Table of Contents

1  Procurement Vision / Mission Statement ...........................................5
2  Strategy Rationale / Context .................................................................6
3  Strategic aims, objectives & key priorities ...........................................9
4  Spend ....................................................................................................14
5  Mandatory Obligations ........................................................................15
6  Monitoring, reviewing and reporting ....................................................22
7  Strategy ownership & contact details ....................................................24
8  Policies, tools & procedures ..................................................................25
9  Appendix 1 – NHS NSS Services ..........................................................27
10 Appendix 2 - CCSG Terms of Reference ..............................................28
11 Appendix 3 - NSS Prioritisation Output ...............................................31
12 Glossary ...............................................................................................33

DOCUMENT CONTROL SHEET: ...............................................................36

Owner: S.Mclaughlin,
NSS Head of Procurement
Introduction / Executive summary

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

NHS National Services Scotland’s (NHS NSS) purpose is that;

“We provide national solutions to improve the health and wellbeing of the people of Scotland”

And our Vision is;

“To be integral to a world-leading health and care service”

NSS, working with others, will enable the transformation of health and care to help improve the health and wellbeing of the people of Scotland.

We will continue to underpin a sustainable and resilient NHS Scotland by providing excellent support services and expertise.

We will assist other public sector organisations where there is value in doing so.

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)
• Become a great place to work.
This strategy sets out clearly the Procurement objectives of NHS NSS over the
period of 2019-2024; 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.

Colin Sinclair

National Services Scotland Chief Executive
1 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
2 Strategy Rationale / Context

2.1 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.

2.2 NHS NSS Procurement structure
In 2018-19 NHS NSS had a non pay spend of around £331M to support delivery of its objectives. Spend is split between NHS NSS corporate and service expenditure of around £50M with approximately £281M being spent on supporting National Programmes and services, funding which ‘passes through’ NHS NSS. Achieving best value against the corporate expenditure of £50M is currently the primary focus of NHS NSS Procurement and this strategy.
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 Cost and Commercial Steering Group (CCSG) whose roles and responsibilities are presented in Appendix 4.

In common with NHS NSS strategy documents this Procurement strategy operates on a rolling 5 year period and is refreshed annually. This strategy covers the period from 2019-2024.
3 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.

- Customers at the heart of everything we do
- Increasing our service value
- Improving the way we do things
- Become a great place to work

These objectives link directly to the NHS NSS Procurement objectives;

Procurement strategic objectives
As well as playing a lead role in National Board procurement collaboration; 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
• 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 Public Sector 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 the annual workplan
• 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: Progress Ethical and 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.
- Embed ethical procurement into NHS NSS procurement processes

**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
- 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 Public Sector organisations on contract opportunities and knowledge sharing to drive improvements in sustainable and ethical 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.
4 Spend

Achieving best value against the corporate & service expenditure of £50M is currently the primary focus of NHS NSS Procurement. The following chart provides a high level overview of where NHS NSS spends its money each year to fund its operations;

![NSS Corporate Spend Profile](image)

Figure 2 NHS NSS Spend by Product / Service
5 Mandatory Obligations

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

5.1.1 Regulated & OJEU Procurements
It is our aim to ensure 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.

5.1.2 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.

5.1.3 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 Development Framework details of which can be accessed in the Policies, Tools & Procedures section working within the NHS Knowledge and Skills framework.

5.1.4 Priorities for Public Procurement

NHS NSS Procurement will ensure that it works within the national context under the Scottish Government Priorities for Scottish Public Procurement, which aligns with the National Performance framework;
Basing our procurement objectives around the renewed procurement priorities outlined above we will implement approaches within the Scottish public sector Procurement model.

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.

5.1.5 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.

5.1.6 Engaging with Suppliers

NHS NSS Procurement will continue to identify all service and product spend that is eligible to be subject to regulated procurements and will place this spend on its activity work-plan to ensure all spend is advertised to the market through Public Contracts Scotland.
As each contracting activity is different, market engagement strategies will primarily be defined within the individual contracting strategy. NHS NSS Procurement however will continue to engage with the wider market through events such as Procurex & Procurement 4 Health (P4H) along with participating in smaller supplier focused events as they arise such as those facilitated by the Supplier Development Programme. Additionally, we will work with the National Procurement category teams to leverage their work and engagement with our key suppliers.

