



Procurement Strategy, 2022 – 2025

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Glossary

CIPS	The Chartered Institute of Procurement and Supply. The professional body for Procurement across public and private sector.
Community Benefits	Community Benefits are defined as relating to training and recruitment, availability of sub-contracting opportunities, or other requirements intended to improve the economic, social or environmental wellbeing of the authority's area.
Community Benefits Gateway (CBG)	An online portal developed by NHS National Services Scotland which allows community and third sector organisations to advertise their requirements for support, which NHS Scotland suppliers may then do.
KPIs	Key Performance Indicators
NP	National Procurement – the sectoral ‘centre of expertise’ for NHS Procurement in Scotland who put in place national framework contracts. Also known as the ‘Common Services Agency’.
PCS	Public Contracts Scotland. This is the Scottish Government mandated contracts advertising portal for all ‘Regulated Procurements’. It also contains the ‘Quick Quote’ tool which is used for competitive quotations exercises and running mini-competitions from framework contracts
Regulated Procurement	A public contract with estimated value equal to or greater than £50,000 (£2 million in the case of public works).
Sub-UK Tender	A procurement regulated by the Procurement Reform (Scotland) Act 2014 in the range £50k-£115k (excl. VAT) over the lifetime of the contract. These procurements are advertised using the Public Contracts Scotland portal only.
Supported Business	Supported businesses are defined within the Public Contracts (Scotland) Regulations 2015 as economic operators ‘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.’
Trade Spend	Spend with third party ‘trade’ suppliers. This excludes non-pay spend with other public sector organisations e.g. other NHS organisations, local authorities, HMRC, Scottish Public Pensions Authority
UK Tender	A tender advertised using the UK ‘Find A Tender Service’ (FTS). These procurements are regulated by the Public Contracts (Scotland) Regulations 2015. Although tender documentation is uploaded to, and advertised on the Public Contracts Scotland advertising portal, this contract notice (advert) is also passed onto the FTS for advertisement UK-wide. Similarly, contract award notices are also published on PCS and then passed for publication to FTS.

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Executive Summary

The Covid-19 pandemic brought into sharp relief the reliance of healthcare services on the supply of goods, services and works from complex global supply chains, and therefore underscored the importance of effective and agile procurement to the delivery of healthcare services.

During the recovery from the pandemic, with a focus on tackling towering issues such as climate change, poverty, and health inequalities, Procurement again has a strategic role to play. This Strategy sets out NHS Lanarkshire's procurement activities and objectives for the period 2022 to 2025.

Strategic Context & Procurement Vision

Recognising NHS Lanarkshire's role as an 'anchor institution' with annual supply chain expenditure of around £250 million, this Procurement Strategy is a key plank in delivering the organisation's overall healthcare strategy and objectives.

Approximately half of this annual expenditure is via contracts sourced and implemented at the local Health Board level by NHS Lanarkshire's Procurement Service, giving us significant scope to support the organisation's strategy and objectives by:

- Supporting **Local Businesses**, including Small and Medium Sized Enterprises (SMEs), to promote local economic development.
- Delivering **Community Benefits**, such as employment, training and sub-contract opportunities.
- Utilising **Supported Businesses** to help provide employment opportunities within our communities for those with disabilities.
- Embedding **Environmental** and **Sustainability** criteria and reporting within contracts to reduce carbon emissions and environmental impacts, support community wealth building, and help achieve the Scottish Government's net-zero targets.

We believe that we can deliver all of these objectives in addition to our traditional mission of cost reduction, control, and ensuring continuity of supply for all areas of NHS Lanarkshire.

During the period covered by this strategy, NHS Lanarkshire have a programme of Regulated Procurements with a value exceeding the £5 million threshold which requires publication of a Procurement Strategy. Amongst these are a number of high value contracts that offer particular opportunities to deliver Community Benefits and other sustainability criteria:

- Monklands Hospital Replacement Project
- Laboratories Managed Service Contract
- Mechanical & Electrical Planned & Preventative Maintenance Contract.

Key Priorities

NHS Lanarkshire's Key Priorities for Procurement, linked to the organisation's corporate objectives and healthcare strategy, are:

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.

Approach to Regulated Procurement Activity

As a public body with anticipated Regulated Procurement activity in excess of £5 million in each year covered by this strategy, we are required to set out how we intend to conduct Regulated Procurement.

