

**Supply Chain Inventory Management Policy (SC010)**

Date	Version
16/09/16	1

**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) and Pharmacy personnel.

**Who should read this document?**

Employees within the PSCM or Pharmacy function 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.

**Accountabilities**

<b>Production</b>	Head of Supply Chain Management & E-Procurement
<b>Review and approval</b>	Scan4Safety GTIN/P2P Project Board
<b>Ratification</b>	Chief Procurement Officer
<b>Dissemination</b>	Head of Supply Chain Management & E-Procurement
<b>Compliance</b>	Records and Information Governance

**Links to other policies and procedures**Non-Pharmacy

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

Pharmacy

S01 Ordering, S03 Receipt, Do5 Expiry Date Checking, S06 Invoicing, S07 Credit Handling, S08 Outstanding Orders, S13 Stock Control, S32 Managing the Supply Chain, G09 Medicine Recall and Drug Alert Procedure.

**Version History**

1	21 <sup>st</sup> March 2017	Ratified by Chief Procurement Officer and published Trust-wide
<b>Last Approval</b>		<b>Due for Review</b>
		21 <sup>st</sup> March 2020

*The Trust is committed to creating a fully inclusive and accessible service. By making equality and diversity an integral part of the business, it 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.  
Larger text, Braille and Audio versions can be made available upon request.**

<b>Section</b>	<b>Description</b>	<b>Page</b>
1	Introduction	4
2	Purpose, including legal or regulatory background	4
3	Definitions	4
4	Duties	4
5	Key elements (determined from guidance, templates, exemplars etc)	4
6	Overall Responsibility for the Document	6
7	Consultation and ratification	6
8	Dissemination and Implementation	7
9	Monitoring Compliance and Effectiveness	7
10	References and Associated Documentation	7
Appendix 1	Dissemination Plan	17
Appendix 2	Review and Approval Checklist	18
Appendix 3	Equality Impact Assessment	19

## 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, including legal or regulatory background

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

For Non Pharma Inventory - 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 either the Chief Procurement Officer (CPO).

For Pharma Inventory it is the responsibility of the Associate Director of Pharmacy to manage the Pharma supply chain in line with this policy and escalate any problems to the Chief Pharmacist

## 5 Key elements (determined from guidance, templates, exemplars etc)

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

### **Non-Pharmacy areas:**

#### 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

## **Pharmacy**

### 5.8 S01 Ordering

This procedure covers all aspects of ordering goods, and covers all stores, within the Pharmacy system.

### 5.9 S03 Receipt

This procedure covers the entering of goods onto the Pharmacy computer system for all stores; Central 442, Tech Services 444, and Pallet 445.

### 5.10 Do5 Expiry Date Checking

This procedure covers the process around expiry date checking which must be completed monthly to ensure stock does not leave the department unfit for its intended use.

### 5.11 S06 Invoicing

This procedure provides a guide on how to process Invoices through the Pharmacy system and how the data is passed to Shared Business Services for payment.

### 5.12 S07 Credit Handling

This procedure provides a method of how to process financial credits owed to Pharmacy via the Pharmacy computer system or via a 'Manual Batch'.

### 5.13 S08 Outstanding Orders

This procedure covers the process within Pharmacy to closely monitor the status of all outstanding orders and review the quantity of items on to-follow to ensure that the required goods have been ordered in a timely manner.

### 5.14 S13 Stock Control

This procedure covers the Stock control process which aims to determine the most effective stock level for each item held in Pharmacy and to drive actual stock levels towards the optimum.

### 5.15 S32 Managing the Supply Chain

This procedure demonstrates the processes in place for managing the supply chain to ensure consistent and economical supply of medicines, eliminate out of stocks and the management of off contract claims.

### 5.16 G09 Medicine Recall and Drug Alert Procedure

This procedure defines the process for dealing with the Medicines Recall and Drug Alerts reported to the Pharmacy.

## **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 Trust Wide Documents.

The review period for this document is set as three 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 approved and ratified by the CPO.

Non-significant amendments to this document may be made, under delegated authority from the CPO, by the nominated author.

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, currently the 'Vital Signs' electronic newsletter.

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

The document author(s) will be responsible for agreeing the training requirements associated with the newly ratified document.

