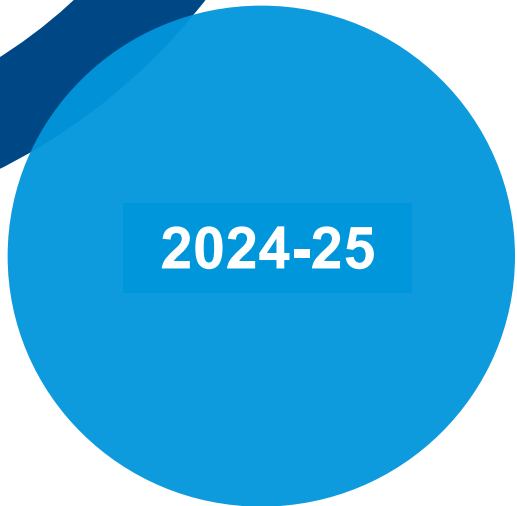




NHS National Services Scotland Annual Procurement Report



2024-25

Contents

Executive Summary	4
Introduction	4
Purpose	4
NHS National Services Scotland (NSS)	5
Procurement in NSS	5
Scottish National Blood Transfusion Service (SNBTS)	6
Collaboration and partnership working.....	6
Procurement strategy and policy.....	6
Summary of procurement activity	7
Key achievements and performance – financial sustainability	8
Financial savings	8
Cost and Commercial Steering Group.....	9
Compliance	10
Supplier management	10
Prompt payment of suppliers	11
Whole life costing	12
Buy alternatives	12
Key achievements and performance – sustainable procurement	13
NSS - an anchor institution.....	13
General policy	13
Benefits secured during the reporting period	14
Small and Medium Enterprises (SMEs)	15
Local supply chains	16
Fair Work First	17
Community benefits	17
Supported businesses and third sector	18

Equality	18
Whistleblowing	19
Health and safety	19
Strategy performance review	20
Summary of regulated procurement activity	22
Review of regulatory compliance	23
How we review our regulated procurements	23
Risk management.....	25
Report ownership and contact details.....	26
Appendix 2 – Future regulated procurements	29
Appendix 3 – Reporting metrics	30

Executive Summary

Introduction

This report highlights the considerable work and progress within NHS National Services Scotland (NSS) in leveraging third party trade spend to strengthen local supply chains, generate social value and ensure both value for money and regulatory compliance.

This report highlighting how NSS, as an anchor institution, works with local suppliers to benefit local communities, particularly through initiatives that support employment, education and training opportunities as set out on page 14.

Some key achievements are:

- In scope spend £132M
- 56% of spend with SME's
- £830k with supported businesses
- 87% of invoices paid within 10 days
- 100% in scope suppliers paying real living wage
- Net savings and cost avoidances of £640K

Purpose

This annual report provides transparency regarding NSS procurement activities and allows us to document and publicise our performance and accomplishments when implementing our procurement strategy. This report enables NSS to demonstrate to its stakeholders that its procurement activity is undertaken in a way that is aligned to Scottish public sector procurement priorities:

- Good for businesses and their employees
- Good for places and communities
- Good for society
- Open and connected
- Good for our Workforce
- Good for Patients

Alongside our procurement strategy, this report serves as a key document to inform and engage our external and internal clients, strategic partners, suppliers, potential suppliers, and the public.

NHS National Services Scotland (NSS)

NSS provides national infrastructure services and solutions which are integral to the delivery of health and care services across Scotland – locally, regionally, and nationally.

Our national infrastructure is wide-ranging, covering clinical areas such as the safe supply of blood, tissues, and cells, through to non-clinical areas such as providing essential digital platforms and cyber security for health and care.

We work across health and social care, ensuring the benefits and value we achieve through our national solutions can help many different areas of front-line services to ensure value for the people of Scotland and attainment of the National Performance Framework goals.

We aim to achieve this through four strategic objectives:

- Service Excellence
- Financial Sustainability
- Workforce Sustainability
- Climate Sustainability

Procurement in NSS

There are several teams within NSS who provide procurement services to the wider NHS Scotland such as National Procurement and NHS Scotland Assure.

This report focuses on the annual NSS corporate expenditure of £132M, managed by the NSS Procurement team.

Scottish National Blood Transfusion Service (SNBTS)

Included within the remit of the NSS Procurement team is the management of SNBTS stores facilities. This includes the distribution of critical blood products across NHS Scotland from the Jack Copland Centre in Edinburgh. Our main distribution centre at the Jack Copland Centre in Edinburgh holds 600 product lines and had a stock turnover of £48M in 2024-25. We also have regional stores in Dundee and Aberdeen.

Collaboration and partnership working

The NSS Procurement team provides procurement services to Public Health Scotland and NHS Shetland via shared services agreements. NSS also works closely with other national and territorial boards, as well as Scottish Government, on a range of collaborative projects.

Procurement strategy and policy

NSS third party trade spend is managed in-line with the [NSS Procurement Strategy](#), NSS Standing Financial Instructions (SFIs) and relevant procurement regulations and government guidance.

