

Report to:	Trust Board (Public)	Agenda item:	16
Date of Meeting:	07 March 2019		

Report Title:	Procurement and Commercial Services Strategy			
Status:	Information	Discussion	Assurance	Approval
				x
Prepared by: (Presenting)	Rob Webb – Director of Procurement			
Executive Sponsor:	Lisa Thomas – Director of Finance			
Appendices (list if applicable):	Supply Chain Procurement Systems and Analytics Strategy is an appendix of the Procurement and Commercial Services Strategy			

Recommendation:
The committee is asked to approve this new 3 year procurement strategy that has been written to meet the requirements of the NHS Procurement Standards Level 2 Assessment that will take place by NHSI for SFT on the 11 March 2019.

Executive Summary:
<p>The current procurement strategy was written 4.5 years ago and was an aspirational outline of Procurement wishing to implement GS1 standards and develop a more efficient and high performing function that is more involved in the strategic decision making of the Trust and has an efficient supply chain function.</p> <p>The majority of this Strategy has now been delivered. The outcome has seen the procurement function not only being recognised within the NHS and well performing function but also by industry peers with the work we have done on Scan 4 Safety and procurement winning a number of high profile procurement awards.</p> <p>As the NHS landscape is changing there is a need now to refresh this strategy and build towards the next 3 years recognising the landscape has changed in that the enablers for our procurement strategy are a balance between the new national operating model, regional work with our STP partners and local requirements needing to be in place.</p> <p>The Strategy is built in a way to follow the requirements of the NHS Procurement Standards which has 6 domains around Strategy and Organisation, People and Skills, Strategic Procurement, Supply Chain Management, Data Analytics and Performance Management and Policies. The strategy sets out what we will be looking to do and how we will measure moving forward over the next 3 years from a procurement perspective. The new strategy incorporates a supply chain and analytics strategy on how we will utilize the information we are collecting at point of use scanning more effectively.</p> <p>On the 11 March 2019 NHSI Regional Head of Procurement along with some peers</p>

CLASSIFICATION: UNRESTRICTED

assessors will visit to review SFT against Level 2 of the NHS Procurement standards. The Trust has held level 1 of the 3 levels since 2015 but is now being pushed to being assessed at level 2. Only 18 Trusts nationally have this accreditation and non are at level 3. The 3 levels are based on:

Level 1 = Good procurement practice is in place within the procurement function

Level 2= Good procurement practice exist in both procurement but also the wider organisation with Budget holders and Execs understanding Standing Financial Instructions and good procurement principles and being advocates of this.

Level 3 = Excelling with internal and wider external healthcare impact and influence.

Further details on these standards can be found by clicking the following link on what evidence we have to show for each domain at level 2:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/539626/Standards_of_Procurement.pdf

From a local context the strategy is written in a clear way demonstrating:

1. The links to the Trust strategic plan and how it will support this programme from a procurement perspective
2. This procurement strategy is written from a perspective of delivering the 3 year strategy not by investing further in systems and head count specifically, but by utilising the procurement resources more effectively to drive efficiency that already exist primarily at Salisbury NHS FT and Great Western Hospitals as well as our wider STP partner RUH Bath NHS FT.
3. The return from this strategy will be measured against:
 - a. The Delivery of the £5m financial recovery plan expected from procurement through more efficient non pay performance over the next 4 years.
 - b. Improvement in model hospital measures, both in resource utilisation, national procurement Acute NHS Trusts league table performance and price benchmarking performance measures.
 - c. More effective management of catalogues and an efficient purchase to pay process.

It should be noted that the replacement of the finance ERP system at SFT is important but not imperative to enable this strategy. While a new ERP system will enable significant benefits from a procurement perspective in the ability to deliver a system that is joined up and integrated from a source to pay process to enable the rationalisation of the number of independent procurement systems operating in silos in specific parts of the source to pay cycle to bolt it together.

If the business case was not supported for a new ledger system procurement will still be able to deliver the procurement plan, all be it, the efficiencies from working closer with GWH through removal of duplicated processes and potential savings through reduction of the number of procurement systems managed across both sites will not potentially be maximised.

SALISBURY NHS FOUNDATION TRUST

'DRIVING VALUE IMPROVING CARE'

PROCUREMENT & SUPPLY CHAIN STRATEGY

Period: 01 January 2019 to 31 December 2022



Procurement & Commercial Services

REFERENCE DOCUMENTS

NHS Procurement Raising Our Game, Department of Health May 2012

NHS E-procurement strategy (May 2014)

NHS Standards of Procurement (June 2015)

Better Procurement Better Value Better Care – A Procurement Development Programme for the NHS (August 2013)

Lord Carter Report Operational Productivity and Performance in England's NHS Acute Trusts (Feb 2016)

DOCUMENT CONTROL

This document requires the following approvals:

Approved By:			
Name:	Position:	Signature:	Date:
Rob Webb	Director of Procurement & Commercial Services		
Lisa Thomas	Director of Finance		
Paul Kemp	Non-Executive Director		

Reviewed By:		
Name:	Position:	Date:
Lisa Thomas	Director of Finance	Jan 2019
Finance Committee	Finance and Performance Committee	26 Feb 2019
Trust Board		7 March 2019

Revision History:			
Name	Version	Summary Changes	Date
Rob Webb	1.0	Section on Delivery of the plan added to address how the strategy will be delivered and measured year on year.	04/08/2015
Rob Webb	2.0	Update and Refresh	04/12/2018
Rob Webb	3.0	Addition of Inventory Management Strategy Appendix 1	03/01/2019
Rob Webb	4.0	Addition of scope and influence, income generation section following Peer review comments.	25/02/2019
Rob Webb	5.0	Addition of procurement working with pharmacy, additional information on health and well being	26/02/2019

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1. STRATEGIC OVERVIEW

The NHS is facing an unprecedented challenge to meet the rising demands of healthcare driven by an aging population and a background of tighter budgetary control. This means that we cannot continue as we have always done and as such need to continue to transform the way in which procurement is seen and delivered by Salisbury NHS Foundation Trust (SFT).

Procurement is about making a valued and measurable contribution towards an organisations performance in a supporting enabling capacity to support the trusts strategic direction and business imperatives.

The department is recognised as a high performing function externally and in the past few years has won the following awards:

Awards	Category	Achievement	Date
Leaders in Procurement	Best Supply Chain Initiative	Highly Commended – second to GSK	May 2017
HSJ Awards	Patient care for scan 4 safety	Finalist	November 2017
Chartered Institute of Purchasing and Supply Awards	Most improved procurement Function - Step Change	Winners	September 2017
Go Awards – National Public Sector Awards	Leading Procurement Practice	Winners	April 2018
Go Awards – National Public Sector Awards	Go Excellence Award	Winners	April 2018

There remains substantial scope for cost savings through the application of best practice and high standards, collaboration and process modernisation. Whilst there has been significant improvement as to the importance and performance of procurement over the past 3 years from which the Trust have benefited, the pace of change must increase if we are to continue to influence a challenging non pay agenda.

The STP within Banes and Wiltshire is developing and procurement is one of the success stories with some good work and engagement from a procurement perspective with savings being delivered through an aggregated workplan and working with the new operating model within the NHS. The STP has determined 5 key priorities for change a number of which procurement will need to support.

1. The development of locally-based integrated teams supporting primary care
2. Shifting the focus of care from treatment to prevention and proactive care
3. Redefining the ways we work together to deliver better patient care
4. Establish a flexible approach to the workforce
5. Further enabling acute collaboration and sustainability.

The new operating model with the national category towers is live and SFT has been engaging with a number of them at an STP level with RUH Bath and Great Western Hospitals. This aggregation and approach is showing positive signs and good relationships are now in place with the customer service leads at NHS Supply Chain.

Added to this is the Getting It Right First Time (GIRFT) programme that procurement will need to support and SFT is doing so through the development of leading edge analytics and dashboards via the scan 4 safety programme which shows consultant choice and data in support of the GIRFT activity.

The Scan 4 Safety programme that the original procurement strategy outlined as an aspiration to implement has been completed and point of care scanning of all items is in place in all theatres and day surgery theatres. The challenge over the next 3 years is how we use the enablers of scan 4 safety to drive more efficiency through inventory management and purchase to pay as well as the wider organisation benefits around patient ID etc.

It is now recognised that procurement is not an activity that is restricted to procurement professionals. Everyone involved in the end to end procurement process has the responsibility for ensuring that the products and services that are selected, bought and used represent value for money, provide the right outcome for the patient and are not wasted.

SFT locally has been in a position of financial recovery but procurement has contributed significantly to the programme of recovery.

This Procurement Strategy now focuses on delivering best in class procurement from a world class clinical brand and settings that benefit both patients and staff and which meet the aims and objectives of all organisations and the local health economy and are aligned with SFT Strategic plan document 2018/2021. It will define the actions to continue the journey of continuous improvement in procurement and scan 4 safety principles over the next three years, alongside the national strategy and NHS Procurement standards that are considered to be best in class and deliver value into patient care.

2. INTRODUCTION

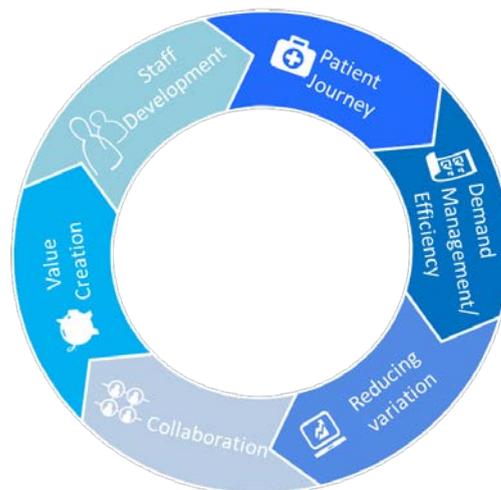
SFT has an operating budget of circa £200m of which £70m relates to non-pay goods and services and £45m is addressable.

Procurement at SFT is seen as a performance leader in the wider NHS and the past three years have been successful with:

- SFT being the first Trust to secure the NHS Procurement Level 1 standards in the south in January 2015.
- Second year of a quartile 1 ranking on NHSI league table for procurement process and efficiency.
- 80% of all inventory is managed via the Procurement function and managed via the Genesis inventory system with a target of 90%.
- The Procurement function benchmark well against the Model Hospital measures for procurement.
- SFT via the Director of Procurement are the lead Trust for Procurement across the STP and lead the development of the STP Procurement Agenda.
- Year on Year the Procurement function has delivered more non pay savings and currently procurement delivers around 14% towards the overall Trust CIP target annually.
- The Department also led the development of the Scan 4 Safety business case and managed the project for the past 3 years. The programme ended with SFT scoring the highest of all the 6 demonstrator sites for the implementation of the scan for safety programme.
- These learnings are now being shared wider with the STP.
- Leading edge analytics with all items scanned at point of use and dashboard available for clinicians to view and compare cost.
- Training has been enabled across the STP for developing the wider procurement functions of the STP with ongoing work and access to leading edge procurement tools via the Positive Purchasing Procurement Academy.

The Vision of the procurement function is very simple and is based on a continuous cycle of improvement focused on:

- **Patient Journey** – ensuring product is in the right place at the right time.
- **Demand management / Efficiency** – ensuring we use our resources locally and across the STP in an efficient way as well as looking to remove and manage efficient demand through reducing wastage in the supply chain.
- **Reducing variation** – using our analytics systems to have informed evidence based discussions to remove variation and standardise.
- **Collaboration** – with NHS SC and other partners and the STP.
- **Value creation**, ensuring we unlock value for our organisation.
- **Staff development**. Building and delivering a high performing happy workforce.



Procurement will continue to have a key role to play in supporting the delivery of high quality patient care whilst ensuring value for money is achieved. The new Procurement Strategy has been framed around a number of strategic aspirations aimed at achieving the vision:

- **Reduce the cost and improve the quality of goods and services**, through effective category planning through reducing variation and aggregation opportunities working wider across the STP with RUH Bath and the Great Western Hospitals based Salisbury team.
- **Improve Supply Chain Management**, through increasing the value of inventory managed via procurement to optimize levels, reduce cost, delivery charges, wastage and more effective expiry management. Maximising inventory availability and minimising operational inefficiency or patients being cancelled through non availability of kit or inventory, implementing a clear Inventory Management Strategy.
- **Effectively manage supply chain risk** – through maintaining and reviewing supply chain and department risk registers and by the effective use of the Trust Datix system to manage, learn and inform improvements.
- **Data and spend analytics** – ensure that we continue to develop our best in class analytics capability from point of care scanning with appropriate dashboard for presenting and informing clinical decision making.
- **Improve data records**– through improving master data and catalogue coverage to ensure reduced invoice queries, and continue to implement PEPPOL messaging standards to drive improvement within the p2p process and supply chain.
- **Increase the amount of trust spend covered by contract and purchase order** – through working with end users and suppliers to ensure appropriate terms and conditions are in place and that all expenditure is procured in line with the Trusts Standing Financial Instructions.
- **Collaboration** – we will work effectively with our STP colleagues to aggregate, standardise and commit to market to drive efficiency through cost reduction and reducing duplication through effective wider STP working. We will do this by developing and maintaining a STP workplan that is supported by our partners at NHS SC via the current operating model.
- **Build a motivated high performing team** – through empowering and training our staff ensuring that we review staff well-being and take advantage of the Trust schemes to support this, develop and retain our talent.

To support the above, SFT procurement has a model where leads are aligned to service levels however with the merger of the GWH procurement function with SFT it is recognized that a move towards service line and category focus, working with the NHs Supply Chain Category towers within the current operating model will be critical.