## 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 a bi-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.

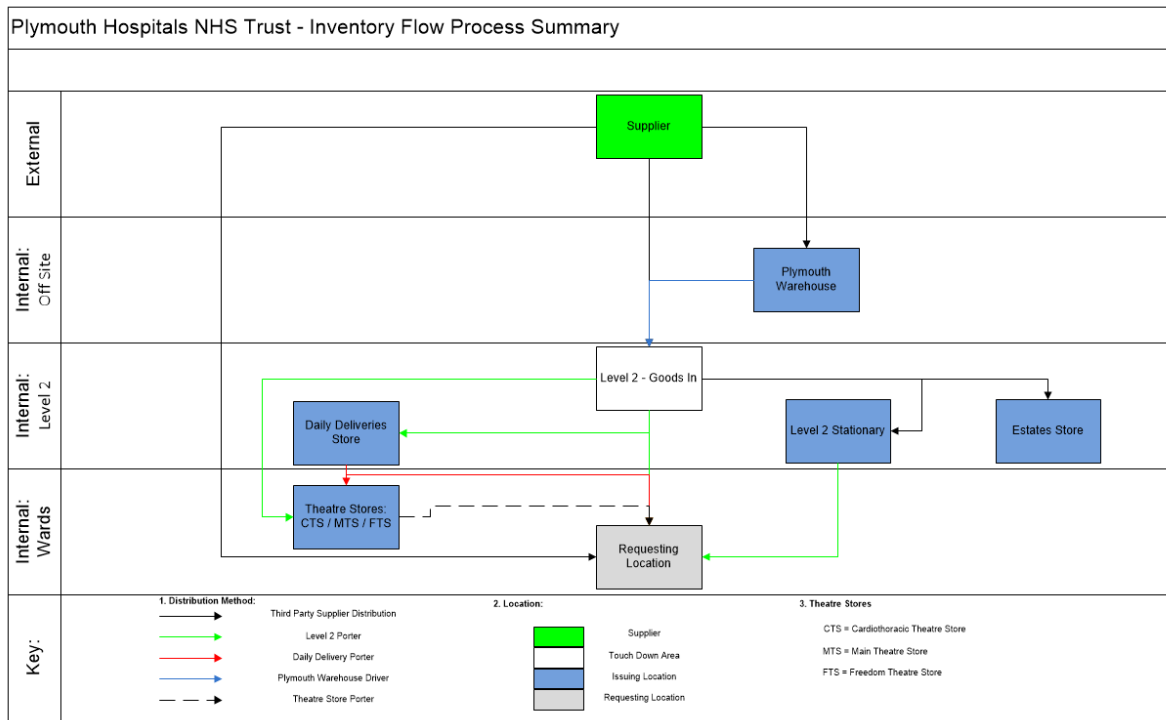
## 10 References and Associated Documentation

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.

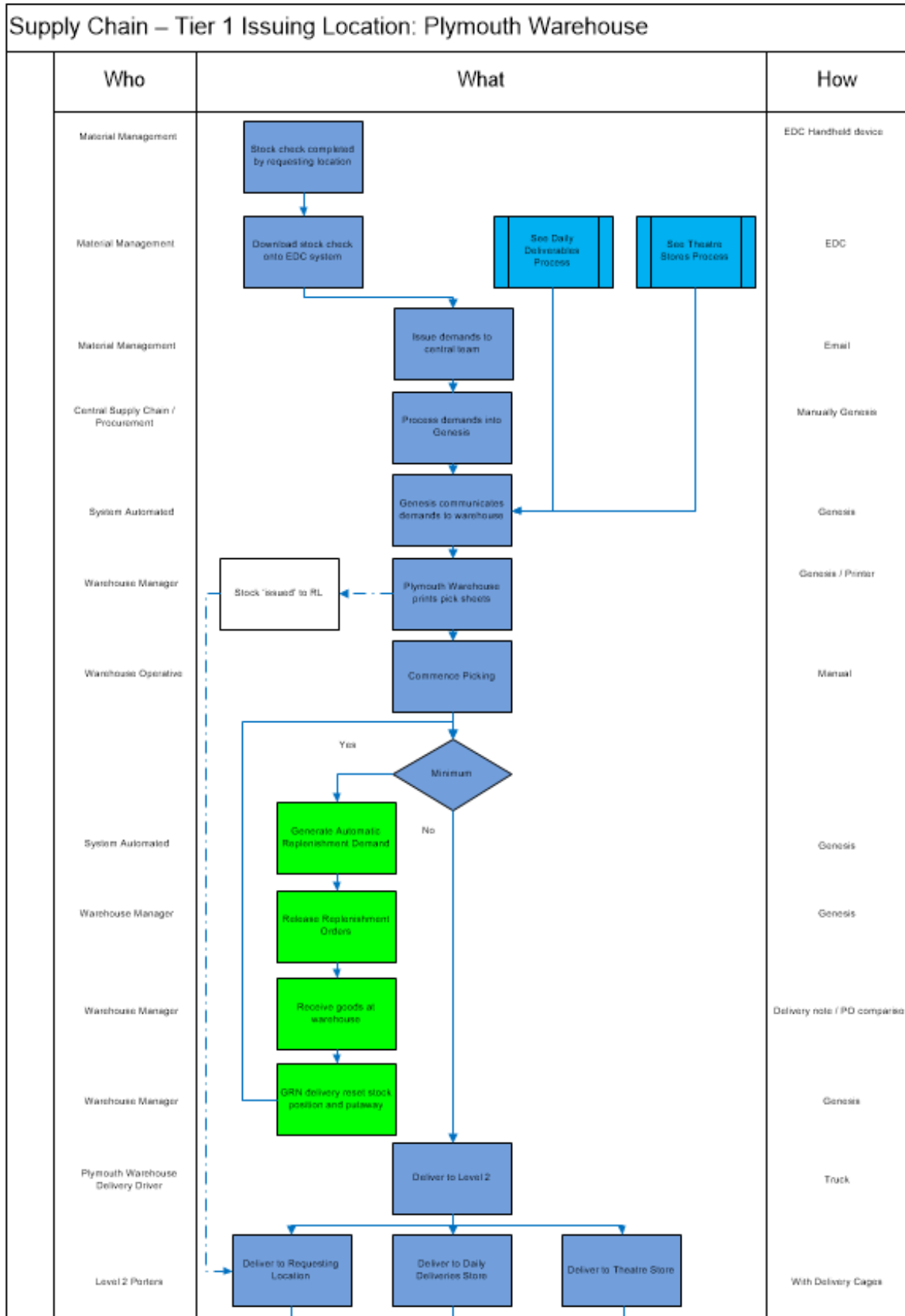
SOP's related to Pharmacy are in line with – NICE guidelines

