



Procurement Annual Report
Period: April 2022 – March 2023

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Introduction

NHS Lanarkshire has a trade spend of around £309m per annum. The Procurement & Logistics Department provides a comprehensive procurement and logistics service for all Health Board functions. This includes strategic sourcing and advice to improve effectiveness and value for money for all expenditure on goods, services and works.

We operate within the context of a published [Procurement Strategy](#). The key priorities set out in the health board's procurement strategy for the year 2023-23 were:

A. To provide continuity of supply

To provide goods and services where needed, when needed and are fit for purpose, supporting timely treatment of patients and continuous improvement of the patient experience.

B. To deliver sustainable procurement, Community Benefits and promote local economic development

To support NHS Lanarkshire's healthcare strategy through leveraging supply chain expenditure to support local economic development, tackle inequalities, deliver Community Benefits, and help improve our environment.

C. To deliver value for money outcomes

To generate both cash and non-cash savings which can be reinvested into patient care and service delivery, ensuring that all resources are deployed to best effect.

D. To maintain effective financial governance

To ensure robust governance in all relevant areas and maintain corporate and individual reputation by ensuring that all procurement activity complies with statutory and regulatory requirements.

NHS Lanarkshire sources its requirements via local, regional or national framework contracts wherever possible. This takes the form of either direct call-offs, or where required by the framework terms, further competition (also known as mini-competition) exercises are undertaken. Contracts established via these further competitions are themselves regulated procurements.

Where our requirements cannot be met by local, regional or national frameworks, contract requirements in excess of £50,000 (regulated procurements) are advertised on the Public Contracts Scotland website which has UK-wide reach. To ensure best value, for procurements under £50,000 contract value we undertake competitive quotation processes to a lower threshold of £10,000.

Summary of Regulated Procurements Completed

In total, NHS Lanarkshire awarded or modified 30 regulated contracts with a combined value (including extension options) of £24.9m in the period 1st April 2022 – 31st March 2023:

Title	Contract type	Published date	Total value	Awarded supplier (s)
Labs Managed Service Contract (Extension)	Extension of contract	07/09/2022	£6,000,000.00	Roche Diagnostics Ltd
Award of Outsourced Elective Activity Requirement: 2022/23	Services Contract	07/09/2022	£4,940,000.00	Circle Healthcare
Award of OP & IP/DC 'Insource' Support 2022-23	Services Contract	07/09/2022	£1,553,206.00	Sirona Medical Limited; Insource Medicare
Award of NHSL691 Lease Electric Vehicles	Supply Contract	04/10/2022	£1,424,401.60	Athlon; Kinto
Award of NHSL713 Kylepark New-Build Accommodation Works	Works Contract	10/11/2022	£1,294,917.99	Emtec Property Services
Award of Patient Record Back scanning in General Practice	Services Contract	07/09/2022	£1,200,000.00	Ricoh
Award of Water Management Services	Services Contract	12/07/2022	£1,143,464.00	DMA Canyon Ltd
Award of South ADP Whole Family Approach	Services Contract	02/12/2022	£975,000.00	My Support Day
Award of NHS Lanarkshire MRP Legal and Contractual Advice	Services Contract	07/09/2022	£900,000.00	MacRoberts LLP
Award of South ADP Advocacy Services	Services Contract	02/12/2022	£740,000.00	Equal Say
Award of Recovery Development Team in North Lanarkshire	Services Contract	23/03/2023	£699,680.00	Recovery Scotland
Award of NHSL 527 Road Surfacing Framework	Works Contract	20/04/2022	£630,000.00	John McGeady Ltd
Award of NHSL 527 Road Surfacing Framework	Works Contract	20/04/2022	£630,000.00	Hillhouse Quarry Group Ltd T/A MacASPHALT
Award of NHSL 527 Road Surfacing Framework	Works Contract	20/04/2022	£630,000.00	Luddon Construction Ltd
Award of Justice Support South ADP	Services Contract	25/05/2022	£600,000.00	Sacro