The scope of procurement at SFT covers medical consumables and equipment, IT Hardware, software, systems and services, capital equipment builds and equipping schemes, Trust tenders for non-clinical services, procurement for corporate, estates and facilities support for Trust subsidiaries as and when required. Also included are Supply chain services, and analytics.

The spend on Drugs is not in scope and comes under the responsibility of the Chief Pharmacist, however the procurement and commercial services, do provide professional input and assistance to pharmacy colleagues as and when required and via the collaborative arrangements in place with the Peninsula Purchasing Supply Alliance (PPSA).

The Strategy of the procurement department also aligns with the values of the Trust and wider operational plan as follows:

Values

While carrying out and executing this strategy those people involved (operational, strategic buyers , materials management will carry out their work in accordance with the Trust Values which are summarised as follows:

Patient Centred and Safe:

This centres on patient safety, team work and continuous improvement.

Professional:

This focuses on being open and honest, efficient and acting as a good role model.

Responsive:

The expectation is that staff will be action orientated, with a "can do" attitude and that they innovate, take personal responsibility and listen and learn.

Friendly:

We would expect staff to be welcoming, treat people with respect and dignity and value others as individuals.

Linking Procurement Strategy & Trust Strategy

In designing the procurement strategy will support the Trusts 4 pillar strategy goals of:

- **Choice** - To be the hospital of choice, we will provide a comprehensive range of high quality local services enhanced by our specialist services
- **Care** - We will treat our patients with care, kindness and compassion and keep them safe from avoidable harm
- **Our Staff** - We will make SFT a place to work where staff feel valued to develop as individuals and as teams
- **Value** - We will be innovative in the use of our resources to deliver efficient and effective care

In delivering this strategy the procurement function will support the primary objective of vibrant local and specialist services through delivering procurement innovation in use of resources and value.

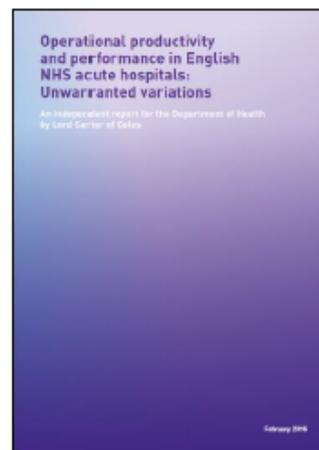
3. NATIONAL PROCUREMENT CONTEXT

Over the past few years procurement within the NHS has had greater focus and an increasing profile. The commitment from the government to modernise and put procurement at the heart of the NHS has been very apparent with publications such as:

Better Procurement, Better Value, Better Care (Aug 13)

NHS e-Procurement Strategy – published (Apr 2013)

Lord Carter report – Operational productivity and performance in English NHS acute hospitals: Unwarranted variation (Feb 16)

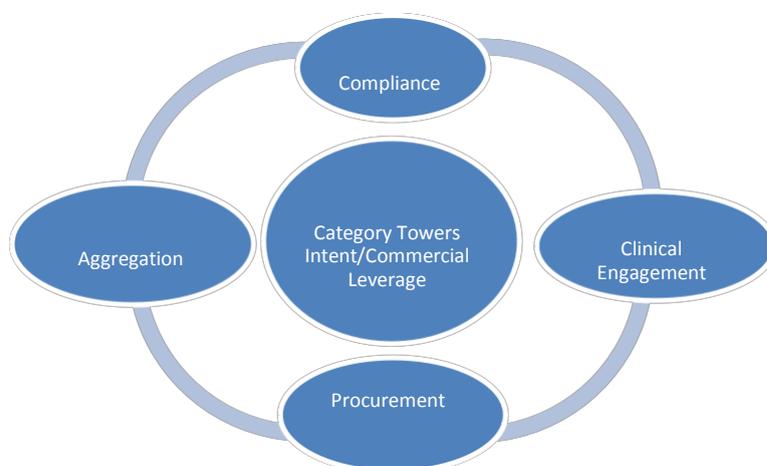


There is also a full transformation of procurement category management, supply chains, with the Scan 4 Safety programme led by the Department of Health, and the new operating model with the category towers which will underpin delivery of savings opportunities locally for the next 3 years.

It is critical that the Trust recognises the need to engage and influence the national procurement landscape both working with the new operating model to enable the benefits that are forecast but also to engage and influence policy making and general strategy direction through the regulator NHSI. To do this SFT will look to enable this as an STP voice not a local DH working alongside our procurement colleagues at GWH and RUH Bath.

The SFT Strategy aims to continue to transform procurement along with the wider national transformation over the next 3 years by delivering value for the Trust with sustainable savings that are underpinned by compliance, controls and commercial viability (See Figure 1 below).

Figure 1.



4. FINANCIAL CONTEXT AND THE IMPORTANCE OF PROCUREMENT

Aim: Deliver procurement best practice, initiatives to deliver effective procurement strategies that manage supply quality and cost effective price and risk management

- The Trust has an addressable annual non pay spend, excluding drugs of £45m.
- 225 suppliers equate for 90% of the spend.
- In the past 4 years the Department has delivered in excess of £5.9m cost improvement and additional commercial revenue through the Frameworks that other trusts procure via.
- The market outlook is changing with a weakening currency and increasing raw material costs which will mean that the Trust will need to maintain and develop the skills within the team locally.
- The local position at SFT is one of being in financial recovery with the Trust clearly outlining in its recently released strategic plan the need for financial recovery to enable the organisation to be sustainable in the future. To enable this procurement will play a key role as referenced in the Trust strategy.
- The pressure in recent time for having to challenge price increases has grown and therefore good contract management and procurement is critical as a function and as an organisation the Trust must:
 - Maximise competition on all procurements to improve price and service and manage risk
 - Contract and performance management is a critical element of procurement now to ensure we obtain value and performance is to the expected level from our suppliers.
 - Through our Inventory management system and processes ensure that waste, obsolescence, expiry management is effective to maximize supply chain efficiency
 - Utilise the model hospital data, PPIB and spend analytics systems both prior and during management of contracts and service reviews.
 - All spend is transacted via the purchase order system in place at the time. It is recognised that The Trust will shortly be potentially changing systems and working with Great Western Hospitals to establish a common platform.
 - Utilisation of appropriate Supplier Relationship Management (SRM) programmes. To drive value improvement and hold our suppliers to account on service, value and risk.

5. 3 YEAR STRATEGIC OBJECTIVES AGAINST NHS PROCUREMENT STANDARDS THEMES

Aim: Embed strategic procurement programmes that are developed to drive out waste and unnecessary cost to support CIP, whilst maintaining and improving the quality of care to our patients and underpinned by the principles of the NHS Procurement Standards.

- As part of the 3 year procurement strategy the department will look to build strong foundations towards level 3 of the procurement standards. This will involve clear objectives and measures being developed around the domains of:
 - Strategy and Organisation
 - People and Skills
 - Strategic Procurement
 - Supply Chain
 - Data, Procurement Systems and Performance Management
 - Policies and Procedures

- To capture the required strategic objectives for procurement over the next 3 years a table of requirements and how progress will be measured is outlined in Appendix 3.

6. STRATEGY AND OUR ORGANISATION, AND PEOPLE & SKILLS

Aim: To deliver a high performing procurement function that is actively working towards level 2 and over the next 3 years Level 3 of the NHS Procurement Standards

The SFT procurement team aim to achieve level 2 of the procurement standards in 2019, having been at level one for 3 years. This strategy aims to enable this but also deliver incremental improvement towards level 3 of the procurement standards by 2021 through:

Strategy & Organisation

- Develop a consistent way to capture feedback and report end user satisfaction. Enabling informed plans to be drawn up to continue to improve the local procurement service.
- Monitor monthly the model hospital performance measures and Process Efficiencies and Price Performance PEPPA metrics to drive improvement internally and improve and achieve the aspirational target of being in the top 10 by 2021.
- Develop further our collaboration model with the wider STP to utilise more effectively the talent and capacity that the procurement functions have across the STP.
- Continue to promote and develop working with the category towers through aggregation opportunities and patient outcome and engage with them on an STP level.
- Develop and put in place an ongoing training package for end users that are a combination of presentation and informal training as well as e learning modules that build budget holder knowledge on procurement responsibilities and operational duties within the wider organisation and in line with SFI's.
- Continue to build internal and external engagement through effective aggregation work with collaborative partners and NHS Supply Chain to make best use of procurement resource as well as:
 - Supporting the local agenda of the Peninsula Purchasing and Supply Alliance (PPSA) for all south west trusts.
 - Maintain the trusts leading role across the STP cost improvement agenda.
 - Be an active member of the Southern Customer Board as a representative for the wider STP and organisations not just SFT with SCCL.
 - Continue to support work with the Southern Procurement Partnership.
 - Where appropriate share learnings at national procurement forums.

People & Skills

Our team is our most valuable asset and we need to develop our people to enable them to support the delivery of this strategy. To enable this the Department will:

- Ensure appraisals and training plans are kept up to date and regularly reviewed in line with the requirements of the wider Trust.
- The Department leads will complete regular training needs analysis and build a programme of requirement that is accurately recorded in the training plan of all department members appraisal.
- Utilise more effectively the Procurement Skills Development Network as well as HFMA and HCSA to deliver the training needs of our teams in a cost effective impactful way.
- Ensure the department is engaging with the Learning and Development department to identify opportunities and build learning as well as identifying appropriate access to funding where appropriate.

- To look to develop an approach to training across the STP as a wider programme of support
- To utilise more effectively the training materials from the Positive Purchasing procurement academy to enable desk training and development for buyers at all levels.
- Ensure that the scope of procurement on all non-pay and appropriate commercial income generation is developed to enable full coverage of all addressable non pay.
- Develop our external networks using our STP influence to develop potential secondment opportunities for staff to improve their skills in the wider healthcare system.
- Develop and implement a flexible resource model and strategy to more effectively manage peaks and troughs of strategic sourcing support required by the Trust from the procurement function.
- Develop a happy and effective team through continual review of development needs, improve staff health and wellbeing scores, as we as working across GWH and SFT based teams to develop clear retention and recruitment plans.

7. STRATEGIC SOURCING

Aim: Strengthen sourcing, control and compliance

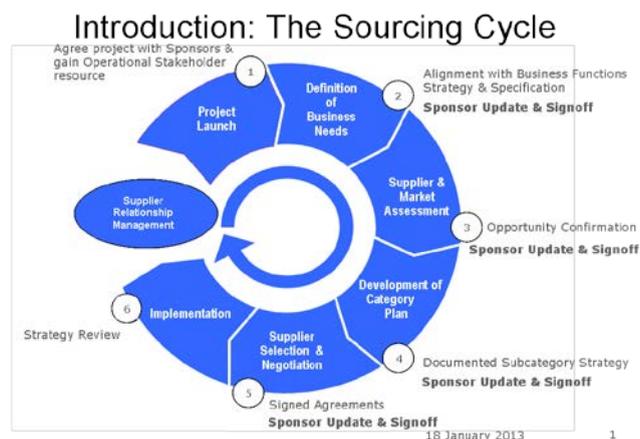
The department has a range of options for assessing the route to market. These range from:

1. Single Tender Action
2. Local Tender (case by case engagement with market)
3. National framework contract route (through NHS Supply Chain)
4. Regional framework contract route (through Collaborative Procurement Hubs)
5. OJEU Tender (individually or through collaboration with other Trusts)
6. 'Innovation' route (through commissioning)

For each project undertaken procurement will assess with the end users the most appropriate route looking at the urgency of need, competitions in the market place and criticality of supply and the level of which the need is satisfied by the existing market.

All Trust spend is segmented and grouped into market facing categories. It is then grouped into clinical, non-clinical, capital and commercial income. Each area has a sourcing lead responsible who will look to aggregate across the STP working with colleagues at other trusts or taking on a lead buyer role on wider STP collaboration.

To do this the function will use the sourcing cycle which is imbedded within the department.



In section 3 and 4 the buyers will assess their options of route to market through the completion of a standard assessment through reviewing competitiveness of what they are looking to buy and how critical this is they will then complete an assessment as per the below example.

Criteria/Option	Local /Independent Sourcing	Collaborative sourcing (PPSA)	National sourcing
Strategic Attractiveness			
Financial Attractiveness			
Implementation Difficulty			
Stakeholder Acceptability			

Through completion of the sourcing strategy document which will outline a clear assessment of the options and the selection of the chosen route to market.

Each lead or category buyer is responsible for

- Category savings strategies and delivery working where appropriate with the new operating model.
- Working with Trust colleagues and wider STP colleagues where appropriate to develop STP category strategies to aggregate and commit demand working with the new operating model.
- Ensuring GS1 Standard compliant catalogues are in place.
- Effective contract writing and management.
- Formal performance review via supplier relationship management plans.

Strategic Sourcing Procurement Principle Aims

The department will continue to develop its strategic sourcing function over the next few years with clear requirements for:

Requirement	Delivery Enabler
Sourcing plans and where appropriate a rolling replacement plan for capital developed	<ul style="list-style-type: none"> • Publish annual cost improvement plan fully validated for the end of February each year. • Working with the strategic and operational capital planning group to ensure that appropriate sourcing plans and timelines are agreed to spend in year against control totals and in a compliant manor.
Development of value beyond existing contracts	<ul style="list-style-type: none"> • Clear Supplier Relationship management framework to measure quality, service, innovation price and CSR.
Risk Management capabilities and supply chain resilience and impact is built into and feeds the business continuity plan.	<ul style="list-style-type: none"> • Review of risk planning and business continuity planning to ensure that departmental and trust wide supply chain risks are on the Trust risk register.

