

## Supply Chain Inventory Management Policy (SC010)

Issue Date	Review Date	Version
September 2020	September 2025	2

### Purpose

The purpose of this Supply Chain Inventory Management Policy is to identify the relevant Standard Operating Procedures (SOP's), required to ensure robust and compliant inventory control across the Trust for areas that are controlled by Procurement & Supply Chain Management (PSCM).

### Who should read this document?

Employees within the PSCM and any other departments or teams which act as an interface with or customer of these functions.

### Key Messages

Good Inventory Management is critical to a high performing NHS Trust. Having the right stock level, of the right product, means the Trust can perform the necessary procedures, without holding unnecessary products and negatively impacting cash flow; meaning both operational and financial targets can be met.

Returning incorrectly ordered or damaged goods must be processed correctly and in a timely fashion so that the trust recovers associated financial costs.

Introducing new products into the supply chain safely and safe working practices for those who work in inventory management roles are equally important and again referred to in this policy.

### Core accountabilities

<b>Owner</b>	Head of Supply Chain Management & E-Procurement
<b>Review</b>	Finance Senior Management Team Meeting
<b>Ratification</b>	Chief Procurement Officer
<b>Dissemination (Raising Awareness)</b>	Head of Supply Chain Management & E-Procurement
<b>Compliance</b>	Records and Information Governance

### Links to other policies and procedures

Supply Chain Inventory Control SC01, Supply Chain New Product Introduction SC02, Supply Chain Product Ordering SC03, Supply Chain Product Recall and Returns SC04, Supply Chain Product Receipting SC05, Supply Chain Stock Issue SC06, Supply Chain Warehouse Health and Safety Guidance SC07

### Version History

1	March 2017	Ratified by Chief Procurement Officer and published Trust-wide
2	September 2020	Ratified by Head of Supply Chain Management & E-Procurement on behalf of CPO and published Trust-wide

*The Trust is committed to creating a fully inclusive and accessible service. Making equality and diversity an integral part of the business will enable us to enhance the services we deliver and better meet the needs of patients and staff. We will treat people with dignity and respect, promote equality and diversity and eliminate all forms of discrimination, regardless of (but not limited to) age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage/civil partnership and pregnancy/maternity.*

**An electronic version of this document is available on Trust Documents on StaffNET. Larger text, Braille and Audio versions can be made available upon request.**

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## 1 Introduction

Good supply chain management practices minimise inventory and costs of inventory ownership whilst maximising inventory availability for consumers. This policy identifies all Standard Operating Procedures (SoP's) for Pharma and Non Pharma inventory. Adherence to these SoP's by all departments involved in managing inventories is necessary to enable care for patients to be delivered whilst also complying with trust financial governance processes. .

## 2 Purpose

This Policy has a Trust wide coverage and covers all receivers, requisitioners and consumers of Trust inventory.

## 3 Definitions

- **SOP** – Standard Operating Procedure
- **SCM** – Supply Chain Manager
- **CPO** – Chief Procurement Officer
- **DoF** – Director of Finance
- **HSCEP** – Head of Supply Chain & E-Procurement
- **SCTL** – Supply Chain Team Leader
- **SCT** – Supply Chain Team
- **RCA** – Root Cause Analysis
- **SSCM** – Senior Supply Chain Management
- **PPM** – Pharmacy Procurement Manager

## 4 Duties

It is the responsibility of the Head of Supply Chain & e-Procurement (HSCEP) to manage the non-pharma supply chain in line with this policy and escalate any problems to the Chief Procurement Officer (CPO).

## 5 Main Body of Policy

The SOP's that fall under this policy are as follows:

### 5.1 Supply Chain Inventory Control SC01

Describes identify the key activities in managing inventory throughout the Trust.

### 5.2 Supply Chain New Product Introduction SC02

Describes the key activities in managing products throughout its lifecycle, including;

1. New Product Introduction
2. Product Obsolescence

### 5.3 Supply Chain Product Ordering SC03

Describes the key activities in ordering goods.

### 5.4 Supply Chain Product Recall and Returns SC04

Describes the key activities in managing Product Recalls and Returns.

In the case of Product Recalls, this is related to what happens once the Trust is informed by a Supplier or Regulating Body that a Product Recall is necessary. This does not cover what to do in the event of discovering a product defect.

#### 5.5 Supply Chain Product Receipting SC05

Describes the key activities in receipting goods into and around the Trust.

#### 5.6 Supply Chain Stock Issue SC06

Describes the key activities in issuing stock from Store Locations.

#### 5.7 Supply Chain Warehouse Health and Safety Guidance SC07

Describes the key activities in ensuring the safety of employees operating in and around the warehouse, including the following activities:

1. Slips, trips and falls
2. Manual handling
3. Mechanical handling
4. Pallet movement and storage
5. Racking
6. Harmful substances
7. Reporting of incidents
8. PPE – Personal Protective Equipment

## **6 Overall Responsibility for the Document**

It is the responsibility of the CPO or designate to develop, implement and review this policy.

## **7 Consultation and Ratification**

The design and process of review and revision of this policy will comply with The Development and Management of Formal Documents.

The review period for this document is set as default of five years from the date it was last ratified, or earlier if developments within or external to the Trust indicate the need for a significant revision to the procedures described.

This document will be reviewed by the Finance Senior Management Team Meeting and ratified by the Director of Finance.

Non-significant amendments to this document may be made, under delegated authority from the Director of Finance, by the nominated owner. These must be ratified by the Director of Finance.

Significant reviews and revisions to this document will include a consultation with named groups, or grades across the Trust. For non-significant amendments, informal consultation will be restricted to named groups, or grades who are directly affected by the proposed changes.

## **8 Dissemination and Implementation**

Following approval and ratification, this policy will be published in the Trust's formal documents library and all staff will be notified through the Trust's normal notification process.

Document control arrangements will be in accordance with The Development and Management of Formal Documents.

The document owner will be responsible for agreeing the training requirements associated with the newly ratified document with the named Director of Finance and for working with the Trust's training function, if required, to arrange for the required training to be delivered.

## **9 Monitoring Compliance and Effectiveness**

Adherence to the specified SOP's will be monitored by set periodic audits. Any non-conformance will be documented and a root cause analysis performed. Two or more instances of any non-conformance will be reported to the CPO for non-Pharmacy supply chain or the Associate Director of Pharmacy for Pharma supply chain.

Monitoring and auditing of the SOP's under this policy will be performed by the SCM for the main warehouse and trust stores areas and by the Pharmacy Procurement Manager (PPM) for the Pharmacy area.

Monitoring of the SOP's will be performed on an annual basis and the results and any non-conformances will be reported in the minutes of the Supply Chain monthly meeting minutes for non-Pharmacy areas and in the (current Pharmacy monthly meeting?) for Pharmacy areas.

The minutes and actions resulting from the monthly meetings will dictate how non-conformance or amendments to the current documented processes are managed.

