



NHS Highland

Annual Procurement Report

2023-2024



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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 2023 to 31st March 2024.

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.

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 £300M during 2023/24, with 54% being transacted with Small and Medium-sized Enterprises (SMEs). The Procurement Department provides a comprehensive procurement and contracting service for most health board functions with the exception of some specific Estates, ICT and Health and Social Care contracting which is undertaken by separate teams with devolved responsibility within the board.

The Procurement Department undertakes end-to-end strategic sourcing activities and provides advice and policy guidance 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.

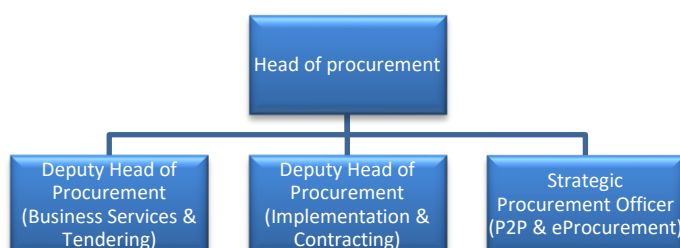
Our strategic aims are:

- 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) are 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 £25,000.

The 2023/24 Procurement Senior Management Team structure is as follows:



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?
Raysearch UK Limited	£913,333	HH155-23-SC Oncology Management System for Radiology	Yes
Calder Electrical Contractors	£429,428	HH068-23-TW EICR, Electrical Testing	No
Specialist Computer Centres	£91,200	HH091-23-SBS VMWare Licences & Subscriptions	Yes
Softcat	£91,990	HH092-23-SP Trickle Annual Subscription (10500 users)	Yes
Oncology Systems Limited	£57,775	HH137-23-TW27 RadCalc Maintenance and support contract	No
Enterprise Rent-A-Car Ltd	£320,000	HH050-23-CCS Vehicle Hire Services	Yes
Addleshaw Goddard LLP	£150,000	HH121-23-SP (New Craigs) Legal Advisory Services	Yes
Nairn Healthcare Group	£823,882	HH010-23-HB GP Out Of Hour Service - Nairn & Ardersier	No
Torton Bodies Limited	£155,100	HH051-23-CCS Purchase of Standard and Specialist Vehicles	Yes
Axonmedical Ltd	£146,278	HH055-23-SC Teleradiology Reporting Services	Yes
4 Ways Healthcare Limited	£788,052	HH074-23-SBS Teleradiology Reporting Services	Yes
GE Healthcare LTD	£600,000	HH080-23-NP CT1 Scanner System Maintenance	Yes
Dell Technologies	£79,200	PowerEdge T550 Server and associated services	No
Prepaid Financial Services (Trading as EML Payments)	£120,000	HH007-23-NE Prepaid Cards	Yes
Spacelabs Healthcare Ltd.	£123,784	HH122-23-SC Ambulatory BP System	Yes
Access UK Limited	£676,764	HH098-23-CCS Electronic Care Monitoring, Management and Scheduling	Yes
Medical Imaging Systems (MIS)	£72,495	HH114-23-NP Belford Mobile X-Ray Unit	Yes
Loganair Limited	£450,000	HH032-23-TW14 Patient & Staff Air Travel	No
Multitone Electronics plc	£135,407	HH058-23-SBS Paging System	Yes
Kooth Digital Health Limited	£90,050	HH039-23-TW12 Digital Mental Health Service	No
ClearView Endoscopy	£1,589,135	HH043-23-NP Flexible Video Endoscopy Service and Maintenance	Yes
Morgan Hunt	£105,820	HH047-23-CCS Temporary eHealth IT Staff	Yes
Tain and District Medical Group	£143,000	Medical Support to Ross Memorial Hospital, Dingwall	No

Able Care Ltd Prism UK Medical Ltd	£210,214	HH025-23-HB Domestic Mobility Equipment Servicing, Maintenance and Inspection Services	No
Various	£103,088,218	HH108-23-TW07 Adult Social Care Commissioning 2023-24	No
Vitalograph Ltd	£70,346	HH038-23-SC Full Pulmonary Function System	Yes
The Guardian Service Ltd	£316,000	HH083-23-TW08 Confidential Staff Liaison and Freedom To Speak Up Services	No
Oasis Scotland Ltd	£572,365	HH097-23-CCS Offsite Document Storage	Yes
Quadiant	£139,946	HH102-22-CCS Supply, Installation & Maint of Franking Machines	Yes
Livingwell Network	£13,330	HH001-23 Argyll & Bute Living Well Network Coordinators Lot 4	No
Morgan Hunt	£111,300	HH003-23-CCS Temporary eHealth Networks Manager	Yes
Nottingham Rehab Limited	£744,144	HH002-22 Aids for Daily Living	No
Alzheimer Scotland	£2,044,750	TW030-22 Dementia Post Diagnostic Support	No
Inverness College UHI	£311,000	HH014-23-TW UHI Library Services	No
Azets	£1,337,940	HH008-22-AP Internal Audit Services	Yes
Cirdan	£76,032	HH095-23-TW Middleware migration licensing and support	No
Healthcare Software Solutions	£365,252	HH004-23-SC CRIS Annual Maintenance & Support	Yes
Disclosure Scotland	£320,000	HH020-23-HB Disclosure Scotland	No
Nairn Healthcare Group	£388,622	Provision of GP Out of Hours Services - Nairn & Ardersier	No
Argyll & Bute Rape Crisis Mid Argyll Youth Development Services Self-employed (redacted)	£92,760	HH001-23 Argyll & Bute Living Well Network Coordinators Lots 1-3	No
Medical Imaging Systems (MIS)	£338,594	NP167/18 Belford Radiology Room 1	Yes