Grow the influence of the SFT procurement function to influence national strategy where appropriate	<ul style="list-style-type: none"> Working as a wider STP and regional approach to influence policy and work effectively with the NHSI Regional Head of Procurement through national procurement forums.
Identify opportunities for better products and outcomes at a level that offers better value for money	<ul style="list-style-type: none"> Scan the market and utilise the new operating model and category towers strategies Utilise benchmarking systems such as procurement dashboard to identify alternative products and work with NHS SC to enable this work to be done for SFT and the wider STP. Work collaboratively with the wider STP
Maintain compliance with SFI's and removing inefficient purchases	<ul style="list-style-type: none"> Minimize use of Single Tender Actions Review spend and plan appropriately for the future and ongoing requirements. Maintain strict catalogue control. Review non pay non PO spend. Review STA's and build into annual planning process to remove repeat transactions.

8. SUPPLY CHAIN MANAGEMENT AND EFFICIENCY

Aim: To eradicate wastage and inefficiency in the supply chain.

Updated

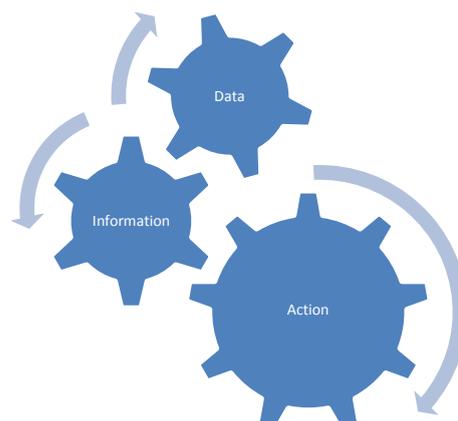
- Optimise stock levels at appropriate levels based on "just in time" principles. Continue to review areas of potential standardization, consumption analysis and engage with Clinical teams to inform decision making.
- Continue to review any methodology that can increase patient safety and improve the resilience of the supply chain.
- Ensure effective risk management of department risks and wider national issues.
- Ensure the impact of the supply chain is considered as part of any planned or future changes. Both in terms of contractual changes and physical changes in infrastructure or changes to clinical service delivery.
- Apply appropriate operating models to remove or reduce Non-supply chain staff from involvement in supply chain activity. Ongoing review and future planning should include a balance of people, process and technology.
- Review current delivery and distribution routes to the organisation. Considering potential for benefits based on consolidation and review changes being implemented by NHS Supply Chain and the new operating model.
- Ensure staff involved in supply chain activity have appropriate skills and knowledge. Support all areas to develop their knowledge and enable a consistent application of principles across the organisation.
- Remove or reduce wastage within the organisation. Ensure that processes to record and recognise wastage are in place. Create a clear programme of reporting to highlight the ongoing work to reduce wastage.
- Work in partnership within the STP to review and develop common practices and processes. Also identify and work with key suppliers to deliver benefits across the entire supply chain. Ensure

that benefits are shared where relevant as part of wider contract and commercial agreements as part of the contractual process.

- Continue to apply the Scan4Safety methodology and principles, act as a lead link guiding and supporting other departments as required.
- A full supply chain strategy and Analytics strategy is outlined in Appendix 1.

9. DATA PROCUREMENT SYSTEMS AND PERFORMANCE MANAGEMENT

Aim: Improve quality of data, information and transparency. Provide clear actionable insight.



- There has been a rapid development in the range and type of data now being captured by the organisation. (See Appendix 2 for example of dashboard data being produced from procurement data). The overall approach and strategy with regards analytics needs further integration with a wider organisation approach. The development of a Procurement analytics road map should be prioritised and include
 - Development of an appropriate analytical approach based on category and stakeholder requirements. This will be a combination of self-service reports, information packs and detailed analysis. The focus will be on enabling data informed decisions rather than access to tools or reports.
 - Create further clinically engaged forums and initiatives based on the information captured as part of the Scan4Safety programme. This will be based at a specialty level and will underpin the engagement with end users. This will also link and support wider national programmes such as Getting it Right First Time.
 - Continue to develop locally reported operational key performance indicators. Updating and adapting to meet organisational needs.
- Continue to develop and review technology across the end to end Procurement process to ensure that we have effective systems to safeguard patient care and help deliver savings, lower our process costs and which offer greater opportunity for all businesses (national and local) to bid for our work, which may include the use of social media to communicate with suppliers.
- Work in collaboration with the provider of the National analytics tool (PPIB) and GIRFT to input and inform moving forward. Also, developing local skills and knowledge within data analysis to enable the department to be a key support to stakeholders.
- In accordance with NHS eProcurement Strategy, continue to progress the adoption of common global standards; GS1 standards (for product coding, location coding and data synchronisation) and PEPPOL standards (for purchase order, shipping note and invoice messaging).
- A full supply chain strategy and Analytics strategy is outlined in Appendix 1.

10. PROGRESS AGAINST THE PROCUREMENT AND COMMERCIAL DIAGNOSTIC IMPROVEMENT TOOL

Over the past 12 months the Trust has made good improvements across all areas of the commercial diagnostic improvement tool. In October 2018 the Trust was at a score of 1.755 on this analysis but has now moved to a level 2 position and is planning to undertake a level 2 assessments in March 2019.

Upon a successful outcome the Trust through executing this strategy will build the required capability to meet the level 3 standard by March 2022.

NHS Procurement & Commercial Diagnostic & Improvement Tool - Results

Trust Summary	Baseline	Oct-18	Feb-19	Target (20/21)
1. Strategy & Organisation		1.40	2.00	3.00
2. People & Skills		1.00	2.00	2.67
3. Strategic Procurement		1.57	2.00	3.00
4. Supply Chain		2.00	2.00	3.00
5. Data, Systems and Performance Management		2.00	2.00	3.00
6. Policies & Procedures		1.20	1.80	2.60

Area	Breakdown of results			
	Standard	Oct-18	Feb-19	Target (20/21)
1. Strategy & Organisation	1.1 - Strategy	1	2	3
	1.2 - Executive Commercial Leadership	1	2	3
	1.3 - Procurement & Commercial Leadership	1	2	3
	1.4 - Internal Engagement	2	2	3
	1.5 - External Engagement	2	2	3
2. People & Skills	2.1 - People Development & Skills	1	2	2
	2.2 - Scope & Influence	1	2	3
	2.3 - Resourcing	1	2	3
3. Strategic Procurement	3.1 - Category Expertise	2	2	3
	3.2 - Contract & Supplier Management	1	2	3
	3.3 - Supplier Relationship Management	2	2	3
	3.4 - Risk Management	1	2	3
	3.5 - Sourcing Process	2	2	3
	3.6 - Benchmarking	2	2	3
	3.7 - Specifications	1	2	3
4. Supply Chain	4.1 - Inventory Management & Stock Control	2	2	3
	4.2 - Logistics	2	2	3
5. Data, Systems and Performance Management	5.1 - Performance Measurement	2	2	3
	5.2 - Savings Measurement & Credibility	2	2	3
	5.3 - Catalogue Management	2	2	3
	5.4 - Procure to Pay (P2P)	2	2	3
	5.5 - Cost Assurance	2	2	3
	5.6 - Spend Analysis	2	2	3
	5.7 - GS1 & Patient Level Costing	2	2	3
6. Policies & Procedures	6.1 - Procurement Policy & Guidance	2	2	3
	6.2 - Process Compliance	1	2	3
	6.3 - Asset Management	1	2	3
	6.4 - Corporate Social Responsibility (CSR)	1	2	2
	6.5 - SMEs	1	1	2
Overall Average Score		1.55	1.97	2.90
Minimum Score		1	1	2

11. INTEGRATED AND STP COLLABORATIVE PROCUREMENT & EXTERNAL PARTNERSHIPS

Aim: Working together with our collaborative partners and STP to consolidate purchasing requirements to drive greater cost efficiencies from the market.

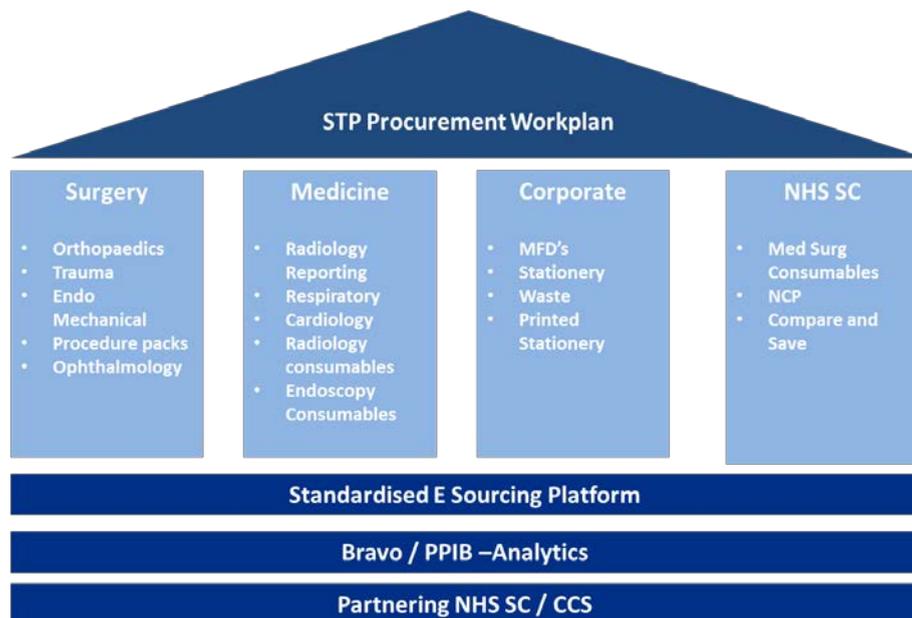
The Trust collaborates and will need to continue to do this extensively. There are a range of collaborative networks that the Trust has developed over the past few years and will continue to evolve with such as;

Southern Procurement Partnership.

- This forum supports sharing of best practice and has been used as a forum to share debate, understand the corporate benchmarks through peer reviewing and where differences exist to better inform local plans.
- The forum also shares best procurement practice going on locally and how this can be transferred between sites.

STP cross functional working

- 3 Acute Trusts in the STP will regularly review model hospital measures and performance
- Clear work plan in place across 4 core work streams to aggregate the volume with the Trusts.



- A specific workstream has been set up since April 2017 with NHS SC which is growing the volume and spend across the STP through repatriation of products back to NHSSC where it is commercially viable as well as running a standardisation programme to reduce variation and consolidate spend. This supports the national drivers for spend via NHS SC and growth and the new operating model that has been established. This was the first of its kind and a number of other regions are implementing similar models at an STP level. This workstream will be critical for engaging appropriately with the new operating model through NHS SC and the category towers.
- Three of the STP workstreams are led by the Head of Procurement at one of the 3 Trusts and the NHS SC workstream is led by Director of Procurement of SFT with support from the Clinical

Procurement Specialists at each of the 3 Trusts and the NHS SC Account Manager and Regional Engagement Lead.

- The workplan of each of the 3 Trusts is shared directly with NHS SC annually and from this a clear STP workplan with NHS SC is developed that is managed on behalf of the 3 Trusts by the NHS SC Account Manager.
- These collaborative networks also feed in and support the national direction of travel with the operating model and align SFT and the STP to support the model.
- The Trust will continue to support the national agenda as part of the procurement STP work and the sharing and communication of plans internally for the new operating model.
- The procurement work around one team across the STP is a key objective of the Hospital Alliance over the next two years and SFT will need to support this strategic priority and build comprehensive aggregation projects across the STP to better utilise the purchasing power within the region and work effectively with partners such as NHS Supply Chain (SCCL).

By adopting a collaborative approach, SFT procurement team will:

- Leverage the ability of a small NHS trust to function in the wider health economy and enable the delivery of the procurement element of the financial recovery plan as outlined in the Trust strategic plan 2018/2022.
- Build capability and capacity for working with partners across the NHS e.g. NHS Supply Chain, Crown Commercial Services, BUNZL Healthcare and Regional Cohorts (e.g. PPSA), to enable greater leverage on common areas of spend, create a more resilient resource model and supporting the sharing of skills in order to maximise service efficiency.
- Continue to review joint governance for collaborative programmes across the STP and integrate this with effective contracting, considering the joint objectives of the individual partners to ensure that incentives and measurement will support collaborative behaviours.
- Reduce price variation through standardisation with a common and collective approach to market and unlocking aggregation opportunities for the wider STP.
- Use collective buying power to negotiate better deals with suppliers and support this with world class analytical systems to help identify opportunities.
- Shape market intelligence around our current and future requirements and improve our supplier management capabilities.
- Build on the relationships with key Trusts around Hampshire, Dorset as well as BANES & Wiltshire.
- Develop better and more efficient partnerships with industry with the aim of reducing the cost to serve building on the work plan.

