 'Authority to Procure' as defined in the McLelland Report 2006<sup>iv</sup> Section 5 (Accountability and Governance) in particular, paying particular attention to the following recommendations:

### 5.5.1 Recommendation

Procurement activities and transactions should be conducted by the appropriate staffed and skilled procurement function and its procurement officers. It should not be undertaken by non-procurement staff located either in central structures or employed in other (e.g. operational) sub-sections of the organisation.

### 5.5.2 Recommendation

Where there are fully justified exceptions to the principle described at 5.5.1 then strict guidelines should be followed and these should include formally documented delegated authorities. The principle which must be established is, that those to whom authority is delegated, are in effect full- or part-time "procurement officers" subject to the same professional standards, responsibilities and accountability requirements as those operating in a professional procurement department.

### 5.5.3 Recommendation

All organisation structures within the Public Sector should comprehensively review their procurement activities and transactions to establish or confirm which organisational units, departments or groups within their structure are entitled to be authorised to procure goods and services including in particular the creation of, and commitment to, contracts, orders and other goods/service requests to outside parties. This authority should be justified, documented and regularly reviewed for ongoing validity and its terms should include minimum requirements for sound business processes, practices, contracts and staffing

## Payment performance: Improving Purchase to Pay processes

The Head of Procurement will continue to chair a Purchase to Pay Group with representation from Procurement, Financial Services, Management Accounts and other key stakeholders focusing on improving payment performance to suppliers and improving the efficiency and effectiveness of the purchase to pay process. Key areas of focus will be:

- A review of the invoice query resolution process to examine effectiveness of use of CRM systems to resolve queries and explore alternatives and to shift of focus to root cause analysis of invoice queries
- Improve levels of e-invoicing from current 10% by volume / 1% by value to 30% by volume / 5% by value over the lifetime of this strategy, combined with auto-receipting on a selective basis, subject to supplier onboarding by Scottish Government and approved by the National Finance Team (NSI)
- Reduce retrospective purchase orders (raised after invoice received) to less than 1%
- Improve catalogue order line performance from current performance of around 90.2% to 95% over the period of this strategy
- Achieve and maintain the public-sector 95% within 30-day payment targets and aspirational 90% within 10 day targets

# Corporate Social Responsibility objectives

## Environmental sustainability

When undertaking procurement activity, we will ensure that we embed sustainability requirements by ensuring that these are built into contract selection and/or award criteria and ensure whole lifecycle costing methodology is used in commercial criteria where appropriate.

We will ensure that all staff undertaking Procurement activity have undertaken Procurement Climate Literacy Training and are aware Scottish Government Sustainable Procurement Tools.

We will continue to be an active participant in the national Sustainable Procurement Steering Group chaired by NSS National Procurement and continue to be a member of and participate in the local GGC Sustainability Group. We will also ensure Procurement representation and participation on the local / national Green Theatres Group

In order to ensure we can track and monitor progress we intend to nominate a group of environmental sustainability champions within the Procurement team

## Procurement Re-Use / Recycle Service

For many years, Procurement have utilised the 'Warp-It' software funded by Scottish Government to run a recycle / re-use scheme which acquires surplus furniture and other hospital equipment and offers it for re-use instead of buying new. The scheme has operated from the West Glasgow Ambulatory Care Hospital (WGACH) for several years and we have been reporting on financial and non-financial benefits via our Annual Procurement Report. Recent data is shown below:

Benefit	2021/22	2022/23	2023/24
Financial Avoided Cost	£98,929	£164,506	£187,045
Carbon Saving	44,903 kg	74,552 kg	64,524 kg
Total Waste Saved	17,300 kg	22,500 kg	22,047 kg
Cars off the Road	6	9	11
Trees Equivalent	23	37	55

With the forthcoming closure of the WGACH site, the Procurement team will relocate the service to the Procurement Central Store building on 1<sup>st</sup> April 2025. With the Scottish Government no longer funding the software centrally we have managed to avoid incurring the cost of software licence fees by utilising existing business software and solutions.

We will re-launch as the Procurement Re-Use / Recycle Service via a dedicated tile on the GGC Procurement intranet page which will continue to display a live inventory of available items and allow staff to easily request these items via a simple electronic form. The Procurement team will continue to record issued stock and calculate avoided cost and carbon savings to report via the Annual Report.

## Societal benefit

The Board recognises its position as an 'Anchor' institution and in the context of Procurement, with a significant supplier spend of around £887m there is an opportunity to promote public contract opportunities for small medium enterprises (SMEs) in the GGC area and beyond

In 2022, NHS GGC became the first territorial Health Board to become a corporate member of the Supplier Development Programme<sup>v</sup> (SDP). The SDP was established in 2008, and is a partnership of Local Authorities, Scottish Government and other public bodies that works together to bring free support in all aspects of tendering to Scottish-based SMEs.

