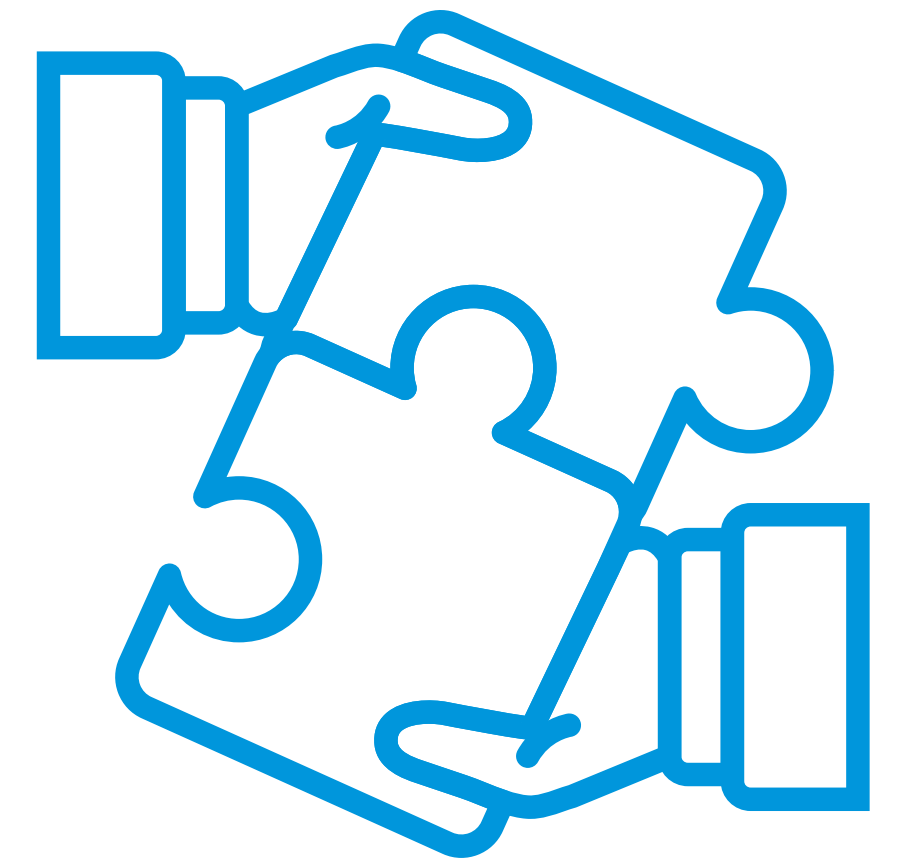


# NHSScotland Procurement Strategy

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Developed in partnership across  
NHSScotland's health boards



# Foreword by Gordon Beattie, Director of National Procurement

**NHSScotland is facing significant fiscal challenges due to rising healthcare costs, driven by an aging population, increased demand for services, and the lingering effects of the COVID-19 pandemic. At the same time, public sector budgets are constrained, requiring NHSScotland to find more efficient ways to deliver high-quality care with limited resources.**

Procurement plays a crucial role in addressing some of the most significant challenges of our time. It is instrumental in supporting NHSScotland's net zero ambitions and has the potential, through its spending power, to create substantial social impact, enhancing the wellbeing of the communities we serve.

Making the best use of NHSScotland's spending power as a force for good, is a thread throughout this strategy. That same thread that draws from the Public Procurement Strategy for Scotland which launched in April 2023, with its vision of 'putting public procurement at the heart of a sustainable economy to maximise value for the people of Scotland'.

Success to do this, is a fully integrated effort, that at its core, relies on ensuring resilience and sustainability across our supply chains.

The procurement landscape has changed in the last five years. After years of low interest rates, inflationary pressures are impacting both buyers and suppliers across the board, as well as impacting cost-of-living experiences of the communities we serve.

Managing challenge and change over the last number of years has been complex, but it has also unleashed new opportunities in how we do business. It has brought greater connectivity across private, public and third sectors, to collaborate, learn, share challenges, and identify better solutions. Solutions that are good for places and communities, good for businesses and their employees, and good for society.

Through this effort, and reflected in this strategy, we will continue our work right across Scotland's procurement services to balance the public finances we are responsible for, whilst working towards better outcomes for patients and the communities we serve.

