University Hospitals of Leicester NHS
NHS Trust

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 27 March 2014

COMMITTEE: Finance and Performance Committee

CHAIRMAN: Mr R Kilner, Non-Executive Director

DATE OF COMMITTEE MEETING: 26 February 2014

RECOMMENDATIONS MADE BY THE COMMITTEE FOR CONSIDERATION BY THE TRUST BOARD:

- Minute 13/14 – the finalised Procurement and Inventory Management Strategy for 2014-17 (as appended to these Minutes) be endorsed for approval at the Trust Board meeting on 27 March 2014.

OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR CONSIDERATION/ RESOLUTION BY THE TRUST BOARD:

- Minute 13/14 – achievements within the UHL Procurement service;
- Minute 17/14/4 – RTT Improvement Plans, and
- Minute 19/14/1 – CIP Update.

DATE OF NEXT COMMITTEE MEETING: 26 March 2014

Mr R Kilner
21 March 2014

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE FINANCE AND PERFORMANCE COMMITTEE, HELD ON WEDNESDAY 26 FEBRUARY 2014 AT 8.30AM IN THE LARGE COMMITTEE ROOM, MAIN BUILDING, LEICESTER GENERAL HOSPITAL

Present:
Mr R Kilner – Acting Chairman (Committee Chair)
Mr J Adler – Chief Executive
Colonel (Retired) I Crowe – Non-Executive Director
Mr P Hollinshead – Interim Director of Financial Strategy
Mr R Mitchell – Chief Operating Officer
Mr G Smith – Patient Adviser (non-voting member)
Ms J Wilson – Non-Executive Director

In Attendance:
Mr N Bond – Capital Projects Manager, NHS Horizons (for Minute 17/14/1)
Mr P Gowdridge – Head of Strategic Finance (for Minute 17/14/2)
Ms D Mitchell – Interim Alliance Director (for Minute 17/14/2)
Mrs K Rayns – Trust Administrator
Ms H Seth – Head of Planning and Business Development (for Minutes 17/14/1 to 17/14/3 inclusive)
Mr S Sheppard – Deputy Director of Finance
Ms A Smith – Assistant Director of Procurement and Supplies (for Minute 13/14 and part of Minute 19/14/3)
Ms M Wheeler – Foresight Partnership (observing)

ACTION

RECOMMENDED ITEM

13/14 PROCUREMENT UPDATE

Ms A Smith, Assistant Director of Procurement and Supplies attended the meeting to present paper L, providing an update on national developments relating to procurement, highlighting achievements within UHL's procurement service during the 2013-14 financial year and seeking approval of the draft UHL Procurement Strategy for 2014-17.

During discussion on the report, members noted that Mr R Kilner, Acting Chairman had been appointed as the Non-Executive Director procurement sponsor and that he would be the point of contact with the DOH National Procurement Development Team. The Assistant Director of Procurement and Supplies confirmed that the Clinical Procurement Group was still active and that arrangements were being made to strengthen clinical engagement through this group. She also reported on proposals for UHL to develop a procurement relationship with Interserve.

In respect of the 2014-15 procurement priorities, the Chief Executive invited the Assistant Director of Procurement and Supplies to consider the potential to increase the £5m target for 2014-15 procurement savings. In response, the Assistant Director of Procurement and Supplies noted some scope to review the full year effect of the stock management system, dependant upon the phasing of the project and the timescale for TDA approval of the investment. The Committee approved the 2014-15 priorities.

In respect of the draft UHL Procurement and Inventory Management Strategy for 2014-2017, all members were requested to provide any comments or suggested amendments to the Assistant Director of Procurement and Supplies outside the meeting. Subject to the outcome of any feedback provided, the draft Procurement Strategy for 2014-2017 was endorsed for Trust Board approval. A copy of the finalised strategy would be appended to the Minutes of this meeting when presented to the Trust Board on 27 March 2014. **ALL** **ADPS/ TA**

Recommended – that (A) the 2014-15 Procurement Priorities be approved,

(B) subject to any comments being raised outside the meeting, the draft Procurement and Inventory Management Strategy for 2014-17 be endorsed, and

(C) the finalised UHL Procurement and Inventory Management Strategy for 2014-17, be appended to the Minutes of this meeting for Trust Board approval on 27 March 2014. **ADPS/ TA**

RESOLVED ITEMS

14/14 APOLOGIES AND WELCOME

Apologies for absence were received from Ms K Shields, Director of Strategy. The Chairman welcomed Ms M Wheeler, Foresight Partnership, noting that she would be observing this meeting as part of UHL's Board Effectiveness Review.

15/14 MINUTES

Resolved – that the Minutes of the 29 January 2014 Finance and Performance Committee meeting (paper A) be confirmed as a correct record.

16/14 MATTERS ARISING PROGRESS REPORT

The Committee Chairman confirmed that the matters arising report provided at paper B detailed the status of all outstanding matters arising. Particular discussion took place in respect of the following items:-

(a) Minute 2/14 of 29 January 2014 – the Chief Operating Officer agreed to circulate the revised CMG presentation template within the next 48 hours; **COO**

(b) Minute 2/14 of 29 January 2014 – the Chief Executive confirmed he would be sharing UHL's contact details with the Chief Executive of Kettering General Hospital and this item could be removed from the progress log; **CE TA**

(c) Minute 5/14/1 of 29 January 2014 – the Interim Director of Financial Strategy reported on the development of a joint East Midlands procurement exercise relating to a framework for agency nursing. This work was expected to be completed in June 2014; **IDFS**

(d) Minute 5/14/1 of 29 January 2014 – in respect of e-rostering software functionality issues, the Interim Director of Financial Strategy advised that a meeting was being arranged with the software manufacturer and that neighbouring Trusts were being contacted to ascertain whether they were experiencing similar challenges. It was agreed that the Chief Nurse would be invited to provide an update on this issue at the 26 March 2014 meeting. The Deputy Director of Finance also agreed to seek clarity on the functionality issues at the next meeting of the E-Rostering Committee; **CN/TA** **DDF**

(e) Minute 5/14/3 of 29 January 2014 – the Trust Administrator was requested to contact Dr P Rabey, Deputy Medical Director to seek his views on the expected timetable for development of the medical productivity project plan. An update would be provided to the Committee on 26 March 2014; **TA/ DMD**

(f) Minute 6/14/1 of 29 January 2014 – the Chief Operating Officer confirmed that the process for ring-fencing stroke beds had been followed in November 2013, but stroke performance had been affected by a balanced risk assessment to prevent 12 hour trolley wait breaches within the Emergency Department;

(g) Minute 7/14/3 of 29 January 2014 – the Interim Director of Financial Strategy would include his update on the underlying LLR health economy financial position under the Operational Plan item on the agenda (Minute 17/14/3 below refers); **IDFS**

(h) Minute 126/13/4 of 27 November 2014 – updates on the medical productivity workstream and the benchmarking of medical staffing costs would be linked and an update presented to the 26 March 2014 Finance and Performance Committee meeting; **DMD/ DDF**

(i) Minute 101/13/3 of 25 September 2013 – proposals for UHL's residential accommodation would be presented to the Finance and Performance Committee and the Trust Board on 26 and 27 March 2014 (respectively); **DHR/ IDFS**

(j) Minute 100/13/1.2 of 25 September 2013 – specific updates on the nurse specialist workforce plan had been removed from the Finance and Performance Committee agenda following discussion between the Committee Chairman and the Chief Nurse. Progress of this workstream would continue to be monitored as a separate reporting line within the CIP reporting mechanism, and

(k) Minute 28/13/3 of 27 March 2014 – the Interim Director of Financial Strategy provided a verbal progress report on discussions with the University of Leicester relating to the apportionment of medical staffing pay costs and landlord elements of the University occupied UHL premises. He agreed to update the Committee on the development of action plans and timescales at the 26 March 2014 meeting. **IDFS**

Resolved – that the matters arising report and any associated actions above, be noted. **NAMED LEADS**

17/14 STRATEGIC MATTERS

17/14/1 Managed Equipment Service Contract – Contract Control Mechanism and Capital Works Programme

Further to Minute 138/13/3 of 18 December 2013, the Head of Planning and Business Development and the Capital Projects Manager attended the meeting to present papers C and C1 (respectively).

