

BATH SWINDON & WILTSHIRE PROCUREMENT ICS

'DRIVING VALUE IMPROVING CARE'

ACUTE HOSPITAL ALLIANCE PROCUREMENT STRATEGY

Period: 01 July 2021 to 31 March 2025



Procurement & Commercial Services

REFERENCE DOCUMENTS

NHS Procurement Raising Our Game, Department of Health May 2012

NHS E-procurement strategy (May 2014)

NHS Standards of Procurement (June 2015)

Better Procurement Better Value Better Care – A Procurement Development Programme for the NHS (August 2013)

Lord Carter Report Operational Productivity and Performance in England's NHS Acute Trusts (Feb 2016)

NHSE & IICS Based Procurement Guidance, Procurement Target Operating Programme (PTOM)

(January 2021)

DOCUMENT CONTROL

This document requires the following approvals:

Approved By:			
Name:	Position:	Signature:	Date:
Rob Webb	Director of Procurement BSW Procurement ICS		
Lisa Thomas	Director of Finance Salisbury NHS Foundation Trust		
Simon Wade	Director of Finance Great Western Hospitals NHS Foundation Trust		
Libby Walters	Director of Finance and Deputy CEO Royal United Hospitals Bath NHS Foundation Trust		

Reviewed By:		
Name:	Position:	Date:
BSW ICS Procurement Board	Directors of Finance	May 2021
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1. STRATEGIC OVERVIEW

The NHS is facing an unprecedented challenge to meet the rising demands of healthcare driven by the Covid 19 Pandemic (C-19), an aging population and a background of tighter budgetary control.

Mirroring the wider healthcare shift to a systems based delivery, procurement can build a more efficient, effective and resilient service, which will allow it to better manage its shared suppliers and collective customer requirements. This means that we cannot continue as we have always done and as such need to transform the way in which procurement is viewed and delivered to meet the requirements for an Integrated Care System (ICS).

Procurement is about enablement, making a valued and measurable contribution to the performance of all organisations in the Integrated Care System, by supporting the strategic direction and business imperatives of each organisation in the system and by working together as cluster.

1.1 Systems Based Delivery

The shift towards a system based delivery will mean:

- There will be a strong emphasis on moving from organisational autonomy to collaboration as integrated systems; bringing services together.
- All NHS organisations are expected to become part of an ICS from 1st April 2021 as outlined in the Long Term Plan for procurement at local level.
- Procurement will align its resources and processes more closely.

1.2 Achieving Full Value Potential

NHS England and Improvement (NHSE & I) have concluded that procurement is not currently achieving its full value potential and must:

- Make better use of its collective resource as a whole system.
- Unlock scale and continue to deliver the differentiated value the profession is built on.
- Address the macro-risks that now face the broader supply chain activities through collaboration, not competition.
- