

**Procurement
Team**



**Procurement Report
2024-2025**

1. Introduction	4
2. Review of Reporting Period	6
Case Study – Business Partners Group	7
Case Study – Savings Tracking	9
3. Spend	10
Spend by Category (Top 10)	10
Spend by Local Authority Area	11
4. Measuring and Reporting	12
Annual Report	12
Communication	12
Ownership	12
5. Completed Regulated Procurements	13
6. Quick Quotes in Period	14
7. Future Regulated Procurements	14
8. Reporting Metrics	16
9. Useful Links	18
10. Glossary	19

Author	Andy Hay
Approver	Finance & Resources Committee
Version	1.0



1. Introduction

The procurement function is a key part of NHS Lothian in contributing by optimising the resources available for health priorities. The function is part of the Finance Directorate, reporting to the Director of Finance who is an Executive Member of the NHS Lothian Board. Our work covers £743million spend across a combination of local and collaborative contracts.

As well as arranging strategically important contracts to support the delivery of healthcare, we also provide operational procurement services, ensuring the right products get to hospitals and other healthcare settings at the right time.

To illustrate this further, we:

- Saved NHS Lothian £3m over the last year.
- Managed over 178k purchase orders.
- Managed over 17,069 customer interactions
- Managed 2,464 suppliers.

Strategic Context

Scottish Public Sector

The [Public Procurement Strategy for Scotland](#), which is now the leading cross-sector strategic directive for public procurement bodies in Scotland.

NHS Scotland

The [NHS Scotland Procurement Strategy](#) is a 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 NHS Scotland's patients, staff, and communities.

NHS Lothian

These priorities are reflected in our Annual Procurement Report which, in turn, should be read in conjunction with our [Procurement Strategy](#) detailing our plans for the years ahead.

2. Review of Reporting Period

Over another successful year 2024-2025, the Procurement Team have continued to demonstrate considerable resilience in delivering results measured against targets and objectives. These achievements are primarily focused on supporting improvement outcomes for the people, communities, and businesses of Lothian.

Achieving the savings figures we report, is a significant achievement in a market where many prices are rising in line with, or above recent unconventional inflation increases.

We continue to be embedded into the strategic, functional and resilience groups across our organisation, being seen as a key business partner in NHS Lothian.

This section of the Procurement Report will look at a specific pieces of work over the last year.



Case Study – Business Partners Group

The Business Partners group was established as a formal Procurement Governance Group. It meets monthly with a focus to support the delivery of both NHS Lothian's Financial plan and to provide governance of the Procurement function.

The group's activities include:-

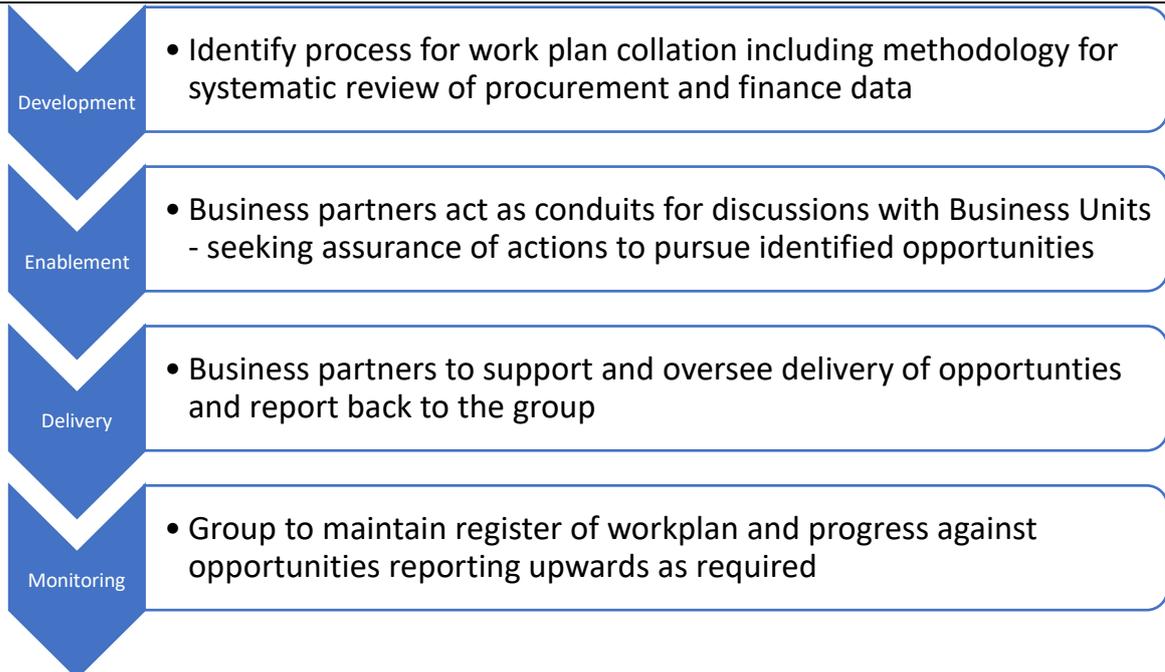
- Using intelligence gathered from procurement and finance data, identifying efficiency opportunities in non-pay budgets across NHS Lothian and builds a work plan of these opportunities.
- Validation of a series of priority workstreams relating to non-pay management for the organisation and organises Finance and Procurement resources to best support the business units to deliver against these opportunities.
- Providing a positive focus and impetus to the non-pay efficiencies through oversight function, linking to the Business units through the Finance Business Partners.
- Ensuring clear communication – via the Finance Business Partners and Procurement - where there is shared learning in relation to delivery of change.
- Providing formal briefings to other groups, undertaking a 'Project Management Office (PMO)' function for non-pay efficiency work.

