



Department
of Health &
Social Care

Small and Medium Enterprise Action Plan

2017-2022

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Forward - Stephen Hammond Minister of State for Health

Welcome to the Department of Health & Social Care's (DHSC) Small and Medium Enterprise (SME) action plan for 2019/20. This plan sets out the Department's past performance and future aspirations, highlighting the actions we are taking to make it even easier for SMEs to work with the health family. I am proud of the work commercial colleagues have undertaken to date and am excited by the proposals set out within this plan to do more.

Engaging with small and medium enterprises is a key strategic aim for the DHSC as we look to implement innovative new technologies across our health family. The work being completed on our 'technology shop window' demonstrates just how much we can do to improve access for SMEs, as well as the introduction of exciting technology that can improve healthcare for the many.

We will continue to work across Government to share best practice and reduce duplication. My commercial colleagues are here to listen and engage with SMEs, so do please get in contact with our SME Champion with ideas and proposals.

1. Background to the Health Family

The DHSC operates in a complex landscape supported by two executive agencies and twelve non-departmental public bodies (NDPBs), along with a number of other agencies and public bodies. The core department (DHSC) and the executive agencies and executive NDPBs comprise the 'DHSC family'.

The list of all the Departments agencies and NDPBs can be found on [GOV.UK](https://www.gov.uk).

They include:

- (a) Executive agencies
 - (i) Public Health England
 - (ii) Medicines and Healthcare Products Regulatory Agency
- (b) Non-departmental public bodies
 - (i) NHS England
 - (ii) NHS Improvement
 - (iii) Care Quality Commission
 - (iv) National Institute for Health and Care Excellence
 - (v) NHS Digital
 - (vi) Health Education England
 - (vii) Health Research Authority
 - (viii) NHS Blood and Transplant
 - (ix) NHS Business Services Authority
 - (x) NHS Resolution
 - (xi) Human Fertilisation and Embryology Authority
 - (xii) Human Tissue Authority

2. SME Objectives

This document sets out the 2019 DHSC SME action plan. It shows how DHSC will continue to contribute towards the Government's aspiration that 33% of procurement spend will be with SMEs by March 2022.

SME spend targets are agreed proportionately for each department, based on:

the potential to increase accessible procurement spend to SMEs

each department's starting position

Thus, some department have targets above the Government's 33% aspiration and some below. Targets are made up of direct and indirect spend through SMEs.

DHSC agreed a target of 23% by March 2022. This target is based on analysis of annual spend profiles for the 2015-2020 parliament, and a review of accessible spend over the period to 2022.

DHSC promotes and shares best practice procurement across all of the health family but only has influence over those classified within the 'DHSC family'. This family represents only part of the health system in scope of the SME spend targets.

All other agencies and public bodies associated with DHSC are outside scope. Other agencies and public bodies include NHS Trusts and Foundation Trusts, which are devolved from the Department.

3. SME Spend Targets

DHSC's Achieved and Future Targets

The DHSC has compiled SME spend information into a table. This table looks at the DHSC SME target, the Direct spend target, the Indirect Target and the achieved spend. All criteria are reviewed by financial year starting in 2010/11 going through to 2021/22.