12. PROCUREMENT LEADERSHIP AND GOVERNANCE

Aim: Facilitate leadership in the transformation programmes to delivery efficiencies and build procurement capability for now, and in the future enabling strengthen management, control and compliance

- The Director of Procurement is the lead responsible for Procurement, Commercial Services and Supply chain management, reporting directly to the Director of Finance who has executive responsibility for the Department at Trust Board. This strategy is governed by the Finance and Performance committee.
- The department will ensure compliance to European Procurement Law (as enshrined UK statute) along with upholding SFT Standing Orders and Financial Instructions. The Trust will:
 - Risk rate all significant projects using the SFT risk register process.
 - Ensure that purchasing staff are fully trained in the requirements of procurement law and

- able to advise staff on compliance risks.
 - Maintain our strong record on product safety and regulatory compliance through the close working relationship with MDMC.
- Procurement policy and processes will be clearly defined, updated and accessible and visible to all staff via training for non-procurement personnel and budget holders and available on the intranet. This will be supplemented with delivery of specific Standing Financial Instructions and contract management training for Directorate Management Teams too.
- The Director of Procurement and Head of Procurement will meet with members of the procurement team to review performance metrics to track compliance and savings performance and report at relevant groups such as the Outstanding Everytime board and Non Pay Programme management board.
- Provide greater visibility of the performance of our top contracts which will help to improve the management of our major suppliers and ensure that they are meeting their contractual obligations and delivering against the agreed performance indicators.
- Team development and training opportunities reviewed with appraisals and mandatory training requirements. As a department we will continue to invest and develop the procurement team in training seeking out appropriate courses for relevant staff levels via HCSA, Procurement Skills Development network, Chartered Institute of Purchasing and Supply (CIPS) and or relevant University's.
- To manage risk procurement will regularly review the procurement and supply chain risk register. And alongside this embed a robust contract performance management review process in the Trust to improve supplier performance to ensure that all contracts deliver their expected outcomes and in turn manage supply chain and procurement risk effectively.
- Review model hospital measures as a way of identifying other opportunities and ways to improve procurement performance.

13. SUSTAINABLE PROCUREMENT

Aim: In the context of broader sustainability, maintain the balance between financial, social and environmental factors, focusing on energy efficiency, carbon reduction and recycling and to ensure social justice and equity. Integrating environmental, health, social, political and economic issues into procurement decisions to embrace the founding principle of healthcare, 'first to do no harm'.

SFT has an important role in delivering sustainable value from its procurement, which will evidence the organisations commitment to patients, staff, local community and society in general. This approach supports the core values of the Trust including quality and excellence, equality and diversity, working responsibly and with respect for each other and best environmental practice.

By embedding good sustainable procurement practice we can enhance value for money by ensuring long term cost effectiveness, as well as reducing waste, protecting biodiversity, and supporting sustainable economic growth that is underpinned by a stable and resilient supply chain, operational excellence and cost savings.

The aim for SFT Procurement is to lead by example by removing barriers to sustainable development, by engaging with a mix of small, medium and large businesses and enterprises, whilst simultaneously driving innovation, cost efficiency and responsible procurement practice.

To deliver this Procurement have produced a Sustainable Procurement Strategy and Policy that is focused on the outsourced products and services that it acquires on behalf of the Trust underpinning supply chains and which should be read in conjunction with the environmental management policy.

This approach is critical in supporting the long term strategy of the Trust in delivering sustainable services to local community from the Trust and procurement with a significant footprint of financial spend and social factors has a consistent approach therefore sustainability will be imbedded in everything that procurement does within the Trust.

The department is also part of the sustainability management group at the Trust and will be responsible for contributing to the Trust sustainability plan, which is agreed around reducing, CO2 emissions, considering running costs, disposal costs, as part of the whole life cost of the procurement tendering process.

14. FAIR AND EQUITABLE TRADE & TREATMENT

Aim: To maintain a policy that ensures procurement compliance with the principles of 'Fair and Equitable Trading' and encourages SME participation.

SFT Ethical Procurement Policy will assist in managing risk associated with labour standards, ensuring compliance with relevant legislation, fostering transparency through the supply chain, providing for some level of due diligence in supplier approaches to managing labour standards and promoting continual improvement in this respect.

The department will:

- Seek to ensure all tendering and the process is clear
- Enforce and support the public contract regulations
- Issue competition in a structure that encourages SME participation
- Seek to appropriately advertise non mandatory tenders on our source to contract, portal and contracts finder.

15. EQUALITY AND DIVERSITY

Aims: All staff maintain the highest standards of personal integrity and that the business affairs of the organisation are conducted in a moral, honest manner and in full compliance with all legal requirements

- All procurement shall be non- discriminatory and will comply fully with the Equality Act 2010 supporting the principles of Equality and Diversity and we shall treat all our suppliers and stakeholders with equality.
- The Standards of Business Conduct will be followed by all staff ensuring that all our procurements are undertaken with fairness and transparency. In addition we expect and shall ask proof of our suppliers that they can demonstrate that they share the same beliefs on equality and diversity.
- Staff who work with suppliers shall act with integrity, transparency and fairness at all times.
- Procurement shall seek to support the Government transparency agenda by publishing organisational spend data publicly and supporting transparency initiatives both intra NHS and public sector.

16. PROCUREMENT RESOURCES AND COMPETENCIES

Aims: Deliver best in class procurement function within budgetary control while fostering an environment of people development and continual improvement.

- The Trust will need to ensure that the capacity and capability of its Procurement function is both maintained and developed despite the challenging workload pressures and financial challenges. This will be achieved by:
- Take a lead role in national and regional initiatives to better equip Trust purchasing staff for the future skills required as well as developing effective succession planning.
- Seek to recruit the best candidates for roles within the Department by promoting our recognised status and emphasising the unique range of opportunities that SFT offers.
- In doing so we will support the statement of intent within the Trust Strategy to make SFT a place to work where individuals are developed to achieve outstanding results.
- Utilise the Procurement Skills Development network where appropriate to develop our people
- Engage and support the Healthcare Supply Association (HCSA) and ensure that junior members attend the procurement programs and training on offer from the HCSA
- Utilise the Positive Purchasing training tools and procurement academy to enable continuous development of the local teams and sharing this knowledge and development across the wider STP with colleagues at Great Western Hospitals and RUH Bath.

17. DELIVERING THE PLAN

Aims: to ensure the annual workplan supports the overall procurement strategy and clear measures exist for measuring success.

How the procurement strategy will be delivered year on year is a critical part of the requirement and understanding of 'how' success will be measured. To do this the procurement team will:

- Develop an end of year Directorate non pay spend review document through utilisation of procurement spend analytics to review and develop outline non pay plans for the forthcoming financial year.
- Produce an Annual Work Plan which will be presented agreed with each of the Directorates and their management teams which will contain granular level detail as to the contribution and value of the procurement plan towards their non-pay cost improvement plan (CIP).
- The workplan will contain both hard and soft objectives from value creation opportunities to process improvement in supporting this overarching 5 year procurement strategy.
- The workplan will be signed off by the Directorate Management Teams having reviewed risk and opportunities of each scheme and considered the Quality Impact Assessment process.
- The development of an operational plan to underpin wider compliance and supply chain improvement work and commercial activity along with the procurement workplan
- The overall plan will be presented to the Transformation Board (OETB) for Exec approval to form the non-pay workstream objectives for the following financial year from which procurement will be measured.

The success of the annual work plan will be measured through:

- Monthly reporting at OETB as to the progress of the non-pay workstream, which is led by procurement, and the achievement of the annual workplan objectives associated with this workstream.
- Achievement of the annual non pay savings for each Directorate that procurement support delivery of.

- The success of delivery of change and value creation in key clinical areas through improved partnership working and multifunction teams.
- The annual procurement report and achievement of the annual operational plan of the procurement team for the year as outlined agreed and signed off at the Finance and performance Committee. These Team objectives are developed for the forthcoming year in terms of supporting the achievement of the procurement strategy.
- The procurement manual which outlines the operational processes to support the procurement strategy along with the relevant operational policies which are guidance for both procurement staff and Trust colleagues will be reviewed annually to ensure it is in line with achieving the procurement strategy.

18. INCOME GENERATION & COMMERCIAL EVALUATION FRAMEWORK

Aims: to deliver income generation from providing cost effective easily accessible, framework service solutions that support and objectives of the NHS. To enable effective assessment of all commercial opportunities through the utilisation of a commercial evaluation framework.

- Through the commercial evaluation framework developed by procurement the Trust will utilise the model to continue to assess its commercial interests in an appropriate way and the subsidiaries that are in place. See Appendix 4 for the outline framework assessment tool.
- The Trust has successfully placed £30M worth of external NHS Apprenticeship expenditure through its existing Apprenticeship framework which is used by a large number of Trusts in the South of England.
- The Trust will continue placing appropriate procurement commercial models via frameworks and other appropriate means where a demand and gap in the market exists to generate income.
- The Trust over the next 2 years will look to develop a small commercial team to oversee income generation opportunities as well as supporting the wider Subsidiaries that the organisation has in place such as Odstock Medical and Salisbury Trading Limited as well as exploiting other commercial opportunities across the Trust and supporting the wider site redesign strategy.

19. OVERVIEW OF HOW THE PROCUREMENT STRATEGY SUPPORTS THE WIDER SFT STRATEGY

Aims: to deliver a best in class procurement function which is aligned and supportive of the Trust Strategy.

As outlined at the start of the document this strategy is written as an enabler of the Trust strategy in supporting the Trust strategic plan 2018/2022. The timelines work on the same period and the plan will be refreshed moving forward in line with the review of Trust Strategy in conjunction with both the Associate Director of Procurement and Commercial Services and the Director of Strategy & Development.

The below is a summary of how this current procurement strategy as set out supports the wider Trust Strategy

Trust Strategy	Support from Procurement Strategy
<p>Delivering High Quality Local & Specialist Services</p> <ul style="list-style-type: none"> • Increase Theatre Utilization to 85% to unlock circa £2m value as part of the financial recovery plan • Increase market share for elective admissions • Reduce time for admission to surgery for Trauma • Increase market share on electives to 55% from 52% • Increase orthopedics by 10% 	<p>Procurement will support through this strategy by:</p> <ul style="list-style-type: none"> • Investing in technology to ensure that inefficient supply chains are removed resulting in the right product being available in the right place at the right time. • Removing wastage in theatres and reducing cost in supporting driving electives value for money which supports the Trust strategy in that electives are the key area of revenue generation to the Trust that support other services that are provided. • Theatre kitting and scan 4 safety principles to enable prompt starts.
<p>Care</p>	<p>Procurement will support through this strategy by:</p> <ul style="list-style-type: none"> • Involvement of, and leadership by clinicians to become accepted practice in setting the procurement agenda and providing input into procurement decisions. The imperative will be to ensure that clinical engagement starts at the beginning of the procurement process and has patient care and financial balance at the heart of all decision making • Considering the balance between clinical benefit and value for money, including product rationalisation to identify cost and service efficiencies. • Harvesting ideas through joint clinical and commercial forums, whilst developing new relationships with the medical devices industry that are built on partnership and focused on patient outcome. • Adopting a patient centric approach to procurement to maintain that quality and safety remain at the forefront of procurement decisions thus supporting the core value of the Trust overarching Strategy • Delivering a supply chain that delivers the right product at the right time through the materials management team we will ensure we give clinical staff the best possible service to support patient care.
<p>People</p> <ul style="list-style-type: none"> • Develop leaders of the future 	<p>Procurement will support through this strategy by:</p>

<ul style="list-style-type: none"> • Values and behaviours • Recruitment • High Quality workforce planning • Surveys and Engagement • Culture of openness & learn from experience 	<ul style="list-style-type: none"> • Training and development offered to all Purchasing and Supply for staff undertaking purchasing/materials management roles through training plans and use of the procurement academy at positive purchasing. • Take a lead role in national and regional initiatives to better equip Trust purchasing staff for the future skills required as well as developing effective succession planning through the appraisal process and having clear training and development plans in place. • Seek to recruit the best candidates for roles within the Department by promoting our status and emphasising the unique range of opportunities that SFT offers. • Raise our profile as a procurement department through championing our work and looking secure external recognition that can be used as a USP to promote the working in the department. • In doing so we will support the statement of intent within the Trust Strategy to make SFT a place to work where individuals are developed to achieve outstanding results.
<p><u>Resources</u></p> <ul style="list-style-type: none"> • Develop the Use of Technology to make the organisation more effective • GS1 principles rolled out and process • Take opportunities to generate income • Model Hospital measures and performance • Site Development • GIRFT programme • Financial sustainability and planning 	<p>Procurement will support through this strategy by:</p> <ul style="list-style-type: none"> • Improving data and information and continue to invest in supply chain technology will support the Trust strategy of developing the use of technology. • The improvement of inventory controlled by procurement will take away stock control from front line teams freeing them up to focus on their primary role. • Effective Supply chain management will maintain operational efficiency reduce wastage and obsolescence • The procurement team will support GIRFT and the regional pilots and wider programme that is being developed. • The procurement non pay plan each year will support the recovery plan

<p><u>Innovation</u></p> <ul style="list-style-type: none"> • GS1 standards • Increased commercial activities 	<p>and there is an identified operational plan to deliver what is outlined in the Trust strategy.</p> <ul style="list-style-type: none"> • By embedding good sustainable procurement practice we can enhance value for money by ensuring long term cost effectiveness, as well as reducing waste, protecting biodiversity, and supporting sustainable economic growth that is underpinned by a stable and resilient supply chain, operational excellence and cost savings. • Procurement will continue to lead on non-clinical income generation such as the laundry initiatives and the increase of volume going through the plant by winning new healthcare contracts and the licensing Agreement of My Trusty • GS1 standards were introduced and continue to evolve as a result of the procurement function, which set up the programme and manage day to day. • The forthcoming theatre kitting trial using GS1 standards and improving data accuracy, usage and stock is another innovative strategic aim of the organisation.
<p><u>Financial Recovery plan</u></p> <p>Deliver £5m towards the recovery plan through more effective procurement which will make circa 16% of the total recovery plan outlined in the strategy.</p>	<ul style="list-style-type: none"> • Through effective annual planning and resourcing the procurement department will support the financial recovery plan to deliver the £5m contribution from procurement over 2018/22 through effective deployment of this strategic approach and operational annual planning. • Procurement with its wider remit will also support other parts of the organisation where appropriate through some of the scan 4 safety principles to unlock value in areas such as theatres through supporting operational change and efficiency.