Paper C provided an overview of the mechanisms in place to actively manage the MES II contract with Asteral and identified key issues surrounding the development of an integrated development plan, clear accountability programme and a potential major variation to the contract. Paper C also invited the Finance and Performance Committee to consider the need to appoint an experienced programme manager to enhance UHL's intelligent client capacity and capability.

In presenting paper C1, the Capital Projects Manager briefed the Committee on the existing arrangements to deliver the capital schemes associated with the MES II equipment. He also identified a number of issues relating to the provision of professional services for design and contract management of schemes and the impact of the Interserve contract and highlighted the proposed future strategy for the development of a 6 year relationship with Interserve for the provision of professional services and construction. Under this proposal, services would be commissioned through the Lot 2 contract using the NEC3 suite of contract documents.

In discussion on papers C and C1, the Finance and Performance Committee:-

(a) queried the arrangements for ensuring value for money within the Interserve contract for capital works and noted (in response) the advantages of detailed forward programming, early work up of costs and the input of Quantity Surveyors in evaluating the contract prices within each scheme;

(b) sought and received additional information on the quality aspects of the contract and clarity surrounding the role of NHS Horizons in development of the client brief and ongoing interaction within the project plans;

(c) confirmed that service continuity would remain a key factor within all schemes;

(d) requested that detailed proposals for a 6 year relationship with Interserve for the provision of professional services and construction be presented to the Committee in 3 months' time; **HPBD/ CPM**

(e) received additional information regarding a potential major variation to the contract, noting that, whilst the MES contract provided some flexibility to extend the life of an asset to meet operational requirements, the existing financial model would then

require a corresponding reduction in the life of the subsequent replacement asset. Noting that such a major contractual variation would require Trust Board approval, it was agreed that preliminary discussions would be held with Asteral in the first instance; **IDFS/ HPBD**

(f) considered the impact of UHL's future service reconfiguration and received assurance that appropriate engagement was taking place with the appropriate Site Reconfiguration leads, and

(g) requested that the Executive Team be invited to consider the scope to appoint an experienced programme manager to enhance UHL's intelligent client capacity and capability. **Exec Team**

Resolved – that (A) a further evaluation of the interface between UHL and Interserve be presented to the Finance and Performance Committee in May 2014, **HPBD/ CPM**

(B) initial discussions be held with Asteral and their advisors in respect of a potential major variation to the contract and an update be provided to the Committee in May 2014, and **IDFS/ HPBD**

(C) the Executive Team be requested to consider the scope to appoint an experienced programme manager to enhance UHL's client capacity and capability. **Exec Team**

17/14/2 Report by the Director of Strategy

Resolved – that this Minute be classed as confidential and taken in private accordingly, on the grounds of commercial interests and that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

17/14/3 Draft Operational Plan 2014-16

On behalf of the Director of Strategy, the Head of Planning and Business Development presented paper E, providing an overview of the national planning guidance for NHS Trusts and summarising UHL's planning timetable, key changes since the submission of the Trust's initial Operating Plan and setting out the next steps and timescales for submission of the final full 2 year Operating Plan to the Trust Development Authority on 4 April 2014. The detailed financial planning timetable was provided in appendix A.

Responding to a query from the Patient Advisor, the Head of Planning and Business Development reported on the rolling cycle for patient and public involvement in respect of the Trust's strategic direction and opportunities being explored to share the direction of travel and outputs from the CMG workshops with stakeholders in March 2014. She provided assurance that the 3 Healthwatch organisations would be included within the engagement work and welcomed the support offered by the Patient Adviser in taking this forward. The Chief Executive noted the practice in operation at his previous Trust, which held annual open meetings to seek patient and public views and consult upon a set of the Trust's priorities. It was noted that the engagement arrangements for the Operational Plan would be considered at the 13 March 2014 Trust Board development session.

In respect of section 4.2 of paper E, the Committee Chairman queried when the workforce impact of activity assumptions would be known. In response, members noted that this would be in approximately 2 weeks' time upon completion of the CMG business planning meetings and that the workforce outputs would be overlaid against the associated outputs from activity plans, bed and theatre capacity plans and the cost improvement programme.

The Committee Chairman also sought and received confirmation that any major site reconfiguration implications of the 5 year strategy were consistent with the assumptions contained within the 2 year operation plan.

Resolved – that the draft 2 Year Operational Plan (2014-16) be received and noted.

17/14/4 RTT Improvement Report

The Chief Operating Officer introduced paper F providing an overview of UHL's RTT performance, proposed improvement plans and highlighting potential key risks to delivery. Members noted that the CCGs had not yet signed off the improvement plans and had raised 5 core concerns and 61 detailed questions relating to UHL's plans. The Chief Operating Officer undertook to circulate details of the CCG queries to Finance and Performance Committee members for information. **COO**

The Committee considered the key risks surrounding delivery of the plan, which included the provision of additional UHL elective capacity and the potential impact of additional emergency demand. Each CMG had been requested to address any areas of under-utilisation prior to implementation of additional Friday afternoon and Saturday sessions, to ensure that the additional income from tariff was spent as efficiently as possible. In addition, it was noted that weekly assurance meetings were held within Ophthalmology services. These were chaired by the Chief Operating Officer and included a line-by-line review of the action plan and associated lead-in timescales.

The Chief Operating Officer commented that emergency activity levels were currently at an unprecedented high level and he advised that Estates teams were actively surveying each hospital site to establish key locations where additional bed capacity could be safely provided. It was confirmed that a holistic approach to improving RTT performance would be reflected in UHL's 2014-15 capacity plans which were due to be considered by the Executive Team on 11 March 2014. **COO**

Resolved – that (A) the Chief Operating Officer be requested to circulate details of the queries raised by CCGs in respect of UHL's RTT Improvement Plans, and **COO**

(B) a holistic approach to improving RTT performance through increased capacity be reflected in the Trust's capacity plans for 2014-15. **COO**

18/14 PERFORMANCE

18/14/1 Month 10 Quality, Finance and Performance Report

Paper G provided an overview of UHL's quality, patient experience, operational targets, HR and financial performance against national, regional and local indicators for the month ending 31 January 2014 and a high level overview of the Divisional Heatmap report. The Chief Operating Officer reported on the following aspects of UHL's operational performance, using the dashboard on page 28 as his central point of reference:-

ED Performance – although January 2014 performance had improved to 93.6%, emergency attendances had peaked again in February and 4 hour performance had deteriorated as a result. A detailed summary of the issues would be considered by the Trust Board on 27 February 2014;

RTT 18 Week Performance – non-admitted performance for January 2014 stood at 93.4% and admitted performance stood at 81.8%. RTT improvement plans (as considered under Minute 17/14/4 above) had been provided to the Commissioners for sign-off which were expected to deliver compliant performance by November 2014 for admitted and August 2014 for non-admitted;

Diagnostic Waiting Times – an exception report was provided at appendix 3 advising that the 1% threshold for exceeding 6 week waits had not been met due to loss of MRI capacity over the Christmas period and early part of January 2014. Assurance was

provided that he position was expected to recover by March 2014;

Cancelled Operations and rebooking within 28 days – an exception report was provided at appendix 4. Members noted that this performance was intrinsically linked with RTT activity, emergency activity and bed capacity issues. Ms J Wilson, Non-Executive Director queried the accuracy of the RAG rating and the actions underway to reduce cancelled operations. In response, the Chief Operating Officer reported on the recent removal of 1 elective list from the theatre schedule to support additional emergency sessions and the associated impact upon day case cancellations. Further discussion took place regarding opportunities to improve patient experience by reducing planned theatre lists further, ring-fencing beds for elective surgery and introducing lower bed occupancy targets. It was noted that these options would be further explored within the 2014-15 capacity plans;

Cancer Performance – the Chief Operating Officer noted a correction in respect of the December 2013 performance for 31 day wait for subsequent surgery (92.3% against a target of 94%) which had been incorrectly reported as compliant in January 2014 and he apologised for this error;

Stroke Performance – the targets for January 2014 had been met and indications were that February 2014 performance would also be compliant, and

Choose and Book Slot Unavailability – for ENT and Orthopaedic services, this performance was noted to be linked with the RTT improvement plans. The Neurology service was in the process of recruiting additional clinical staff to increase clinic capacity. In response to a query raised by the Committee Chairman, discussion took place regarding the scope to implement a centralised outpatient booking service. The Committee noted the significant resources that would be required for such a project and the potential scale of efficiency savings. In the meantime, the Chief Operating Officer reported on the process to address the backlog of clinic letters and the positive impact of sending text reminders to patients in reducing DNAs.