## 10.1 Summary Inventory Flow


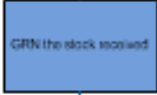

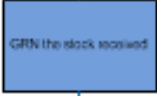







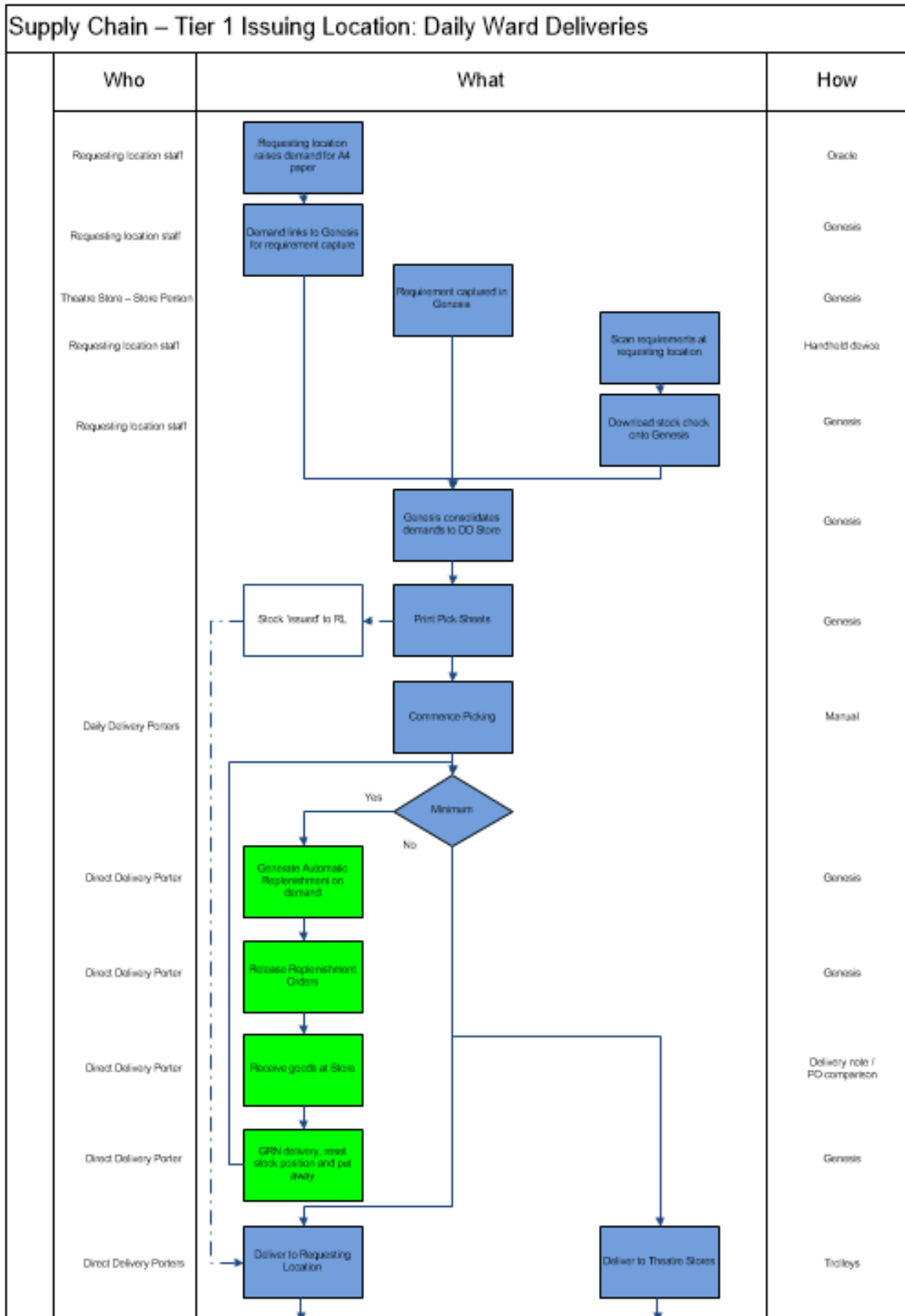
## 10.2 Plymouth Warehouse – Inventory Process Flow



Supply Chain – Tier 1 Issuing Location Plymouth Warehouse (Continued...)