In undertaking Regulated Procurements we will give due regard to the Scottish Government Department of Health and Finance CEL (2012) 05 Key Procurement Principles, which state that:

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

In circumstances where there is no contract or framework coverage which provides a best value solution, the following approach will be taken:

- For expenditure in excess of £10,000 but below £50,000 over the contract duration, competitive quotations will be sought using the Public Contracts Scotland 'Quick Quote' system. The process will be carried out 100% electronically.

- For expenditure in excess of £50,000 and up to the UK tender threshold, requirements will be openly tendered in accordance with the Procurement Reform (Scotland) Act 2014 using the Public Contracts Scotland advertising portal. The process will be carried out 100% electronically.
- For expenditure in excess of UK tender threshold, requirements will be openly tendered in accordance with the Public Contracts (Scotland) Regulations 2015 using the Public Contracts Scotland advertising portal. The process will be carried out 100% electronically.

For each Regulated Procurement we undertake which does not utilise an existing framework agreement or contract, we will develop a discrete tender strategy or methodology. This will be documented in a way that is reasonable and proportionate to the subject, magnitude and urgency of the Regulated Procurement.

In developing tender methodologies and strategies, we will consult and engage with those likely to be affected by the procurement. Those affected can be divided into two main groups, service users and suppliers.

Engaging with service users

We work closely with service users to develop procurement documents which capture the needs and requirements of NHS Lanarkshire, its patients and staff. Through such joint working we support our service users by procuring contracts which:

- Ensure products, works and services procured are fit for purpose and meet patient needs.
- Blend the knowledge of expert and operational staff with our commercial and procurement acumen.
- Appropriately balance quality and price/cost considerations.
- Give due consideration to NHS Lanarkshire's sustainability and equality duties.
- Consider opportunities to reserve contracts for Supported Businesses as well as ensuring Fair Work principles are applied to all employees providing goods and services to NHS Lanarkshire.

Engaging with suppliers

NHS Lanarkshire relies on its suppliers to help us provide effective patient care, and through our procurement activity we are in regular dialogue with our supply base to ensure goods, works and services are supplied in line with expectations.

In addition, NHS Lanarkshire also engage with the healthcare and wider supply chains through 'Meet the Buyer' events and attendance at events such as Procurex & Procurement 4 Health (P4H). In the development of methodologies and strategies for Regulated Procurements, and where beneficial, we will also undertake specific market engagement to consult suppliers on our proposed procurement approach and invite feedback to inform NHS Lanarkshire's procurement decisions.

In undertaking Regulated Procurement activities we are also committed to reducing the administrative burden placed on suppliers when participating in our procurement processes. We do this by adopting entirely electronic tender advertising and submission methods using the Public Contracts Scotland website.

Sustainable Procurement: People and Planet

In undertaking our Regulated Procurement activity, a strong emphasis is placed on sustainability in line with NHS Scotland [DL \(2021\) 38](#). Our approach to fulfilling our sustainable procurement duty during the period covered by this strategy is described thematically below.

Environmental Impact and Climate Change Mitigation

Reducing environmental impacts and mitigating the effects of climate change are key priorities for NHS Lanarkshire and the Scottish public sector as a whole. Procurement has a part to play in achieving improvements, and the measures that will be implemented as part of this strategy are:

- Inclusion of scored award criteria related to the environment and climate change in all Regulated Procurements, with weightings that are reasonable and proportionate to the subject and magnitude of the procurement.
- Encouraging the reduction and elimination of excess packaging and single use plastics as part of our specifications for goods, works and services.
- Making reporting on carbon emissions within the contractor's supply chain a mandatory requirement, where appropriate to the magnitude and subject of the contract.
- Utilising lifecycle costing tools and methodologies in the evaluation of tenders to consider costs related to the acquisition, operation and disposal of goods.
- Embedding environmental standards such as ISO14001 within our mandatory requirements for participation in Regulated Procurement processes.
- Focus on developing our Procurement team through continued dissemination of knowledge and skills, and to maintain and grow our use of the Scottish Government's Sustainable Procurement Tools.
- Participation in national initiatives and forums to support collaborative action on environmental and climate change issues.
- Review, where practicable within departmental resource constraints, NHS Lanarkshire's supply chain to determine the extent of the associated greenhouse gas emissions and social and environmental impacts.

