

Procurement Shared Service

Procurement Strategy 2015 - 2018

July 2015



**Scottish
Ambulance
Service**
Taking Care to the Patient



**Healthcare
Improvement
Scotland**

NHS
Health
Scotland

Shared Procurement Service

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Procurement Shared Service

Procurement Strategy 2015 – 2018 (final)

July 2015

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Equality and Diversity Impact Assessment

EQIA included at Appendix 6

Procurement Shared Service: Procurement Strategy 2015 – 2018

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Procurement Strategy 2015 – 2018

Executive Summary

The purpose of this strategy is to provide a framework for activity within the Service's Procurement Team from the summer of 2015 until 2018. It is intended to build on progress resulting from previous strategies and ensure that activity is properly aligned with other relevant strategy and policy that it is required to support.

In addition to its work within the Service, the Procurement Team has been providing procurement services to Healthcare Improvement Scotland since August 2012 on a 0.5 whole time equivalent basis. A service level agreement was signed in the summer of 2014 to provide similar services to Health Scotland, and as a result two Health Scotland Procurement staff transferred to the Service on 1st April 2015. The aspiration is that a single Procurement Team will work across the three organisations providing a true shared service function, and the Scottish Ambulance Service Head of Procurement will have functional responsibility for procurement strategy, policy and delivery across the shared service.

It is acknowledged that 2015/16 will be a transition year to align to the organisations' working practices where possible. The shared service aims to provide a range of opportunities and benefits to our stakeholders, but these will require some effort to deliver. This Procurement Strategy will therefore support the activity of the shared Procurement Team, and will be subject to the approvals process for all three organisations.

The Strategy is not intended to spell out the detailed work required to deliver the agreed priorities. These will be contained in the annual procurement workplan agreed by the three organisations each financial year. Progress against the procurement workplan will be reported to the organisations on an ongoing basis. In addition, a strategy for regulated procurements will be produced to comply with the requirements of the Procurement Reform (Scotland) Act 2014 once the regulations underpinning this are available later in the year. Regulated procurements are between £50,000 and the relevant OJEU threshold (currently £111,676 for goods and services, and £4,322,012 for works).

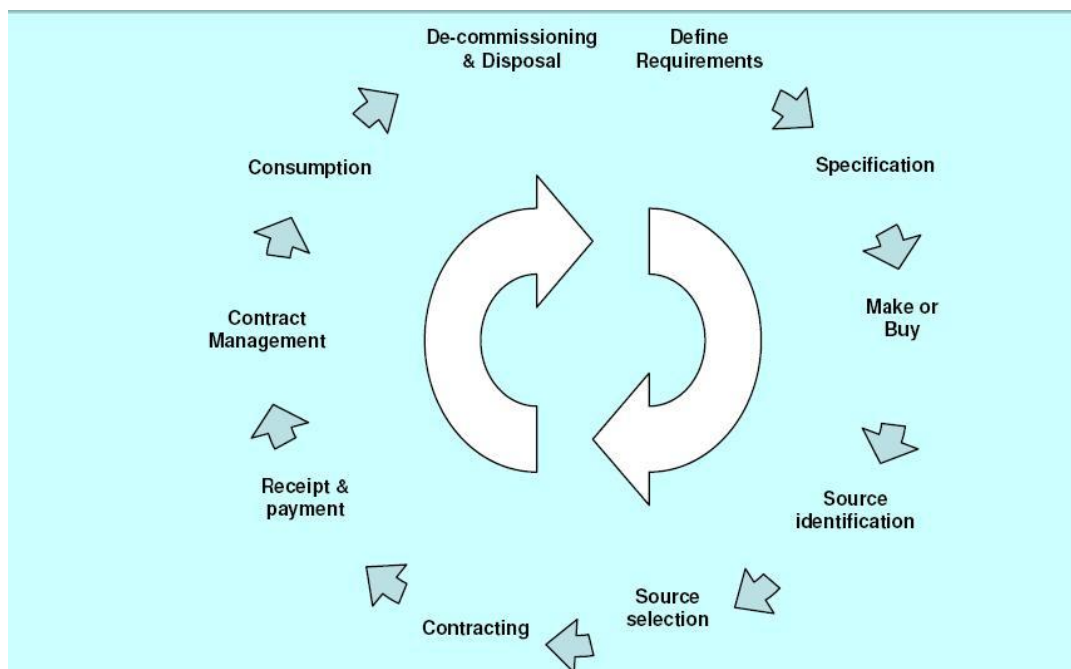
The Equality Act (2010) created an umbrella for all equality and diversity legislation. In 2011, the Act introduced a Public Sector Equality Duty which required public bodies to eliminate unlawful discrimination, promote equality and foster good relations and, amongst other things, to consider how decisions and services may impact upon different groups in the community. Mechanisms are in place to ensure that suppliers and the organisations participating in the shared service comply with the Equality Act 2010 and the Public Sector Equality Duty.

This is a challenging time for those working in public sector procurement as expectations of what can be achieved for our organisations continue to rise, specifically with regard to assisting with financial pressures. In addition, the legislative context will be changing substantially in the next 12 months due to the implementation of new EU Directives on public procurement and the Procurement Reform (Scotland) Act 2014, and the team will need development and support to deal with this. (Appendix 2 includes a summary of the implications of the Procurement Reform (Scotland Act 2014.)

What is Procurement?

