



# Procurement Strategy 2024-2029

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## 1. Introduction

The procurement function is a key part of NHS Fife, contributing by optimising the resources available for health priorities. The function is part of the Finance Directorate, reporting to the Director of Finance who is an Executive Member of the NHS Fife Board. Our work covers £350 million spend across a combination of local and collaborative contracts.

As well as arranging strategically important contracts to support the delivery of healthcare, we also provide operational procurement services, ensuring the right products get to hospitals and other healthcare settings at the right time.

To illustrate this further, over the last year NHS Fife Procurement:

- **Saved NHS Fife £807k.**
- **Managed over 95,064 purchase orders.**
- **Managed over 8,177 customer interactions via our Procurement Helpdesk.**
- **Managed 1,970 suppliers.**

This Strategy sets out our objectives over the period of 2023 to 2028 and will be reported on annually via our Procurement Report.

### Procurement Strategy Pillars

We will deliver our vision and this strategy through four pillars that drive everything we do.

- **Customer Focus.**
- **Being the Best Place to Work.**
- **Continuous Improvement.**
- **Maximised Value.**

## 2. Procurement Vision

### NHS Fife Procurement Vision

**To be a Trusted Partner to our organisation, delivering Commercial Expertise as well as Contracts to all our customers, which are Safe, Best Value, Sustainable and High Quality**

### 3. Mission Statement

#### NHS Fife Procurement Mission Statement

- **Ensure patient care, and patient and staff safety are at the heart of all our commercial decisions.**
- **Be at the forefront of technology to help us be the best Procurement Team we can be.**
- **Support the wellbeing and wealth of the population of Fife by delivering contracts and solutions which deliver economic growth and equality, whilst ensuring our actions positively support the Climate Emergency.**
- **Always getting goods and services to where they are needed and when.**
- **Maximise value from every opportunity to deliver savings to NHS Fife.**
- **Be seen as fair and transparent by our suppliers.**

## 4. Next 5 Years

The Procurement Team will focus on the following key themes over the next 5 years.

**Customer** - Being easy to do business with is key to supporting our patient facing customers. We will continue to challenge ourselves to make the most customer friendly processes as possible.

**People** - Equipping our staff with the necessary skills to operate in an ever-changing commercial environment is critical to success. We will develop the team with training to allow them to develop the commercial acumen needed for the challenges ahead.

**Technology** - We will harness technology including Artificial Intelligence to release time to procure, making the most of our finite resources. We will support the implementation of Point of Care Scanning to deliver patient safety benefits, including traceability and procedure costing.

**Sustainability** - We will deliver a sustainable procurement service to support the health and wellbeing of the population of Fife, covering our legal obligations and ensuring that environmental, social and economic considerations are a key part of all procurement activity.

**Resilience & Risk Management** - Has never been as important; we will work with the Resilience Team to ensure Business Continuity and Emergency Risks are identified and plans put in place to mitigate, reduce and manage risks of disruption to supply of critical products and services caused by supply chain vulnerabilities and surges in demand be they caused by geo-political or climate emergency events.

## 5. Strategic Priorities

NHS Fife’s strategic priorities are set out in the [NHS Fife Population Health and Wellbeing Strategy](#), and are defined as detailed below:

### NHS Fife Ambitions

Living Well, Working Well and Flourishing in Fife	
<p><b>Priority 1:</b> Improve Health and Wellbeing</p> <p><i>We work to close the inequality gap ensuring that all people of Fife can flourish from cradle to grave.</i></p>	<p>A Fife where we:</p> <ul style="list-style-type: none"> <li>• Live in flourishing, healthy and safe places and communities.</li> <li>• Thrive in our early years.</li> <li>• Have good mental wellbeing.</li> <li>• Reduce the use of and harm from alcohol, tobacco, and other drugs.</li> <li>• Have a sustainable, inclusive economy with equality of outcomes for all.</li> <li>• Eat well, have a healthy weight and are physically active.</li> </ul>
<p><b>Priority 2:</b> Improve the Quality of Health and Care Services</p> <p><i>We provide the safest and best possible health and care services, from cradle to grave, for the people of Fife.</i></p>	<p>For all healthcare services provided by NHS Fife, we will:</p> <ul style="list-style-type: none"> <li>• Provide high quality person-centred care.</li> <li>• Deliver services as close to home as possible.</li> <li>• Less reliance on inpatient beds by providing alternatives to admission to hospital.</li> <li>• Ensure timely access to services based on clinical need.</li> <li>• Prevent and identify disease earlier.</li> <li>• Support the delivery of seamless, integrated care and services across health and social care.</li> </ul>
<p><b>Priority 3:</b> Improve Staff Experience and Wellbeing</p> <p><i>We value and look after our staff.</i></p>	<p>Our Workforce:</p> <ul style="list-style-type: none"> <li>• Is inclusive and diverse, reflecting Fife’s communities.</li> <li>• Is supported to develop new skills that help improve care for patients.</li> <li>• Is heard and at the heart of transforming services.</li> <li>• Works in partnership across health and social care, recognising interdependencies.</li> <li>• Experiences compassionate leadership in a culture that supports wellbeing.</li> </ul>
<p><b>Priority 4:</b> Deliver Value and Sustainability</p>	<ul style="list-style-type: none"> <li>• Provide the right services in the right places with the right facilities.</li> <li>• Ensure the best use of our buildings and land.</li> <li>• Reduce energy usage and carbon emissions, working toward carbon neutral by 2040.</li> </ul>

<p><i>We use our resources wisely to ensure our services are sustainable and meet our populations needs.</i></p>	<ul style="list-style-type: none"> <li>• Deliver our capital programmes for primary care, mental health, and acute services, creating high quality environments for patients and staff.</li> <li>• Deliver sustainable and effective resource allocation that supports value-based healthcare.</li> </ul>
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Detailed below are our Procurement Objectives and the appropriate linkages to the 5 Year Plan and NHS Fife Strategic Priorities:

### Procurement Objectives and How They Link

Objective	Linkages		
	Pillars	5 Year Plan	NHS Fife
Deliver Savings to NHS Fife to Reinvest in Patient Care	Maximised Value	Customer	Improve Health and Wellbeing
Invest in Our People	Being the Best Place to Work	People	Staff Experience and Wellbeing
Provide Transparent and Effective Oversight of the Procurement Function	Continuous Improvement	Sustainability	Deliver Value and Sustainability
Support Implementation of Genesis Point of Care Inventory Management	Customer Focus	Technology	Improve the Quality of Health and Care Services

#### Objective 1 - Deliver Savings to NHS Fife to Reinvest in Patient Care

Generating savings to the bottom line is the core business of Procurement. Against a backdrop of various social-political factors Procurement will continue to optimise opportunities to save and mitigate cost pressures wherever possible.

#### Objective 2 - Invest in Our People

None of this is possible without our people, who deliver the solutions to complex problems, every day. However, we need to ensure that we have a process to allow career development and new entrants to our team to allow for succession planning and turnover.

To do this we will:

- Continue to develop existing staff through, Individual Training Plans, Knowledge and Skill Framework (KSF) appraisals and Personal Development Plans, to meet their career ambitions.
- Develop a tendering programme, taking staff through tender exercises, from Commodity Strategy to Exit Strategy
- Attend Careers Events in Fife, promoting Procurement as a career.



### Objective 3 – Provide Transparent and Effective Oversight of the Procurement Function

To support effective governance, a Procurement Governance Board exists. The group will be directed by the Procurement Strategy for NHS Fife and will ensure that any actions or objectives set by the Board in relation to general procurement are monitored through to a satisfactory conclusion and remain in line with both legal and Scottish Government requirements.