The Group consists of Finance and Procurement colleagues, who are tasked with being the vehicle for identification of non-pays efficiency opportunities across NHS Lothian; as well as being the leverage point for discussions with Business Units regarding taking forward these opportunities.

Therefore, membership consists of:

- Deputy Director of Finance (Chair)
- Associate Director of Procurement
- Deputy Head of Procurement
- Finance Business Partners
- Procurement Managers
- Sustainability and Value Officers
- Project support

To ensure evolving organisational needs are met, the Terms of Reference will be reviewed to ensure proportionate resource is invested in Business Assurance and Governance and in the delivery of financial savings.



This group has been a success in unlocking opportunities and focusing efforts on the right projects. This has assisted Procurement in achievement of savings targets since this group was formed.



Case Study – Savings Tracking

The tracking of procurement benefits, both cash and non-cash are a key performance indicator for the effectiveness of the Procurement Team.

For the last six years the Procurement Team have been using collaborative benefits tracking software to measure this.

The Provalido tool is both a work planning and benefits tracking tool, which procurement officers use to organise their work as well as measure success.

The collaborative functions allow us to not only manage local contracts but also manage the implementation of both public sector wide and sectoral contracts.

This has allowed the team to demonstrate the value they bring to the organisation at a detailed level.

The forecasting functions allow us to plan our resources effectively.

The next steps will be to consider how we use this software to track improvement activity as part of our Business Assurance Programme.



