

**Trust Management Executive Meeting: Thursday 13<sup>th</sup> February 2014**

**TME2014.46**

<b>Title</b>	<b>Procurement Strategy 2014-2017</b>
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<b>Status</b>	A paper for information/discussion/decision
<b>History</b>	None

<b>Board Lead(s)</b>	Mr Mark Mansfield, Director of Finance and Procurement			
<b>Key purpose</b>	<b>Strategy</b>	Assurance	Policy	Performance

**Overview**

1. This document sets out the Trust's Procurement Strategy for the three years from 2014 until 2017. The Strategy is intended to support the Trust's overall strategic objectives and, in particular, support the provision of high quality, cost-effective and integrated healthcare and financial sustainability.
2. Patient care depends on the assured availability of high quality equipment, materials and services with expenditure on these items typically accounting for 1/3 of total costs. Effective management of this resource is vital. This Strategy sets out the activities that will be the focus for improvement over the next 3 years.
3. The new strategy aims to ensure that the Trust obtains best value for money from all its commercial expenditure and develops its relationships with suppliers to support the delivery of high quality care.
4. The strategy recognises that the differentiation between 'pay' and 'non-pay' costs is increasingly less clear – and there will be an increasing need for procurement to support activity and arrangements beyond traditional areas of focus.
5. The strategy aims to modernise the procurement and supply chain service not only to achieve a 'best in NHS' service but also to achieve performance and contribution to the organisation that is comparable to the function in other sectors.
6. The intention is to apply the same standard of excellence to procurement and supply chain as we do to our clinical services.
7. The strategy will facilitate an approach to strategic sourcing, supply chain and e-commerce that will deliver service and quality improvements together with sustainable cost reduction and cost avoidance benefits.
8. The following strategic priorities will underpin delivery and improvement:
  - Closer working with clinical and operational teams
  - Increase the capacity and capability of the function and the wider Trust
  - More effective use of systems, technology and data
  - Closer working with suppliers and focussed Supplier Relationship Management
  - Establish robust processes and procedures
  - Leverage medical technology and supplier innovation
  - Maximise value from supply chain partners
  - Closer working with other Trusts
  - Supply Chain Management efficiencies
  - Leverage the eminence and scale of OUH
  - Develop an income stream from the procurement and supply chain function
9. The Trust Management Executive is asked to review this strategy and endorse the strategic priorities and recommended actions contained within.

## 1.0 Introduction

This strategy has been developed in the context of the recent history of procurement at OUH, the current status of the function and service levels, and the significantly increased challenges there will be for trusts in relation to the procurement agenda looking ahead.

Over the years the procurement function across the NHS has struggled to shake off its history and beginnings within the service of being a 'supplies function' – with a largely administrative and transactional role.

At OUH much improvement has been made in recent months and the function is much better than most across the NHS – a view supported by recent audits. There are some very good people, systems and processes in place which provide an excellent foundation from which to develop the function and the service provided.

Our strategy is to build a modern, effective and efficient procurement capability that is not only 'best in NHS' but also to achieve performance and contribution to the organisation that is comparable to the function in other sectors. This strategy will be the basis for the function to play a more strategic role for the organisation – supporting the drive to improve patient care while maximising value for money.

In a wider context, a specific focus is the recent DH report *Better Procurement, Better Value, Better Care* which is the latest in a long series of reports to identify the opportunity for significant improvements in procurement across the NHS.

This report has indicated that across the NHS savings of £1bn - £1.5bn can be achieved over the next three years and it is likely that these anticipated savings will be fed into an increased tariff efficiency factor from 2015/16.

The DH report is light on specific proposals around exactly how the NHS might address these challenges – particularly in view of organisational and clinical freedoms across the system. However, there is emphasis from the Department of Health on Trust development and enhancement of procurement locally.

## 2.0 Background

Over recent years the procurement function across the NHS has suffered from a lack of stability and significant changes in the procurement landscape – nationally, regionally and locally.

The Trust had worked with other Trusts in the region to develop an Integrated Supply Chain (ISC) model for the region. However, this initiative failed and at around the same time the other significant regional procurement initiative (the 'Pro-Cure' Collaborative Procurement Hub) also closed.

A revised plan was implemented in the short term to bring some stability to the function. This involved developing an arrangement with an alternative collaborative procurement organisation – Health Trust Europe (HTE) – for access to framework contracts and procurement services.

The local team also continued to utilise the services available through a number of other procurement organisations including NHS Supply Chain (NHS SC) and the Government Procurement Service (GPS).

More recently the Trust has also established a partnership arrangement with the London Procurement Partnership (LPP) – providing access to a wider range of contracts and procurement initiatives appropriate for a Trust of OUH scale.

Having achieved a degree of stability over recent months and with more clarity now apparent across the procurement landscape, this document sets out the strategy for the Trust to build on its current procurement performance and develop a procurement service with the capability to meet the challenges ahead.

### **3.0 Review of current procurement service at OUH**

Over the past eighteen months there has been a focus on developing a “fit for purpose” internal procurement function. This followed the end of the shared initiative with other NHS South Central Trusts.

The success of these developments can be gauged from the recent audit report (Aug 2013) which provided “significant assurance”.

The feedback from stakeholders is increasingly positive despite recent turbulence, some constraints around resources, and some stringent tightening of procurement controls which can be unpalatable to users of the procurement service.

However, there is much opportunity for improvement and benefits still to be gained from better utilisation of our systems, improved planning organisation of procurement activity, and some targeted enhancements and development of the team.

It is also clear that the procurement function will need to develop to meet the challenges of a changing environment and increased demands for efficiency, value and service improvement.

More standardisation of products, the adoption of innovation, more partnership arrangements and new approaches will require the leadership and capability within the function to engage more deeply and extensively with stakeholders across operational and clinical teams, collaborating organisations and suppliers.

### **4.0 Vision**

This strategy aims to build on the current strengths of the procurement function at OUH. The intention is to develop the procurement and supply chain service not only to achieve a ‘best in NHS’ service, but also to achieve performance and contribution to the organisation that is comparable to the function in other sectors.

The aim is to deliver the same standard of excellence from our procurement and supply chain as we do from our clinical services.

The strategy will facilitate an approach to strategic sourcing, supply chain and e-commerce that will deliver service and quality improvements together with sustainable cost reduction and cost avoidance benefits.

The procurement function will need to move beyond cost management (important though that will remain) and supporting financial stability/profitability through a wider range of activities such as the adoption of innovation, development of supplier relationships, and collaboration with other organisations.

The strategy is designed to be proactive, robust and aligned to the Trust’s business planning process. It is a 3 year plan but progress will be reviewed annually and adjustments made as necessary. It will therefore be dynamic and respond to changing healthcare needs and clinical requirements, taking into account any likely changes on procurement brought about by any relevant EU and government legislation.

To achieve this vision and key objectives there is a requirement to develop a number of distinct elements to the Trust’s overall approach to procurement.

These strategic priorities are described in the following sections and detailed actions for delivery of each are included in the detailed action plan attached in Appendix A.

### **5.0 Strategic Priorities**

#### **5.1 Closer working with the clinical and operational teams**

Generally, across the NHS, the procurement profession has not engaged sufficiently with the clinical and operational teams or aligned itself closely enough with internal stakeholders.