This requires us to remain open and connected in how we work, striving for an ease of how we do business, and supporting this consistently throughout NHSScotland.

This strategy is a shared commitment to doing just that and connects us to the Public Procurement Strategy for Scotland, right through to the strategic procurement plans of NHSScotland's boards, who have jointly created this strategy.

We are proud of our joined-up approach and believe it to be fundamental to how we do business. How we must do business. And proudly, how we are doing business across NHSScotland procurement services to deliver safe, quality, and effective patient care.



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**This strategy has been prepared by NHS National Services Scotland’s (NSS) National Procurement team, for NHSScotland. Accountable to Scottish Government the National Procurement team provide procurement services to NHSScotland, including providing best value commercial solutions, logistics and eProcurement services.**

**Acknowledgements:** We would like to thank procurement colleagues and sponsors who gave time to develop and produce this strategy.

# Our purpose and vision

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# Introduction

The procurement landscape has fundamentally changed, driven by numerous factors reshaping NHSScotland and Health Boards' priorities. The unprecedented challenges of public sector budget constraints, the COVID-19 pandemic, economic uncertainties, supply cost pressures, a focus on sustainable procurement, and evolving technologies are driving these changes.

This first-generation strategy outlines a collaborative, sector-wide vision to place procurement at the heart of a sustainable health service, maximising value and benefits for NHSScotland's patients, staff, and communities. To achieve this vision and navigate the complexities of the changing landscape, the strategy sets out a framework of strategic priorities designed to guide and inform the development of national and regional Health Board procurement strategies.

## Our vision

Putting procurement at the heart of a sustainable health service to maximise value and benefit for the patients, staff and communities of NHSScotland.



# Strategic priority framework and objectives

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# Strategic priority framework

This framework is linked and mapped to the Public Procurement Strategy for Scotland and its four outcomes: Good for Society, Good for Businesses and Their Employees, Good for Places and Communities, and Open and Connected.

## The framework comprises six strategic priorities:



## These are underpinned by three enabling strategic capabilities:

Governance and regulated procurement compliance

Reporting capability and protocols to enable single-system reporting and analytics

Continuous improvement



# Strategic objectives

The following objectives embody the core outcomes of Scotland's Public Procurement and align with the strategic goals of NHS Scotland.



## Good for Businesses and their Employees

Maximise the impact of procurement to boost a green, inclusive and wellbeing economy, promoting and enabling innovation in procurement. By business we include any organisation or enterprising entity engaged in commercial, industrial, or professional activities including, voluntary, charity, for – profit and non-profit entities.



## Good for Places and Communities

Maximising the impact of procurement with strong community engagement and development to deliver social and economic outcomes as a means to drive wellbeing by creating quality employment and skills.



## Good for Society

Ensure that we are efficient, effective and forward thinking through continuous improvement to help achieve a fairer and more equal society.



## Open and Connected

Ensure procurement in Scotland is open, transparent and connected at local, national and international levels.



## Good for our Workforce

Attracting, training and retaining a professional procurement workforce. Our goal is to equip teams with the skills and capabilities needed to meet the evolving challenges of the procurement landscape. This will ensure a resilient, future-ready workforce committed to procurement excellence in patient care.



## Good for Patients

Our shared procurement vision and strategic priorities provide focus, ensuring quality, value, and a robust, responsive healthcare supply chain. Together, they contribute to the continual improvement of patient care and outcomes.



# How we will get there

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# Collaborative procurement



**Good for businesses and their employees**



**Good for places and communities**



**Good for society**



**Open and connected**



**Good for our workforce**



**Good for patients**

## High level vision

The strategic priority for collaborative procurement is a key enabler to purchase circa £2.8B per annum of goods and services efficiently, cost-effectively and achieve value. The established approach pools resource, expertise and purchasing power to provide collaborative frameworks, contracts and supplies across Scotland's Health Boards. The aim is to further develop NHSScotland's collaborative procurement capabilities; leveraging spend, fostering strategic partnerships and prioritising sustainability and social responsibility.

## Ambition on deliverables

The ambition follows the Scottish Procurement and Property Directorate (SPPD) long-standing approach and policy for pan-public sector (Category A, SPPD led), sector led Centres of Expertise (Category B) and for local/regional led procurements (Category C and C1).