Food Procurement

Much of NHS Lanarkshire's food requirements are procured via framework agreements awarded by NHS National Services Scotland on behalf of Scotland's health boards. As with these national arrangements, NHS Lanarkshire's approach when procuring food shall involve:

- Encouraging the involvement of local suppliers in procurement processes to reduce 'food miles' and support local development.
- Requesting full supply chain traceability, assessed through the procurement process and being a condition of contract.
- Mandating compliance with the appropriate food regulations as a minimum. Incorporating healthy eating criteria including Food, Fluid and Nutritional care standards; Food in Hospitals; Healthy Living Award + Criteria, and the Retail Standard.
- Ensuring these standards, alongside environmental and animal welfare safeguards, are implemented and monitored throughout the supply chain

- Requiring regular reporting from food suppliers to ensure quality standards are being maintained.

Supported Businesses

There are a number of Supported Businesses operating within Scotland and by procuring goods and/or services from these businesses, NHS Lanarkshire can contribute to tackling health inequalities, reducing deprivation, and promote other public health objectives. During the period covered by this strategy NHS Lanarkshire will pursue the following initiatives linked to Supported Businesses:

- Moving 80% of our expenditure on wayfinding signage to one of the Scottish Supported Businesses engaged in sign making activities.
- Piloting a furniture refurbishment scheme, using a Supported Business to refurbish used office furniture which will also reduce wastes to landfill.
- Exploring the feasibility of a bottle refill schemes offered by a Supported Business in Inverclyde, to reduce the use of single use plastics in the provision of hand sanitiser and cleansers.
- Utilise the right, where appropriate and practicable, to reserve participation in Regulated Procurements to Supported Businesses only.
- Committing to use the Scottish Procurement Supported Business framework where NHS Lanarkshire's requirements can be met.

Supporting Local Business

A key role of NHS Lanarkshire as an anchor institution is to promote community wealth-building and economic development through support for local small and medium sized enterprises (SMEs). There are a number of ways in which NHS Lanarkshire will pursue this agenda through our procurement processes during the period covered by this strategy:

- For our lower value procurement processes we will ensure, where possible, that at least half of the suppliers invited to quote are based in the Lanarkshire area.
- Consider, as part of our tender methodology and strategies, how local supplier engagement can be achieved.
- Work with the Supplier Development Programme to analyse the diversity of our supply chain and develop contract specific supplier engagement materials and events.
- Analyse and report annually on the percentage of NHS Lanarkshire's expenditure that is with Lanarkshire based companies and organisations; benchmark this against similar public bodies.
- For specific projects, and subject to internal resource constraints, host buyer engagement events for projects where this has been identified as beneficial to improving local SME participation.
- Developing and making available, through our external website, guidance that supports SMEs to participate in our procurement processes.
- Attend 'Meet the Buyer' events to raise visibility of NHS Lanarkshire Procurement with the local supply base.
- Review and streamline all of our procurement processes to ensure these are not unduly onerous such that they may deter SME participation.
- Through large, high profile projects such as the Monklands Replacement Project, ensuring that subcontract opportunities are open and visible to local businesses.

Community Benefits

Community Benefits are defined as relating to training and recruitment, availability of sub-contracting opportunities, or other requirements intended to improve the economic, social or environmental wellbeing of the authority's area. Current procurement legislation requires that public bodies include a Community Benefits clause within all contracts with a value of £4 million or more. In addition to this legal duty, NHS Lanarkshire will:

- Include, where proportionate to the subject of the contract, scored Community Benefits criteria in all Regulated Procurements.
- Work with local authorities and other public bodies to target Community Benefits in areas of greatest need and priority.
- Utilise Public Health Scotland's Community Benefits Gateway portal to signpost suppliers to opportunities to support community initiatives in the Lanarkshire area.
- Use major construction projects such as the Monklands Replacement Project to deliver significant subcontracting, employment and training opportunities within Lanarkshire and West Central Scotland.
- Require that contractors and suppliers for major construction projects utilise the Public Contracts Scotland portal to advertise subcontract opportunities in order to open up free and fair access to subcontract opportunities.

Fair and Ethical Trade

NHS Lanarkshire will ensure that goods, services and works are procured ethically from sources which meet the ethical standards expected. When developing procurement strategies and methodologies NHS Lanarkshire will consider how it can ensure fair and ethical trade by tackling inequalities, eliminating criminal involvement in the supply chains, improving labour standards, and sourcing fair trade products.