There is significant value that can be gained through the procurement function working more closely with clinicians and colleagues on the front-line of the delivery of our services – particularly in areas of medical technology and supplies.

**The procurement and supply chain function of the Trust will be aligned with the clinical divisions of the Trust. A matrix structure will be developed based around the alignment of the team with divisional and Category Management responsibilities. (Objective 01)**

The alignment of the strategic sourcing and supply chain elements of the function will help to deliver a more seamless service for stakeholders and users of the service.

These arrangements will:

- Build more in-depth knowledge and understanding of services and service requirements;
- Better manage the relationships between the suppliers and the Trust operational and clinical teams;
- Improve the quality and speed of our decision making;
- Enable the identification of a wider range of opportunities;
- Improve the quality of projects and the development of business cases.

Projects and initiatives will continue to be managed on a cross-Trust basis where that is most appropriate and effective. We will continue to develop plans jointly across the Trust with common interest groups. In particular **we will work the theatres improvement group to drive value from this area of expenditure. (Objective 02)**

For opportunities to be realised, divisions should nominate key stakeholders to be involved in initiatives who have the authority and support of the division to influence how all non-pay spend on goods and services are contracted for. This will enable the Procurement Department to effectively manage the relationships between internal stakeholders and external suppliers.

**We will develop Clinical Procurement Groups for each division to align with the clinical specialisms within each division which will be the key forum for procurement related issues and delivery of procurement-related improvement, efficiency and savings targets. (Objective 03)**

Medical devices have a major impact on the outcomes for patients. Quite rightly, clinicians must make the right choices to ensure that patients receive the best treatment and outcomes.

Trust clinicians are therefore at the heart of how money is spent. However, the clinical culture across the NHS has enabled individual clinicians to use whatever goods and equipment they see fit. Decisions on products are often made without any objective evidence comparing the value for money of alternative product ranges and with little assessment of the impact on Trust costs.

Devices such as orthopaedic or cardiovascular implants can often represent a significant portion of the national tariff, so bringing them under control can have a direct impact on a Trust's bottom line.

We need to ensure clinicians and budget holders are fully equipped with the information to help them make the right choices, both in terms of outcomes and value for money.

**Working in conjunction with the clinical teams, we will develop our tendering and procurement decision-making process to be more objective and transparent with clinicians at the heart of a structured procurement process. (Objective 04)**

Clinicians' relationships with suppliers are important, in terms of delivering safe and quality care, but we need to ensure clinicians also play their part in managing costs and supporting procurement in their management of commercial relationships with suppliers.

**Divisions should identify a 'Clinical Procurement Champion' to represent the clinical teams on procurement related issues. Ideally this individual should chair the Clinical Procurement Groups in each division. (Objective 05)**

## **5.2 Increase the capacity and capability of the function and the wider Trust**

The Trust has maintained a very capable procurement and supply chain function during a period of some turbulence for procurement across the region and nationally.

However, there is a need to take this further and to develop our procurement capability to 'best in NHS' standards and comparable with levels of excellence achieved in other sectors.

Doing so will reduce our costs, improve patient outcomes, and at the same time make the Trust a better organisation with which to do business.

**We will make targeted investment in the Procurement Department – particularly in the key areas of systems and data but also in strategic sourcing (Category Management) areas which require more capability. (Objective 06)**

It is important that the Trust applies procurement knowledge and commercial capability to all expenditure. Historically, some areas of expenditure have been carried out without the involvement of the Procurement Department. **These areas need to be reviewed with a view to their responsibility being transferred to the Procurement Department or at the very least functional procurement input and oversight put in place. (Objective 07)**

**As soon as practicably possible all expenditure should be made via the Trust iProcurement system (with the possible exception of pharmacy products). (Objective 08)**

A review is currently underway of the current contract register for completeness and coverage – versus supplier spend. A new Contract Management System will be implemented in Q1 2014. The Contract Management System will establish the roles and responsibilities between divisions and procurement for the monitoring of contracts, with contract leads within divisions being clearly identified from the commencement of contracts.

**All contracts should be recorded on the new Trust Contract Management System (including pharmacy contracts). (Objective 09)**

**Executive leads will be identified for all high value and business critical contracts. Operational/clinical 'owners' of contracts will also be identified where appropriate. (Objective 10)**

The ongoing development of the procurement team will be a crucial factor in the success of the function and its ability to deliver increasingly challenging objectives. The focus will be on development of Category Management and market management skills as well as 'technical' tendering skills.

We will also seek to upgrade our skills in 'generic technical' areas – specifically around project management and the development of business cases.

Perhaps of more importance will be the development of 'softer' stakeholder management and engagement skills as the emphasis for the procurement function changes.

**We will increase our focus on the training and professional development of the team through improved appraisals; better training plans; professional and personal development; and identification of 'development projects' for staff. (Objective 11)**

Development of the operational buying staff and assistant procurement managers within the team will be a priority. These roles are particularly important from a developmental perspective but are also vital in terms of increasing the capability of the department and improving performance. **The roles and objectives of the operational buying team and assistant procurement managers will be reviewed to ensure they are fulfilling and challenging for the individual, have a strong developmental focus, and are making an optimum contribution to the department. (Objective 12)**

Investment in the future of the procurement department will be important to develop and maintain capability. It is particularly useful to invest in the development of new talent into the function – with the benefits of new perspectives and enthusiasm that this brings. This will also go some way to alleviate the skills shortage that currently exists for high quality procurement professionals. **We will assess the potential opportunities to participate in graduate and apprenticeship schemes as a key part of our organisational development. (Objective 13)**

It will be important to build our capacity and capability not only within the procurement function but also to increase the procurement knowledge and commercial awareness appropriately across the wider Trust. Closer alignment of the Procurement Department with the divisions will help this process. However, **we will also improve information and guidance available on the Trust intranet – including the publication of a 'procurement guide' - and assess the potential to provide more 'induction' training and/or 'procurement workshops' for new starters and Trust staff. (Objective 14)**

Benchmarking and comparison with similar Trusts will provide a useful measure of our capability and help to assess the efficiency of the department. **We will actively benchmark our resourcing, capability and capacity with other similar Trusts. (Objective 15)**

### **5.3 More effective use of systems, technology and data**

The establishment of a 'best in NHS' procurement and supply chain service for the Trust will require more effective use of systems, technology and data. This will need to be addressed at an early stage as it is a fundamental building block of the improvements required.

Typically, only a third of non-pay expenditure is transacted by NHS providers through their purchase order processing module attached to the finance system. The rest is fragmented across sub-systems in pharmacy, estates, catering, appliances and agency staff, or not even captured through any sub-system and simply paid on invoice, such as energy and some services.

Improvements in the way we use systems and technology will underpin the financial discipline necessary for the Trust. Robust procurement processes underpinned by efficient systems and technology are essential in establishing effective control across a large organisation such as OUH.

Accurate master data used consistently across the supply chain will provide the foundation for more effective procurement.