APPENDIX 1

SUPPLY CHAIN MANAGEMENT & SPEND ANALYTICS STRATEGY

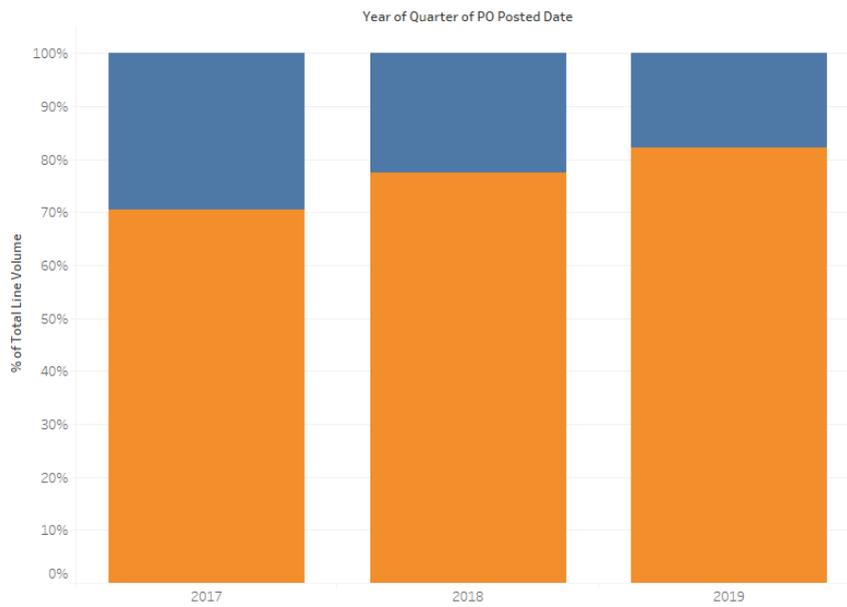


SFT Supply Chain
Procurement Systems

APPENDIX 2

DATA DASHBOARD EXAMPLES

% of Overall Lines Managed by Supply Chain Team

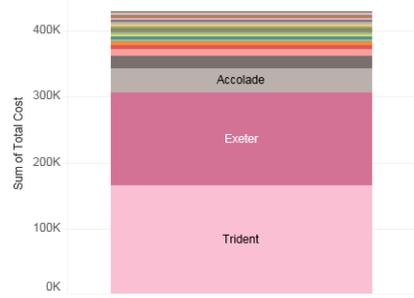


	Year of Quarter of PO Posted Date		
Overall	2017	2018	2019
End User	29.53%	22.45%	17.88%
Supply Chain	70.47%	77.55%	82.12%

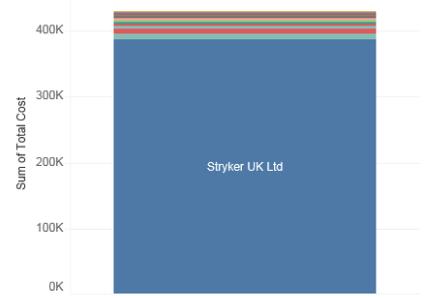
Technology Choice



Brand Fragmentation

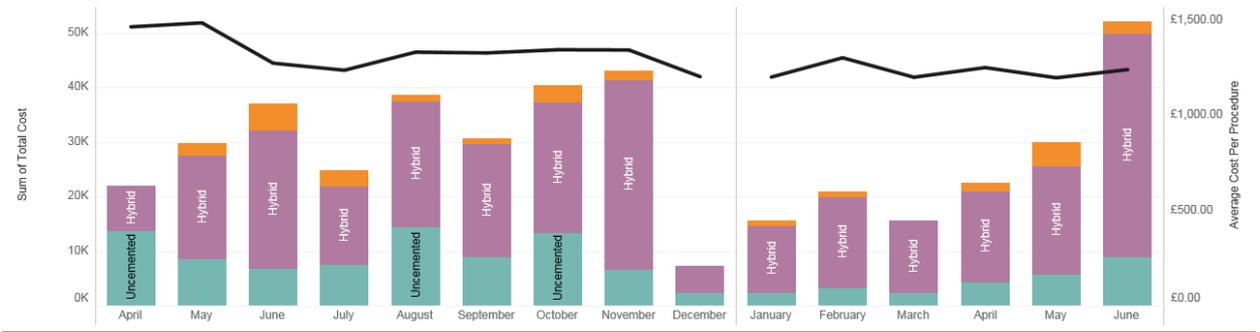


Supplier Fragmentation



Hip Replacement Type over Time - Total Cost (Bar) vs Average Cost per Procedure (Line)

Display by Value



APPENDIX 3 PROCUREMENT STRATEGIC OBJECTIVES

Area	Objective	Key Actions	Measure
Strategy & Organisation	Work with the new operating model and supply chain to deliver the forecast savings	<ul style="list-style-type: none"> • Develop clear workplan with NHS SC • Enable aggregation and work with the operating model as an STP to achieve benefits 	<ul style="list-style-type: none"> • % of spend transacted through supply chain and operating model contracts • Delivery of NHS SC workplan with the STP Trusts that meets or exceeds forecasted savings year on year.
	Through Collaboration with RUH Bath and Great Western Hospitals NHS FT aggregate and drive down price and improve quality	<ul style="list-style-type: none"> • Develop clear STP annual workplan across the various workstreams that have been put in place. • Ensure operational delivery and accountable governance for delivering the annual plan 	<ul style="list-style-type: none"> • Increased % contribution to local workplan and CIP from the STP cross functional working. • Delivery of the STP annual workplan target as set by the steering board •
	Investigation of work effective procurement team across the STP with clear leadership across the 3 Acutes and governance	<ul style="list-style-type: none"> • Develop business case sign off from Trust Boards. • Identify appropriate resource to lead on behalf of the 3 acute trusts • Work together to raise procurement standards and support each other in delivering the NHS procurement standards requirements. 	<ul style="list-style-type: none"> • Improved model hospital procurement measures across the STP Acute Trusts
	Aim for Top 10 position in NHSI procurement league table	<ul style="list-style-type: none"> • Maintain quartile one position • Build a clear plan around standards accreditation • Use of PPIB and performance review of carter measures and price performance opportunities • Build price opportunities into annual workplan 	<ul style="list-style-type: none"> • NHSI Trust procurement league table
	Achieve all model hospital targets and exceed where possible	<ul style="list-style-type: none"> • Ensure constant review and understanding of data and opportunities for improvement 	<ul style="list-style-type: none"> • Model hospital performance data and benchmarking against peers and wider

Area	Objective	Key Actions	Measure
		<ul style="list-style-type: none"> Document improvement plan and execute as part of the annual planning process. 	NHS.
	Achieve level 2 (2019) and level 3 (2022) NHS procurement standards accreditation	<ul style="list-style-type: none"> Ensure effective evidence is collected and evidenced Build effective operational processes and policies to drive behaviour Ensure that Trust personnel are effectively trained and understand SFI's 	<ul style="list-style-type: none"> Pier review accreditation following external assessment.
	Improve internal and external engagement	<ul style="list-style-type: none"> Ensure that SFT procurement continues to innovate and develop working effectively with the national bodies and evidencing best practice 	<ul style="list-style-type: none"> Events and invites to present and engage with system wide developments.
	Budget holder training to improve understanding of organisational responsibilities around procurement	<ul style="list-style-type: none"> Ensure effective annual training is carried out for directorates based on SFI requirements Use HFMA e learning training module to support end user training for non-procurement professionals 	<ul style="list-style-type: none"> Attendance at training % of key budget holders completing e learning module
People & Skills	Training needs are reviewed regularly with both the GWH and SFT based teams	<ul style="list-style-type: none"> HOPS meet to review plans across to sites and gaps within the team to ensure effective plans of training both internally and externally are developed for team 	<ul style="list-style-type: none"> % of staff with appropriate qualifications and training plans for their role.
	Ensure appropriate resource management model to develop fit for purpose teams that could integrate into the wider STP footprint and share resource as well working together to limit exposure to the market challenge of gaining and retaining high calibre procurement people.	<ul style="list-style-type: none"> Closer working with the other acute in the STP footprint Review strategy and align Build annual workplans together. Share resource across 3 sites where appropriate to share category knowledge. 	<ul style="list-style-type: none"> Staff turnover % STP wide workplan delivery
	Training plans are linked to appraisals with a clear development plan in place.	<ul style="list-style-type: none"> Ensure training plan is documented in the spida appraisal system and regularly reviewed Completion of appropriate positive 	<ul style="list-style-type: none"> % appraisals in date % staff trained in effective category management

Area	Objective	Key Actions	Measure
		purchasing and procurement academy information	<ul style="list-style-type: none"> Regular training sessions internally from senior team to junior members.
	Ensure staff scores from NHS surveys for procurement are reviewed and appropriate action plans are in place.	<ul style="list-style-type: none"> Review and develop improvement plans 	<ul style="list-style-type: none"> NHS Survey results
Strategic procurement	Deliver annual CIP plan	<ul style="list-style-type: none"> Ensure robust planning process to identify opportunities is conducted with directorates Review contracts databases and benchmarking tools Develop a clear plan that is supported and signed off at directorate and trust board level 	<ul style="list-style-type: none"> Monthly reviews against Trust CIP tracker and forecast
	Grow performance management and effective contract management principles for key contracts with stakeholders	<ul style="list-style-type: none"> Effective use of the Trust SRM programme Ensure performance indicators for key contracts are in place Robust quarterly review meetings with the correct internal stakeholders to support review 	<ul style="list-style-type: none"> Supplier scorecards
	All key contracts are governed by procurement	<ul style="list-style-type: none"> Ensure all key contracts and documents and Agreements are on the contracts database system in procurement Ensuring key agreements are on NHs Terms and conditions Any at risk suppliers are documented and managed through the Trust risk Management process and regularly reviewed 	<ul style="list-style-type: none"> Purchase order system data Contracts database
	Regular price benchmarking through the life of contracts	<ul style="list-style-type: none"> Use of procurement dashboard system and bravo analytics as well as PPIB for one of purchase requirements 	<ul style="list-style-type: none"> Price performance measures within the model hospital
	Effective standardisation and aggregation	<ul style="list-style-type: none"> Review of items on catalogue 	<ul style="list-style-type: none"> No of products procured reducing and

Area	Objective	Key Actions	Measure
	opportunities developed across the Trust and wider STP	<ul style="list-style-type: none"> Effective plans developed to reduce new items and reduce range of products via standardisation to aggregate volume. 	<p>inventory SKU's reducing</p> <ul style="list-style-type: none"> Clear reduction in numbers of new products added to catalogue.
	Risk Management	<ul style="list-style-type: none"> Ensure effective risk management of department risks and wider national issues Constant review of internal Datix risks related to procurement and supply chain and document and implement lessons learnt to minimise patient cancellations as never events 	<ul style="list-style-type: none"> Number of Datix each year vs previous Risk and scores reviewed Number of patients cancelled as a result of procurement issue.
Supply Chain Management	Integrated Supply Chain	<ul style="list-style-type: none"> Review current material movements across the Trust Review for Procurement, pharmacy, housekeeping, Theatres laundry teams etc. Map process and identify opportunities to use resource more effectively Develop and present business case to board for a consolidated internal supply chain function 	<ul style="list-style-type: none"> Increased level of inventory controlled by procurement to 90%
	Data Capture at point of care	<ul style="list-style-type: none"> Maintain current performance of point of care scanning. Review and capture and store data effectively 	<ul style="list-style-type: none"> Dashboards and output and quality of information S4S metrix
	Theatre kitting roll out to kit for procedures across Theatres to enable more operational efficiency	<ul style="list-style-type: none"> Develop and evolve theatres supply chain mat man team from managed service to kitting per procedure 	<ul style="list-style-type: none"> Prompt theatre start times Cancellation of procedures Identified shortages corrected before procedure Improved accuracy of usage



Area	Objective	Key Actions	Measure
Data, Procurement Systems & Performance	We will develop and identify systems to capture data that supports the identification of "encouraged enterprises". We will identify a % target of spend in each category to be committed to SME' s and put in place a KPI to monitor this by category and overall. We will incorporate relevant training and identify category strategies in category plans	<ul style="list-style-type: none"> Identify data and metrics to measure current and future performance e.g. turnover level of suppliers related to spend Agree targets by category Review and sign off category plans Identify and develop training segment for team 	<ul style="list-style-type: none"> Trust does not use enough in this area and needs to review as part of meeting NHS level 2 standards.
	Procure to pay (P2P) –We will work with finance and the scan for safety team to develop an e-invoicing strategy and work to communicate this with suppliers.	<ul style="list-style-type: none"> Identify desired outcomes and objective of e-invoicing for all parties to meet scan for safety milestones Develop strategy and implement Feature as key success factor in scan 4 safety evidence. 	<ul style="list-style-type: none"> Scan4Safety team capacity to deliver Adoption of relevant technology and process changes in Accounts Payable.
	Purchase order electronic End to End. We will work to increase electronic requisition to payment metric	<ul style="list-style-type: none"> Delivered via scan for safety AP review above as well as introduction of PEPPOL standards and updating of existing systems, 	<ul style="list-style-type: none"> Finance team and Scan4Safety ability to change and implement a lined up process. % of end to end electronic transaction
	We will continue to roll out inventory management process change and procedure/ patient level costing in appropriate areas	<ul style="list-style-type: none"> Implement theatre kitting module Use with Surgeons the Data from point of care scanning across all specialities where appropriate to inform variation discussions and procedure costs 	<ul style="list-style-type: none"> Genesis development plans and road map Use of analytics system and data already used in orthopaedics and cardiology to be utilised wider across the Trust