Who	What	How
Level 2 Porters		With Delivery Cages
DD Porters		EDC
DD Porters		Genesis
Theatre Store - Store Person		
Level 2 Porters		Genesis
		
		

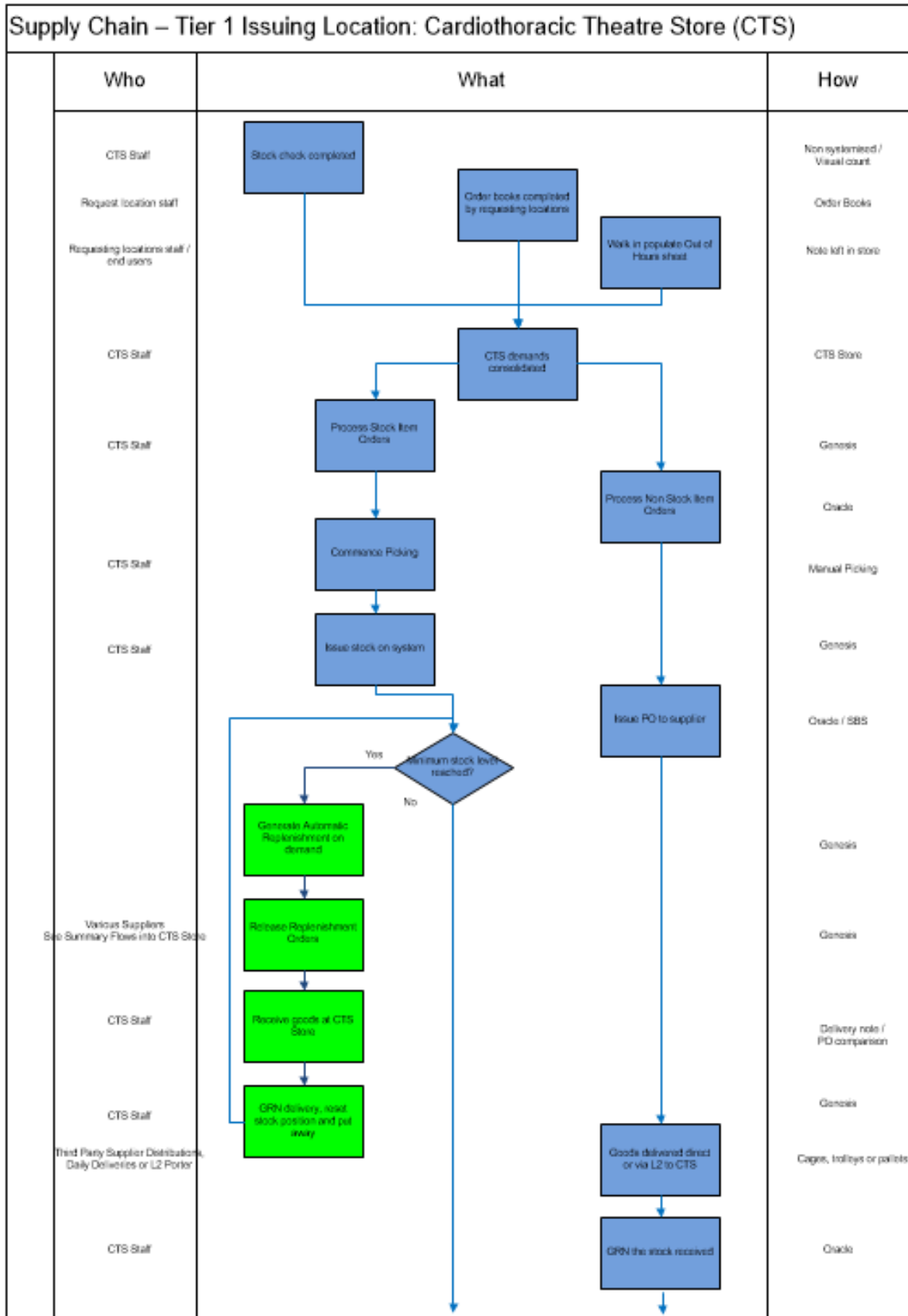
### 10.3 Daily Ward Deliveries – Inventory Process Flow



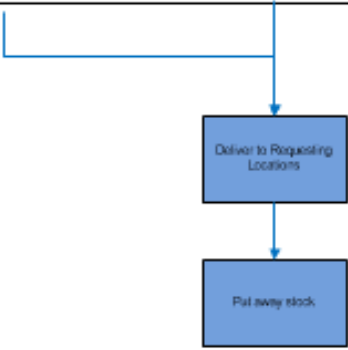
Supply Chain – Tier 1 Issuing Location: Daily Ward (Continued...)

Who	What	How
<p>Theatre Store - Store Person</p> <p>Daily Delivery Porters</p> <p>Theatre Store - Store Person</p>	<pre> graph TD     A[GRN the stock received] --&gt; B[Put away stock]     C[Put away stock] --&gt; B     B --&gt; D[See Theatre Store Process Flow]             </pre>	<p>Genesis</p>

