

Plymouth Hospitals NHS Trust

**Procurement & Logistics
Strategy**

2009 – 2014

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1.0 Executive Summary

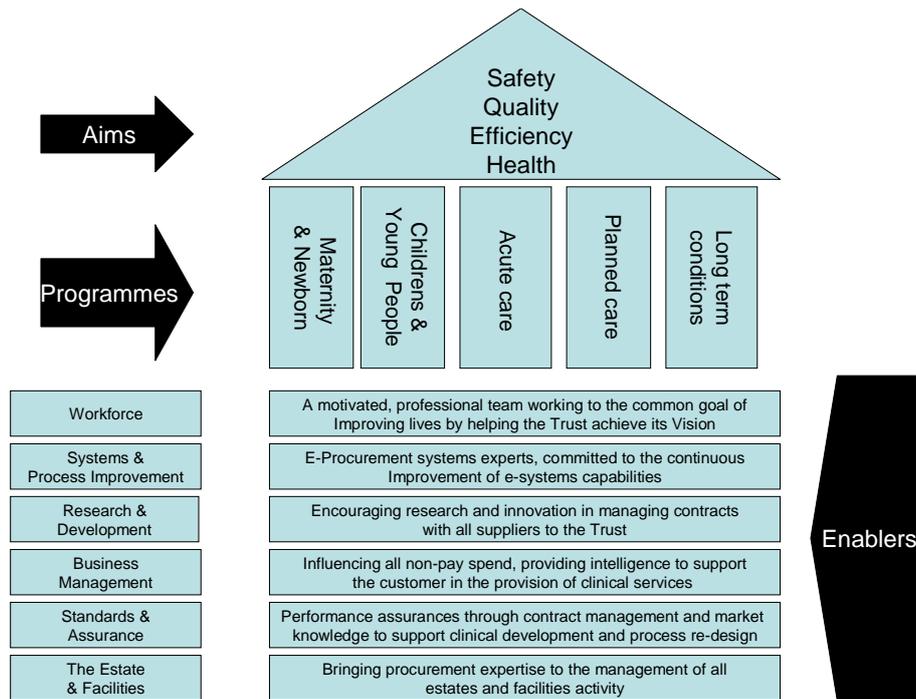
This report outlines the Strategy which will be adopted by the Procurement & Logistics Department as a key enabler in the delivery of the Trust's strategic aims, which can be summarised as "**Safety, Quality, Efficiency and Health in everything we do.**"

This is a contributory enabling Strategy to the Trust's Business Management Strategy, and will provide the template for the Department's transformation into a world- class procurement and supply chain organisation.

Through the implementation of the Strategy the Trust Board will realise the following benefits:

- Optimisation of the commercial opportunity through the ability to influence and manage all non-pay expenditure
- The management of all non-pay expenditure in a professional and compliant manner, minimising clinical risk, improving patient care and evidencing best value against all such activity
- Optimisation of contractual compliance, resulting in total benefits realisation
- A re-engineered inventory and logistics function, yielding clinical and commercial benefits across the entire supply chain
- Enhanced competencies of all procurement and logistics staff, resulting in increased opportunities for personal progression, and improved staff retention
- A best in class e-Procurement system to support delivery of the above and to provide all stakeholders with an optimum level of service provision

The following illustrates how the key enablers of the department will support the Trust's Six Enabling Strategies :



The Strategy will support the Aims of the organisation in the following way :

- Ensuring that the right policies and procedures are in place to maximise **safety** through best procurement practice
- Improving **quality** through the effective management of the supply chain relating to all goods and services associated with the patient journey
- Demonstrating **efficiency** through the influence of all non-pay expenditure, benefits tracking and the continuous improvement of supply chain management
- Promoting **health** through the delivery of our Purpose – *Improving lives by helping the Trust achieve its Vision*

2.0 Context

The role of the procurement function within the public sector has become more prominent over recent years, with an increasing need for public sector organisations to deliver increasingly challenging strategic objectives within the parameters of the Trust’s Standing Financial Instructions / Standing Orders, and European Union procurement legislation.

