



**Document Title:**

**Annual Report 2021-22**

**Department:**

**Procurement**

**Approval:**

**NHS 24 Audit and Risk committee.**

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To comply with the Procurement Reform (Scotland) Act 2014 (The Act), NHS 24 is required to publish Procurement Report annually detailing information on all regulated procurement activity. This report reflects information for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. In addition to reporting previous activity, the report includes information on all regulated procurements that are planned for the next two-year period (1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2024).

A regulated procurement is any procurement for goods or services with an estimated value over the life of the contract of £50,000 or more and any such procurement for works with an estimated value over the life of the contract of £2,000,000 or more.

The professional management of procurement activity is an important factor contributing towards the efficient operation of NHS 24 and the attainment of corporate objectives as identified within the Annual Operating Plan. It is essential for both patients and staff that quality projects, supplies and services are delivered on time to NHS 24 within optimum commercial arrangements.

NHS 24 Board had a total expenditure with 3<sup>rd</sup> party suppliers of £24,699,537 net of Vat (based on financial year 2020/21 data).

This is expenditure that is influenced by procurement and subject to contract and/or tendering activity.

The Procurement Strategy positions procurement activity visibly within the organisation, establishing Board level commitment to and involvement in the management of the Health Board's procurement deliverables. It additionally sets out clear, measurable objectives and priorities for improvement which are closely monitored. Progress against strategic objectives is reported annually to the NHS 24 Board, by the Director of Finance & Performance who is the nominated Director within the Board with overall responsibility for Procurement Services. The strategy addresses key procurement issues over a 3-year time frame and is subject to annual review.

The strategy is pursued through the line management accountability structures, with clear targets and timescales being established in relation to improvement in procurement activity undertaken at strategic and operational levels. These targets are reflected within NHS 24's service level agreement for procurement services.

The Head of Procurement has responsibility for procurement services that cover both the Scottish Ambulance Service and NHS 24. Therefore the compliance and outcomes set out within each of the individual Strategy documents apply to all parts of both organisations and all procurement activity undertaken by SAS and NHS 24.

Please note that a separate Procurement Annual Report will be prepared and published in respect of SAS procurement activity.

The report owner is:

**Brian Laughland**  
**Head of Procurement,**  
**Scottish Ambulance Service**  
**Gyle Sq**  
**South Gyle**  
**Edinburgh**

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## Summary of Regulated Procurements 2020/21

The following is a list of regulated procurements completed during the period April 2021 to March 2022

Supplier	Description	Complied with Procurement Strategy	Community Benefits
Mistura Enterprise Limited t/a Choice and Medication	Subscription to the the Choice and Medication Website Cost: £122,000	YES	NO
Seattle Software Limited (trading as Orbus Software)	iServer365 platform for 5 Author Users Cost: £55,800	YES	NO
Provident CRM Ltd	Contract to perform the upgrade and consolidation of the SUGAR CRM Platform Cost: £109,950	YES	NO
Insite Contracts Ltd	Caledonian House - Provision of Urgent Office Fit Out Works Cost: £969,126	YES	NO
FES Support Services Ltd	Caledonia House, Ground Floor Configuration (RM6088) Cost: £54,082	YES	NO
Resulting Ltd	Connect Phase 1: Programme Consultancy Support for NHS24 £528,960	YES	NO
FES Ltd.	Principal fit out contractor in relation to the proposed reconfiguration of Headquarters workspace at Caledonia House, Cardonald.	YES	NO

	Cost: £120,000		
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Further detail for procurement exercises is contained in Appendix 1.

**4 Procurements not complying with NHS 24 Strategy**

In compliance with the Procurement Reform (Scotland) Act 2014 (The Act) NHS 24 is required to provide information on any Procurement that did not comply with the NHS 24's Procurement Strategy.

This confirms that all of the regulated procurements awarded over the period April 2021 to March 2022 complied with the NHS 24's current Procurement Strategy requirements.

**5 Community Benefits**

Boards are required to provide details of community benefits where they exist. Confirmation is given that no procurement activity undertaken was of a value that required the inclusion of community benefits within the tender process.

Development and promotion of the community benefits aspect within all tendering procurements will progress into 2022 and beyond.

**6 Supported Businesses**

The Scottish Government encourages public sector bodies to utilise the services of supported businesses whenever appropriate opportunities arise and to seek the services of those companies on the framework agreement.

In its Procurement Strategy, NHS 24 is committed to ensuring that the framework agreement will be utilised whenever appropriate and consideration will be given to supported business contractors during each tendering exercise.