Procurement is the process of acquiring goods, services and works from third party providers to meet stakeholders' needs. It includes the whole process as shown in Figure 1.

Figure 1: Procurement Cycle



In the public sector context, Procurement is regulated by a number of EU Directives that are implemented through regulations, and shaped by a variety of other central and devolved government legislation, strategy and policy. New EU Directives on public procurement have been agreed by the Commission and must be implemented by member states by early 2016.

The Scottish Government has developed The Scottish Model of Procurement (see Figure 2). The Scottish Government states that the intention of the Model is to drive public value: 'The Value for Money triangle sums up the Scottish Model of Procurement; it is not just about cost and quality, but about the best balance of cost,

quality and sustainability.’ It supports the Government’s National Purpose of achieving sustainable economic growth.

The Scottish Model of Procurement aligns with the Procurement Reform (Scotland) Act that was given Royal Assent in June 2014. Sustainability in its widest sense features heavily in the requirements on the Act and public bodies are required to comply with a new sustainable procurement duty. Regulations to underpin the Act are expected in late 2015.

More contextual material on public sector procurement, including the implications of the Procurement Reform (Scotland) Act 2014, is provided in Appendix 1.

Figure 2 The Scottish Model of Procurement

Scottish Procurement



Scottish Model of Procurement



The Organisations

The Scottish Ambulance Service, Healthcare Improvement Scotland and Health Scotland are all organisations headquartered in Gyle Square in Edinburgh. More detail on their respective functions is included in Appendix 3. Their combined budget is £255m, of which approximately £75m is non-pay expenditure which must be

subject to adequate procurement processes. The shared Procurement Team comprises 9 whole time equivalent staff.

The Procurement Strategy

In order to be effective the shared Procurement Strategy must be aligned with the strategic objectives of the organisations it serves and wider NHS Scotland and government policy. To that end, a range of policy and strategy documents have been reviewed in constructing this Strategy to ensure that its focus and priorities are appropriate. (See Appendix 5)

The shared service approach to Procurement being taken forward by the three organisations fits with the Value and Sustainability strand of the Scottish Government's Triple Aim articulated in the Route Map to the 2020 Vision for Health and Social Care. It also reflects the pillars of public service reform set out in the Scottish Government's response to the Christie Commission:

- partnership and collaboration
- workforce development and effective leadership
- improving performance, through greater transparency, innovation and use of digital technology.

The key priorities for the shared Procurement Team are:

- Delivering public value in line with the Scottish Model of Procurement in support of the Scottish Government's National Outcomes (specifically Business, Employment Opportunities, Inequalities, Environmental Impact and Public Services)
- Ensuring that Procurement effectively supports the strategic objectives of the three organisations it serves

These priorities will translate into the following strategic objectives for Procurement.

Delivering public value

1. Ensure that the procurement shared service is fully aligned with the strategic objectives in Phase 3 of the Scottish Government's Procurement Reform agenda:
 - Efficiency and collaboration [*National Outcome: Public Services*]
 - Deliver savings and benefits (economic, social and environmental) [*National Outcomes: Business, Employment Opportunities, Inequalities, Public Services*]

- Improve access to public sector contracts, in particular, small and medium sized enterprises (SMEs) [*National Outcome: Business, Inequalities*]
 - Making sustainable procurement business as usual [*National Outcome: Environmental Impact*]
 - Procurement capability [*National Outcome: Employment Opportunities*]
2. Fully implement the regulations that give effect to the Procurement Reform (Scotland) Act 2014 (when published), including the new Sustainable Procurement Duty.
 3. Fully implement the regulations that give effect to the new EU Directives on public procurement (when published).
 4. Implement the output of the Construction Review as appropriate.

Ensuring that Procurement effectively supports the strategic objectives of the three organisations it serves

1. Align annual procurement shared service workplans to support the objectives of the participating organisations in support of the Scottish Government's 2020 Vision.
2. Develop the procurement shared service for three participating organisations, aligning procurement strategy, policy and procedures to make the most efficient use of the available resources.
3. Achieve savings for the three participating organisations, including contributing to the collaboration agenda at a consortium, sector, cross-sectoral and national approach as appropriate. Potential efficiencies may include cash-releasing and other efficiency savings, such as improved service delivery. Embedding best practice in contract management will a key aspect of this.
4. Develop and implement improvement plans for the new Procurement and Commercial Improvement Programme (formerly Procurement Capability Assessment) for the participating organisations.
5. To support the three organisations participating in the shared service to achieve equality objectives in relation to people with protected characteristics:
 - To eliminate unlawful discrimination
 - To promote equality of opportunity

- To promote good relations between people in a diverse community
 - To ensure that public money is not spent on practices that lead to unlawful discrimination for whatever reason
 - To use procurement practice to support and encourage fairness, equality of opportunity and positive community relations
 - To ensure that public procurement pays due regard to including equality considerations in award criteria and performance conditions to help meet the Equality Duty
6. Work towards a single Procurement and Commercial Improvement Programme assessment (PCIP) for the shared service, ideally by 2017 when the next round of assessments after 2015 is expected. This is subject to review of the final question sets, both of which are not available at the time of writing. [Health Scotland and Healthcare Improvement Scotland will be subject to the 'lite' assessment, not the full assessment, so a shared PCIP may not prove to be practical or desirable.]
7. Embed the 'Once for Scotland' principle across the shared service as far as possible.

