



Procurement Strategy

NEE/CCG/2016/056

Brief Description (max 50 words)	This Procurement Strategy provides the overview of our approach to procurement. Each procurement decision will be taken on its individual merits, in the context of this strategy, and in accordance with the relevant legal and policy requirements.
Target Audience	All employees / Board members / third parties working on behalf of NEECCG should be aware of this, and managers must bring its contents to the attention of their staff.
Action Required	For circulation to all staff, and immediate implementation.

Document Information

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Equality Impact Assessment	EQUALITY IMPACT ASSESSMENT This document has been assessed for equality impact on the protected groups, as set out in the Equality Act 2010. This Policy is applicable to the Board, every member of staff within the CCG irrespective of their age, disability, sex, gender reassignment, pregnancy, maternity, race (which includes colour, nationality and ethnic or national origins), sexual orientation, religion or belief, marriage or civil partnership, and those who work on behalf of the CCG
Contact details for further information	All queries to Director of Resources

Amendments

Version	Page/ Para No	Description of change	Date
1	Full Document	To be reviewed by Management Executive Team	24 th April 2014
1.1	Various	Updates by SH	16 th April 2014
1.2	Various	Updates by MD	17 th September 2015
2.0	Full Document	To be reviewed by Audit Committee. Policy formatted.	11 th December 2015
2.1	Various	Following Board suggested amendments, patients and carers reference within and Accountable Executive amended to COO	28 th January 2016
2.2	Full Document	To be reviewed by Operational Executive Committee	10 th November 2016

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NHS North East Essex CCG

Procurement Strategy

1 INTRODUCTION

- 1.1 NHS North East Essex CCG (CCG) is an NHS body created by the enactment of the Health and Social Care Act 2012. The CCG has received authorisation to commission healthcare services on behalf of the registered patients of 43 GP practice members of the CCG. This amounts to approximately 330,000 patients.
- 1.2 The CCG is led by a Governing Body with a Clinical Chair and a majority of non-executive members including elected members.
- 1.3 The primary purpose and responsibility of the CCG is to commission (plan, purchase and organise) health services on behalf of the registered patients of the member practices. It does this in partnership and collaboration with other commissioners for health and social care services covering the same population, as well as with patients and the public.
- 1.4 This Procurement Strategy provides the overview of our approach to procurement. Each procurement decision will be taken on its individual merits, in the context of this strategy, and in accordance with the relevant legal and policy requirements. This Strategy sets the context and strategic aims of the CCG in using procurement as a tool to improve service outcomes for patients. It does not set out detailed procurement processes or approval mechanisms as these will depend on the scale and nature of any procurement and comply with UK law, CCG Corporate Governance requirements, financial policies and EU and national and local procurement policies and procedures.
- 1.5 All CCG procurement takes place against this context with the intention to secure high quality, safe and cost effective health and social care services for the registered and local populations.
- 1.6 The CCG has the following Vision, Aims and Values which underpin this Procurement Strategy:-

Vision

North East Essex CCG vision is “Embracing Better Health for All” describes how we want to work with people in North East Essex to help them have greater choice, control and responsibility for health services

Mission

Our aim is to:-

- ensure that the people of North East Essex receive the best care possible within the funds available
- encourage people to take control of their own health and well being
- help people get involved with us in making our local NHS the best it can be.

Values

The values that lie at the heart of the work of the CCG are:-

- **Integrity** – We will work in the spirit of public service, professionalism and selflessness to serve our local population.
- **Inclusiveness** - Our commissioning will be driven by the health needs of the whole population. We will prioritise our commissioning towards work which delivers the greatest improvements in health and the best possible experience for all people throughout their care and treatment.
- **Improvement** - Our communities require high-quality services. This means services which are safe, personalised and deliver good clinical outcomes. We will seek to continually improve quality wherever possible and to embrace innovation to achieve this.
- **Patient-centred** – We will ensure that services respond to people as individuals, involving them in their individual care decisions and also in the planning of services

2 LEGAL FRAMEWORK

- 2.1 The Health and Social Care Act 2012, and the associated NHS (Procurement, Patient Choice and Competition) (No 2) Regulations 2013 provide the framework for procurement of health care services by the CCG. When procuring health care services, the 2013 Regulations require NHS commissioners (CCGs and NHS England) to act with a view to (a) securing the needs of the people who use those services (b) improving the quality of services and (c) improving efficiency in the provision of the services. The 2013 Regulations require commissioners to procure services from providers who are most capable of delivering these objectives and who provide best value for money in doing so. The Regulations also prohibit commissioners from engaging in anti-competitive behaviour unless this is in the interests of patients.
- 2.2 NHS Improvement – the sector regulator for health services in England - has the role of protecting and promoting the interests of patients and has been granted powers to set and enforce a framework of rules for providers and commissioners. NHS Improvement has published its 'Substantive guidance on the Procurement, Patient Choice and Competition Regulations' (December 2013) ("*Substantive Guidance*") designed to support CCG's and NHS England. NHS Improvement's Substantive Guidance makes it clear that it is for commissioners to decide which services to procure and how best to

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secure them in the interests of patients.

