



Annual Procurement Report 2022-2023

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1. Introduction

The Procurement Reform (Scotland) Act 2014 requires Public Sector bodies with a trade spend in excess £5m per annum to publish an annual report after the end of each financial reporting period which covers all regulated procurements and other information as specified by the Scottish Government.

This report covers the reporting requirements for NHS Fife from 1 April 2022 to 31 March 2023.

The procurement function forms a key part of NHS Fife in contributing to optimising the resources available for delivering health priorities and high-quality patient care. The NHS Fife Procurement Department is part of the Finance Directorate, reporting to the Director of Finance & Strategy, who is an Executive Member of the NHS Fife Board. Effective oversight is provided through the Procurement Governance Board.

NHS Fife have a small procurement team (headcount of 10) who are responsible for the full range of procurement services across the Board. The total non-pay spend is £355m across a combination of local and collaborative contracts.

As well as arranging strategically important contracts to support the delivery of healthcare services, the department 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 financial year 2022/23 NHS Fife Procurement:

- **Saved NHS Fife £479k.**
- **Managed over 98,000 purchase orders.**
- **Managed over 10,380 customer interactions via our Procurement Helpdesk.**
- **Managed 1,920 suppliers.**

The Annual Procurement Report should be read in conjunction with our [Procurement Strategy](#), which details our plans for the years ahead.

2. Review of Reporting Period

Throughout 2022/23 the continuing impact of the Covid-19 pandemic combined with significant global supply issues and inflationary pressures have created considerable service and financial pressures for NHS Fife. As a result the Procurement Team has had to continue to demonstrate considerable resilience to support the increased and additional newly emerging risks faced by the Board.

Achieving the savings figures illustrated above, is significant in a market where the majority prices are rising in line with or above inflation.

The Procurement Team continue to investigate any savings opportunities identified through contract renewals, whilst also undertaking additional in-depth analysis to ascertain any efficiencies that may be implemented in conjunction with the service.

This section of the Procurement Report will look at some key pieces of work over 2022/23.

Anchor Institute

NHS Fife has adopted the principles of an Anchor Institute and has implemented a Programme Board to consider and develop ways that it can use its influence to enhance the community benefits of the people of Fife. The Procurement team has a key role in this programme, using its considerable influence on:

- 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

Community Benefits clause ensures that the successful supplier(s) will be required to deliver Community Benefits in support of the authority's economic and social objectives. The Procurement Reform (Scotland) Act 2014 requires the Board to ensure that for all contracts of £4m or above that they have considered whether to impose a community benefit requirement as part of the procurement.

Working with Public Health and Fife Voluntary Action (FVA), the Procurement Team are developing and implementing a new innovative approach to identifying Community Benefits. Supporting community groups to submit relevant needs via the Community Benefits Portal to enable resource allocation through local and national contracts, to deliver these benefits to improve the economic, social and/or environment wellbeing of our communities. Community groups are encouraged to submit requests that align with NHS Fife's priority themes of, reducing health inequalities, contributing to anti-poverty work, improving health and wellbeing and responding to climate emergency.

Community Benefits delivered during 2022/23 include:

Contract	Supplier	Community Benefits
Orthopaedic Power Tools	Link Ortho	Beach clean ups.
Office & Patient Furniture	National Procurement	Office furniture and equipment to furnish new location for Fife Employment Access Trust.
National Treatment Centre	Graham Group	Local Apprentices & Recruitment – 26 posts in total including, 4 existing, 7 additional recruits, 9 graduate recruits and 6 others (cleaners and site assistants).
National Treatment Centre	Graham Group	Work Experience, Training and Visits – 10 work experience placements, 3 site visits, 78 school visits, SME & 3 rd sector training to upskill members of the supply chain and 5 trained in building management and efficient use of building to improve carbon performance.
National Treatment Centre	Graham Group	Community Projects – Your Health Your Choice Seminar, signage, Fife Health Charity, donated products, volunteering, local food charities, landscaping, and Considerate Constructors Scheme score of at least 40 (49 achieved).



Supported Businesses

A supported business is an organisation where more than 50% of the workers are disabled persons who are unable to take up work in the open labour market. Contracting Authorities may restrict participation in a regulated Procurement to a business identified as a supported business.

NHS Fife continues to review all opportunities to engage with Supported Businesses. For this period no regulated procurements have been restricted, however NHS Fife engaged with the following Supported Businesses:

