



NHS Highland

Annual Procurement Report

2022-2023



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1. Introduction

The Purpose of this Annual Report

The Procurement Reform (Scotland) Act 2014 requires a public contracting authority, such as NHS Highland to prepare and publish an annual procurement report on our regulated procurement activities as soon as reasonably practicable after the end of our financial year. This is NHS Highland's sixth annual procurement report under the 2014 Act and covers the period from 1st April 2022 to 31st March 2023.

This report is intended to:

- Aid visibility of NHS Highland's procurement activities,
- Be a mechanism for conveying how NHS Highland is meeting legislative procurement requirements,
- Outline how NHS Highland's procurement activity is contributing to the delivery of its broader aims and objectives, and
- Address key points contained in NHS Highland's procurement strategy.

The minimum content of an annual procurement report is prescribed by Section 18(2) of the 2014 Act. As touched on above, there is a link between this annual procurement report and NHS Highland's Procurement Strategy 2022-23.

Publication and Communication

Section 19 of the 2014 Act requires the health board to publish its annual procurement report in a manner which it considers to be appropriate and this must include publication on the internet. Our annual procurement reports and procurement strategy are published on NHS Highland's procurement web pages found at this link:

<https://www.nhshighland.scot.nhs.uk/AboutUs/Procurement/Pages/ProcurementPublications.aspx>

NHS Highland will also notify the Scottish Ministers by email with a link to the above web page in accordance with the legislation and guidance.

NHS Highland Procurement Overview

NHS Highland, at 32,500 square kilometres, is the largest geographical health board in Scotland, reaching from Thurso in the far North of Scotland to Campbeltown, on the Kintyre peninsula, in the South. The population residing in our board area is around 320,000 people.

NHS Highland had trade spend of approximately £193M during 2022/23, with 47% being transacted with Small and Medium sized employers (SMEs). The Procurement Department provides a comprehensive procurement and logistics service for most of our functions with

the exception of some specific Estates and Health and Social Care contracting which is undertaken by a separate team within the board.

This includes strategic sourcing and advice to improve effectiveness and value for money on all expenditure for goods, services and works.

We operate within the context of the published Procurement Strategy.

Our strategic aims are:

- Deliver value for money in a challenging market environment and supporting the work of the board's Financial Recovery Board programme.
- Ensure that our procurement spending supports both the economic and environmental sustainability agenda.
- Contribute to the delivery and achievement of the boards 'Together We Care Strategic Imperatives'.
- Deliver and embed community benefits contributing towards reducing health inequalities within the region and driving economic growth.
- Embrace emerging technologies and digital solutions to create efficiencies and position us for future opportunities and initiatives
- Develop and coach our staff to deliver the best Procurement solutions by providing opportunities for their growth within the department.
- Use our data and MI to identify opportunities for savings and efficiencies that previously had gone unchecked
- Carry out all of the above in compliance with our duties under section 8 of the Procurement Reform (Scotland) Act 2014

Where our requirements cannot be met by local, regional, or national frameworks, contract requirements in excess of £50,000 (regulated procurements) have been advertised on the Public Contracts Scotland website. Contract requirements in excess of the World Trade Organisation's Government Procurement Agreement thresholds (relevant procurements) are forwarded by Public Contracts Scotland to the UK e-notification system, called Find a Tender Service (FTS).

To ensure best value for procurements under £50,000 contract value, competitive quotation processes are undertaken to a lower threshold of £10,000.

2. Summary of Regulated Procurements Completed

Definition

In accordance with the Procurement Reform (Scotland) Act 2014, any procedure carried out by a contracting authority in relation to the award of a proposed contract, where the estimated value is equal to or greater than the contract threshold is considered a Regulated Contract. This includes call-off contracts and framework agreements.

Summary of Regulated Procurement

The following table provides a high-level summary of the regulated contracts NHS Highland has awarded within the timeframe of this report. Awarded regulated contracts can also be viewed in more detail on the Health Board's public contract register on the Public Contracts Scotland website.