The Interim Director of Financial Strategy introduced section 11 of paper G, summarising the Trust's performance against key financial duties for the month ended 31 January 2014, noting an in-month deficit of £2.5m (adverse to forecast by £0.2m) and a year to date deficit of £31m which was consistent with the forecast year end control total deficit of £39.8m. UHL had written formally to the Trust Development Authority requesting an adjustment to the Trust's External Financing Limit (EFL) and a response was currently awaited. Key financial risks to delivery of the Trust's year end control total were noted to include:-

1) additional winter activity pressures beyond the planned levels;
2) the affordability of CCG income assumptions – agreement had recently been reached with Specialised Commissioners in respect of the 2014-15 contract, but the contract with CCGs was still being finalised;
3) lack of contingency funding for any unforeseen events;
4) balance sheet adjustments (in particular any requirement to write-off overseas visitors' or legacy debts);
5) careful monitoring of the rolling cash flow between April 2014 and June 2014, and
6) the ability of all CMGs to deliver their year-end forecasts – particular concerns existed around the ITAPS and MSS CMGs and additional performance management meetings were being scheduled to monitor the position in these 2 CMGs.

Colonel (retired) I Crowe, Non-Executive Director sought and received additional information regarding the management of overseas visitors' debts, noting that a detailed report would be presented to the Audit Committee on 7 March 2014.

<u>Resolved</u> – that the month 10 Quality, Finance and Performance report (paper G)

and the subsequent discussion be received and noted.

19/14 FINANCE

19/14/1 Cost Improvement Programme (CIP) Delivery 2013-14 and Development of 2014-15 CIP Schemes

Members of the Finance and Performance Committee noted that the separate reports on the Trust's 2013-14 and the 2014-15 cost improvement programmes had been consolidated into a single report (paper H). Consequently paper I (as indicated on the agenda) had been withdrawn. The Chief Operating Officer introduced paper H, providing the January 2014 status report on likely delivery of the 2013-14 Cost Improvement Programme, with a total forecast delivery value of £37.2m against the £37.7m target.

Paper H reported progress in respect of identifying CIP schemes to deliver the £45m target for 2014-15 and appendix A provided a breakdown of those schemes initially identified by CMGs and Corporate Directorates with a potential total value of £45.5m. The report also highlighted changes in the CIP programme management and monitoring arrangements, advising that the Chief Operating Officer would be overseeing CIP delivery with support from the Project Management Office (PMO) and Ernst and Young. Monitoring would take place through the Integrated Program Workflow Centre (IPWC) and the Programme Management Tracking Tool (PMTT) providing both programme level activity data and financial analysis functionality.

Finance and Performance Committee members particularly noted the summary RAG ratings for the 2014-15 plans – 34% red, 35% amber and 31% green. Approximately 47% of these schemes were reliant upon additional income being generated and only 12 WTE headcount reductions had been put forward. The Committee Chairman queried the reliance upon additional income and sought additional information regarding the potential income flows and growth assumptions. The Chief Executive requested that future CIP reports provided an increased focus upon WTE headcount reductions in addition to the pay bill reductions. **COO**

The Chief Operating Officer advised that quality and safety impact assessments had not yet been undertaken, pending verification of the initial plans, but a thorough documented risk assessment process would be the next phase and this would be led by the Chief Nurse and the Medical Director.

Resolved – that the Chief Operating Officer be requested to include a greater focus on WTE savings within the next CIP report. **COO**

19/14/2 Discussion on the Scope for a Corporate Directorate Restructure

Further to Minute 114/13/6 of 30 October 2013, paper J provided a briefing note to inform the Committee's consideration on the scope to review the Corporate Directorate structure as part of the wider cost improvement review being undertaken by Ernst and Young. The Interim Director of Financial Strategy confirmed that there had been some notable successes and failures within the NHS and noted the importance of ensuring that UHL's own processes were appropriately streamlined.

Members supported the proposal to include an evaluation of available efficiency savings from the Corporate functions within the scope of the Ernst and Young review. The Committee Chairman also noted the potential to review back-office functions within the LLR health economy as part of the 5 year LLR Strategy. **IDFS/ COO**

Resolved – that the evaluation of potential efficiency savings from UHL's Corporate functions be included within the scope of the Ernst and Young review. **IDFS/ COO**

19/14/3 Report by the Interim Director of Financial Strategy

Resolved – that this Minute be classed as confidential and taken in private accordingly, on the grounds of commercial interests and that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

20/14 SCRUTINY AND INFORMATION

20/14/1 Clinical Management Group (CMG) Performance Management Meetings

Resolved – that the action notes arising from the January 2014 CMG Performance management meetings (papers M to M6) be received and noted.

20/14/2 Executive Performance Board

Resolved – that the notes of the 28 January 2014 Executive Performance Board meeting (paper N) be received and noted.

20/14/3 Improvement and Innovation Framework Board

Resolved – that the cancellation of the 20 January 2014 meeting of the Improvement and Innovation Framework Board meeting be noted and paper O be withdrawn.

20/14/4 Quality Assurance Committee (QAC)

Resolved – that the Minutes of the 29 January 2014 QAC meeting (paper P) be received and noted.

21/14 ITEMS FOR DISCUSSION AT THE NEXT FINANCE AND PERFORMANCE COMMITTEE

Paper Q provided a draft agenda for the 26 March 2014 meeting. The Trust Administrator was requested to update this with any additional items agreed at this meeting and circulate a revised version outside the meeting. **TA**

Resolved – that (A) the items for consideration at the Finance and Performance Committee meeting on 26 March 2014 (paper Q) be noted, and

(B) the Trust Administrator be requested to update the draft agenda and recirculate it outside the meeting. **TA**

22/14 ANY OTHER BUSINESS

Resolved – that there were no items of any other business raised.

23/14 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

Recommended – that the finalised Procurement and Inventory Management Strategy for 2014-17 be endorsed for approval at the Trust Board meeting on 27 March 2014 (Minute 13/14 refers).

Resolved – that the following issues be highlighted verbally to the Trust Board meeting on 27 February 2014:-

- Minute 13/14 – achievements within the UHL Procurement service;
- Minute 17/14/2 – confidential report by the Director of Strategy;
- Minute 17/14/4 – RTT Improvement Plans;

- Minute 19/14/1 – CIP Update, and
- Minute 19/14/3 – confidential report by the Interim Director of Financial Strategy.

23/14 DATE OF NEXT MEETING

Resolved – that the next Finance and Performance Committee be held on Wednesday 26 March 2014 from 8.30am – 11.30am in the Large Committee Room, Main Building, Leicester General Hospital.

The meeting closed at 10.50am

Kate Rayns,
Trust Administrator

Attendance Record

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
R Kilner (Chair from 1.7.13)	11	11	100%	I Reid (Chair until 30.6.13)	3	3	100%
J Adler	11	9	82%	I Sadd	2	1	50%
I Crowe	8	8	100%	A Seddon	9	9	100%
R Mitchell	8	7	88%	G Smith *	11	10	91%
P Hollinshead	2	2	100%	J Tozer *	2	2	100%
P Panchal	4	2	50%	J Wilson	11	9	82%

* non-voting members

University Hospitals of Leicester NHS
NHS Trust

Caring at its best

Procurement & Inventory Management Strategy

2014 – 2017

Contents

1. Purpose

This Procurement Strategy aims to set out the University Hospitals of Leicester NHS Trust (UHL), priorities and approach for Procurement and Supplies Service for achieving best value for money from our procurement activities over the next 3 years, in line with the Trust's strategic direction and corporate objectives.

With increasing financial constraints the Trust recognises that effective procurement is essential in supporting the Trust to improve its overall performance and therefore is high on the agenda in order to achieve better value for money, quality and improved procurement for patient care.

This strategy is therefore designed to be proactive and aligned to the Trust's business planning process in order to respond to the changing economic environment, healthcare needs and clinical requirements taking account of changing legislation. Guidance and decisions from national bodies such as the Crown Commercial Service (CCS), National Institute for Clinical Excellence (NICE) and the Care Quality Commission (CQC) Standards will also be taken into account.