Area	Objective	Key Actions	Measure
Policies & Procedures	Annual review of the procurement manual and wider policies	<ul style="list-style-type: none"> Operational team to review with Head of procurement manual to ensure it reflects changes needed to deliver the wider department strategy. 	<ul style="list-style-type: none"> Annual review and sign off Document version control % of in date policy reviews as per intranet internal page tracking
	We will develop and identify systems to capture data that supports the identification of "encouraged enterprises". We will identify a % target of spend in each category to be committed to SME' s and put in place a KPI to monitor this by category and overall. We will incorporate relevant training and identify category strategies in category plans	<ul style="list-style-type: none"> Identify data and metrics to measure current and future performance e.g. turnover level of suppliers related to spend Agree targets by category Utilise meet the buyer events Identify and develop training segment for team 	<ul style="list-style-type: none"> % target of SME



Appendix 4 Commercial Evaluation Framework

Criteria	Weighting	Sub weighting	Evaluation Criteria	Score 0	Score 5	Score 10	Score 15
Market Assessment	10%	2%	Growth of commercial venture in past 3 years	no growth	0-5%	5-10%	>10%
		2%	Forecast growth rate for market	none	0-9%	10-19%	>20%
		2%	Forecast market growth for SFT venture	none	0-5%	5-10%	>10%
		2%	Strength of market competition	High competition	Medium	Weak	none
		2%	What does the market look like and where does the venture fit in terms of unique selling point to establish competitive advantage	No clear USP or competitive advantage	Clear market opportunity and USP but competitive market	Clear USP no competition and market niche for which there is clear evidenced demand with competitive advantage that could be established.	
Strategic	15%	5%	Using tools such as SWOT / PEST Does the project fit with the strategic objectives and vision of the Trust	No	Yes		
		5%	Does this venture have an operational fit with the core purpose of the organisation.	No	Yes		
		5%	Is this venture core service or links to NHS Strategy	No	Yes		
Financial Analysis	20%	5%	If cash and capital investment is required what is the estimated amount	£100,001+	£50,001-£100,000	£20001 - £50,000	£0-£20k
		10%	Return on investment / Net contribution	£0-£100k	£100,001 - £250,000	£250,001 - £500,000	£500,001
		5%	Net contribution	0-5%	5-10%	10-20%	20%+
Risk Assessment Framework Analysis	10%	2%	From the risk assessment is there :				
		2%	Limited financial risk	No	Yes		
		2%	Minimal reputational risk to the Trust	No	Yes		
		2%	Is there a clinical Risk to the Trust	Yes	No		
Staff Requirements	5%	2%	Does the commercial venture reduce or eliminate risk on the Trust Risk Register	No	Yes		
		2%	Does the Trust have the necessary commercial or clinical or operational skills	No	Yes		
Patient Care	10%	5%	Will this project have a direct impact on improving patient care	NO	Indirectly through revenue generation	Directly to point of care	Directly to point of care and will generate income
		2.50%	Patient Satisfaction Results	none	Weak	Adequate	Strong
		2.50%	performance on available quality indicators to measure patient quality	Poor or NA	Average	Good	Excellent
Governance	10%	5%	A clear governance structure of reporting and roles and responsibilities are clear	NO	Yes		
		5%	Does the organisations Governance framework fully capture key committees with clear links roils and processes and organisational control	Processes and roles are not defined governance is not performed in explicitly chartered bodies	governance committee exist and perform key functions such as budget and cost management and quality management policy framework in place	Key organisational roles defined in functional terms, formalised charters for forums. Some Top to bottom alignment of forums exist Relevant policies and procedures are defined	Explicit role definitions covering enactment of business processes Well established funding and resource allocation mechanisms reflecting alignment and business priorities sufficiently in place to deal with cross cutting initiatives
Performance Measurement	10%	10%	Against the agreed Performance measures is commercial venture	Below performance measure expectations	Meeting Expectations	Achieving most targets exceeding others	Exceeding all Measures
Exit Strategy	5%	5%	Clear Exit strategy and liabilities of the Trust outlined	No	Yes		
Timescales	5%	5%	For a new venture or change in an existing commercial activity how long will the project take to set up	1+	6 months to 1 year	1-6 months	

Criteria	Weighting	Sub weighting	Evaluation Criteria	Input Score	Weighted Score	Section RAG Rating Score
Market Assessment	10%	2%	Growth of commercial venture in past 3 years	10	1%	53%
		2%	Forecast growth rate for market	5	1%	
		2%	Forecast market growth for SFT venture	5	1%	
		2%	Strength of market competition	5	1%	
		2%	What does the market look like and where does the venture fit in terms of unique selling point to establish competitive advantage	10	2%	
		Market Assessment Score				
Strategic	15%	5%	Using tools such as SWOT / PEST Does the project fit with the strategic objectives and vision of the Trust	5	5%	100%
		5%	Does this venture have an operational fit with the core purpose of the organisation.	5	5%	
		5%	Is this venture core service or links to NHS Strategy	5	5%	
		Strategic Assessment Score				
Financial Analysis	20%	5%	If cash and capital investment is required what is the estimated amount	15	5%	83%
		10%	Return on investment / Net contribution	15	10%	
		5%	Net contribution	5	2%	
		Financial Analysis Score				
Risk Assessment Framework Analysis	10%	2%	From the risk assessment is there limited operational risk :	5	2%	100%
		2%	Limited financial risk	5	2%	
		2%	Minimal reputational risk to the Trust	5	2%	
		2%	Is there a clinical Risk to the Trust	5	2%	
		2%	Does the commercial venture reduce or eliminate risk on the Trust Risk Register	5	2%	
		Risk Assessment Framework				
Staff Requirements	5%	5%	Does the Trust have the necessary commercial or clinical or operational skills	5	5%	100%
Patient Care	10%	5%	Will this project have or does it have a direct impact on improving patient care	5	2%	67%
		2.50%	Patient Satisfaction Results	15	3%	
		2.50%	performance on available quality indicators to measure patient quality	15	3%	
		Patient Care Total Score				
Governance	10%	5%	A clear governance structure of reporting and roles and responsibilities are clear	5	5%	83%
		5%	Does the organisations Governance framework fully capture key committees with clear links rolls and processes and organisational control	10	3%	
		Governance Score				
Performance Measurement	10%	10%	Against the agreed Performance measures is commercial venture	15	10%	100%
Exit Strategy	5%	5%	Clear Exit strategy and liabilities of the Trust outlined	0	0%	0%
Timescales	5%	5%	For a new venture or change in an existing commercial activity how long will the project take to set up	15	5%	100%

Key	Rating
75%-100%	Green
50%-74.99%	Amber
<50%	Red

Overall Score					77%
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SALISBURY NHS FOUNDATION TRUST

'DRIVING VALUE IMPROVING CARE'

**Supply Chain Management
& Procurement Systems
and Analytics Strategy**

Period: Feb 2019 to March 2022

REFERENCE DOCUMENTS

NHS Procurement Raising Our Game, Department of Health May 2012

NHS E-procurement strategy (May 2014)

NHS Standards of Procurement (June 2013)

Better Procurement Better Value Better Care – A Procurement Development Programme for the NHS (August 2013)

NHS Procurement Dashboard: Overview (November 2013)

SFT Scan4Safety Business Case (November 2015)

SFT Scan4Safety Audit Report (June 2018)

DOCUMENT CONTROL

This document requires the following approvals:

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Joint Board of Directors		
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1. Introduction to Health Care Supply Chain and Current State in SFT

Supply Chain management globally within Healthcare is viewed as Immature compared to most other Industries, for example manufacturing, retail and other Service sectors which have developed and have increased security of supply and driven value by understanding that Supply Chain management should be performed far wider than any organisation in isolation.

Healthcare is a more complex system however even with this added challenge there is still huge scope for improvement and learning from other industries.

Historically inventory systems and the term Supply Chain have been seen by the NHS as purely stock management systems to keep track of products and re-order at a basic level.

Very few NHS sites have recruited and invested in the skills required to enable advanced Supply Chain management and the term Supply chain is associated with "NHS Supply Chain".

An overall definition of Supply Chain Management is:

"Supply chain management (SCM) is the oversight of materials, information, and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer. Supply chain management involves coordinating and integrating these flows both within and among companies."

In terms of the NHS this should include the flow from manufacturer to usage as part of a Patient Journey working with all parties internal and external to understand and manage this flow effectively to safeguard patients and drive efficiency within the Supply Chain.

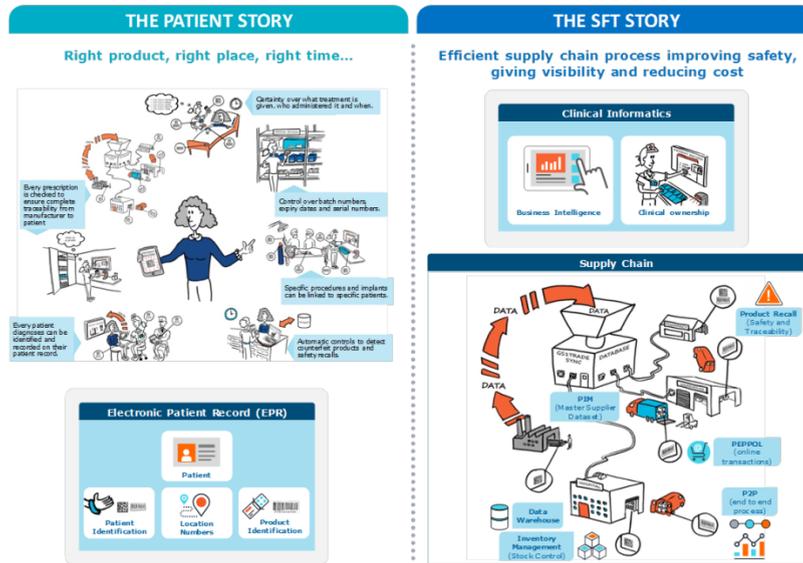
This encourages and enables a move to a wider vision of supply chain management, both within the organisation with transparency through to procedure level costing, and outside of the Trust across the whole supply chain - to distributors, suppliers and manufacturers.

Salisbury has been a leading organisation in improving the supply chain function both within the local Trust and the wider NHS. This was accelerated in the last two years when the Trust was selected as a Scan4Safety demonstrator site. This exposure and experience put the Trust in a unique position with supply chain management being the foundations of a wider more clinically driven programme which links and supports the Trust wide digital strategy.

That said Supply Chain management in Healthcare is still very immature when compared to other global supply chains, this is both in terms of the Healthcare organisation and a large proportion of its suppliers.

There should therefore be recognition that the next 3-5 years will see an increased rate of change both in terms of the technology available to assist in management, but of most importance, the skills required to deliver the service for the future. This strategy seeks to continue to develop the service provided to the organisation and ensure the supply chain function delivers:

“An outstanding experience for every Patient”



The infographic above represents an overview of the roll of Supply chain management and the wider link to the clinical functions of the Trust.

This strategy links to the overall Trust strategy as a supporting foundation of the Procurement strategy, thus ensuring the safety and security of the supply chain and looking for ways to increase efficiency and visibility across all areas.

The healthcare supply chain is in the process of transforming and changing the most notable of these are outlined below.

a. The Future operating model (FOM) /Normal operating model (NOM)

FOM Basics

Put simply, the FOM is the design of a new NHS SC service that will deliver improved procurement support to the NHS.

Working as part of the NHS, the FOM will deliver clinically safe, high quality products at the best possible price and support current procurement activity across the NHS.

The Future Operating Model structure



In the last two years a new national model has been in development the “Future operating model” which has now gone live. This model looks to drive a more central supply chain through Procurement Category towers who award contracts across various categories of product.

These will be supplied via a single logistics provider with this element going live in April 2019.

Below is the statement from the NHS Supply Chain website on the aims of the changes

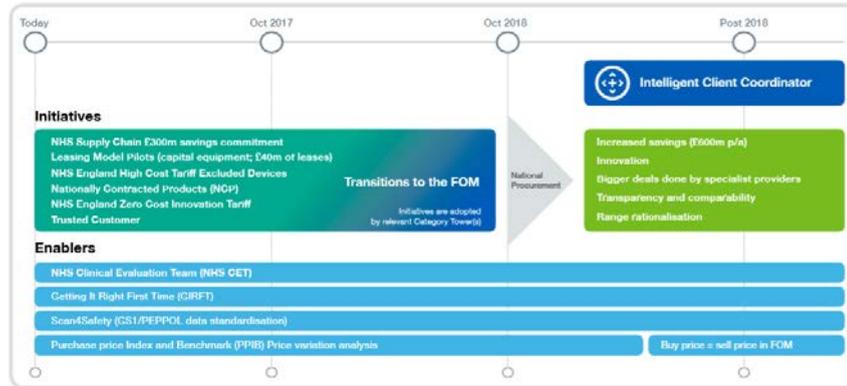
“The NHS Supply Chain operating model for the NHS that will deliver savings of £2.4bn back into the frontline by 2023/2024. It will address the current fragmented procurement landscape which leads to widespread price variation in products and lack of consistency in the range of consumables used in the delivery of patient care. Instead it will leverage the buying power of the NHS by identifying the right clinically assured, high quality products at the best value through a more sustainable approach.”

Alignment with National Initiatives

The FOM aligns with and incorporates where applicable all other national procurement initiatives operated by NHS England (NHSE), NHS Improvement (NHSI) and NHS Business Services Authority (BSA) as represented below.