Award of Community Development Programme	Services Contract	31/05/2022	£440,000.00	Healthy n Happy Community Development Trust
Award of Community Development Programme	Services Contract	31/05/2022	£440,000.00	Healthy Valleys
Award of NHSL717 Supply of Commercial Laundry Equipment: Replacement Soil Sort Conveyor	Supply Contract	11/10/2022	£408,977.00	Jensen UK Ltd
Award of North ADP Individual Placement Support	Services Contract	23/03/2023	£379,600.00	Scottish Association for Mental Health
Award of Supply of Charging Infrastructure for Electric Vehicles	Supply Contract	03/11/2022	£277,265.00	Swarco UK Ltd
Award of NHSL738 Microfiber Cleaning Systems	Supply Contract	13/03/2023	£242,471.32	Vermop UK Ltd
Award of Airbles Road External Works	Works Contract	22/12/2022	£200,000.00	Prime Build Solutions
Award of NHSL725 - Agency Staff University Hospital Monklands	Supply Contract	21/11/2022	£196,000.00	Blue Arrow Ltd
Award of NHSL725-02 - Agency Staff West of Scotland Laundry	Supply Contract	09/11/2022	£98,000.00	Blue Arrow Ltd
Award of Structured Cabling Tender	Supply Contract	07/09/2022	£90,000.00	FES Support Services Ltd
Award of NHSL727 - Stepps Surgery, Maintenance and Upgrade Works	Works Contract	08/02/2023	£88,551.00	MPMH Construction Ltd
Award of NHSL701 Coatbridge Health Centre Consulting Rooms Refurbishment	Works Contract	20/06/2022	£88,547.00	MPMH Construction Ltd
Award of NHSL744 - Udston Hospital Ward Upgrade	Works Contract	22/02/2023	£69,603.00	MPMH Construction Ltd
Award of NHSL332-22 Supply of Patient Weighing Scales Calibration	Services Contract	09/08/2022	£68,000.00	D Brash and Sons Ltd
Award of IT Service Desk Analyst	Services Contract	07/09/2022	£65,000.00	Venesky Brown Ltd
Award of NHSL716 Supply of Commercial Laundry Equipment: Replacement Folder	Supply Contract	12/10/2022	£57,400.00	Girbau UK
Award of Scanning Bureau Printers	Supply Contract	07/09/2022	£33,470.00	Concept Group Ltd
Award of Provision of Primary Medical Services - Airdrie Community Health Centre	Services Contract	13/03/2023		Bankhouse Medical Practice

Details of all contracts awarded can be viewed in detail on the Health Board's public facing contracts register, which contains information on current and expired contracts and can be accessed at the following link:

https://www.publiccontractsscotland.gov.uk/Contracts/Contracts_Search.aspx?AuthID=AA00297

Review of Regulated Procurement Compliance

A review of the regulated procurement activity in the defined period has concluded that all of these procurements complied with NHS Lanarkshire's Procurement Strategy for the year 2022-23.

Community Benefit Summary

Wherever practicable, NHS Lanarkshire includes sustainability and community benefit criteria within its procurements in order to recognise employers who pay the real living wage, employ local people, offer graduate/apprenticeship schemes, and/or are otherwise involved with in improving the economic, health and social wellbeing of their local areas.

As well as assessing the approach to community benefits generally, specific community benefits were delivered in two contracts awarded:

Procurement for South ADP Advocacy Services: the successful provider committed to recruit 4 full time staff, with the recruitment process targeting the local areas and candidates with lived life experience.

Procurement for Community Development Programme: one of the successful providers committed to providing 2 student placements as a result of the contract award, as well as delivery of community training courses e.g. first aid.

Supported Businesses Summary

The Public Contracts (Scotland) Regulations 2015 define a supported business as an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons. In 2022-23, £76,332 was spent with the following supported business:

- Haven Products Limited. Approximately 35% of the Health Board's spend of £ 214,672 on staff uniforms was sub-contracted to Haven Products Ltd under the terms of the national contract for staff uniforms. In addition, the Health Board spent £1,197 directly with Haven Products Limited.