Summary of procurement activity

In Scope spend - £131,872,109

SME spend - £74,280,499 (56%)

Suppliers - 1378

Average spend per supplier - £95,698

Supported business spend - £830,343

Transactions – 32,866

Cash releasing efficiency savings secured - £247,025

Cost Pressure - £205,668

Cost avoidances secured - £603,161

Government Procurement Card spend - £70,477

Payment performance to 10 days (invoice received date) – 87.03% by volume

Payment performance to 30 days (invoice received date) – 95.01% by volume

Sustainability benefits secured - 12

Regulated procurements - 45

Value of regulated procurements - £11,220,476.91

Suppliers in scope of NSS Real Living Wage accreditation paying Real Living Wage – 100%

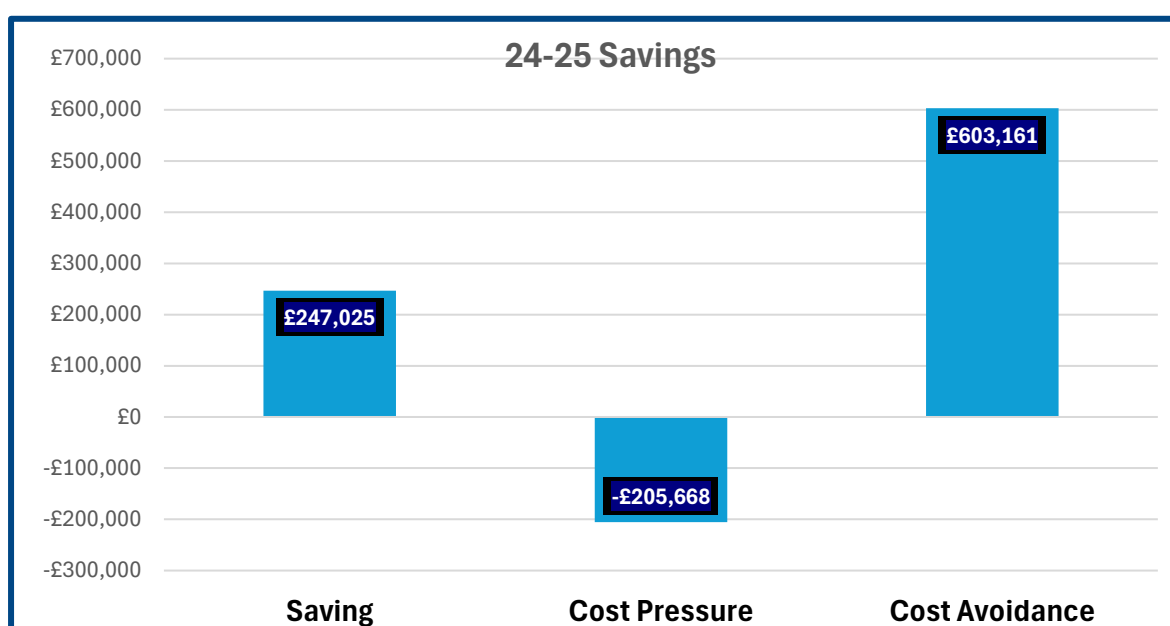
Key achievements and performance – financial sustainability

Financial savings

Key objectives of the procurement function are to support the NSS Financial Sustainability Strategy and to deliver value for money for Scottish taxpayers. Throughout the reporting year we continued to face challenging market conditions. While high inflation levels have decreased from a peak in 2023, they are still impacting the cost of goods and services particularly at contract renewal. Volatile energy costs, on-going global supply chain issues and labour shortages resulted in significant cost pressures, however savings were delivered amounting to a net saving of £41,357 for 2024-25.

Despite these challenges our procurement team also managed to achieve a cost avoidance of £603,161. This substantial saving was the result of effective supplier engagement and the implementation of competitive tendering processes.

For example, we reduced costs and secured financial savings through the implementation of strategic sourcing processes and re-evaluating our procurement strategies. This resulted in cost avoidances in various areas, including IT equipment (£212K), VMware IT licenses (£46), Waste Management (£128K) and Mechanical Handling Equipment (£175K) and reagents (£23k).



The NSS Procurement team proactively addressed the impact of inflation and increased energy costs by closely monitoring the market, engaging with suppliers, and exploring alternative solutions. By leveraging our commercial expertise and seeking competitive bids, we successfully mitigated the full financial impact of these external factors.

These achievements highlight the dedication and strategic approach of our procurement team in driving cost efficiencies and delivering value for money. We remain committed to continuous improvement and proactive engagement with suppliers to navigate evolving market conditions and optimise our procurement processes.

Cost and Commercial Steering Group

To maximise the value derived from NSS' third-party spend and contribute to the organisation's core budget and overall financial performance, NSS established a Cost and Commercial Steering Group (CCSG). This group comprises senior-level representatives from across the organisation and is chaired by the Director of Finance. The primary purpose of the CCSG is to ensure compliance with Standing Financial Instructions (SFIs) and procurement legislation, while also focusing on effective contract and supplier management and cost optimisation.