The most significant systems components and technology are already in place at the Trust. The use of these systems needs to be extended and enhanced. Work has already commenced in this area with the drive to channel more expenditure through the iProcurement Purchase Order system. **We will continue to establish more effective use of our existing systems and technology (fully electronic requisitioning; drive up use of the iProcurement system and significantly reduce non-PO expenditure; extend catalogue coverage). (Objective 16)**

Some new technology/systems will need to be introduced and we will seek to ensure that all elements of technology are as integrated as possible with appropriate interoperability, minimal duplication and 'single point of truth' datasets. **We will develop a systems and technology implementation plan to identify and prioritise the upgrading or extension of our systems. (Objective 17)**

The most significant improvement required in terms of systems, technology and data is to build capability and skills within the Procurement Department. **We will make targeted investment in the Procurement Department team in this area and also assess the possibility for some short term external expert support to increase the pace of implementation and provide subject matter expertise in the early stages. (Objective 18)**

Inventory management systems have not yet been widely adopted across the NHS as they have in other sectors. However, the market for these systems has matured in the last few years and the benefits available from better inventory management can be significant. **We will assess potential options for inventory management systems and develop business cases in conjunction with stakeholders for more significant technology investment where appropriate. (Objective 19)**

In the last half of 2013, the Trust began the implementation of spend analytics via the London Procurement Partnership (LPP). This provides powerful expenditure analysis and sophisticated benchmarking with a group of around 30 other Trusts also using the service. **We will continue to participate in this spend analytics service and will devote resource to develop and utilise the information it provides. (Objective 20)**

We will improve access and training to maximise the value we derive from technology. In particular **we will enable wider access and use price quotation and tendering technology for medium-low value purchases. (Objective 21)**

The improvements in systems and the data available will enable better performance reporting for procurement. **We will use the data to develop a series of Key Performance Indicators – a dashboard of procurement performance metrics for the Trust - in line with those recommended in the NHS Standards of Procurement document. (Objective 22)**

A great deal of the 'lost opportunity' across the system is due to the incompatibility of data and systems. Where possible we will seek to align with other Trusts and the wider NHS in the technology, systems and protocols we adopt. This will enable more efficient collaboration, improved transparency, better reporting and greater interoperability.



**We will therefore seek to be an active participant in national initiatives that support improvements in this area and will be proactive with similar Trusts in developing joint approaches to systems issues where appropriate. (Objective 23)**

This is likely to include developments around barcode driven technology and adoption of GS1 technology.

The potential exists to use our systems more effectively and in particular to improve transactional efficiency. This will require close working with other parts of the Finance Department in particular.

**We will establish a small working group to develop and deliver these potential efficiencies – in particular e-ordering and e-invoicing, supply chain finance and dynamic discounting.**

**(Objective 24)**

#### **5.4 Closer working with suppliers and focussed Supplier Relationship Management**

Increasingly procurement is becoming based around partnerships and managing the value an organisation gains from the external world. The culture of the NHS needs to develop so that industry is viewed as a strategic service partner rather than a transactional supplier of goods and services.

We need to establish good relationships with industry, based on partnerships that deliver mutual value, rather than simple transactional business.

The challenges we face apply equally to our suppliers. Delivering efficiencies and improvements at pace and scale will require a joint approach – a relentless focus on costs across the whole supply chain whilst building partnerships and encouraging innovation.

We need to make best use of the capabilities of our supplier base – being more responsive to innovative solutions and ideas from industry and working in partnership to develop innovative service solutions.

New ways of working with our major suppliers need to be identified to reduce costs, increase efficiency and remove excessive costs to serve.

The relationship with industry needs to be developed based on partnership and value rather than price and sales.

Strong relationships already exist between senior clinicians and medical technology suppliers. However, all too often Trusts have found it difficult to harness these relationships to drive benefits and optimise value for the organisation.

**We will develop relationships with key suppliers at a senior level and establish a formal and clinically-led Supplier Relationship Management process. (Objective 25)**

The public sector procurement regulations provide structure, transparency and fairness to procurement – the value of which is often overlooked. The rules are often mistakenly perceived as a barrier to innovation and the development of beneficial relationships with suppliers. We must continue to work within the rules but also to explore new procurement approaches which can deliver value in a compliant way. In particular we will assess how the current changes to the procurement rules can support new approaches.

**We will work with procurement experts, other Trusts and suppliers to develop new procurement approaches as we develop our Category Management process. (Objective 26)**

## 5.5 Procurement Approach, Process and Procedures

### Compliance

The procurement landscape is increasingly challenging with on-going developments in public procurement law and increased risk of procurement processes being challenged and ever greater demands to deliver benefits. Compliance and the need for professional oversight of our commercial arrangements is more critical than ever.

The procurement function will strive to achieve full compliance with all relevant public procurement legislation, ensuring appropriate controls are maintained and commercial arrangements are appropriate. **An essential part of this process will be to establish control and oversight of all non-pay expenditure through the Procurement Department. (Objective 27)**

These arrangements will also include pharmacy related procurements, where the Procurement Department will work collaboratively with the pharmacy procurement leads to ensure that value for money and commercial expertise is also maintained in this key area of Trust expenditure.

### Strategic Sourcing

It is recognised that staff using consumables, equipment and services have an important part to play in their selection. The **Clinical Procurement Groups will be established within the divisions to ensure an appropriate balance between quality, fitness for purpose and value for money. (Objective 03)**

With the support of the procurement managers, all divisions should adopt a strategic methodology which reflects their current and future procurement requirements, and in addition exploits commercial opportunities and innovations available. To support this **we will develop a Category Management approach and embed this into our procurement processes** – building our expertise and knowledge in key product areas and managing product categories to satisfy Trust needs. **(Objective 28)**

Although price is a key factor in any procurement decision, it is only one element in the total cost of acquisition. It is important, therefore, that the strategic sourcing methodology and Category Management approach applied by the Trust takes account of this total cost of ownership. A holistic view of costs within the overall supply chain is therefore required.

It will be also increasingly important to focus procurements on wider objectives other than cash savings (e.g. reducing infection rates, bed days, etc.) and **we will provide opportunity for industry to present innovative solutions to these wider aims as part of our formal procurement processes. (Objective 29)**

Furthermore, there has been very little focus across the NHS procurement function on cost pressures. This is remarkable considering the constant upgrading of products that is inherent in the healthcare technology market. **We will use our Category Management approach, strengthened controls and improved data to develop ways of closely monitoring controlling cost pressures. (Objective 30)** This will include strict controls and actions around inflationary price increases- which will be a key priority for the Procurement Department.

### Supplier Rationalisation and Product Standardisation

A natural outcome of supplier rationalisation and production standardisation is to have larger, but fewer contracts with a smaller number of suppliers. However, it warrants attention in its own right

because of the effect it can have on supply chain efficiency, and on the numbers of low value orders which are generated by the Trust.

A smaller supplier base will also help the Trust to have few but better relationships with suppliers.

**We will actively reduce both the number of suppliers utilised and the number of low value orders raised. This will be monitored as part of our Key Performance Indicators. (Objective 31)**

The key element to product standardisation is to involve the end users in the process, since the aim is explicitly to avoid restricting the range of products in such a way that quality of service is compromised. It must therefore be implemented carefully and with full consultation with all interested parties. The Clinical Procurement Groups will be the forum to drive standardisation of products. The Procurement Department will provide the leadership and co-ordination for the standardisation of any cross-Trust products.

### **Procedures and Information**

The Trust maintains a number of documents relating to the procurement process. Some have recently been reviewed and re-issued but others are out of date or missing.

