



Procurement Strategy

2025 – 2030

Executive Summary

This procurement strategy plays an important role in setting out how NHS Grampian procures the goods and services it requires to maintain front line services. This strategy shall outline the vision and key objectives which aligns to national procurement strategy and NHS Grampian's [Plan for the Future](#). Achieving best value and supporting delivery of savings is a priority for the organisation and the procurement service play a key part in delivery of this. Our vision is to put procurement at the heart of a sustainable health service to maximise value and benefit for the patients, staff and communities of NHS Grampian.

NHS Grampian operates in a strategically complex environment balancing rising demand and financial pressures. Therefore, our procurement approach is required to be value driven and agile to support delivery of sustainable care.

This strategy outlines the vision for the procurement service within NHS Grampian and details the strategic objectives aligned to this vision. The strategy outlines what delivery of the objectives will mean for the organisation, how we will deliver them and what benefits will be achieved.

Progress against this strategy will be measured annually and reviewed within the Annual Procurement Report. This strategy will help shape the deliverables for the procurement service and support delivery of sustainable care for the people of Grampian.

Introduction

This procurement strategy aims to support NHS Grampian staff by ensuring they have timely, cost-effective, and sustainable access to the goods and services required. By prioritising collaboration and transparency, the strategy seeks to position procurement as an enabler, allowing staff across NHS Grampian to focus on the delivery of patient care.

NHS Grampian delivers healthcare services to the population of the Grampian region and, during the 2024–2025 financial year, recorded approximately £315 million in trade spend with third-party suppliers. The table below provides a high-level summary of this expenditure, broken down by category. The data is sourced from the Scottish Government Procurement Information Hub, which assigns each supplier to a category based on their primary area of activity.

Table 1. NHS Grampian Spend Categories 2024 - 2025

| Category | Total Value |
|--|---------------------|
| Pharmaceuticals | £90,567,922 |
| Estates and construction | £64,731,642 |
| Medical Devices and Clinical Consumables | £35,699,433 |
| Medical Equipment | £19,597,964 |
| Utilities and Energy | £19,323,428 |
| Supplementary Staffing | £18,245,463 |
| Facilities | £12,160,332 |
| Laboratory Equipment and Services | £11,139,056 |
| Information Communication Technology | £9,793,962 |
| Health and Social Care | £8,008,994 |
| Professional Services | £7,508,308 |
| Food, Beverage and Catering | £4,037,305 |
| Medical Services | £3,804,739 |
| Vehicles | £2,598,849 |
| Patient Transport | £1,637,079 |
| Postal and Courier Services | £1,634,670 |
| Travel and Accommodation | £1,398,505 |
| Other Goods and Services | £1,168,639 |
| External Print / Promotional | £869,837 |
| Translation & Interpretation Services | £455,185 |
| Stationery & Office Products | £439,147 |
| Training | £223,263 |
| Staff Uniform & Clothing | £208,077 |
| Business Support Services | £204,388 |
| Communications, Marketing and Media | £177,387 |
| Total | £315,633,574 |

The work of the procurement service in NHS Grampian directly supports clinical care, operational delivery, financial sustainability and regulatory compliance. Within NHS Grampian the procurement service is part of the Finance, Procurement and Performance Directorate, reporting to the Director of Finance who is an Executive member of the NHS Grampian Board.

The procurement service provides strategic procurement oversight, operational and systems support as well as a ward product management service within NHS Grampian. Procurement is also an area of delegated responsibility in the following areas; Pharmacy, Medical Equipment Management, Laboratory Services, Digital, Estates Services, Property and the Health and Social Care Partnerships.

Strategic Context

Public sector procurement in Scotland operates within a regulated environment under The Public Contracts (Scotland) Regulations 2015 (Procurement Regulations) and The Procurement Reform (Scotland) Act 2014 (the Reform Act) which set out duties covering transparency, sustainability and community benefits to be delivered.

NHS Grampian continues to face unprecedented financial and operational challenges and as a result, procurement support is required across the organisation to balance the cost of patient care while improving quality of goods and services required for front line care.

To effectively balance cost and quality, it is essential that this strategy remains closely aligned with both the Public Procurement Strategy for Scotland and NHS Grampian's Plan for the Future.



The Public Procurement Strategy for Scotland is the first national procurement strategy in Scotland and was launched in April 2023 with four outcomes: Good for Society, Good for Businesses and Their Employees, Good for Places and Communities, and Open and Connected.