The Strategy supports UHL's five year strategic direction including:

- Becoming a FT
- Delivering Safe, high quality care
- Emergency care when you need it
- Planned care when you choose it
- Local care where possible
- High quality education and training with a focus on research and development

Procurement and Supplies have a detailed focus on the Trusts' future financial plan and this strategy sets out the procurement direction of travel for the next 3 years.

The strategic priorities for procurement are consistent with the key recommendations of the Best Practice Guidelines –"Better Procurement, Better Value, and Better Care[1]", which the Trust will work to continue to improve procurement performance through;

- Leadership
- Process
- Partnership
- People[2]

This strategy is to positively influence purchasing and supply within the Trust, supporting the wards and departments in delivering high quality healthcare to patients through a philosophy of best value and best practice.

It has been developed to address the total supply chain and that it:

- provides a strategic vision and priority for initiatives for a three year period
- satisfies legislative compliance and public sector policy
- will continue to deliver savings recurrently and/or demonstrate best

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1 Priorities set out in the DH Better Procurement, Better Value, Better Care https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/226835/procurement_development_programme_for_NHS.pdf

2. https://www.gov.uk/government/ nhs_standards_procurement_2nd_ed.pdf 2013 (5)

value for money
- Will continue to contribute to the annual business planning of the Trust.

1.1 Key Priorities for Procurement & Supplies

Over the past 12 months there has been a focus on a number of non-clinical reviews, particularly on procurement and this has highlighted the benefits of the use of good procurement practice with product rationalisation, reduced unit prices, including taking cost out of supply chains.

Procurement and Supplies will continue to influence and maximise the implementation of these procurement practices on the non-pay spend to achieve greater efficiencies to cover all expenditure on goods, services, capital equipment and works which will deliver on the following strategic objectives and priorities as set out in the 2013 Department of Health strategy for Procurement [3]

1. **Deliver efficiency gains**
   - Through the delivery of £13 million cost improvement programme whilst still delivering quality and sustainable services

2. **Improve data, information and transparency**
   - Through an improved Purchase 2 Pay (P2P) system with a catalogue that provides the data-base, interface with other information systems and the complete portfolio of contracted products is electronically available to all Clinical Management Groups (CMGs)
   - Delivering creative and cost-effective stock control and supply chain solutions for a wide range of consumable items.
   - Ensuring GS1[4] Coding information is provided by suppliers and developing systems to use the data to drive decisions and outcomes.
   - Develop touch-less ordering for clinical areas through the use of an integrated stock management system.

3. **Action to improve outcomes for patients at lower costs through clinical engagement**
   - Getting clinicians effectively engaged in procurement to make significant savings
   - Delivering creative and cost-competitive commercial solutions in the sourcing and purchase of a wide range of goods and services for the Trust.
   - Supporting and developing the use of local providers of goods and services where it is commercially appropriate and where compliance with procurement legislation is not compromised.

4. **Longer term programme to improve leadership/capability**
   - Ensuring that compliance with NHS Standards of Procurement, Local, National and European procurement legislation is maintained.
   - Engaging with other Trusts and/or Procurement Hubs in a collaborative manner to aggregate spend and maximise buying power.
   - Establishing and maintaining sustainable procurement initiatives.

[3] Priorities set out in the DH Better Procurement, Better Value, Better Care https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/226835/procurement_development_programme_for_NHS.pdf

[4] DH NHS eProcurement Strategy draft 2013/Procurement, Investment & Commercial Division

- Harnessing relationships with suppliers in order to adopt existing innovations and stimulate new innovation to deliver quality and value.

2. Our Vision for Procurement:

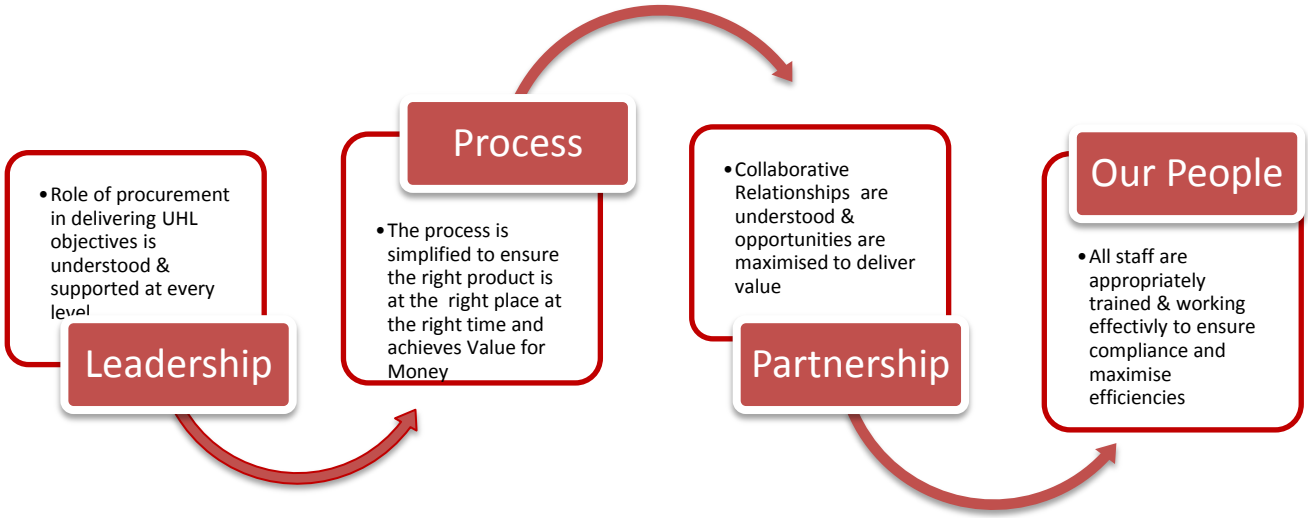
In recognition of the wider impact that procurement strategy, policy and practise will have on the overarching values and outcomes of the Trust, our vision for procurement is:

"To support the delivery of innovative, cost effective and value for money procurement solutions through, supply chain, eProcurement and with a focus on quality and safety which enhances patient care"

3. Aims and objectives:

Our aim is to support UHL to deliver savings of **£13, million** in non-pay expenditure over the next 3 years ensuring high quality patient care is maintained.

It is imperative that we meet the demands of procurement and expectations of the organisation in order to respond to the challenges ahead and to help us achieve this. Our focus and strategy is underpinned by transformation, it is structured and organised under our capabilities and competence. These are captured in the following four domains and are directly linked to the NHS Standards:



Procurement, Supplies & Inventory Management will need to work differently in the future to be able to respond and support some fundamental changes in the NHS. These changes are:

- **Payment by Results** – The new national tariffs for individual procedures rather than a package of funding will require the Trust to use lean thinking and improve quality to enable efficiencies.

- **Patient Choice** – This gives the Trust the incentive to improve quality to attract the choice of patients.

- **Diverse Providers** – The Healthcare landscape is changing. Providers will be competing for work therefore efficiency and effectiveness are key.

- **Track and Trace** – In future the Trust will need to be able to trace products through the supply chain including to patient level. Systems and processes will

need to support this process.

- **Community Base Services** – The Trust will be providing more and more services at community level rather than in an acute setting. This may require the introduction of GS1 to enable a fully traceable product.

4. Procurement Principles

Our Procurement principles will set the framework for managing public procurement requirements, and will be adopted by the Trusts Procurement & Inventory Management professionals. These serve as guiding principles in our decision-making process and our work ethics. The following key procurement principles will apply:

Communication

- We will communicate with internal customers in a timely fashion providing accurate information to support their CMG/Department.
- We will communicate in a professional manner with external stakeholders including suppliers and peers.

Transparency

- Tender opportunities will be communicated on the e-tendering portal according to the thresholds outlined in the Standing Financial Instructions and Standing Orders (SFIs & SOs)
- Quotations will be carried out on via the e-tendering portal according to the thresholds as outlined in the SFIs & SOs

Engagement

- Procurement will work to gain suitable stakeholder engagement which may include clinicians, service users, external organisations and suppliers for each tender and project.

Integrity

- Procurement will work in a professional manner at all times.

Equality

- All suppliers will have an equal opportunity to win business with the trust. They will be evaluated in a fair and transparent manner.

Consistency

- Procurement will follow the procurement process in a consistent manner.

Innovation

- Procurement will encourage innovation from our suppliers and customers.

