



NHS National Services Scotland Procurement Strategy



2016 to 2021

14th December 2016

Owner: S.Mclaughlin, NSS Head of Procurement

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1 Introduction / Executive summary

Procurement is a significant enabler supporting the delivery of our corporate objectives and achieving our vision and mission.

NHS National Services Scotland's (NHS NSS) 5 year vision is to Support Scotland through the delivery of a range of services and solutions for NHSScotland, the new Integrated Joint Boards for Health and Social Care and where appropriate Public Sector bodies. These are NHS NSS' "customers". It will do so in a way that is personalised for each customer group while ensuring the benefits of scale, and empowering for our staff as they benefit from modern, agile ways of working. Deepening our engagement with clinical professionals across primary and secondary care will ensure mutual understanding, with NHS NSS understanding the needs of professionals who deliver care directly, and clinical professionals knowing how NHS NSS can support them in providing that care. NHS NSS will deliver its vision through 4 strategic objectives:

- Customers at the heart of everything we do
- Increasing our service value
- Improving the way we do things (and)
- Be a great place to work.

We will ensure that all our services maximise direct or indirect health, financial and environmental impact. This reflects our desire to not only benefit the health of the people of Scotland but also ensure value for money, including delivering savings. Our activity can have an environmental impact; therefore we continually improve our practices and processes to ensure we deliver our services sustainably.

This strategy sets out clearly the Procurement objectives of NHS NSS over the period of 2016-2021; taking full ownership of the responsibilities placed on Scottish Public Sector bodies by the latest Procurement regulations and offering a clear pathway to balancing value for money while using our considerable financial resource to support economic growth. This will be done in a way which is both environmentally and ethically responsible. Taking responsibility for the delivery of the objectives and goals within this strategy rests not only within the

Procurement team but across our entire workforce. Only through effective collaboration and collective responsibility across every individual NHS NSS colleague will we demonstrate the value that excellent Procurement can deliver not just for NHS NSS but for the wider Scottish population.

A handwritten signature in blue ink that reads 'Colin Sinclair'.

Colin Sinclair

National Services Scotland Chief Executive

2 Procurement Vision / Mission Statement

NHS NSS Procurement Vision

To be recognised as a value added procurement function, fully aligned to NHS NSS services and delivering best value for all stakeholders

NHS NSS Procurement Mission

To provide outstanding procurement within NHS NSS that supports the delivery of quality Healthcare services in the most efficient, cost effective and compliant manner

3 Strategy Rationale / Context

3.1 Overview

NHS NSS is a national organisation operating right at the heart of NHSScotland and the wider public sector.

NHS NSS supports customers to deliver their services more efficiently and effectively. Offering shared services on a national scale NHS NSS’ aim is to help its customers save money and free up resources so they can be re-invested into essential services.

The purpose of this strategy is to document how NHS NSS Procurement will support NHS NSS to provide its services to its customers.

3.2 NHS NSS Procurement structure

NHS NSS has a non pay spend of around £260M to support delivery of its objectives. Spend is split between NHS NSS corporate expenditure of £50M with approximately £210M being spent on supporting National Programmes and services. Achieving best value against the corporate expenditure of c.£50m is currently the primary focus of NHS NSS Procurement and this strategy.

NHS NSS Spend Profile (£ Millions)

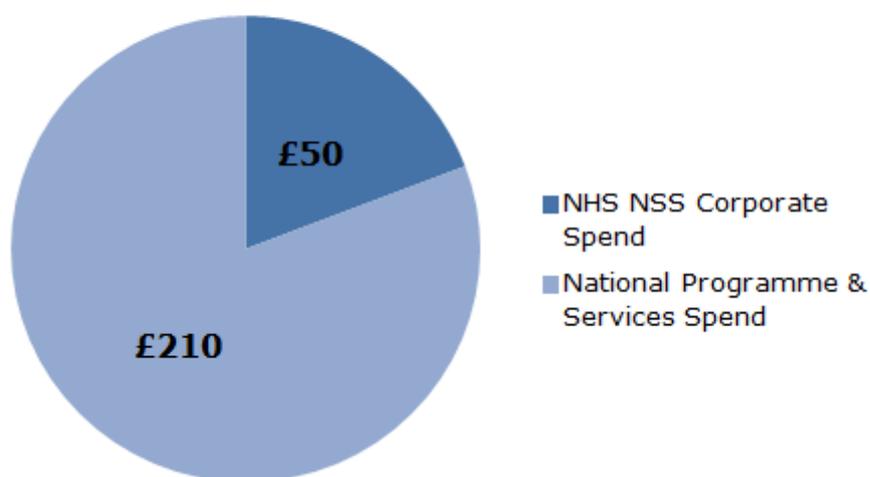


Figure 1 Corporate versus National Programme Spend

Scottish Public Sector Procurement operates under the following legislative framework;

- ❖ European Treaties and Directives and
- ❖ The Public Contracts (Scotland) Regulations 2015 (**Procurement Regulations**) and
- ❖ The Procurement Reform (Scotland) Act 2014 (**the Reform Act**).