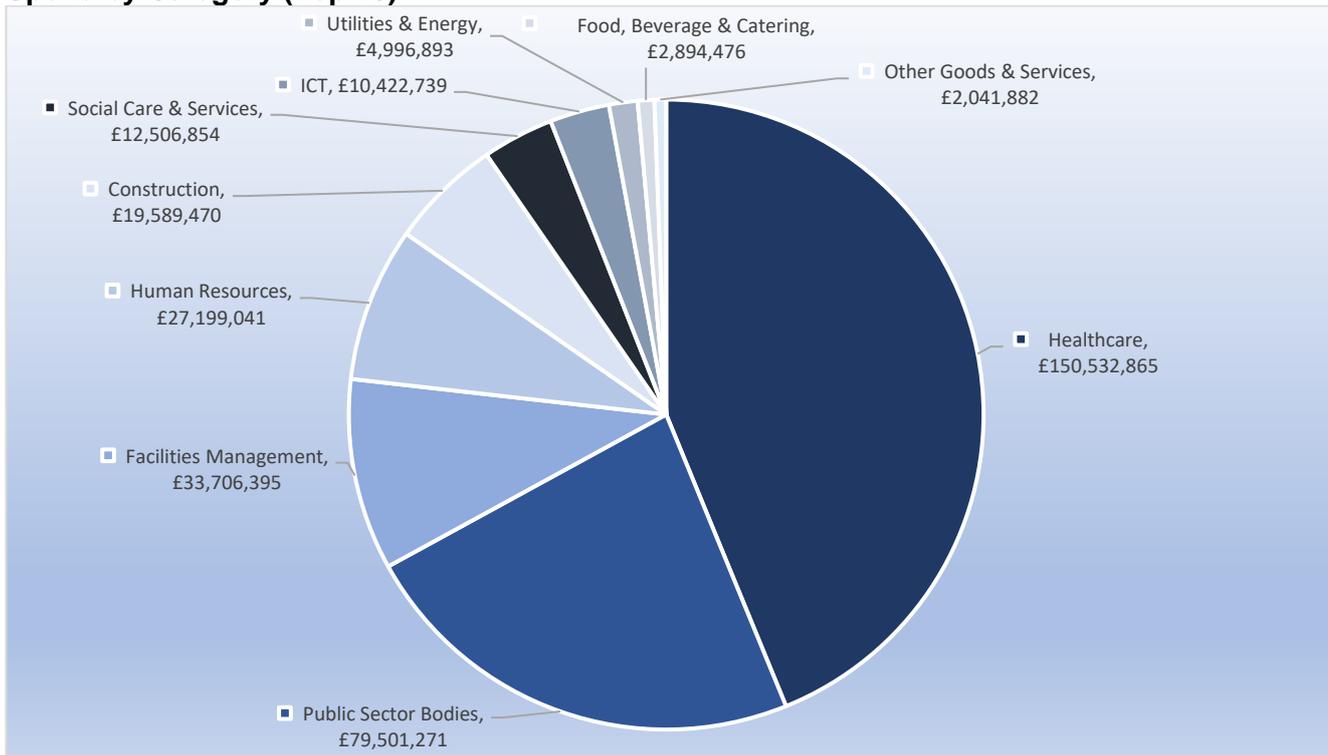
Supported Business	Spend	Product/Service
Matrix	£18,527	Furniture and Re-upholstery Services
Lady Haig's Poppy Factory	£144	Remembrance Wreaths

3. Spend

In 2022/23, NHS Fife had a total non-pay spend of £355 million. Driving best value from this expenditure is through a combination of, Category Management, Market Intelligence, Supplier Negotiation, Stakeholder Influencing, Economies of Scale, Innovation, National and Local Contracts.

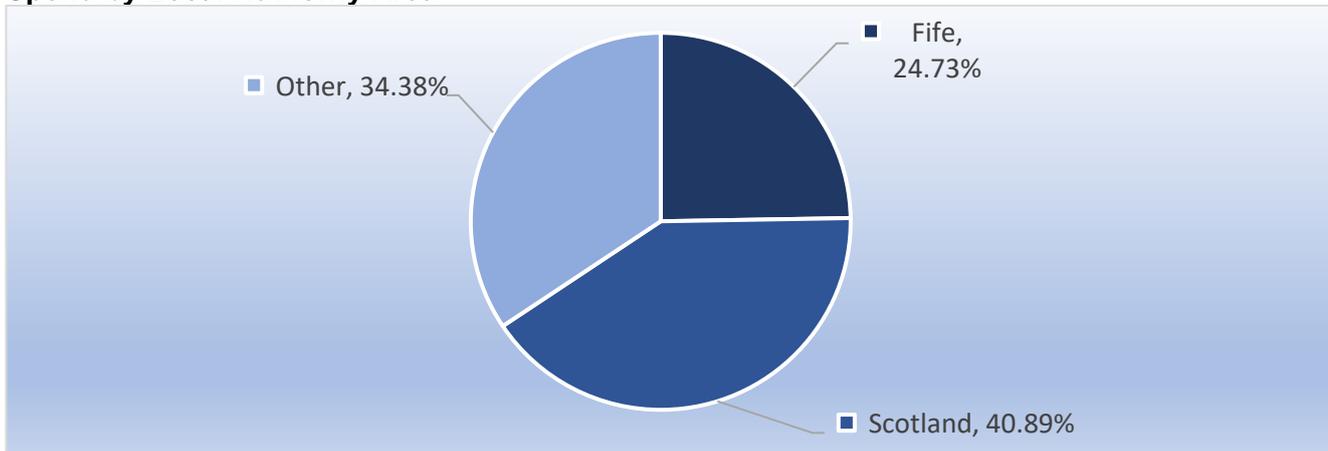
The majority of the non-pay spend is procured through public sector frameworks and contracts already carried out nationally on the Boards behalf and these include National Procurement, Scottish Government and Crown Commercial Services Frameworks.

Spend by Category (Top 10)



What is spent is as important as where it is spent, in order to harness the power of Procurement to support the health and wellbeing of the Fife population.

Spend by Local Authority Area



4. Reporting

Annual Report

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

The Annual Procurement Report and Procurement Strategy are shared with all members of the Procurement Team, in addition to being published on the NHS Fife website as set out in the Procurement Reform Act 2014.

Ownership

The Annual Procurement Report and Procurement Strategy are owned by the Head of Financial Services & Procurement.

5. Regulated Procurements

In accordance with the Procurement Reform (Scotland) Act 2014, any public contract (other than a public works contract) of £50k or greater and public works contract of £2m or greater is considered a Regulated Contract. A regulated procurement is any procedure carried out by a contracting authority in relation to the award of a proposed regulated contract which is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes both contracts and framework agreements. All regulated procurements are required to be published on the Public Contracts Scotland Portal.

Completed Regulated Procurements (2022/23)

A summary of the regulated procurements completed for NHS Fife in 2022/23 along with the prior year comparison are shown below:

Regulated Procurements	2022/23	2021/22
Number of contracts awarded	11	13
Total Contract Value	£1,991,255	£3,245,347

Details of the regulated procurements completed for NHS Fife in 2022/23 are included below:

Title	Value	Supplier
San Replacement	£677,006	Trustco Plc
Cisco 9200 and 9300 Switches Support	£403,947	SCC
GP Print Mobilisation	£216,000	SCC
Laboratory Information Management System	£212,303	Citadel Health
PACS Support and Licences	£114,373	Philips Electronic UK Ltd
Keyed In	£68,394	Softcat Ltd
SQL Licences	£66,350	SCC
One Cloud Cisco (UK) Service	£63,360	BT Global Services
10 Gig Point to Point Circuit	£61,846	BT
MIG Gateway	£55,093	Softcat Ltd
Fire Alarm Maintenance	£52,583	SPG Fire & Security Ltd

Future Regulated Procurements (2023/24)

The following table sets out the regulated procurements which are expected to be undertaken by NHS Fife in 2023/24:

Title	Estimated Value	Estimated Start Date
Urgent Care Out of Hours GP Transport Services	£1,250,000	January 2024
Bed/Mattress Hire	£199,000	TBC

6. Reporting Metrics

1. Organisation and report details

- a) Contracting Authority Name
- b) Period of the annual procurement report
- c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (*Yes / No*)

NHS Fife
2022/23
Yes

2. Summary of Regulated Procurements Completed

- a) Total number of regulated contracts awarded within the report period
- b) Total value of regulated contracts awarded within the report period
- c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period
- i) how many of these unique suppliers are SMEs
- ii) how many of these unique suppliers are Third sector bodies

11
£1,991,255
8
3
0

3. Review of Regulated Procurements Compliance

- a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy
- b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy

11
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.
- b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.
- c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements

1
1
2

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)
- e) Number of Apprenticeships Filled by Priority Groups
- f) Number of Work Placements for Priority Groups
- g) Number of Qualifications Achieved Through Training by Priority Groups
- h) Total Value of contracts sub-contracted to SMEs
- i) Total Value of contracts sub-contracted to Social Enterprises
- j) Total Value of contracts sub-contracted to Supported Businesses
- k) Other community benefit(s) fulfilled

Not Recorded
Not Recorded
10
Not Recorded
Not Recorded
Not Recorded
Not Recorded
12 (see section 2)

5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.
- 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.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.

1
1
1

6. Payment performance

- a) Number of valid invoices received during the reporting period.
- b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)
- c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.
- d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.

147,265
87%
14
Not Recorded

7. Supported Businesses Summary

- a) Total number of regulated contracts awarded to supported businesses during the period
- b) Total spend with supported businesses during the period covered by the report, including:
- i) spend within the reporting year on regulated contracts
- ii) spend within the reporting year on non-regulated contracts

0
£18,671
0
£18,671

8. Spend and Savings Summary

- a) Total procurement spend for the period covered by the annual procurement report.
- b) Total procurement spend with SMEs during the period covered by the annual procurement report.
- c) Total procurement spend with third sector bodies during the period covered by the report.
- d) Percentage of total procurement spend through collaborative contracts.
- e) Total delivered cash savings for the period covered by the annual procurement report
- f) Total non-cash savings value for the period covered by the annual procurement report

£355,018,374
£64,247,881
£4,659,620
52%
£479,036
0

9. Future regulated procurements

- a) Total number of regulated procurements expected to commence in the next two financial years
- b) Total estimated value of regulated procurements expected to commence in the next two financial years

2-5
TBC