The CCSG consists of representatives from our directorates and corporate support functions, including Procurement and Management Accounting teams. They collaborate closely to identify opportunities and drive value through regular review meetings to help control costs and identify efficiencies relating to our third-party spend.

During the FY year, the CCSG identified a number of savings opportunities for third party spend areas, both at directorate level and across the organisation. These have been categorised by ease of implementation for delivery across 25/26 and beyond.

The CCSG membership and Terms of Reference will be reviewed during 2025-26.

Compliance

The NSS Procurement team diligently reviews all purchase orders exceeding £10k to ensure compliance with regulations and our Standing Financial Instructions (SFIs). Throughout the reporting period, the team meticulously checked and approved over 1278 purchase orders, covering expenditure from across all NSS services.

During this period, we remained committed to enhancing the quality of data included in purchase orders. As a result, we maintained the high percentage of purchase orders containing a valid contract reference achieving 65%. This surpasses our benchmark of 54% in 2020-21, significantly contributing to our ability to track expenditure and identify any areas that may not align with our procurement strategy.

To support the NSS Financial Sustainability Strategy, we placed strong emphasis on bolstering accountability and scrutiny of third-party spend. During the reporting period, contracts totalling £404,506 were formalised through open competition and call-off procedures, replacing awards previously made via the Sole Source Justification process. This approach not only enhanced opportunities for suppliers, including SMEs, to collaborate with NSS but also elevated the level of governance and scrutiny surrounding these contract awards, ultimately ensuring best value for NSS.

Supplier management

NSS Procurement team employ a Balanced Scorecard (BSC) approach to effectively manage our suppliers. This strategic framework allows us to assess supplier performance based on multiple dimensions, ensuring a comprehensive evaluation that goes beyond just cost considerations. By utilising the BSC approach, we can measure supplier performance across various key performance areas that align with our organisational goals and objectives such as quality, service, and sustainability.

This holistic assessment provides a more comprehensive and balanced view of supplier performance, allowing us to make informed decisions and cultivate strong and mutually beneficial relationships with our suppliers.

During the reporting year 91% of our tier 1 and 2 suppliers' performance was measured using the BSC approach with average scores out of 5, with 5 being exceeding expectations, for suppliers during 2024-25 as follows:

Service

3.8

Cost

3.8

Quality

3.8

Sustainability

3.5

The results show that supplier performance is at an acceptable level in all four areas, with increases in scores for Service and Sustainability since 2023-24. We will continue to focus attention in this area to drive improvements in overall supplier performance.

Prompt payment of suppliers

At NSS, we prioritise prompt payment to our suppliers. We have implemented a clause in our standard terms and conditions that clearly states our commitment to paying undisputed invoices within 30 days from the date of receipt. However, we work to an internal target of 10-days. In the fiscal year ending on March 31st 2025, NSS successfully paid 87.03% of suppliers' invoices within this timeframe. The average number of days taken to pay valid invoices throughout that period was 9 days.

To ensure that timely payment practices extend throughout the entire supply chain, we also include a clause in our standard terms and conditions stipulating that any sub-contracted work must incorporate a provision mandating payment to the sub-contractor within 30 days of receiving a valid invoice.

Whole life costing

For NSS capital requirements we have made it a priority to incorporate whole life costing into all relevant procurement exercises. Whole life costing involves considering the complete cost of a product or service from inception to disposal, encompassing not only the purchase cost but also the operation, ownership, and disposal expenses.

By adopting this approach, we can make informed decisions that consider the long-term financial implications associated with the entire lifecycle of the procured assets. This ensures we assess the true cost and value of a product or service, enabling us to make strategic choices that align with our financial goals and sustainability objectives.

Buy alternatives

To proactively address demand reduction and its subsequent impact on third-party spend and our carbon footprint, we have actively collaborated with colleagues from across NSS. Our aim has been to explore alternatives to purchasing goods or services wherever possible. For instance, we have lowered spend for FM services including landscaping, window cleaning and security coverage by reducing the frequency of some requirements. We have also significantly reduced our demand for offsite warehouse storage by maximising usage of our own facilities.

By adopting this approach, we seek to minimise unnecessary expenditures while also promoting sustainability practices. This not only helps us achieve cost savings but also reduces our environmental impact by reducing waste and promoting resource efficiency.

Key achievements and performance – sustainable procurement

NSS - an anchor institution

NSS serves as an anchor institution, embodying the characteristics of large, locally rooted organisations with a substantial presence in their communities. As an anchor institution, NSS fulfils various crucial roles, including employing a significant workforce, making substantial financial investments, owning and managing land and assets, and delivering essential services. This substantial presence contributes significantly to the local communities and economies in multiple areas across central Scotland, notably in the vicinity of our distribution centres located in Larkhall and Holytown.

This report highlights the pivotal role that procurement plays in supporting NSS as an anchor institution.

General policy

As outlined in our Procurement Strategy, NSS actively utilises the following Scottish Government recommended tools to achieve our sustainability objectives. By incorporating these tools and adhering to the statutory guidance, we have successfully implemented the community benefits outlined in this section.