Modern Slavery

Modern slavery is a prolific and widespread global problem which NHS Lanarkshire is committed to reducing and eliminating from its supply chain. In addition to our commitment to the publication of a Modern Slavery Statement during the period covered by this strategy, we will continue to take specific measures to reduce the risk of modern slavery in our supply chains. These measures include:

- Considering the risk of modern slavery and serious organised crime involvement as part of the strategy development process for all Regulated Procurement activity.
- Application of exclusion criteria to eliminate, where appropriate, bidders who have prior convictions or where other grounds for exclusion exist.
- Inclusion of specific contractual provisions which require contractors to implement due diligence and monitoring within their supply chains.
- Requiring bidders within industries identified as susceptible to Serious Organised Crime (SOC) to complete Declarations of Non-Involvement in SOC as part of the procurement process.
- Liaising with Police Scotland to request criminal conviction checks on directors and persons with significant control where the contract has been identified as at risk of SOC involvement.

- Engagement with public sector partners including Police Scotland to share intelligence and learning as part of the Scottish Serious Organised Crime Task Force.

Compliance with the Equality Act 2010

NHS Lanarkshire must comply with the Public Sector Equality Duty (PSED) in the Equality Act 2010, which requires that public bodies have due regard to three equality aims when exercising their functions, including procurement:

- eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- foster good relations between people who share a protected characteristic

NHS Lanarkshire also has a duty under the Equality Act 2010 and pursuant Regulations to ensure that due regard is given to whether the award criteria for Regulated Procurements should include considerations to enable it to better perform the equality duty. In addition, where NHS Lanarkshire proposes to stipulate performance conditions in a contract or framework agreement, it must have due regard to whether the conditions should include considerations to enable it to better perform the equality duty.

In developing methodologies and strategies for the procurement of goods, works and services, NHS Lanarkshire will ensure that it gives due regard to all of its duties under the Equality Act and pursuant Regulations, and consider how inequalities of outcome caused by socio-economic disadvantage may be reduced through the conduct of procurement processes.

Fair Work First and Scottish Real Living Wage

NHS Lanarkshire is committed to promoting the Scottish Government's Fair Work First principles in all of its procurement activity. Specific measures that will be taken during the period covered by this strategy are:

- Inclusion of scored Fair Work criteria in all Regulated Procurement activity, with a weighting reasonable and proportionate to the contract type and magnitude.
- Making payment of the Scottish Real Living Wage a mandatory requirement within contracts, where legally permissible.
- Encouraging tier one contractors and suppliers to pay the Scottish Real Living Wage to their subcontractors and so on down through the supply chain.
- Making Fair Work and Scottish Living Wage central planks of procurement processes for major construction projects such as the Monklands Replacement Project.
- Embedding contractual requirements to report on performance related to Fair Work and payment of the Scottish Real Living Wage.

Health and Safety

Public bodies are required to promote, through their procurement activity, compliance by contractors and sub-contractors with the Health and Safety at Work Act 1974. NHS Lanarkshire will do this by:

- Assessing the relevance and proportionality of the Act during the formulation of the procurement strategy for each tender process.
- Researching and engaging with our expert stakeholder groups (the subject matter experts who assist in defining the requirements for each contract).
- Where Health and Safety is particularly relevant we will define requirements and measures that will be reviewed with contractors.
- Including within our conditions of contract provisions relevant to the Act that require the immediate reporting of health and safety issues to ensure we are fully aware of any incidents that affect employees within our supply chain.
- Including within tender evaluation processes, where appropriate to the subject of the contract, criteria related to health and safety compliance and processes.

Prompt Payment

The prompt payment of contractors and sub-contractors is recognised as an important factor in promoting ethical business standards, economic development, and reducing the risk of supplier insolvency. NHS Lanarkshire has a 10-day target for the payment of all invoices, and a 30-day payment period within its standard terms and conditions of contract. Through its procurement processes, NHS Lanarkshire will also require and encourage its tier one contractors and suppliers to pay their supply chain within 30 days. In particular, the following measures will be taken:

- The use of Project Bank Accounts (PBAs) for construction projects with a value in excess of £2 million, in line with Scottish Government policy.
- Inclusion of specific contractual provisions in all contracts which require the prompt payment of subcontractors and sub-subcontractors.
- Including, where relevant, scored award criteria relating to tenderers' procurement and supply chain management policies as part of the procurement process.