The interpretation and implementation of this legislative framework is influenced by substantial case law from across the United Kingdom and Europe making this a constantly evolving area within which to operate.

The legislation is reflected within the NHS NSS Standing Financial Instructions relating to Contracts and Corporate Procurement guidance.

The overall governance and strategic leadership within the Board is controlled and directed by the NHS NSS Procurement Steering Group (PSG) whose roles and responsibilities are presented in Appendix 4.

In common with NHS NSS strategy documents this Procurement strategy will cover a 5 year period 2016-2021 and be updated on a yearly basis.

4 Strategic aims, objectives & key priorities

NHS NSS Strategic Objectives

The following four strategic objectives form the basis of how NHS NSS will deliver against its strategy.

1. **Customers at the heart of everything we do**
2. **Increasing our service value**
3. **Improving the way we do things**
4. **Become a great place to work**

These objectives link directly to the NHS NSS Procurement objectives;

Procurement strategic objectives

NHS NSS Procurement will deliver the following objectives over the term of this Procurement strategy.

Objective 1: Compliance and Governance

Goals

- ❖ Comply fully with the Procurement Regulations and the Reform Act
- ❖ Promote and drive compliance with NHS NSS Standing Financial Instructions
- ❖ Make best use of the regulations to achieve optimal value

Target Areas

- ❖ Work closely with the Health Procurement Centre of Expertise to share knowledge and insights
- ❖ Promote adherence to the Standing Financial Instructions and regulations through clear communication within NHS NSS
- ❖ Measure compliance with suitable audit schemes

- ❖ Issue strategies and Procurement reports in line with Procurement Reform Act guidance
- ❖ Make it easier for colleagues in NHS NSS to engage with Procurement
- ❖ NHS NSS Procurement will advertise and manage all opportunities >£50K
- ❖ Ensure public contract register has all contracts >£50K displayed
- ❖ Develop innovative approaches with colleagues to support compliant Procurement
- ❖ Collaborate where possible with other NHS Scotland organisations on knowledge sharing
- ❖ Use technology and systems to support compliant purchasing

Planned Outcomes

- ❖ Full audit trail of procurement decisions made
- ❖ Improved contract compliance across NHS NSS
- ❖ Procurement guidance updated to reflect current legislation

Objective 2: Delivering Savings & Value

Goals

- ❖ Support NHS NSS in meeting and exceeding Procurement savings targets
- ❖ Promote the Procurement profession and demonstrate added value
- ❖ Make Procurement integral to NHS NSS delivery

Target Areas

- ❖ Develop and share local contract workplans based on categories of spend
- ❖ Efficiently and effectively implement sectoral contracts
- ❖ Utilise national contracts where possible
- ❖ Work closely with the Health Procurement Centre of Expertise to share knowledge and insights
- ❖ Enhance Procurement's visibility within NHS NSS ensuring colleagues know what contracts are available to use
- ❖ Reinvigorate our Supplier Management and development programme in conjunction with our NHS NSS colleagues
- ❖ Make it easier for colleagues in NHS NSS to engage with Procurement
- ❖ Make it easier for suppliers to engage with Procurement

- ❖ Continued focus on Procurement Staff professional development
- ❖ Automate procurement processes where possible to reduce admin burden and allow procurement to focus on customers and supplier needs
- ❖ Identify key performance indicators and measure and report our progress against these regularly to the rest of NHS NSS
- ❖ Collaborate where possible with other NHS Scotland organisations on contract opportunities and knowledge sharing
- ❖ Work with finance colleagues on purchase to pay (P2P) processes

Planned Outcomes

- ❖ Delivery of the savings identified in Appendix 2
- ❖ Delivering ongoing cost avoidances
- ❖ Reduction in wasteful administrative activities
- ❖ Ensuring contract delivery and additional non-cash benefits from our supply base
- ❖ Improve contract compliance across NHS NSS
- ❖ Highly professional and engaged procurement team

Objective 3: Implement Sustainable Procurement Across NHS NSS

Goals

- ❖ To champion, support and promote the benefits of sustainable procurement including supporting the transition to a circular economy applying whole life costing, early supplier involvement and encouraging innovative products and solutions
- ❖ To be compliant with the Reform Act and the general and specific duties it imposes on Scottish authorities, including the Sustainable Procurement Duty
- ❖ To embed sustainability in procurements in a relevant and proportionate manner, as required by the Reform Act and to provide best value and secure wider social, economic and environmental benefits
- ❖ To promote and support NHS NSS strategic objectives, key priorities and policies.