These strategic objectives will be fed into the 2015/16 procurement workplan (and subsequent years' workplans) in the form of specific tasks that will facilitate overall delivery. The procurement workplan will be approved and monitored by the participating organisations.

(This is also consistent with the Procurement Framework produced by the NHS Scotland Procurement Steering Group in 2013.)

Public Procurement – Contextual Information

EU Procurement context

Public sector procurement activity is primarily governed by the EU Directives on public procurement. There are four key principles that underpin this. These are:

- Transparency
- Equal treatment and non-discrimination
- Proportionality
- Mutual recognition

Beyond that, the Directives set out a procedural framework for contracts above specific thresholds that are amended every 2 years. These are currently:

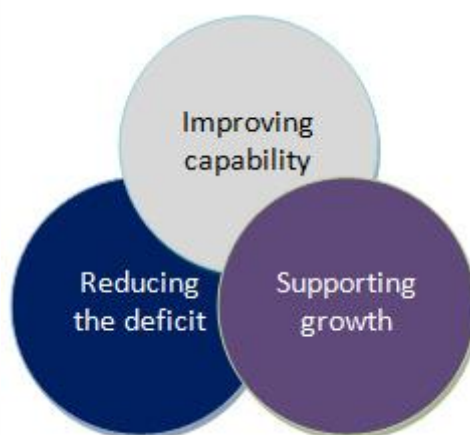
Goods and services	£111,676
Works (construction)	£4,322,012

UK Procurement Context

There is no doubt that the contribution the Procurement can make to achieving best value is well-recognised by the Governments in both Westminster and Holyrood.

In Westminster:

Government Procurement reform's primary purpose: Improving Capability, Supporting Growth and Reducing the Deficit

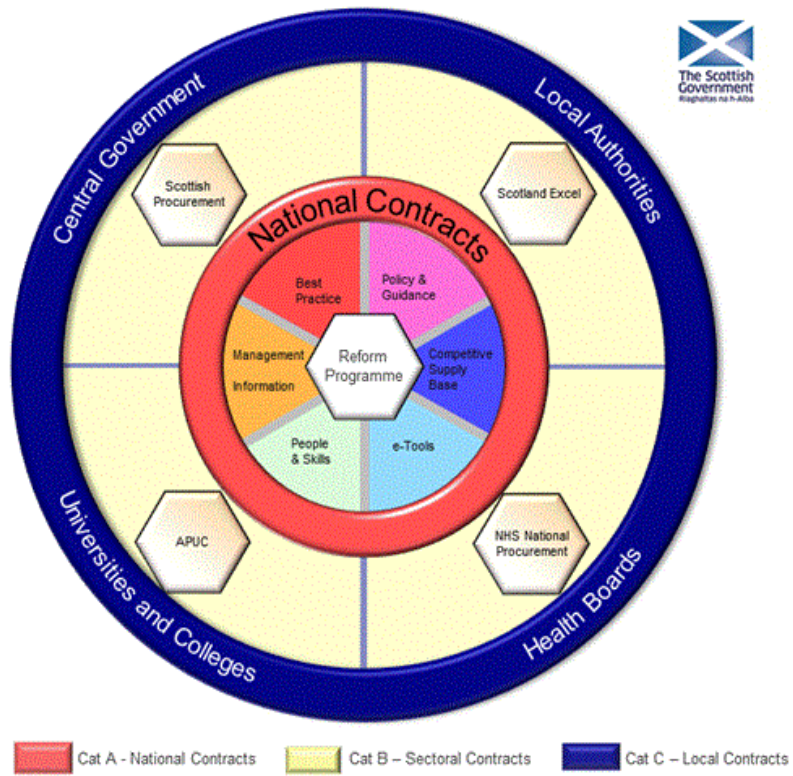


- Overall responsibility for Government procurement now sits with the Cabinet Office putting Procurement at the heart of Government.
- This responsibility is mainly discharged through the Crown Commercial Service (formerly the Government Procurement Service and the Major Projects Authority).
- The Government has made very positive statements about how Procurement can support deficit reduction.

In Holyrood:

- The Public Procurement Reform Board (PPRB) is currently chaired by Keith Brown MSP, Cabinet Secretary for Infrastructure, Investment and Cities. It is now into Phase 3 of the Procurement Reform agenda.
- Phase 3 covers 2014/15 to 2016/17 and focuses on the following strategic objectives:
 - efficiency and collaboration
 - deliver savings and benefits (economic, social and environmental)
 - improve access to public sector contracts, in particular, small to medium sized enterprises (SMEs)
 - making sustainable procurement business as usual
 - procurement capability
- The Scottish Government has created additional legislation concerning public procurement. The Procurement Reform (Scotland) Act was given Royal Assent in 2014 and is expected to be implemented by regulation later this year. Further detail on the implications of this legislation is included in Appendix 2.
- Scotland has Centres of Expertise for Procurement at sector level (e.g. NHS, local authorities, universities and colleges, as well as a Centre of Expertise for pan-public sector contracts. This has resulted in substantial savings being made as a result of greater collaboration between buying organisations.
- The Scottish Government has been in the forefront of providing IT solutions and other tools (e.g. Procurement Journey) for public sector procurement professionals for some years, to drive down transaction costs and encourage a standardised approach to the business community.

The figure below shows the inter-relationship between the different public procurement organisations and their respective responsibilities.



Implications of the Procurement Reform (Scotland) Act 2014

This legislation has now received Royal Assent. The date for implementation has not yet been announced, but the latest information from the Scottish Government is that regulations giving effect to this legislation will be produced by the end of 2015.