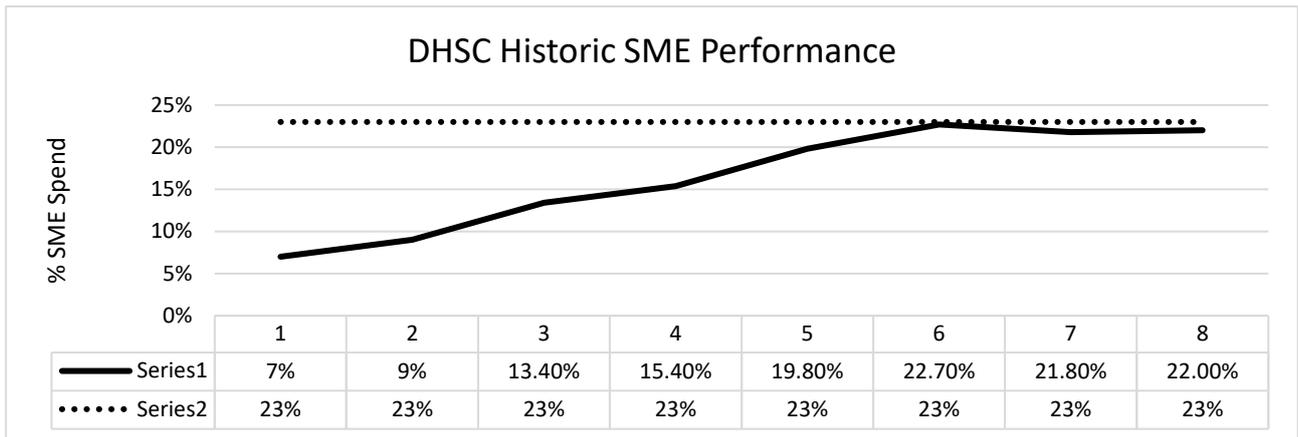
Financial Year	DHSC SME Target	Direct Target	Indirect Target	Achieved
2010/11	n/a	n/a	n/a	7.00%
2011/12	n/a	n/a	n/a	9.00%
2012/13	n/a	n/a	n/a	13.40%
2013/14	n/a	n/a	n/a	15.40%
2014/15	n/a	n/a	n/a	19.80%
2015/16	n/a	n/a	n/a	22.70%
2016/17	n/a	n/a	n/a	21.80%
2017/18	n/a	11.40%	8.10%	22.00%
2018/19	20.40%	11.80%	8.60%	
2019/20	22.30%	12.70%	9.60%	
2020/21	22.80%	12.90%	9.90%	
2021/22	23.00%	13.00%	10.00%	

DHSC are expecting a reduction in 2018/19 values due to EU Exit related costs.

DHSCs Historic Performance

DHSC SME performance has improved since 2010. Since 2016, there has been a slight increase in SME use, however, the department continues to perform well against the target of 23% by March 2022. This decrease is attributed to changes in central Government framework suppliers. DHSC looks to use centralised framework agreements where suitable

As the graph below shows, SME performance has risen from 7% in 2010/11 to 22% in 2017/18. The dotted line indicated the 23% target which remains consistent across the financial years. The solid line indicates the SME spend performance against the target.



2017/18 SME Spend Breakdown

In 2017/18 the health family spent £3.5 billion.

Of this, £1 billion is non-commercial spend. These were payments made between the health family or for items where there is no competition e.g. rent and rates.

The remaining £2.5 billion commercial spend has been used to calculate our SME figure.

The health Family spent £442 million directly with SMEs which is 18.1%.

Health family suppliers identified they had spent £94 million with SMEs which represents an indirect SME spend of 3.9%

Resulting in a total SME spend figure of 22%

4. Future Procurement Pipeline

All non-framework opportunities are published on:

- Contracts Finder <https://www.contractsfinder.service.gov.uk/Search>
- Tenders Electronic Daily <https://ted.europa.eu/TED/main/HomePage.do>

All 'Open Competition' routes to market are open to SMEs to respond to either in their own right or as part of a consortia. Although the framework route to market may appear to be restricted, DHS strongly recommend SMEs engage with framework owners and framework suppliers to see where opportunities to join supply chains may exist.

Procurement Pipeline 2019/20

4.1 Employee benefits

- (a) Procurement start: February 2019
- (b) Contract start: July 2019
- (c) Route to market: CCS Framework

4.2 Creative Services

- (a) Procurement start: April 2019
- (b) Contract Start: November 2019
- (c) Route to market: Open Competition

4.3 Procure2020 Constriction Framework

- (a) Procurement start: April 2019
- (b) Contract start: October 2020
- (c) Route to market: Open competition