3 HOW WE WILL WORK

- 3.1 In line with our vision, aims and values, we will work in partnership with patients, carers and families, partner organisations across public, voluntary and private sectors to develop high quality, safe and cost effective locality based services.
- 3.2 We will hold providers of services to account for the quality, safety and performance of their services. We expect local providers to aspire to be the best in their field and to involve and seek feedback on a regular basis from local patients and carers.
- 3.3 We will be held to account by NHS England and Local Health & Wellbeing Boards as well as local patients and partner organisations for commitments we have entered into.
- 3.4 We will be open and transparent on our decision making and regularly hold meetings of our Governing Body in public and in different locations to improve access for people.
- 3.5 We welcome constructive feedback and suggestions on ways we can improve our commissioning and integration of services for the benefit of local people and to improve their outcomes of care.
- 3.6 We will engage with members of the public and our resident patient population in accordance with the principles set out in the CCG's Communications, Membership and Engagement Strategy.
- 3.7 We wish to ensure our commissioning and contracting is based on clearly assessed population needs, clinically led and focuses on achieving improved measurable outcomes of care from integrated services for local patients, carers and their families.
- 3.8 We will comply with and implement the NHS Constitution, deliver the NHS Mandate locally and respond to the local population's healthcare needs in a fair and equitable way living within the resources we are allocated.
- 3.9 We will comply with the Principles set out in section 5 below.

4. AIMS

- 4.1 This Procurement Strategy is intended to support the CCG in achieving its statutory aims and objectives:-
 - a) To secure the needs of health care service users;
 - b) To improve the quality of services; and

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- c) To improve the efficiency with which services are provided.

4.2 In addressing these aims and objectives, the CCG will seek to :-

- a) engage with all fellow commissioners, stakeholders and relevant parties when a procurement is undertaken, including seeking Joint Commissioning wherever this opportunity arises in the best interests of local patients;
- b) undertake and understand relevant policy and guidance regarding procurement type, (e.g. AQP/full tender/single provider tender);
- c) ensure safe, high quality and equitable services are achieved and maintained across the CCG;
- d) ensure that the CCG achieves value for money in its procurement activities;
- e) ensure that the CCG makes clear and transparent decisions on whether any procurement is necessary in the interests of the local population;
- f) ensure the CCG avoids possible conflicts of interest by ensuring transparency of all decision making through recorded declaration of interests and, if unavoidable, the effective management of any conflicts of interest;
- g) ensure that each procurement complies with all relevant guidance and legal regulations; and
- h) ensure the CCG complies with all legal requirements and best practice on procurement, including sustainability policies.

5. PRINCIPLES

5.1 The CCG will conduct its procurement activities in compliance with the following principles as set out in legislation and national guidance. When procuring health care services, the CCG will seek to act so as:-

- a) To secure the needs of patients who use services and to improve the quality and efficiency of those services, including through providing them in an integrated way;
- b) To act transparently and proportionately, and to treat providers in a non-discriminatory way;
- c) To procure services from providers that are most capable of delivering the overall objective and that provide evidence based, best practice and best value for money; and
- d) To consider ways of improving services (including through services being provided in a more integrated way, enabling providers to compete and allowing patients to choose their provider).

5.2 In relation to each purchasing decision for a major service area concerning health care and social care services, the CCG will test proposals and:

- a) Consider the extent to which any form of competition is required and consider the most appropriate process and procedure for awarding the relevant contract or contracts;

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- b) In that regard, give consideration to whether the use of a framework agreement, including the use of approved lists, is the most appropriate means of appointing providers. The CCG will appoint the best provider, offering the best quality services that are affordable regardless of who the provider is as they will have passed the fit and responsible test in the first instance;
- c) When there is a joint procurement with Local Authorities, the CCG will ensure that it complies with applicable NHS Guidance; and
- d) Purchasing decisions will be led by priorities based on population needs and addressing inequalities, clinical needs and measurable improvement in outcomes with clear clinical leadership informed by gathering patient needs from the outset to provide evidence based services.

5.3 The CCG will, wherever possible and where it is consistent with legal requirements, ensure that contractual provisions, procurement procedures and selection and award criteria are designed to ensure that contractors and providers:

- a) Are good employers who comply with all relevant employment legislation, including the Public Interest Disclosure Act 1998;
- b) Maintain acceptable standards of health and safety and comply fully with all legal obligations;
- c) Meet all tax and national insurance obligations;
- d) Meet all equal opportunities legislation;
- e) Are reputable in their standards of business conduct;
- f) Respect the environment and take appropriate steps to ensure they minimise their environmental impact;
- g) Can evidence an appropriate record of involving patients in their services and providing high quality services;
- h) Can demonstrate an appropriate record of successful partnership working with commissioners and other providers in the best interests of patients and public; and
- i) Are open and transparent with commissioners on all Patient Safety and Quality issues within their services with accurate information and reporting.