Procurement team members participated in the annual 'Procurement 4 Health (P4H)' Health Conference, where suppliers were given the opportunity to discuss issues and opportunities with procurement professionals in a 'Meet the Buyer' type format.

In addition, Procurement team continues to promote the Supplier Development Programme aimed at Scottish SME and 3<sup>rd</sup> sector suppliers wherever possible.

**7 Proposed Regulated Procurements 2022/23 and 2023/24**

The following is a list of regulated procurements likely to be undertaken during the next two financial years. Definitive start dates and go live dates are dependent on allocated funding and final approval to proceed.

<b>Title</b>	<b>Annual Budget or Budget Allocation</b>	<b>Start Date</b>	<b>Go Live date</b>
Occupational Health Services	TBC	TBC	TBC
Creative Services	TBC	TBC	TBC
MH Platform (Tactuum) - NHS Digital Services	202,392	TBC	TBC
Chat bot services	TBC	May 2022	TBC
NP803/19 Media Buying	306,077	TBC	31/08/23
NP785/19 Furniture	106,049	TBC	30/11/23
NP763/16 Mobile Services	1,200,000	TBC	28/06/23
Live Chat Software (Velaro)	70,898	TBC	17/07/23
Beating the Blue	297,052	TBC	31/03/24
CRM (Sugar)	109,950	TBC	31/01/23
WFM	72,000	TBC	31/03/23
Connect Phase 2	TBC	TBC	TBC
Desk and Room Booking	60,000	Mar 2022	30/08/22

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### Reference Documents/Appendices

#### Procurement Reform (Scotland) Act 2014

<https://www.legislation.gov.uk/asp/2014/12/contents>

#### The Public Contracts (Scotland) Regulations 2015

<https://www.legislation.gov.uk/ssi/2015/446/contents/made>

#### Procurement Strategy

#### Appendix 1

Please see Appendix 1 details further below

## Supplier Development Programme

<https://www.sdpscotland.co.uk/>

<https://www.scotlandsbravest.org.uk/>

<http://www.hiap-scotland.org/>

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### Glossary of Terms

TBC	value and/or start date subject to confirmation
Framework Agreement	In the context of this document, a contract establishing a supplier or suppliers with agreed terms and conditions for the supply of goods services or works established for one or more health board who will call off as required.

## Appendix 1

### 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	NHS 24
b) Period of the annual procurement report	2021-22
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	7
b) Total value of regulated contracts awarded within the report period	£1,959,918
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	0
i) how many of these unique suppliers are SMEs	0
ii) how many of these unique suppliers how many are Third sector bodies	0

#### 3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	7
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.	0
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 a Community Benefit Requirements	0

##### 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 SME	£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	0

#### 5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	0
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.	0
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated	0

contract awarded during the period.

d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.

0

**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.

0

d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.

0

**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:

£0

i) spend within the reporting year on regulated contracts

£0

ii) spend within the reporting year on non-regulated contracts

£0

**8. Spend and Savings Summary**

a) Total procurement spend for the period covered by the annual procurement report.

£22,327,365

b) Total procurement spend with SMEs during the period covered by the annual procurement report.

Unavailable

c) Total procurement spend with Third sector bodies during the period covered by the report.

Unavailable

d) Percentage of total procurement spend through collaborative contracts.

Unavailable

e) Total targeted cash savings for the period covered by the annual procurement report	Unavailable
i) targeted cash savings for Cat A contracts	Unavailable
ii) targeted cash savings for Cat B contracts	Unavailable
iii) targeted cash savings for Cat C contracts	Unavailable

f) Total delivered cash savings for the period covered by the annual procurement report	Unavailable
i) delivered cash savings for Cat A contracts	Unavailable
ii) delivered cash savings for Cat B contracts	Unavailable
iii) delivered cash savings for Cat C contracts	Unavailable

g) Total non-cash savings value for the period covered by the annual procurement report	Unavailable
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**9. Future regulated procurements**

a) Total number of regulated procurements expected to commence in the next two financial years	7
b) Total estimated value of regulated procurements expected to commence in the next two financial years	2,182,468

**NOTES**

- Reference to contract is also to be construed as meaning a framework agreement.
- Please provide exact figures wherever possible, rather than estimations.
- Please distinguish between the '0' value and where information is either not recorded or not available.

**1. Organisation and report details**

- a) Enter the name of the contracting authority to which the report refers.
- b) Enter the actual period of the report (for example, 101 April 18 to 31 March 19 or 1 August 18 to 31 July 19.)
- c) Has the report been prepared because there is a requirement to do so under Section 18 of the 2014 Act?