4.4 Fincon/Hyperion Upgrade and Review

- (a) Procurement start: September 2019
- (b) Contract start: January 2020

(c) Route to market: CCS Framework

4.5 ACCEA System Support

(a) Procurement start: September 2019

(b) Contract start: January 2020

(c) Route to market: CCS Framework

4.6 Reprographic Services

(a) Procurement start: October 2019

(b) Contract start: January 2020

(c) Route to market: CCS Framework

4.7 Courier Services

(a) Procurement Start: November 2019

(b) Contract start: February 2020

(c) Route to market: CCS Framework

Procurement Pipeline 2020/21

4.8 Document Storage

(a) Procurement start: October 2019

(b) Contract start: April 2020

(c) Route to market: CCS Framework

4.9 E-Sourcing Software

(a) Procurement start: November 2019

(b) Contract start: June 2020

(c) Route to market: CCS Framework

4.10 Legal Services

(a) Procurement start: January 2020

(b) Contract start: August 2020

(c) Route to market: CCS Framework

4.11 Website Hosting

(a) Procurement start: May 2020

(b) Contract start: October 2020

(c) Route to market: CCS Framework

4.12 Employee Assistance

(a) Procurement start: May 2020

(b) Contract start: October 2020

(c) Route to market: CCS Framework

4.13 Eyecare Services

(a) Procurement start: May 2020

(b) Contract start: October 2020

(c) Route to market: CCS Framework

4.14 Occupational Health

(a) Procurement start: May 2020

(b) Contract start: October 2020

(c) Route to market: CCS Framework

4.15 Venue Finding Services

(a) Procurement start: October 2020

(b) Contract start: February 2021

(c) Route to market: CCS Framework

4.16 VAT Advisory Services

- (a) Procurement start: November 2020
- (b) Contract start: March 2021
- (c) Route to market: CCS Framework

Procurement Pipeline 2021/22

4.17 Print Management

- (a) Procurement start: October 2020
- (b) Contract start April 2021
- (c) Route to market: CCS Framework

4.18 Network Services

- (a) Procurement start: November 2020
- (b) Contract start: May 2021
- (c) Route to market: CCS Framework

4.19 Protective Equipment

- (a) Procurement start: January 2021
- (b) Contract start: July 2021
- (c) Route to market: Home Office Framework

All dates and routes to market are subject to change. Please refer to our [Bravo](#) portal for specific opportunities.

5. Simplification of the Procurement Process

Non-Category Specific Actions - Process

The DHSC Family will continue to simplify procurement processes by:

- Conducting ongoing reviews and updating Terms and Conditions so that contracts are proportionate to their risk and value
- We will look to simplify contract documentation and share where best practice documentation and approaches exist
- Providing a names individual for SMEs to contact at any point in the procurement process
- Guaranteeing prompt payment to suppliers (5 days for non-disputed invoices and 30 days for all others)
- Simplifying procurement documents making it easier for suppliers to respond
- Automating and streamlining processes using out end-to-end e-Procurement system

Timescale: Ongoing

Non-Category Specific Actions - Transparency

The DHSC family will review its spend data for 2017/18 to ensure everything in the pan-government spend analytics system is correctly coded. Additionally, the DHSC family will continue the following actions:

The DHSC family will act transparently by publishing known information about the opportunities available. The DHSC family will continue to:

- Publish a comprehensive pipeline of our current and future commercial activity
- Publish all eligible opportunities over £10k in value on Contracts Finder
- Undertake early pre-market engagement activities and act on the feedback we receive

We will work with the Federation of Small Businesses to better communicate the work being undertaken across the DHSC family and how suppliers can get involved.

6. Engagement with SME Supplier Community

Non-Category Specific Actions - Early Engagement

The DHSC family continue to consider SMEs during procurement strategy development by:

- Breaking contracts into smaller lots where possible
- Designing service requirements that are accessible to SMEs by using procurement strategy documents explaining how SMEs will be considered
- Listening to SME feedback to remove potential barriers
- Using mechanisms to encourage larger providers to increase SME participation by stipulating this as a requirement in tender documents
- Early engagement with the market, including SMEs so that procurement strategies are clear and accessible

Timescale: Ongoing

7. Supply Chain Activities

Cross DHSC Family Working

The DHSC family have established a cross-organisation group, the Strategic Commercial Steering Group (SCSG). This group brings together the Commercial Leads within DHSC and all Arms Length Bodies. It has several workstreams who review the way the health family work together.

One of the workstreams focuses on key procurement categories and establishing category plans to standardise the way we go to market. This workstream is called Category Champions.

Category Champions will establish category plans for the following:

1. Professional Services
2. Clinical and Medical Consumables
3. Technology
4. Energy

The group works with Crown Commercial Service (CCS) to ensure that the category strategies support the work being undertaken across Government.

Updates to the actions against each of the above areas will be provided within future updates to this plan every 6 months.

Actions by Category - Professional Services

The Category Champions group are reviewing professional services procurement. The output will be a clear category plan demonstrating how the DHSC family will procure professional services including how we will engage SMEs.