The initiative most closely aligned operationally with the FOM is the Nationally Contracted Products Programme (NCP). NCP is effectively an interim measure to establish principles and working practices in advance of the FOM. More details follow.

Initiatives road map



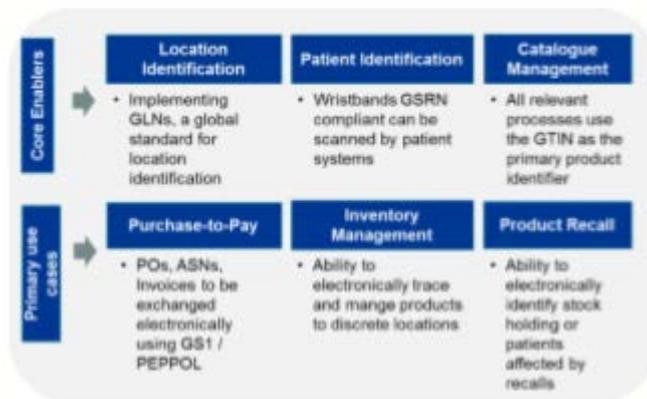
The implementation has been in progress during the last 18 months and looks to link with other national programmes such as Getting it right first time, Scan4Safety and PPIB the national benchmarking tool.

The Trust has played a supporting role during the implementation and has worked closely with NHS Supply Chain as part of the work across the STP.

b. The Scan4Safety Programme

The initial Department of Health funded element of the Scan4Safety programme is now complete with the final audit completed and signed off in May 2018.

The two-year plan of adopting global barcoding standards (GS1) and common ways of working (PEPPOL) has been implemented. This has enabled us to better track our products, patients and places throughout the Trust.



The Scan4Safety team was set up in March 2016 and has implemented the 3 core enablers, which have enabled the delivery of 3 primary use cases as required by the Department of Health (DH).

The programme has delivered £1.1M of DH approved savings for the Trust to date, across a range of hard and soft benefits surpassing an initial prediction of £894k.

Following the completion of the initial phase a core team has worked to ensure they:

- Provide ongoing support for teams and processes implemented
- Monitor and deliver benefits from the programme
- Apply the Scan4Safety methodology within the organisation and work with end users to highlight and implement benefit.
- Meet the corrective actions from the Scan4Safety audit report.
 - Continue to review overall stock holding and where relevant target inventory stock holding below 28 days.
 - Implement Scan4Safety changes currently under development within JAC Pharmacy Inventory management.

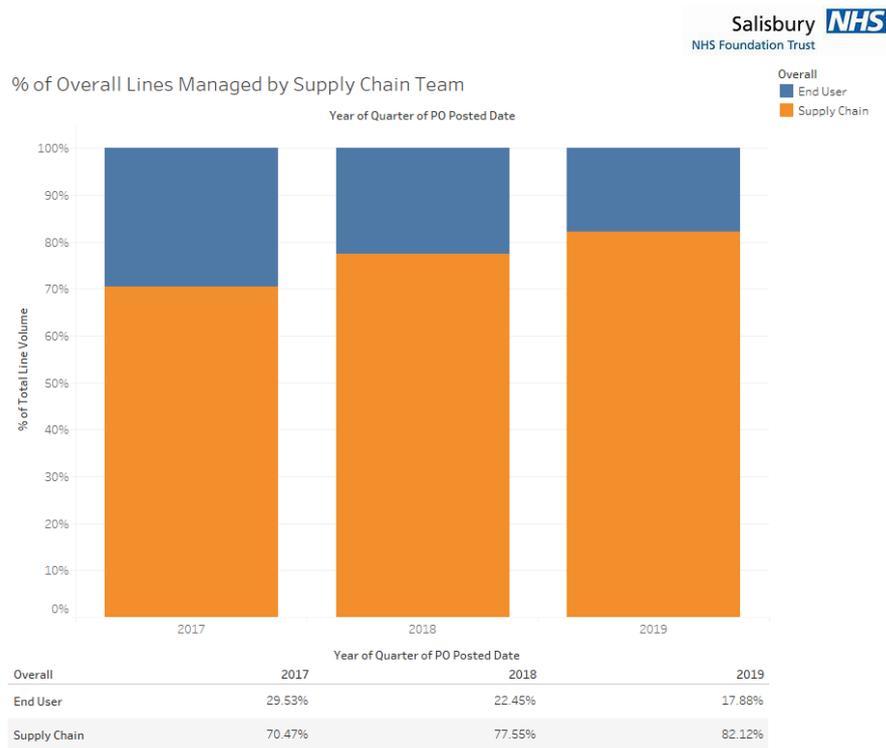
The Scan4Safety methodology and team knowledge are key to driving change and underpin this Supply Chain strategy. Currently an outline wider Scan4Safety programme is being developed within Salisbury across clinical pathways in Theatres and Wards areas. In the wider STP support from Salisbury is being given to RUH Bath NHS FT and Great Western Hospitals NHS FT to assist with the development of Inventory management.

This work is due to be completed in March 2019 and this will include clear links to programmes within this strategy and the wider Trust Digital strategy.

2. Supply Chain Management and Efficiency

Aim: To eradicate wastage and inefficiency in the supply chain.

Currently the Supply Chain team are responsible for the management of £2.9 Million of the overall Inventory value held in the Trust. The volume of demand captured and managed via the Trust Inventory Management processes and the procurement supply chain function has increased to be managing around 80% of the order lines within the organisation (Not including pharmacy) this is shown in the diagram below which demonstrates the growth.



The value and volume of areas supported by the supply chain function in procurement has expanded during the last 2 years both in terms of the value of inventory and items covered and the way in which it is managed.

The most notable of which is the implementation of scanning within all theatre environments. This rapid growth has ensured that implanted devices are tracked through the clinical environment and captured as part of the procedure. The information is then used to replenish the stock. The transformation of this has been a major change and the team have had to adapt the way in which the service is provided the table below shows the growth of procedures captured per speciality with all theatres being live from April 2018.

This achievement should not be underestimated and the support from the organisation and teams within each of the areas has been exceptional. Focus now is to further optimise the processes in place and look to further reduce the time non-supply chain staff spend on managing inventory improving the overall efficiency within the internal supply chain.

Number procedures recorded (To end of Dec 2018)

Primary Speciality	FY 2018				FY 2019			Grand Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
T & O - Trauma & Orthopaedics	567	534	526	610	929	886	904	4,956
PLASTIC - Plastic Surgery			552	724	959	993	974	4,202
CARDIOLOGY - Cardiology	470	538	514	571	630	541	516	3,780
GENERAL - General Surgery			268	484	597	592	613	2,554
UROLOGY - Urology			138	266	418	385	420	1,627
OPHTH - Ophthalmic Surgery			1	155	315	355	540	1,366
MAXFAX - Oral & Maxillofacial Surgery			63	164	269	315	310	1,121
GYNAE - Gynaecology			54	157	274	266	283	1,034
ENT - Ear, Nose and Throat			73	186	269	262	243	1,033
OBSTETRIC - Obstetric Surgery			2	195	214	155	139	705
RADIO - RADIOLOGY				27	152	144	161	484
ENDOSCOPY - Endoscopy				9	68	77	79	233
ANAES - Anaesthetics			32	33	41	61	51	218
Grand Total	1,037	1,072	2,223	3,581	5,135	5,032	5,233	23,313

As part of the Scan4Safety Programme the Trust were required to review all supply chain activity onsite. This highlighted a number of areas that could be improved by co-ordination with other internal teams the table below highlights the main points.

Area	Potential Benefits
Repeated visits to same areas for: Ordering	<ul style="list-style-type: none"> Reduction in duplicated effort within Services allowing team to focus on core role – For example Housekeeping approx. 30mins per housekeeper per week.
Repeated journeys multiple visits to same areas for: Distribution	<ul style="list-style-type: none"> Potential to consolidate and merge scheduled distribution routes Management of traffic on corridors
Clinical involvement in ordering/put away	<ul style="list-style-type: none"> Although the majority has been removed there is still clinical involvement in ordering in relation to Pharmacy and in Theatres. This consolidation will focus on a fully managed service this is already in place across a number of areas
Short term service improvements	<ul style="list-style-type: none"> The detailed Supply Chain reviews carried out offer recommendations that will improve services now and these should be implemented now

Following this report, several internal supply chain processes, within clinical and non-clinical areas were changed, most notably;

- **Pathology Store** - Inventory Management implemented digitising previously manual process.
- **Catering** – Ordering of ambient products moved to Supply Chain team with internal supply from the Catering stores.
- **Pharmacy** – Trial in 4 areas to include full order and put away service.

Outlined in the supply chain strategic aims below is a continuation of the site wide review of the internal supply chain function. , there is still potential for benefits to be released from the overall workstreams as outlined below.

SFT currently manage 80% of all trust order lines that totaled £2.9m in Inventory at the end of 17/18 (excludes drugs). The remainder managed day to day by departments and sometimes clinicians. This strategy seeks to continue the ongoing review and move to the next phase of the plan to increase the coverage to over 90%.

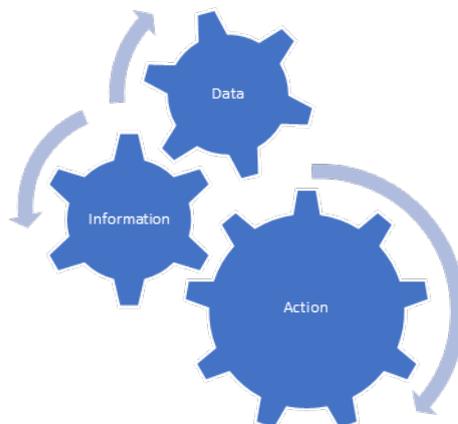
Section	Aim	Workstream Overview	Accountable
SUPPLY CHAIN MANAGEMENT AND EFFICIENCY	<ul style="list-style-type: none"> Optimise stock at appropriate levels based on “just in time” principles. 	<ul style="list-style-type: none"> Area stock holding Reviews <ul style="list-style-type: none"> Create clear programme of reviews. Schedule created and shared with end users. All areas to be reviewed min 6 monthly. Target of days on hand max 28 days 	<ul style="list-style-type: none"> Logistics Manager
		<ul style="list-style-type: none"> Clinical engagement <ul style="list-style-type: none"> Create and maintain in conjunction with Directorates a matrix of key Clinical leads who can review suggested Inventory changes at a Senior level (Brand/Range rationalisation). 	<ul style="list-style-type: none"> Logistics Manager/Procurement Mangers
		<ul style="list-style-type: none"> Standardisation/Rationalisation <ul style="list-style-type: none"> Ensure continued links with Trust wide standardisation programme. Using the data captured to highlight areas for review. 	<ul style="list-style-type: none"> Logistics Manager/Procurement Managers
	<ul style="list-style-type: none"> Continue to review any methodology that can increase patient safety and improve the resilience of the supply chain. 	<ul style="list-style-type: none"> Never event prevention <ul style="list-style-type: none"> Ophthalmology development with Medisoft to prevent usage of wrong size lens. Ongoing review and Application to other areas – E.g. Orthopaedics. 	<ul style="list-style-type: none"> Scan4Safety Programme Lead
	<ul style="list-style-type: none"> Ensure effective risk management of department risks and wider national issues 	<ul style="list-style-type: none"> Risk monitoring <ul style="list-style-type: none"> Constant review of internal Datix risks related to procurement and supply chain and document and implement lessons learnt to minimise patient cancellations as never events. Review of Department and Trust wide risk register 	<ul style="list-style-type: none"> Head of Procurement / Logistics Manager / S4S Supply Chain Lead

Section	Aim	Workstream Overview	Accountable
	<ul style="list-style-type: none"> • Apply appropriate operating models to remove or reduce Non-supply chain staff from involvement in supply chain activity. • Grow the influence of inventory controlled by procurement and supply chain to 90%+ • Ongoing review and future planning should include a balance of people, process and technology. 	<ul style="list-style-type: none"> • Theatres Kitting <ul style="list-style-type: none"> ○ Business case for Orthopaedics completed to include costs and benefits. ○ Further areas reviewed and expansion plans submitted In 2019 • Process and methodology optimisation <ul style="list-style-type: none"> ○ Continue to review new models of supply chain service delivery. Linking at local and national levels to understand developments and assess applicability. 	<ul style="list-style-type: none"> • Scan4Safety Programme Lead
		<ul style="list-style-type: none"> • Non-Procurement involvement in supply chain activity – <ul style="list-style-type: none"> ○ Continue to review site wide involvement in Supply chain activity highlighting areas for optimisation. Focus on overall number of end users with access to ordering. ○ Pharmacy – Jointly create a programme of optimisation based on the aims outlined within this strategy including implementation of full ward top up service and a timeline for the implementation of JAC updated functionality. 	<ul style="list-style-type: none"> • Head of Procurement • Chief Pharmacist • Logistics Manager
	<ul style="list-style-type: none"> • Review current delivery and distribution routes to the organisation. 	<ul style="list-style-type: none"> • Normal Operating Model (NOM) analysis - <ul style="list-style-type: none"> ○ Supply Chain focused analysis based on benefits and impacts of New operating Model. Initial assessment and ongoing review completed. 	<ul style="list-style-type: none"> • Logistics Manager
	<ul style="list-style-type: none"> • Considering potential for benefits based on consolidation and review changes being implemented by NHS Supply Chain and the new operating model 	<ul style="list-style-type: none"> • Consolidation review - <ul style="list-style-type: none"> ○ Based on output of NOM, review and create a timeline with projections based on number of direct suppliers remaining under direct Trust management. Review output for potential consolidation via other routes. 	<ul style="list-style-type: none"> • Logistics Manager