Future Regulated Procurements Summary

During the next two financial years (23/24 and 24/25), the authority expects to commence the following regulated procurement activity:

Description of Procurement	Anticipated Procurement Route	Estimated contract value
Medical Instrument Sterilisation Services	Tender	£25,000,000.00
EVAR and FEVAR Grafts	Framework call-off	£1,200,000.00
WoS Paediatric Feeds Homecare Service	Extension	TBC
Steam Boiler Replacement WoSL	Tender	£150,000.00
Photography & Videography for HR	Quick Quote	£15,000.00
Tree Surveys & Remedial Works	Quick Quote	£45,000.00
Grounds Maintenance Vehicle Lease	Further competition	£200,000.00
Police Custody Healthcare and Forensic Medical Services	Tender	£5,000,000.00
Patient Lifting Equipment Maintenance	Extension	TBC
Authorising Engineers for Asbestos & Lifts	Quick Quote	£40,000.00
MSM LGBTI Sexual Health Improvement Service	Tender	TBC
BBV Health & Wellbeing Services for BME Community	Tender	TBC
Viral Hepatitis Support Service	Contract Modification	TBC
Audiological Equipment	Framework call-off	TBC
Haemodialysis consumables	Framework call-off	TBC
Defibrillator replacement programme	Tender	£450,000.00
Joinery Contractor Framework	Tender	£260,000.00
Municipal Waste Management	Framework call-off	£1,850,000.00
Confidential Waste Disposal Services	Extension	£0.00
SiP Provision	Extension	£300,000.00
MKBC/LWBC Lead Advisor	Further competition	£1,200,000.00
Dangerous Goods Safety Advisor	Quick Quote	£10,000.00
Asbestos Consultancy	Tender	£60,000.00
Procedure Packs	Tender	TBC
Orthotic Services	Tender	TBC

NHSL Transport Hub	Tender	TBC
Pressure Monitoring Sets	Tender	£205,000.00
Leadership Skills for Managers	Tender	TBC
Remote Temperature Monitoring	Tender	TBC
UHW Vending Review	Tender	TBC
UHW Coffee Shop	Tender	TBC
Pressure System Maintenance	Tender	TBC
Authorising Engineers - Medical Gases	Tender	TBC
Udston Hospital Replacement Boilers	Tender	TBC
North ADP- Prison Through Care	Tender	TBC
South ADP- Navigators Programme	Tender	TBC
Rheumatology Software	Quick Quote	£45,000.00
Justice Support South ADP	Extension	£60,000.00
Framework for Supply of Theatre Footwear	Extension	£230,000.00
Pest Control Services	Extension	£100,000.00
Washroom and Baby Changing Bin Exchange Services	Extension	£206,000.00
Supply of Renal Catheter and Fistula Packs	Extension	£136,000.00
Stoma Appliances for Acute Patients	Framework call-off	TBC
Supply of Renal Catheters & Fistula Packs	Extension	£135,000.00
Faecal Management Systems	Framework call-off	TBC
Audiological Devices	Framework call-off	TBC
Supporting Individuals and Families Affected by Substance Misuse in NL	Extension	£400,000.00
Coordination, Advocacy and Support for Young People Impacted by Substance Misuse in North Lanarkshire	Extension	£375,000.00
Procurement of electronic prescribing system	Tender	£950,000.00
Supply of Renal Catheter and Fistula Packs	Tender	£137,000.00
South ADP Peer Education Harm Reduction Programme	Extension	£92,000.00
Keyholding And Manned Response Service	Extension	£80,000.00
Veterans Peer Support Service	Extension	£185,000.00
Board Portal Software	Quick Quote	£20,000.00
Young Person Intensive Support Outreach	Extension	£562,500.00

South ADP Assertive Outreach and Intensive Case Management Support	Extension	£1,075,000.00
Provision of Confidential Counselling Services	Extension	£66,500.00
Supply of Physiotherapy Services	Tender	£340,000.00
Pressure Relieving Redistribution Products & Associated Service Provision	Extension	£312,000.00
Road Surfacing Framework	Extension	£157,500.00
Community Development Programme	Extension	£110,000.00
Authorising Engineers - Decontamination	Framework call-off	TBC
Authorising Engineers - Medical Gases	Framework call-off	TBC
North ADP- Lead Organisation for Research	Tender	TBC
North ADP- Media Campaign tackling Stigma	Tender	TBC
North ADP- Advocacy	Tender	TBC

Cash Savings and Cost Avoidance

The Procurement department records all savings associated with the implementation of contracts in a savings tracker. The savings and cost avoidance delivered in the year 2022-23 are shown in the table below.