Without up-to-date documents and consistent overarching formal policies and procedures, there is a risk that the Trust's procurement objectives are not met, including delays in the procurement process and additional costs being incurred.

**Over the course of 2014 we will review and update all policies, procedures and documentation pertaining to procurement and ensure that these are interlinked with the procurement strategy, standing orders, standing financial instructions and scheme of delegation. This will include a review of all standard template documents and forms. (Objective 32)**

**The procurement area of the Trust intranet will also be reviewed and updated to include the updated procedures but also to include a wider range of useful procurement information. (Objective 33)**

### **5.6 Leverage medical technology and supplier innovation**

Major teaching Trusts such as OUH have a responsibility to support and encourage a vibrant and innovative health technology industry. At the same time the innovation that is driven by industry and research partners in teaching hospitals and universities is the source of much healthcare and service improvement.

However, for too long the focus of technology and innovation has been to extend and improve treatment with a consequent increase in costs. The challenge both for the NHS and its industry partners is to pursue innovations that genuinely add value but not cost – the NHS for its productivity and quality goals and industry for its international competitiveness.

If significant efficiencies are to be achieved over the next few years, we need to focus on gaining efficiency improvements from medical technology and building innovation more strongly into NHS procurement.

We need to engage more proactively with the healthcare technology market – horizon scanning and proactively searching for innovations that deliver efficiency improvement as well as clinical improvements.

We should also provide greater opportunity for industry to present solutions to the Trust – as part of formal procurement processes and also on an ad-hoc basis.

**To achieve this we will build our relationships with the Academic Health Science Network (AHSN) and other relevant organisations to develop a practical process for the accelerated identification and adoption of technology and innovation. (Objective 34)**

**Through the Clinical Procurement Groups within the divisions, we will work proactively with clinicians, operational teams and suppliers to build business cases for the adoption of innovation and best practice. (Objective 35)**

## **5.7 Maximise value from supply chain partners**

We have a number of procurement and supply chain partners e.g. Health Trust Europe, London Procurement Partnership, NHS Supply Chain, and the Government Procurement Service. These organisations provide a route to market and contract access for a significant proportion of our expenditure.

Much of this would be difficult to replace at local level and to do so would incur significant inefficiencies across the health economy as a whole. Indeed these supply chain partners are now an important feature of the procurement landscape and their services have matured over recent years.

However these organisations will never be able to develop the relationships and stakeholder engagement required at local levels to derive maximum value from our supply chain and they have still not managed to develop a robust procurement mechanism for delivering committed aggregated volume to market.

The London Procurement Partnership have developed a project to attempt to address the issue of committed volume aggregation and **we will continue to be an active participant and steering board member of this 'Demand Aggregation Pilot' project and develop new ways to drive further value from commitment contracts. (Objective 36)**

The two largest supply chain partners – NHS Supply Chain and Government Procurement Service – have proven difficult to influence and have not been responsive to client requirements in the past. **We will work with other Trusts (Shelford Group) and in conjunction with the Department of Health to identify ways to improve the service from these organisations. (Objective 37)**

Work has already commenced with the two supply chain partners – HTE and LPP – to develop more focussed approach and more robust joint workplans. **We will work closely with LPP, HTE and other supply chain partners in Q1 2014 to ensure all workplans are aligned and that benefits delivery from their workplans is embedded within our Trust work plans. (Objective 38)**

**We will develop new approaches with our supply chain partners to identify new ways for partners (procurement intermediary organisations) to help the Trust manage our categories of spend, rather than just provide sources of framework agreements and easy market access. (Objective 39)**

**We will seek the support of supply chain partners as our work with other specialist Trusts develops. (Objective 40)** Discussions have already started with HTE around support for the work we are doing with other specialist centres in neurology.

## **5.8 Closer working with other Trusts and Organisations**

It is important that the Trust exploits the benefits of collaborative work with other organisations wherever it is likely that this will produce greater benefits than the Trust is able to achieve locally.

**We will actively seek out relationships, engagement and learning from other Trusts – in particular the Shelford Group of Trusts - sharing best practice to deliver benefits and improvements. (Objective 41)**

The Trust has taken a leading role in the development of dialogue between the procurement leads of the Shelford Group of Trusts. This group has gained momentum very quickly. There is a genuine desire to share information and best practice – and to work jointly to achieve the improvements and high performing procurement required by the Shelford Trusts, and indeed the wider health economy.

Acting collectively the group will be able to influence the wider system and enable the more rapid development of many initiatives which have previously failed due to a simple lack of co-ordination and critical mass.

The Trust has carried out procurement in conjunction with other Trusts in the past – most recently the Core Automated Lab tender with Buckinghamshire NHS Trust which is in its closing stages. However these have, to some extent been a reflection of convenience and resource limitations rather than being used as a value driver.

We need to extend this approach to drive further value from our suppliers and supply chain. The first steps to developing this approach have already begun. Discussions are underway to **develop plans for a joint procurement for neurology consumables with four specialist centres – which will be used to pilot this approach. (Objective 42)**

For non-clinical supplies we will also seek to **develop opportunities to work jointly with appropriate organisations beyond the health sector. (Objective 43)** We are already in discussions with Oxford City Council and Oxfordshire County Council as we develop our plans for 'managed print' procurement.

**We will also seek to establish closer procurement links with Oxford University. (Objective 44)**

## 5.9 Supply Chain Management Efficiencies

The “supply chain” can be defined as the entire chain of processes that exist between the point at which a need for goods or services arises to the point at which the end user receives them and payment is made to the supplier. One part of the chain impacts directly on all subsequent stages, and proactive management of the supply chain is therefore fundamental to providing an efficient and effective procurement service to the organisation.

Materials Management is the process by which stocks of consumables held on wards and departments are managed effectively in order to maintain appropriate stock levels without the need for clinical staff intervention.

Whilst it is necessary to hold some stock to ensure ready availability of essential items, excessive levels are undesirable for a number of reasons.

Quarterly Materials Management reviews are in place and are an ongoing mechanism for ensuring good stock management.

However there is a large expenditure on items that do not come into the Trust through the formal material management route – described locally as 'non-stock' items.

There is a significant opportunity from improved inventory management – in particular around better supporting the clinical teams in front-line services by having the right materials readily available at the right time.

Improvement in this area will be one of the defining elements of achieving a 'best in class' procurement and supply chain function.

We will take a three step approach to improvements in supply chain management efficiencies:

- **Establish line management accountability and professional oversight - transfer all staff involved in supply chain and materials management into the Procurement Department. (Objective 45)**
- **Develop tighter systems where applicable with more structured performance reporting as part of our KPIs. (Objective 46)**
- **Assess potential options for inventory management systems and develop business cases in conjunction with stakeholders for more significant technology investment where appropriate. (Objective 19)**

Much value can also be gained from improving efficiencies across the upstream supply chain. This requires close working between the participants across the supply chain. **We will start discussions in Q1 2014 with key suppliers to identify and develop business-to-business supply chain efficiencies. (Objective 47)**

#### **5.10 Leverage the eminence and scale of OUH**

The eminence of OUH in healthcare delivery, teaching and medical research is well known and is of significant value.

The scale of the organisation and size of non-pay expenditure gives the Trust huge purchasing power.

The Trust will work to harness these factors in the context of procurement and use these factors to drive out more value and seek a greater contribution from our supplier partners and from the supply chain.