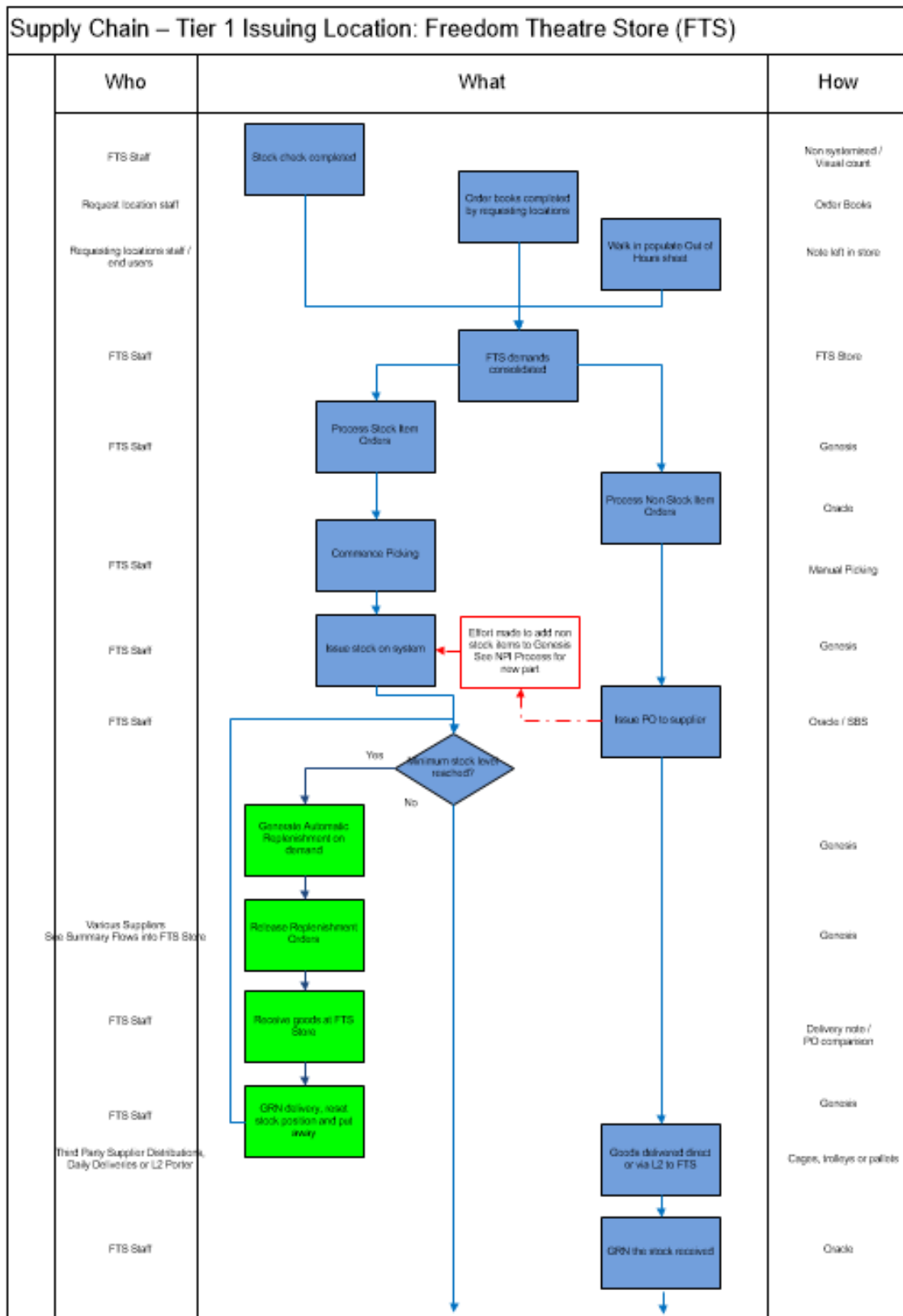
### 10.3 Cardiothoracic Theatre Store – Inventory Process Flow



Supply Chain – Tier 1 Issuing Location: Cardiothoracic Theatre Store (Continued...)

Who	What	How
CTS Staff	 <pre> graph TD     A[ ] --&gt; B[Deliver to Requesting Locations]     B --&gt; C[Put away stock]             </pre>	Trolleys
CTS Staff		