The last 2-3 years have seen developments at local, regional and national level within the public procurement arena:

- Clarity over the Trust’s strategic aims and the recognition that an effective Procurement Strategy is key to their delivery

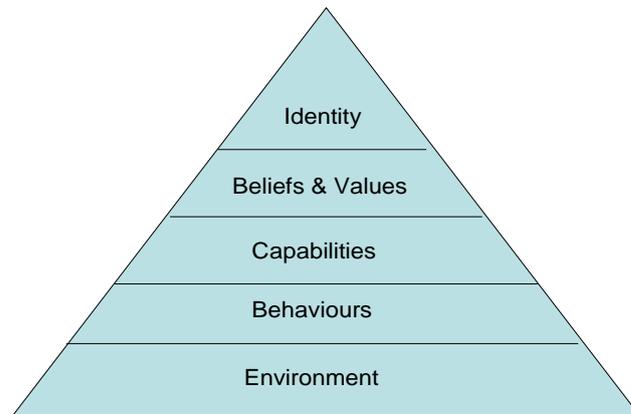
- The national drive for maximising commercial benefit through collaboration and the establishment of Procurement Hubs. Whilst the South West Strategic Health Authority have elected not to formalise the amalgamation of the 3 collaborative procurement units within the southwest, Plymouth Hospitals NHS Trust remains a key member of the Peninsula Purchasing & Supply Alliance (PPSA). Through commercial analysis and an assessment of markets the Procurement & Logistics Department will ensure that all collaborative opportunities are explored, and that value for money is achieved through the management of best procurement practices
- Lord Darzi's NHS Review (June 2008) further emphasising the need for improvement, and in managing clinical activity within the tariff envelope
- An increased emphasis on evidencing socially responsible and sustainable procurement - with budgeted non-pay expenditure of over £100m per annum, the Trust utilises a wide range of products and services, many of which can have a significant impact on the long term sustainability of Plymouth and the South West region
- An increased focus on the governance associated with the management of public sector procurement, exposing the Trust to an increased risk with regard to the inappropriate management of non-pay expenditure
- The purchase of NHS Logistics Authority by DHL, with the former now trading as NHS Supply Chain, under the jurisdiction of the NHS Business Services Authority, with a strategic aim of achieving £1bn savings within a 10 year period

3.0 Purpose Statement

In order to re-assess the Department's position within the organisation, and to ensure that we are aligned to the strategic vision and aims of the Trust, a workshop was arranged in June 2008, attended by the Head of Procurement & Logistics, the Capital & Estates Procurement Manager, the Procurement Performance Manager and the Capital Projects Manager.

Facilitated by an external personal and corporate development company, *evolution*, the present and future states of the department were tracked through a concept of "Logical Levels" of learning and change. Informed through an analysis of 5 identity levels, as below, our purpose within the organisation was crystallised.

Logical Levels



The following Purpose Statement provides a clear summary as to the ethos which will be adopted in delivering this Strategy:

Improving lives by helping the Trust achieve its Vision

We will source and deliver the right products and services to meet our customers` needs through efficient procurement practices, innovation and market knowledge

We will create a positive customer experience

4.0 Strategic developments and new opportunities

The successful delivery of this Strategy is dependant upon of all non-pay expenditure being managed in a professional and compliant manner, evidenced by best procurement practice.

The following have been identified as key opportunities :

4.1 Information Computer Technology (ICT)

The Department continues to expand its influence over the management of new ICT related projects, with the full endorsement and support of the Head of ICT Programme Management.

Having now engaged effectively with the ICT procurement team, the Trust's management of its computer hardware requirements through a formal framework contract is imminent and will yield significant cost efficiencies.

4.2 Estates /Facilities

With the support of the Director of Estates, Facilities and Planning there has been much progress with regard to the Procurement & Logistics Department's influence over contracting within this discipline. The purchasing team are currently responsible for managing the procurement process for the Hotel Services tender, with the new contract to take effect during the second quarter of 2009/10.

There are, however, still some areas of significant non-pay expenditure within this discipline which have traditionally been managed in isolation of the Procurement & Logistics Department, and where joint working would be of benefit. A review of Estates/Facilities expenditure will be conducted with the sponsorship of the Head of Procurement & Logistics and the Head of Estates Operations. It is anticipated that this review, in partnership with Internal Audit, will commence during the forth quarter of 2008/09, and will incorporate an assessment of the value gained in utilising external procurement consultants, as well as a review of the current Measured Term Contract arrangements. It is proposed that any recommendations will be submitted for approval to the Strategy & Capital Board.