Summary of Non-Competitive Actions

In 2023/24, a total of 9 regulated contract commitments, totalling £107M, 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.

Supplies/ Services/ Works	Supplier	Justification	Value (ex VAT)
HH068-23-TW EICR, Electrical Testing	Calder Electrical Contractors	Extreme urgency brought about by events unforeseeable for the contracting authority and in accordance with the strict conditions stated in the Directive.	£429,428
HH137-23-TW27 RadCalc Maintenance and support contract	Oncology Systems Limited	The works, supplies or services can be provided only by a particular economic operator for the following reason: absence of competition for technical reasons.	£57,775
HH032-23-TW14 Patient & Staff Air Travel	Loganair Limited	The works, supplies or services can be provided only by a particular economic operator for the following reason: absence of	£450,000

		competition for technical reasons.	
HH039-23-TW12 Digital Mental Health Service	Kooth Digital Health Limited	The works, supplies or services can be provided only by a particular economic operator for the following reason: absence of competition for technical reasons.	£90,050
HH108-23-TW07 Adult Social Care Commissioning 2023-24	Various	The services can be provided only by a particular economic operator for the following reason: absence of competition for technical reasons.	£103,088,218
HH083-23-TW08 Confidential Staff Liaison and Freedom To Speak Up Services	The Guardian Service Ltd	The procurement falls outside the scope of application of the Directive.	£316,000
HH014-23-TW UHI Library Services	Inverness College UHI	The procurement falls outside the scope of application of the Directive.	£311,000
HH095-23-TW Middleware migration licensing and support	Cirdan	New works/services, constituting a repetition of existing works/services and ordered in accordance with the strict conditions stated in the Directive.	£76,032
TW030-22 Dementia Post Diagnostic Support	Alzheimer Scotland	The procurement falls outside the scope of application of the Directive.	£2,044,750

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. A review of the procurement activity for the period covered by this report concludes that our procurement exercises are compliant with our interim 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 new NHS Highland 5 year Procurement Strategy (2024-2029) will be published in November 2024, ensuring that we are aligned with the NHS Highland ‘Together We Care’ Strategy 2022-2027, the NHS National Services Scotland Public Procurement Strategy, the Scottish Government Public Procurement Strategy for Scotland 2023-2028 and the NHS Highland Strategic Anchors Plan 2023-2026.

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 included 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, community groups and Third Sector organisations.

We engage with Third Sector organisations, suppliers and staff 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 2023-2026 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 2023/24 our direct spend with supported businesses was £856,319 for goods and services provided by On-Site Scanning Ltd, Hey Girls, Highland Blindcraft and Access Technology.

6. Other Items of Note

During 2023/24 we have been working on the development of a single board-wide Master Contract Register, incorporating cash and non-cash Savings and Benefits capture and work-planning using the 'Provalido' platform solution provided by National Procurement. Further work is planned during 2024/25 to capture and report Community Benefits delivered at local contract level by frequency and value.

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 funded places on the 5C30 Certificate in Leadership and Management to HND level for four of our team members, with an option to progress to full Chartered Management Institute (CMI) membership.

All procurement staff have received formal annual appraisals (as a minimum), and are required to log at least 30 hours protected learning time each year as part of their Personal Development Plan.