Requirement Specifications for Regulated Procurements will maintain the core philosophy of being ‘outcome based’ to ensure as wide participation as possible with clear, concise wording to minimise misinterpretation. Where possible, administration burden will be reduced for suppliers by use of electronic procurement systems which promote data re-use using concepts such as the European Single Procurement Document (ESPD) meaning suppliers can enter their details once and then re-use for all further competitions.

Utilising procurement procedures such as Dynamic Purchasing Systems (DPS) can also greatly reduce supplier administration burden and speed up tender procedures for individual contracts under the DPS and open up the opportunity to as wide a range of suppliers as possible; NHS NSS has one of these systems in place currently and is actively looking at other areas where this approach could be applied.

**5.1.7 Sustainable Procurement Duty**

NHS NSS Procurement will meet our Sustainable Procurement Duty through the use of the following Scottish Government tools;

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

Appendix 3 details the outcome of the prioritisation exercise carried out in 2018. The top 4 areas are our current specific focus to ensure our products and services here are being delivered in alignment with the Duty. Application of the Sustainability test...
helps us to clarify objectives within each area which we then share with our key suppliers through contract management activity.

All regulated procurements now incorporate the Sustainability test, with whole life costing being applied where suitable. Life Cycle Impact Mapping is an area that we are investigating for our product areas as product spend is less than 20% of our total spend.

Of key importance is the Flexible Framework tool. This is a comprehensive evaluation methodology which seeks to assess all areas of the procurement organisation against a suite of best practice approaches. The tool outputs an action plan to support the user in developing approaches and procedures to drive sustainable procurement within an organisation to best in class levels. NHS NSS Procurement assesses itself using this tool on a regular basis.

5.1.8 Community benefits

In support of our commitment to the Sustainable Procurement Duty, we will commit to identify opportunities to embed community benefits within our contracts. These will be:

- relating to —
- training and recruitment, or
- the availability of sub-contracting opportunities, or
- which is otherwise intended to improve the economic, social or environmental wellbeing of the authority’s area in a way linked to the main purpose of the contract in which the requirement is included.

The primary approach we will utilise to identify opportunities will be to run the sustainability test at contract strategy stage. This will be completed in full consultation with our expert user group, this exercise will highlight priority areas that could be included within the contract to deliver associated community benefits.

5.1.9 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 8.

5.1.10 Scottish living wage

As a responsible Procurement organisation, NHS NSS understands that Public Procurement is a key driver of policy development and service delivery which supports sustainable economic growth. As such we take seriously the need to balance value for money with fair and equal pay for those employed in delivering our goods and services.

It is not possible to set payment of the Living Wage to staff as a mandatory requirement within a competitive procurement process where the Living Wage is greater than any minimum wage set by or in accordance with law.

NHS NSS supports the Scottish Government’s position that;
“..employers whose staff are treated fairly, who are well-rewarded, well-motivated, well-led, have access to appropriate opportunities for training and skills development, and who are a diverse workforce are likely to deliver a higher quality of service. Further, we hold that good relationships between employers and their workforce contribute to productivity and ultimately sustainable economic growth.”

Further, NHS NSS supports the Scottish Government’s belief that it considers;

“..the payment of the Living Wage to be a significant indicator of an employer’s commitment to fair work practices and that payment of the Living Wage is one of the clearest ways that an employer can demonstrate that it takes a positive approach to its workforce.”
Our Procurement team have all received training in sustainable procurement and have developed an understanding of the Procurement Reform (Scotland) Act 2014 and its associated implications. We have utilised the available tools to identify at risk services in this regard through the prioritisation tool and sustainability tests and have begun evaluating fair working practices in associated regulated tenders.

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

The primary areas for Health & Safety considerations would be on building related procurements. As such we work closely with our facilities team on both the tendering and contract management aspects. We have delivered awareness sessions on the Procurement Reform (Scotland) Act 2014 and work closely with facilities in managing the Hard and Soft Facilities management contracts for NHS NSS.

Our facilities team are construction site safety management certified which includes legal and practical knowledge of health and safety management on construction works including the Health and Safety at Work, Etc. Act 1974. This supports our in-house capability to ensure any works completed on behalf of the NHS NSS are performed to the latest Health and Safety standards. All building tenders and quotes are run in accordance with the Construction (Design and Management) Regulations.

5.1.12 Fair & Ethical Trading

NHS NSS Procurement has started to include conditions relating to compliance with environmental, social and employment law within its contracts. We will work closely with our sector Centre of Excellence, colleagues in Scottish Government and across the wider public sector to understand and implement latest practice approaches to assuring our supply chains operate to the highest ethical standards.