#### **5.11 Develop income stream from the procurement and supply chain function**

An emerging theme from the DH report *Better Procurement, Better Value, Better Care* is around the major Trusts taking a lead in developing higher standards of procurement across the wider system.

As we develop our own expertise, there will almost certainly be opportunities to provide services to other organisations and offset the investment we have made in developing our own capability.

As well as ensuring our developments and improvements meet the needs of the Trust, we should also be aware of ensuring where possible that they are transferable to other organisations – particularly in terms of systems and technology implementation.

**We will continue to monitor the emerging landscape for such opportunities as we seek ways to develop an income stream from procurement through supplying expertise and services to other organisations. (Objective 48)**

We have a specific opportunity in the short term to increase our expertise in the areas of agency & temporary staffing procurement whilst at the same time providing this expertise to other Trusts. This is a significant area of expenditure for the Trust. It is also a key priority nationally as highlighted in the *Better Procurement, Better Value, Better Care* report.

**A separate case will be made in February 2014 for the opportunity to extend our category expertise in agency and temporary staffing whilst generating an income stream from other Trusts. (Objective 49)**



## 6.0 Structure and Organisation

The structure of the team and resourcing has been reviewed as part of the new procurement strategy. (2014-2017). The new structure proposes **targeted investment in the Procurement Department – particularly in the key areas of systems and data but also in strategic sourcing (Category Management) areas which require more capability. (Objective 06)**

The changes required in the department will go through a consultation process in Q1 2014.

## 7.0 Work Planning

The planning horizons for procurement are currently inadequate – in part due to the lack of a robust Contract Management System.

**We will establish a 3-year planning horizon for procurement work planning – linked closely to a new Contract Management System. (Objective 50)**

**The work planning process will be formally recorded and the process will identify the mechanisms for inclusion of projects that would not normally be driven from the Contract Management System (e.g. capital planning). (Objective 51)**

## 8.0 Performance Reporting and Savings

**KPIs will be developed as part of the strategy implementation. These will take account of the key guidance and policy documents guidance. (Objective 22)**

Strategic and operational efficiency and effectiveness will be measured by capturing key performance statistics, setting performance targets, establishing monitoring systems, and reporting results to each division on a monthly basis through the work plan. This will be an ongoing process of development as many KPIs can only be established from a more mature function and improved data.

**Work is ongoing to actively benchmark with other Trusts – including major London Trusts (via LPP) and the ‘Shelford Group’ of Trusts. (Objectives 20 & 41)**

How we measure the procurement contribution will be an issue as the future challenges emerge and the contribution from procurement to the organization extends. As we move beyond simply ‘savings’ we will need to identify new ways to measure the procurement contribution.

**The reporting of savings and benefits will be aligned to other similar Trusts for consistency and comparison and the procedure for reporting will be formalised in Q1 2014. (Objective 52)** Savings reporting will be done on a financial year basis and also on a 12-month rolling basis in recognition of the fact that many procurement processes do not fit conveniently into the annual financial reporting timescales. This will also provide more accurate information for budget setting.

## 9.0 Leadership and Governance

**Leadership** - Procurement is part of the Finance and Procurement Directorate. The sponsor of the procurement strategy is the Director of Finance and Procurement. Responsibility for the delivery of the strategy rests with the Head of Procurement. The Strategy will be communicated across the organisation via the senior management team and the Trust intranet, and translated into the objectives of the staff within the Procurement Department.

**A Non-Executive Director should be assigned to procurement as recommended in recent Department of Health guidance *Raising Our Game*. (Objective 53)**

**Standards & Governance** - The activity of the Procurement function is governed by public procurement legislation, collaborative agreements on commodity areas with other parts of the public sector and the Trust's own Standing Orders and Standing Financial Instructions. The actions of individual staff members are governed by the Code of Ethics of the Chartered Institute of Purchasing and Supply (CIPS), which is the professional body for procurement staff and the Trusts own 'Standards of Business Conduct'.

**Policies & Procedures** - Procurement procedures are set out in the Trust's Standing Orders and Standing Financial Instructions. Procedures for specific areas of policy or guidance are available

and will be reviewed as part of this strategy (see section 5.5). Additional guidance notes are circulated within the team as appropriate.

**Review & Audit** - The Procurement Strategy will be refreshed in line with internal/external environment changes and will be subject, as a minimum, to a formal review every three years to ensure it remains relevant to the Trust's aims and objectives. Procurement will be audited in line with the Trust's audit plans and performance will be reviewed quarterly. The detailed action plan (Appendix A) will be reviewed and updated quarterly and reports on activity will be provided to the Trust Management Executive.

**Policy and Guidance** - This strategy is aligned with the key recommendations of the recently issued guidance around procurement and supply chain:

- **NHS Procurement: Raising our game**, which was prepared in response to the NHS report "The procurement of consumables by NHS acute and foundation trusts". It identifies six areas for improvement: levers for change, transparency and data management, standards for procurement, leadership, clinical engagement and reducing variation, collaboration and use of procurement partners and suppliers, innovation and growth.
- **NHS Standards of Procurement**. The NHS Standards aim to support trusts in understanding what good procurement looks like and in planning improvements at a local level. There are 19 standards organised in four domains: leadership, process, partnerships and people. Achievement against the standards is assessed as a 'maturity matrix' (building, achieving and excelling).
- **NHS Innovation, Health and Wealth**, informs the strategic approach to innovation including procurement.
- **Better Procurement Better Value Better Care**: A Procurement Development Programme for the NHS, which recognises that the challenges for procurement are system-wide and sets out the actions taken by the Department of Health through the NHS procurement development programme to modernise procurement across the health system.

Mr Mark Mansfield, Director of Finance and Procurement

Mr Gary Welch, Head of Procurement



**Annex A: Detailed Action Plan**

This strategy for 2014 - 2017 has been developed with a view to achieving the following key priorities/objectives:-

Key Priority/Objective	Action Plan	Who	Timescale
01 Align the procurement and supply chain function with the clinical divisions of the Trust.  A matrix structure will be developed based around the alignment of the team with divisional and Category Management responsibilities.	<ul style="list-style-type: none"> <li>Discuss with team and stakeholders to assess 'best fit'.</li> </ul>	GW and PMs	Q1 2014
	<ul style="list-style-type: none"> <li>Agree 'cross-divisional' and specialised projects.</li> </ul>	GW and PMs	Q1 2014
	<ul style="list-style-type: none"> <li>Re-alignment of work and phased handover of current projects.</li> </ul>	GW and PMs	Q1-Q2 2014
	<ul style="list-style-type: none"> <li>Development of procurement work plan and CIPs with divisions.</li> </ul>	Procurement Managers	Q1 2014
	<ul style="list-style-type: none"> <li>Ongoing engagement with divisional operational and clinical teams to ensure delivery.</li> </ul>	Procurement Managers	Ongoing
02 Work the theatres improvement group to drive value from this area of expenditure	<ul style="list-style-type: none"> <li>Allocate procurement 'theatres lead'.</li> </ul>	GW and PMs	Q1 2014
	<ul style="list-style-type: none"> <li>Discuss with Chair of theatres group and establish objectives and approach.</li> </ul>	'Theatres Lead'	Q1-Q2 2014
	<ul style="list-style-type: none"> <li>Develop theatres work plan with the group and build into overall procurement plan.</li> </ul>	'Theatres Lead'	Q1-Q2 2014
03 Develop Clinical Procurement Groups for each division and establish as the key forum for procurement related issues and delivery of procurement-related improvement, efficiency and savings targets. (See also 05)	<ul style="list-style-type: none"> <li>Define Terms of Reference and format for Clinical Procurement Groups.</li> </ul>	GW and DGMs	Q1 2014
	<ul style="list-style-type: none"> <li>Establish membership and identify other key stakeholders for each group.</li> </ul>	PMs and DGMs	Q1 2014

