

Supply Chain Inventory Control (SC01)

Issue Date	Review Date	Version
September 2020	September 2025	2

Purpose

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

Who should read this document?

All those that are involved in controlling or impacting inventory levels within the Trust, including end users, Supply Chain and Purchasing functions.

Key Messages

SOPs aim to achieve efficiency, quality output and uniformity of performance, while reducing miscommunication and failure to comply to industry or Trust regulations.

Core accountabilities

Owner	Supply Chain Manager
Review	Finance Senior Team Meeting
Ratification	Chief Procurement Officer
Dissemination (Raising Awareness)	Supply Chain Manager
Compliance	Records and Information Officer

Links to other policies and procedures

Supply Chain Inventory Management Policy SC00v.1

Version History

1	September 2016	Ratified by Chief Procurement Officer
2	September 2020	Ratified by Head of Supply Chain 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.
Larger text, Braille and Audio versions can be made available upon request.**

Standard Operating Procedures are designed to promote consistency in delivery, to the required quality standards, across the Trust. They should be regarded as a key element of the training provision for staff to help them to deliver their roles and responsibilities.

Section	Description	Page
1	Introduction	4
2	Definitions	4
3	Regulatory Background	4
4	Key Duties	4
5	Procedure to Follow	5
6	Document Ratification Process	5
7	Dissemination and Implementation	6
8	Monitoring and Assurance	6
9	Reference Material	6
	Appendices	6
	Required Documentation (example)	
	Electronic Processes and Records (example)	
	Specialised Processes (example)	

Standard Operating Procedure (SOP)

Supply Chain Inventory Control

1 Introduction

The purpose of this SOP is to identify the key activities in managing inventory throughout the Trust.

This procedure is applicable to all those involved in the ordering, using and managing of product inventory within the Trust.

It should be applied across the Trust, with particular relevance to Procurement and Supply Chain functions.

2 Definitions

- SOP – Standard Operating Procedure
- SCM – Supply Chain Manager
- CPO – Chief Procurement Officer
- DoF – Director of Finance
- PO – Purchase Order
- IMS – Inventory Management System
- SCSP – Supply Chain Store Person
- RCA – Root Cause Analysis
- SCWM – Supply Chain Warehouse Manager

3 Regulatory Background

N/A

4 Key Duties

Main Roles and typical duties are summarised below;

- **Purchasing**
 - **Category Manager or Buyer** – used as support for supplier escalations
- **Supply Chain**
 - **Central Procurement Helpdesk** – responsible for monitoring overdue orders and expediting delivery
 - **Supply Chain Stores Person (SCSP)/Supply Chain Warehouse Manager (SCWM)** – responsible for consolidating demand, placing orders and meeting Customer Requirements of stock holding
 - **Materials Management** – responsible for collecting customer requirements for certain areas, monitoring stock levels, transporting goods around the Trust and putting away of delivered goods

- **Customer**
 - **Customer** – responsible for generating demands and communicating them to SCSP/SCWM. Also responsible for dictating stock holding requirements and Inventory Management System (IMS) Min/Max stock level.

5 Procedure to Follow

- All inventory purchased by the Trust should be recorded on an appropriate IMS.
- This includes the following steps for which SOPs exist;
 - Order Placement and Demand Generation
 - Delivery and Receipting
 - Recalls and Returns
- No inventory should be managed 'off system' without seeking approval from the SCSM, or their nominated representative
- All inventory should have been triggered by an official Purchase Order (PO)
- Inventory Levels within any Store are set through discussion with the Customer to agree suitable stock levels. If possible, system algorithms should be used to dictate minimum and maximum stock levels, combined with additional intelligence on future work load.
- Once Min/Max levels have been set, it's the role of the SCSP to ensure adherence to these levels
- It's the role of the Customer to provide intelligence on demand spikes which may require additional stock holdings, above the normal agreed maximum level. It is not the responsibility of the SCSP to make this decision and should only act upon official notification to do so and escalated to the SCSM.
- Category Managers and Buyers are responsible for negotiating suitable lead time SLA's with each supplier, based on the stock holding, usage and demand fluctuations.

6 Document Ratification Process

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.

7 Dissemination and Implementation

Following approval and ratification, this procedural document 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 Formal Documents.

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

8 Monitoring and Assurance

- Accountability for adherence to this procedure will be monitored by the Chief Procurement Officer (CPO), or their nominated representative
- The Supply Chain Manager (SCM) will be responsible for ensuring this procedure is followed operationally
- Adherence to the identified procedure will be monitored through monthly reviews with SCSP, SCWM and Customer Representatives; reviewing incidents of non-conformance
- Root cause analysis (RCA) will be performed by the SCM or his nominated employee, for over or under stocking and any off system inventory.
- For every RCA conducted, findings need to be reported to the CPO, through the specified monthly review
- Each SCSP will be monitored on process adherence at their regular one to one progress reviews

9 Reference Material

N/A

Appendix

Appendix XX

N/A