Key changes to current processes

Thresholds

The Act regulates procurements that exceed the following thresholds:

Goods and/or services	£50,000
Works	£2,000,000

These values exclude VAT and requirements must be aggregated appropriately.

This is **in addition** to the Public Contracts (Scotland) Regulations 2012 that give effect to the EU Directive on public procurement. The current thresholds for this legislation are:

Goods and/or services	£111,676
Works	£4,322,012

(Note: These thresholds are due to be reviewed in 2016.)

Sustainable procurement duty

The Act requires contracting authorities to comply with a new sustainable procurement duty. This requires us to consider the following **before** conducting the procurement:

- how to improve the economic, social and environmental wellbeing of our area
- how to facilitate the involvement of SMEs, third sector and supported businesses
- promote innovation

The procurement must then be carried out with a view to securing these improvements.

Procurement strategy

Contracting authorities that have more than £5m worth of regulated procurements per annum (the Service will exceed this level) are required to have a strategy setting out how it intends to carry out regulated procurements. This must include how our regulated procurements will:

- contribute to carrying out our functions and achieving our purpose
- deliver value for money
- comply with our duties under the Act (e.g. sustainable procurement duty)
- include a policy statement on:
 - community benefits
 - consulting and engaging with those affected by our procurements
 - payment of the living wage
 - promoting compliance with the Health & Safety at Work Act 1974
 - procurement of ethically and fairly traded goods and services
 - how we ensure that payments to contractors, sub-contractors and third tier sub-contractors are made within 30 days

The Service will be required to publish the above online (as a minimum).

Annual report

Contracting authorities are required to produce an annual report including:

- a summary of the regulated procurements that have been completed that year
- a review of whether these complied with the procurement strategy
- a summary of community benefits obtained
- a summary of steps taken to facilitate the involvement of supported businesses
- a summary of the regulated procurements expected in the next 2 years

The Service will be required to publish the above online (as a minimum).

Community benefits

Contracting authorities must consider whether to include community benefits in all regulated procurements above £4m.

The contract notice must include what community benefits are required or a statement of the reasons why they are not included.

The award notice must include a statement of the community benefits that will be derived from the contract.

Note: Community benefits are contractual requirements relating to training and recruitment (e.g. young people, long term unemployed etc.), availability of sub-contracting opportunities, other things intended to 'improve the economic, social or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract'.

Giving of reasons to unsuccessful participants

More detailed feedback will need to be provided to unsuccessful suppliers.

Contract register

Contracting authorities must publish their contract register for regulated procurements.

The Service will be required to publish the above online (as a minimum).

Functions of the Organisations participating in the shared Procurement Service

Scottish Ambulance Service

The Scottish Ambulance Service provides services throughout Scotland which are managed through five geographically based operational divisions, covering the largest geographical area in the UK. The Service responds to 850,000 calls for help each year.

The Service attends nearly 700,000 emergency and unscheduled incidents per annum, takes over 1.1million patients to and from hospital appointments, and transfers 90,000 patients between hospitals. The Service also operates an air ambulance service which provides an emergency response or essential hospital transfer service for the islands and remote and rural areas. The air ambulance deals with around 3,500 incidents per year.

The Service's new strategy, Towards 2020: Taking Care to the Patient, sets out a range of goals and corporate objectives. Procurement can contribute to the following:

- Ensure our patients, staff and the people who use our services have a voice and can contribute to future service design with people at the heart of everything we do.
- Reduce unnecessary variation in service and tackle inequalities delivering some services "Once for Scotland" where appropriate.
- Develop a model that is financially sustainable and fit for purpose in 2020.
- Develop our mobile telehealth and diagnostic capability.
- Use continuous improvement methodologies to ensure we work smarter to improve quality, efficiency and effectiveness.

NHS Health Scotland

Health Scotland works with public, private and third sectors to reduce health inequalities and improve health. The Board's primary role is to lead and support the translation of knowledge of what works to reduce health inequalities and improve health into practical action. Health inequalities are unfair differences in the health of the population.

In order to reduce health inequalities NHS Health Scotland is:

- compiling world class evidence and research to further understanding of health inequalities in Scotland and what works to address them.
- helping national and local policy makers to design and evaluate interventions that help build a fairer healthier Scotland.

- establishing an Inequalities Action Group and working with Community Planning Partnerships to deliver the changes to practice that will make a difference.

Health Scotland's strategy, A Fairer Healthier Scotland, sets out goals and programmes of work. Procurement can contribute to the following:

- better collaboration
- improved workforce capacity
- organisational excellence and innovation

Healthcare Improvement Scotland

Healthcare Improvement Scotland (HIS) is the national healthcare improvement organisation for Scotland with a clear focus to drive improvement in the quality of healthcare. HIS works with staff who provide care in hospitals, GP practices, clinics, NHS boards and with patients, carers, communities and the public. During the course of 2015-18 the focus of HIS will change from improving the quality of hospital care to ensuring that its work is planned across all healthcare settings and particularly the high risk areas of interfaces in care. HIS will increasingly work with colleagues in social care to drive improvements across all components of a person's pathway of care.