Sustainable Procurement: Economic and Financial

Delivering Value for Money

In the post Covid-19 pandemic environment, with increasing demand on healthcare services, it is likely that costs will increase in proportion to activity. Effective procurement activity will therefore be crucial to mitigating the financial impact of this.

To achieve this, deliver value to money outcomes, and support NHS Lanarkshire's financial sustainability we will influence our external expenditure in the following ways:

- Through use of collaborative framework agreements and contracts where these offer best value solutions for NHS Lanarkshire.
- By seeking to manage demand and identify opportunities to reduce consumption and promote a circular economy through reuse and recycling.
- Implementation of, and adherence to, NHS Scotland contracts in order to maximise the projected savings potential.
- Engaging in regional and national procurement collaboration which leverages collective volume and buying power.
- Avoiding costs by influencing NHS Lanarkshire's spend and competitively sourcing goods, works and services locally where no collaborative frameworks or contracts exist (or do not offer best value solutions).
- Engaging with national initiatives around the procurement of capital equipment, to better plan and manage replacement programmes
- Using sophisticated lifecycle costing methodologies to assess and award contracts based on the overall lifetime cost.

Our savings target during the period covered by this strategy will be £1 million of savings or cost avoidance per annum. At least 90% of trade spend should also be covered by contract and have therefore been tested competitively to demonstrate value for money.

Fair, open and transparent procurement

As for all public bodies, NHS Lanarkshire has an obligation to procure in a fair, open and transparent way. This ensures equal access to public contracts and in turn promotes economic development, whilst reducing the risk of corruption and fraud.

NHS Lanarkshire will meet its obligations in this area by:

- Openly advertising contract opportunities using the Public Contracts Scotland website.
- Developing robust tender documents which clearly explain requirements and do not unduly restrict competition.
- Conducting procurement processes in compliance with all relevant legislation, with clear, transparent and fair evaluation processes.
- Providing open and transparent feedback to all parties following Regulated Procurement procedures.

Procurement Service Development

A key enabler of NHS Lanarkshire strategic objectives is its Procurement Service. The Procurement Service provides a range of services to support the delivery of patient care, from strategic commercial advice and contracting activity, to the provision of ward stock management solutions. To ensure that the Procurement service continues to support the organisation a number of service developments and improvements will be delivered during the period covered by this strategy.

eProcurement

- Continued expansion of the PECOS purchasing system to users across NHS Lanarkshire, providing a quick, efficient and paper-free system for ordering goods and services.
- Expanding other electronic 'purchase to pay' processes, such as electronic invoicing, which streamline the purchase order to payment cycle and generate efficiencies for buyer and supplier, whilst ensuring prompt payment of suppliers.

Logistics and Supply Chain Management Services

- Submission of a business case proposing expansion of 'Level 1' Ward Product Management service across the Acute division, releasing frontline staff from stock 'put away' duties and supporting services to recover from the pandemic.
- Implementation of a new electronic stock management system to improve the efficiency of Ward Stock Management services provided across Acute sites.

Strategic Sourcing & Commercial

- Enhancing regional collaboration between procurement teams across the West of Scotland and beyond; leveraging combined buying power to support shared priorities.
- Improving procurement guidance communicated to the organisation through more innovative means to make this guidance more accessible and meaningful to support.
- Embedding a Category Management approach to commercial procurement activity, creating leads for the key commodity areas: Medical, Surgical, Corporate and Estates & Facilities. This proven approach will allow a business partnering approach to fully capture the needs, current and future, of service users.
- Developing and providing enhanced training on a range to subjects, including contract management, services users and departments with significant contract management responsibility.
- Working to deliver social value and sustainability objectives by effectively utilising existing resource and making the case for additional resourcing in order to increase supply chain visibility. This would in turn allow for enhanced action to increase local expenditure and address other sustainability objectives.

People and Skills

The development of people and skills is essential to effective procurement activity, not only within the Procurement Service but within the organisation as a whole. Our approach to training and development can be summarised as follows:

Service Users

- A strategic objective is to ensure that all staff using Procurement services are given relevant training and information related to their role in delivering that service.
- Due to changes in practices, systems and procurement legislation, end users of procurement services will be given training either on specific applications (i.e. ePurchasing systems) or more general matters (e.g. public procurement rules).
- The Procurement service will continue to provide guidance on subjects such as Public Procurement rules and contract management to non-department staff. These will be developed and maintained and be published on the Procurement Department intranet page.
- Enhanced contract Management training and support will be developed for departments with significant contract management responsibility.