Key Priority/Objective	Action Plan	Who	Timescale
	<ul style="list-style-type: none"> <li>Clinical Lead to be identified to chair each group.</li> <li>Establish Groups as key part of divisional business process.</li> </ul>	DGMs  PMs and DGMs	Q1 2014  Ongoing
04 Develop tendering and procurement decision-making process to be more objective and transparent with clinicians at the heart of a structured procurement process.	<ul style="list-style-type: none"> <li>Review current practice with key clinical stakeholders.</li> <li>Develop an appropriate model and build into procurement processes.</li> </ul>	GW, PMs and Clinical Leads	Q1-Q2 2014
05 Divisions should identify a 'Clinical Procurement Champion' to represent the clinical teams on procurement related issues. Ideally this individual should chair the Clinical Procurement Groups in each division. (See also 03)	<ul style="list-style-type: none"> <li>Define the remit for 'Clinical Procurement Champion'.</li> <li>'Clinical Procurement Champion' to be identified for each division.</li> </ul>	GW, DGMs and Clinical Leads  DGMs and DDs	Q1 2014  Q1 2014
06 Targeted investment in the Procurement Department – particularly in the key areas of systems and data but also in strategic sourcing (Category Management) areas which require more capability. (See also 18)	<ul style="list-style-type: none"> <li>Develop new organisational structure to support the required improvement and the implementation of this strategy.</li> <li>Consultation on the new organisational structure and implementation.</li> </ul>	GW  GW	Q1 2014  Q1-Q2 2014
07 Review areas of expenditure that are currently carried out without Procurement Department input with a view to their responsibility being transferred to the Department or at the very least functional procurement input and oversight put in place. (See also 08 and 27)	<ul style="list-style-type: none"> <li>Use spend analytics and data to work with the Finance team to map all Trust expenditure.</li> <li>Systematic review and assessment with stakeholders of all expenditure not currently carried out by Procurement Department</li> </ul>	GW and Finance Team  GW and Stakeholders	Q2 2014  Q2-Q3 2014

Key Priority/Objective	Action Plan	Who	Timescale
08 Ensure all expenditure is made via the Trust iProcurement system (with the possible exception of pharmacy products). (See also 07 and 27)	<ul style="list-style-type: none"> <li>Establish PO/non PO expenditure as a KPI.</li> <li>Systematic review and assessment of non-PO expenditure.</li> </ul>	AL AL	Q1 2014 Q1-Q2 2014
09 Ensure all Trust contracts are recorded on the new Trust Contract Management System (including pharmacy contracts).	<ul style="list-style-type: none"> <li>Evaluate Contract Management Systems.</li> <li>Implement new Contract Management System for 'procurement-owned' contracts.</li> <li>Review contracts registered versus AP expenditure.</li> <li>Extend contract register to cover all Trust contracts.</li> </ul>	HL/SR HL/SR HL/SR HL/PMs	Jan 2014 Q1 2014 Q1-Q2 2014 Q2-Q3 2014
10 Identify executive leads for all high value and business critical contracts. Operational/clinical 'owners' of contracts will also be identified where appropriate – e.g. med tech contracts should have a clinical 'owner'. (See also 25)	<ul style="list-style-type: none"> <li>Include 'contract owners' in all Contract Management System entries.</li> </ul>	HR/PMs	Q1-Q3 2014 and ongoing
11 Increase our focus on the training and professional development of the Procurement Team through improved appraisals; better training plans; professional and personal development; and identification of 'development projects' for staff.	<ul style="list-style-type: none"> <li>Consider appropriate approach and support to improved appraisals (e.g. Myers Briggs and 360° feedback)</li> <li>Establish new appraisal dates for all team.</li> <li>Establish robust training and development plans from appraisals.</li> <li>Establish development projects as part of appraisals.</li> </ul>	GW GW/PMs/AL GW/PMs/AL GW/PMs/AL	Q1 2104 Q1-Q2 2014 Q1-Q2 2014 Q1-Q2 2014

Key Priority/Objective	Action Plan	Who	Timescale
12 Review the roles and objectives of the operational buying team and assistant procurement managers to ensure they are fulfilling and challenging for the individual, have a strong developmental focus, and are making an optimum contribution to the department.	<ul style="list-style-type: none"> <li>Consult with buying team and assistant procurement managers are their roles and objectives.</li> <li>Implement any resulting changes, including resolution of any job grading issues, and ensure consideration is included in appraisal process.</li> </ul>	GW/PMs/AL  GW/PMs/AL	Q12014  Q1-Q2 2014
13 Assess the potential opportunities to participate in graduate and apprenticeship schemes as a key part of our organisational development.	<ul style="list-style-type: none"> <li>Include in new organisational structure.</li> <li>Work with HR Department to implement.</li> </ul>	GW GW	Q1 2014 Q1-Q2 2014
14 Improve information and guidance available on the Trust intranet – including the publication of a ‘procurement guide’ - and assess the potential to provide more ‘induction’ training and/or ‘procurement workshops’ for new starters and Trust staff.	<ul style="list-style-type: none"> <li>Review current content on intranet and remove all out of date documents.</li> <li>Work with Communications Dept to establish improved intranet area.</li> <li>Add updated documents and new content as they become available.</li> <li>Assess potential input into induction process with HR/Org Dev.</li> </ul>	GW GW GW/Team GW/HR	Q1 2014 Q2 2014 Q1-Q4 2014 Q2-Q3 2014
15 Actively benchmark our resourcing, capability and capacity with other similar Trusts.	<ul style="list-style-type: none"> <li>Work with Shelford Group procurement leads to establish benchmarking of resources.</li> </ul>	GW	Q2-Q3 2014
16 Continue to establish more effective use of our existing systems and technology (fully electronic requisitioning; drive up use of the iProcurement system and significantly reduce non-PO expenditure; extend catalogue coverage).	<ul style="list-style-type: none"> <li>Assess expenditure not currently made through PO system. (see 07)</li> <li>Establish KPI(s) for catalogue coverage and expenditure.</li> </ul>	GW/AL and S&DM GW/AL and S&DM	Q1-Q2 2014 Q1-Q2