4.3 Pharmacy

This area of expenditure has been identified as one of strategic collaborative opportunity (see Kraljic analysis - Section 5), and it is proposed that the commercial opportunities within Pharmacy continue to be assessed in collaboration with the PPSA.

In order to demonstrate procurement governance, the Pharmacy Department have recruited a Pharmacy Procurement Technician, commencing employment in January 2009. This role will be responsible to the Director of Pharmacy, but will have professional procurement accountability to the Head of Procurement & Logistics.

It is accepted that there remain major opportunities within the area of stock control/inventory management. These will be further explored as part of a fundamental Trust-wide inventory review (see section 10). It is anticipated that such a review be conducted after commissioning of the Pharmacy Automation system (January 2009).

This Strategy is produced in the context of these opportunities being fully realised, with the ultimate aim of all non pay expenditure being managed or governed through the Procurement & Logistics Department. Further detailed analysis of the commercial opportunities will be conducted by the Category Manager at the initial stages of strategy implementation.

5.0 Procurement – Category Management

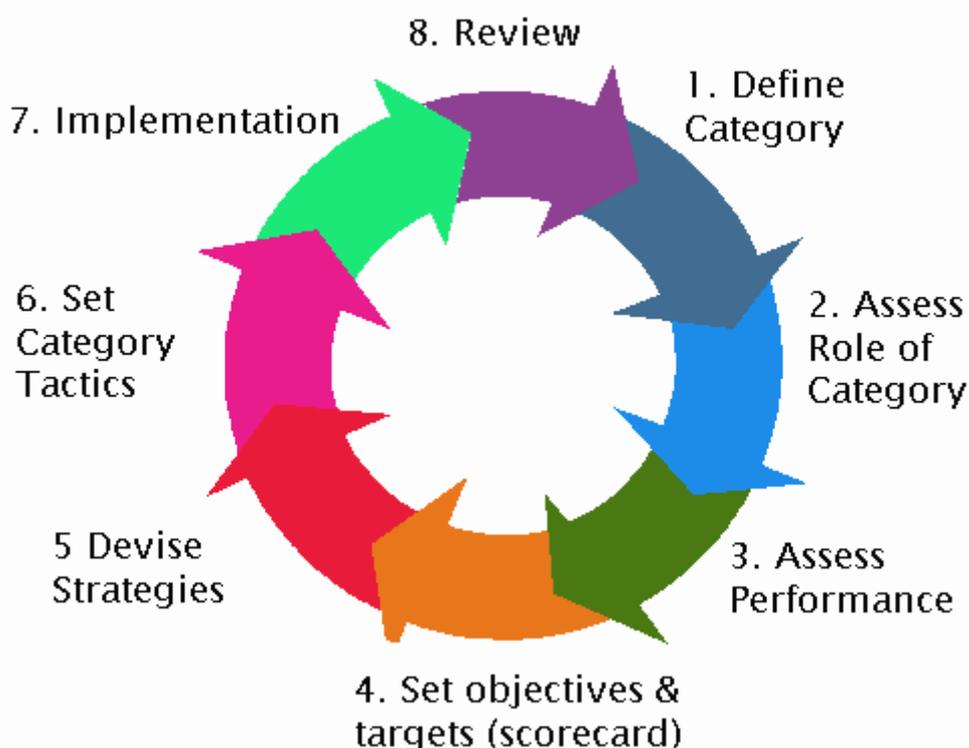
Category Management is a retailing concept in which the total range of goods / services requirements are broken down into discreet groups of similar or related products – these groups are known as categories.

Whilst the concept initiated within retailing, it is increasingly being applied within others sectors, both private and public. The concept has been adopted for use by NHS Supply Chain, many Collaborative Procurement Hubs, the Peninsula Purchasing & Supply Alliance, Plymouth City Council, Babcock Marine (DML) and importantly, many of the Trust's key suppliers.

Given the evidenced achievements which have resulted from the implementation of this concept, the Procurement & Logistics Department will adopt the Category approach in supporting the management of non pay expenditure, and maximising the commercial opportunity for the Trust.