Target Areas

- ❖ Use the Scottish Government's (SG) Sustainable Procurement Tools (Sustainability Test) within all regulated procurement activity, including the Prioritisation Tool to prioritise and focus on those commodities/categories of spend starting with the procurement work plan FY 2017-18 that offer the greatest potential sustainable outcomes
- ❖ Update the Procurement Strategy with the results of these activities annually
- ❖ Work within NHS NSS sustainability programme structures to promote visibility of the sustainable procurement duty to colleagues and need for action
- ❖ Work closely with internal sustainability leads to integrate seamlessly procurement activity within the wider NHS NSS sustainability framework
- ❖ Make it easier for medium, small and micro suppliers to work with NHS NSS by providing easier access to contracting opportunities
- ❖ Utilise supported businesses as much as possible
- ❖ Look to promote opportunities with 3rd sector organisations where possible
- ❖ Collaborate where possible with other NHS Scotland organisations on contract opportunities and knowledge sharing to drive improvements in sustainable procurement.

Planned Outcomes

- ❖ Identified risk and opportunities
- ❖ Compliance with the Sustainable Procurement Duty
- ❖ Improved accessibility to contracts for SMEs, Social Enterprises and Third Sector
- ❖ Reduced environmental harm from our supply chain
- ❖ Demonstrable and measurable sustainable outcomes.

5 Spend

Achieving best value against the corporate expenditure of £50M is currently the primary focus of NHS NSS Procurement.

The following chart from the 2015-16 Financial Year provides a high level overview of where NHS NSS spends its money each year to fund its operations;

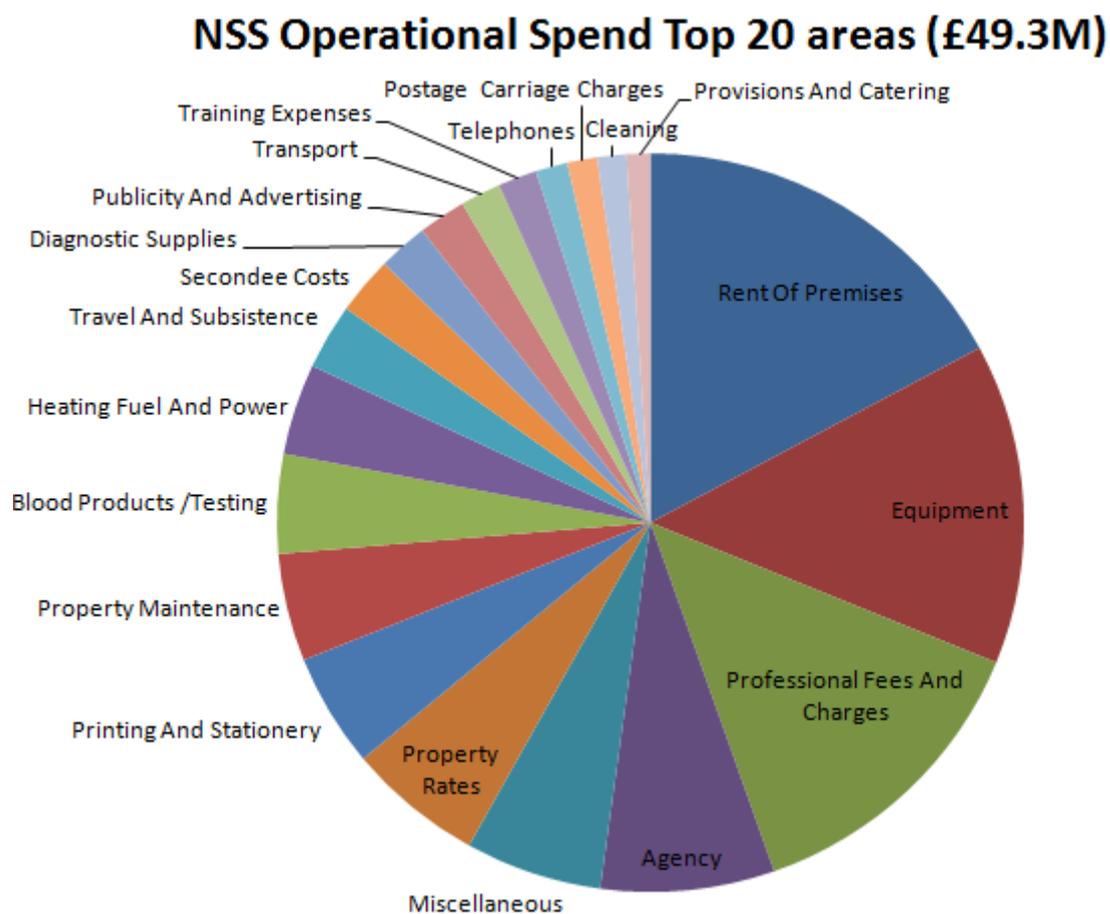


Figure 2 NHS NSS Spend by Product / Service 2015-16

6 Mandatory Obligations

6.1 Introduction

This section documents NHS NSS Procurement's approach to meeting the mandatory requirements of the Reform Act.