Proportionality

- The tender process will be designed to meet the requirements taking into account the value, complexity and risk.
- Pre-qualification questionnaires will only be used for EU Procurements unless the market size requires it.

5. Background & Financial Scope

The Trust is currently under extreme financial pressures and recognises the need for plans in place which have robust procurement management influence in the way in which non-pay goods and services are purchased.

The total non-pay spend in 2013/14 amounted to **£287million**, this has been an upward trend with an increase in spend year on year

Table 1: Provides a breakdown of the non-pay spend data in percentages by Clinical Management Groups (CMGs)

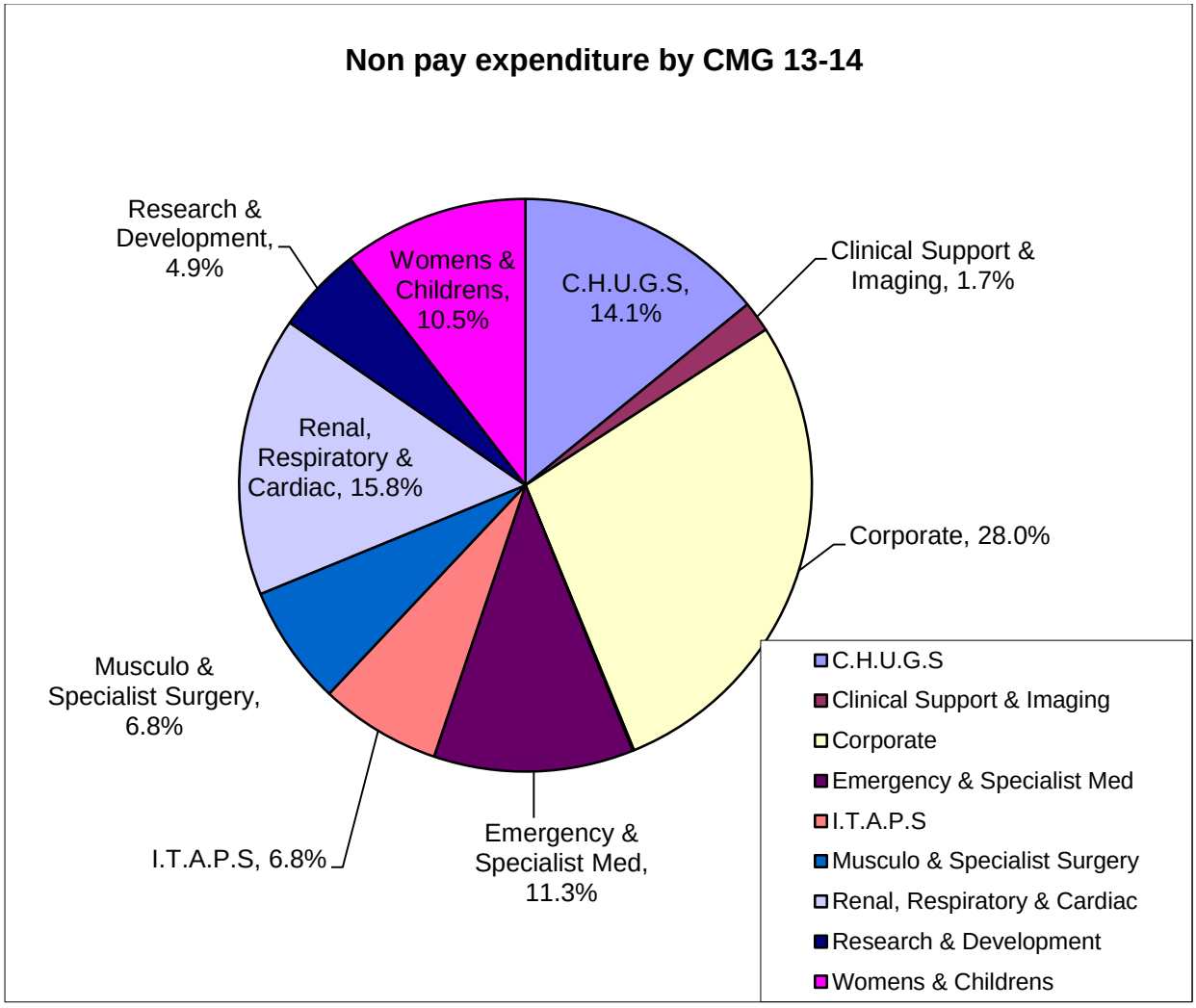
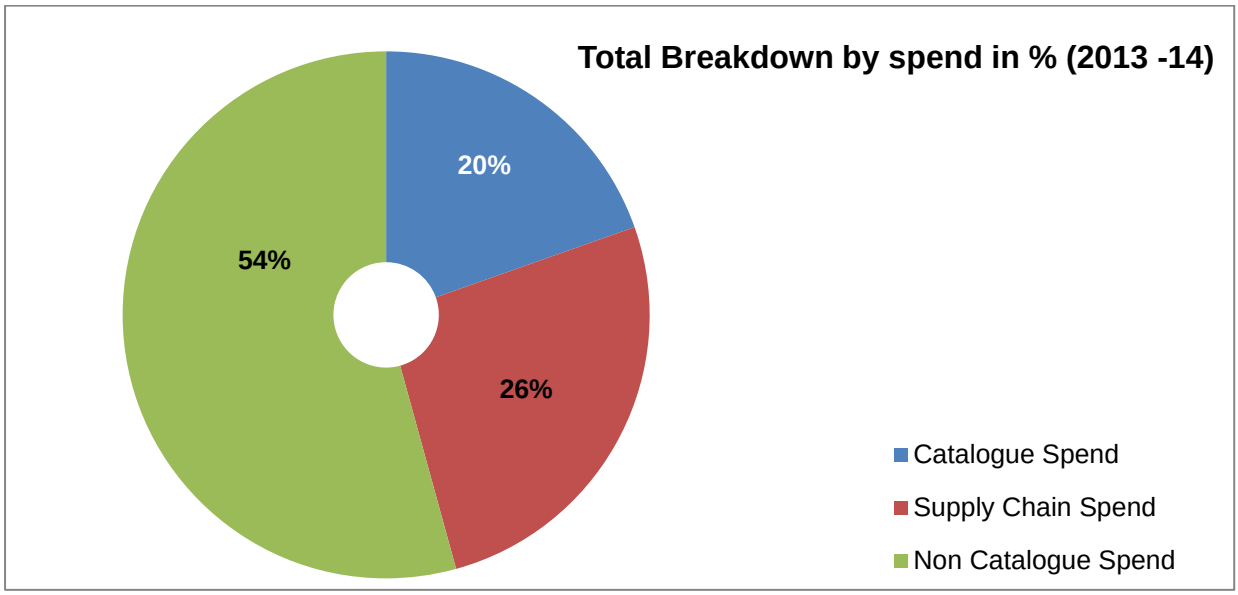


Table 2: Provides a breakdown in spend for the sourcing of goods and services for non-pay spend.



Procurement & Supplies 2013/14

There is a strong recognition that the good Procurement practice is essential to the efficiency and effectiveness of non-pay expenditure on goods and services. Which during the past 12 months Procurement has led a series of major service changes that have resulted in savings made. We have achieved this through developing services and by streamlining resources, with the right skills and expertise of our contracting staff, ensured that services have continued to remain modern, safe and sustainable for the future.

Procurement has played a key active role in the annual Cost Improvement Plan (CIP) review and will continue over the next 3 years, and drive its target to achieve savings of 30% of the total CIP target, through procurement and service improvement initiatives.