- Scottish Public Procurement Prioritisation Tool
- The Scottish Flexible Framework
- The Sustainability Test
- Life cycle impact mapping

These tools have enabled us to prioritise community benefits in our procurement processes, assess sustainability considerations, map out the life cycle impacts of our procurements, and align with the Scottish Flexible Framework.

Benefits secured during the reporting period

Throughout the year, we engaged in tender exercises, contract extensions, and supplier management activities that aimed to secure benefits through our contracted supply base. Benefits included:

Community activity

- Support from a waste provider to support community building projects by providing free containers (skips) to collect and dispose of waste materials from the projects.
- A waste supplier will donate wildflower seeds, bulbs and/or apple tree saplings to help enhance any biodiversity project and support pollinators.
- A travel supplier utilised via a Scottish Government framework has funded £30,000 to community projects.

Employment

- Four jobs within a supported business directly linked to a NSS contract for GP records scanning, with all staff paid the Scottish Real Living Wage.
- A FM supplier recruited a communications and digital marketing intern to work with their in-house bid and marketing team.
- A supplier will provide business development support including a one day workshop in public tendering to SMEs or social enterprises interested in bidding to the NHS.

Supporting education, learning and schools

- A supplier is working with Forth Valley College to provide work placements for students studying towards their IT Hardware Apprenticeship.
- A supplier has committed to offer a work placement opportunity in either Glasgow or Edinburgh.
- A consultancy supplier has committed to providing a one-week work placement for a school leaver.

Economic

- We awarded contracts to 8 suppliers who are certified Real Living Wage employers.

Supported businesses

- NSS spent £830k with supported businesses in the reporting year.

Environmental

- We began the transition of our managed transport contract to hydrotreated vegetable oil fuel which will reduce CO2 emissions by up to 90%. This will begin in September 2025.
- Under the new Recyclates and General Waste Management contract, our confidential waste is recycled into blue tissue rolls for use across NHSS.
- A laundry supplier is investing in new carbon neutral facilities and has optimised wash processes to save 35000 litres of water per week.
- When there is any requirement to dispose of IT hardware, the reuse channel, provided via the national contracts for laptops (SP-19-020) and desktop (SP-22-019) is used.
- SNBTS fleet replacement included the procurement of seven electric vehicles, reducing emissions from the service.

Small and Medium Enterprises (SMEs)

In the fiscal year 2024/25, we remained committed to promoting access to our contracting opportunities for Small and Medium Enterprises (SMEs). We took proactive steps to minimise barriers that could impede their participation in our procurement processes. These measures encompassed breaking down larger contracts into smaller lots where feasible, ensuring that financial thresholds and other short-listing criteria were equitable and free from discrimination, while upholding equality principles throughout all stages of our procurement processes.

As a result of these initiatives, during the reporting period, approximately 56% of our trade spend was allocated to SMEs.

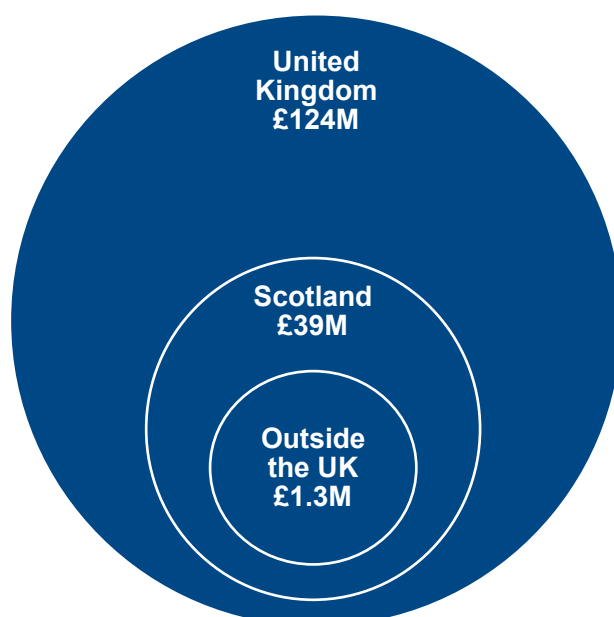
Local supply chains

Procurement plays a vital role in community wealth building by maximising local spend. By prioritising purchases from local businesses, organisations can stimulate economic circulation within the community, retaining wealth and creating job opportunities. This approach supports the growth and sustainability of local businesses, fosters diversity among suppliers, strengthens community networks, reduces environmental impact, and generates tax revenue for public services. Overall, local spend promotes economic resilience, equity, and prosperity at the local level, making it a crucial strategy for building and retaining wealth within communities.

This is a key area of focus for NSS both in terms of maximising our own local expenditure and working with partners including Scottish Government and Public Health Scotland to develop approaches to increasing local progressive procurement through the Anchors network in NHS Scotland.

During the reporting year, Scottish suppliers were successful in winning contracts in 6 regulated procurements. We also achieved success in engaging local suppliers for requirements under £50k. A significant accomplishment was that 77% of the suppliers invited to quote for these requirements were Scottish-owned businesses. This reflects our commitment to supporting and nurturing local enterprises, contributing to the economic growth and prosperity of the communities we serve.