## 10.4 Freedom Theatre Store – Inventory Process Flow

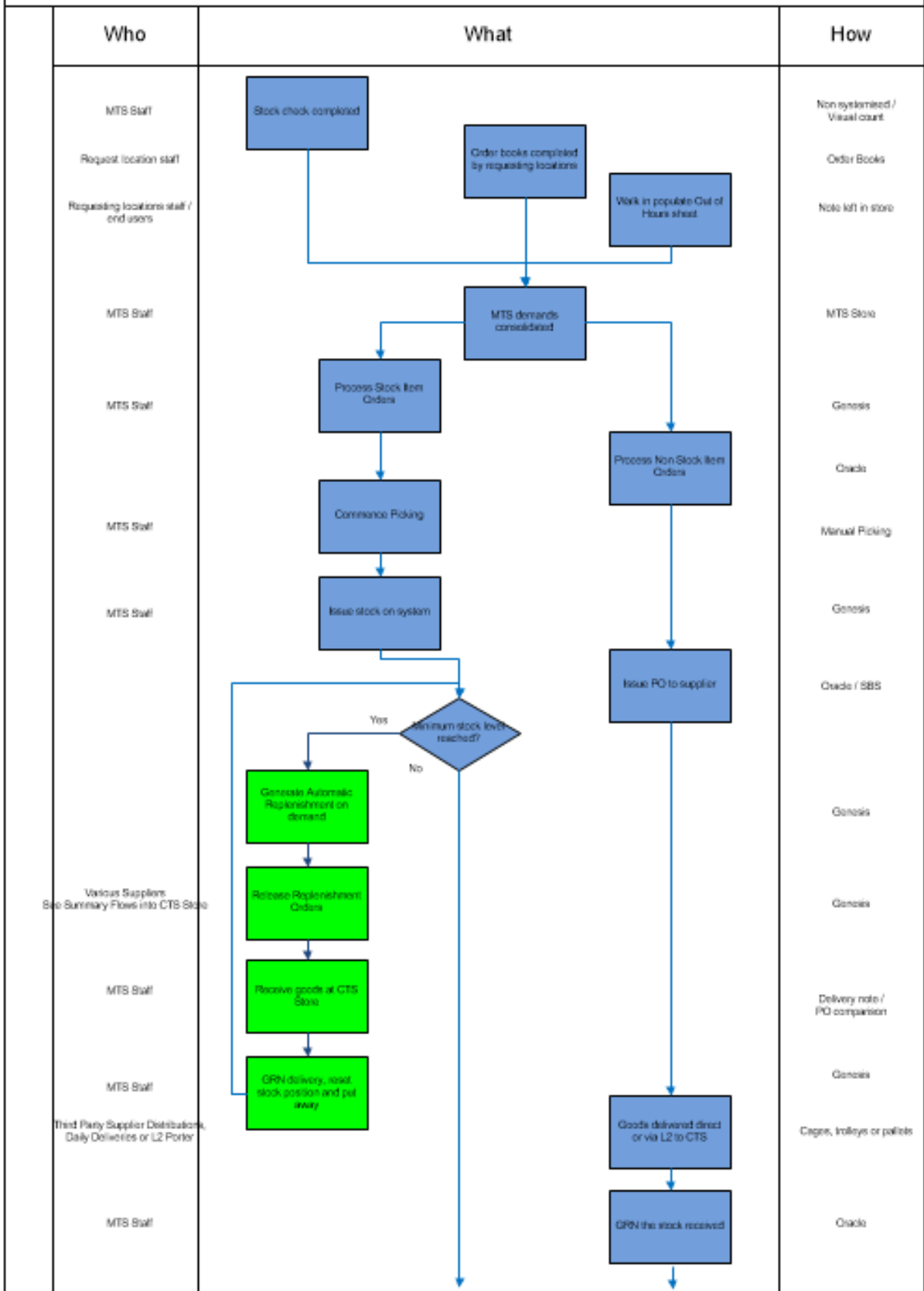


Supply Chain – Tier 1 Issuing Location: Freedom Theatre Store (Continued...)			
Who	What		How
FTS Staff	<pre> graph TD     A[Deliver to Requesting Locations] --&gt; B[Put away stock]           </pre>		Trolleys
FTS Staff			