Image: Public Procurement Strategy for Scotland 2023 to 2028 (2023); Scottish Government; available online - [Public procurement strategy: 2023 to 2028 - gov.scot](https://www.gov.scot/public-procurement-strategy-2023-to-2028/)



Locally, this procurement strategy outlines our plans to deliver against the objectives within the NHS Grampian Plan for the Future 2022 – 2032. The Plan for the Future is an organisational strategy which aims to prevent harm, improve health and support local communities to thrive, while operating a sustainable health service.

Image: NHS Grampian Plan for the Future 2022 – 2032 (2022); NHS Grampian; available online - [Plan for the Future](https://www.nhsgrampian.scot/plan-for-the-future/)

In supporting delivery of the Plan for the Future, procurement performance is embedded within NHS Grampian's wider system of performance and assurance. Delivery of this Procurement Strategy will be governed and assured through NHS Grampian's Integrated Performance Assurance and Reporting Framework (See Appendix 1). This alignment ensures that procurement performance is evaluated not

only in terms of efficiency and compliance, but also for the long-term value and outcomes it delivers for patients, staff and communities as part of continuous improvement.

NHS Grampian work closely with National Procurement who are hosted within NHS National Services Scotland and are the Centre of Procurement Expertise for health in Scotland.

Additionally, the procurement service work closely with colleagues across NHS Grampian to deliver the objectives outlined in the NHS Grampian Anchors Strategic Plan 2024 - 2029 and the NHS Grampian Climate Emergency & Sustainability Strategy: Reimagining the Health Service for People & Planet 2023-2028.

Our Vision

Following the publication of the Public Procurement Strategy for Scotland, National Procurement and health boards worked together to develop a national procurement strategy for health. This collaborative strategy, launched in 2024, provides a shared commitment to delivering the objectives outlined in the Public Procurement Strategy for Scotland.

This strategy identified a sector wide vision that was developed in collaboration with the other health boards and NHS National Services Scotland. We have drawn from this NHS National Procurement strategy and vision as the basis of our local vision for NHS Grampian procurement, as outlined below.

Our Vision

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

To deliver an effective procurement service against a backdrop of complex strategic context requires effective stakeholder engagement and partnership with our clinical and non-clinical services. To deliver the objectives, as detailed below, our teams will continue to engage nationally with National Procurement, other health boards and public sector colleagues, as well as locally with colleagues in services across Grampian.

Our Strategic Objectives

The strategic objectives outlined below set the overarching direction for our procurement activities, ensuring alignment with both local and national priorities. Each objective clearly identifies its contribution to the relevant themes within the NHS Grampian Plan for the Future and the Public Procurement Strategy for Scotland.

Objective - Deliver best value in NHS Grampian's procurement activity



Pathways

People

Good for businesses and their employees

Good for society

| Objective | What does this mean? | How will we measure it? | What benefits will there be? |
|-------------------|--|--|--|
| Savings delivered | <p>Achieving measurable cost savings and efficiencies through strategic commercial procurement processes.</p> <p>Aggregate spend to leverage economies of scale.</p> <p>Supporting the organisation with savings initiatives projects.</p> | <p>Cost savings achieved by comparing actual spend against previous year.</p> <p>Cost avoidance savings achieved by tracking savings delivered through robust procurement processes.</p> | <p>Increased value from procurement activities, bringing tangible savings to frontline care.</p> |

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|----------------------------------|--|--|---|
| Increased contract coverage | <p>Increasing NHS Grampian's spend covered by contracts or framework agreements.</p> <p>Maintain a comprehensive contract register.</p> <p>Annual spend analysis to identify areas lacking contract coverage.</p> <p>Training and support in place for staff involved in procurement at all levels across the organisation.</p> | <p>Increased percentage of spend under contract.</p> <p>Reduction in non-catalogue requisitions through PECOS.</p> | <p>Ensures legal and regulatory compliance.</p> <p>Enhanced cost control, governance and transparency across all procurement activities.</p> |
| Increased collaboration | <p>Leveraging joint buying power, efficiency and expertise by working with NSS, other NHS health boards, other public sector bodies, internal stakeholders, suppliers and national agencies.</p> <p>Early engagement with clinical and operational services.</p> <p>Develop shared procurement initiatives, working together with other health boards regionally and nationally.</p> | <p>Increased percentage of spend via collaborative contracts.</p> <p>Increased number of shared processes.</p> | <p>Greater efficiency and cost effectiveness across all procurement activities.</p> <p>Enhanced resilience through shared resources and coordinated planning.</p> <p>Value for money for patients and services.</p> |
| Contract and supplier management | <p>Supporting services to proactively manage supplier performance against agreed service levels.</p> <p>Enhanced value delivery from contracts.</p> <p>Dedicated contract management support for identified key contracts.</p> | <p>Contract handover pack documents developed for key contracts.</p> <p>Standard contract management plans utilised for key contracts.</p> | <p>Enhanced supplier accountability and service delivery.</p> <p>Cost savings achieved through contract optimisation.</p> |