5.1.13 Payments to Contractors & Sub Contractors

NHS NSS Procurement realises the importance of ensuring our suppliers and in turn, their suppliers’ cash flows are maintained. In support of this priority we monitor and measure payments to our contractors on a monthly basis. We will carry out a sample audit of our key contractors’ payment times to their sub contractors.
6 Monitoring, reviewing and reporting

6.1 Monitoring our objectives

The strategic objectives will be shared with the NHS NSS Cost and Commercial Steering Group on a two monthly basis. A six monthly progress report will also be prepared for the Executive Management Team.

6.2 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.

6.2.1 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.

6.3 Annual Report

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

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

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

• 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.

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

• A summary of the Regulated Procurements NHS NSS expects to commence in the next two financial years.
7 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 Finance Performance and Procurement Committee. 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 Cost and Commercial Steering Group.

Strategy Owner: Stevie Mclaughlin
Designation: Head of Procurement
Email: steven.mclaughlin@nhs.net
Telephone: 01698 794578
8 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

Health and Social Care Standards

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.
## 9 Appendix 1 – NHS NSS Services

Services below:

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

27 | Page NHS National Services Scotland: Procurement Strategy 2016-2021
10 Appendix 2 - CCSG Terms of Reference

1. Title

Cost & Commercial Steering Group (CCSG)

2. Accountable to

Executive Management Team (EMT)

3. Group Objective

In recognition of sound cost management of our 3rd party spend with specific focus on the following major spend areas: IT, Clinical, Facilities, Human Resources and general support costs. The key objectives of the group are to deliver the financial targets identified in the NSS Financial Sustainability Plan.

4. Roles and Responsibilities of Group

1. OPPORTUNITY DEFINITION: identifying and evaluating opportunities to drive better value from 3rd party spend and associated internal processes.

2. COMPLIANCE: To ensure all 3rd party spend is appropriately contracted in line with board SFI’s and that NSS procurement activity meets all requirements set out in all active Procurement Regulations.

3. VISIBILITY: To ensure that all spend data is clearly visible and attributable to budget holders with effective reporting measures in place.

4. SAVINGS: To set and progress savings targets against;
a. 3rd party spend, resulting in CRES and cost avoidances
b. Internal efficiency savings resulting in reduced resource strain (Non-CRES).

5. PROCUREMENT PERFORMANCE: To support the Procurement function in the delivery of the NSS Procurement Strategy.

6. NON-MONETARY: To identify and support the delivery of social and environmental outcomes through its 3rd Party spend influence.

5. Membership

<table>
<thead>
<tr>
<th>Organisation/Division:</th>
<th>Responsibilities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSS Director of Finance</td>
<td>• Chair of CCSG</td>
</tr>
<tr>
<td></td>
<td>• Acts as Project Director on improvement projects identified*</td>
</tr>
<tr>
<td></td>
<td>• Reviews and approves strategies and actions</td>
</tr>
<tr>
<td></td>
<td>• Represents CCSG link to Finance Performance and Procurement Committee</td>
</tr>
<tr>
<td></td>
<td>• Provides overall guidance to CCSG membership</td>
</tr>
<tr>
<td></td>
<td>• Ensures that risks are being tracked and managed effectively</td>
</tr>
<tr>
<td>NSS Head of Procurement</td>
<td>• Represents NSS Operational procurement and PCF on CCSG</td>
</tr>
<tr>
<td></td>
<td>• Acts as Project Manager on improvement projects identified and,</td>
</tr>
<tr>
<td></td>
<td>• Supports the Budget Holder Representatives to deliver improvement project objectives</td>
</tr>
<tr>
<td></td>
<td>• Prepares update reports and other documentation required by the Chair for the CCSG</td>
</tr>
<tr>
<td></td>
<td>• Opportunity identification</td>
</tr>
<tr>
<td>Budget Holder</td>
<td>• Direct report of an SBU Director</td>
</tr>
</tbody>
</table>
Representatives in the following areas:

- Digital and Security
- Clinical
- Facilities

- Opportunity Identification
- Takes ownership of their assigned savings & efficiency targets
- Acts as central coordinator for the SBU he/she represents, this will include work identified in the CCSG.
- Champion for changing working practice and challenging barriers to improvements

6. Chair

NSS Director of Finance or if unavailable PCF Strategic Sourcing Director.