The industry standard model for Category Management is the 8 step cycle – as illustrated below :

Category Management 8 step cycle



From the experience of those organisations listed above, such a policy is expected to yield the following benefits for the Trust :

- The development of expertise within the relevant field, leading to enhanced product /service knowledge, greater opportunity to assess and manage emerging technological innovations in support of patient

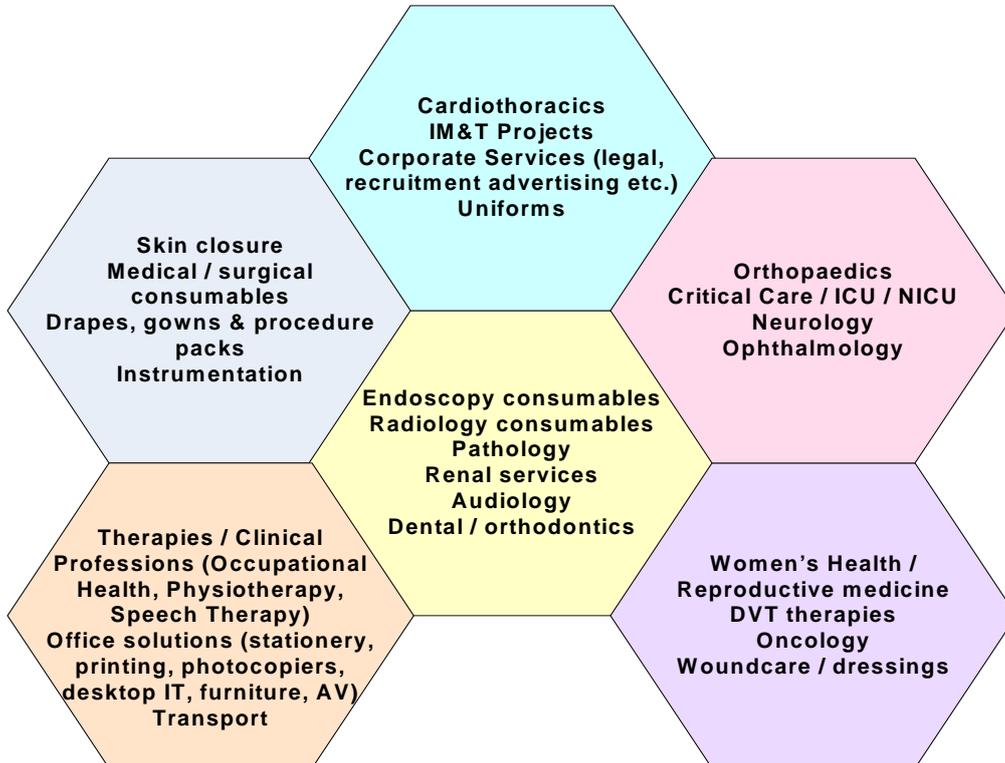
- A holistic, market-facing approach to the management of key categories and influence over whole life costs
- Enhanced catalogue management and reduced risk of contractual non-compliance
- Alignment to the category-focussed model adopted by other NHS (and other public sector) procurement organisations and suppliers, resulting in improved opportunity to assess collaborative/commissioning opportunities
- The opportunity to more effectively influence expenditure against contracted commitment within the thresholds required for quotations and tenders (ie - £5k - £90.3k) in compliance with Standing Financial Instructions, Standing Orders and Internal Audit recommendations

Through applying risk/value principles (Kraljic), the products and services required of our customers can be categorised into one of 4 key areas:

- **Routine/Acquisition** – Low risk/low value (examples include corporate services, electrical consumables)
- **Leverage** – low risk/higher value (examples include office solution, pathology consumables)
- **Bottleneck** – low value/high risk (examples include DVT solutions, ophthalmic consumables)
- **Strategic Collaboration** – higher risk/high value (examples include hotel services, cardiology, pharmaceuticals)

The structure which will be informed through the management of these categories will enable the department to support the Trust's strategic aims, to implement the recommendations of the Internal Audit Report on Quotes and Tenders (Sept 2008), and to support the governance which will be required of a Foundation Trust.