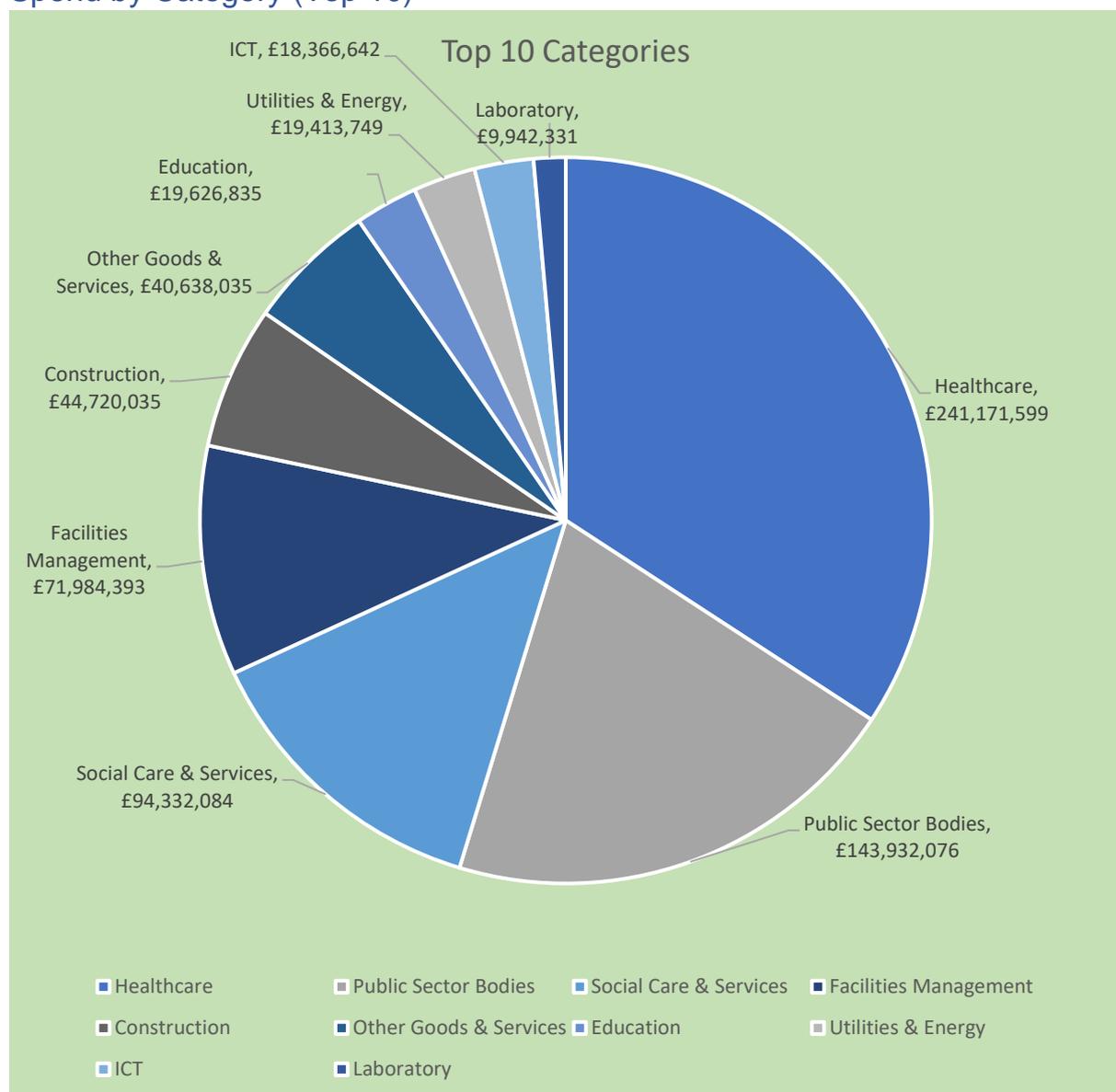
3. Spend

In FY 24-25 NHS Lothian's total spend was £743 million. Achieving best value from this expenditure is a combination of applying tools such as Category Management; Market Intelligence; Supplier Negotiation; Stakeholder Influencing; Economies of Scale: Innovation: via National, Regional and Local Contracts and arrangements.

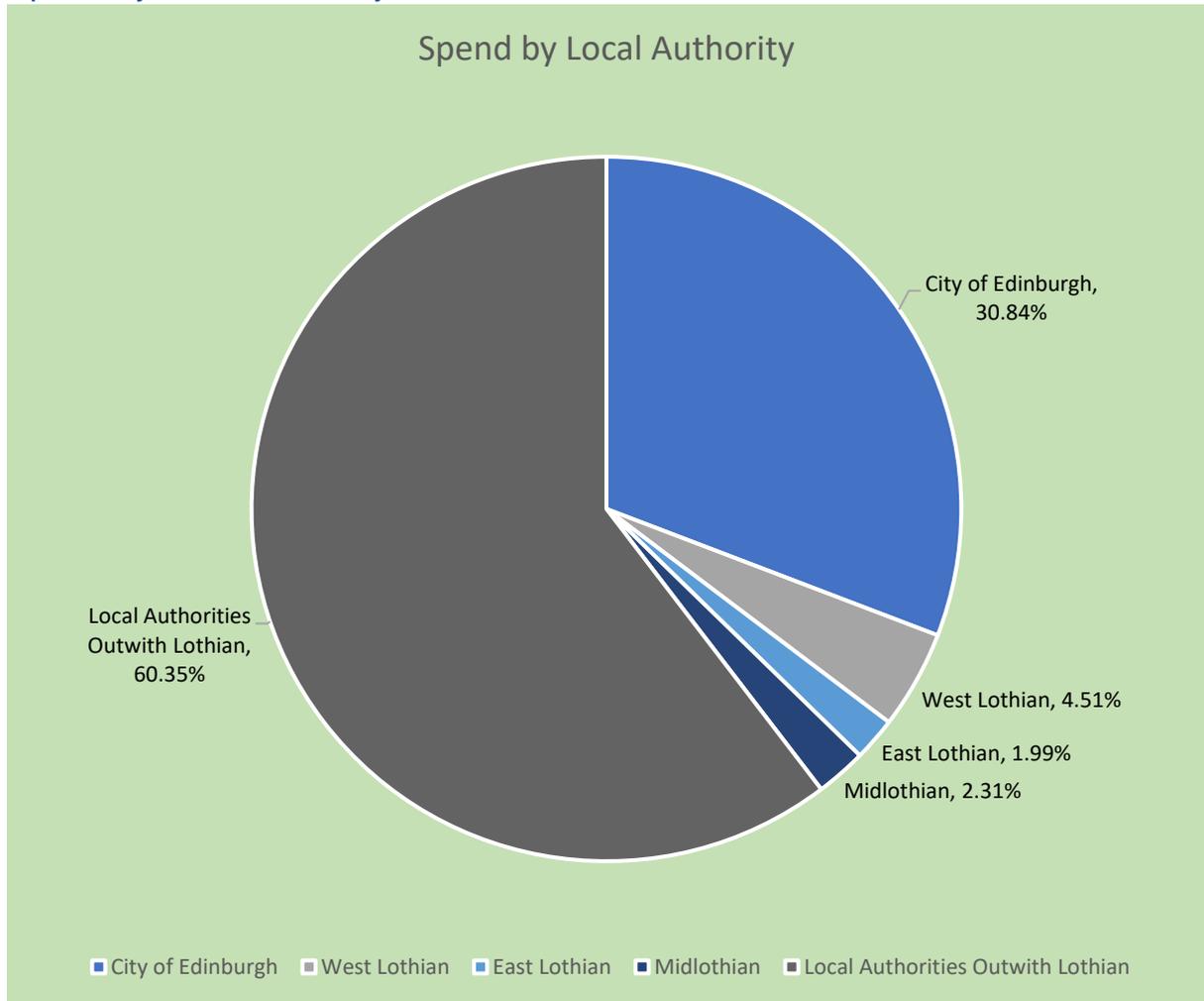
What we spend is as important as where we spend it to harness our power of Procurement to support wider wealth and wellbeing aims for the Lothian population.