6.1.1 Regulated & OJEU Procurements

All Regulated Procurements which are broadly those Procurement exercises with a value in excess of £50K to which the Procurement Regulations and the Reform Act apply, will be advertised on the Public Contracts Scotland (PCS) website. As NHS NSS will advertise, and subsequently award, on the PCS website the functionality of the site will automatically publish and maintain our contract register for public viewing.

6.1.2 Achieving our purpose

To ensure benefits are delivered effectively Procurement will engage closely with colleagues who are subject matter experts on substantive Procurements. For those regulated Procurements of a value between £50K and the threshold value at which the Procurement Regulations apply we will utilise the Procurement Journey Route 2 which documents, in detail, how such procurement exercises should be undertaken within the Public Sector in Scotland. All Procurement exercises above the threshold at which the Procurement Regulations will be delivered using the Procurement Journey Route 3. The Procurement Journey is developed to facilitate the public Procurement regulations and by following this journey provides assurance of equal and fair treatment of all suppliers bidding for projects.

6.1.3 Delivery of value for money

NHS NSS Procurement will obtain value for money through best practice contracting and supplier management and through undertaking key strategic procurement activities including: early market engagement; splitting requirements into appropriate lots to better facilitate SME/Third Sector and Supported Business participation; maximising the impact of each pound spent by including Community Benefit Clauses; evaluating on the most economic and advantageous criteria; utilising output based specifications; challenging the

need and demand management; ensuring robust contract management & application of effective commercial evaluation models. The Procurement team's skills will be developed using the Procurement Competency Framework details of which can be accessed in the Policies, Tools & Procedures section working within the NHS E-KSF developmental framework.

6.1.4 Utilising the Scottish Model of Procurement

NHS NSS procurement works within the national context under the Scottish Model of Procurement;

Scottish Procurement

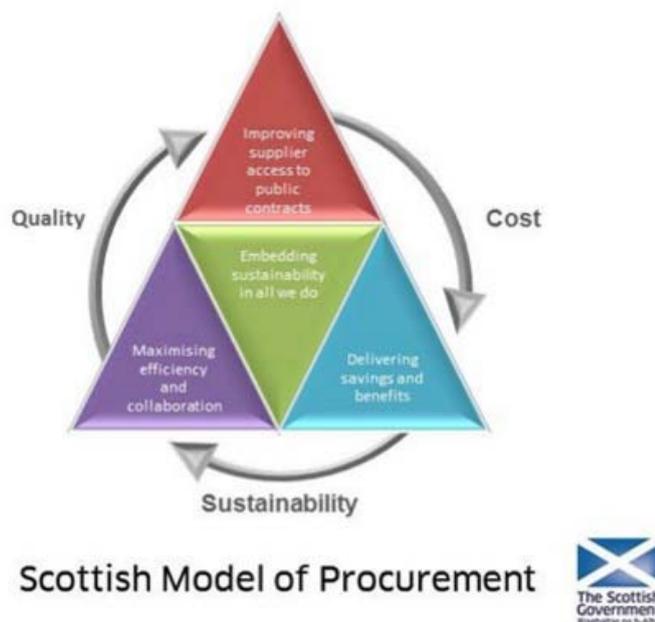


Figure 3 The Scottish Model of Procurement

Each Market Category of spend has a broad commercial 'Tier 1' 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 allocates contracts into 'Contracting Categories' which define this responsibility. The framework 'Contracting Categories' relevant to NHS Scotland are:

Category A – Contracted for all Scottish Public Sector bodies by Procurement Scotland.

Category B – Contracted for all NHS Scotland organisations by NHS National Procurement.

Category C – Contracted individually by NHS Scotland organisations, including NHS NSS.

6.1.5 Engaging with our service users

NHS NSS Procurement’s work impacts service users directly in many ways; be it donor beds for the Scottish Blood Transfusion service or management and transportation of GP patient records. NHS NSS Procurement will work with colleagues in NHS NSS to utilise NHS NSS embedded approaches to facilitate NHS NSS Procurement to better engage with the public.

6.1.6 Engaging with Suppliers

NHS NSS Procurement, using the results of the prioritisation exercise presented in 6.1.7 – under the Market Influence analysis element, will devise a market engagement strategy in order to inform priorities and direction of travel for the Procurement function. Regular meetings with current and prospective suppliers will continue as will attendance at annual events such as Procurex.

6.1.7 Community benefits

As stated within the objectives section NHS NSS will use the following Scottish Government recommended tools in year 1 to establish a baseline and develop an action plan to meet our Community Benefit goals.

- Scottish Public Procurement Prioritisation Tool;
- The Sustainability test;
- Life Cycle Impact Mapping; and
- the Scottish Flexible Framework

6.1.8 Food Procurement

NHS NSS will work closely with NHS National Procurement to ensure the highest level of standards are maintained in both the obtaining of food supplies and the onsite preparation of food to ensure the wellbeing of our staff and visitors.