The category activity will be managed primarily within the Category Management team. However, where there is synergy with capital or estates activity, for example in developing a formal equipment replacement programme, the responsibility shall lie with the Capital & Estates Procurement Manager. Analysis to date has informed the following category groups :



In order to develop and maintain customer focus, the Department will effectively communicate with all stakeholders in its management of categories. The Category Manager will act as the central point of contact for Trust-wide advice and guidance relating to category management.

The procurement projects which will assist in the delivery of value for money and efficiency savings will be informed through joint liaison and planning between the relevant Category Buyer and the customer and will continue, where appropriate, to be registered by the Budget Holder within the Vanguard Pathway Programme (VPP).

It will be the responsibility of the Category Buyer to assess local market requirements within their field, and to provide recommendations to the Category Manager with regard to collaborative opportunities which may be realised through our engagement with the PPSA or other collaborative procurement organisations.

The Category Manager will be responsible for developing, managing and delivering an annual Category Management workplan, based on the above model and methodologies of working.

6.0 Procurement - Capital and Estates

6.1 Capital, Estates and Planning schemes within the local healthcare community

The Procurement & Logistics Department has managed the equipping of major and minor schemes for the Trust since 2000. Such projects have been delivered by the established Capital team, with additional support being funded from major scheme budgets where necessary.

In order to optimise the advantage of managing capital procurement in a centralised, consistent and compliant manner, it is the Department's aim to continue to bid for the provision of such services to external organisations. These may include, but will not be restricted to, Plymouth Teaching PCT, Devon PCT and the University of Plymouth. Such management will also further develop the skills-base of the staff, provide income to the Trust through the negotiation of Service Level Agreements, and enhance our ability to support regional sustainability initiatives.

Successful delivery of the capital development programme proposed within the Trusts Estates Strategy will require an investment of £200m over the next 10 years. In support of this programme, the Head of Procurement & Logistics will ensure that all procurement activity is managed by the appropriate professionally qualified and experienced staff, delivering evidenced value for money and minimising the commercial risk to the Trust.

6.2 Capital Equipment Programme/Maintenance Contracts

Given the clinical and commercial benefits evidenced through the management of the anaesthetic monitors/machines, and defibrillator projects, a policy of equipment replacement will be formalised in conjunction with the Medical Device Strategy Group (MDSG) and the support of the Director of Healthcare, Science & Technology.

Such a policy will:

- support the **best value** aims of the Trust's Strategy
- **maximise patient safety** through the reduction in clinical risk which arises from product standardisation
- support the requirements of the Standards for Better Health (4b) directive

Where such requirements form part of the formal replacement programme, they will be managed by the capital function, under the jurisdiction of the Capital & Estates Procurement Manager.

Maintenance contracts

The commercial management of maintenance contracts will be the responsibility of the relevant Category Buyer, and will be negotiated in conjunction with the Medical Electronics Maintenance Section (MEMS) or the Medical Physics Department. The decision as to whether maintenance will be carried out in-house or through external contractors, such as the Original Equipment Manufacturers (OEMs), will be made between the Category Buyer and the Director of Healthcare, Sciences and Technology, with added value and clinical risk being key determining factors.

Lease Management

Much of the equipment procurement activity is informed by lease termination dates. The management of the lease database, and the support the Trust receives with regard to lease management, has been provided by a private sector lease advisor since 1996. With the development of a leasing framework contract by NHS Purchasing and Supply Agency (NHS PaSA) during 2007, and the subsequent availability of leasing advice, it is proposed that the Capital & Estates Procurement Manager conduct a value for money analysis of the current service, and provide recommendations to the Head of Procurement & Logistics as to the strategic approach to be adopted during 2009/10.

6.3 Estates, Facilities and Environmental Services

In order to demonstrate best procurement practice within this field, the procurement management requirements for the duration of this strategy will be managed by the Procurement & Logistics Department in conjunction with the relevant Estates and Facilities stakeholders.

Through our management of the current Hotel Services tender, the Department are promoting the benefit of best procurement practice. It is proposed that such practice be transferred to the remainder of the Estates, Facilities and Environmental Services sector.

7.0 Collaborative Procurement

Supported through the process of category management, the Head of Procurement & Logistics, in conjunction with regional Heads of Procurement, will assess collaborative potential, and agree upon the appropriate method by which such opportunities can be optimised.