Further details on the contracts we have let are available on the [Public Contracts Scotland](#) website.

Spend by Category (Top 10)



Spend by Local Authority Area



4. Measuring and Reporting

Annual Report

This annual Procurement Report and the Procurement Strategy are required to be published on the NHS Lothian website as set out in the Procurement Reform Act.

This annual report will be prepared by the Associate Director of Procurement and reviewed by the Finance and Resources Committee for approval when appropriate.

Communication

This Procurement Report will be published on the NHS Lothian website as set out in the Procurement Reform Act. The Procurement Strategy/Annual Report will also be shared with all members of the Procurement Team each year by the Associate Director of Procurement.

Ownership

The Procurement Strategy is owned by the Associate Director of Procurement



5. Completed Regulated Procurements

Title	Value	Supplier
Pest Control Services	£58,000	Excel Environmental Services (GB)
LEITH COMMUNITY TREATMENT CENTRE (LCTC) CRITICAL VENTILATION UPGRADES	£397,088	MPMH Construction Ltd (GB)
Hospital Welfare Advice Services Royal Edinburgh Hospital	£190,534	Citizens Advice Edinburgh (GB)
East Lothian Community Link Worker	£381,000	Thistle Foundation (GB)
EICR Testing	£150,000	Bureau Veritas (GB)
NHS Lothian Measured Term Minor Building Works and Maintenance Services with a Value of Under 50,000GBP Framework	£20,000,000	Jamieson joiners & builders (GB) / DELLTEX LIMITED (GB) / Dumbreck Decorators (GB) / Mitie Property Services (UK) Ltd (GB) / Trident Maintenance Services Ltd (GB) / Kirkton Flooring (GB) / Calton Floors Ltd (GB) / Gordon and Halliday flooring contractors llp (GB)
NHS Lothian Measured Term Minor Building Works and Maintenance Services with a Value of Under 50,000GBP Framework	£20,000,000	Airlie`s Glazing and Locksmith Ltd (GB)
NHS Lothian Measured Term Minor Building Works and Maintenance Services with a Value of Under 50,000GBP Framework	£20,000,000	Jamieson joiners & builders (GB) / Robert P. Slight & Sons Limited (GB) / MPMH Construction Ltd (GB)
NHS Lothian Measured Term Minor Building Works and Maintenance Services with a Value of Under 50,000GBP Framework	£20,000,000	HF Group (GB) / Parr Facilities Management Ltd. (GB) / JLCom Limited (GB)
LOTL 299-23 Orthotic Consumables	£620,000	Buchanan Orthotics Ltd (GB) / MAG Orthotics Limited (GB) / MAG Orthotics Limited (GB)
Breast Insert and Fitting Service	£120,000	Browns More Hair Now Ltd (GB)
Refurbishment Works at Tollcross Health Centre and Gracemount Medical Practice	£203,868	Morris & Spottiswood (GB)