5.4 The CCG will, in each procurement and consistently in compliance with the relevant law, exclude companies which have been convicted of offences, or whose director(s) or another person or company who has powers of representation, decision or control of the company has or have been convicted of offences in the conduct of their business of committed an act of grave professional misconduct in the conduct of their business. However, any corrective/remedial action taken by the company in response to such an offence will also be taken into account in determining the suitability as a bidder.

5.5 The CCG will, in each procurement, and consistently within relevant EU and international law, ensure that contractual provisions, procurement procedures and selection and award criteria prohibit or restrict contractors'

use of offshore jurisdictions and/or improper tax avoidance schemes or arrangements and /or exclude companies which use such jurisdictions and/or such schemes or arrangements

- 5.6 The CCG will only negotiate contracts on behalf of the CCG, and the CCG may only enter into contracts within the statutory framework set up by the 2006 Act, as amended by the 2012 Act and associated regulations.

6. APPROACH

- 6.1 The CCG recognises that effective engagement with stakeholders is an essential requirement of all NHS organisations and will also offer substantial benefits to the generation of outcome-based service specifications. Therefore the CCG will engage with stakeholders at all appropriate times during the commissioning and procurement processes in accordance with the principles set out in the CCG's Communications and Engagement Strategy.
- 6.2 Stakeholder engagement including patient involvement with new and existing providers, and the involvement of members of the public, clinicians and other service users will occur at key points in the service review and procurement processes.
- 6.3 Input from the above groups, including the Patient Reference Group which has a wide range of relevant experience, will be used to ensure the views of patients are included in the services being commissioned and the CCG will engage with patients and patient groups to ensure that their views are included.
- 6.4 The CCG will decide on the most appropriate procurement route on a case by case basis, as set out above and in accordance with the framework of principles set out in NHS Improvement's '*Substantive Guidance*' on the 2013 Regulations.
- 6.5 When making decisions on procurement options, the CCG will work with Commissioning Partners and will seek to ensure that the final decision complies with relevant legislation and regulations.
- 6.6 The procurement approach will be proportionate to the likely contract value and the commissioning objectives.
- 6.7 Further guidance in relation to the EU principles and national legislation and how they apply to a specific case may be required and, where relevant, guidance will be sought from the identified Procurement Support Framework providers, who will be able to provide access to appropriate legal or other specialist advice on these issues, if considered necessary.
- 6.8 Any decision taken by the CCG to procure services without a competitive tender will be clearly explained by the CCG, documented and discussed/signed off by the Governing Body.

7. PROCESS

- 7.1 The CCG will comply with the EU Procurement Directives, the Public Contracts Regulations 2015 (which detail the rules that public bodies must follow for the procurement of goods and services) and the 2013 Regulations. The CCG will also take into consideration and seek to comply with NHS Improvement's '*Substantive Guidance*' on the 2013 Regulations (December 2013).
- 7.2 The CCG will ensure that clear performance measures and effective contract levers are central to any agreed contract to provide evidence of compliance with its public sector duties. The CCG will ensure that the procurement process is adequately resourced to ensure compliance with the above strategy and principles.
- 7.3 The CCG will ensure that:-
- a) Opportunities are advertised on Contracts Finder and OJEU as required;
 - b) Evaluation processes, award criteria and decisions regarding procurement are published;
 - c) Any conflicts of interest are declared and effectively managed;
 - d) All potential providers are treated equally;
 - e) Evaluation criteria are objective, non-discriminatory and carried out in accordance with the published methodology;
 - f) All potential providers have the opportunity to apply for any opportunity the CCG wishes to tender;
 - g) Any procurement process is not unduly onerous and will be applied with consideration as to the complexity, risk and value of the service being commissioned; and
 - h) Any procurement process will be non-discriminatory and compliant with all legal obligations.

8. ACCOUNTABILITY AND AUTHORISATION

- 8.1 At each stage of any procurement the CCG will ensure that the project is authorised in accordance with the CCG's Governance arrangements, which are overseen by the Audit Committee.
- 8.2 Where the CCG uses external Procurement Support Services the final decision on any contract award will be made by the CCG Governing Body or delegated subcommittee or Officer in line with Standing Orders.

9. COMPLAINTS

The CCGs Procurement Agent will have in place a complaints process to hear any complaints from organisations who consider that the CCG has not complied with this Strategy, or any of the CCG's applicable Policies and Procedures.

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10. GUIDANCE AND TRAINING

The CCG will produce internal guidance for staff to support the implementation of this Strategy. Appropriate training will also be provided.

11. REVIEW

This Strategy will be reviewed every two years or earlier if required by changes in local or national requirements.