Healthcare Improvement Scotland's strategy, Driving Improvement in Healthcare, sets out the organisation's priorities as follows:

- empowering people to have an informed voice that maximises their impact in managing their own care and shaping how services are designed and delivered
- reliably spreading and supporting implementation of best practice and quality improvement support to improve healthcare
- comprehensively assessing the quality and safety of healthcare
- providing clinical standards, guidelines and advice based upon the best available evidence

Procurement can contribute to the following activities to support the organisation's priorities:

- have a flexible, skilled and expert workforce
- continue to develop effective and lean business services
- work with colleagues across NHSScotland to increase the use of shared services
- learn from other high performing organisations within the UK and internationally
- Sharing best practice across the healthcare system and delivering quality improvement implementation support

Review of Previous Procurement Strategies

This section reviews the progress made against the Board's previous procurement strategies.

Scottish Ambulance Service Procurement Strategy 2012 – 2015: Aims and Objectives

The 2012 – 2015 Strategy contained a number of high level indicators of success.

Progress towards achieving these is as follows:

1. Putting patients at the heart of everything we do
 - Ongoing delivery of savings for re-investment in frontline patient care
 - On time delivery of projects
 - Sufficient stakeholder input, and patient input where appropriate

Progress:

- We have achieved procurement savings of £4.2m in last 3 years (to Dec 2014).
- We have helped to deliver new contracts for Phase 1 of the Ambulance Telehealth programme, a range of Accident & Emergency and Patient Transport Service vehicles, the air ambulance, trolley cots, vehicle parts and many others. We now run the procurement processes for Estates projects since the previous out-sourced contract expired.
- We have continued to build on our good relationships with key stakeholders and developed a category management approach in a number of key areas such as ICT, Fleet and Estates.

2. Securing cash-releasing savings and other value for money improvements

High level indicators of success will include:

- Ongoing delivery of savings
- Identifiable efficiency improvements (e.g. greater numbers of eInvoices or use of other ePayables methodologies, reduction in stock etc.)
- Greater use of benchmarking to identify and demonstrate savings opportunities

Progress:

- We have achieved procurement savings of £4.2m in last 3 years (to Dec 2014).
- We have achieved £230k in efficiency improvements via eInvoicing in the last 3 years (to Dec 2014).
- We have done some benchmarking in specific areas (e.g. insurance), but there is more to do.

3. Increased collaboration

- Increasing proportion of collaborative spend
- Increasing level of savings deriving from collaborative activity and a collaborative procurement strategy in place
- Other value for money benefits derived from collaborative working

Progress:

- Collaborative spend has been broadly stable at around 24% for the last 2 years.
- Collaborative savings for 2013/14 totalled £71,294. It will be higher for 2014/15. The Service has a collaborative procurement strategy that is reviewed every year to try to ensure that opportunities are identified.
- The Service has signed a new service level agreement with Health Scotland to provide procurement services. As a result of this plans are being developed to establish a true shared service for procurement across the Service, Health Scotland and Healthcare Improvement Scotland.

4. Being close to the business

- Regular consultation with stakeholders concerning future plans and requirements
- Publish material on procurement performance
- Maintain and improve stakeholder satisfaction survey outcomes
- Enhance supplier and contract management processes through the introduction of a balanced scorecard approach
- Develop and maintain appropriate content for @SAS
- Review and maintain appropriate content for external website and buyer profile

Progress:

- Category management plans are in place in key commodity areas.
- Annual reports on Procurement performance are produced for the Director of Finance.
- The last procurement stakeholder survey was done in 2013. The resulting action plan was completed, and another survey is due to be done this year.
- Procurement has implemented enhanced contract management processes, including use of a balanced scorecard.
- There is regular development and updating of Procurement content on @SAS to ensure relevance to stakeholders
- There is ongoing development and updating of the Service's buyer profile and external website for the public

5. Compliance

- Sustaining Superior performance in the Procurement Capability Assessment
- Up to date Procurement procedures and documentation, including filling any gaps identified
- Giving due regard to equalities duties in award criteria and contract conditions where appropriate
- Ongoing incremental increases in contract coverage
- Personal development plans in place for all staff identifying any training needs
- Training records in place
- Procurement roles mapped to the Scottish Government Competency Framework
- No significant findings from Procurement audits
- No formal complaints or challenges from unsuccessful suppliers

Progress:

- The Service's Procurement Capability Assessment score dropped by 2% against updated assessment toolkit in 2013. No assessment was undertaken in 2014 due to the comprehensive revision of the toolkit. The first assessment against the brand new toolkit will be in Autumn 2015.
- A new suite of Procurement policies, procedures and processes implemented in 2013, and is being added to on an ongoing basis.
- There is a greater emphasis on Equality Impact Assessments forming part of the procurement process for key projects e.g. Ambulance Telehealth.
- Contract coverage increased from 81.7% in 2012/13 to 84.6% in 2013/14.
- Personal Development Plans are in place for all staff.
- Annual training records are in place.
- Procurement roles were mapped to the Scottish Government Competency Framework in 2013.
- Procurement was last audited in 2012. No significant weaknesses were found, and the recommendations were implemented within 12 months.