The target savings is divided and devolved to each CMG, category and service area to embed approaches to benchmarking and sample prices paid for many significant spend items, to assess the variations and identify savings opportunities through:

- Aggregation
- Standardisation
- Substitution
- Contract Re-Negotiation
- Contract Renewal (Re-Tendering)
- Contract Monitoring

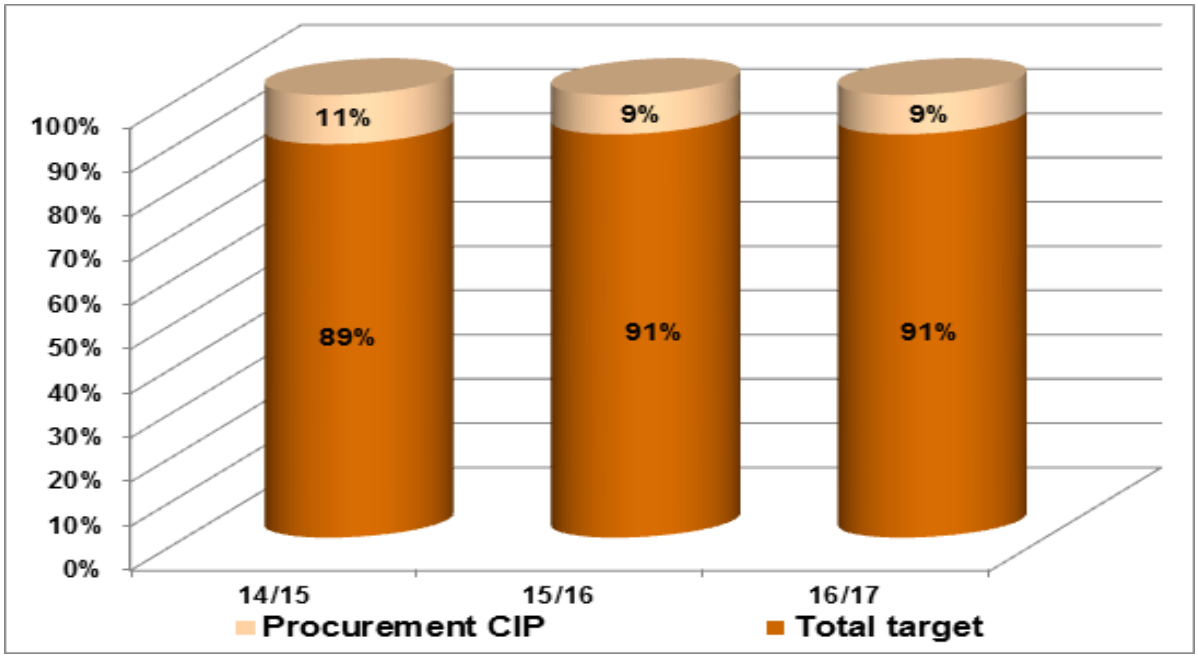
Supply Chain

The Trusts conducts business with 4,100 suppliers on the purchase of non-pay goods and services. Again it is recognised that the supply chain is an important element of the Category Management process, which is currently being measured and analysed.

UHL Savings Targets

The Trust CIP plan for 2014/15 is £45 million and this figure is also an assumed target for 2015/16/17. Procurement will work with each CMG with the aim of achieving a **£13 million** savings target over the next 3 years. The following table illustrates how the savings target is spread over the next 3 years.

Table 3 illustrates the projected savings for the 3 years



Procurement will continue to focus on the application of sound strategic sourcing methodologies in the areas shown in **table 1** in order to:

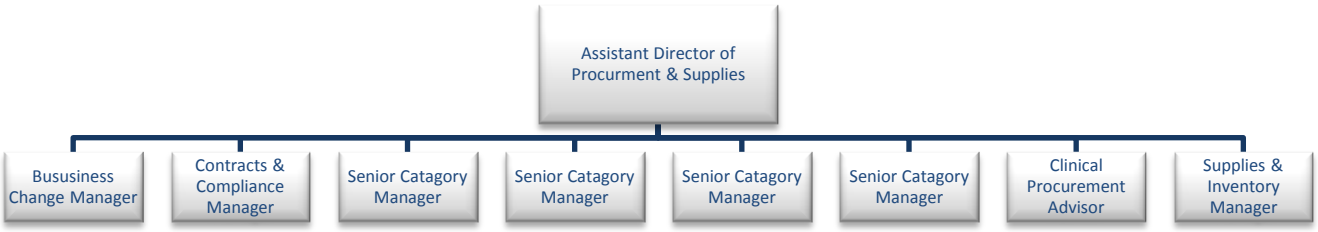
- Targeted approach to high spend areas and top spend suppliers
- Work with CMGs formulate savings plan to contribute to the savings target
- Consolidate supply to reduce the number of suppliers used by the Trust
- Consider where appropriate the introduction of longer term agreements with major suppliers with a commitment expectation to realise savings benefits
- Effective contract and supplier management incorporating regular reviews to measure performance, activity and service improvements
- Identify and promote lower cost products and sources of supply
- Understand the logistic and supply chain costs to serve models and determine optimal supply routes, volumes and stock options for consumable products
- Consider the use of purchase cards for one off purchases
- Consider the use of purchase cards for high volume, low value transactions
- Effective use of the catalogue to reduce the non-catalogue orders by 15% in spend over the next 12 months. Increase the catalogue orders by 25%

6. Leadership

The Director of Finance, Procurement and Supplies is the UHL Board level member, responsible for procurement and a Non-Exec Director has been appointed as the sponsor for Procurement from 2014.

The Board will give a stronger focus to procurement over the next 3 years to ensure that advancements and improvements are being made within the organisation on spending of the public money effectively.

The Procurement and Supplies function was restructured in 2012/13 and is continuing with its transformation in leaderships within the various functions and roles as set out in this section.



6.1 Procurement Category Management

Senior Category Managers have each established a vision for their respective Category Strategies which articulates the market, supplier analysis and a risk mitigation plan. As such, it is translated into the work plan which covers a broad spectrum of priorities to meet the needs of CMGs and to achieve savings in the non-pay service areas.

The broad Procurement categories are:

1. Cardiac, Renal & Corporate
2. General Consumables
3. Musculoskeletal
4. Imaging, Pathology & Pharmacy

What we need to do to succeed

The introduction of CMGs demands a different approach to ensure budget management, control and to delivering value for money from procurement activity. In this environment of continual improvement, UHL shall identify, deliver changes and innovation in product and service, based on best clinical evidence to meet the needs of wards, departments and most importantly patients. An integrated approach working in partnership with clinicians will ensure the delivery and sustainability of improvements in the continuum of care.

A co-ordinated approach will provide professional commercial support for the CMG to effectively influence planning, expenditure and contracting outcomes associated with strategic sourcing

The Actions we will take:

- Develop a collaborative procurement review process and promote greater standardisation of products, processes and services across the CMGs
- Work with CMG's to develop a joint Procurement Work plan
- Lead the Clinical Procurement Group (CPG) for a Trust wide review and implementation of ideas and suggestions.
- Oversee compliance with relevant procurement cost improvement programmes with particular focus on product & service demand management.
- Ensure appropriate communication across the CMGs on all work streams and changes.
- Generate and oversee specialty specific procurement initiatives including encouraging nominated lead clinicians to work on procurement projects.
- Ensure there is a clear process in place within the CMGs for the approval of any new product or service at a speciality level.
- Ensure any new product that has Trust wide implications are taken to the CPG for approval
- Challenge non-compliance on product/contract implementation and monitoring
- Ensure performance management of contracts and services through effective supplier relationship management
- To develop and implement a process which moves towards the transparency agenda to share procurement intelligence around; spend analysis, price benchmarking and spend recovery
- To participate in the Department of Health "best-in class"[5] project on NHS spend analysis and price benchmarking

6.2 Clinical Engagement

A fundamental priority in ensuring that Procurement supports the delivery of quality patient care whilst ensuring value for money as part of the strategic sourcing objective is, the effective and on-going engagement with clinical staff. Whilst in many clinical areas, good relationships have been developed there are still opportunities to improve engagement with clinicians. Procurement has established Clinical Engagement Groups consisting of appropriate Clinical leads and Procurement Managers. Meetings are held on a monthly basis and explore opportunities to save money through product standardisation initiatives and through opportunities to switch to better value products that do not adversely impact on patient outcomes and experience.