**2. Summary of regulated procurements completed**

- a) This is the total number of all regulated contracts that were awarded during the reporting period as a result of regulated procurements.
- b) This is the total estimated value (excluding VAT) of all regulated contracts that were awarded during the reporting period as a result of regulated procurements.
- c) This is the total number of unique suppliers that were awarded a place on a regulated contract which was awarded during the reporting period. (where a supplier has been awarded more than one framework, or contract only one instance should be recorded).
  - i) Number of unique SME suppliers that were awarded a place on a contract awarded during the reporting period. (An SME means an enterprise which employs less than 250 staff.)
  - ii) Number of unique Third sector suppliers that were awarded a place on a contract awarded during the reporting period.

**3. Review of regulated procurements compliance**

- a) Total number of regulated contracts awarded within the reporting period that complied with the commitments and policies set out in your corporate procurement strategy.
- b) Total number of regulated contracts awarded within the reporting period that did not comply with commitments and policies set out in the corporate procurement strategy.

**4. Community benefit requirements summary**

- a) Total number of individual regulated contracts awarded within the reporting period with a value of £4 million or greater.
- b) Total number of individual regulated contracts awarded within the reporting period with a value of £4 million or greater that contain Community Benefit requirements.
- c) Total number of regulated contracts with a value of less than £4 million that contain that contain Community Benefit requirements.
- d) Total number of jobs filled by individuals within a priority group during the period of the report.
- e) Total number of apprenticeships filled by priority groups during the period of the report.
- f) Total number of work placements delivered for priority groups during the period of the report.
- g) Number of qualifications achieved during the period of the report through training by priority groups.
- h) Total value of contracts subcontracted to SMEs during the period of the report
- i) Total value of contracts subcontracted to Social Enterprises during the period of the report.
- j) Total value of contracts subcontracted to Supported Businesses during the period of the report.
- k) Other community benefits that were fulfilled during the period of the report that do not fall into one of the preceding categories.

## 5. Fair Work and the real Living Wage

- a) Number of regulated contracts awarded during the reporting period where it was relevant to include a scored Fair Work criterion.
- b) Total number of unique suppliers that have committed to pay the real Living Wage to persons involved in producing, providing or constructing the subject matter of regulated procurements; this number will include suppliers who are awarded onto a framework agreement and will also reflect those suppliers who are accredited as Living Wage employers.
- c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period of the report; this number will include suppliers who are awarded onto a framework agreement.
- d) Number of unique suppliers signed up to the Scottish Business Pledge and were awarded a regulated contract during the period of the report; this number will include suppliers who are awarded onto a framework agreement.

## 6. Payment performance

- a) Total number of valid invoices received during the period of the report.
- b) The percentage of valid invoices received during the period of the report that were paid on time (for example, within the time period set out in the contract terms).
- c) Total number of regulated contracts awarded during the period of the report that contained a contract term requiring the prompt payment of invoices in public contract supply chains.
- d) Total number of concerns raised by sub-contractors within the timeframe covered by the report about timely payment of invoices relating to the supply chain of public contracts.

## 7. Supported businesses summary

- a) Total number of all regulated contracts that were awarded to supported businesses during the reporting period (this includes contracts reserved for supported businesses)
- b) Total amount of spend with supported businesses during the reporting period (through regulated and non-regulated contracts).
  - i) Total spend with supported businesses during the reporting period through regulated contracts (*including spend within the period on contracts placed before the period*).
  - ii) Total spend with supported businesses during the reporting period through non-regulated contracts (*including spend within the period on contracts placed before the period*).

## 8. Spend and savings summary

- a) Total amount of procurement spend during the reporting period.
- b) Total amount of procurement spend with SMEs during the reporting period.
- c) Total amount of procurement spend with Third Sector bodies during the reporting period.
- d) Percentage of total procurement spend during the reporting period that is through collaborative contracts.
- e) Total amount of cash savings that was targeted / forecast for the period of the report.
  - i) Total amount of cash savings that was forecast for the period of the report through Cat A (National) contracts.
  - ii) Total amount of cash savings that was forecast for the period of the report through Cat B (Sectoral) contracts.
  - iii) Total amount of cash savings that was forecast for the period of the report through Cat C contracts.
- f) Total amount of cash savings delivered for the period of the report.
  - i) Total amount of cash savings delivered during the period of the report through Cat A (National) contracts.

- ii)** Total amount of cash savings delivered during the period of the report through Cat B (Sectoral) contracts.
- iii)** Total amount of cash savings delivered during the period of the report through Cat C contracts.

**9. Future regulated procurements**

- a)** Total number of all regulated contracts that are expected to commence in the next two financial years.
- b)** Total estimated value of all regulated contracts that are expected to commence in the next two financial years.