6. Sustainability

- Obtaining and cascading appropriate sustainability training for Procurement staff
- Seeking to improve the Service's assessment against the Flexible Framework
- Aiming to complete the Service's sustainable procurement action plan
- Updating sustainable procurement policy and other relevant documentation
- Community benefits clauses implemented in appropriate commodity areas
- Implementing Sustainable Procurement legislation once this comes into force [*Regulations expected late 2015.*]

Progress:

- It has been difficult to obtain suitable sustainability training, and some more work remains to be done on this.
- There have been demonstrable improvements in the Service's assessment against the Flexible Framework but unfortunately these have not yet impacted on the overall score given the complexity of the Framework. More work remains to be done of this.
- The Sustainable Procurement Action Plan has been completed. Annual workplans contain a section on sustainability going forward in an effort to embed this in continuous improvement within Procurement.
- The Sustainable Procurement Policy was updated in 2013, and will be reviewed again later this year.
- The use of Community Benefit Clauses was piloted and subsequently implemented in contract for the Aberdeen station demolition and re-building. This will be extended to future works contracts, and eventually to other goods and services.
- Regulations to implement the Procurement Reform (Scotland) Act are awaited. This legislation provides for a new sustainable procurement duty for the public sector.

7. Business continuity

- Updated business impact assessment for the Procurement team
- Up to date Procurement risk log
- Up to date business continuity arrangements for PECOS users
- Appropriate review of suppliers' financial viability and business continuity arrangements pre-contract
- Up to date list of mission critical suppliers maintained
- Appropriate business continuity requirements built into contracts with mission critical suppliers
- Robust contract management, particularly of mission critical suppliers
- Engagement with National Risk & Resilience Department (NRRD) to support planning for specific events or incidents as required

Progress:

- Procurement's business continuity plan was updated in 2014, following a business impact assessment that was undertaken some time before that.
- The Procurement risk register is regularly updated (most recently in November 2014)
- Updated business continuity plans in the event of a serious failure of PECOS were included in the 2014 Business Continuity Plan.
- The financial viability of key suppliers is reviewed annually. For appropriate contracts financial viability and the suppliers business continuity plans are also assessed.
- The Service's list of strategic suppliers is reviewed annually.
- Business continuity requirements are included in key contracts e.g. air ambulance service.
- Procurement has implemented enhanced contract management processes, including use of a balanced scorecard. Suppliers are categorised to ensure that the appropriate level of contract management is applied.
- Procurement engages with NRRD as required. Recent examples include the Commonwealth Games project team, the Viral Haemorrhagic Fever (Ebola) project team, the Ryder Cup etc.

Health Scotland Procurement Strategy 2012

Health Scotland's last substantive Procurement Strategy dates from 2012. The Board has experienced a number of staff changes since 2012, and this lack of continuity has made progress challenging. However, a number of key objectives have been achieved in this time. These include:

- Implementation of the PECOS eProcurement system.
- Leading larger procurements for Health Scotland.
- Developing and implementing a range of templates for procurement projects.
- Developing and implementing a balanced scorecard for contract management.
- Utilising the Business Planning Tool to identify projects requiring procurement support.
- Regular reporting of non-compliant spend.

In addition, work is underway on compiling a contract register which should be live in the next few months.

Healthcare Improvement Scotland Procurement Strategy (2013 – 2015)

Progress towards achieving actions in support of the strategy is as follows.

Action	Progress
Clearly defined roles, responsibilities for procurement including delegation and purchasing authority. The system for delegation and authority for procurement is clear and understood by all.	Procurement Thresholds published on Mole. SFI's to be updated by end of Q3 2015/16.
Develop “lead buyers” in each directorate capable of managing tender exercise below EU thresholds.	On hold - all tender exercises actioned by Procurement & Efficiencies Manager.
Write and implement Procurement Policy including Equality & Diversity and Corporate Social Responsibility and Sustainability.	SAS procurement policy templates used and available on Mole.
Implement the Scottish Sustainable Action Plan (SSAP) and work to achieve compliance in all areas of the Plan.	The Procurement & Efficiencies Manager is a member of Sustainable Development Working Group
Define and communicate an Outsourcing Strategy that understands and meets the needs of HIS.	No action taken as yet.
Spend and budgets will be analysed to identify national and local key commodities and identify areas of opportunity.	Some spend analysis undertaken on travel. Ongoing exercise with SAS and HS.
Sustainability will be included as part of the award criteria and decision making of any tender of goods or services.	Increasing number of specifications include reference to sustainability and included in evaluation criteria.
Active involvement or awareness of activity in national groups including Commodity Advisory Panels (CAP), Health eSourcing User Group.	Limited engagement on behalf of HIS. Comms involved in SG Print contract in the past.

Develop a process to promote awareness of available Category A&B contracts and maximise the benefits from collaborative contracts within HIS.	Further work required to promote awareness of CAT A&B contracts on Mole. Work ongoing to develop other collaborative contracts through AHB Procurement Group.
Develop a procurement manual to standardise on processes and documentation used in procuring goods and services, including the use of Public Contracts Scotland website, standard Pre-qualification Questionnaire (PQQ) and Terms and Conditions of Contract (T&Cs).	No discussion held in developing a procurement manual and further work required to link guidance on appropriate information to SG Procurement Journey.
Ongoing review of supply base and rationalisation programme.	Ongoing - further work required
Create Supplier Development Strategy based on national supplier toolkit and management processes for key suppliers.	No action taken to date
Implement standard T&Cs and template Service Level Agreements (SLA) for purchases of goods and services.	T&C's embedded in all PO's, available on Mole and link included in all award letters.
Develop reliable supplier performance measures.	No action taken as yet.
Assign contract owners for all local contracts.	All local contracts are managed by the lead officer in liaison with the Procurement and Efficiencies Manager.
Develop a more robust new Supplier process.	Accounts Payable review all requests for new suppliers and where appropriate consult with the Procurement and Efficiencies Manager. All accommodation suppliers were blocked when PECOS was implemented to ensure the Business Travel contract with Expotel was used where possible.
Proactively drive the implementation of PECOS.	PECOS was successfully implemented in HIS in 2012/13