The purpose of the Procurement Governance Board is:

- To monitor the continuous development of existing staff to best meet the future needs of NHS Fife.
- To ensure that departments with procurement responsibility deliver consistent application of best procurement practice and Board Standing Financial Instructions to support the optimisation of savings.
- To develop and maintain a Board wide Procurement Strategy which takes account of the latest National, Regional and professional procurement developments and trends.
- To maintain procurement standards based on published best practice and ensuring that the organisation has the capability of delivering compliance with these standards.
- To ensure oversight of the effective Risk Management in central Procurement.
- To establish a supportive peer review process which will allow the continuous quality improvement of procurement in the organisation.
- To ensure that technology is used effectively to improve efficiency and productivity across the procurement function and its relationship with users and other stakeholders.
- To maintain a strategy for effective engagement with the procurement service users and the board's supplier base and to ensure that open and transparent processes are in place to encourage participation and competition.
- To ensure that appropriate capabilities and accreditations are maintained to provide a procurement service that demonstrates 'good practice in most assessment areas, with an improvement plan for the remaining areas' for the Procurement and Commercial Improvement Program (PCIP).
- To maintain a set of key performance indicators (KPIs) which will allow the overall procurement performance to be understood and monitored. The set of KPIs will be reported quarterly at each meeting before submission to the Finance Performance & Resource Committee.
- To monitor progress on the Regional Procurement Programme.
- To provide escalation points in the service to achieve procurement savings and service improvement.
- To oversee the implementation of any Audit assignments in relation to general procurement.
- To monitor Procurements contribution to NHS Fife's Anchor Institute aims and objectives.

#### Objective 4 - Support Implementation of Genesis Point of Care Inventory Management

The Scan for Safety Programme aims to implement a system wide approach to the tracking and tracing of high-risk devices in Scotland through digital data capture at the point of care.

It will take a 'Once for Scotland' approach and will capture medical device data electronically in a consistent format across the NHS, including information on the patient, procedure, clinical staff, information about the device itself and where the procedure takes place.

This work will improve patient safety through enabling device traceability, supporting efficient patient recall, and contribute to the wider monitoring of device performance and clinical outcomes.

We will support clinical and non-clinical teams in implementing this innovative technology.