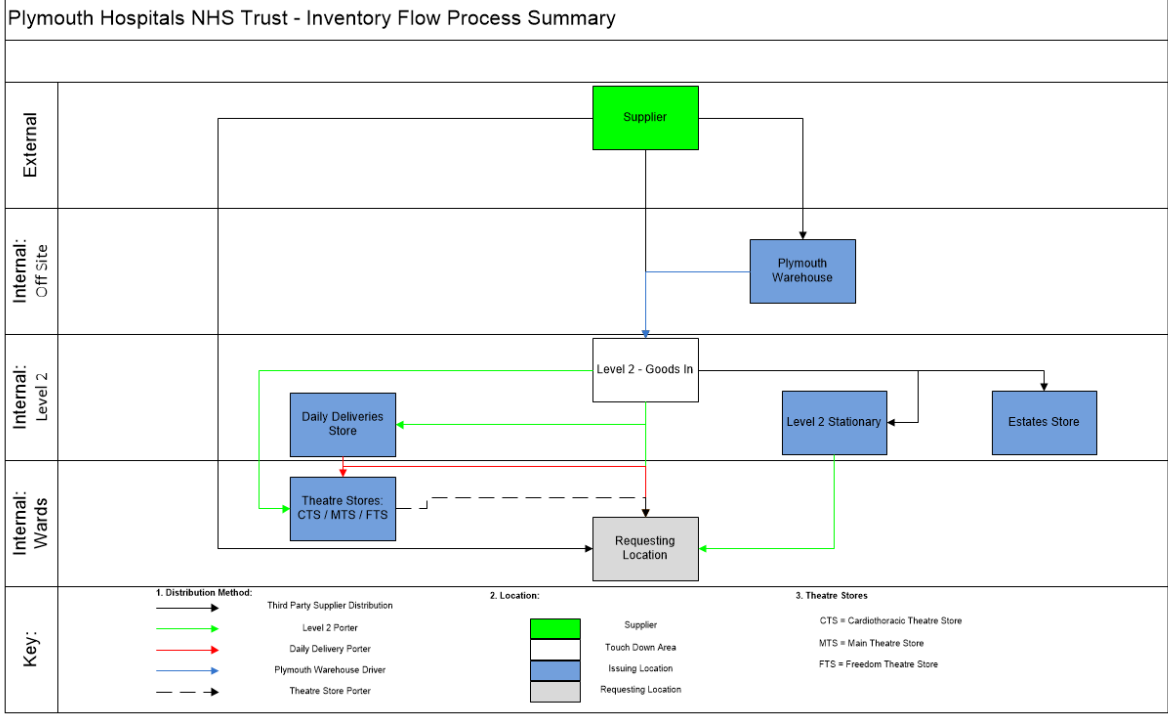
## **10 References and Associated Documentation**

The processes and resultant SOP's related to this policy are based on industry best practice.

References to Health and Safety in warehouse areas are in accordance with the guidance issued by the Health and Safety Executive.

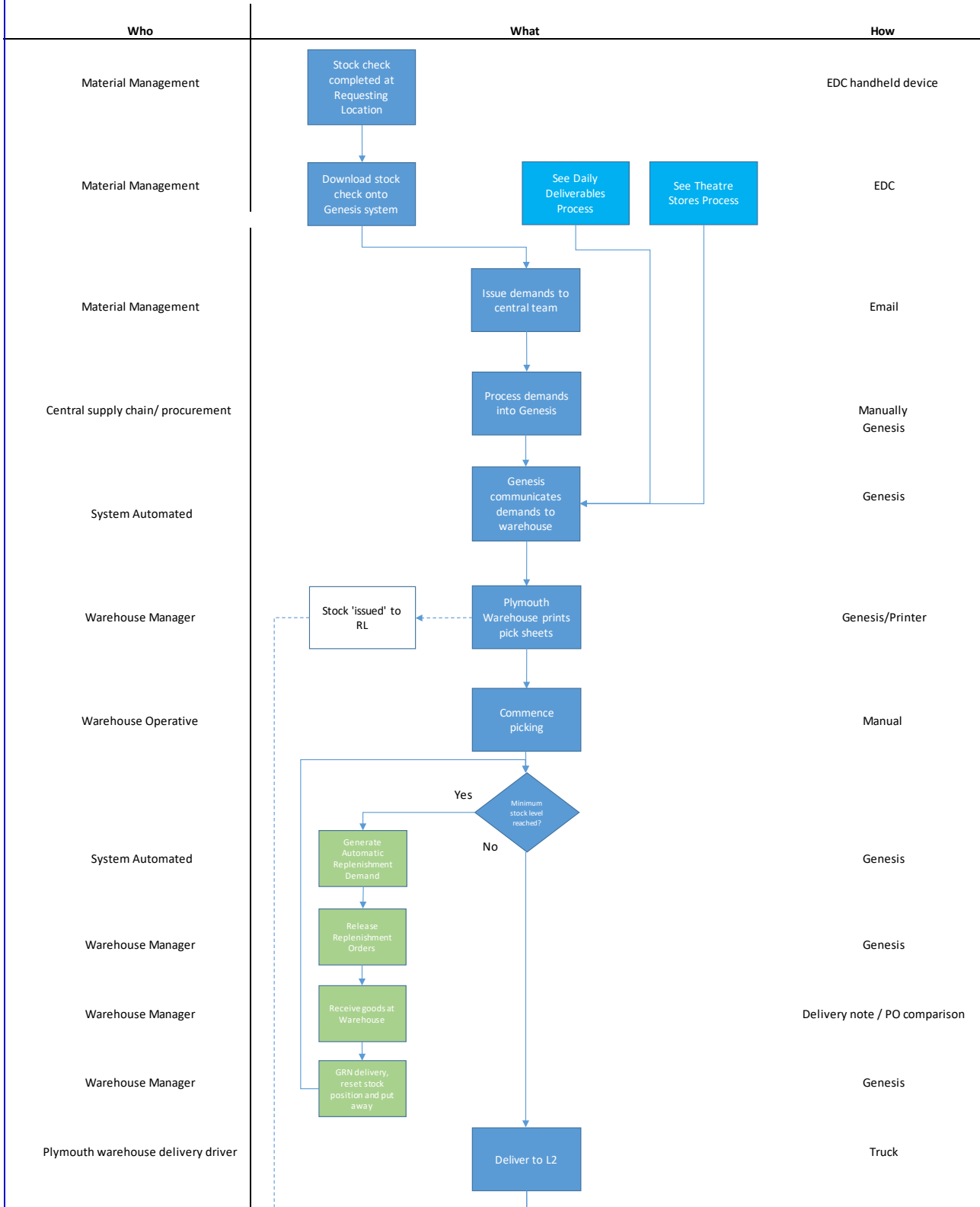
SOP's related to Pharmacy are in line with – NICE guidelines