What we need to do to succeed

The Trust recognises the important role that suppliers play in the supporting health professionals in providing products and services to patients in our care and will introduce a Supplier Representative Policy and Procedures across the Trust via the Procurement and supplies Service

[5] DH NHS eProcurement Strategy draft 2013/Procurement, Investment & Commercial Division

The Actions we will take:

- We will develop and implement a Supplier Representative Policy which ensures transparent and professional relationship between staff of the Trust and its suppliers and their commercial representatives. The policy will provide information on how the Trust expects suppliers to behave and what behaviours they can expect from Trust staff both clinical and non-clinical
- Ensure CMG's have representation on every procurement project
- Ensure CMG's have representation on every stock review

6.3 Sustainability

The Trust is committed to ensuring that goods and services purchased for UHL:

- Are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner and
- Deliver long term value for money for the NHS and the public sector as a whole

What we need to do to succeed

- Meet the Government's target that 25% of spend should be with Small Medium Enterprise's (SMEs) by 2017
- Understand the geographical location of our supplier base and encourage business with local suppliers where it achieves best value
- Understand the procurement generated carbon usage and improve this.
- Continue and improve the links with local trusts and develop links with local authority

The Actions we will take:

1. A comprehensive register of contracts and agreements will be maintained with details of size of organisation and geographical location.
2. Agree a method of measuring carbon usage and improve by 10%
3. Agree method of measuring SME data and improve target
4. Deliver a baseline position on the number of SME Suppliers are currently used within the procurement function
5. Agree the annual increase to meet the required 25% of spend analysis on SME
6. Continue collaborative working with the region and develop relationships with the Local Authorities across Leicester, Leicestershire and Rutland
7. Contribute to the UHL corporate objectives to include sustainability and consult with key stakeholders to develop a Sustainable Development Strategy.
8. Remove Pre-Qualifying Questionnaire (PQQ) for non-EU procurements and advertise on e-tendering portal over next 3 years to increase the SME participation at the percentage levels shown below and support economic growth

6.4 NHS Standards for Procurement

There is the requirement for the Trust to develop and respond to the challenges of the [6]NHS Standards of Procurement published in 2012 in order for procurement to meet the expectations of the good practice and deliver efficiencies. The NHS Standards of Procurement provides a clear vision of good procurement and identify high quality procurement performance, to which this strategy is aligned with.

What we need to do to succeed

Table 4 below illustrates our first assessment of our performance against the standards in April 2013. The results highlighted the need for Procurement and Supplies to focus on areas for improvement in Leadership; Process; Partnership and Our People, in order to make a significant change in the implementation of procurement activity and practices to achieve greater efficiencies and value for money on the non-pay spend. Whilst significant improvement has been made in March 2014 (**see table 5**), our aim is to succeed and achieve green status in level 3 as set out in table in 2014/15/16.

Table 4: Performance in April 2013

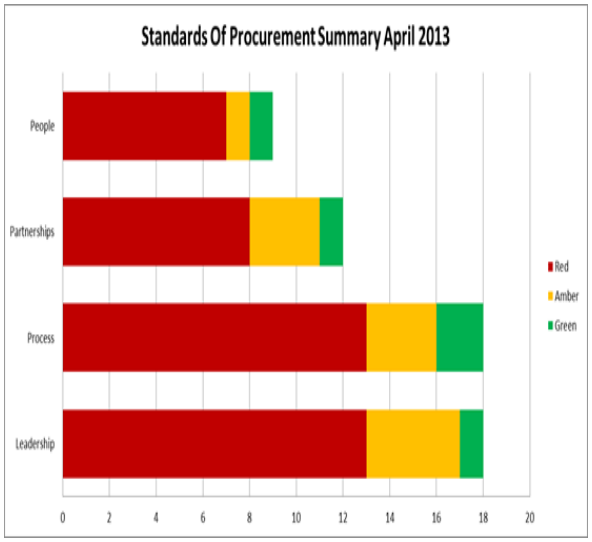
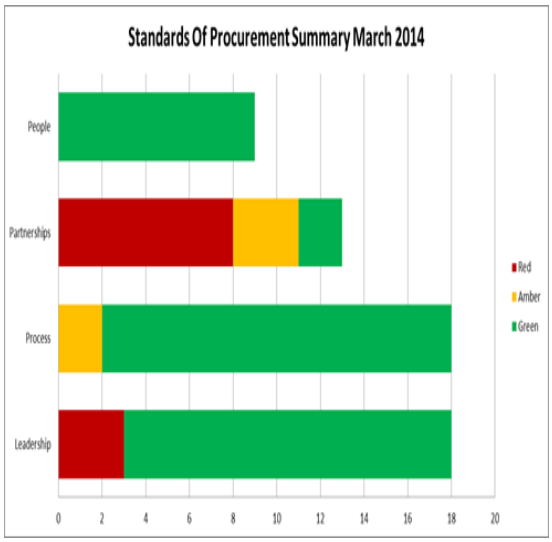
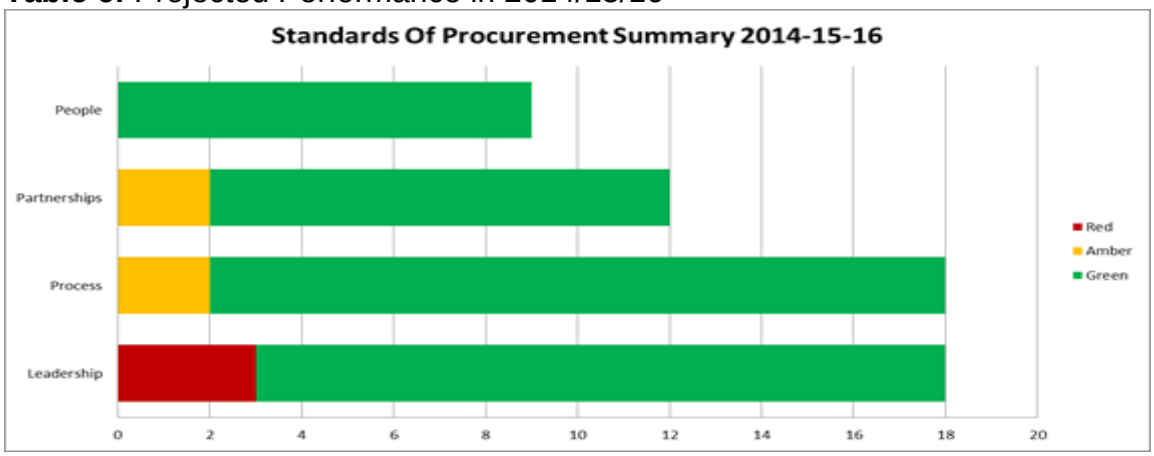


Table 5: Performance in March 2014



1. [6] NHS Standards of Procurement https://www.gov.uk/government/.../**nhs-procurement-standards**

Table 6: Projected Performance in 2014/15/16



The Actions we will take:

- To integrate the requirements of the NHS Standards for Procurement with the key actions and priorities set out in this strategy and measure performance against the standards on a quarterly basis, with an annual report to the Finance and Procurement Committee.

6.5 Compliance and Risk Management

We will ensure compliance with both national and local regulations, guidance and policy. These include;

- UHLs Standing Orders and Standing Financial Instructions (SOs & SFIs) in all procurement practise.
- Comply with statutory regulations relating to the European Union tendering procedures for procurement
- Comply with Crown Commercial Services (CCS) when applicable for framework contracts and purchases

The Trust is also committed to sustainable procurement by ensuring that social, economic and environmental issues are considered in the e-tender process.

Our approach to eliminate risk is to ensure processes are robust through Fraud and Corruption. The SOs & SFIs take into account the NHS Standards of Business Conduct and Bribery Act 2010.

What we need to do to succeed

- The Trust SOs and SFIs policy and the governance arrangements are clear to all staff
- All Trust employees who are authorised to approve/commit the Trust to expenditure ensure that they always obtain value for money.
- Every contract and/or price agreement secured complies with the Trust SOs and SFIs, quotation and tendering policy and procedures.
- Ensure all contracts are signed only by the Executive Team, Legal and Procurement
- Develop and build a comprehensive contracts database to inform and utilise in future business planning to identify volume and values of all contracts

- Work with Category Teams to identify areas of non-compliance and work with current systems to reduce the ability to order off contract
- Where non-compliance exists then this will be challenged at every level.

The Actions we will take:

- Update the Trusts SOs and SFIs are updated and make the procurement process clear to all.
- Further develop e-procurement by improving the catalogue and contracts database
- Develop guidance clearly setting out the procurement processes and requirements
- Ensure that all suppliers respond to Risk Management and Business Continuity with frequent internal reviews
- Maintain a risk management plan for Procurement and Supplies
- Collate all contracts onto a single contracts database that captures all information appertaining to each contract and type
- Run frequent reports to share with the procurement Staff and CMG Staff of non-compliance issues with the financial impact and consequential circumstances if not curtailed

7. Process

The Trust is committed to continually improving our procurement systems and business process to facilitate the delivery of high quality patient care by ensuring front line clinical care has easy access to the goods and services provided by internal support departments and external suppliers.