Through our Corporate Membership we have taken forward a number of initiatives with the SDP including Talking Tenders webinars; speaking at and having a stand to engage with suppliers at the Scottish Government sponsored national Meet the Buyer events and using the SDP to highlight and promote particular tender opportunities that lend themselves to SME involvement.

It is difficult to show a causal relationship between the work done with SDP support and the difference it makes in terms of SME spend within the six local authority areas within the GGC footprint however we can show from the table below that total spend with suppliers in the GGC is increasing year of year, but as the overall trade spend is also increasing the percentage of trade spend with local businesses sits between 12.5% - 13.5%

Local Authority Area	2020-21	2021-22	2022-23	2023-24
Glasgow City	£51,887,683	£60,433,134	£74,510,138	£72,746,884
Renfrewshire	£13,866,597	£16,147,406	£15,492,526	£17,608,590
West Dunbartonshire	£4,164,261	£6,676,973	£4,522,272	£5,134,486
East Dunbartonshire	£2,017,769	£3,376,313	£3,549,662	£2,735,915
Inverclyde	£3,722,915	£3,357,018	£3,549,662	£3,575,317
East Renfrewshire	£1,288,660	£2,191,890	£3,295,249	£5,066,839
<b>Grand Total</b>	<b>£76,947,884</b>	<b>£92,182,734</b>	<b>£104,919,508</b>	<b>£106,868,030</b>
<b>% GG&amp;C LA Spend</b>	<b>12.5%</b>	<b>12.6%</b>	<b>13.5%</b>	<b>12.6%</b>

Over the next three years of the Procurement Strategy we intend to continue working with the SDP in order to encourage as much SME participation in local contract opportunities working within the legal confines of the public sector procurement regulations

We will continue to play an active role in the local GGC group who have been developing the Anchor's Strategic Delivery Plan and will also play an active role in Anchor's development work being taken forward by the Scottish Government Place and Wellbeing Programme

We will also ensure that wherever appropriate, local contracts include Community Benefits clauses and will reference the NHS Scotland Community Benefits Gateway<sup>vi</sup> within our Invitation to Tenders to encourage suppliers to tailor their offerings around our identified public health needs.

We will also keep a watching brief on the Community Wealth Building (Scotland) Bill as it progresses through the Scottish Parliament and be ready to take appropriate action relating to any Procurement duties placed upon Scottish Health Boards

## Ethical procurement

We have fully implemented Scottish Procurement Policy Note SPPN 1/2024 – Fair Work First<sup>vii</sup> into our Procurement processes and have provided staff with associated guidance material. When we undertake regulated procurement activity, we are now building in a scored section on Fair Work First which covers the following areas and asks suppliers to provide evidence on:

- payment of at least the real Living Wage
- provide appropriate channels for effective workers' voice, such as trade union recognition
- investment in workforce development
- no inappropriate use of zero hours contracts
- action to tackle the gender pay gap
- action to create a more diverse and inclusive workplace
- offer flexible and family friendly working practices for all workers from day one of employment
- oppose the use of fire and rehire practices

We will ensure maximum use of Project Bank Accounts within in-scope Construction projects to ensure prompt payment to contractors and sub-contractors for construction projects with a value in excess of £2m in line with Scottish Government policy

We will ensure Ethical Standards are enshrined in all local contracting activity where appropriate, including Human Rights, Modern Slavery, Whistleblowing, application of the requirements under the Health and Care (Staffing) (Scotland) Act, application of the Serious Organised Crime Protocol within high risk industries and use of Fairtrade products.

We will adhere wherever possible to the Government Buying Standards<sup>viii</sup> which cover Food and catering services, Construction projects and buildings, Electrical goods and Furniture.

## Workforce Development

All staff who undertake regulated and non-regulated procurement should receive the appropriate training, mentoring and coaching in order to perform their role to the highest standard.

The Board recognises the importance of the Chartered Institute of Procurement and Supply (CIPS)<sup>ix</sup> as the global professional body working for the procurement and supply profession and the academic qualifications that it offers. Most entry level Procurement Officers can commence academic study at Level 4 Diploma, moving to Level 5 Advanced Diploma and onward to Level 6 Professional Diploma which carries the academic equivalency of an undergraduate degree and once obtained, allows membership of the Chartered Institute, conferring the 'MCIPS' status.

The Procurement Department have a Staff Development Group with a primary remit focused on maintaining a record of academic qualifications obtained, studying towards and considering, ensuring that we maximise the use of the staff bursary programme and ensuring we have supportive policies in place that support staff who are undertaking such studies.



Current records from the group that amongst 47 staff members across the Procurement Commercial teams, devolved IT Procurement team and Procurement Senior Management team, we have a current qualifications profile of:

- CIPS Level 2 (Certificate): 1
- CIPS Level 4 (Diploma): 8
- CIPS Level 5 (Advanced Diploma): 2
- CIPS Level 6 (Professional Diploma / MCIPS): 3

In addition to this we have 16 members of staff with undergraduate and/or post graduate degrees in a variety of disciplines

In terms of staff studying towards CIPS qualifications, we currently have the following:

- CIPS Level 4 (Diploma): 11
- CIPS Level 5 (Advanced Diploma): 5
- CIPS Level 6 (Professional Diploma / MCIPS\*): 0

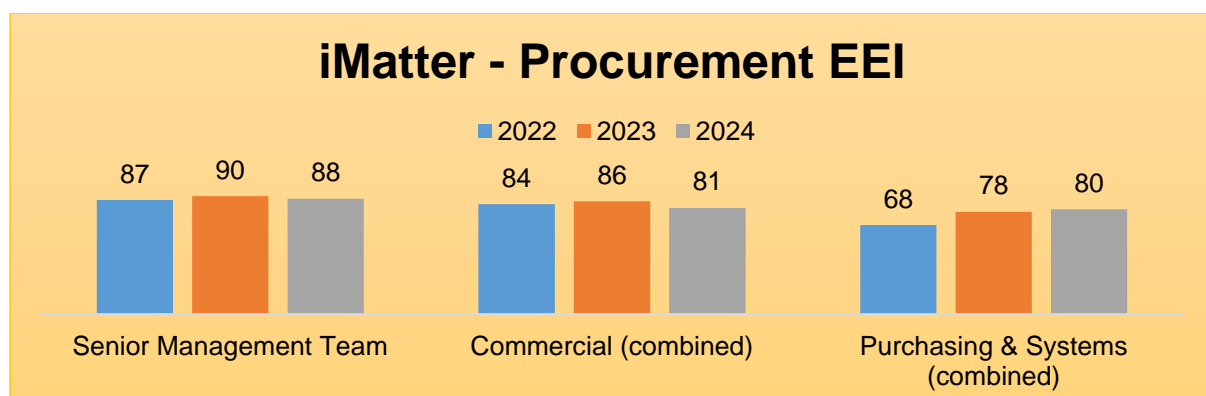
\*In addition, we have a member of staff at an advanced stage of an MSc in International Supply Chain & Procurement Management, and when obtained will also allow membership of CIPS conferring MCIPS status

Beyond this we have 6-10 staff members considering starting their CIPS journey from Level 4 Diploma possibly going to Level 6 Professional Diploma

The Board also recognises the importance of the Scottish Government Procurement Competency Framework and associated online tool - the procurement development framework, which can be used to assess skills, identify training needs and support career planning. This can be utilised as an option within the Personal Development Plan (PDP) section of TURAS reviews in order to determine learning and development needs and to help form a structured PDP.

As well as learning and development opportunities, for all procurement staff we will continue to focus on 'motivational factors' such as job content, access to academic learning, how our structure promotes advancement and achievement. We will also keep a focus on 'hygiene factors' such as hybrid working arrangements, flexible working, working environment and ensuring access to 'tools for the job' such as IT equipment.

Our iMatter Employee Engagement Index (EEI) scores have been strong in recent years and above the GGC and NHS Scotland national average as shown in the table below and is something we will strive to maintain and improve.



Specific objectives will be:

- To continue with the Procurement Development Group which aims to promote both formal academic learning, one-day training courses and promotion of training material and resources made available through the Procurement Training Channel on MS Teams e.g. 'Toolbox talks'
- To improve and refine the library of Standard Operating Procedures (SOPs) and Guidance documents held within the Procurement Training Channel on MS Teams to ensure consistency and standardisation and knowledge management
- To increase the number of staff undertaking procurement activity who hold formal CIPS qualifications ranging from Diploma, Advanced Diploma and Professional Diploma
- To improve and refine our recruitment and retention strategy to ensure we maintain a fully established, high quality workforce. Recent initiatives include establishment of a graduate entry programme within the Commercial teams and re-establishment of Modern Apprentices within the Purchasing & Systems team
- To ensure all Procurement staff achieve the Health Board target for at least 80% TURAS completion

### **National Business Services Programme**

The systems that underpin Procurement activity have a bearing on our workforce development in terms of the potential to automate tasks, remove non-value adding activities and enhance our service offering.

National Services Scotland have developed a Business Services Programme which is looking to re-provision a number of key NHS Scotland systems covering workforce, finance and procurement with plans to procure the solution (following outline and final business case sign off) to replace key systems over the next 2-3 years.