### **10.1 Summary Inventory Flow**

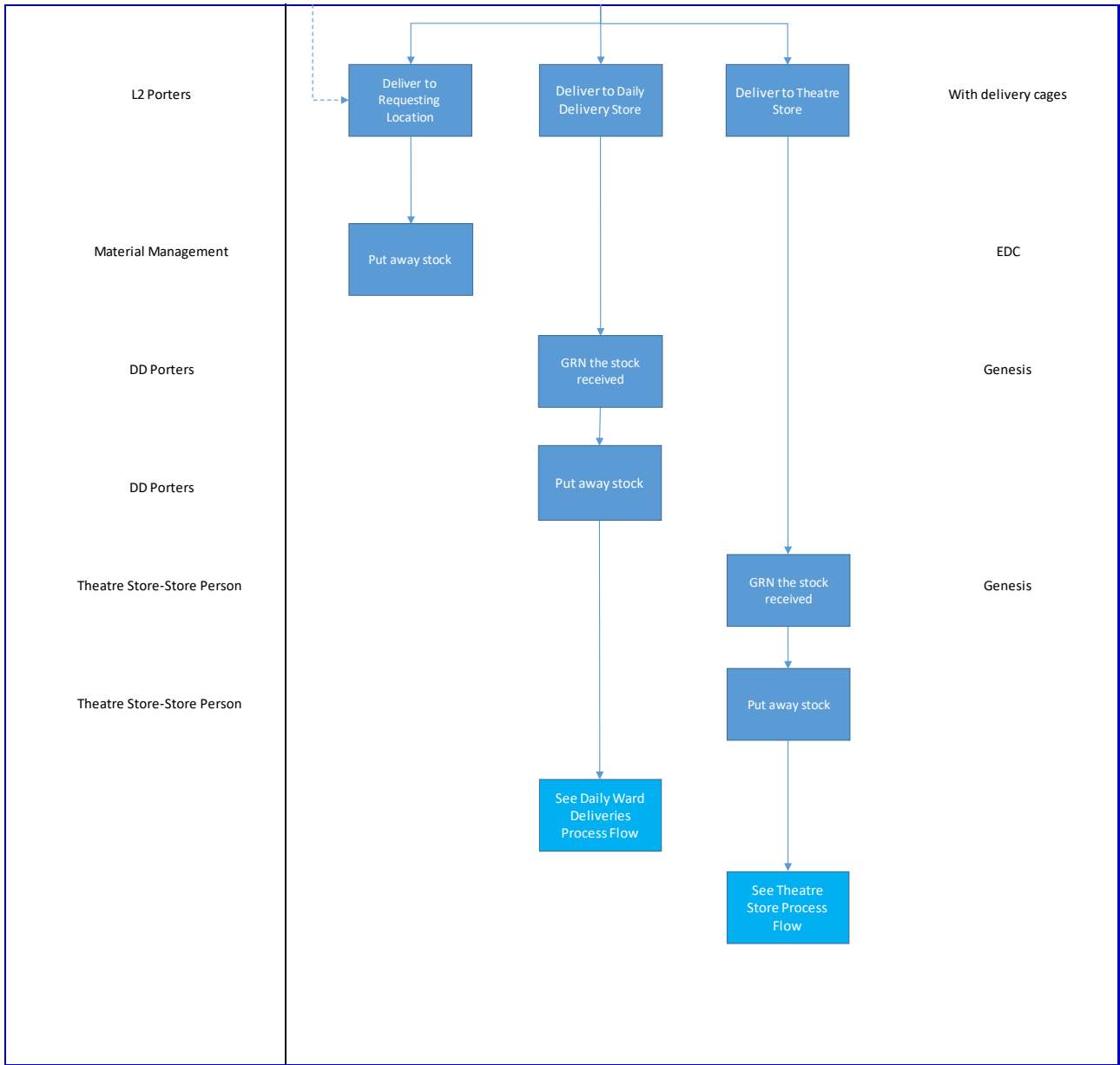


## 10.2 Plymouth Warehouse – Inventory Process Flow

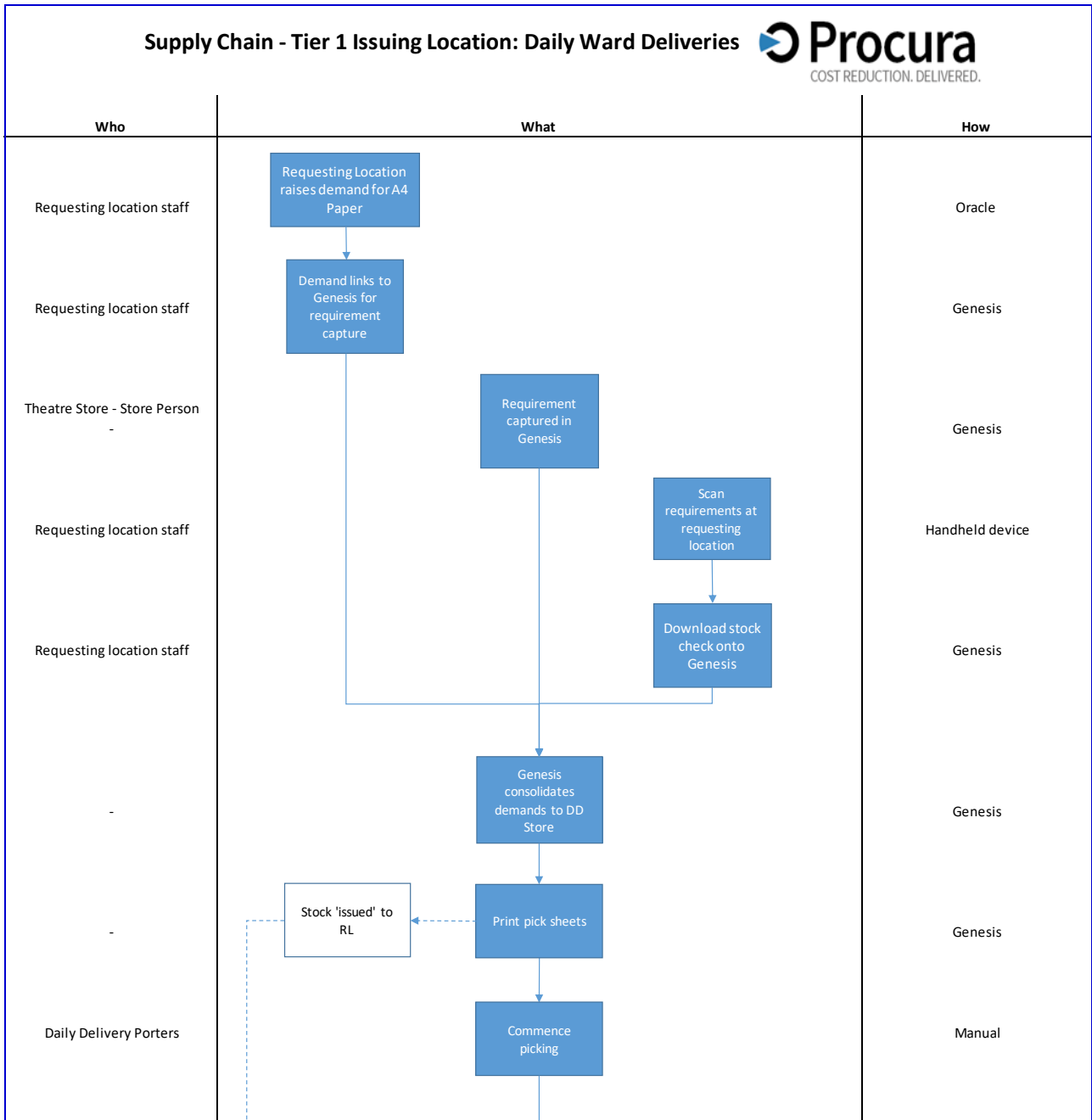
# Supply Chain - Tier 1 Issuing Location Plymouth Warehouse