| Supplier Name | Value (GBP) | Supplies / Services / Works | Call off? |
|--|-------------|--|-----------|
| Culloden Ltd (Sneckie Taxis) | £562,650 | HH056-20 Transport for Patients Undertaking Renal Replacement Therapies | No |
| Electrosafe Ltd t/a Veriserv | £173,452 | HH005-21 Portable Appliance Testing | Yes |
| Factory 73 | £81,120 | HH012-21 Website Development and Design | Yes |
| Minch Adventures | £112,620 | HH011-21 Small Isles Charter Service | No |
| Lochgilphead Medical Centre | £2,862,384 | GMS Out of Hours and Community Hospital Inpatient and A&E Service - Lochgilphead | No |
| Nairn Healthcare Group | £576,000 | S&MD-005-21 Inpatient Medical Cover at Nairn Town & County Hospital | No |
| Golspie Medical Practice | £170,400 | HH004-22 Medical Support Services to Lawson Memorial Hospital | No |
| Brora and Helmsdale Medical Practice | £85,200 | HH004-22 Medical Support Services to Lawson Memorial Hospital | No |
| Dornoch Medical Practice | £170,400 | HH004-22 Medical Support Services to Lawson Memorial Hospital | No |
| HealthHero Solutions Limited (formerly Validium) | £78,000 | HH017-21 Provision of an Employee Assistance Programme | Yes |
| ModuleCo Healthcare Ltd | £659,700 | HH011-22 Modular Building Rental | Yes |
| On-site Scanning Ltd | £1,023,399 | HH001-22 Digitization of GP Patient Medical Records | Yes |
| Pulse Healthcare Limited | £92,000 | HH012-22 International Recruitment of Healthcare Professionals | Yes |
| Curium Pharma | £58,500 | TW002-22 Radiopharmaceuticals | No |
| Stryker | £50,000 | TW009-22 Waste Management System | No |
| Culture Amp | £68,055 | TW010-22 Cloud-based employee culture and engagement platform | No |
| CSC Computer Sciences Limited | £82,198 | TW034-22 EDIS Support | No |
| G Watson Limited | £62,000 | TW037-22 Network Equipment | No |

Summary of Non-Competitive Actions

In 2022/23, a total of 8 regulated contract commitments, totalling £0.75M, were made via a Procurement Waiver (single source) process. These awards are conducted in line with NHS Highland's Standing Financial Instructions and are presented to NHS Highland's Audit Committee on a regular basis.

| Date | Supplies/ Services/ Works | Supplier | Justification | Value (ex VAT) |
|------------|---|--------------------------------------|---|----------------|
| 25/08/2022 | HH004-22 Medical Support Services to Lawson Memorial Hospital | Golspie Medical Practice | The procurement is for Health / Social Care & falls below the regulated threshold of £663,540 | £170,400 |
| 25/08/2022 | HH004-22 Medical Support Services to Lawson Memorial Hospital | Brora and Helmsdale Medical Practice | The procurement is for Health / Social Care & falls below the regulated threshold of £663,540 | £85,200 |
| 25/08/2022 | HH004-22 Medical Support Services to Lawson Memorial Hospital | Dornoch Medical Practice | The procurement is for Health / Social Care & falls below the regulated threshold of £663,540 | £170,400 |
| 09/05/2022 | TW002-22 Radiopharmaceuticals | Curium Pharma | Absence of competition for technical reasons | £58,500 |
| 07/07/2022 | TW009-22 Waste Management System | Stryker | Advantageous pricing | £50,000 |
| 21/07/2022 | TW010-22 Cloud-based employee culture and engagement platform | Culture Amp | Extreme urgency | £68,055 |
| 23/01/2023 | TW034-22 EDIS Support | CSC Computer Sciences Limited | Absence of competition for technical reasons | £82,198 |
| 24/03/2023 | TW037-22 Network Equipment | G Watson Limited | Extreme urgency | £62,000 |

3. Review of Regulated Procurement Compliance

NHS Highland has published an interim Procurement Strategy to cover the period 2022 – 2023 which is available to view on the NHS Highland Procurement internet pages; this replaced the previous strategy which ended in 2022. A review of the procurement activity for the period covered by this report concludes that our procurement exercises are compliant with our strategy and the Regulations in the majority of cases. Where a risk of non-compliance is identified, this is captured and reported in accordance with our Standing Financial Instructions.

The process to review and develop a new NHS Highland Procurement Strategy is underway, with the aim of ensuring that we are aligned with the NHS Highland 'Together We Care – Building a brighter future for Health and Care 2022-2027' strategy.

NHS Highland supports the use of the Scottish Government Procurement Journey and follows the process set out in all of our regulated procurement exercises. We utilise the Public Contracts Scotland (PCS) Tendering system and maintain our publicly accessible contracts register on the PCS Portal.