Procurement	Savings	Commentary
Medical Locums	£1,724,148	Continued efficiencies from the West of Scotland Neutral Vendor contract including control of the supply market and use of direct engagement model. Note that this is against the backdrop of overall increased spend on agency staffing.
National framework implementation	£212,062	Savings from implementation of contracts covering including wound management products, dental sundries, and stoma community rebate
Local strategic procurement projects	£113,653	Savings recorded from health board sourcing activity, including procurements for pressure relieving mattresses, procedure packs, and vehicle leases.
Medical Equipment	£78,326	These are avoided costs delivered through the procurement of medical equipment including mammography, fluoroscopy and patient monitoring equipment.
Grand Total	£2,128,189	

Contract Coverage

A key aspect of the Board's Procurement Strategy is adherence to local, regional and national contracts wherever possible, and accordingly the Board had a 92% contract spend target for year 2022-23. Spend, organised by category and level of contract compliance, is shown below.

Category	Non-Contract	Contract	Grand Total	Compliance (Target = 92%)		2021-22 Compliance	Yr to Yr Diff
PFI / Hubco Hospitals & Health Centres		£80,010,462.23	£80,010,462.23	●	100%	● 100%	0%
Pharmaceuticals	£1,336,614.59	£51,769,409.74	£53,106,024.33	●	97%	● 97%	0%
Supplementary Staffing	£20,472,714.44	£9,174,448.71	£29,647,163.15	●	31%	● 35%	-4%
Health & Social Care	£2,783,141.66	£22,031,922.38	£24,815,064.04	●	89%	● 90%	-1%
Medical Devices & Clinical Consumables	£2,671,819.54	£19,534,645.98	£22,206,465.52	●	88%	● 88%	0%
Property & Support Services	£2,171,089.81	£17,104,422.32	£19,275,512.13	●	89%	● 85%	4%
Information Communication Technology	£1,097,294.03	£12,001,274.18	£13,098,568.21	●	92%	● 92%	0%
Medical Equipment	£513,865.79	£11,615,215.17	£12,129,080.96	●	96%	● 90%	6%
External Medical Services	£358,659.02	£10,825,799.00	£11,184,458.02	●	97%	● 96%	1%
Laboratory Equipment & Services	£1,067,365.23	£9,958,784.32	£11,026,149.55	●	90%	● 89%	1%
Professional Services	£180,402.35	£10,466,695.11	£10,647,097.46	●	98%	● 96%	2%
Utilities & Energy	£129,039.80	£6,324,764.66	£6,453,804.46	●	98%	● 98%	0%
Taxis / Patient Transport	£306,534.05	£1,978,958.52	£2,285,492.57	●	87%	● 75%	12%
Instrument Sterilisation Services		£2,229,789.98	£2,229,789.98	●	100%	● 100%	0%
Food, Beverage & Catering	£129,974.04	£1,700,992.45	£1,830,966.49	●	93%	● 88%	5%
Vehicles	£15,600.23	£1,412,541.08	£1,428,141.31	●	99%	● 91%	8%
Other Goods & Services	£1,365,265.12	£60,865.01	£1,426,130.13	●	4%	● 10%	-6%
Postal & Courier Services	£1,356.00	£1,228,639.09	£1,229,995.09	●	100%	● 100%	0%
Professional Bodies / Associations	£1,196,956.74		£1,196,956.74	●	0%	● 0%	0%
Education	£3,657.80	£967,713.54	£971,371.34	●	100%	● 71%	29%
Spend with Public Sector Bodies		£714,157.54	£714,157.54	●	100%	New category	
External Print / Promotional	£98,027.73	£384,257.62	£482,285.35	●	80%	● 79%	1%
Furniture	£5,299.08	£434,203.61	£439,502.69	●	99%	● 95%	4%
Stationery & Office Products	£32,789.51	£379,848.85	£412,638.36	●	92%	● 89%	3%
Training	£342,058.51	£23,650.00	£365,708.51	●	6%	● 10%	-4%
Staff Uniform & Clothing	£5,595.00	£261,503.26	£267,098.26	●	98%	● 99%	-1%
Occupational Health Related	£11,725.05	£93,918.19	£105,643.24	●	89%	● 73%	16%
Travel & Accommodation	£97,673.28		£97,673.28	●	0%	● 7%	-7%
Marketing & Media	£22,906.80	£63,473.97	£86,380.77	●	73%	● 60%	13%
Translation & Interpretation Services	£349.35	£73,613.61	£73,962.96	●	100%	● 99%	1%
Grand Total	£36,417,775	£272,825,970	£309,243,745	●	88.2%	● 89.5%	-1.3%

Compared to the prior financial year, contract compliance dropped 1.3% to 88.2% in 2022-23. The greatest contributing factor to this was increased expenditure on supplementary staffing. Much of this additional expenditure was with non-contract agencies for the supply of nursing staff.