The decision as to whether to pursue collaborative opportunities will include, but not be restricted to:

- An assessment as to whether the return on the investment to manage the category is greater at local level (through established budget) or at regional level (through commissioning)

- The criticality of project timeframes
- The degree to which the requirement is within a specialist sector, such as tertiary services
- The Trust's Foundation Status agenda
- Conflicts of business interest with other NHS and external organisations

In identifying the most appropriate collaborative partner, the Head of Procurement & Logistics will engage with procurement professionals within the public, private and third-party sectors, including PPSA, the Office of Government Commerce (OGC), NHS Supply Chain, NHS Purchasing & Supply Agency, and other NHS Trusts.

Where, through mutual agreement, the PPSA is identified as the potential service provider, such opportunities will be tabled to the PPSA Director of Procurement through the Peninsula Management Team.

8.0 Sustainability

With the increased focus on sustainability, the Trust will ensure that environmental, social and economic factors are taken into consideration when managing the commitment of expenditure. To support this, the Procurement & Logistics Department will ensure that sustainability factors are incorporated within the selection criteria when awarding contracts for goods/services. It will be the responsibility of the Head of Procurement & Logistics to ensure that the incorporation of such factors supports the sustainability agenda without compromising EU procurement legislation or positively discriminating against national or global suppliers.

Sustainability factors to be considered during the management of the procurement process include:

- The cost of disposal when considering product life cycle
- Environmental issues concerning the life cycle of products, including its impact on carbon dioxide emissions and its carbon footprint with regard to transportation / delivery miles
- Any local, regional, national or international policies contributing to sustainable development
- Economic Value - a consideration of goods and services which may promote innovation, create jobs and contribute to the local economy

9.0 e-Enablement/Systems Development

The systems utilised by the Procurement & Logistics Department and the users within the Trust underpin this Strategy. They ensure that Managers and Buyers have accurate and up-to-date data to inform decision making and facilitate effective procurement.

It is important that current infrastructure and any future system developments deliver the change programme in a cost effective manner. The Department will continue to monitor the market to look at new systems and processes with a view to improving efficiencies.

The Procurement Systems Manager and the Systems Team provide support to both the Procurement & Logistics Department and end users of the various systems employed, and while this will continue for the duration of this Strategy, the service will be regularly reviewed to ensure the most efficient use of staff and resources.

9.1 Oracle

The Trust is a member of NHS Shared Business Services (SBS) and is therefore restricted, to some extent, to the existing process design. However, representatives from the Procurement & Logistics Department attend both the 6-monthly eProc User Forum and the quarterly SBS Regional User Forum, which covers Purchase to Pay (P2P), IT and Client Management. These representatives actively engage in development issues with the SBS management.

The Trust was recently nominated as 'Best in Class' for the use of Oracle eProc by SBS management. By monitoring and acting on KPI reports produced by SBS, we intend to continue to be at the forefront of the utilisation and development of Oracle Purchasing through SBS.

All eProc training is carried out by the Procurement Systems Manager or members of the Systems Team in group sessions. They are currently working with the IT trainers to produce a training module that can be accessed by all potential users of the system. This will be in Computer Based Training (CBT) format and given to new members of staff joining the Trust who need to order goods and services.

9.2 Oracle support for other Trusts

The Systems Team provide a cataloguing, training and Helpdesk service for eProc to other NHS organisations; Plymouth Teaching PCT, Torbay Care Trust and Devon PCT. This generates income for the Trust, enhances staff skills and provides opportunity for progression within the department. It is a strategic aim to further develop this service for other NHS organisations wishing to extend their use of eProc.

9.3 eEnablement

The Trust is represented at the NHS Procurement eEnablement Delivery Group by the Procurement Performance Manager. This group meets on alternate months, with the following objectives :

- To establish across the NHS supply network common data and business message standards for procurement. These are the key essential enablers that are required for the effective implementation of procurement eEnablement technologies across the NHS supply network.
- To establish inter-operability between NHS procurement and suppliers across the NHS supply network.
- To include the adoption of procurement eEnablement technologies in the business objectives of all organisations in the NHS supply network.

By being represented at this group the Trust is able to keep up to date with latest developments, have early stage access to new tools and strategies and have influence over the direction of procurement eEnablement.

The department will continue to endorse and influence this group (or derivatives of it) in support of the strategic direction.