We will ensure that Procurement teams are well engaged with this national activity throughout its lifecycle and are ready to deploy the final solution when it becomes available.

## Summary of Key Performance Indicators

Priority	Board Objective	KPI Description	Target
Continuity and Security of Supply	Better Care	Average 10 or more days stock holding for all areas in receipt of the Ward Top Up service	>90%
		National Distribution Service delivery performance to NHS GGC: OTIF (On Time in Full)	98%
Deliver Value for money	Better Value	Achievement of Sustainability & Value savings target	Target set annually by S&V Programme Board
		Trade spend contract coverage	92%
		Catalogue lines performance	92% (95% stretch)
Improve governance and compliance	Better Value	Electronic Invoicing as a percentage of all invoices processed	10% (volume) 1% (value)  Stretch: 30% (volume) 5% (value)
		Retrospective purchase orders raised after the invoice received date	<1%
		Payment performance: Valid invoices paid within 30 days (volume and value)	95%
		Payment performance: Valid invoices paid within 10 days (volume and value)	90%
Corporate Social Responsibility	Better Health	Percentage of trade spend with suppliers located in GGC 6 x local authority areas	>15%
		Regulated procurements containing Fair Work First criterion	>75%
		Regulated procurements securing community benefits	>75%
		Procurement Commercial team officers to undertake Scottish Government Climate Literacy and Circular Procurement & Supply training	>90%
Workforce Development	Better Workforce	TURAS review completion	80%
		Procurement overall iMatter EEI	>80
		Procurement Commercial and Management team staff (and devolved IT Procurement Team) with MCIPS status (47 in-scope staff)	>20%

## Strategy Management

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

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 GGCs External Procurement Web Page.

The objectives and targets set out in this strategy will be monitored through specific KPIs and form the basis for the personal objectives of the Board Leads.

A KPI report will be produced and tabled as a standing item at the quarterly meeting of the Procurement Steering Group for further scrutiny.

An annual report detailing progress against the strategy objectives will be produced by the Procurement Steering Group for issue to CMT and FP&P.

## Key Priorities Mapped

<b>NHS GGC Procurement Strategy Priority</b>	<b>NHS GGC Board Corporate Objective</b>	<b>NHS Scotland Procurement Strategy</b>	<b>Scottish Public Sector Procurement Strategy</b>
Ensure Continuity and Security of Supply	Better Care	<ul style="list-style-type: none"> <li>Assuring Contract and Supply</li> <li>Chain Security and Resilience</li> </ul>	<ul style="list-style-type: none"> <li>Good for Businesses and Employees</li> </ul>
Deliver Value for money	Better Value	<ul style="list-style-type: none"> <li>Collaborative Procurement</li> <li>Developing supplier relationships</li> <li>Maximising value and reducing risks</li> </ul>	<ul style="list-style-type: none"> <li>Open and connected</li> <li>Good for businesses and their employees</li> </ul>
Improve governance and compliance	Better Value	<ul style="list-style-type: none"> <li>Governance and Regulated Procurement compliance</li> <li>Capability to monitor and report</li> </ul>	
Corporate Social Responsibility	Better Health	<ul style="list-style-type: none"> <li>Embedding sustainable and ethical procurement</li> </ul>	<ul style="list-style-type: none"> <li>Good for places and communities</li> <li>Good for society</li> </ul>
Workforce Development	Better Workforce	<ul style="list-style-type: none"> <li>Developing Procurement workforce, capability and skills</li> <li>Procurement technologies: digitisation and roadmap</li> <li>Continuous improvement and Procurement Service Development</li> </ul>	

## References

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- <sup>i</sup> <https://www.gov.scot/publications/public-procurement-strategy-scotland-2023-2028/>
- <sup>ii</sup> <https://www.nss.nhs.scot/publications/nhsscotland-procurement-strategy-2024-2028/>
- <sup>iii</sup> <https://www.publications.scot.nhs.uk/files/cel2012-05.pdf>
- <sup>iv</sup> <https://webarchive.nrscotland.gov.uk/20170403134247/www.gov.scot/Publications/2006/03/14105448/0>
- <sup>v</sup> <https://www.sdpscotland.co.uk/>
- <sup>vi</sup> <https://www.nss.nhs.scot/procurement-and-logistics/governance-and-sustainability-services/access-our-community-benefit-gateway/>
- <sup>vii</sup> <https://www.gov.scot/publications/publication-of-updated-fair-work-first-in-procurement-guidance/>
- <sup>viii</sup> <https://www.gov.uk/government/collections/sustainable-procurement-the-government-buying-standards-gbs>
- <sup>ix</sup> <https://www.cips.org/en>