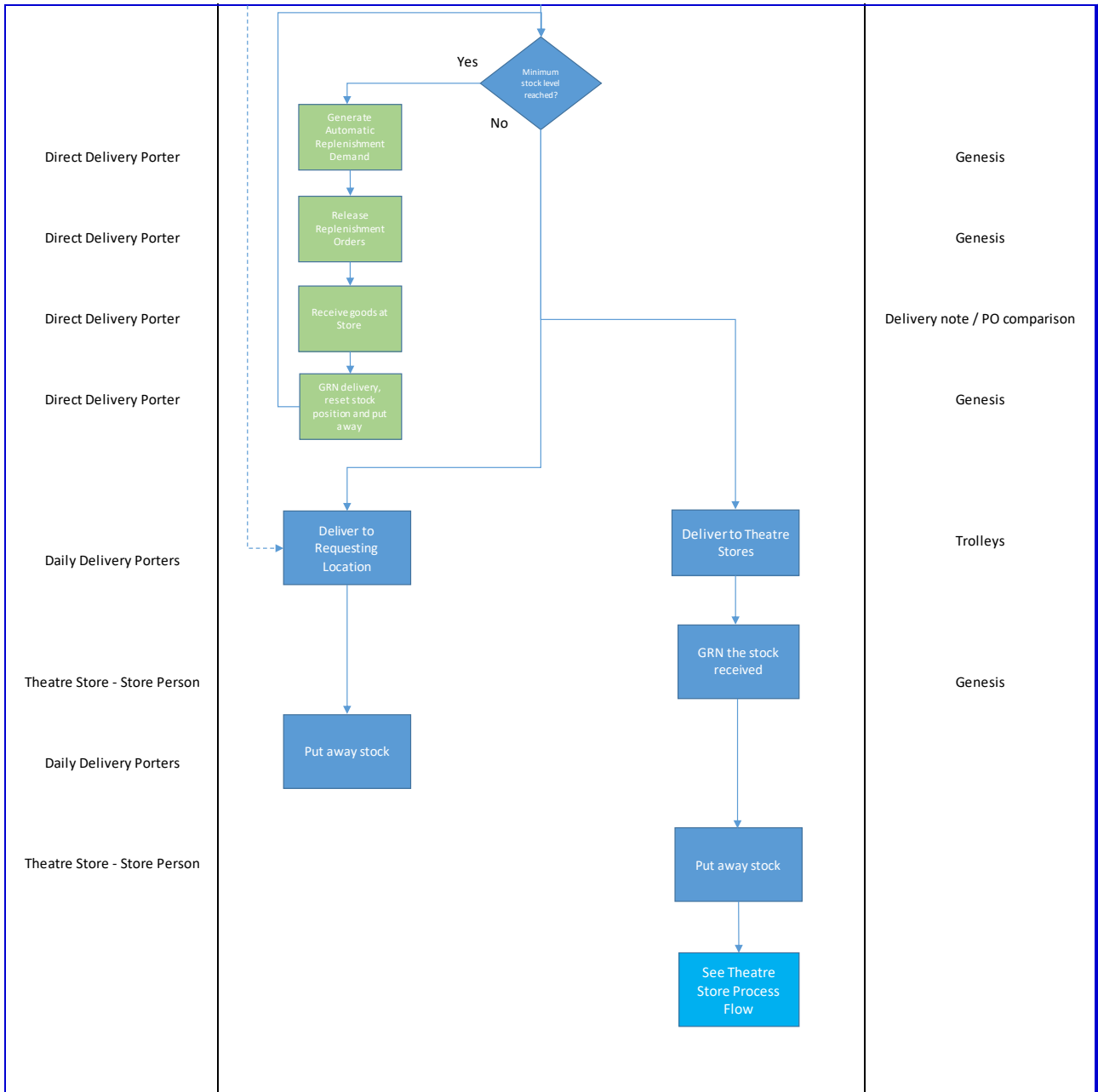




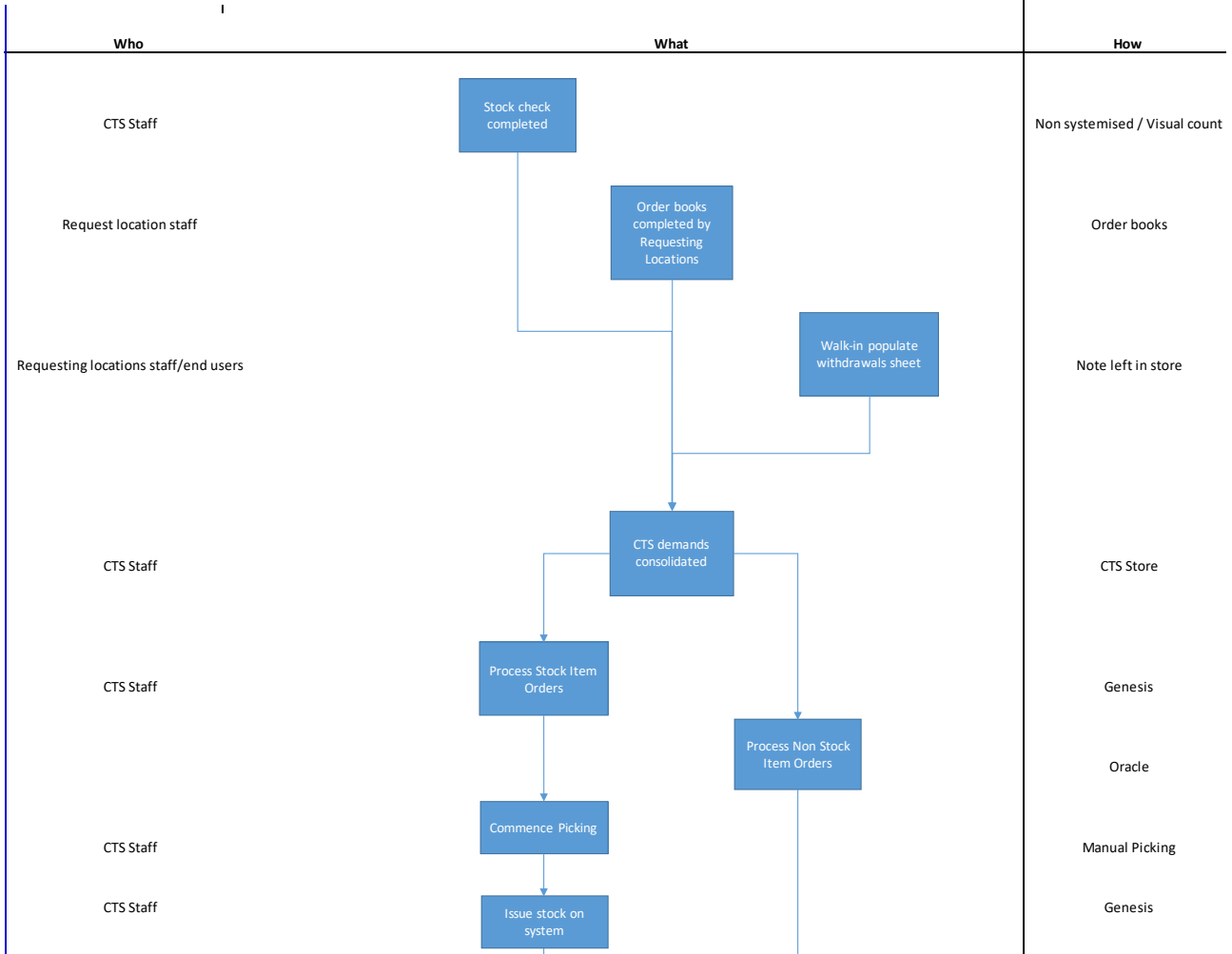


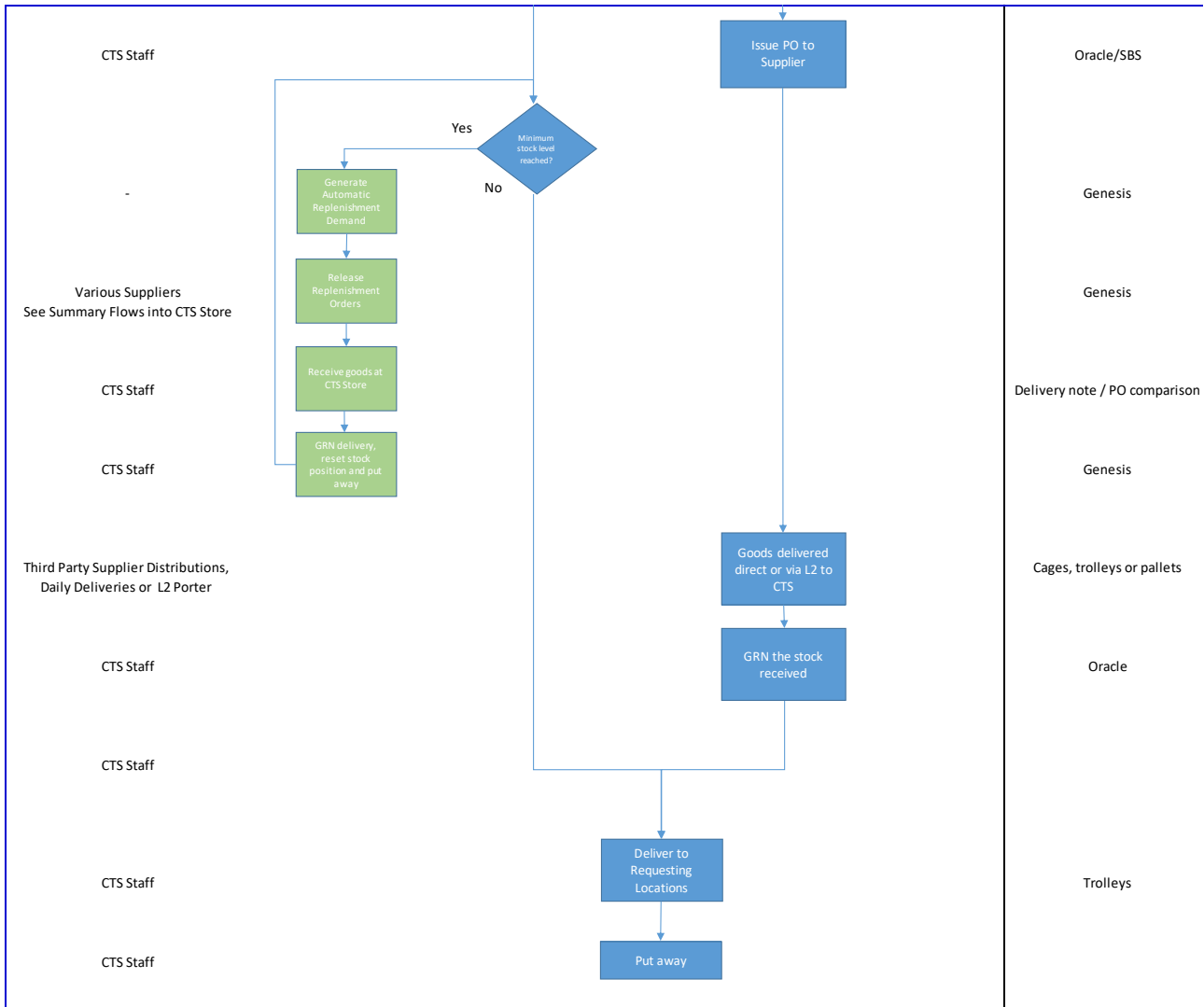