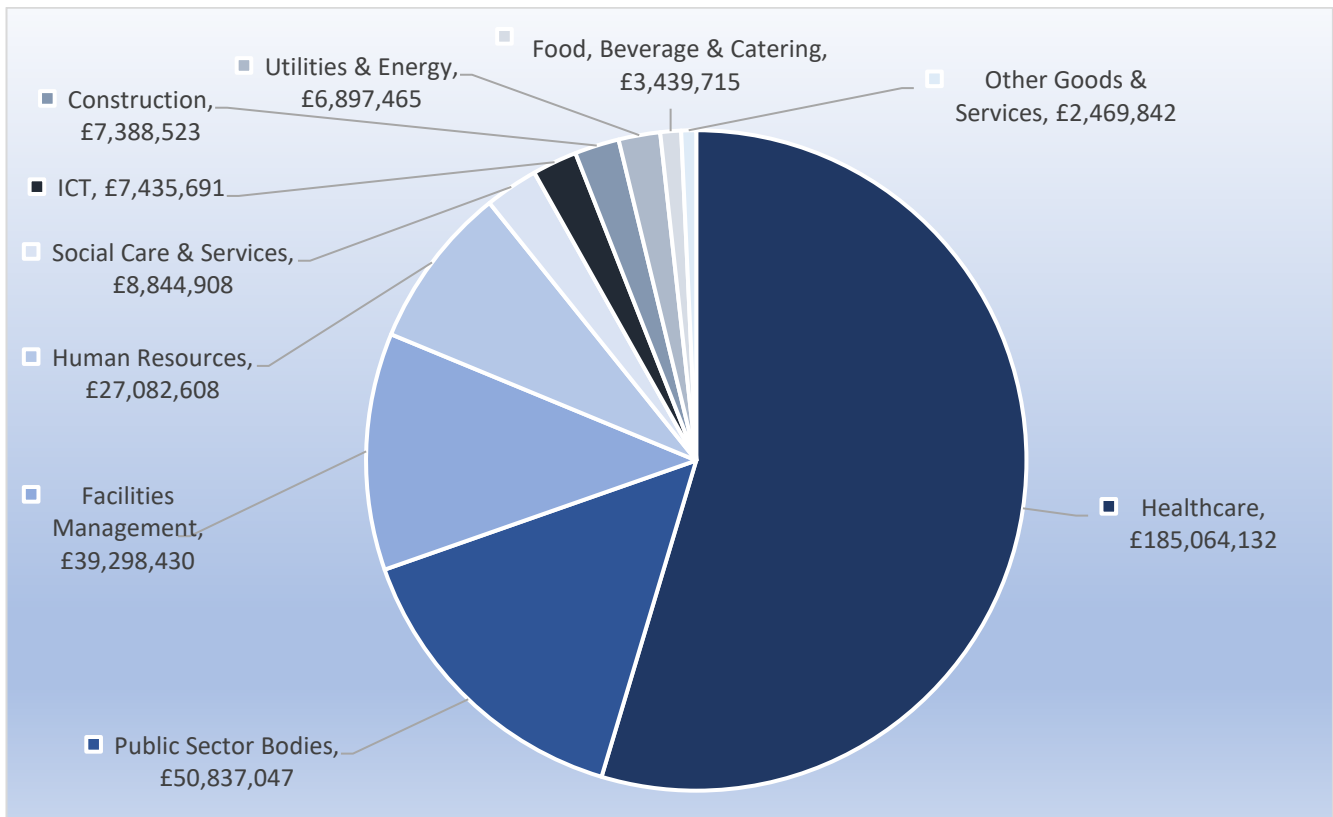
## 6. Spend

In the last full financial year, NHS Fife had a total trade spend of £350 million. Getting the best value from this expenditure is a combination of, Category Management, Market Intelligence, Supplier Negotiation, Stakeholder Influencing, Economies of Scale, Innovation, National and Local Contracts.

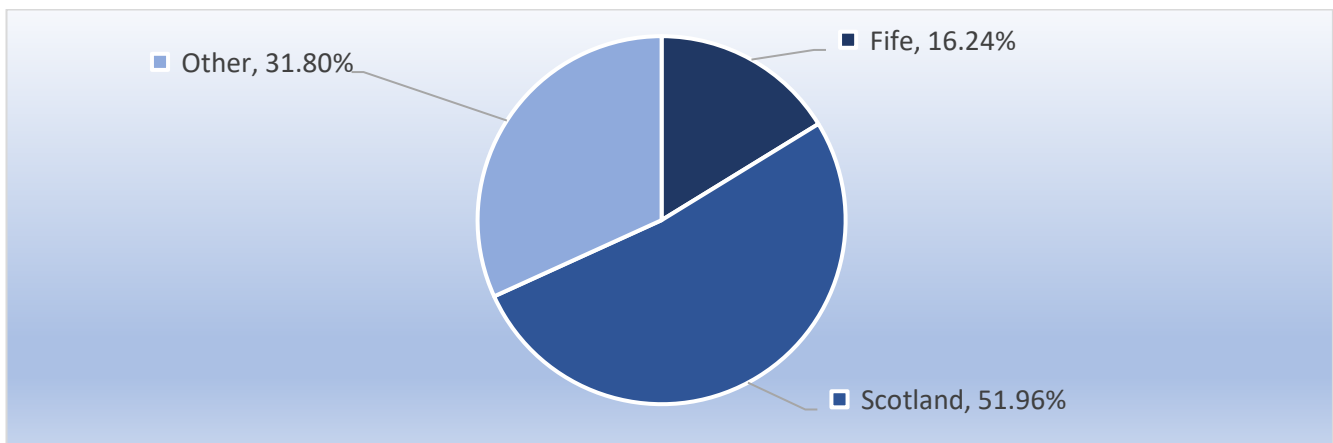
What we spend is as important as where we spend it, this is to harness the power of Procurement to support the wealth and wellbeing of the Fife population.

Further details on the contracts we have let are available on the [Public Contracts Scotland](#) website.

### Spend by Category (Top 10)



### Spend by Authority Area



## 7. Mandatory Obligations

### Regulated Procurements

A regulated contract is a public contract which (other than a public works contract) is equal to or greater than.

Type	Threshold
<b>Public Contract (other than a public works contract)</b>	£50,000
<b>Public Works Contract</b>	£2,000,000

We will publish all regulated procurements on the Public Contracts Scotland portal.

### Achieving Our Purpose

Effective Procurement makes a key contribution to improving health by optimising the resources available for health priorities. This includes, but is not limited to:

- Seeking best value through competitive procurement exercises
- Whole Life Costing products and services
- Cost avoidance
- Reduce Waste and Variation
- Process efficiencies
- Lower operating costs

### Delivering Value for Money

We seek value for money from all procurement exercises by using all the relevant legislation and guidance available alongside professional and academic journals. This combined with highly trained Procurement professionals ensures the best value for money outcome is achieved by the Board.