9.4 e-Cataloguing

The Trust has recently changed provider for the e-Cataloguing software. This transition was achieved effectively and smoothly and has resulted in significant time efficiencies for the department, but more significantly to the end user. The next phase of the implementation is to develop relationships with suppliers to allow them to provide their own data through this portal. This will lead to further efficiencies and will assist with the continued improvement in Better Payment Practice Code (BPPC) through an increase in first-time purchase order invoice matches.

In support of the Category Manager's and Buyers' objectives, catalogue management will be further improved to include the addition of contract references to catalogues and associated products. This will facilitate improved contract management and the ability to identify contract leakage and new opportunities through non-contract activity.

9.5 eTendering

The Department currently utilises Tactica for the issuing and award of Tenders and OJEU notices. This system is available as part of a PPSA contract and it is anticipated that the use of this system will increase throughout the duration of this Strategy. The Procurement Systems Manager provides first line support to the department for Tactica, whilst reviewing the comparative functionality of other systems.

9.6 Contracts database

In support of the International Finance Reporting Standards (IFRS) and to enable the Department to fully assess future commercial opportunities, the Trust has developed an organisation-wide contracts database, hosted by the Procurement & Logistics Department.

Through liaison with other Trusts using Oracle outside of SBS it has been established that there is a module that will support a contracts database. Lobbying from the Department has resulted in SBS agreeing to run a trial of this module with the Trust and should the solution be acceptable the module will be available to the Trust within the existing SBS contract fee.

9.7 Automation of Materials Management ordering

SBS have developed functionality, in conjunction with NHS Supply Chain, to automate the transfer of purchase orders for non-NHS Supply Chain items into Oracle. This is currently a time-consuming manual process and it is the intention to adopt this functionality during 2008/9, resulting in further process efficiencies and in opportunities to further assess the value of contracting outside NHS Supply Chain.

9.8 Inventory management module

The Inventory module within Oracle has not been developed by SBS and through interaction at user groups and other forums it has been decided that the module would not deliver all end user requirements, such as those relating to patient-level costing. Therefore SBS have agreed to produce a generic interface to other inventory management systems currently in existence. It is anticipated that, following a strategic Inventory Review, an inventory system will be selected and a recommendation made to the Business Process Steering Group that such a systems be implemented, with it's use and development supported by the Systems Team.

10.0 Logistics, Inventory and Supply Chain Management

Inventory Review

Through the application of the lean methodology which has proven to be successful in the car industry and manufacturing, the Department aim to implement the required changes which, when seen in the context of healthcare, will be an alternative and radical approach to supply chain management.

The initial guiding principles of effective inventory management have been defined and are listed below:

- Supply of materials to match consumption e.g. 24 hours per day, 7 days per week
- Stock Security
- Minimum Stock Holding – materials management based on lean principles
- First In First Out (FIFO) control, in order to minimise waste and reduce clinical risk
- Clinical staff involvement in materials management process eliminated
- Lean knowledge within materials management
- Best use of stock space
- Integrated materials supply
- Direct bulk sourcing of generic items

With the endorsement of the Director of Operations, a full inventory review has been proposed against the following programme:

- The establishment of a Cross Functional Team (CFT) who will be seconded from their usual roles to work on this project. This team will include clinical representation
- CFT will be trained by external lean guru in lean principles
- With their new skills and guided by lean guru, CFT will scope initial (pilot) project
- CFT to present to the Trust Board on the project and the expected benefits
- Project delivery
- Review of project outcomes
- Project roll-out to other areas

Supply Chain Management

Given the timeframes associated with the Inventory Review, it is not currently possible to inform a finalised Departmental structure – appendix 1 may therefore be subject to further amendment. The Review will encapsulate an analysis of the processes and structures required to maximise supply chain opportunities, and any specific recommendations relating to the departmental structure will therefore be submitted to the Deputy Chief Executive for approval at the appropriate time.

11.0 Service provision to other NHS organisations

The Head of Procurement & Logistics will continue to assess opportunities to generate income through the development of Service Level Agreements with other NHS and public/private sector organisations.

The department currently provides a service to Plymouth Teaching PCT (provider arm), and it is anticipated that during 2008/09 other South West PCT organisations will be tendering for such services. As well as generating income for the Trust, our management of such activity enhances the skills-set of the team, supporting personal development. It is our aim to enhance our procurement capabilities and opportunities through pro-active engagement with such organisations.