Utilising the skills, knowledge and experience of NHS National Procurement will provide assurance that the highest standards of animal welfare is maintained at all times and that we are aware and are operating to the latest legislative requirements. Policy details can be located in section 9.

6.1.9 Scottish living wage

NHS NSS endorses the statement, *“Fair and equal pay, including Living Wage, is a positive factor and one of the clearest ways in which a bidder can demonstrate that it adopts fair work practices.”* Working under the guidance of addressing Fair Work Practices, NHS NSS Procurement will work with suppliers through contracting and relationship management to look for opportunities for its suppliers to implement the living wage within their staff structures.

6.1.10 Compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974

All non-NHS NSS personnel working on site are expected to adhere to NHS NSS facilities management Policies, tools & procedures.

7 Monitoring, reviewing and reporting

7.1 Monitoring our objectives

The objectives presented in Appendix 2– Strategy Action Plan will be measured and shared with the Procurement Steering Group on a monthly basis. A six monthly progress report will also be prepared for the Executive Management Team

7.2 NHS NSS Contract Register

NHS NSS supports the requirement of the Reform Act to publish and maintain a public facing contracts register. NHS NSS will utilise the functionality available on the Public Contracts Scotland website. All NHS NSS public contracts of value above £50,000 shall appear on this register. In practice NHS NSS will publish many contracts below this threshold, further evidencing our commitment to transparency.

7.2.1 Approach to Framework Call Offs

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

7.3 Annual Report

The first NHS NSS Procurement annual report will be published in the 1st quarter of the 2018-19 financial year in line with statutory guidance.

The NHS NSS Procurement annual report will be approved by the NHS NSS Procurement Steering Group in the 1st quarter of each financial year and then will be presented to the NHS NSS Performance and Finance Committee for final approval before publishing on the NHS NSS website. The annual report will contain the following information as a minimum:

- (a) A summary of the Regulated Procurements that have been completed during the year covered by the report.
- (b) A review of whether those procurements complied with the NHS NSS Procurement strategy.

(c) To the extent that any Regulated Procurements did not comply with the Reform Act, reasons for this and a statement of how NHS NSS Procurement intends to ensure that future Regulated Procurements do comply.

(d) A summary of any community benefit requirements imposed as part of a Regulated Procurement that were fulfilled during the financial year covered by the report.

(e) A summary of any steps taken to facilitate the involvement of supported businesses in Regulated Procurements during the year covered by the report.

(f) A summary of the Regulated Procurements NHS NSS expects to commence in the next two financial years.

8 Strategy ownership & contact details

In line with the Reform Act and to ensure our Annual Procurement report details our performance against strategy, this strategy will be subject to formal annual review by the NHS NSS Procurement Steering group. This will take account of any changes to organisational objectives and in NHS and Scottish Government policies and strategies. This review will also take account of the key targets and National Framework objectives under development by the Procurement Steering Group.

Strategy Owner: Stevie Mclaughlin

Designation: Head of Procurement

Email: steven.mclaughlin@nhs.net

Telephone: 01698 794578

9 Policies, tools & procedures

National Policies, Tools and Legislation: -

[Scottish Model of Procurement](#)

[Changes to European Directives](#)

[Public Procurement Reform Programme](#)

[Procurement Reform Act Statutory Guidance](#)

[The Procurement and Commercial Improvement Programme](#)

[Suppliers Charter](#)

[EU Procurement Thresholds](#)

[Procurement Journey](#)

[PCIP](#)

[Public Contracts Scotland](#)

[Public Contracts Scotland – Tender](#)

[Information Hub](#)

[The Construction \(Design and Management\) Regulations 2015.](#)

[The Sustainable Public Procurement Prioritisation Tool](#)

<http://www.zerowastescotland.org.uk/>

<http://www.resourceefficientscotland.com/>

[The Scottish Health Council](#)

[The Procurement Competency Framework](#)

NHSS Additional Terms and Conditions of Supply (Food) 2015

NHS NSS Control of Contractors

NHS NSS Corporate Policies and Statements can be located [here](#).

10 Appendix 1 – NHS NSS Services

Services below;

Services



<p>Data intelligence ></p> <p>Data management, health and care information and intelligence, bespoke services, research, innovation, audit and clinical trials support, health management and information libraries</p>	<p>Health protection ></p> <p>Immunisation and preventative programmes, health threat surveillance, incident and outbreak management, healthcare associated infection, travel and international health, workforce education and development, research and intelligence</p>	<p>Specialist healthcare ></p> <p>Specialist clinical services, population screening, national network management services</p>	<p>Logistics ></p> <p>Warehouse operations, supply chain, distribution, fleet management, ward product management</p>
<p>Procurement ></p> <p>Strategic sourcing, commercial services, procurement services</p>	<p>Programme management ></p> <p>Portfolio management, programme and project delivery, programme assurance, programme management office</p>	<p>Facilities ></p> <p>Capital projects, asset management, equipping services, engineering, environment and decontamination, facilities management</p>	<p>Legal ></p> <p>Litigation, employment, commercial property, commercial contracts</p>
<p>Information Technology ></p> <p>Architecture and consulting, contract and vendor management, it project management, solutions and applications, accreditation and testing, solution stewardship, infrastructure services</p>	<p>Blood, tissues and cells ></p> <p>Blood, tissues and cells, clinical services, research, development and innovation, training, testing, quality assurance and regulatory compliance</p>	<p>Practitioner ></p> <p>Medical, pharmacy, dental, ophthalmic</p>	<p>Counter fraud ></p> <p>Fraud prevention, fraud detection, fraud investigation</p>