Below is an overview of the NSS spend profile by locality for the fiscal year 2024-25:



This breakdown provides insights into the allocation of NSS expenditure and the significant value which remains in Scotland.

Fair Work First

In line with our commitment to promoting fair work practices, we ensured that 4 regulated procurement exercises conducted during the reporting year included a scored question specifically addressing the Fair Work First criteria. In cases where it was deemed disproportionate to include a scored question, the Fair Work First criteria were still incorporated into the tender documents.

Community benefits

Community benefits play a crucial role in fulfilling the requirements of the Sustainable Procurement Duty by linking tangible benefits around improvements to the economic, social, and environmental wellbeing of the communities in which we operate to our contracts. To uphold our commitment to promoting community benefits, we took proactive measures during the reporting year.

In a total of 5 regulated procurement exercises, we included a scored question specifically addressing community benefits. This ensured that suppliers' proposals were evaluated based on their commitment and ability to deliver meaningful community benefits. In cases where including a scored question was not proportionate, community benefits were still incorporated into the tender documents with suppliers required to collaborate with NSS to identify and implement community benefits throughout the duration of the contract. To support this, we provided a link to our Community Benefits Gateway, serving as a valuable resource for suppliers to explore opportunities and initiatives related to community benefits.

By incorporating community benefits into our procurement processes, we strive to create sustainable, positive impacts within the communities we serve.

Supported businesses and third sector

Under procurement legislation, supported businesses are defined as businesses whose primary focus is on the social and professional integration of disabled or disadvantaged individuals, with at least 30% of their workforce comprising people from these groups. NSS is dedicated to fostering collaboration with supported businesses and third sector organisations whenever possible. We have consistently provided and will continue to offer opportunities for these entities to participate in public procurement processes.

During the fiscal year 2024/25, NSS spent £830,343 with supported businesses, further demonstrating our commitment to supporting their important work.

In addition, the Procurement team continues to work with stakeholders within the Board to seek opportunities to engage with Supported Businesses where practical and will continue to do this as part of the over-arching Procurement and Sustainability strategy.

Equality

In April 2018, the Fairer Scotland Duty, which is Part 1 of the Equality Act 2010, was implemented in Scotland. This legislation places an obligation on public authorities to consider how they can address inequalities arising from socio-economic disadvantages in their strategic decision-making processes. As part of our compliance with this duty, we have actively prioritised equality throughout our tender processes in accordance with the Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

In the reporting year NSS has worked closely with stakeholders demonstrating our commitment to the duty of the Equality Impact Assessment (EQIA). This comprehensive approach ensured the integration of equality considerations within our contracts.

Whistleblowing

The Independent National Whistleblowing Officer (INWO) service for the NHS in Scotland started in full on 1 April 2021. This requires, any supplier providing an NHS service had to have procedures in place that enable their staff to access the National Whistleblowing Standards. The INWO will then be able to investigate complaints about concerns made through the local whistleblowing process.

During the reporting year we ensured that for all our suppliers on contracts where a patient service is delivered, have an appropriate whistleblowing process in place and that any whistleblowing incidents are reported on quarterly basis.

During the reporting year we achieved 100% compliance to the policy and no whistleblowing incidents were raised.

Health and safety

In line with the National Procurement Health Safety and Wellbeing Strategy, we have initiated an Operational Risk Reduction (ORR) programme at the Jack Copland Centre (JCC) site. The aim of the ORR is to increase levels of co-ordination and cooperation in relation to the safe operation of workplace transport practices across the JCC site and to identify and implement additional measures to increase levels of operator and contractor safety.

The scope of the ORR is to cover the three principal areas which contribute to workplace safety.

- Site safety, design, and activity
- Operator and contractor behaviours
- Operational co-ordination and co-operation

A senior leadership walkabout is held quarterly to demonstrate visible commitment to staff wellbeing, ensure safety practices are understood and followed, and to support continuous improvement across the organisation.

Strategy performance review

This section demonstrates how the NSS Procurement team has contributed to the achievement of the procurement priorities defined within the 2020-25 NSS Procurement Strategy during the reporting year.

Priority - Balancing increasing service demand

- During the reporting period, we continued to maximise our use of Microsoft Office 365 applications. This initiative aimed to leverage the full potential of these tools to enhance our productivity, collaboration, and overall efficiency within the organisation. This included utilising these O365 tools to digitally manage our strategic supplier management activity.
- To enable efficient and expedited procurement processes, we continued to maximise our use of Dynamic Purchasing Systems (DPS). These systems have proven to be highly effective in issuing multiple tenders within tight timeframes, thereby streamlining the procurement process, particularly for professional services.

One of the key advantages of the DPS is its ability to lower entry barriers, particularly benefiting Small and Medium Enterprises (SMEs). By reducing bureaucratic obstacles and administrative burdens, we have created a procurement platform that is well-suited for SMEs to participate and compete for contracts.

Priority – People

- We continued to support a procurement and supply graduate within the team demonstrating our commitment to investing in the development of emerging talent within the procurement field. By providing opportunities for recent graduates to apply their skills and gain practical experience, we are not only strengthening our team but also contributing to the growth and advancement of the procurement profession.