Key Priority/Objective	Action Plan	Who	Timescale
	<ul style="list-style-type: none"> <li>Establish KPI(s) for NHSP bank and agency system (for agency and temp staff expenditure).</li> </ul>	GW	2014  Q1-Q2 2014
17 Develop a systems and technology implementation plan to identify and prioritise the upgrading or extension of our systems.	<ul style="list-style-type: none"> <li>Establish the Systems and Data Manager role. (see 06)</li> <li>Establish a systems and technology Stakeholder Group.</li> <li>Develop systems and technology implementation plan.</li> </ul>	GW  GW/S&DM  GW/S&DM	Q1-Q2 2014  Q2 2014  Q2 2014
18 Make targeted investment in the Procurement Department team in the area of systems and data and also assess the possibility for some short term external expert support to increase the pace of implementation and provide subject matter expertise in the early stages. (See also 06)	<ul style="list-style-type: none"> <li>See 06 and 17.</li> <li>Develop proposal for short term external support.</li> </ul>	GW	Q1 2014
19 Assess potential options for inventory management systems and develop business cases in conjunction with stakeholders for more significant technology investment where appropriate (high value inventory areas).	<ul style="list-style-type: none"> <li>Identify current inventory management systems in use in other hospitals.</li> <li>Identify capability and limitations of existing EDI system.</li> <li>Develop basic assessment of available systems and match to OUH requirements.</li> <li>Develop outline business case for investment.</li> <li>Select most appropriate system and pilot.</li> </ul>	GW/AL/S&DM  GW/AL/S&DM  GW/AL/S&DM  GW/AL/S&DM	Q1-Q2 2014  Q1-Q2 2014  Q2 2014  Q2-Q3

Key Priority/Objective	Action Plan	Who	Timescale
	<ul style="list-style-type: none"> <li>Agree implementation and roll out to other high value areas.</li> </ul>	GW/AL/S&DM	2014  Q2-Q3 2014  Q3-Q4 2014
20 Continue to participate in this spend analytics service and devote resource to develop and utilise the information it provides.	<ul style="list-style-type: none"> <li>Assess use of system as part of development of buying team and assistant procurement managers. (see 12)</li> <li>Link to Key Performance Indicators and develop information outputs from system.</li> </ul>	GW  GW/CH/LPP	Q1 2014  Q1-Q2 2014
21 Enable wider access and use price quotation and tendering technology for medium-low value purchases.	<ul style="list-style-type: none"> <li>Assess use of system as part of development of buying team and assistant procurement managers. (see 12)</li> <li>Consider extension of these tools to key stakeholders within divisions and operational teams.</li> </ul>	GW  GW	Q1 2014  Q2-Q3 2014
22 Use improved data to develop a series of Key Performance Indicators – a dashboard of procurement performance metrics for the Trust - in line with those recommended in the <i>NHS Standards of Procurement</i> document.	<ul style="list-style-type: none"> <li>Review KPIs recommended in the <i>NHS Standards of Procurement</i> document.</li> <li>Develop a phased approach to KPIs.</li> <li>Report initial suite of KPIs (including AP/PO ratio, PO/catalogue ratio, number of suppliers on system, number of POs, number of invoices)</li> </ul>	GW/Team  GW/Team  GW/Team	Q1 2014  Q1-Q2 2014  Q1 2014
23 Seek to be an active participant in national initiatives that support improvements in systems and data. Be proactive with similar Trusts in developing joint approaches to systems issues	<ul style="list-style-type: none"> <li>Continue involvement in Shelford Procurement Leads Group.</li> </ul>	GW	Ongoing

Key Priority/Objective	Action Plan	Who	Timescale
where appropriate. (e.g. common coding protocols)			
24 Establish a small working group to develop and deliver transactional efficiencies from our – in particular e-ordering and e-invoicing, supply chain finance and dynamic discounting.	<ul style="list-style-type: none"> <li>Establish a Finance and Procurement systems working group.</li> <li>Develop implementation plan for e-ordering and e-invoicing.</li> <li>Develop supply chain finance implementation plan as part of procurement CIPs initiatives for 2014/15.</li> </ul>	<p>GW/AL/S&amp;DM</p> <p>Group</p> <p>GW/Group</p>	<p>Q2-Q3 2014</p> <p>Q2-Q3 2014</p> <p>Q1-Q3 2014</p>
25 Develop relationships with key suppliers at a senior level and establish a formal and clinically-led Supplier Relationship Management process. (See also 10)	<ul style="list-style-type: none"> <li>Review list of suppliers by expenditure value and assess current organisational relationships.</li> <li>Develop a roll out plan for Supplier Relationship Management.</li> </ul>	<p>GW/Team</p> <p>GW/Team</p>	<p>Q2-Q3 2014</p> <p>Q2-Q3 2014</p>
26 Work with procurement experts, other Trusts and suppliers to develop new procurement approaches as we develop our Category Management process	<ul style="list-style-type: none"> <li>Establish dialogue with Shelford Group, DH and supply chain partners to develop approach to Category Management (market intelligence, data and information gathering, horizon scanning, etc.)</li> <li>Develop Category Management plans for key supply areas – aligned with Trust specialist area where appropriate.</li> </ul>	<p>GW</p> <p>GW/PMs</p>	<p>Q2-Q3 2014</p> <p>Q3-Q4 2014</p>
27 Ensure full compliance, robust controls and appropriate commercial arrangements for all expenditure. An essential part	<ul style="list-style-type: none"> <li>See 07 and 08.</li> </ul>		

Key Priority/Objective	Action Plan	Who	Timescale
of this process will be to establish control and oversight of all non-pay expenditure through the Procurement Department. (See also 07 and 08)			
28 Develop a Category Management approach and embed this into our procurement processes – building our expertise and knowledge in key product areas and managing product categories to satisfy Trust needs. (See also 26)	<ul style="list-style-type: none"> <li>• See 26.</li> </ul>		
29 Provide opportunity for industry to present innovative solutions to these wider aims as part of our formal procurement processes. (See also 34)	<ul style="list-style-type: none"> <li>• Work with Oxford AHSN to develop process to assess supplier innovation and introduce innovation more rapidly into the trust.</li> <li>• Develop tendering process to enable innovative solutions to be presented and evaluated and a key part of the procurement process.</li> <li>• Ensure our Category Management processes are developed to include innovation. (See 26)</li> </ul>	<p>GW</p> <p>GW/PMs</p> <p>GW/PMs</p>	<p>Q1 2014</p> <p>Q2-Q4 2014</p> <p>Q2-Q4 2014</p>
30 Use our Category Management approach, strengthened controls and improved data to develop ways of closely monitoring controlling cost pressures. In particular focus on resisting inflationary pressures.	<ul style="list-style-type: none"> <li>• Develop a formal process for responding to inflationary price pressures.</li> <li>• Assess potential of current systems to track and monitor price movements.</li> </ul>	<p>GW/PMs/AL</p> <p>GW/AL/D&amp;SM</p>	<p>Q1 2014</p> <p>Q2-Q3 2014</p>
31 Actively reduce both the number of suppliers utilised and the number of low value orders raised. This will be monitored as part of our Key Performance Indicators.	<ul style="list-style-type: none"> <li>• Establish a KPIs for the number of suppliers transacted with, total number of suppliers, and 'low expenditure' suppliers. (See 22)</li> <li>• Establish a process to routinely review no/low expenditure suppliers.</li> </ul>	<p>GW/AL/D&amp;SM</p> <p>GW/AL/D&amp;SM</p>	<p>Q1 2014</p> <p>Q2-Q3 2014</p>