## How we achieve it

**As a sector, NHSScotland's collective ambition reflects:**

- NSS National Procurement as the health sector Centre of Expertise. Its national role coordinates, manages and procures a dynamic portfolio of national frameworks and contracts, accounting for approximately 60% of NHSScotland's annual supplier spend.



- The National Distribution Service (NDS) infrastructure as a vital collaborative enabler to manage the supply chain and fulfilment of circa 9,000 products from national contracts.
- Health Board procurement teams whose focus on local and regional based collaborative contracting, delivers value to their board/regional spend.
- Cross-sector promotion of broader health and social care procurement collaboration with relevant organisations and anchor intuitions.

## Benefits

### Benefits of the strategic priority for collaboration include:

- Leveraging and achieving economies of scale to consolidate demand across the health sector.
- Prioritising and adopting national, health board and regional approaches to procurement.
- Pooling NHSScotland's procurement skills, capabilities and contracting activities.
- Knowledge sharing and best practice to adopt successful procurement strategies.
- Opportunities to promote continuous improvement and innovation in our procurement processes.
- A national approach to fulfilment via the NDS infrastructure, mitigating risks associated with supply chain disruptions or market uncertainties.
- Collaborative procurement that supports NHSScotland's wider ambitions and strategic priorities for sustainability and social value - driving positive social impact, supporting local economies and advancing towards our 2040 NHSScotland's net-zero sustainability goals.



# Embed sustainable and ethical procurement, supporting our communities and economy



**Good for businesses and their employees**



**Good for places and communities**



**Good for society**



**Good for our workforce**



**Good for patients**

## High level vision

NHSScotland will support communities and the economy by embedding sustainable and ethical procurement.

The NHSScotland strategy commitments around sustainable and ethical procurement, directly support community wealth building priorities and support NHSScotland health board statuses as anchor institutions.

## Ambition on deliverables

In response to the climate emergency and in-line with NHSScotland's legal and policy obligations, health boards will improve sustainability assessment of products and services. This in turn will support improvement and outcomes for people and communities as well as improve outcomes for workers across global supply chains.

Anchor institutions are a key mechanism to deliver Community Wealth Building (CWB). They have a huge opportunity to redirect wealth back into their local economies. This means that workers, residents and consumers would benefit more from the economic activity happening in their communities.



## How we achieve it

To achieve this, health boards will develop the following capabilities:

- Develop their people to understand and progress sustainable and ethical ambitions
- Identify and structure data and information to measure performance against NHSScotland ambitions.
- Design and develop structures on a whole system basis to make NHSScotland more effective and efficient in the delivery of, and reporting of, the associated benefits.
- Visualise performance data to enhance the understanding of stakeholders and gain insights into developing performance further.
- Procurements will follow government policy, regulated procurement procedures and professional procurement best practice.

To enhance and accelerate delivery of health board ambitions, NHSScotland will harness and leverage collaboration through identifying appropriate and suitable partnerships across the UK four nations and key strategic suppliers.

NHSScotland health boards are Anchor institution and have a critical role to play in fostering healthy and prosperous communities. By leveraging health board resources and influence, they can address social and economic challenges, promote local businesses, and improve the overall quality of life.

## Benefits

By doing this NHSScotland will deliver social, ethical, environmental and economic benefits through procurement services for the people of Scotland.

# Develop supplier relationships, maximising value and reducing supply chain risks



**Good for businesses  
and their employees**



**Good for our  
workforce**

## High level vision

The strategic priority to manage supplier relationships is a powerful enabler to collaborate, enhance efficiencies, build more resilient supply chains and release value.

## Ambition on deliverables

Through supplier relationship management (SRM), NHSScotland can foster relationships and partnerships to deliver value, innovations and to manage risk throughout the duration of contract life cycles.

## How we achieve it

To support NHSScotland's ambition of sustaining value from supplier relationships involves developing Once for Scotland approaches for national and or key suppliers, and developing SRM skills, capabilities and technology enabled processes. Where relevant, National Procurement and health boards will continue to leverage the National Distribution Service infrastructure to enable and support the ambition.

## Benefits

Prioritising development of supplier relationships aligns with the vision and overarching goal of delivering sustainable, efficient, and resilient high-quality healthcare services to the population NHSScotland serves.