- We support and encourage staff development through attendance at training courses and conferences, such as Procurement for Health
- The team conducts informal engagement sessions with other areas of NSS to gain a deeper understanding of their roles and the services they deliver, helping us identify opportunities to enhance the support we offer.
- Several members of our team are actively pursuing a professional qualification with the Chartered Institute of Procurement and Supply (CIPS).

Priority – Customers and stakeholders

- Customer satisfaction result 98% (NSS Target 70%)

Methodology: On a scale of 1 – 10, 'Overall how satisfied are you with X?'

- To ensure seamless collaboration and strategic alignment, our procurement business partners are strategically positioned within key areas of our organisation. Specifically, they are embedded within Facilities and Estates, Logistics, and SNBTS. This placement enables them to provide valuable strategic advice and offer their expertise in all commercial aspects related to procurement.

Priority – Value delivery

- We committed to obtaining value for money through best practice contracting and supplier management and through undertaking key strategic procurement activities and we delivered over £247k in cash releasing efficiency savings and £603k in cost avoidances in the reporting period.
- As well as delivering financial benefits we have also been able to leverage our third party spend to deliver benefits to the wider community as demonstrated in by the non-financial benefits detailed on page 14.

Summary of regulated procurement activity

During the reporting period, NSS engaged in a range of regulated procurement activities to meet our operational and strategic needs. These activities encompassed the procurement of goods, services, and works in compliance with regulations and internal governance requirements.

	2022-23	2023-24	2024-25
Regulated contracts awarded	39	31	45
Value of regulated contracts awarded	£21M	£10M	£11M
NSS Expenditure managed by team	£107M	£112M	£132M
Savings	£1M	£0.5M	£0.8M

Key awards

Scottish National Blood Transfusion Service

The Procurement team embedded within SNBTS work closely with stakeholders to ensure their quality and regulatory requirements are considered for all procurements. The team also work on a range of collaborative contracts with stakeholders across other blood services from England, Wales, Northern Ireland, Ireland, New Zealand, and Australia. This helps to harness buying power across these areas and allows the ability to share expertise.

- A wide range of critical and complex contracts were put in place during the reporting year to support SNBTS.
- This included the retender of contracts for HLA Sequencing Systems, Kits and Associated Consumables, Additive Solutions for Suspension of Blood Products, Media Planning & Buying and Courier Services for blood products.

SNBTS Procurement also provided advice and guidance to SNBTS Capital team and assisted with contracts across several capital projects including fleet replacement and cell processors. This meant that these procurements were all conducted in line with the NSS Procurement Strategy.

Estates and Facilities

New providers have been contracted as part of the re-tendering of the Recyclates and General Waste Management contract. This award includes the appointment of a new Scottish supplier and commitment to deliver a number of community benefits.

Review of regulatory compliance

How we review our regulated procurements

NSS Procurement observes the 'procurement journey' methodology including application of the sustainable procurement tools for all regulated procurements where a tendering process is required. Route Two is used when below threshold level and Route Three for over threshold procurements. Call-off contracts are checked with the host organisation e.g. NSS National Procurement, Scottish Government and, where necessary, Crown Commercial Service or other UK NHS bodies for compliance with regulations and policy before we enact these. Our policy is that frameworks, 'let' by these bodies are the only valid route for NSS call-off awards. Around 40% (c.£52 million) of our contracts are call-offs from these sources.

We review all direct award contract awards through our sole source justification procedure. This procedure mandates any spend of £10,000 or over, if not tendered or on a pre-let contract or framework agreement, is accompanied by a sole source justification form.

The sole source justification form allows us to correctly categorise spend within the regulatory framework in other words, within the following categories:

- a. the requirement falls under the general exclusions and Specific Situations of the Public Contracts (Scotland) Regulations 2015 sections 4 or 7 through 18 or by being a service listed in Schedule 3 of the aforementioned regulations: examples being property rental, client legal representation and legal advice.
- b. public sector to public sector contracts under regulation 13(8) of the aforementioned regulations.
- c. specific situations apply as defined under regulation 33 of the aforementioned regulations – we publish a contract notice under these circumstances.
- d. research and development spend which benefits NHS Scotland and its patients.

Performance

We are committed to advertising opportunities and placing award notices for our call-off requirements on Public Contracts Scotland to maintain our public contract register. We performed 45 regulated procurements over the period of which 42 complied with our strategy. This represents 98% of our regulated procurements by value over the period as compliant.

Three procurements were initiated in response to urgent business needs and the procurement team has been working with colleagues across NSS to identify compliant procurement solutions to support these requirements in the future.

Due to our sole source justification process, we can easily identify those procurements that don't comply with our strategy, along with the reasons for this. These reasons are scrutinised by the Procurement team and where necessary, the NSS Director of Finance. If these are approved to proceed, we work with colleagues to plan any follow-on purchases through a regulated procurement process. During the reporting period we undertook 4 procurements under open competition, with a value of £404,506, to replace agreements previously put in place via our sole source justification process.