11 Appendix 2– Procurement Strategy Action plan

Objective 1: Compliance and Governance				
Objectives, Aim and Outcomes	Performance Indicator	Action Ref.	Procurement Steering Group Measures (Define, track and report a monthly basis)	Target Date
<p>GOALS Implement in full the new Procurement Regulations including the Procurement Reform Act Promote and drive compliance with NHS NSS Standing Financial Instructions Make best use of the regulations to achieve optimal value</p> <p>OUTCOMES Full audit trail of procurement decisions made Improved contract compliance across NHS NSS Procurement guidance updated to reflect latest legislation</p>	<p>Fully updated SFI's and Corporate Procurement Guidance</p> <p>Public Contract Register detailing >65% of non-pay spend*</p> <p><small>*Note around 25%-35% of spend either under £50K threshold or is spend with other public bodies and out of scope for this measure</small></p>	1.01	Update SFI's to reflect latest Procurement Regulations	Completed Apr-16
		1.02	Update corporate procurement guidance for NSS colleagues with associated engagement plan for key stakeholders	Dec-16
		1.03	Identify any key risk areas with regards to SFI compliance and develop a plan to mitigate	Jan-17
		1.04	Review current contract registers from SBU's and if appropriate ensure these appear on public facing register	Feb-17
		1.05	Develop an internal communications and training plan to ensure ongoing compliance with procurement regulations	Mar-17
		1.06	Engage with Health CoE and other Health Boards to ensure common approach to legislation	Apr-17
		1.07	Plan and implement an updated approach to determining compliance with SFI's which utilises technology and reduces manual effort	Jun-17
		1.08	Identify a process to assure NHS NSS that all regulated contracts appear on the public facing register	May-17

Objective 2: Delivering Savings & Value				
Objectives, Aim and Outcomes	Performance Indicator	Action Ref.	Procurement Steering Group Measures (Define, track and report a monthly basis)	Target Date
<p>GOALS Support NHS NSS in meeting and exceeding Procurement savings targets Promote the Procurement profession and demonstrate added value Make Procurement integral to NHS NSS delivery</p> <p>OUTCOMES Delivery of the corporate savings target Delivering ongoing cost avoidances Reduction in wasteful administrative activities Ensuring contract delivery and additional non-cash benefits from our supply base Improve contract compliance across NHS NSS Highly professional and engaged procurement team</p>	Deliver 2016-17 Corporate Procurement Savings target of £0.5M	2.01	Identify, track and deliver a number of key savings initiatives that will deliver the £0.5M target for FY16-17	Mar-17
		2.02	Identify, track and deliver a number of key savings initiatives that will deliver the £0.5M target for FY16-17	Mar-18
	Deliver 2017-18 Corporate Procurement Savings target of £0.5M	2.03	Implement a process to ensure national & sectoral contracts are implemented within 2 weeks of contract go live	Apr-17
		2.04	Develop a communications plan to communicate new legislation , contract availability and promote the procurement team within NHS NSS	Feb-17
	Implement national & sectoral contracts within 4 weeks of commencement date	2.05	Finalise current SBU contract registers and where appropriate load these on to public contract register	Jan-17
		2.06	Develop local workplan with savings targets based on categories of spend for 2017-18 FY	Jun-17
	Develop local contract workplan based on spend categories	2.07	Standardise supplier management across NSS based on the procurement journey balanced scorecard with centralised benefits tracking	Feb-17
		2.08	Identify at least one project that is innovative in its approach to contracting which will reduce admin burden and make it easier for NHS NSS and its suppliers to work with each other	May-17
		2.09	Utilise technology to automate and reduce admin workload with at least one example approach delivered	May-17
		2.10	NHS NSS Procurement team assessed against the procurement Competency Framework to inform development plans	Jan-17
		2.11	Measure Procurement's performance within NHS NSS with an effective balanced scorecard	Mar-17