Objective - Reduce supply chain risk and increase resilience



Pathways

People



Good for businesses and their employees

Good for society

| Objective | What does this mean? | How will we measure it? | What benefits will there be? |
|---|---|--|--|
| Managing the supply chain and inventory | <p>Supporting services and influencing how much is bought to reduce unnecessary and inefficient purchasing and waste.</p> <p>Support the organisation with data to support demand planning and informed purchasing.</p> <p>Ward Product Management team and standardised processes across the organisation.</p> <p>Further roll out of Genesis Inventory Management system.</p> | <p>National Distribution Service delivery performance to NHS Grampian: OTIF (On Time in Full)</p> <p>Increase in the number of ward reviews delivered.</p> <p>Increased number of standardised processes across the organisation.</p> <p>Increase in percentage of Genesis users and products available through Genesis across the organisation.</p> | Increased resilience and improved patient care through better stock and supply continuity. |
| Working with clinical services | <p>Collaborating with clinical teams to identify critical products, including processes to mitigate against product shortages.</p> <p>Engagement with clinical services during procurement processes.</p> | Standard operating procedures in place for contract and framework implementation. | Reduced risk of service disruption due to product shortages. |

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|------------------------------|---|--|---|
| Business continuity planning | <p>Business continuity planning to maintain supply of goods and services during times of disruption.</p> <p>Working with services to identify and prioritise critical suppliers and products.</p> | <p>Business continuity plan in place and regularly tested.</p> | <p>Greater resilience and confidence for front line staff during periods of disruption.</p> <p>Fewer unplanned purchases, sustaining delivery of services with minimal impact to patient care</p> |
|------------------------------|---|--|---|

Objective - Strengthen procurement compliance and governance



Pathways

Places



Good for businesses and their employees

Open and connected

| | What does this mean? | How will we measure it? | What benefits will there be? |
|---------------------------------|---|---|--|
| Embedding governance structures | <p>Developing and integrating processes, procedures and guidance to ensure that procurement activities are aligned with organisational goals and regulatory requirements.</p> <p>Influence over non pay spend, including review of discretionary spend and increasing catalogue and spend.</p> <p>eProcurement systems in place to ensure appropriate controls.</p> | Increased percentage of transactions processed through eProcurement systems. | <p>Ensured compliance with legal and policy standards.</p> <p>Greater transparency and accountability in procurement decisions</p> <p>Improved control over non pay spend.</p> |
| Invoice query resolution | <p>Supporting the organisation to ensure that supplier invoice issues are resolved quickly.</p> <p>Work closely with Finance, services and suppliers.</p> <p>Supporting services to increase purchases through eProcurement systems.</p> | Increase in the recorded cost avoidance savings delivered from challenging invoice queries. | <p>Cost savings and time efficiencies realised and improved supply chain resilience.</p> <p>Reduced risk of service disruption due to payment delays.</p> |

Objective - Embed sustainable procurement



Places

People



Good for places and communities

Good for society

| | What does this mean? | How will we measure it? | What benefits will there be? |
|--|---|---|---|
| Incorporate sustainability into procurement processes | <p>Reducing the environmental impact of the supply chain by embedding sustainability into procurement processes.</p> <p>Work closely with clinical, sustainability and waste teams to prioritise low carbon, recyclable or reusable products.</p> | All regulated procurement processes consider the inclusion of sustainability evaluation criteria. | Reduction of carbon emissions from NHS Grampian's third party supply chain activities. |
| Upholding the Scottish Government Fair Work First policy | <p>Ensuring suppliers uphold fair employment practices and encouraging payment of the Real Living Wage.</p>  | <p>Maintain our Real Living Wage Employer accreditation.</p> <p>Fair work first considered in all regulated procurement activities.</p> | Suppliers adopting Fair Work First helps promote a more engaged and resilient workforce which benefits NHS Grampian by improving supplier performance and protection of reputation. |