We also now have a digital procurement presence across NSS which provides a simpler way for colleagues to interact with us and to access clear information on what contracts are available for use. Our contract register is highly accurate reflecting our strong commitment to transparency and demonstrates we will publish non-conforming spend within this report to reinforce our commitment to openness.

Risk management

Throughout the reporting year, we have actively collaborated with finance and Counter Fraud Services (CFS) colleagues to proactively address and mitigate the risks associated with procurement fraud.

For all Route 2 and 3 procurement exercises we utilise the integrated risk management approach to identify and manage any supply chain or project specific risks.

Report ownership and contact details

In line with the Procurement Reform Act and to ensure our annual procurement report details our performance against strategy, this report is subject to formal annual review and approval by the NSS Performance, Procurement and Finance Committee.

Report Owner: Kate Henderson

Designation: NHS National Services Scotland - Head of Procurement

Email: kate.henderson@nhs.scot

Telephone: 07813531487

Appendix 1 – Regulated procurements in period

TITLE	START DATE	END DATE	EXT END DATE	VALUE	SUPPLIER NAME
NSS07325 SNBTS - HLA Sequencing Systems, Test Kits, Associated Consumables & Equipment Maintenance	03/03/25	02/08/28	-	£230,000	VH Bio Illumina Cambridge
Purchase of CliniMACS Prodigy Cell Processor	07/02/25	08/03/25	-	£220,723	Miltenyi
NSS06824 Additive Solutions for Suspension of Blood Products	01/02/25	31/01/28	31/01/30	£220,000	Macopharma
Award of Media Planning & Buying for Scottish National Blood Transfusion Service (SNBTS)	03/02/25	02/07/28	-	£1,200,000	Carat
NSS06424 Frameworks Scotland Central Audit	27/01/25	27/03/25	-	£98,880	Grant Thornton
NSS05424 Vodafone Network Services	28/06/24	27/06/27	27/06/28	£713,273	Vodafone
TCAT - RTX project	11/11/24	10/11/25	10/11/26	£1,300,000	Bio Techne/Miltenyi/Lonza/Rotea
Award of NSS05324 Pallet Uplift Service	16/12/24	15/12/26	15/12/25	£187,819	Scott Pallet
NSS03223 Recyclates and General Waste Management	13/01/25	12/01/30	12/01/32	£1,110,000	PSS Biffa
Award of Gyle Square - Fire Cabling Works	06/01/25	06/04/25	-	£105,180	FES
NSS06624 Avaya support & Sip trunk	02/12/24	01/12/25	-	£109,000	Maintel
NSS06324 SNBTS Media Planning, Buying & Associated Services (Interim direct Award)	15/11/24	14/02/25	-	£98,000	Carat
NSS05524 Storage Arrays	14/10/24	13/10/27	13/10/30	£161,233	Insight
SNBTS Fleet Modernisation & Replacement 2024-2025	26/08/24	25/02/27	-	£584,777	Variety
Award of NSS05924 Roll Cages and Repair Services			-	£129,290	Palletower

NSS05024 - CLO English Law Provision - Call off CCS RM6240 Lot 2a	05/08/24	04/08/24	-	£50,000	DACB
Award of NSS04424 Property Options Appraisals - Mini-competition under RM6168 Estate Management S...	19/08/24	18/08/25	-	£73,314	Avison Young
Award of Courier Services - Blood Products	01/09/24	01/09/28	01/09/31	£780,000	Eagle Couriers
TITLE	START DATE	END DATE	EXT END DATE	VALUE	SUPPLIER NAME
Award of Cleanroom Laundry	01/08/24	31/07/27	31/07/30	£315,000	Miconclean
NSS04624 Blackline Systems Software	18/03/24	17/03/25	-	£128,020	Computacentre
NSS003924 - SNBTS Media Planning, Buying & other Associated Services	01/04/24	01/10/24	-	£200,000	Carat
NSS04324 NSD Capacity Planning Data Consultant	03/06/24	03/06/25	-	£75,000	SCMG
Award of NSS01523 Cycle to Work	01/04/24	31/03/28	31/03/30	£60,000	Hawkes
NSS04224 Occupational Health Services	01/04/24		-	£50,000	Optima
NSS03423 VMWare licences	01/04/24	31/03/27	-	£116,637	VMWare/Broadcom
NSS212209/b CAFM System	01/02/25	31/01/26	31/01/27	£224,000	MRI
NSS03524 Childcare Vouchers	01/04/24	01/04/26	01/04/28	£300,000	Reward Gateway
Water and Waste Water Billing Services	01/04/24	01/04/27	01/04/28	£640,000	Scottish Water Business Stream
Award of Managed Service Microbiology Test Kits	20/01/25	19/05/25	-	£283,000	Abbott
Biological testing	01/02/25	31/12/25	-	£87,529	SGS
Pipettes service	01/03/25	28/02/26	-	£60,251	Mettler Toledo (Anachem)
Qualified Persons services	01/03/25	28/02/27	-	£77,280	PharmaQP Ltd
Software support	21/11/24	30/06/26	-	£53,014	EMIS
Maintenance contract for CliniMACS Prodigy	01/01/25	31/12/25	-	£66,419	Miltenyi
Software support	31/01/25	30/01/26	-	£53,130	Parmagraph
Recyclates and general waste	01/11/24	12/01/25	-	£50,000	SWRnewstar
Supply of cytokines	16/07/24	31/12/24	-	£55,000	BioTechne
CliniMACS Prodigy consumables	16/07/24	31/12/24	-	£80,000	Miltenyi Biotec
Active travel	01/04/24	31/03/25	-	£58,375	Sustrans