Objective 3: Implement Sustainable Procurement Across NHS NSS				
Objectives, Aim and Outcomes	Performance Indicator	Action Ref.	Procurement Steering Group Measures (Define, track and report a monthly basis)	Target Date
<p>GOALS</p> <p>To be compliant with the Procurement Reform (Scotland) Act 2014 and its general and other duties, including the Sustainable Procurement Duty. To facilitate, support and promote the benefits of sustainable procurement including supporting the transition to a circular economy apply whole life costing, early supplier involvement and encourage innovative products and solutions Embed sustainability in procurements in a relevant and proportionate manner, as required by the Procurement Reform (Scotland) Act 2014, To provide best value and secure wider social, economic and environmental benefits To promote and support NHS NSS strategic objectives, key priorities and policies.</p> <p>OUTCOMES</p> <p>Demonstrable and measurable sustainable outcomes Compliance with the Sustainable Procurement Duty Improved accessibility to contracts for SMEs, Social Enterprises and Third Sector Reduced environmental harm from our supply chain</p>	<p>Spend mapped against prioritisation tool</p> <p>Sustainable procurement action plan in place</p>	3.01	Ensure SFI's are updated to take account of new procurement legislation	Completed Apr-16
		3.02	Procurement attendance and input into NHS NSS sustainability group to help inform NHS NSS approach in this area	Completed Apr-16
		3.03	Establish a central register of sustainable procurement benefits	Mar-17
		3.04	Complete the Flexible Framework assessment for 2016-17 to identify current position and inform improvement action plan	Mar-17
		3.05	Complete SG prioritisation exercise against NHS NSS spend	Mar-17
		3.06	Identify an implement at least one contracting opportunity with a supported business	Jul-17
		3.07	Identify a contracting area / approach which would ease access to NHS NSS opportunities for small businesses	Sep-17

12 Appendix 3 - Communications Plan

Introduction

This communication plan has been produced to ensure effective engagement and provide timely information to raise awareness of the proposed publication of the NHS National Services Scotland (NSS) Procurement Strategy among NSS staff, before being published on the NSS website.

The focus will be on internal communication, advising staff that a strategy has been developed, what it means for them and where they can find it.

Background

Each year, the public sector in Scotland spends over £10 billion on goods, works and services to deliver the Scottish Government's purpose – to create a more successful country, with opportunities for Scotland to flourish by increasing sustainable economic growth.

In order to deliver sustainable economic growth, it is essential that we continue to use the power of public spending to deliver greater public value, drive efficiencies and help public bodies achieve their overarching purpose and strategic objectives. The Procurement Reform (Scotland) Act 2014 came into force in April 2016 to help achieve this.

In order to ensure that procurement activity delivers value for money and contributes to the achievement of broader aims and objectives in line with Scotland's National Outcomes, a contracting authority must develop a procurement strategy. In addition, it must produce an annual procurement report to record and publicise its performance and achievements in delivering its strategy.

By the end of December 2016, NSS will publish a procurement strategy to help promote the positive impacts public procurement can have on Scotland's economy and public services.

Key communication objective

The objective of this plan is to ensure that information is planned and provided to engage target audiences, particularly members of staff throughout NSS to raise awareness of the NSS Procurement Strategy. This will be achieved by:

- providing timely information prior to the launch of the strategy on the NSS website
- providing a mechanism whereby communication and engagement is a two way process
- ensuring staff throughout NSS are aware of what the strategy means for them
- raising awareness that the strategy has been published.

Approach

The NSS Procurement team will work with the Communications team, to raise awareness of the Procurement Strategy prior to it being published on the NSS website.

Key messages

The key messages below have been developed to help launch the publication of the Procurement Strategy

- To ensure transparency. it is now a legal requirement for NHS NSS to publish a procurement strategy.
- It is important that everyone throughout NHS NSS takes responsibility for the delivery of the objectives and goals within this strategy not just the Procurement team.
- We will ensure that our services not only benefit the health of the people of Scotland but also ensure value for money, including delivering savings.
- We continually improve our practices and processes to ensure we deliver our services in a way which is both environmentally and ethically responsible and promotes economic growth in our communities.

Key target audiences

Internal

Staff at all levels throughout NSS

External

Scottish Government

Other contracting authorities

Suppliers / Prospective Suppliers

The media

General public

Channels of communication

Staff Update: 13 December 2016

Trailer for procurement strategy and new legislation to raise awareness prior to publication.

Pulse: 12 December 2016

Article to be written by Pulse team for inclusion in the December issue of Pulse to highlight why the strategy has been produced and what it means for staff.

Chief Executive's endorsement to raise awareness of the importance of the strategy.

geNSS: 14 December 2016

NSS Corporate Procurement Intranet pages of geNSS uploaded with strategy & guidance on how staff can support the aims of the Strategy.

Team Talk: January 2016

Team Talk is the key communication channel for informing staff about the project at team meetings. Updates can be provided in future editions of Team Talk as required.

Staff Update: 13 December 2016

Reminder that Procurement strategy to be published on NSS website 16 December 2016.

Twitter campaign: 16 December 2016

Tweets to highlight key messages and publication of strategy on NSS website.