Develop invoicing strategy including electronic invoices, consolidated billing and procurement card.	Ongoing - further work required
Support the responsibilities of the Procurement Working Group	No PWG in place. Currently discussing format and remit.
Review and reduce the number of staff with procurement responsibility.	No action taken as yet.
Introduce internal Procurement awareness sessions and training,	Informal procurement awareness sessions held on a 121 basis. Attendance at team meetings under discussion.
Identify one or two candidates in each directorate suitable to carry out duties at lead buyer level and agree appropriate training to develop their skills.	Currently discussing format and remit of Directorate contacts.
Undertake a skills gap analysis, identifying key areas of need and develop appropriate in-house training courses for all staff with procurement responsibility.	No action taken as yet.
Identify opportunities with collaborative partners, such as NHS Scotland, Excel, and Procurement Scotland on training opportunities on a nationwide basis or sourcing specialised external training.	SAS Head of Procurement takes the lead on appropriate training
Determine ongoing requirement for a Procurement Specialist role, identifying required skills by completing the Procurement Competency Framework.	SAS Head of Procurement liaises regularly with HIS Finance General Manager on procurement service for HIS.
Record BPIs on Spikes Information Hub and benchmark against national standards and similar organisations.	No action taken as yet.
Develop local Performance Indicators to assess procurement performance (transactional and strategic activities) and support business improvement.	No action taken as yet.

Continue to develop strategy and implement plan to achieve “conformance” in Procurement Capability Assessment in 2012 and year on year improvements.	Improvement made on PCA for 2013/14 and reported to Audit Committee.
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References

In developing this Strategy the following documents have been considered:

- Scottish Government A Route Map for the 2020 Vision for Health and Social Care
- Scottish Government National Performance Framework
- Scottish Government The Healthcare Quality Strategy 2010
- Scottish Ambulance Service 'Towards 2020: Taking Care to the Patient'
- Scottish Ambulance Service Corporate Priorities 2014 - 2015
- Healthcare Improvement Scotland 'Driving Improvement in Healthcare'
- Healthcare Improvement Scotland Local Delivery Plan 2014 - 2015
- Health Scotland 'A Fairer Healthier Scotland'
- Health Scotland Delivery Plan 2014 -2015
- National Procurement's priorities and strategic objectives
- NHS Scotland Procurement Steering Group: A Procurement Framework
- Various Scottish Government papers available on its website related to Procurement and Procurement Reform, the Christie Commission etc.
- Better Procurement Better Value Better Care: A Procurement Development Programme for the NHS
- Tackling Poverty Through Public Procurement (Joseph Rowntree Foundation)
- Technical guidance on the Public Sector Equality Duty: Scotland 2014



Equality Impact: Screening and Assessment Form

Section 1: Policy details - policy is shorthand for any activity of the organisation and could include strategies, criteria, provisions, functions, practices and activities including the delivery of our service.	
a. Name of policy or practice (list also any linked policies or decisions)	Procurement Strategy 2015 - 2018
b. Name of department	Procurement
c. Name of Lead	Head of Procurement
d. Equality Impact Assessment Team [names, job roles]	Procurement Team
e. Date of assessment	31/03/15
f. Who are the main target groups / who will be affected by the policy?	Directly - Procurement Team members and stakeholders / procurement service users Indirectly – Suppliers
g. What are the intended outcomes / purpose of the policy?	The Procurement Strategy will set the direction of travel for development of the service over the next 3 years.
h. Is the policy relevant to the General Duty to eliminate discrimination? advance equality of opportunity? foster good relations?	Yes. It is intended that the Strategy will support the Service's General Duty in this regard, specifically through improving access to public contracts for small and medium sized enterprises (SMEs), and potentially through some other workstreams within annual workplans, such as implementing community benefits in relevant contracts, and identifying opportunities for contracting with supported businesses. In addition, EQIAs will be completed for major contracts that require Board sign off (over £1m expected value).
If yes to any of the three needs complete all sections of the form (2- 7) If no to all of the three needs provide brief detail as to why this is the case and complete only section 7 If don't know: complete sections 2 and 3 to help assess relevance	

Section 2: Evidence, consultation and involvement

Please list the available evidence used to assess the impact of this policy, including the sources listed below. Please also identify any gaps in evidence and what will be done to address this.

a. Previous consultation / involvement with community, including individuals or groups or staff as relevant. Please outline details of any involvement / consultation, including dates carried out and protected characteristics

Details of consultations - where, who was involved	Date	Key findings	Protected characteristics
N/A – Internal strategy document			Age
See above			Disability
See above			Gender reassignment
See above			Gender / sex
See above			Marriage / civil partnership *
See above			Pregnancy / maternity
See above			Race
See above			Religion / belief
See above			Sexual orientation
See above			Cross cutting - e.g. health inequalities - people with poor mental health, low incomes, involved in the criminal justice system, those with poor literacy, are homeless or those who live in rural areas. Other?

Healthcare Improvement Scotland Finance Manager	29/01/15	No comments received.	
Health Scotland Executive Finance & Procurement Manager	29/01/15	No comments received.	
Service Senior Management Team	28/04/15	No comments received.	