### 10.3 Daily Ward Deliveries – Inventory Process Flow





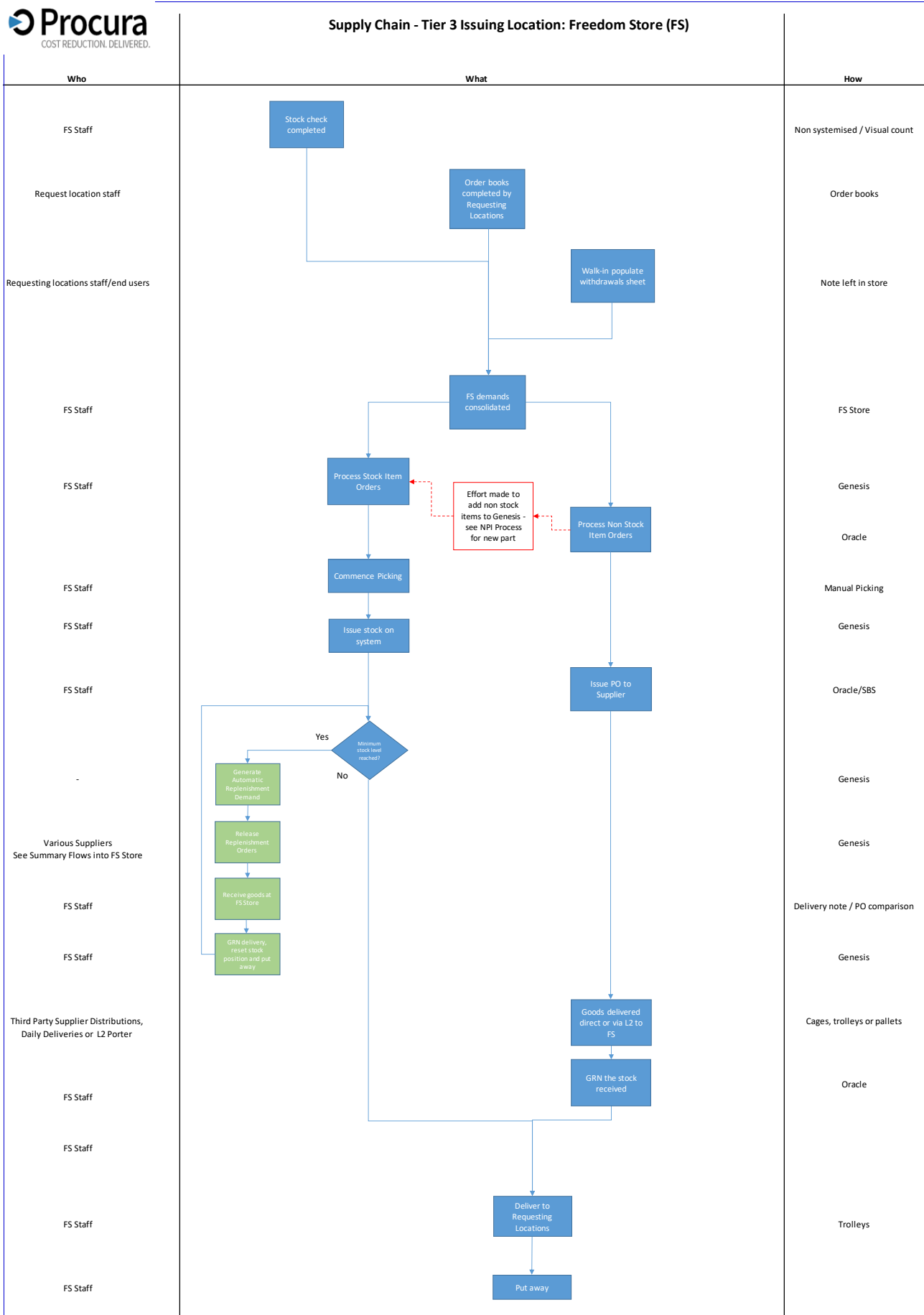
**10.3 Cardiothoracic Theatre Store – Inventory Process Flow**