6. Quick Quotes in Period

56 Quick Quotes were managed in period.

7. Future Regulated Procurements

Title	Expected Notice Publication Date
LOTL22820 Vending Machines	2025
Water Risk Assessments & Water Testing	2025
Laundry Dosing Equipment	2025
Theatre Pendants Maintenance	2025
Theatre/Surgeon Control Panels Maintenance	2025
Catering Equipment Maintenance	2025
Roller Doors Maintenance	2025
Plate Heat Exchangers & Associated Equipment Maintenance	2025
Gardening Services	2025
Air Conditioning Service & Maintenance	2025
Breast Implant, Sizer and Tissue Expander and Associated Products	2025
PPE Aseptic Cleanroom Clothing (Pharmacy)	2025
Catering - Aroma Coffee	2025
2025 FFE Service & Maintenance	2025
Macerator Service & Maintenance	2025
Bariatric Equipment - Commodes & Chairs	2025
Catering - Bakery Products	2025

PPE Powered Respiratory Equipment (Facemasks)	2025
PPE Catering/Estates (Chef/Security)	2025
PPE Footwear (Theatres/Estates)	2025
PPE Aseptic Cleanroom Mops (Pharmacy)	2025
Servicing & Maintenance of Automatic Doors	2025
Decontamination Contingency Contract	2025
Lift Maintenance	2025
Boiler Service & Maintenance	2025
PAT Testing Services	2025
Fire & Security Systems Maintenance	2025
St John's Hospital Lift 16 Upgrade	2025

8. Reporting Metrics

1. Organisation and report details	
a) Contracting Authority Name	NHS Lothian
b) Period of the annual procurement report	2024 2025
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	12
b) Total value of regulated contracts awarded within the report period	£22,120,490
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	25
i) how many of these unique suppliers are SMEs	23
ii) how many of these unique suppliers are Third sector bodies	2
3. Review of Regulated Procurements Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	12
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
4. Community Benefit Requirements Summary	
Use of Community Benefit Requirements in Procurement:	
a) Total Number of regulated contracts awarded with a value of £4 million or greater.	1
b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	1
c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements	11
Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:	
d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	0
i) Total Value of contracts sub-contracted to Social Enterprises	0
j) Total Value of contracts sub-contracted to Supported Businesses	0
k) Other community benefit(s) fulfilled	14 Community Benefit Gateway Benefits agreed in period

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	12
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.	12
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.	Not Held, requested change to PCS by Scot Gov to capture.

6. Payment performance

a) Number of valid invoices received during the reporting period.	318,947
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)	95.17%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	12
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:	£157,500
i) spend within the reporting year on regulated contracts	£157,500
ii) spend within the reporting year on non-regulated contracts	0

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£743,839,810
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£201,791,655
c) Total procurement spend with third sector bodies during the period covered by the report.	£22,196,565
d) Percentage of total procurement spend through collaborative contracts.	61%
e) Total delivered cash savings for the period covered by the annual procurement report	£3,046,172
f) 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	28
b) Total estimated value of regulated procurements expected to commence in the next two financial years	61

9. Useful Links

[NHS Lothian Procurement Web Pages](#)

[Public sector procurement – Scottish Government](#)

[Procurement Journey](#)

[PCIP Overview](#)

[Thresholds](#)

[Public Contracts Scotland](#)

[PCS-Tender - Public Contracts Scotland](#)

[Sustainable Procurement Tools](#)

[Procurement Competency Framework](#)

[CIPS - Leading global excellence in procurement and supply](#)

10. Glossary

Term	Definition
Category Management	Is a strategic approach to procurement where organisations group together similar areas of external spend to identify opportunities for consolidation and to create added business value.
Supported Business	Supported businesses are enterprises where over 50% of their workforce have a disability.
Whole Life Costing	Whole life costing is an investment appraisal and management tool which assesses the total cost of an asset over its whole life.
Community Benefits	Community benefits are the method by which local communities and good causes can receive additional social value from public spending
Cost Avoidance	Cost avoidance is the preservation of existing spending to prevent price increases due to inflation, economics or the rising costs of products or services. An example of cost avoidance is when a company purchases an extended equipment warranty to limit maintenance costs or out-of-pocket expenses.
Small and Medium Enterprises (SME)	An SME is any organisation that has fewer than 250 employees

[Illustrations Provided by Freepik](#)