Section	Aim	Workstream Overview	Accountable
	<ul style="list-style-type: none"> • Ensure staff involved in supply chain activity have appropriate skills and knowledge. • Support all areas to develop their knowledge and enable a consistent application of principles across the organisation. 	<ul style="list-style-type: none"> • Supply Chain knowledge and education - <ul style="list-style-type: none"> ○ Creation of a supply chain training and development programme. This will utilise skills already in place and look to compliment with leads within the local STP and wider. ○ Identify and agree key stakeholders across the organisation to include in training and education E.g. Pharmacy, Pathology, Estates ○ Create summary guide to be provided to Clinical end users on overall Inventory management practices onsite. 	<ul style="list-style-type: none"> • Head of Procurement/Logistics Manager/Scan4Safety Programme Lead
	<ul style="list-style-type: none"> • Ensure the impact of the supply chain is considered as part of any planned or future changes. Both in terms of contractual changes and physical changes in infrastructure or changes to clinical service delivery. 	<ul style="list-style-type: none"> • Supply Chain considerations <ul style="list-style-type: none"> ○ Continue to work both within Procurement and across the Trust to advise and guide as part of the any change or implementation. ○ Include supply chain considerations sections as part of Tender documentation and contract implementation. 	<ul style="list-style-type: none"> • Head of Procurement/Logistics Manager/Scan4Safety Programme Lead
	<ul style="list-style-type: none"> • Remove or reduce wastage within the organisation. • Ensure that processes to record and recognise wastage are in place and maintained and updated. • Create a clearer programme of reporting to highlight the ongoing work to reduce wastage. 	<ul style="list-style-type: none"> • Wastage visibility and reduction <ul style="list-style-type: none"> ○ Further embed process of monitoring and recording wastage. Reporting Quarterly to Directorates and the Finance committee. Highlight areas of concern and suggested changes required. ○ Ensure other clinical areas are included in reporting E.g. Pharmacy, Pathology 	<ul style="list-style-type: none"> • Logistics Manager/Scan4Safety Programme Lead
	<ul style="list-style-type: none"> • Work in partnership within the STP to review and develop common supply chain practices and processes. • Identify and work with key suppliers to deliver benefits across the entire supply chain. Ensure that benefits are shared where relevant as part of wider contract and commercial agreements as part of the contractual process. 	<ul style="list-style-type: none"> • STP Partnership- <ul style="list-style-type: none"> ○ Create a collaborative forum to support sharing of knowledge and best practice across the STP. This will aim to ensure supply chain processes and methodology are applied consistently • Supplier Partnership Programme <ul style="list-style-type: none"> ○ Identify key Suppliers for detailed monitoring and performance review. Create a programme of supply chain focused partnerships within Cardiology. Orthopaedics. 	<ul style="list-style-type: none"> • Head of Procurement • Logistics Manager

Section	Aim	Workstream Overview	Accountable
	<ul style="list-style-type: none"> Continue to apply the Scan4Safety methodology and principles, act as a lead link guiding and supporting other departments as required. Leading and supporting the wider Scan4Safety strategy once completed in March 2019. 	<ul style="list-style-type: none"> Scan4Safety Methodology/Pathway development <ul style="list-style-type: none"> Continue to support application of S4S methodology across all areas of the Trust. Highlighting areas of concern where standards and methodology are not being considered. 	<ul style="list-style-type: none"> Scan4Safety Programme Lead

3. Data Information and Transparency



Aim: Improve quality of data, information and transparency. Provide clear actionable insight.

The procurement and supply chain team are responsible for the electronic supply chain. The Trust purchases over 14,000k unique items from 1,458 suppliers and processes 35,000 orders annually.

During the last 3-5 years there has been a large-scale change in the way the Supply Chain team operates. Previous manual processes have been digitised through

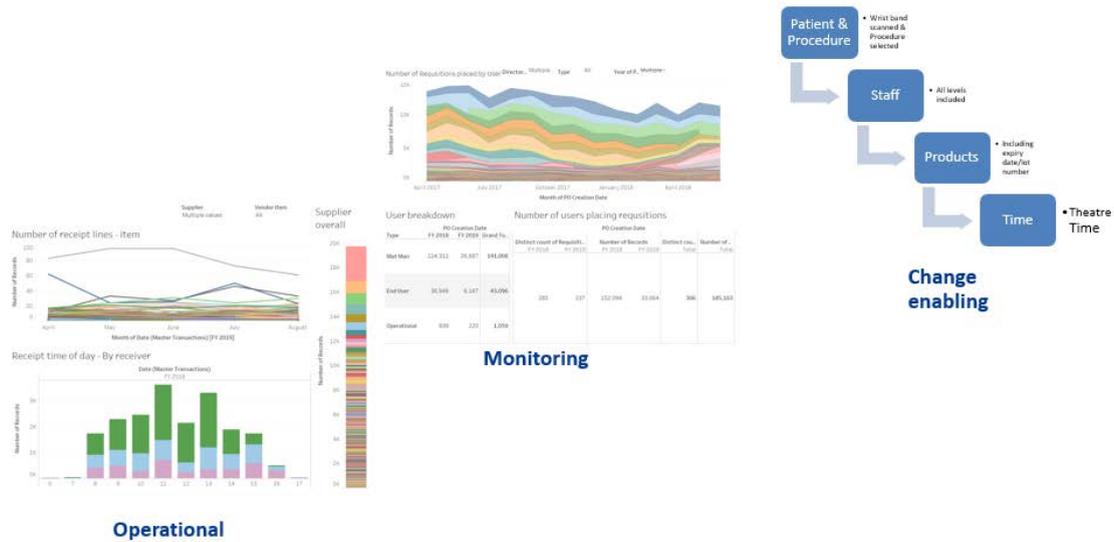
- **Catalogue Management** – Product Master data used to support the Supply Chain management process. The Trust has made large improvement in what it can do but industry wide issue on master data needs addressing to support the wider long term plans.
- **Inventory Management Solution** – Platform to support delivery of advanced supply chain management. Including live visibility of stock held in each area and the ability for procurement and the Trust to trace products to the point of care and enable effective product recall.
- **Electronic Trading** – Ability to trade electronically with our suppliers. Reducing the need for manual intervention and potential of mismatches.
- **Spend Analytics** – Implementation and development an analytics platform across spend and Inventory management.

These developments have ensured that the data and information captured within the supply chain has improved dramatically. It is therefore critical as part of the next phase that the data quality and accuracy is maintained where possible. This will include increased use of technology that can reduce the need for human intervention, ongoing review will need to take place with our catalogue providers to source information from supplier data pools and other means as they become available.

With the implementation of Scan4Safety this has accelerated and changes the scale and type of information being captured from which informed discussions and decisions can be taken with procurement working effectively with the clinical teams. Information is now being captured across all theatre areas at a procedure level to trace products to patients by lot and expiry date. All areas have now been live since April 2018 and the information being captured is building with on average around 2,000 procedures with product usage data being recorded per month.

The capture and availability of this type of information is rare within UK healthcare and the Trust can use this information to drive a programme to review procedure variation, locally, whilst linking with wider finance at Trust level and national programmes such as GIRFT to enrich the data with outcomes. This will

ensure the Trust has access to leading edge insights continuing to change the conversations regarding product usage and utilisation in procedures.



Procurement and Supply Chain teams have worked to capture information and develop analytics that can be categorised in to three main areas, as shown above, these are:

- **Operational** – Frequently run reports to check on-going performance E.g. Receipt/Order volumes.
- **Monitoring** – Analysis to confirm expected trends likely to be run per QTR. E.g. Volume of Inventory covered by Materials management, Number of end users placing orders via Purchase to pay.
- **Change enabling** – Analytics developed specifically to highlight variation and drive and support conversations with stakeholders E.g. clinical analytics developed from the Scan4Safety data.

Both operational and monitoring analytics have been developed and this development will continue with additional simplified elements to be built into a formal set of Key performance indicators.

This change enabling element has been developing gradually following the roll out of Scan4Safety. The information has been used heavily within Orthopedics and Cardiology. The data set has been building overtime and is ready to expand the approach across the remaining Trust Specialties and therefore is a key focus of this element of the strategy.

Number of Procedures recorded April 18 - Dec 19

Procedure Date
FY 2019



DATA INFORMATION AND TRANSPARENCY

Section	Aim	Workstream Overview	Responsible
DATA INFORMATION AND TRANSPARENCY	<ul style="list-style-type: none"> Development of a Procurement analytics road map should be prioritised 	<ul style="list-style-type: none"> Develop an appropriate analytical approach <ul style="list-style-type: none"> This will be based on category and stakeholder requirements. This will consider the analytics objectives in terms of operational, monitoring and change enabling focusing on the output and utilisation of the information as per the orthopaedics data concept. 	<ul style="list-style-type: none"> Head of Procurement/Procurement analytics lead/Scan4Safety Programme lead/Procurement Managers
		<ul style="list-style-type: none"> Create further Clinically engaged forums and initiatives <ul style="list-style-type: none"> Utilise the information captured as part of the Scan4Safety programme to highlight areas to review at these forums. These will be based at a specialty level and will underpin the engagement with end users. This will also link and support wider national programmes such as GIRFT 	<ul style="list-style-type: none"> Head of Procurement/Procurement analytics and systems lead/Scan4Safety Programme lead/Procurement Managers
		<ul style="list-style-type: none"> Key performance indicators <ul style="list-style-type: none"> Continue to develop locally reported operational key performance indicators. Updating and adapting to meet organisational needs. Dashboard to be released 19/20. 	<ul style="list-style-type: none"> Logistics Manager
	<ul style="list-style-type: none"> Continue to develop and review technology across the end to end Procurement process to ensure that we have effective systems to safeguard patient care and help deliver savings 	<ul style="list-style-type: none"> Procurement and Supply Chain solutions road map <ul style="list-style-type: none"> Create a solutions road map linking with Finance, IT and others as required. Review technology developments and update as required. Ensure this is captured and informs the Trust Digital Strategy considerations. Scan4Safety Methodology/Pathway development <ul style="list-style-type: none"> Continue to support application of S4S methodology across all areas of the Trust. Highlighting areas of concern where standards and methodology is not being considered. Supplier Credentialing <ul style="list-style-type: none"> Review the current implementation within Theatres ensuring Trust staff and suppliers are aware of the processes. Include scanning of supplier representatives from badge (Functionality available Feb 2018) Implement within other specialties or departments e.g. Estates, Medical devices within 19/20 	<ul style="list-style-type: none"> Procurement analytics and systems lead/Scan4Safety Programme Lead

	<ul style="list-style-type: none"> • Work in collaboration with the provider of the National analytics tool (PPIB) and GIRFT to input and inform move forward. 	<ul style="list-style-type: none"> • National Analytics (PPIB) <ul style="list-style-type: none"> ○ Continue to submit data monthly and regularly utilise the benchmarking information to inform analytics strategy and category approach • GIRFT <ul style="list-style-type: none"> ○ Where appropriate link with GIRFT team to link with programme of work already in place. 	<ul style="list-style-type: none"> • Procurement Managers/Procurement analytics and systems lead
	<ul style="list-style-type: none"> • Continue to develop local skills and knowledge within data analysis to enable the department to be a key support to stakeholders 	<ul style="list-style-type: none"> • Analytical knowledge and skills <ul style="list-style-type: none"> ○ Ensure analytical and data manipulation is included as part of training and development for relevant staff. ○ Continue to develop local dashboards as required building into a more formalised set of KPI's. 	<ul style="list-style-type: none"> • Procurement analytics and systems lead
	<ul style="list-style-type: none"> • In accordance with NHS eProcurement Strategy, continue to progress the adoption of common global standards; GS1 standards (for product coding, location coding and data synchronisation) and PEPPOL standards (for purchase order, shipping note and invoice messaging). 	<ul style="list-style-type: none"> • Supplier Master Data <ul style="list-style-type: none"> ○ Continue to develop and improve the quality of catalogue master data working with suppliers to reduce manual intervention in the process. • PEPPOL/E-Trading <ul style="list-style-type: none"> ○ Continue to work with Finance and suppliers to increase the uptake of electronic trading for purchase orders and Invoices. 	<ul style="list-style-type: none"> • Procurement analytics and systems lead/Scan4Safety Programme Lead

4. Systems and technology

The Trust has several solutions in place to deliver the procurement and supply chain service to the organisation, a number of which interphase with each other. An overview view of each of these is given below.

As part of the Strategy there will be an ongoing review and a long term systems development road map will be developed that will be used, where appropriate, to inform the wider Digital Strategy within the Trust. These solutions play a supporting role to processes delivered by the team; therefore, any changes are driven by the outcomes required rather than the technology.

Approaching in this way will help to ensure we will continue to target the aims in this document rather than being driven by specific providers or solutions.

Functional Area	Solution Outline
Catalogue Management	Holds all supplier master data that is required for all product lines. Links to Inventory management and Purchase to pay system.
PEPPOL Access point	Trust to supplier, machine to machine transaction integration to PEPPOL standards. E-Trading for Purchase order and Invoices
Inventory Management Solution	Solution to assist management of stock levels, track products by lot and serial number and reduce wastage. Also, to scan products at procedure level to enable traceability to the patient
Analytics	NHSI Procurement Price Index and Benchmark (PPIB) source of price benchmarking information. The Trust also has enhanced analytics with Bravo Spend Analytics at directorate level and the procurement dashboard tool for the wider STP.
E-Tender and Contracts Database	Secure solution to issue and assist with evaluation and award of tenders and quotations as well as running Supplier Relationship Management and performance management programmes with suppliers through balanced scorecards.