The group are represented on the CCS Professional Services Forum. This ensures that category strategies support the work being undertaken in category reviews, and that we are able to influence the structure of procurements across government.

Timescale: DHSC family category plans established and published by December 2019.

Actions by Category - Clinical & Medical

DHSC have established a new approach to procuring clinical and medical consumable across the NHS through [Supply Chain Coordination Limited](#) (SCCL). SCCL remains committed to achieving Government's SME target.

The DHSC family procures clinical and medical consumables outside of this agreement. Work has started to review procurement routes and make best use of SCCL.

Further information on SCCL including questions and answers for SMEs can be found on page 10 using this [link](#).

SCCL achieved an SME engagement rate of 35.3% in 2018.

Timescale: Category champion review complete by December 2019, SCCL supplier engagement ongoing.

Actions by Category - Technology

The Category Champions team are working to support a number of technology projects as part of developing a detailed category plan.

The Secretary of State has challenged DHSC to establish a technology shop window which supports SMEs and brings innovative technology into the NHS where they work within technology standards.

The DHSC family are also looking to implement a single e-sourcing system across all bodies to make the visibility of opportunities clearer and the bidding process easier for SMEs so multiple supplier registrations are not required.

Timescale: Technology shop window to be available in January 2020. Single e-sourcing to rollout from October 2019.

Actions by Category - Energy

The DHSC family need to make use of the CCS energy frameworks which are utilised across Government. There are some organisations within the DHSC family and the wider NHS who have agreements outside of the CCS frameworks.

The Category Champions will look at best value routes to market in building category plans and will make recommendations to the DHSC family and wider NHS. The Category Champions will also work to influence national frameworks to ensure they are meeting SME requirements.

Timescale: Category Champion plan to be complete and published by December 2019

8. Risks to the delivery of the plan

The DHSC family makes extensive use of CCS frameworks to simplify the procurement process. There is a risk that certain frameworks do not meet the requirements of the DHSC family. Therefore, alternative routes to market are explored during procurement strategy development. This will be managed through collaboration with CCS to influence their procurement strategies.

The uncertainty of EU Exit results in resource shortages as procurement colleagues are redeployed and supplier uncertainty to supply chains. This may delay delivery of some of the projects. This will be managed on an ongoing basis as issues arise and clarity on what EU Exit means is better understood to supply chains.

There is a risk that during development of 'SME friendly' solutions, the number of SME providers can become unmanageable. We will manage this by ensuring procurement solutions are manageable for buyers and suppliers through early engagement.

9. Case studies/Examples

Facilities Management

In January 2018, DHSC commenced the re-procurement of facilities management services for its buildings. The procurement strategy identified the CCS Framework as the best route to market.

DHSC worked with CCS to undertake a supplier open day explaining the contract requirements and to understand what suppliers were able to achieve.

The procurement needed to show how as a buyer we would:

- Proactively encourage SMEs into their supply chains
- Increase the use of apprenticeships
- Maximise sustainable solutions

The contract went live in November 2018 and work is underway to measure what has been achieved in these areas.

10. Wider Considerations

Non-Category Specific Actions - Indirect SME Spend

The DHSC family will grow indirect SME spend by:

- Working with key suppliers to encourage SME participation within existing supply chains
- Placing requirements on prime contractors to advertise sub-contracting opportunities, where appropriate through the update of DHSC terms and conditions
- Requiring prime contractors to provide data on sub-contractors, in particular to confirm that payments are being made promptly, and commitments on their spend with SMEs are being honoured in line with PPN 18/01

Timescale: Ongoing

Non-Category Specific Actions - NHS Trusts

The Department has a number of interventions that stimulate spend with SMEs from the NHS:

- Developing and maintaining [Standard Terms and Conditions](#) of Contract specific for the NHS to use when procuring goods and services, including specific ICT Terms
- Maintaining a '[Master Indemnity Agreement](#)' - a mechanism enabling the NHS to assess the latest innovations on loan or gift
- Monitoring prompt payment to the supply chain
- Running regular training events and monthly webinars (dial ins) for NHS procurers
- Funding a Professional Skills Network (PSN) for NHS procurement professionals
- Maintaining an internet-based portal, allowing the Department and NHS organisations to share documents and information

Data shows that the NHS on average currently spend 12% directly with SMEs.

Timescale: Ongoing