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

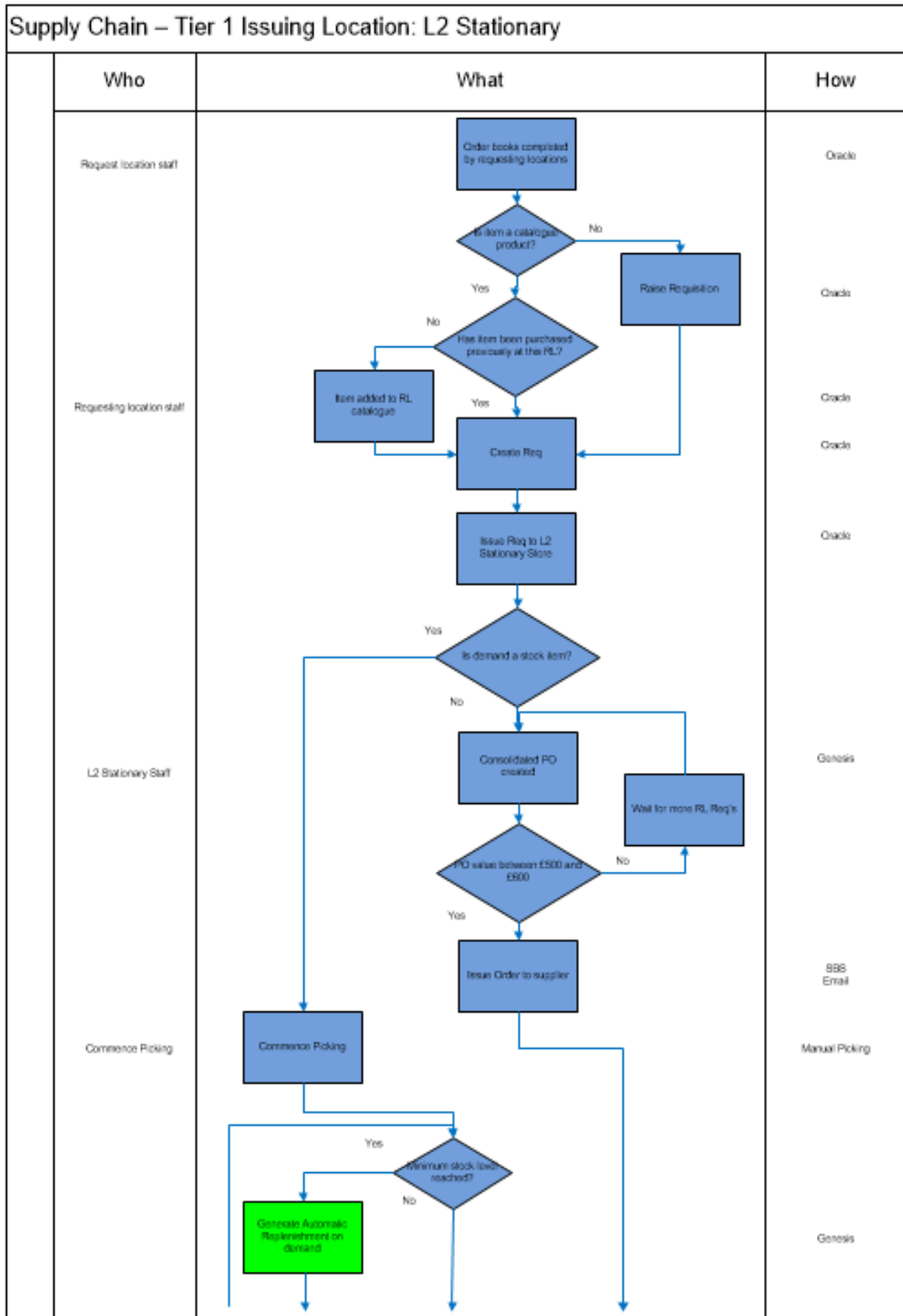


## Supply Chain – Tier 1 Issuing Location: Main Theatre Store (MTS)



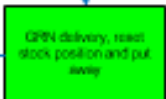






Supply Chain – Tier 1 Issuing Location: Main Theatre Store (Continued...)			
Who	What		How
MTS Staff	<pre> graph TD     A[Deliver to Requesting Locations] --&gt; B[Put away stock]           </pre>		Trolleys
MTS Staff			

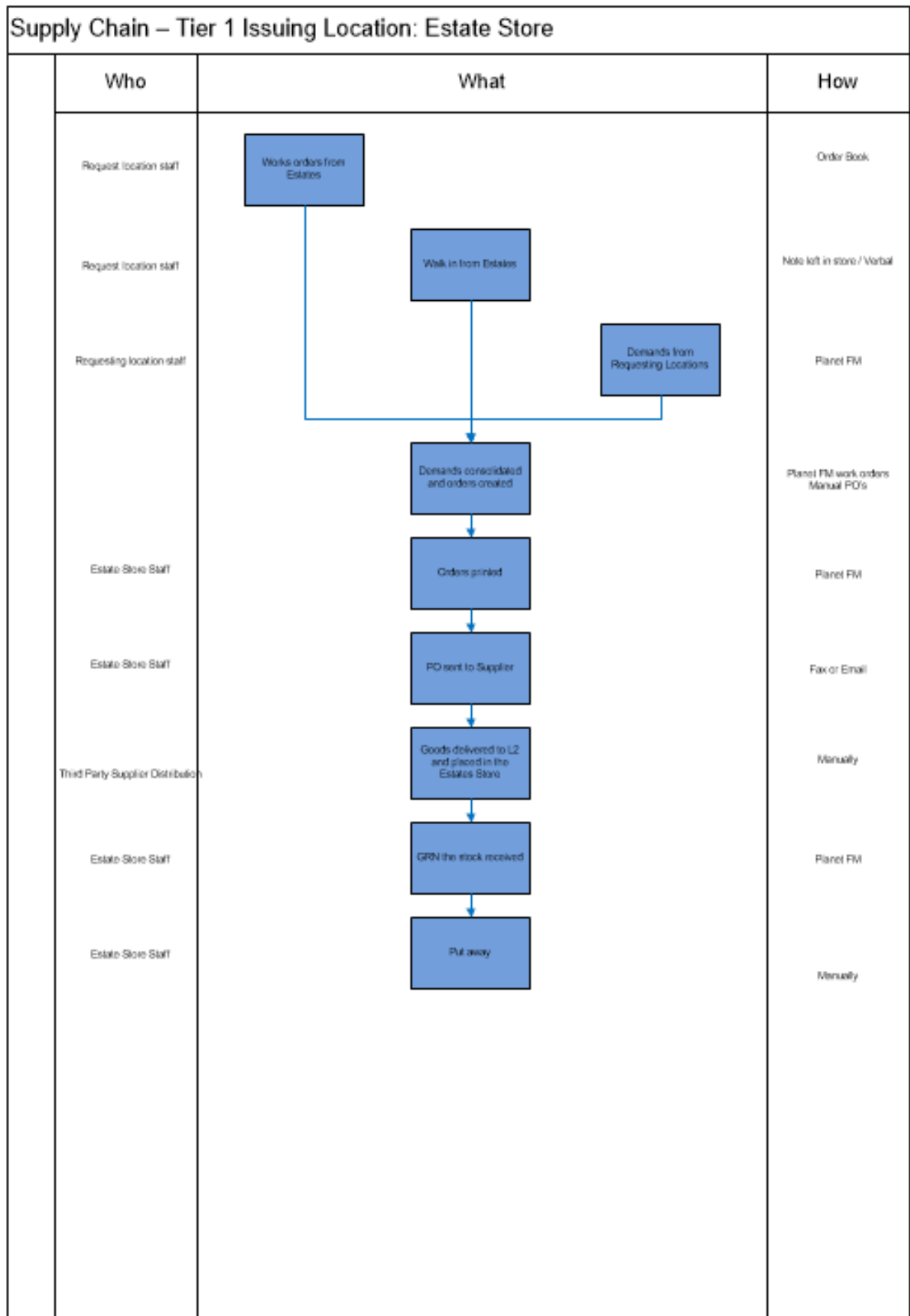
10.6 L2 – Stationery Store – Inventory Process Flow