| | | | |
|---|---|---|---|
| Delivering anchor organisation objectives | <p>Purchasing locally where possible and for social benefit.</p> <p>Develop relationships with other anchor institutions.</p> | <p>For all regulated procurement consider the inclusion of social value evaluation criteria.</p> <p>Engage with the local supply base by attending annual Meet the Buyer event.</p> | Using our economic influence as a major buyer in the Grampian area to positively impact on our local community. |
|---|---|---|---|

Enablers

The following enablers have been identified as fundamental for delivering the vision and objectives outlined above.

| Enabler | What does this mean? |
|-------------------------------|--|
| Procurement Capability | The people involved in procurement across NHS Grampian are key to successful delivery of the vision and objectives of this procurement strategy. Procurement leadership and training is essential and we must continue to attract and retain procurement skills by offering opportunities for procurement training and development. |
| Digital Innovation | <p>Digital innovation in procurement processes and systems will improve visibility, efficiency and resilience within NHS Grampian. This will include increasing the use of eProcurement tools, engaging nationally with systems development, increasing catalogue coverage and working towards self-service and automation for procurement processes.</p> <p>National Services Scotland is leading the development of a Business Services Programme aimed at replacing several core NHS Scotland systems across workforce, finance, and procurement. Subject to approval the procurement of the new solution is planned within the next 2–3 years. The NHS Grampian procurement team will remain actively engaged throughout the national programme and prepare to support implementation.</p> |

Monitoring and Reporting

Delivery of this Procurement Strategy will be tracked through a set of Key Performance Indicators (KPIs) defined in Appendix 2. These indicators represent the measures of progress against each strategic objective to achieve the outcomes of the strategy.

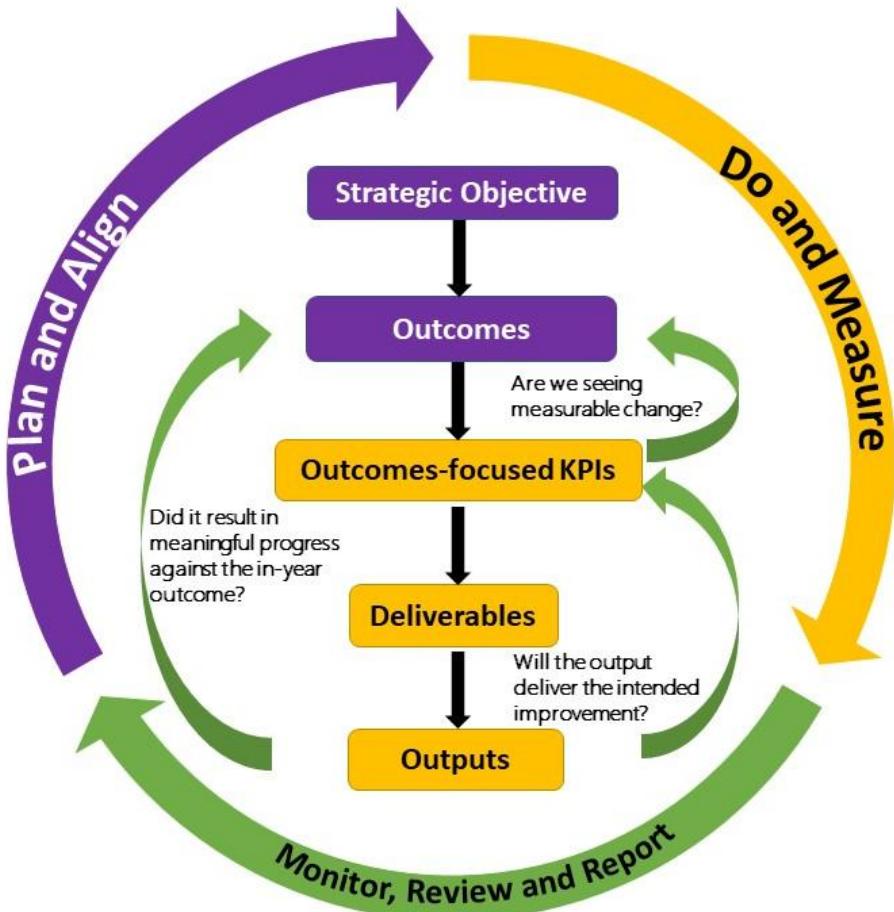
Procurement performance against these KPIs will be tracked and evaluated through NHS Grampian's Integrated Performance Assurance and Reporting Framework. This framework is the organisation's structured approach to planning, measuring, reviewing, and assuring performance. It ensures that procurement data is used to support continuous improvement and provide assurance to the Chief Executive Team and the Performance Assurance, Finance and Infrastructure Committee (PAFIC), on behalf of the NHS Grampian Board.