Spend within Lanarkshire

Local spend data is analysed using the Scottish Procurement Information Hub, which uses the postcode of the supplier's registered address to determine its local authority area.

Summary

Local Authority	Analysed Spend
North Lanarkshire	£18,998,319.42
South Lanarkshire	£8,719,055.18
NHS Lanarkshire total	£27,719,055.18

Against a total analysed spend of £309,243,744.67, the percentage with Lanarkshire based suppliers is 9%.

Top 10 Suppliers by Local Authority Area

North Lanarkshire

Supplier Name	Analysed Spend
Hub SW NHSL Sub Hub Co Limited	£4,831,293.83
St Andrew's Hospice Reg Charity	£3,422,642.64
TPS HEALTHCARE GROUP	£2,262,917.34
Cumbernauld Care Home	£1,986,690.48
Voluntary Action North Lanarkshire	£1,502,579.00
Four Seasons Health Care	£1,036,443.53
Graham Marshall & Son	£727,349.00
Murdostoun Birc	£702,075.67
DMA Canyon Ltd	£547,195.34
LANARKSHIRE LINKS	£218,522.00

South Lanarkshire

Supplier Name	Analysed Spend
Kilbryde Hospice	£2,018,456.50
Phoenix Healthcare Distribution Ltd	£1,528,983.07
Lanarkshire Assoc. For Mental Health	£939,491.76
ECG FACILITIES SERVICES	£642,493.15
OTICON LTD	£509,757.05
Regen Fx Youth Trust	£367,500.00
Raeburn Drilling & Geotechnical Ltd	£200,308.12
Motion Scot Construction Services Ltd	£187,800.17
Healthy Valleys	£180,058.00
Liber8 Lanarkshire	£177,524.00

Annex A - Annual Procurement Report template

[NOTE: reference to contract is also to be construed as meaning a framework agreement]

1. Organisation and report details	
a) Contracting Authority Name	Lanarkshire Health Board
b) Period of the annual procurement report	1 April 2022 to 31 March 2023
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
2. Summary of Regulated Procurements Completed	
a) Total number of regulated contracts awarded within the report period	30
b) Total value of regulated contracts awarded within the report period	£24,903,553.91
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	32
i) how many of these unique suppliers are SMEs	21
ii) how many of these unique suppliers are Third sector bodies	6
3. Review of Regulated Procurements Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	30
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
4. Community Benefit Requirements Summary	
Use of Community Benefit Requirements in Procurement:	
a) Total Number of regulated contracts awarded with a value of £4 million or greater.	1
b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements	15

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	0
i) Total Value of contracts sub-contracted to Social Enterprises	0
j) Total Value of contracts sub-contracted to Supported Businesses	0
k) Other community benefit(s) fulfilled	4 full-time jobs created; 2 student placements provided

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	22
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	17
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.	17

6. Payment performance

a) Number of valid invoices received during the reporting period.	194,452
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	93.84%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	25

d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	1
7. Supported Businesses Summary	
a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£76,332.54
i) spend within the reporting year on regulated contracts	£75,135.19
ii) spend within the reporting year on non-regulated contracts	£1,197.35
8. Spend and Savings Summary	
a) Total procurement spend for the period covered by the annual procurement report.	£309,243,744.67
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£95,781,422.32
c) Total procurement spend with third sector bodies during the period covered by the report.	£13,309,432.29
d) Percentage of total procurement spend through collaborative contracts.	47.5%
e) Total delivered cash savings for the period covered by the annual procurement report	£2,049,863
f) Total non-cash savings value for the period covered by the annual procurement report	£78,326
9. Future regulated procurements	
a) Total number of regulated procurements expected to commence in the next two financial years	39
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£38,500,000