# Assuring contract and supply chain security and resilience



**Good for businesses and their employees**



**Good for society**



**Good for our workforce**



**Good for patients**

## High level vision

In today's dynamic global environment, NHSScotland faces numerous procurement and supply chain risks and challenges. Recent years have seen an increase in the frequency and severity of disruptions due to health emergencies, geopolitical events, supply issues, cybersecurity threats, and climate-related crises.

NHSScotland's vision is to adopt proportionate, risk-based approaches to shape procurement strategies, manage contracts effectively and collaborate with suppliers to mitigate risks and respond to emerging issues.

## Ambition on deliverables

Through NHSScotland's procurements, we aim, where relevant, to enhance the development of resilient supply chains to improve security and mitigate risks.

The NDS infrastructure plays a vital role to maintain and fulfil nationally stocked items.

NHSScotland aims to encourage development of a diverse supply base, including local suppliers and small to medium enterprises (SME's) where relevant, to foster relationships and implement forward-looking contracts and plans.

## How we achieve it

Adopting a risk-based approach to procurement tender strategies and supplier management, NHSScotland will continue to evolve procurement skills, capabilities, contract terms, use of technology and reporting to enhance resilience and security.

## Benefits

Working with procurers, suppliers and stakeholders, NHSScotland will enhance the visibility, reliability and resilience of the supply chain.



# Procurement technologies: Digitisation and technology roadmap



**Good for businesses and  
their employees**



**Open and connected**



**Good for our workforce**

## High Level vision

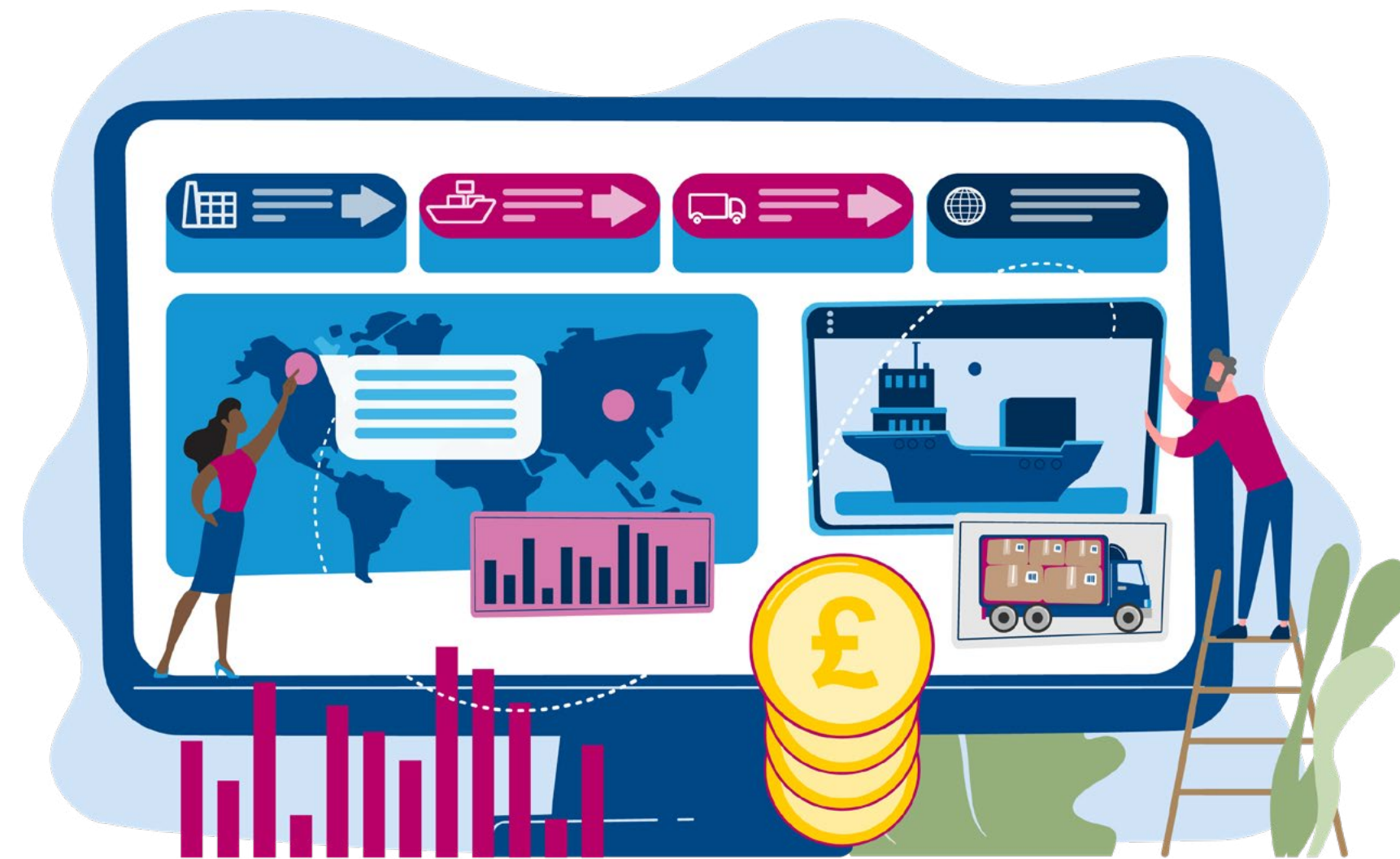
A digitisation and a technology roadmap is a priority for NHSScotland to ensure the transformation of procurement systems and to provide better quality information to enable stronger decision making. This will create a seamless technology platform for procurement across NHSScotland supporting efficiencies and cost savings, supply chain resilience and sustainability.