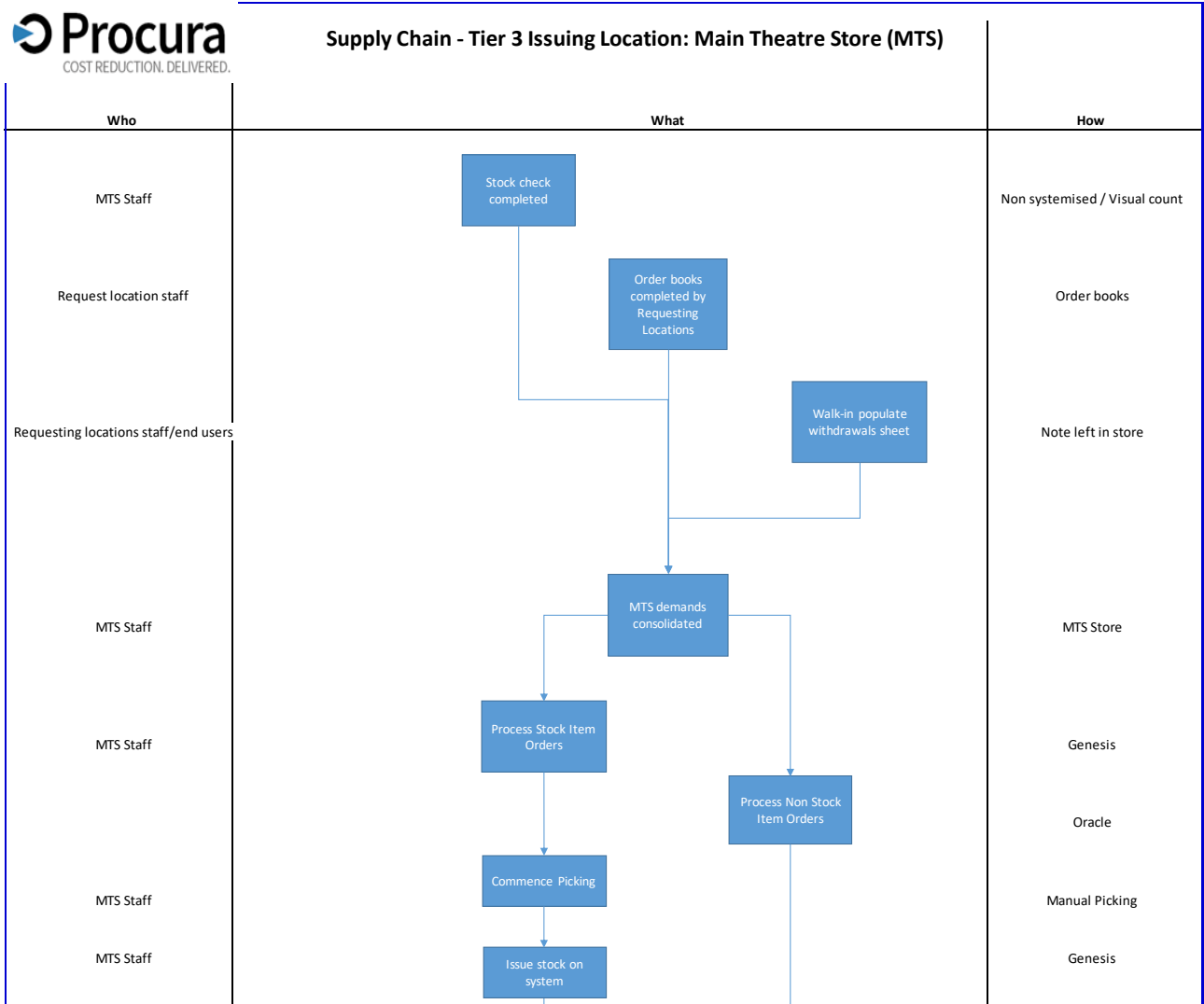
#### 10.4 Freedom Theatre Store – Inventory Process Flow

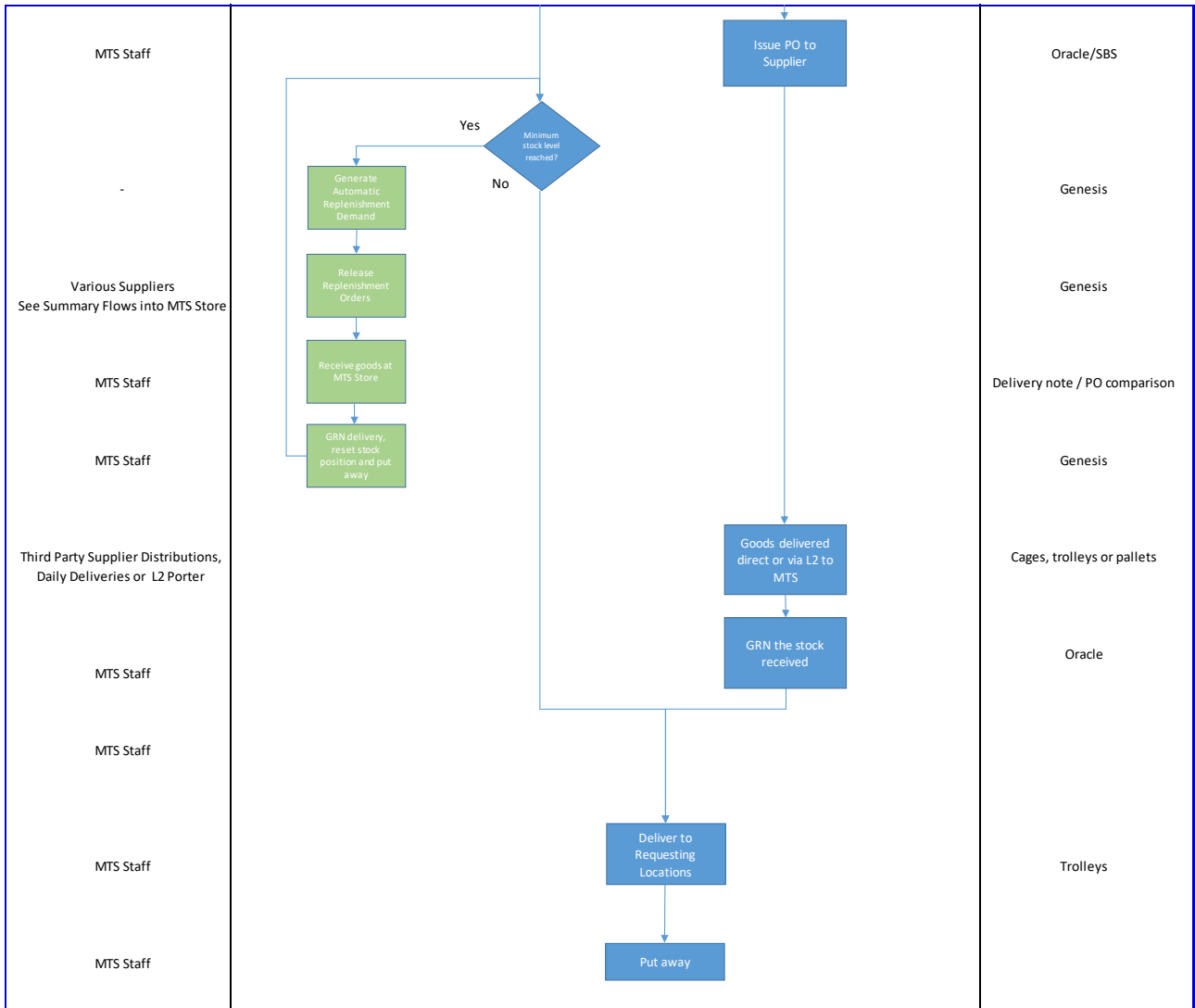
**Supply Chain - Tier 3 Issuing Location: Freedom Store (FS)**