Qualified Persons services	30/04/24	30/04/26	-	£56,400	QP Partner Ltd
Networking services	01/03/24	31/03/24	-	£62,717	Vodafone
Information security consultants	30/10/23	25/07/24		£67,142	Wipro
Software Support	01/04/24	31/07/24		£56,780	QA Ltd
Networking services	01/04/24	31/03/25		£89,861	Vodafone

Appendix 2 – Future regulated procurements

Project Name	Forecast Annual Spend	Expected Notice Publication Date	Expected Award Date	Expected Contract Start Date
NSS08624 Blackline Systems Software	£135,700	Published	Awarded	01/04/25
NSS08525 TCAT – Clinimacs Prodigy	£125,000	Published	Awarded	30/04/25
NSS09025 SNBTS Garage Relocation Lead Advisor	£144,677	Published	Awarded	06/06/25
SG NHS Grampian Diagnostic Report - Mini-comp	£190,000	Published	Awarded	26/06/25
NP72021 Postal Services	£2,100,000	Published	Awarded	29/06/25
NSS09425 Vehicle Hire - Arnold Clark	£60,000	Published	Awarded	01/07/25
NSS09825 NHS Scotland PLICS Implementation Support	£130,000	Published	Awarded	01/07/25
NSS09225 Property Advisor (term time)	£164,684	Published	Awarded	30/07/25
NSS08025 Monklands Replacement Project Key Stage Assurance Review Lead Advisor	£192,184	15/09/25	30/08/25	30/09/25
NSS10425 Cisco Hardware Procurement	£250,000	15/09/25	30/08/25	30/09/25
NSS04324 NSD Capacity Planning Data Consultant	£75,000	30/11/25	04/11/25	04/12/25
NSS212219 Provision of Edinburgh Taxi Service	£80,000	30/11/25	20/11/25	21/12/25
NDS Shipping container destuff Machine	£100,000	15/02/26	01/02/26	01/03/26
NSS222340 GP Practice Record Scanning	£326,667	28/02/26	17/02/26	18/03/26
NSS212247 Calibration Services	£52,000	15/03/26	28/02/26	31/03/26
NSS212240 Donor Beds	£50,000	15/03/26	28/02/26	31/03/26
Flow Cytometers - Maintenance and Consumables	£74,000	15/03/26	28/02/26	31/03/26
Debt Recovery Services	£50,000	15/03/26	28/02/26	31/03/26

Vaccination IPAD Sim cards	£120,000	15/03/26	28/02/26	31/03/26
NSS212224 Executive & Senior Manager Search and Selection	£375,000	31/03/26	13/03/26	13/04/26
NSS212242 Courier Services	£260,000	30/05/26	01/05/26	01/07/26
NSS1819432 Practitioner Database for Lawyers	£57,534	15/08/26	01/08/26	03/09/26
Red Cell Reagents	£183,899	30/12/26	30/11/26	01/01/27

Appendix 3 – Reporting metrics

1. Organisation and report details

a) Contracting Authority Name

NHS National
Services Scotland

b) Period of the annual procurement report

24-25

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

45

b) Total value of regulated contracts awarded within the report period

£11,220,476.91

c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period

42

i) how many of these unique suppliers are SMEs

18

ii) how many of these unique suppliers how many are Third sector bodies

1

3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy

42

b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy

3

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 Community Benefit Requirements	5

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)	5
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	2
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	10

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	4
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated	8

contract awarded during the period.

c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.

8

d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract during the period.

Not recorded

6. Payment performance

a) Number of valid invoices received during the reporting period.

65513

b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)

95.01%

c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.

45

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:

£830,343

i) spend within the reporting year on regulated contracts

£830,343

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.	£131,872,109
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£74,280,499
c) Total procurement spend with third sector bodies during the period covered by the report.	£338,985
d) Percentage of total procurement spend through collaborative contracts.	40%
e) Total targeted cash savings for the period covered by the annual procurement report	£0
i) targeted cash savings for Cat A contracts	£0
ii) targeted cash savings for Cat B contracts	£0
iii) targeted cash savings for Cat C contracts	£0
f) Total delivered cash savings for the period covered by the annual procurement report	£41,357
i) delivered cash savings for Cat A contracts	£0
ii) delivered cash savings for Cat B contracts	£0
iii) delivered cash savings for Cat C contracts	£41,357
g) Total non-cash savings value for the period covered by the annual procurement report	£603,161
9. Future regulated procurements	
a) Total number of regulated procurements expected to commence in the next two financial years	23
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£5M