Procurement Team Development

The employment market for procurement professionals continues to be a challenging one, posing difficulties for staff recruitment and retention. To ensure the department can retain and attract staff, we will:

- Adopt the Scottish Government Procurement Development Framework and link this to annual appraisal processes with procurement staff, identifying areas for development and training.
- Improve procurement capability through support for the study of professional qualifications offered by the Chartered Institute of Purchasing and Supply (CIPS), the professional body representing the Procurement profession.
- We will embed succession planning as a business as usual activity to maintain service resilience, develop talent, and retain organisational knowledge. This will be achieved through existing staff development (for example via secondments and acting up), hosting graduates or apprentices from national training programmes, and by promoting education and formal training that prepare staff for future promotion opportunities within the department.
- Develop and maintain a culture that values and recognises individual contributions, to ensure the department is an enjoyable and rewarding place to work.

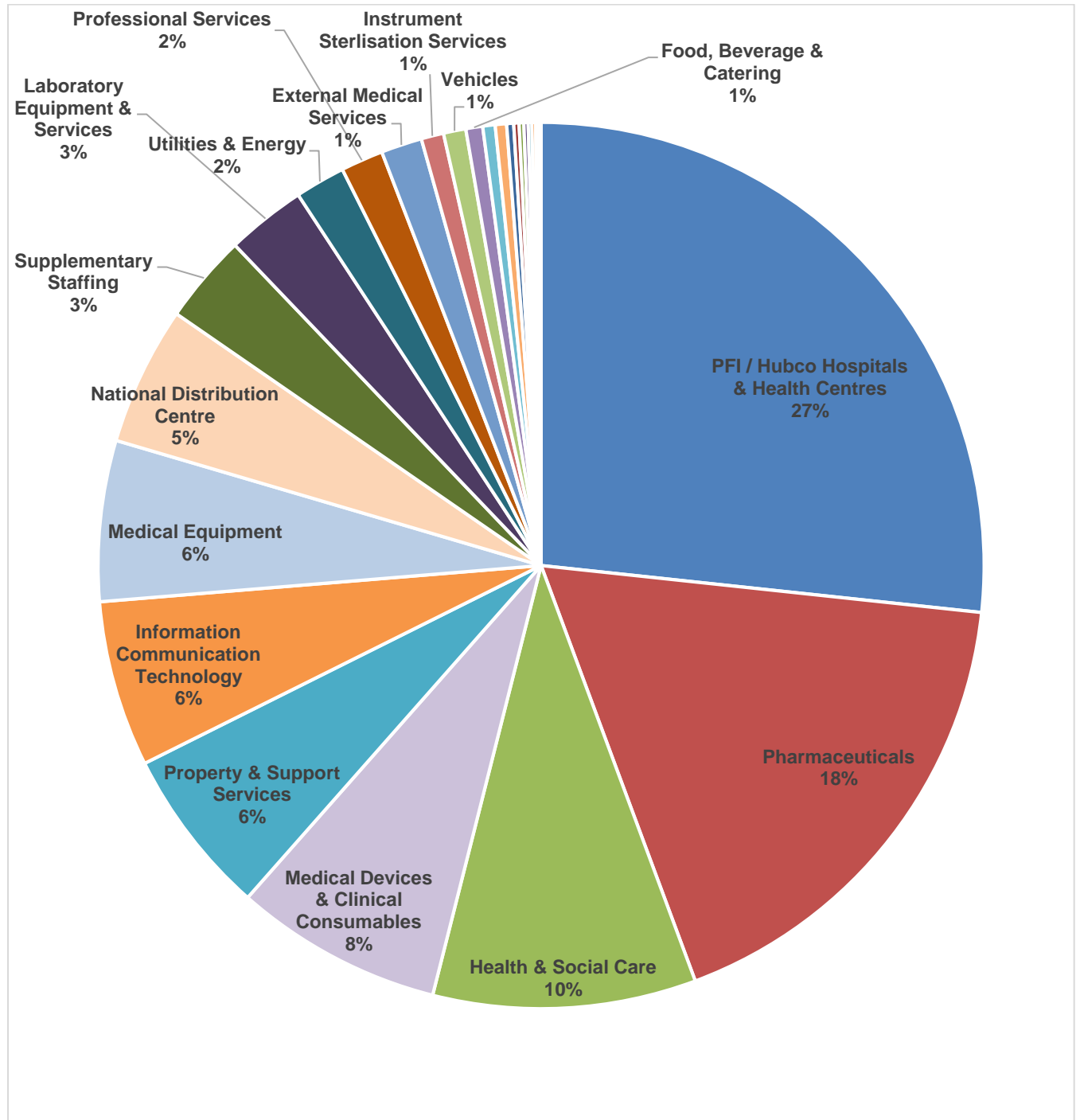
Key Performance Indicators

The following set of Key Performance Indicators (KPIs) have been developed to monitor performance against the Key Priorities identified in this strategy:

Target	Key Priority	Baseline Performance (2020-21)	Target Performance (2022-23)	Target Performance (2023-24)	Target Performance (2024-25)
Percentage of Trade Spend covered by contract	C,D	91%	92%	93%	94%
Percentage of Trade Spend with suppliers based in the Lanarkshire area	B	10%	11%	12%	13%
Annual Cost Savings and Cost Avoidance Target	C, D	£1m	£1 million p/a		
Payment Performance - 30 Day Target (by volume)	A, B, D	93.5%	100%		
- 10 Day Target (by volume)	A, B, D	87.7%	90%		
Percentage of trade spend with purchase order (by value, and excluding spend on exclusions list)	D	98.3%	100%		
Percentage of Procurement Department Strategic Sourcing & Commercial staff holding CIPS Diploma qualification or equivalent	A,B,C ,D	30%	70%		
Percentage of Regulated Procurements which include scored sustainability criteria	B	Statistics not available	100%		
Percentage of local suppliers invited to quote (for non-Regulated procurements only)	B	Statistics not available	50%		
To hold or attend at least two supplier development days per year.	A, B	1	2		

Trade Spend by Category

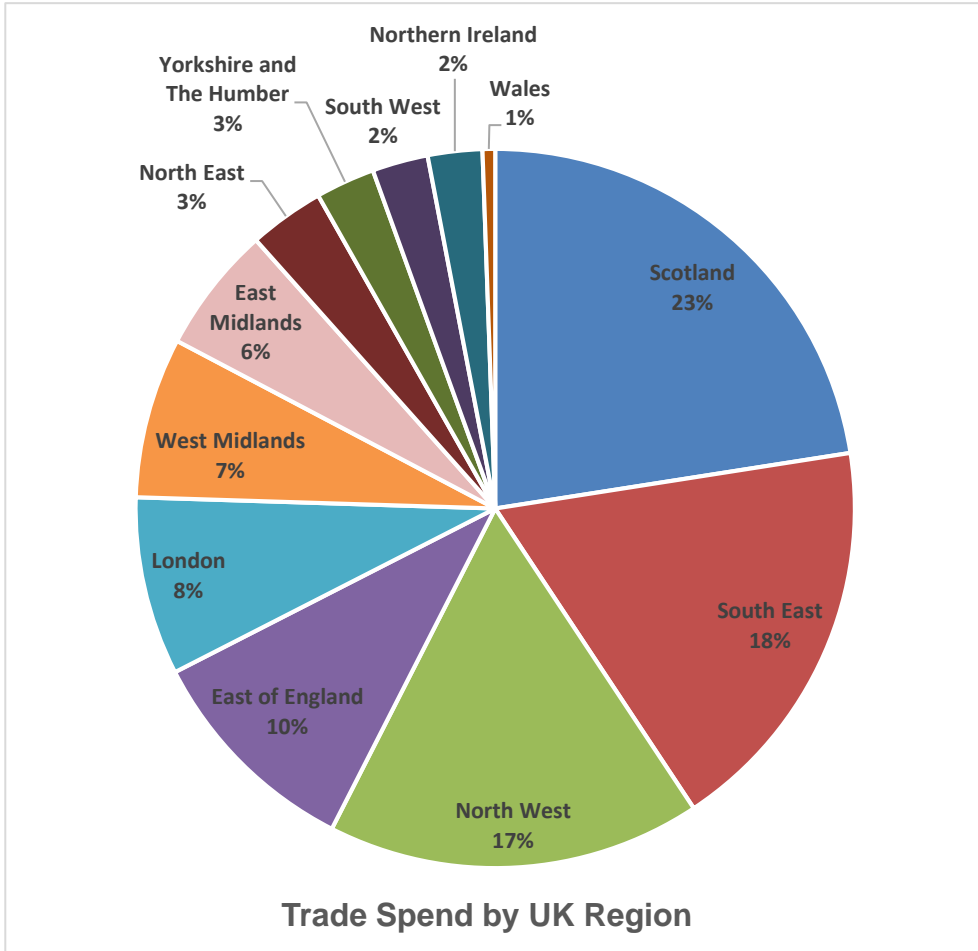
In the last full financial year (2020-21), NHS Lanarkshire had a total trade spend with third party suppliers of approximately £256 million. The breakdown of this expenditure by category is shown below.