## Ambition on deliverables

**Short term** - Focus on implementing digital procurement technologies that streamline current processes, improve efficiency, and support patient safety. The priority is to stabilise and optimise the existing procurement infrastructure. Work to ensure Scottish Government future systems are fit for purpose for NHSScotland and support business service programmes.

**Medium term** - Implementation of The Scottish Government eProcurement toolkit alongside integrating advanced technologies, with a focus on building digital foundations to drive further efficiencies, advance supplier relationships, and improve supply chain resilience.





**Longer term ambition** - Leading innovation in procurement by exploring emerging technologies. This aims to position NHSScotland as a forward-thinking, digitally mature organisation that leverages technology for strategic advantage to deliver high quality healthcare for the people of Scotland.

## How we achieve it

**National Centre Of Expertise (COE):** A “Once for Scotland” approach is well embedded for technology services in relation to eProcurement solutions across NHSScotland. The COE provides guidance, best practices, and support to health boards.

**Regional:** Tailoring national strategies to fit specific needs of regions within Scotland. This means ensuring technology solutions are available to support regional supply chain challenges and the ability to work with local suppliers/SME’s.

**Health Boards:** At health board level, the implementation of the procurement technology roadmap is more operational. Each health board will focus on the day-to-day management of procurement activities, ensuring technologies and processes meet local demands of hospitals and healthcare facilities.

## Benefits

By aligning the digitisation efforts from National to Health Board level, NHSScotland will ensure the procurement services support the overall vision to deliver high-quality health and social care services for the people of Scotland. The bottom line:

- **Enhancing Efficiency:** Streamlining procurement processes can lead to more efficient use of resources and time, reducing operational costs.
- **Improving Financial Management:** Digital tools can provide better visibility and control over spending, leading to more effective budget management.
- **Improved Data:** Supports stronger decision making. Supporting the strategic objective to deliver savings to reinvest in patient care.
- **Supporting Economic Growth:** Supports interaction with SMEs.

# Developing procurement workforce capabilities and skills



**Good for businesses and their employees**



**Good for society**



**Good for our workforce**

## High level vision

In the face of the changing procurement landscape and financial constraints, strategic planning for workforce capabilities and training is crucial to building future-ready procurement teams.

## Ambition on deliverables

NHSScotland Procurement Service leaders have identified workforce sustainability as a strategic priority to develop capacity and skills across the workforce including skills development, training, and how to attract talent into the profession. The ambition is to establish a resilient and highly skilled procurement workforce capable of navigating current and future challenges.

## How we achieve it

This will be achieved through health boards as well as national initiatives including work of the Sustainable Workforce Steering Group to address the changing demands on NHSScotland Procurement and through five pillars of the workforce journey:



**Plan**



**Attract**



**Train**



**Employ**



**Nurture**





A range of tools and enablers are available to inform current state analysis and to support short, medium and longer term closure development plans including the Procurement and Commercial Improvement Programme (PCIP) and the Scottish Government Procurement Development Framework.

## Benefits

- Attraction and retention of talent.
- A motivated and engaged workforce.
- Best value procurement outcomes.