Our procurement compliance is tested and verified by regular audit function reports being provided to our Audit Committee. We are also assessed through the Procurement and Commercial Improvement Programme (PCIP) process. All actions and recommendations are taken forward to our action plans for continuous service improvement.

4. Community Benefit Summary

During the reporting period community benefit requirements were supported for the regulated procurements undertaken by NHS Highland. Where appropriate, NHS Highland has included corporate and social responsibility factors in the tender evaluation criteria in order to recognise employers who pay the real living wage, employ local people through apprenticeship schemes and/or are involved with local charities.

We engage with Third Sector organisations to promote the 'Community Benefit Gateway' and increase visibility of local projects, working closely with our colleagues in Public Health to support local social mitigation plans. NHS Highland Procurement contributed directly and significantly to the development of our Anchors Strategic Plan 2023-26 to deliver our three strategic objectives:

- Deliver the best health & care outcomes for our population
- Be a great place to work for our people
- Create value by working collaboratively to transform the way we deliver health and care

5. Supported Business Summary

NHS Highland is committed to supporting this key Scottish Government initiative, and fully support the importance of growing social enterprises within our local communities. NHS Highland continue to work to identify ways to increase spend in this sector.

During 2022/23 our direct spend with supported businesses was £9,768.

6. Other Items of Note

Following a strategic review, a business case was developed to propose a new operating structure by the end of 2022. The implementation of this new structure is now complete with all strategic posts filled through a combination of organisational re-structure and external recruitment.

We are supporting staff studying towards full membership of the Chartered Institute of Procurement and Supply (CIPS) qualification route, and the People Development Programme through Scotland Excel. We have also secured a funded place on the 5C30 Certificate in Leadership and Management to HND level for one of our managers, with an option to progress to full Chartered Management Institute (CMI) membership.

7. Future Regulated Procurements Summary

During the next two financial years, the authority expects to commence the following regulated procurement activity.

| Subject Matter | Contract Type New or Re-let | Expected Award Date | Expected Start Date | Estimated contract value |
|--|-----------------------------|---------------------|---------------------|--------------------------|
| HH001-23 Argyll & Bute Living Well Network Coordinators | Re-let | Mar-25 | 02/10/2024 | £955,360.00 |
| HH004-21 Specialist Environmental Aids for Deaf People | Re-let | Jan-25 | 01/09/2024 | £142,140.00 |
| HH004-22 Medical Support to Lawson Memorial Hosp | Re-let | Jul-24 | 02/02/2024 | £426,000.00 |
| HH005-21 Portable Appliance Testing | Re-let | Oct-24 | 04/05/2024 | £173,452.00 |
| HH007-22 Prepaid Cards Framework | Re-let | Jan-24 | 04/08/2023 | £60,000.00 |
| HH010-21 Teleradiology Reporting Services | Re-let | Dec-23 | 18/07/2023 | £1,361.27 |
| HH011-21 Small Isles Charter Service | Re-let | May-24 | 10/12/2023 | £337,860.00 |
| HH013-21 Telephone Maintenance | Re-let | Aug-24 | 04/03/2024 | £371,436.00 |
| HH015-21 Childcare Vouchers | Re-let | Feb-25 | 14/09/2024 | £64,000.00 |
| HH017-21 Provision of An Employee Assistance Programme | Re-let | Oct-24 | 04/05/2024 | £156,704.00 |
| HH020-23 Disclosure Scotland | Re-let | Mar-24 | 02/11/2023 | £321,300.00 |
| HH025-15 Domestic Mobility Equipment Servicing and Maintenance and LOLER Thorough Examinations | Re-let | Aug-23 | 12/03/2023 | 1,042,148.00 |
| HH039-23 Digital Mental Health Service | Re-let | Mar-24 | 03/10/2023 | £108,060.05 |
| HH042-16 Healthcare Mobility Equipment - Lot 1 Annual PPM Servicing and Maintenance PUWER | Re-let | Jan-24 | 04/08/2023 | £67,976.00 |
| HH069-18 Healthcare Mobility Equipment - Lot 2 Bi-Annual Inspections LOLER | Re-let | Jan-24 | 04/08/2023 | £91,158.00 |
| HH071-20 Maximo Support Services | Re-let | Mar-24 | 03/10/2023 | £400,000.00 |
| HH076-19 Transport for Renal Patients in Areas of Argyll | Re-let | Mar-24 | 03/10/2023 | £558,752.00 |
| HH086-20 Print Services | Re-let | Jan-24 | 04/08/2023 | £234,972.00 |
| HH087-20 Community Link Worker | Re-let | Jun-24 | 06/01/2024 | £1,384,398.00 |
| S&MD-002-18 Medical Support to a Nurse Led Service for Ross Memorial Hospital, Dingwall | Re-let | Aug-23 | 03/04/2023 | £175,000.00 |
| SF050716 Provision of a Medical Support to County Community Hospital, Invergordon | Re-let | Jun-23 | 16/01/2023 | £448,000.00 |
| ICT Solutions Framework | Re-let | Jun-23 | 12/01/2023 | £197,250.00 |