Timeline

Channel	Deadline	Publication date	By whom
Staff Update		12 December 2016	S McLaughlin and Comms team
Pulse	10 November 2016	12 December 2016	S.Mclaughlin interview and article by Pulse Team – approved
Write Team Talk content	16 December 2016	12 January 2017	S.Mclaughlin and Comms team
geNSS Procurement Intranet pages	18 November 2016	14 December 2016	NSS Procurement and Comms and Intranet Publisher
NHS NSS Corporate website	30 November 2016	16 December 2016	NSS Procurement and Comms
Twitter campaign	15 December 2016	16 December 2016	NSS Procurement and Comms

13 Appendix 4 PSG Terms of Reference

1. Title

NSS Procurement Steering Group

2. Accountable to

Chief Executive

3. Project Objective

The boards' key objective is to ensure effective governance and performance of NSS 3rd party spends within NSS.

4. Roles and Responsibilities of Group

1. **COMPLIANCE:** To ensure all 3rd party spend is appropriately contracted in line with board SFI's and that NSS procurement activity meets all new requirements set out in the Procurement Reform (Scotland) Bill
2. **VISIBILITY:** To ensure that all spend data is held appropriately with effective reporting measures in place.
3. **SAVINGS:** To set targets, measure appropriately and drive procurement efficiency targets.
4. **PROCUREMENT PERFORMANCE:** To ensure NSS achieves and maintains an upper quartile Procurement & Commercial Improvement Programme (PCIP) Rating against the full question set.
5. **DEVELOPMENT:** To actively develop NSS procurement practises and lead in the support NSS strategic targets such as increased cross public sector influence
6. **COLLABORATION:** To lead change in fostering a cross SBU collaborative partnership approach to procurement within NSS. Act as a conduit for NHSS PSG activities and for NSS requests into NHSS PSG.

5. Membership

Organisation/ Division:	Responsibilities:
NSS Director of Finance & Business Services	<ul style="list-style-type: none"> • Chair of PSG • Acts as Project Director on improvement projects identified* • Reviews and approves strategies and actions • Represents PSG link to NSS Board • Provides overall guidance to PSG membership • Ensures that risks are being tracked and managed effectively

PCF Strategic Sourcing Director	<ul style="list-style-type: none"> • Provide Strategic Procurement Direction to the PSG. • Represents the PSG on the NHSS PSG • May act as Project Director on improvement projects identified
NSS Head of Procurement	<ul style="list-style-type: none"> • Represents NSS Operation procurement on PSG • Acts as Project Manager on improvement projects identified • Supports the Project Director to deliver improvement project objectives • Prepares update reports and other documentation required by the Project Director for the PSG
Client Lead – SBU’s	<ul style="list-style-type: none"> • Acts as central coordinator for the SBU he/she represents, this will include work identified in the PSG. • Champion for changing working practice and challenging barriers to improvements • Ensures effective communication between SBU and PSG creating appropriate channels to disseminate information

6. Chair

NSS Director of Finance & Business Services

7. Decision Making

Decisions and actions from each meeting will be recorded in the meeting minutes

8. Frequency and Location of Meetings

Monthly held at Gyle Square

9. Papers

Papers will be distributed 1 week in advance of each meeting with meeting minutes available within 10 working days of each meeting.

10. Lifespan

Terms of Reference will be reviewed annually

14 Glossary

Term	Definition
Commodity	Classification for NHS NSS to provide the ability to accurately describe the primary business activities of their suppliers.
Category	A collection of similar commodities grouped together to support category management
Category Management	a process which relies on cross functional teamwork to generate procurement outcomes that fully satisfy agreed business needs
European Single Procurement Document (ESPD)	A single common document intended, by the European Commission, to reduce the administrative burden on bidders and remove some of the barriers to participation in public procurement, especially for small to medium-sized enterprises (SMEs)
Freedom of Information	A public "right of access" to information held by public authorities
Invitation to Tender	A call for bids, call for tenders, or invitation to tender (ITT, often called tender for short) is a special procedure for generating competing offers from different bidders looking to obtain an award of business activity in works, supply, or service contracts.
Supported Business	An establishment where more than 50% of the workers are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market
Standing Financial Instructions	Details the financial responsibilities, policies and procedures adopted by NHS NSS. They are designed to ensure that financial transactions are carried out in accordance with the law and government policy in order to achieve probity & accuracy.
Whole Life Costing	A technique used to establish the total cost of acquisition and ownership. It is a structured approach which addresses all the elements of cost and can be

	used to produce a spend profile of the product over its anticipated lifespan.
Circular Economy	A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life
Community Benefits	Community Benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental benefits.
Cost Avoidance	The act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially impacts, the bottom-line cost and is normally referred to as a “soft” cost saving i.e. negating supplier requests to increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median
Small and Medium Sized Enterprises	Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding Enterprises (SMEs) 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro

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Approvals: This document requires the following signed approvals.

NHS NSS Procurement Steering Group