12.0 Non Purchase Order (PO) activity

In support of this Strategy, non PO activity will be migrated to the PO stream during 2009.

Within the Business Planning Matrix, the Procurement & Logistics Department are responsible for the reduction of non PO activity, and its effective management will realise opportunities for further commercial influence, reducing business and financial risks to the Trust. Aims and objectives have been set to migrate such expenditure to the PO stream, with Estates and Facilities being an area of key focus. Such migration will be recorded as a Departmental Key Performance Indicator (KPI), with volume and expenditure tracked against agreed targets. It is proposed that the Trust's Standing Financial Instructions be re-assessed at the conclusion of this project, and amended accordingly.

A strategic plan for the management of non PO activity will be produced by the Procurement Performance Manager in February 2009, outlining the project plan for the migration of such activity to the PO stream, and confirming those exceptions which will be managed through non PO in line with the revised Trust Standing Financial Instructions.

13.0 Key Performance Indicators (KPIs)

In order to measure departmental performance across all disciplines, and to benchmark performance against other NHS organisations, the following strategic KPIs have been agreed. These will be monitored, managed and recorded by the Procurement Performance Manager on a monthly or quarterly basis via the appropriate business intelligence tools.

Targets will be set against each of these, and will be determined annually by the Deputy Chief Executive and the Head of Procurement & Logistics in support of the departmental aims and objectives :

- **Influenced spend** (as informed through Trust Financial Returns (3) and the capital envelope) - to demonstrate spend currently influenced and to measure and manage increased levels of influence
- **% spend being influenced** - e.g. by contract through local contracts and procurement management, PPSA contracts, framework agreements through NHS Purchasing & Supply Agency (NHS PaSA), NHS SC or Office of Government Commerce (OGC) contracts.
- **Savings** - against a target for Cost Improvement Programme (CIP) and capital / cost avoidance
- **Proportion of non-PO spend** - to show a reduction in this over the year until all non-PO activity is only that permitted under SFIs
- **Order transactional and processing costs as a percentage of total order costs**
- **Income** - to show all income generated by the department via SLAs and capital projects in support of the CIP
- **Stock value and turnover** - to show a reduction in stock holding for the Trust
- **Inventory write-offs / Obsolescent stock**
- **Staff Attendance**

All of the above headline KPIs will be informed by section KPIs which will be defined by the individual teams through the principles of Measure, Analyse & Improve (MAI).

14.0 Resource Planning & Income Generation

Successful delivery of this Strategy is dependant upon the recruitment to the appropriate revised structure, and upon the capabilities and capacity of the team. The key factors considered when re-designing the structure are detailed below:

- Increased scope of influence over Trust non pay expenditure, including ICT and facilities – to be assessed on a cost benefit analysis basis
- Increased need to support the delivery of the Trust's Capital and Estates strategies
- Increased demand on, and for, our procurement systems services
- Further procurement and systems influence across other organisations
- Expansion of the inventory service, and enhanced supply chain management efficiencies

The additional resource will be funded from the following income streams:

- The capitalisation of those posts supporting delivery of the Trust's capital schemes and capital and maintenance contract programmes
- Funding from external organisations (including non-NHS) for the provision of procurement and/or supply chain services

Over the next 5 years, the Procurement & Logistics Department will continue to support the strategic aims of the Trust in ensuring that the greatest possible **public value** is generated from available resources, and that we **maximise savings potential** through support of the Cost Improvement and Vanguard Pathway Programmes

In addition to this, there will be an increased emphasis on the effective local implementation of those contracts which the Trust proposes be managed at confederation (regional) or national level. Such implementation will be supported by the relevant Category Buyer, and regular monitoring of such contracts will ensure that we are maximising the commercial benefit to the Trust.

It is acknowledged that the success of the commercial team in supporting efficiency will require a change in focus, structural re-design, and the enhancement or introduction of new skills and staff.

15.0 Conclusion

The above provides a summary of the strategic direction of the Procurement & Logistics Department for a 5 year (+) period from the financial year 2009/10.

This Strategy is intended as a working document, and will therefore be subject to periodic amendment in line with the Trust's developing agenda.