| | | | | |
|--|--------|---------|------------|---------------|
| Provision & Maintenance of the Data Warehouse, Business Intelligence tools and associated Services | Re-let | Jan-25 | 04/08/2024 | £616,300.00 |
| GMS Out of Hours and Community Hospital Inpatient and A&E Service- Lochgilphead | Re-let | Mar-24 | 03/10/2023 | £2,862,384.00 |
| Ambulatory BP System (Cardiology/Cardio Resp) | New | 2023-24 | 2023-24 | £204,578 |
| Raigmore CT1 (Raigmore Radiology) | New | 2023-24 | 2023-24 | £453,808 |
| Room 1 Replacement, Belford Hospital, Fort William (Belford) | New | 2023-24 | 2023-24 | £84,945 |
| Radiology (Islay Hospital) | New | 2023-24 | 2023-24 | £69,648 |
| Mammo (Raigmore) | New | 2023-24 | 2023-24 | £330,000 |
| Mammo - Supplement for install / software features (Raigmore) | New | 2023-24 | 2023-24 | £60,000 |
| KoKo Lung Function System (Raigmore) | New | 2023-24 | 2023-24 | £84,416 |
| Press (Laundry) | New | 2023-24 | 2023-24 | £199,982 |
| Washer (Laundry) | New | 2023-24 | 2023-24 | £182,033 |
| Laparoscopic Stack (Theatres) | New | 2023-24 | 2023-24 | £128,638 |
| Mobile x_ray (x-Ray) | New | 2023-24 | 2023-24 | £86,994 |
| AI Image Processing (MRI) | New | 2023-24 | 2023-24 | £326,400 |
| DR X-Ray (Campbeltown) | New | 2024-25 | 2024-25 | £260,000 |
| DR X-Ray (Raigmore) | New | 2024-25 | 2024-25 | £360,000 |
| Ultrasound (Various) | New | 2024-25 | 2024-25 | £1,310,800 |
| DR X-Ray (Caithness) | New | 2024-25 | 2024-25 | £396,000 |
| Mammography machine (Raigmore / Highland Breast Centre) | New | 2024-25 | 2024-25 | £360,000 |
| DR X-Ray (Mid-Argyll Hospital, Lochgilphead) | New | 2024-25 | 2024-25 | £360,000 |
| DR X-Ray (Ross Memorial Hospital, Dingwall) | New | 2024-25 | 2024-25 | £396,000 |
| Dental Chairs (Dental Clinics Board-wide) | New | 2024-25 | 2024-25 | £66,000 |
| Dental Clinic - Mobile Van (Dental Clinics on Coll, Colonsay, Eigg, Kinlochbervie) | New | 2024-25 | 2024-25 | £210,000 |
| Monorail Function: Storage of sorted linen in bags (Laundry) (Raigmore) | New | 2024-25 | 2024-25 | £276,000 |
| Laser, Yag (Ophthalmology) (Raigmore / Caithness / Belford) | New | 2024-25 | 2024-25 | £60,000 |
| Ultrasound, Procedural - Mid (Lorn&Isles) | New | 2024-25 | 2024-25 | £180,000 |
| Image Intensifier (Caithness, Raigmore, Lorn&Isles, Lawson) | New | 2024-25 | 2024-25 | £540,000 |
| Audiometers (Raigmore / Lorn&Isles) | New | 2024-25 | 2024-25 | £74,988 |
| Probe Microphone Measurement (PMM) (Raigmore / Lorn&Isles) | New | 2024-25 | 2024-25 | £81,840 |
| Pre-treatment & Drain infrastructure (Belford) | New | 2024-25 | 2024-25 | £50,000 |