**10.5 Main Theatre Store – Inventory Process Flow**

**Supply Chain - Tier 3 Issuing Location: Main Theatre Store (MTS)**



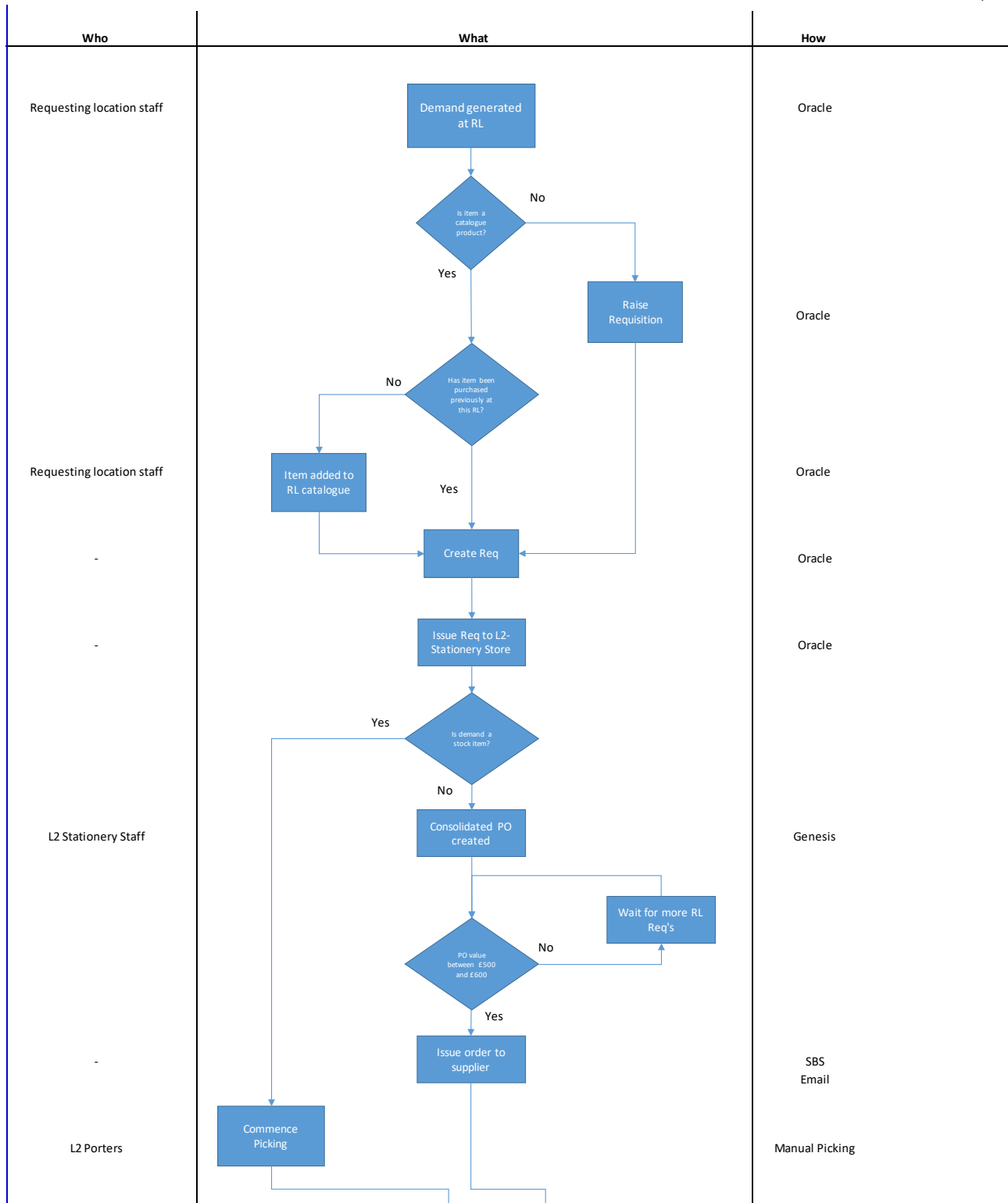


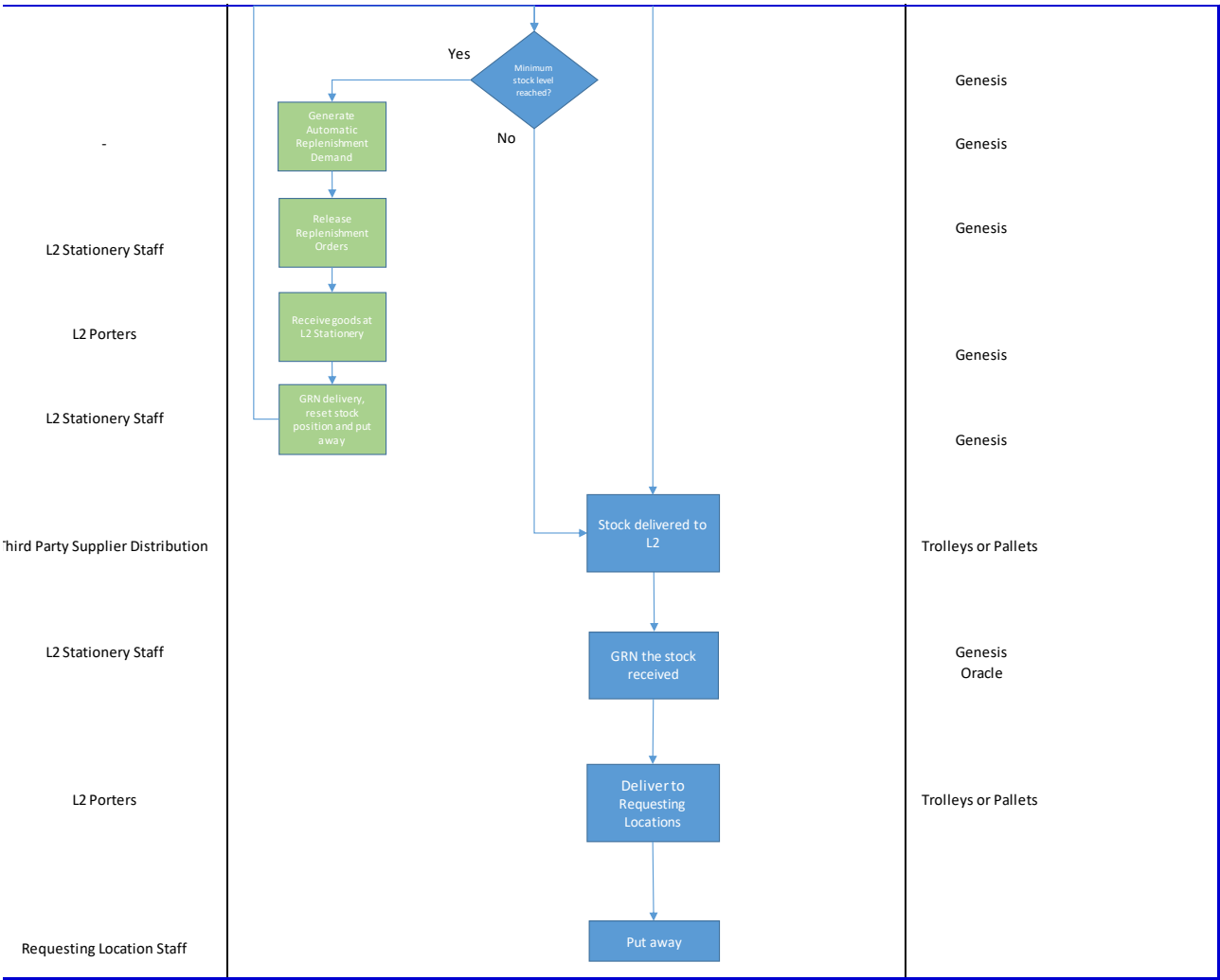


# 10.6 L2 – Stationery Store – Inventory Process Flow



## Supply Chain - Tier 1 Issuing Location: L2 Stationery

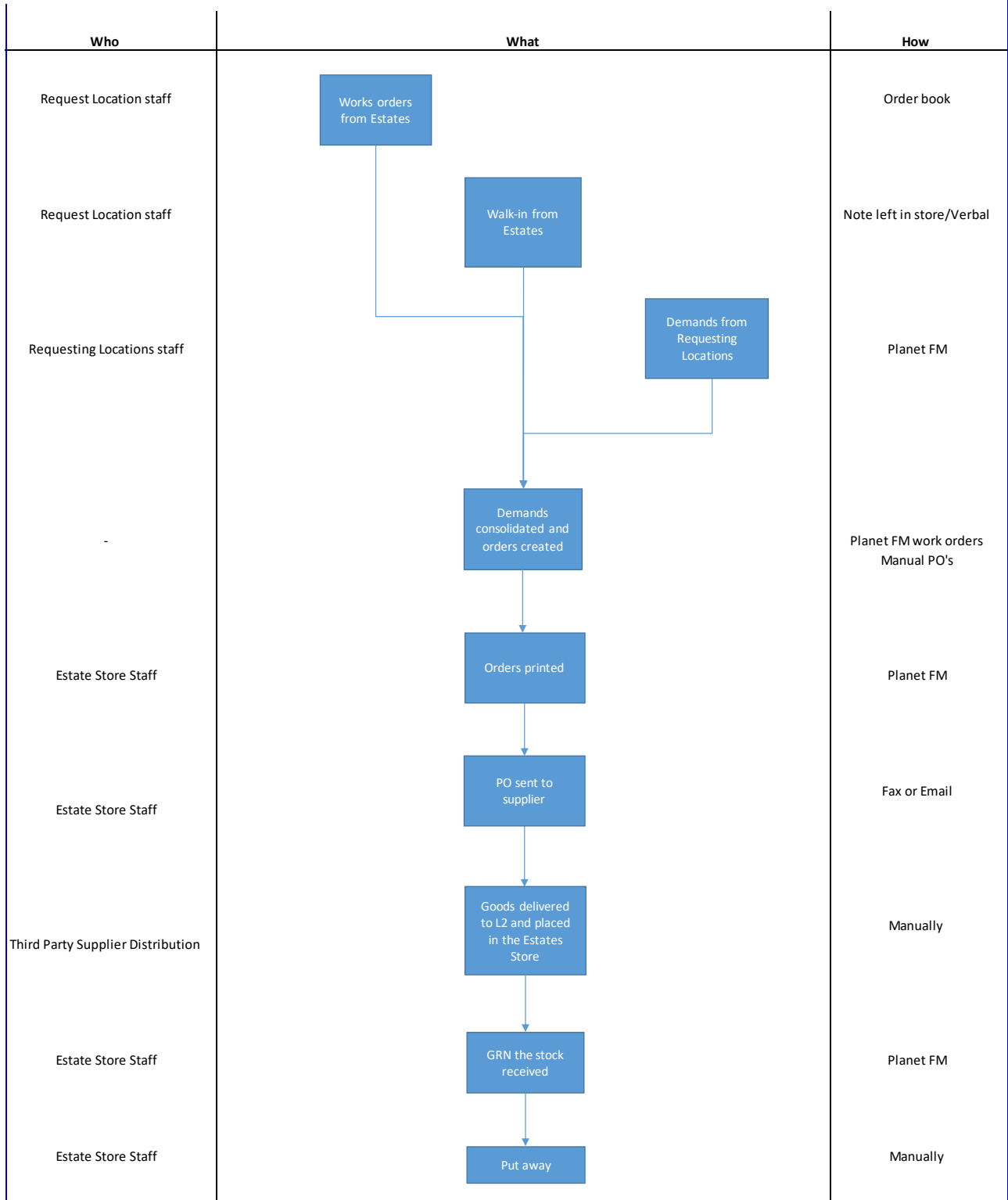




10.7 L2 – Estates Store – Inventory Process Flow



Supply Chain - Tier 1 Issuing Location: Estate Store



Dissemination Plan			
<b>Document Title</b>	Supply Chain Inventory Management Policy (SC010)		
<b>Date Finalised</b>	21 <sup>st</sup> March 2017		
Previous Documents			
<b>Action to retrieve old copies</b>	N/A		
Dissemination Plan			
Recipient(s)	When	How	Responsibility
All Trust staff		IG StaffNet Page	Information Governance Team

Review Checklist		
<b>Title</b>	Is the title clear and unambiguous?	✓
	Is it clear whether the document is a policy, procedure, protocol, framework, APN or SOP?	✓
	Does the style & format comply?	✓
<b>Rationale</b>	Are reasons for development of the document stated?	✓
<b>Development Process</b>	Is the method described in brief?	✓
	Are people involved in the development identified?	✓
	Has a reasonable attempt has been made to ensure relevant expertise has been used?	✓
	Is there evidence of consultation with stakeholders and users?	✓
<b>Content</b>	Is the objective of the document clear?	✓
	Is the target population clear and unambiguous?	✓
	Are the intended outcomes described?	✓
	Are the statements clear and unambiguous?	✓

<b>Evidence Base</b>	Is the type of evidence to support the document identified explicitly?	✓
	Are key references cited and in full?	✓
	Are supporting documents referenced?	✓
<b>Approval</b>	Does the document identify which committee/group will review it?	✓
	If appropriate have the joint Human Resources/staff side committee (or equivalent) approved the document?	✓
	Does the document identify which Executive Director will ratify it?	✓
<b>Dissemination &amp; Implementation</b>	Is there an outline/plan to identify how this will be done?	✓
	Does the plan include the necessary training/support to ensure compliance?	✓
<b>Document Control</b>	Does the document identify where it will be held?	✓
	Have archiving arrangements for superseded documents been addressed?	✓