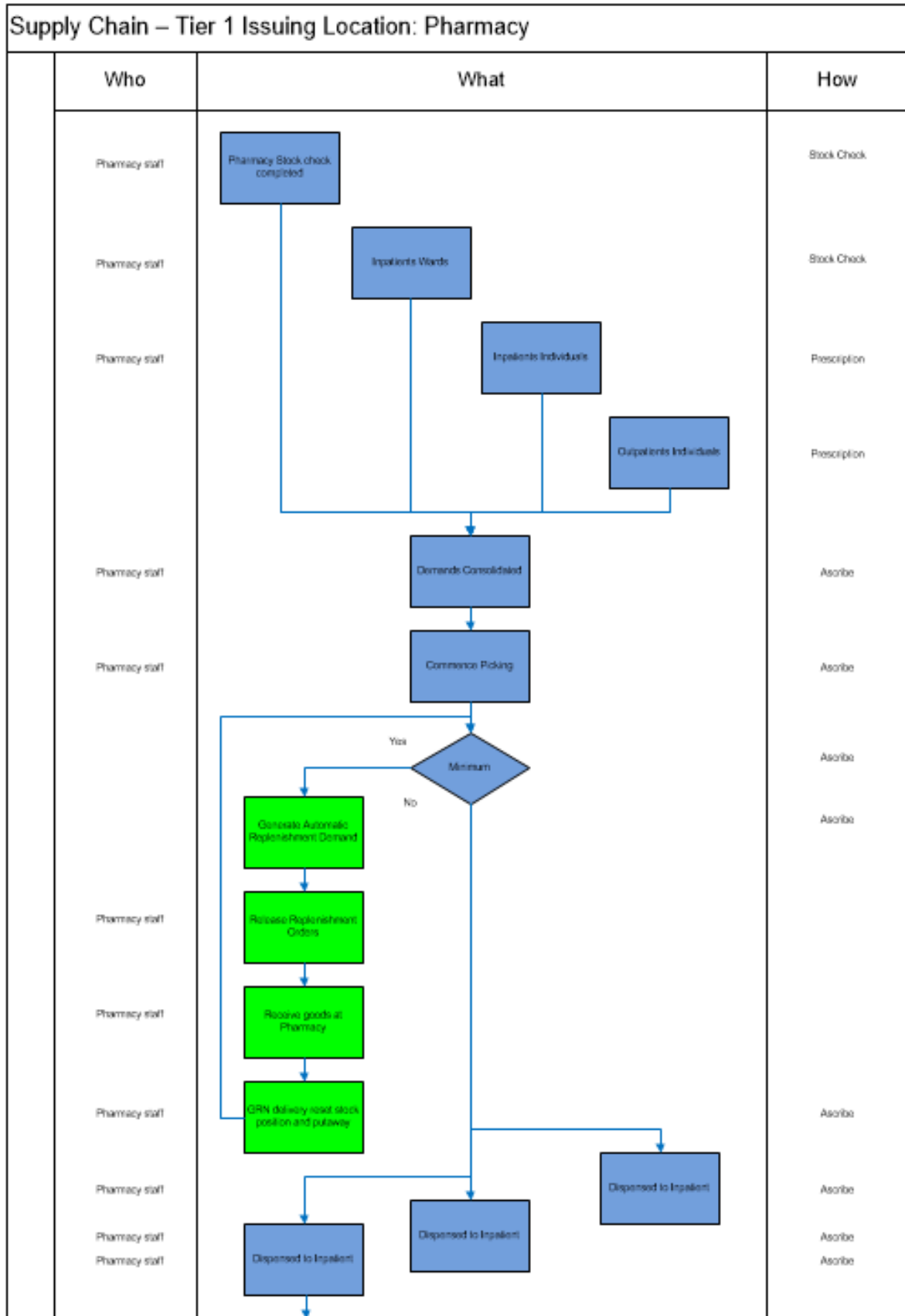
### Supply Chain – Tier 1 Issuing Location: L2 Stationary (Continued...)




Who	What	How
L2 Stationary Staff		Genesis
L2 Porters		Genesis
L2 Stationary Staff		Genesis
Third Party Supplier Distribution		Trolleys or Pallets
L2 Stationary Staff		Genesis Grade
L2 Porters		Trolleys or Pallets
Requesting Location Staff		

## 10.7 L2 – Estates Store – Inventory Process Flow



### 10.8 Pharmacy Department – Inventory Process Flow



Supply Chain – Tier 1 Issuing Location: Pharmacy			
	What	Who	How
	Pharmacy staff		Trolley
	Pharmacy staff		Ascribe
	Pharmacy staff		

<b>Core Information</b>				
<b>Document Title</b>	Supply Chain Inventory Management Policy (SC010)			
<b>Date Finalised</b>	21 <sup>st</sup> March 2017			
<b>Dissemination Lead</b>				
<b>Previous Documents</b>				
<b>Previous document in use?</b>	N/A			
<b>Action to retrieve old copies.</b>	N/A			
<b>Dissemination Plan</b>				
<b>Recipient(s)</b>	<b>When</b>	<b>How</b>	<b>Responsibility</b>	<b>Progress update</b>
All staff		Email	Document Control	



Review		
<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>Manager</b>	Head of Supply Chain Management & E-Procurement
<b>Directorate</b>	Chief Procurement Officer
<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 121 discussions with process partners
<b>External involvement and consultation</b>	Internal process partner consultation has taken place via 121 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>