| | | | | |
|--|-----|---------|---------|----------|
| Ultrasound, Urology (Raigmore) | New | 2024-25 | 2024-25 | £72,000 |
| High acuity patient monitoring (Raigmore) | New | 2024-25 | 2024-25 | £239,128 |
| High acuity patient monitoring (Caithness) | New | 2024-25 | 2024-25 | £136,278 |
| Baby incubator (Raigmore / Caithness) | New | 2024-25 | 2024-25 | £132,000 |
| Theatre stack (Raigmore/ Belford/ Lorn&Isles/ Caithness) | New | 2024-25 | 2024-25 | £110,000 |
| HRA (Ophthalmology) (Raigmore / Caithness) | New | 2024-25 | 2024-25 | £90,000 |
| Infant warmer (Raigmore, Belford, Caithness, Invergordon, Broadford) | New | 2024-25 | 2024-25 | £144,000 |
| Phaco-emulsifier (Caithness) | New | 2024-25 | 2024-25 | £100,000 |
| OCT (Raigmore) | New | 2024-25 | 2024-25 | £94,350 |
| Ultrasound, Procedural - High end (Raigmore) | New | 2024-25 | 2024-25 | £66,000 |
| Non-Medical (Ovens, Washers, Laundry, Grounds Maintenance, Coffee Machines, CCTV, Food Trolleys & Prep &c &c) (Board-wide) | New | 2024-25 | 2024-25 | £200,000 |
| TSE - Main Programme - Linear Accelerators, CT Sims, Treatment Planning Systems &c (Raigmore) | New | 2024-25 | 2024-25 | £792,000 |

8. Procurement Annual Report Ownership and Contact Details

Completed by: Becky Myles

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Date: 30/10/2023

9. Annex A - Annual Procurement Report template

| | |
|--|-------------------------|
| 1. Organisation and report details | |
| a) Contracting Authority Name | NHS Highland |
| b) Period of the annual procurement report | 01/04/2022 - 31/03/2023 |
| c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? | Yes |
| 2. Summary of Regulated Procurements Completed | |
| a) Total number of regulated contracts awarded within the report period | 18 |
| b) Total value of regulated contracts awarded within the report period | £6,968,077 |
| c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period | 18 |
| i) how many of these unique suppliers are SMEs | 11 |
| 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 | 13 |
| b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy | 5 |
| 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 (<i>Each contracting authority sets its own priority groups</i>) | not recorded |
| e) Number of Apprenticeships Filled by Priority Groups | not recorded |
| f) Number of Work Placements for Priority Groups | not recorded |
| g) Number of Qualifications Achieved Through Training by Priority Groups | not recorded |
| h) Total Value of contracts sub-contracted to SMEs | not recorded |
| i) Total Value of contracts sub-contracted to Social Enterprises | not recorded |
| j) Total Value of contracts sub-contracted to Supported Businesses | not recorded |
| k) Other community benefit(s) fulfilled | see narrative |
| 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. | 13 |
| 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. | 6 |
| c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period. | 2 |
| d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period. | 1 |
| 6. Payment performance | |
| a) Number of valid invoices received during the reporting period. | 181,456 |
| b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms). | 93.30% |
| 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: | £9,768 |
| i) spend within the reporting year on regulated contracts | £0 |
| ii) spend within the reporting year on non-regulated contracts | £9,768 |

8. Spend and Savings Summary

| | |
|--|--------------|
| a) Total procurement spend for the period covered by the annual procurement report. | £193,055,523 |
| b) Total procurement spend with SMEs during the period covered by the annual procurement report. | £90,581,651 |
| c) Total procurement spend with Third sector bodies during the period covered by the report. | £12,637,885 |
| d) Percentage of total procurement spend through collaborative contracts. | 13.79% |
| | |
| e) Total targeted cash savings for the period covered by the annual procurement report | £1,096,048 |
| i) targeted cash savings for Cat A contracts | £0 |
| ii) targeted cash savings for Cat B contracts | £1,096,048 |
| iii) targeted cash savings for Cat C contracts | £0 |
| | |
| f) Total delivered cash savings for the period covered by the annual procurement report | £895,735 |
| i) delivered cash savings for Cat A contracts | £0 |
| ii) delivered cash savings for Cat B contracts | £610,296 |
| iii) delivered cash savings for Cat C contracts | £285,439 |
| | |
| g) Total non-cash savings value for the period covered by the annual procurement report | £0 |

9. Future regulated procurements

| | |
|---|-------------|
| a) Total number of regulated procurements expected to commence in the next two financial years | 65 |
| b) Total estimated value of regulated procurements expected to commence in the next two financial years | £20,564,836 |