### Scottish Priorities for Public Procurement

By developing and delivering this strategy we are committing to the national context under the Scottish Government Priorities for Scottish Public Procurement.



## Engaging with Service Users

We will continue to support and react to changes in the organisation, whether they are internal or external emerging risks and issues.

Our [Procurement Helpdesk](#) has been developed to improve responsiveness and support self-service wherever possible. With self-service processes at its heart, we will continue to strive to provide high levels of Customer Satisfaction.

## Engaging with Suppliers

Our Contract and Supplier Management Process is used to manage our supply base; however, we need to keep an open door to new suppliers.

We will continue to support Meet the Buyer events, locally and nationally so we can talk to new suppliers, advising them on doing business with NHS Fife as well as learning about innovative new products and services.

We will also continue to hold online Supported Business Supplier Spotlight Sessions. These are short online meetings where Supported Businesses can tell us about their products and services. We will also advise them on how to do business with NHS Fife.

## Sustainable Procurement Duty

Sustainable public procurement aims to make the best use of public money, helping us to achieve our overarching purpose and strategic aims.

The sustainable procurement duty, outlined in [Procurement Reform \(Scotland\) Act 2014](#), aligns with the Scottish Government's purpose to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. It is underpinned by the [National Performance Framework](#) and [Scotland's National Strategy for Economic Transformation](#).

The sustainable procurement duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental, and economic wellbeing of the area in which it operates, with a focus on reducing inequality.

It also requires a contracting authority to consider how its procurement processes can facilitate the involvement of SMEs, third sector bodies and supported businesses, and how public procurement can be used to promote innovation.

Compliance with the sustainable procurement duty is the mechanism through which public procurement contributes to and tracks its contribution to our overarching purpose.

Like all public sector contracting authorities we set out in our procurement strategy how it intends to comply with the duty, and we are mandated to report annually on progress.

We use the [Sustainable Procurement Tools](#) in regulated procurements to deliver on the duty.

### Anchor Institute

NHS Fife will continue to progress its ambitions as an Anchor Institute to consider and develop ways that it can further use its influence to enhance the benefits for the population of Fife. Procurement is a key dimension of the programme, and the Procurement team will play a key role, using and increasing its considerable influence by:

- Routinely monitoring and analysing local spend.
- Enabling Local SME's, social enterprises and supported businesses to submit proposals.
- Carrying out engagement with local suppliers on contract opportunities and requirements.
- Including Community Benefit clauses in all competitive tenders of £50k and above.
- Including Fair Work clauses within contract T&C's
- Consideration of wider social, health and environmental issues during procurements

### Community Benefits

NHS Fife is committed to maximising Community Benefits from its procurement activities. This will be achieved through the inclusion of specific clauses within procurement contracts known as Community Benefit Clauses.

Community Benefit Clauses are contractual requirements which deliver wider benefits in addition to the core purpose of the contract. These clauses can be used to build a range of economic, social, or environmental conditions into the delivery of contracts.

[The Public Contracts \(Scotland\) Regulations 2015](#) enable public bodies to include Community Benefits in the procurement process, in certain circumstances.

NHS Fife will assess all regulated procurements for inclusion of Community Benefit Clauses. NHS Fife will also use the [Community Benefits Gateway](#) to capture benefit requirements from our community.

### Food Procurement

We will support the improvement of health, wellbeing, and education of communities in relation to food by:

- Engaging Public Health, Facilities and Dietician colleagues for food procurements.
- Ensuring implementation of procurement aspects of the joint NHS Fife, Fife Health & Social Care Partnership and Fife Council, [Food for Fife Strategy & Action Plan 2024-2029](#).

- Ensuring Healthy Choices are available to patients and staff.

### Scottish Real Living Wage

As a Real Living Wage accredited organisation, NHS Fife ask current contracted suppliers to match our obligation in the payment of the Real Living Wage. We also seek to encourage payment of the Real Living Wage by other potential suppliers, through Regulated Procurements and the use of the [Scottish Government's Fair Work First](#) policy.