Progress against this strategy will be reported annually through the published Annual Procurement Report. The report will include a review of all regulated procurement activity, assessing compliance with this strategy using the Key Performance Indicators outlined in Appendix 2. It will also summarise community benefits delivered and upcoming procurement work planning. At the time of publication of the Annual Procurement Report, the procurement service will review the vision and strategic objectives of this strategy to ensure they remain current and aligned to organisational priorities. The Annual Procurement Report will provide evidence of progress and continuous improvement to the Chief Executive Team and PAFIC.

The NHS Grampian procurement team will also undertake the Procurement and Commercial Improvement Programme. This is a national programme designed to evaluate and enhance the policies, procedures, and outcomes that drive procurement performance across NHS Grampian. NHS Grampian are committed to maintaining and, where necessary, improving our performance within the Procurement and Commercial Improvement Programme framework through an annual work plan. This plan not only supports continuous improvement but also informs future Procurement and Commercial Improvement Programme assessments, ensuring our procurement practices consistently deliver value and meet the highest standards of efficiency and effectiveness.

Insights from both reporting mechanisms will be reviewed to inform the next iteration of procurement objectives, learning and improvement plans. This approach ensures that procurement performance is continually monitored, independently assured and directly contributes to the organisation's wider performance assurance framework. Further detail on how this strategy aligns with NHS Grampian's Performance Model, including the link between objectives, KPIs and outcomes, is provided in Appendix 1.

Appendix 1 – Procurement Strategy supported by NHS Grampian Performance Model



The Performance Model follows a continuous improvement cycle ensuring all strategies, including procurement, are planned, delivered, measured and reviewed in a consistent and transparent way. Each phase of the cycle is underpinned by the linkages of Strategic Objectives to Outputs, ensuring a clear line of sight from intent to results.

Plan and Align – Define strategic procurement priorities in line with the *Plan for the Future*, the *Public Procurement Strategy for Scotland* and financial sustainability objectives.

Do and Measure – Deliver procurement activities, track progress through KPIs and savings targets, and capture qualitative outcomes such as sustainability and workforce capability.

Monitor, Review and Report – Analyse and report results through the Annual Procurement Report, through appropriate governance structures to provide assurance to the Chief Executive Team and PAFIC on behalf of the Board.

Appendix 2 – Alignment of Procurement Strategic Objectives, Outcomes and Key Performance Indicators (KPIs)

| Strategic Objective | Outcomes by 2030* | Key Performance Indicator** | Target |
|---|--|---|---|
| Deliver best value in NHS Grampian's procurement activity | NHS Grampian achieves sustainable financial value through strategic procurement, with measurable efficiencies and savings which benefits patients, staff and communities | Achieving annual savings target. | Target set by NHS Grampian Value & Sustainability Programme Board |
| Reduce supply chain risk and increase resilience | NHS Grampian maintains a reliable and resilient supply chain that ensures continuity of clinical and operational services, minimises wastes and supports demand | National Distribution Service delivery performance to NHS Grampian: OTIF (On Time in Full) | 98% |
| Strengthen procurement compliance and governance | Procurement activity across NHS Grampian is transparent, compliant and efficient, with robust systems and controls that strengthens accountability and governance, reduces risk and ensures best practice. | Increased number of catalogue lines | >90% |
| Embed sustainable procurement | NHS Grampian acts as an anchor organisation, using its purchasing power to promote procurement sustainability to support a healthier and a more resilient region. | Percentage of trade spend with suppliers located within the Aberdeen City, Aberdeenshire and Moray local authority areas. | >7% |
| | | Procurement team staff to undertake Scottish Government Climate Literacy and Circular Procurement and Supply training | >95% |

*Key Deliverables and Outputs will be developed to meet KPI performance and agreed outcomes

**KPIs may be subject to change following each annual review