Key Priority/Objective	Action Plan	Who	Timescale
32 Review and update all policies, procedures and documentation pertaining to procurement and ensure that these are interlinked with the procurement strategy, standing orders, standing financial instructions and scheme of delegation. This will include a review of all standard template documents and forms.	<ul style="list-style-type: none"> <li>Establish plan to update all policies and procedures during 2014.</li> <li>Update policies and procedures and load onto Trust intranet.</li> </ul>	GW GW/Team	Q1 2014 Q1-Q4 2014
33 Review and update the procurement area of the Trust intranet to include the updated procedures but also to include a wider range of useful procurement information.	<ul style="list-style-type: none"> <li>See 14.</li> </ul>		
34 Build our relationships with the Academic Health Science Network (AHSN) and other relevant organisations to develop a practical process for the accelerated identification and adoption of technology and innovation. (See also 29)	<ul style="list-style-type: none"> <li>See 29.</li> </ul>		
35 Through the Clinical Procurement Groups within the divisions, work proactively with clinicians, operational teams and suppliers to build business cases for the adoption of innovation and best practice.	<ul style="list-style-type: none"> <li>See 03 and 29.</li> </ul>		
36 The London Procurement Partnership have developed a project to attempt to address the issue of committed volume aggregation and we will continue to be an active participant and steering board member of this 'Demand Aggregation Pilot' project and develop new ways to drive further value from commitment contracts.	<ul style="list-style-type: none"> <li>Continue with participation in the DAP project and involvement in the Steering Board.</li> <li>Build the project into our work plans for 2014/15.</li> </ul>	GW GW	Ongoing Q1 2014
37 Work with other leading Trusts (Shelford Group) and in conjunction with the Department of Health to identify ways to improve the service NHS Supply Chain and Government Procurement Service. (See also 41)	<ul style="list-style-type: none"> <li>Discussions with NHS Supply Chain and Government Procurement Service via the Shelford Group. (See 41)</li> </ul>	GW	Ongoing

Key Priority/Objective	Action Plan	Who	Timescale
38 Work closely with LPP, HTE and other supply chain partners in Q1 2014 to ensure all work plans are aligned and that benefits delivery from their work plans is embedded within our Trust CIPs plans.	<ul style="list-style-type: none"> <li>Focus on LPP and HTE – confirm their work plan and include appropriate projects in our 2014/15 work plan.</li> </ul>	SR	Q1 2014
39 Develop new approaches with our supply chain partners (procurement intermediary organisations) to identify new ways for partners to help the Trust manage our categories of spend, rather than just provide sources of framework agreements and easy market access.	<ul style="list-style-type: none"> <li>Work with all supply chain partners to identify opportunities for enhanced Category Management approach.</li> </ul>	GW	Q2-Q4 2014
40 Seek the support of supply chain partners as our work develop with other specialist Trusts.	<ul style="list-style-type: none"> <li>HTE support for the neurology tender. (See 42)</li> <li>Discussions with other partners via the Shelford Group. (See 41)</li> </ul>	GW/AT GW	Q1-Q4 2014 Q2-Q3 2014
41 Actively seek out relationships, engagement and learning from other Trusts – in particular the Shelford Group of Trusts - sharing best practice to deliver benefits and improvements. (See also 37)	<ul style="list-style-type: none"> <li>Continue to drive the collaboration between Shelford Group procurement leads.</li> </ul>	GW	Ongoing
42 Develop plans for a joint procurement for neurology equipment with four specialist centres – which will be used to pilot new methods of procurement collaboration between specialist centres.	<ul style="list-style-type: none"> <li>Continue involvement in this project.</li> <li>Include in work plan for 2014/15.</li> <li>Identify other opportunities for similar collaboration.</li> </ul>	GW/AT GW/AT GW/PMs	Q1-Q4 2014 Q1 2014 Q1-Q4 2014
43 Seek to develop opportunities to work jointly with appropriate organisations beyond the health sector for non-clinical supplies.	<ul style="list-style-type: none"> <li>Maintain contacts with Oxford Local Authority and County Council.</li> <li>Continue to explore the opportunity for a</li> </ul>	GW/CH GW/CH	Q1 2014 Q1-Q2

Key Priority/Objective	Action Plan	Who	Timescale
	joint contract for managed print.		2014
44 Seek to establish closer procurement links with Oxford University.	<ul style="list-style-type: none"> <li>Meet Oxford University procurement lead.</li> <li>Identify areas of common expenditure.</li> </ul>	GW GW	Q1 2014 Q2-Q3 2014
45 Establish line management accountability and professional oversight for all operational procurement and supply chain activities - transfer all staff involved in supply chain and materials management into the Procurement Department.	<ul style="list-style-type: none"> <li>Identify operational procurement and supply chain activities currently not managed by the Procurement Department.</li> <li>Review each case with appropriate stakeholders.</li> <li>Make any organisational changes where appropriate.</li> </ul>	GW GW GW	Q1 2014 Q2-Q3 2014 Q2-Q3 2014
46 Develop tighter systems for materials management where applicable with more structured performance reporting as part of our KPIs.	<ul style="list-style-type: none"> <li>Review current materials management processes.</li> <li>Complete materials management operating procedure documents.</li> <li>Ensure materials management KPIs are included in suite of procurement performance KPIs. (See also 22)</li> </ul>	AL AL AL	Q1 2014 Q2-Q3 2014 Q2-Q3 2014
47 Work with key suppliers to identify and develop business-to-business supply chain efficiencies.	<ul style="list-style-type: none"> <li>Hold initial discussions with key med tech suppliers.</li> </ul>	GW/AL and S&DM	Q1-Q2 2014
48 Continue to monitor the emerging landscape for opportunities to leverage our procurement capability as we seek ways to develop an income stream from procurement through	<ul style="list-style-type: none"> <li>Review current position of local Trusts.</li> <li>Monitor landscape for opportunities.</li> </ul>	GW GW	Q2-Q3 2014

Key Priority/Objective	Action Plan	Who	Timescale
supplying expertise and services to other organisations.			Ongoing
49 Develop a separate business case for the opportunity to extend our category expertise in agency and temporary staffing whilst generating an income stream from other Trusts.	<ul style="list-style-type: none"> <li>Develop business case.</li> <li>Recruit Category Manager.</li> </ul>	GW GW	Q1 2014 Q1 2014
50 Establish a 3-year planning horizon for procurement work planning – linked closely to a new contract management system.	<ul style="list-style-type: none"> <li>Review existing work planning processes in place across other Trusts.</li> <li>Develop a work planning process which captures all procurement activity across the Trust and which has 3-year planning horizon.</li> </ul>	GW GW	Q1 2014 Q1-Q2 2014
51 The work planning process will be formally recorded and the process will identify the mechanisms for inclusion of projects that would not normally be driven from the Contract Management System (e.g. capital planning).	<ul style="list-style-type: none"> <li>See 50.</li> </ul>		
52 The reporting of savings and benefits will be aligned to other similar Trusts for consistency and comparison and the procedure for reporting will be formalised in Q1 2014.	<ul style="list-style-type: none"> <li>Review existing processes in place across other Trusts.</li> <li>Develop a robust savings and benefits reporting methodology.</li> </ul>	GW GW	Q1 2014 Q1-Q2 2014
53 A Non-Executive Director should be assigned to procurement as recommended in recent Department of Health guidance 'Raising Our Game'.	<ul style="list-style-type: none"> <li>Discussion with the Trust Board.</li> </ul>	MM	Q1 2014