<b>Monitoring Compliance &amp; Effectiveness</b>	Are there measurable standards or KPIs to support the monitoring of compliance with and effectiveness of the document?	✓
	Is there a plan to review or audit compliance with the document?	✓
<b>Review Date</b>	Is the review date identified?	✓
	Is the frequency of review identified? If so is it acceptable?	✓
<b>Overall Responsibility</b>	Is it clear who will be responsible for co-ordinating the dissemination, implementation and review of the document?	✓

<b>Core Information</b>	
<b>Date</b>	21/03/2017
<b>Title</b>	Supply Chain Inventory Management Policy (SC010)
<b>What are the aims, objectives &amp; projected outcomes?</b>	To support process standardisation Identify process owners and support improve communication Capture current state processes, to support Scan 4 Safety opportunities for improvement
<b>Scope of the assessment</b>	
The purpose of this Supply Chain Inventory Management Policy is to identify the relevant Standard Operating Procedures (SOP's), required to ensure robust and compliant inventory control across the Trust for areas that are controlled by Procurement & Supply Chain Management (PSCM) and Pharmacy personnel	
<b>Collecting data</b>	
<b>Race</b>	Varied – Equal opportunities employer
<b>Religion</b>	Varied – Equal opportunities employer
<b>Disability</b>	Varied – Equal opportunities employer
<b>Sex</b>	Varied – Equal opportunities employer
<b>Gender Identity</b>	Varied – Equal opportunities employer
<b>Sexual Orientation</b>	Varied – Equal opportunities employer
<b>Age</b>	Varied – Equal opportunities employer
<b>Socio-Economic</b>	Varied – Equal opportunities employer
<b>Human Rights</b>	Varied – Equal opportunities employer
<b>What are the overall trends/patterns in the above data?</b>	Not applicable
<b>Specific issues and data gaps that may need to be addressed through consultation or further research</b>	Not applicable

<b>Involving and consulting stakeholders</b>				
<b>Internal involvement and consultation</b>	Internal process partner consultation has taken place via 1:1 discussions with process partners			
<b>External involvement and consultation</b>	Internal process partner consultation has taken place via 1:1 discussions with process partners			
<b>Impact Assessment</b>				
<b>Overall assessment and analysis of the evidence</b>				
<b>Action Plan</b>				
<b>Action</b>	<b>Owner</b>	<b>Risks</b>	<b>Completion Date</b>	<b>Progress update</b>