# Governance and regulated and procurement compliance



**Open and connected**



**Good for our workforce**

## High level vision

NHSScotland will reaffirm its established approach to assurance across procurement in the health sector. It will focus on priorities whilst promoting sustainability and social value through compliant, regulated procurement.

## Ambition on deliverables

NHSScotland will maximise the impact of procurement, ensuring transparency and accountability whilst delivering measurable outcomes and auditable, evidence-based decision-making. This will influence behaviours and culture, enabling positive and innovative change to help underpin a world-class healthcare service and improve outcomes for the people of Scotland.

## How we achieve it

NHSScotland processes, policies and procedures will be developed collaboratively with health board procurement leaders. The centre of expertise (COE) will implement a responsive and adaptive governance model, that recognises the differences of our health board organisations, and where each can align and deliver effectively and efficiently against objectives.

# Benefits

This collaborative approach facilitates the collective responsibility to support and encourage continuous improvement by removing duplication, increasing NHSScotland velocity, and reducing costs whilst providing a foundation for optimal performance.



# Capability to monitor and report



**Good for businesses and their employees**



**Good for places and communities**



**Good for society**



**Good for our workforce**



**Good for patients**

## High level vision

In support of the first NHSScotland Procurement strategy, procurement teams within health boards and National Procurement will determine the necessary reporting capabilities and protocols to enable single-system reporting and analytics across all NHSScotland Procurement services.

## Ambition on deliverables

NHSScotland protocols will emphasise structured, standardised and repeatable data originating from assured sources, providing the foundation for enhanced commercial insights, efficient resource management and effective decision making. National Procurement and health boards will aim to continuously improve their capabilities incorporating areas such as; data governance standards, the systems used and their teams' ability to effectively interact with the data that is produced.

## How we achieve it

As the asks on procurement change over time, NHSScotland will require fit for purpose and joined up reporting systems that evolve and grow in line with these to meaningfully capture and report on the value added for our stakeholders.





## Benefits

Procurement is central to the delivery of many policy commitments; with diverse reporting requirements including; spend managed, contract savings secured and delivered, spend with different supplier groups such as SME's, supported businesses and other third sector, community benefits delivered, environmental reporting including scope 3 emissions, local economic impacts, geographical sourcing economic, modern slavery, fair work, supplier diversity, whistleblowing policy.

### **Prioritising data and reporting are enablers of the following benefits:**

- Improved project and benefits tracking.
- Better decision making.
- Better resource management.
- Increased savings opportunities across the health system.
- Acceleration of benefits and reduction in lost savings.
- Improved business processes and enhanced productivity.
- Assurance of outcomes from standardised reporting outputs.
- Identification and tracking of social, environmental and economic benefits.

# Continuous improvement and procurement service development



**Good for businesses and their employees**



**Good for places and communities**



**Good for society**



**Open and connected**



**Good for our workforce**



**Good for patients**

## High level vision

Continuous improvement and service development are two of the strategy's enabling capabilities. These are essential to procurement processes remaining efficient, cost-effective, and responsive to the evolving procurement landscape.

## Ambition on deliverables

The ambition emphasises the importance of adaptive and responsive procurement practices. The aim is to leverage continuous improvement and service development to innovate, advance procurement service capabilities, enhance efficiency, reduce costs, and ultimately improve patient care.

## How we achieve it

The approach involves regularly evaluating processes, integrating feedback, and adopting good practices as outlined in health board procurement strategies, annual delivery plans, and improvement initiatives. The Procurement & Commercial Improvement Programme (PCIP) assessment measures and reports on procurement and commercial capabilities, enabling informed prioritisation of improvements and service development.

## Benefits

Continuous improvement and service development underpin the strategy objectives: Good for Businesses and their Employees, Good for Places and Communities, Good for Society, Open and Connected, Good for Our Workforce, and Good for Patients.





# Sponsors

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**With thanks to our sponsors across NHS Scotland Procurement Services who worked collaboratively to produce and endorse this strategy.**

# Sponsors

**Collaborative procurement: local, regional, National Procurement and cross sector collaboration (e.g. health and social care partnerships)**

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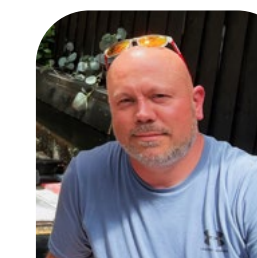
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