	Available evidence
b. Research and relevant information	
c. Knowledge of policy lead	
d. Equality monitoring information -- including service and employee information	
e. Feedback from service users, partner or other organisations as relevant	
f. Other	
g. Are there any gaps in evidence? Please indicate how these will be addressed	
Gaps identified	
Measure to address these; give brief details. Further research? Consultation? Other	
Note: specific actions relating to these measures can be listed at section 5	

Section 3: Analysis of positive and negative impacts			
Please detail impacts in relation to the three needs specifying where the impact is in relation to a particular need - eliminating discrimination, advancing equality of opportunity and fostering good relations			
Protected characteristics	i. Eliminating discrimination	ii. Advancing equality of opportunity	iii. Fostering good relations
Age			
Positive impacts	The Procurement Strategy is fully aligned with the Scottish Government's Procurement Reform Agenda. Two key strands of this are improving access to public contracts for small and medium sized enterprises (SMEs), and delivering social benefits (i.e. community benefits).		
Negative impacts	Nil		
Opportunities to enhance equality	Both of the activities outlined above may support people with protected characteristics. Improving access to public contracts for SMEs supports eliminating discrimination and advancing equality of opportunity, whilst delivering community benefits may impact on some or all of these aspects depending on the nature of the community benefits obtained.		
Disability			
Positive impacts	In addition to the content in the 'Age' section, efforts will be made to identify opportunities to contract with supported businesses that employ a high proportion of disabled people.		
Negative impacts	Nil		
Opportunities to enhance equality	See 'Age' section		
Gender reassignment			
Positive impacts	See 'Age' section		
Negative impacts	Nil		
Opportunities to enhance equality	See 'Age' section		
Gender / sex			
Positive impacts	See 'Age' section		
Negative impacts	Nil		

Opportunities to enhance equality	See 'Age' section
Marriage / civil partnership	
Positive impacts	See 'Age' section
Negative impacts	Nil
Opportunities to enhance equality	See 'Age' section
Pregnancy / maternity	
Positive impacts	See 'Age' section
Negative impacts	Nil
Opportunities to enhance equality	See 'Age' section
Race	
Positive impacts	See 'Age' section
Negative impacts	Nil
Opportunities to enhance equality	See 'Age' section
Religion / belief	
Positive impacts	See 'Age' section
Negative impacts	Nil
Opportunities to enhance equality	See 'Age' section
Sexual orientation	
Positive impacts	See 'Age' section
Negative impacts	Nil
Opportunities to enhance equality	See 'Age' section

Cross cutting - e.g. health inequalities people with poor mental health, low incomes, involved in the criminal justice system, those with poor literacy, are homeless or those who live in rural areas. Other	
Positive impacts	See 'Age' section
Negative impacts	Nil
Opportunities to enhance equality	See 'Age' section
Note: specific actions relating to these measures can be listed at section 5	

Section 4: Addressing impacts	
Select which of the following apply to your policy and give a brief explanation - to be expanded in Section 5: Action plan	
	Reasons
a. No major change - the EQIA shows that the policy is robust, there is no potential for discrimination or adverse impact and all opportunities to promote equality have been taken	The new Procurement Strategy does not give rise to any potential of discrimination or other adverse impacts, and should have positive impacts in some specific areas outlined above.
b. Adjust the policy – the EQIA identifies potential problems or missed opportunities and you are making adjustments or introducing new measures to the policy to remove barriers or promote equality or foster good relations	
c. Continue the development and implementation of the policy without adjustments – the EQIA	

<p>identifies potential for adverse impact or missed opportunity to promote equality. Justifications for continuing without making changes must be clearly set out, these should be compelling and in line with the duty to have due regard. See option d. if you find unlawful discrimination. Before choosing this option you must contact the Equalities Manager to discuss the implications.</p>	
<p>d. Stop and remove the policy - there is actual or potential unlawful discrimination and these cannot be mitigated. The policy must be stopped and removed or changed. Before choosing this option you must contact the Equalities Manager to discuss the implications.</p>	

<p>Section 5: Action plan</p>					
<p>Please describe the action that will be taken following the assessment in order to reduce or remove any negative / adverse impacts, promote any positive impacts, or gather further information or evidence or further consultation</p>					
Action	Output	Outcome	Lead responsible	Date	Protected characteristic / cross cutting issue*
N/A – No negative impacts identified.					
<p>* list which characteristic is relevant - age, disability, gender reassignment, gender / sex, marriage and civil partnership, pregnancy and maternity, race, religion / belief, sexual orientation or cross cutting issue e.g. poor mental health, illiteracy etc</p>					

Section 6: Monitoring and review Please detail the arrangements for review and monitoring of the policy	
	Details
a. How will the policy be monitored? Provide dates as appropriate	The Strategy will be underpinned by annual workplans. These are renewed every year and kept under ongoing review to ensure projects are delivered.
b. What equalities monitoring will be put in place?	
c. When will the policy be reviewed? Provide a review date.	The Strategy will, in effect, be renewed annually via the production of the workplan. The Strategy will be revised again in 2018.

Section 7: Sign off Please provide signatures as appropriate			
Name of Lead	Title	Signature	Date
Jenny Neville	Head of Procurement		31 st March 2015
Completed form: copy of completed form to be retained by department and copy forwarded to Equalities Manager for publication on Service website			
Provide date this was sent	28 th May 2015		