Fair Work First asks businesses bidding for a public contract to commit to adopting the following:

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

### Fair and Ethical Procurement

NHS Fife understands the importance of ensuring its acts ensure the promotion and maintenance of high standards of social, ethical, and environmental conduct. We are also committed to ensuring that our suppliers and contractors on our contracts are encouraged to adopt a similar responsible approach.

NHS Fife will considering the *Global Compact*, a widely adopted United Nations standard for responsible business practice, covering human rights, labour, the environment and anti-corruption. As a globally recognised and universally applicable set of standards, the [Ten Principles](#) of the *Global Compact* form the basis of the Supplier Code of Conduct. The principles are:

Principles	
Human Rights	<ol style="list-style-type: none"> <li>1. Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>2. make sure that they are not complicit in human rights abuses.</li> </ol>
Labour	<ol style="list-style-type: none"> <li>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</li> <li>4. the elimination of all forms of forced and compulsory labour.</li> <li>5. the effective abolition of child labour; and</li> <li>6. the elimination of discrimination in respect of employment and occupation.</li> </ol>

Environment	<p>7. Businesses should support a precautionary approach to environmental challenges.</p> <p>8. undertake initiatives to promote greater environmental responsibility; and</p> <p>9. encourage the development and diffusion of environmentally friendly technologies.</p>
Anti-Corruption	<p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p>

### Compliance by Contractors and Sub-Contractors with The Health and Safety at Work Act 1974

NHS Fife will promote compliance of contractors and subcontractors to the Health and Safety at Work Act 1974 via our terms and conditions of contract and/or specific contract clauses where appropriate.

### Ensuring Contractors and Sub-Contractors are Paid On Time

NHS Fife aspires to pay all contractors and suppliers within ten days of receiving a valid invoice, to support the stability and sustainability of the wider supply chain.

NHS Fife will by way of Terms and Conditions specify that:

- all subcontractors are paid by no later than thirty days from date of receiving a valid invoice.
- subcontractors pay their subcontractors no later than thirty days from date of receiving a valid invoice.



## 8. Measuring and Reporting

### Annual Procurement Report and Procurement Strategy

This Annual Procurement Report and the Procurement Strategy are required to be published on the NHS Fife website as set out in the Procurement Reform Act 2014.

This Annual Procurement Report will be prepared by the Head of Procurement and reviewed by the Procurement Governance Board for approval by the Finance, Performance and Resources Committee.

### Communication

This Procurement Strategy will be published on the NHS Fife website as set out in the Procurement Reform Act. The Procurement Strategy/Annual Report will also be shared with all members of the Procurement Team each year by the Head of Procurement.

### Objectives

Actions will be tracked via the regular Procurement Business Assurance sessions dedicated to the Procurement Strategy.

### Ownership

The Procurement Strategy is owned by the Head of Financial Services and Procurement.

## 9. Useful Links

[Public sector procurement – Scottish Government](#)

[Procurement Journey](#)

[PCIP Overview](#)

[Thresholds](#)

[Public Contracts Scotland](#)

[PCS-Tender - Public Contracts Scotland](#)

[Sustainable Procurement Tools](#)

[Procurement Competency Framework](#)

[CIPS - Leading global excellence in procurement and supply](#)

## 10. Glossary

Term	Definition
<b>Category Management</b>	Is a strategic approach to procurement where organisations group together similar areas of external spend to identify opportunities for consolidation and to create added business value.
<b>Community Benefits</b>	Community benefits are the method by which local communities and good causes can receive additional social value from public spending.
<b>Cost Avoidance</b>	Cost avoidance is the preservation of existing spending to prevent price increases due to inflation, economics or the rising costs of products or services. An example of cost avoidance is when a company purchases an extended equipment warranty to limit maintenance costs or out-of-pocket expenses.
<b>Small and Medium Enterprises (SME)</b>	An SME is any organisation that has fewer than 250 employees.
<b>Supported Business</b>	Supported businesses are enterprises where over 50% of their workforce have a disability.
<b>Whole Life Costing</b>	Whole life costing is an investment appraisal and management tool which assesses the total cost of an asset over its whole life.