7. Decision Making

Decisions and actions from each meeting will be recorded in the meeting minutes; project actions will be tracked and reviewed at each meeting to ensure progress is maintained

8. Frequency and Location of Meetings

Two 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
11 Appendix 3 - NSS Prioritisation Output

NHS NSS Procurement completed a review in 2018 of its spend against the Scottish Public Procurement Prioritisation Tool which supports us in developing the social and environmental aspects of commodity strategies for our spend. We plan to review this at least annually to ensure our approaches are informed and up to date.
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity</td>
<td>Classification for NHS NSS to provide the ability to accurately describe the primary business activities of their suppliers.</td>
</tr>
<tr>
<td>Category</td>
<td>A collection of similar commodities grouped together to support category management</td>
</tr>
<tr>
<td>Category Management</td>
<td>A process which relies on cross functional teamwork to generate procurement outcomes that fully satisfy agreed business needs</td>
</tr>
<tr>
<td>European Single Procurement Document (ESPD)</td>
<td>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)</td>
</tr>
<tr>
<td>Freedom of Information</td>
<td>A public &quot;right of access&quot; to information held by public authorities</td>
</tr>
<tr>
<td>Ethical Procurement</td>
<td>'Ethics' in purchasing and supply management can relate to a wide range of issues from supplier business procedures and practices to corruption. The common areas relate to ethics and ethical behaviour in companies include fair-trade, ethical trading, ethical sourcing, social accountability, social auditing, corporate social responsibility, corporate citizenship, codes of conduct and reputation assurance</td>
</tr>
<tr>
<td>Invitation to Tender</td>
<td>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.</td>
</tr>
<tr>
<td>Supported Business</td>
<td>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</td>
</tr>
<tr>
<td>Standing Financial Instructions</td>
<td>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 &amp; accuracy.</td>
</tr>
<tr>
<td>Whole Life Costing</td>
<td>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.</td>
</tr>
<tr>
<td>Circular Economy</td>
<td>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</td>
</tr>
<tr>
<td>Community Benefits</td>
<td>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.</td>
</tr>
<tr>
<td><strong>Cost Avoidance</strong></td>
<td>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</td>
</tr>
<tr>
<td><strong>Small and Medium Sized Enterprises</strong></td>
<td>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</td>
</tr>
</tbody>
</table>
DOCUMENT CONTROL SHEET:

Key Information:

<table>
<thead>
<tr>
<th>Title:</th>
<th>NHS National Services Scotland Procurement Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Published/Issued:</td>
<td>18/06/2019</td>
</tr>
<tr>
<td>Date Effective From:</td>
<td>As above</td>
</tr>
<tr>
<td>Version/Issue Number:</td>
<td>1</td>
</tr>
<tr>
<td>Document Type:</td>
<td>Strategy</td>
</tr>
<tr>
<td>Document Status:</td>
<td>Final</td>
</tr>
<tr>
<td>Author:</td>
<td>S.Mclaughlin</td>
</tr>
<tr>
<td>Owner:</td>
<td>NHS NSS Head of Procurement</td>
</tr>
<tr>
<td>Approver:</td>
<td>NSS Director of Finance; Director of Procurement Commissioning and Facilities; NP Strategic Sourcing Director; 12/06/2019;</td>
</tr>
<tr>
<td>Approved by and Date:</td>
<td>NSS Director of Finance; Director of Procurement Commissioning and Facilities; NP Strategic Sourcing Director; 12/06/2019; NSS Chief Executive 16/06/2019</td>
</tr>
<tr>
<td>Contact:</td>
<td><a href="mailto:Steven.mclaughlin@nhs.net">Steven.mclaughlin@nhs.net</a></td>
</tr>
<tr>
<td>File Location:</td>
<td>np-bcs\12 PC&amp;F\Sourcing\NHS NSS Procurement\Strategy</td>
</tr>
</tbody>
</table>

Revision History:

<table>
<thead>
<tr>
<th>Version:</th>
<th>Date:</th>
<th>Summary of Changes:</th>
<th>Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>V1</td>
<td>12/06/2019</td>
<td>Interim Approval; final approval will be sought at next Finance Performance and Procurement Committee in August 2019</td>
<td>NSS Director of Finance; Director of Procurement Commissioning and Facilities; NP Strategic Sourcing Director</td>
</tr>
</tbody>
</table>

Approvals: This document requires the following final approval.

NHS NSS Finance Performance and Procurement Committee