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	Expected Start Date	Expected Award Date	Estimated contract value
HH017-21 Provision of An Employee Assistance Programme	Re-let	May-24	Nov-24	£ 210,000
HH087-20 Argyll and Bute Community Links Worker Service	Re-let	Jun-24	Dec-24	£ 432,000
HH051-23-CCS Purchase of Standard and Specialist Vehicles	Re-let	Jul-24	Jan-25	£ 155,100
HH001-23 Argyll & Bute Living Well Network Coordinators	Re-let	Oct-24	Apr-25	£ 119,420
HH091-24-SBS VMWare Licences & Subscriptions	Re-let	Oct-24	Apr-25	£ 95,708
HH189-24-SBS Document Workflow Application	Re-let	Oct-24	Apr-25	£ 64,642
HH011-21 Small Isles Charter Service	Re-let	Dec-24	Jun-25	£ 112,620
HH049-24-HB Medical Support to Badenoch and Strathspey Community Hospital, Aviemore	Re-let	Mar-25	Aug-25	£ 435,000
HH090-20 Provision of Single Reception Service	Re-let	Mar-25	Sep-25	£ 92,624
HH005-21-ESPO Portable Appliance Testing	Re-let	Sep-24	Apr-25	£ 200,000
SP-17-032 Telephony Services - A&B HSCP	Re-let	Jun-25	Dec-25	£ 538,063
HH055-23-SC Teleradiology Reporting Services	Re-let	Jul-25	Jan-26	£ 146,278
HH074-23-SBS Teleradiology Reporting Services	Re-let	Jul-25	Jan-26	£ 788,052
HH029-23-HB Prepared Meal Delivery Service	Re-let	Jul-25	Jan-26	£ 12,000
HH010-23-HB GP Out Of Hour Service - Nairn & Ardersier	Re-let	Aug-25	Feb-26	£ 823,882
HH004-21 Specialist Environmental Aids for Deaf People	Re-let	Aug-25	Mar-26	£ 30,724
HH056-20 Transport for Patients Undertaking Renal Replacement Therapies	Re-let	Sep-25	Mar-26	£ 562,649
HH118-23-SXL Maintenance of Fire Fighting Equipment	Re-let	2024-25	2024-25	TBC
HH042-24-HB Healthcare Mobility Equipment Servicing	Re-let	2024-25	2024-25	TBC
HH069-24 Maximo Support Services	Re-let	2024-25	2024-25	TBC
HH059-23-SC RIS System	Re-let	2024-25	2024-25	TBC
HH041-23-HB Gas Safety Service	Re-let	2024-25	2024-25	TBC
HH183-24 CCH Audiology Patient Management Systems	Re-let	2024-25	2024-25	TBC
HH203-24 Orthotics A&B	Re-let	2024-25	2024-25	TBC
Islay X-Ray Equipment	Re-let	2024-25	2024-25	TBC

Maintenance				
Debt Recovery Services	Re-let	2024-25	2024-25	TBC
Provision of Fresh Fruit and Vegetables	Re-let	2024-25	2024-25	TBC
Water Treatment Servicing and Chemicals	Re-let	2024-25	2024-25	TBC
Appliances and White Goods Repairs & Servicing	Re-let	2024-25	2024-25	TBC
Alarm Systems (Fire, Monitoring, Intruder)	Re-let	2024-25	2024-25	TBC
HH199-24-SG Server Co-Location	Re-let	2024-25	2024-25	TBC
HH006-25 Staff Benefits - Cycle to Work Scheme	Re-let	2025-26	2025-26	TBC
E-Rostering Services	Re-let	2025-26	2025-26	TBC

8. Procurement Annual Report Ownership and Contact Details

Completed by: Becky Myles

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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	01/04/2023 - 31/03/2024
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
2. Summary of Regulated Procurements Completed	
a) Total number of regulated contracts awarded within the report period	41
b) Total value of regulated contracts awarded within the report period	£ 118,693,509
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	115
i) how many of these unique suppliers are SMEs	78
ii) how many of these unique suppliers how many are Third sector bodies	47
3. Review of Regulated Procurements Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	32
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	9
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.	1
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	19
Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:	
d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	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.	19
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.	Not recorded
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	20
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	n/a
6. Payment performance	
a) Number of valid invoices received during the reporting period.	196,399
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)	91.00%
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:	£ 856,319
i) spend within the reporting year on regulated contracts	£ 813,198
ii) spend within the reporting year on non-regulated contracts	£ 43,121
8. Spend and Savings Summary	
a) Total procurement spend for the period covered by the annual procurement report.	£ 300,597,014
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£ 160,969,701
c) Total procurement spend with Third sector bodies during the period covered by the report.	£ 46,075,585
d) Percentage of total procurement spend through collaborative contracts.	8.74%
e) Total targeted cash savings for the period covered by the annual procurement report	£ -
i) targeted cash savings for Cat A contracts	£ -
ii) targeted cash savings for Cat B contracts	£ -
iii) targeted cash savings for Cat C contracts	£ -
f) Total delivered cash savings for the period covered by the annual procurement report	£ 1,061,354
i) delivered cash savings for Cat A contracts	£ -
ii) delivered cash savings for Cat B contracts	£ 740,191
iii) delivered cash savings for Cat C contracts	£ 321,163
g) Total non-cash savings value for the period covered by the annual procurement report	£ 283,177
9. Future regulated procurements	
a) Total number of regulated procurements expected to commence in the next two financial years	33
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£ 95,533,800