Source: Scottish Procurement Information Hub

At the time of preparing this strategy, approximately 91% of this expenditure is either contractual or has been influenced by the Procurement Service.

Trade Spend by Geography



Procurement Governance, Accountability and Auditability

The **Audit Committee** is responsible for ensuring procurement activities are appropriately included within the risk-based internal audit plan. The committee shall seek assurance, through follow up of audit reports and best value assessments, that procurement risks are managed.

The **Director of Finance** is the Board level sponsor for procurement, ensuring good procurement practice is followed in all business cases and strategic decisions, ensuring good practice is in place throughout the organisation and escalating operational issues to Director level as appropriate.

The **General Manager, Procurement** is the Board's Chief Procurement Officer, the recognised point of expertise on procurement matters within the health board, and responsible for developing procurement strategy, guidelines, principles, policies and handbooks with which all staff must comply. The General Manager Procurement develops the Procurement element of the Board's standing orders and standing financial instructions to ensure a compliant and efficient working environment and reviews these annually.

The General Manager, Procurement is also responsible for establishing the official ordering system and communicating schedules of goods, works and services to which this system, or clearly specified alternatives, applies. All staff with purchasing authority must comply with this system and Directors are required to establish within their directorates a clear escalation path for non-compliance.

The **Director of Information & Digital Technology** is responsible for the contract management of contracts relating to IT projects, software, hardware and applications.

The **Director of Pharmacy** is responsible for the purchase of medicines and regulated pharmaceuticals in accordance with the Board's standing financial instructions and scheme of delegation.

The **General Manager, PSSD** is responsible for the contract management of construction, estates and facilities contracts.

All managers and officers of NHS Lanarkshire are governed by the Code of Business Conduct, which extends to interactions with current and prospective suppliers. The Board maintains a register of members' interests and a register of gifts and hospitality, and through its policies and actions ensures compliance with the Bribery Act 2010.

Monitoring, Review and Reporting

Annual Report

An annual report will be presented to NHS Lanarkshire's Corporate Management Team as part of NHS Lanarkshire's duty to publish a Procurement Annual Report. This will provide a mechanism to monitor that this Procurement Strategy is being implemented effectively. The report will be published in the first or second quarter of the following financial year in line with statutory guidance, and include 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 this Procurement Strategy.
- To the extent that any Regulated Procurements did not comply with the Procurement Reform Act, reasons for this and a statement of how NHS Lanarkshire 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 Lanarkshire expects to commence in the next two financial years.
- A statement of performance against the KPIs identified in this Procurement Strategy.

Framework Call-Off Contracts

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 a contract award notice published on the Public Contracts Scotland portal.

Contract Register

NHS Lanarkshire will ensure that the requirement of the Procurement Reform Act 2014 to publish and maintain a public facing contracts register is applied. We will utilise the functionality available on the Public Contracts Scotland website and commit to publishing details of all contracts on our public-facing contract register.

Useful Links

- [NHS Lanarkshire Procurement Web Page](#)
- [NHS Lanarkshire Buyer Profile \(on Public Contracts Scotland\)](#)
- [NHS Lanarkshire Public Facing Contracts Register](#)
- [Supplier Development Programme](#)
- [Public Procurement Reform Programme](#)
- [Regulated Procurement Thresholds](#)
- [Procurement Journey](#)
- [Public Contracts Scotland](#)
- [Sustainable Procurement Tools](#)