7.1 Inventory Management

The Supplies and Inventory Management and the Category Teams are fundamental in ensuring that goods are available for use at the right time and in the right quality and quantity. The successful acquisition of goods and services is dependent upon the procurement process that is in place for clinical staff.

What we need to do to succeed

- Move to minimum stock holding by introducing lean principles
- Manage stock throughout the Trust
- Reduce clinical time lost in resolving day-to-day acquisition of goods and suppliers
- Support patient level costing by ensuring goods are GS1 coded and stocked appropriately
- Introduce an internal supply chain flow to minimise stock holding in corridors

The Actions we will take:

- Develop an inventory management structure to allow efficient and effective replenishment and management of stock
- Carry out stock reviews in every clinical area
- Introduce a Trust wide inventory management solution
- Introduce touch less ordering to clinical areas

- Ensure all stocked products are in the catalogue and stock management solution

7.2 Purchase to Pay Systems(P2P) Development

The Trust is committed to operating an electronic catalogue that is integrated with the purchase order module for eFinancials of the Advanced Business Solution. This requirement is endorsed by the Department of Health, NHS eProcurement Strategy which is expected to be launched in 2014.

The eProcurement and inventory management systems are enablers in driving up procurement performance by:

- Providing accurate data
- Introducing efficient workflow
- Increasing benchmarking opportunities
- Driving up compliance
- Managing and reducing stock

What we need to do to succeed

The Purchase 2 Pay system is in much need of improvement as the current system is disjointed and inefficient in the management of resources and ineffective catalogue services in supporting the clinicians and wards for supplies management.

One of our most pressing challenges is the level of free text ordering, 20,000 free text orders placed in the last year, this is recognised as an issue in Procurement since April 2013. The Procurement Business Change Team are undertaking a number of process improvements and are working with Accenture, who have undertaken an analysis to better understand the free text data and identify savings. There is opportunity to achieve up to 20% savings on processing costs, this can be done by P2P process redesign and technology enablement.

The plan to improve the system to provide a much needed platform for the Trust to integrate the financial system to an external catalogue solution in order to provide a comprehensive catalogue of contracted products, spend visibility and analysis tools and accelerate transactional efficiencies. Introducing these developments will represent a transformation in the way to controlling stock, data repository for products purchased and enable the effective management of the ordering and payment processes.

The Actions we will take:

- Introduce an external catalogue solution which will provide a database to hold Trust contracts and products. Continue utilising the NHS e-classification coding and have electronic access to a complete portfolio of contracted products available, with up to date pricing and ordering
- Purchase additional modules to integrate and enable the import/export of data to transact orders, receipt and pay electronically to streamline and automating paper driven process
- Consider the key actions and recommendations made in the NHS eProcurement Strategy
- Focus training on locations with high volumes of free text

- Reduce number of requisitioners and/or restrict access to free text ordering.
- Determine whether products with no or minimal price variation should be added to the catalogue

7.3 Non-PO Activity

Trust aims to introduce improved control over its non-pay spend with the aim of reducing cost and improving governance. The non-purchase order expenditure between October 2013 and February 2014 amounted to £70,447,325 being paid on invoice for a range of goods and services such as Conferences & Training and Hospitality Catering

What we need to do to succeed

- All non-pay spend is via purchase order system
- To be able to offer suppliers the ability to electronically exchange buying and invoicing without manual intervention
- The adoption of PEPPOL (Pan European Public Procurement On Line) as the messaging standards

The Actions we will take:

- Issue instructions to Trust staff on the process for purchase order and invoicing for goods and services
- Consider the introduction of the PEPPOL messaging
- Identify opportunities to build on the existing eProcurement capabilities to realise early benefits from electronic invoicing
- Encourage suppliers to investigate the plan for adoption of PEPPOL messaging standards

8. Partnerships

The Trust is committed to working in partnership is collaboration with external procurement bodies and organisations with a view to maximising the benefits of the Trusts' spend with external suppliers

8.1 Collaborative procurement

We have contracted with an external organisation, The Advisory Board, to improve the Trust procurement business intelligence through the establishment of a web-enabled dashboard with a sophisticated analytic capabilities to inform procurement spend, trends, activity and with whom. The work started in 2011/12 by using raw transactional data from hospitals' finance systems.

The trust has engaged the following collaborative routes for goods and services:

- Crown Commercial Service (CCS)
- The North of England NHS Commercial Procurement Collaborative (CPC) Hub
- NHS Supply Chain
- East Midlands NHS Trusts

- Other NHS bodies
- Other public sector bodies

We have already seen the impact of the implementation of improved ways of buying services and products through a redesign and consolidation of supplies. This includes the Pathology service which is a joint venture, promoting partnership working with Nottingham University Hospitals NHS Trust.

What we need to do to succeed

- We will have in place a structured benching programme which helps us to easily identify value for money and improvements in the supply chain process
- Ensure collaborative routes are reviewed as a first option as the procurement vehicle

The Actions we will take:

- Review availability of existing procurement frameworks as a preferred route in the strategic sourcing work.
- To use the Advisory Board spend dashboard to maximise the opportunities to improvements through;
  - Understanding its current spend
  - Understanding the market positions and market leaders
  - Using the tool to forecast future Cost Improvement Plans

9. Our People

We want to ensure that procurement is conducted with professionalism and expertise to the highest standards. To this end we aim to ensure that staff across the Trust are proactively engaged in the procurement agenda and informed of the procurement processes in order to deliver safe, high quality and efficient patient cared

9.1 Leadership and LiA

We recognize Leadership in procurement as being at the heart influencing, networking and relationship management both internally and externally in order to achieve financial objectives of this strategy. We have already established a structure where the roles and responsibilities are organised by Account and Category Management compromising a team of contracting experts.

In addition the Department have adopted the Listening into Action (LiA) approach as a change methodology to achieve a fundamental shift by engaging and empowering staff to make changes happen which will benefit our patients, our teams and our Trust through better procurement

What we need to do to succeed

- To ensure that our procurement and supplies leaders have the appropriate level of competence and ability to think and manage not just as procurement people but also as strategic business partners.

- To encourage behaviours that move away from thinking and talking to our clinicians, financial planning and customers like buyers, but more in terms of their needs.
- To take an integrated approach using the Roles and Accountability (RACI) matrix approach in procurement by effectively co-ordinate and support the CMGs through the business planning, NHS healthcare markets, while providing insight, guidance, expert knowledge.

The Actions we will take:

- Annual objectives include elements relating to collaborative working, the application of the Raci Matrix and mitigating risks, are for the procurement and supplies staff and these will be used in their on-going appraisals supporting their personal development plans.
- Apply LiA approach to clinical engagement

9.2 Professional Competence & Staff Development

All staff across the organisation are appropriately trained and working effectively to obtain and use the product and services to do their job and understand their role in using procurement to deliver safe and efficient patient care

What we need to do to succeed

All staff within Procurement and Supplies will be developed to the appropriate level to ensure competence, have key skills associated with their post and will be used for on-going appraisals. Other staff responsible for utilising procurement systems will be adequately trained and will continue to receive regular procurement communications.

The Actions we will take:

- Procurement training aligned to individual project requirements and business needs, to include Board members and CMGs
- Develop a guide to procurement module available for all Trust staff and to include in induction for new starters
- Participate in any DH led procurement training as part of the 'Centre of Procurement Development' work.

10. Delivery Plan

This Procurement Strategy will be implemented by the delivery against the desired strategic priorities summarised in the table below.

Delivery Plan

	Strategic priorities	2014/15	2015/16	2016/17
1.	Procurement Category Management			
2.	Clinical Engagement			
3.	Sustainability			
4.	NHS Standards for Procurement			
5.	Compliance and Risk Management			
6.	Inventory Management			
7.	Purchase to Pay Systems Development			
8.	Non-PO Activity			
9.	Collaborative procurement			
10.	Leadership and LiA			
11.	Professional Competence & Staff Development			

Key: Amber is continuous development towards full delivery of key elements
Key: Green is full delivery

University Hospitals of Leicester NHS
NHS Trust

Caring at its best

Procurement & Inventory Management Strategy

2014 – 2017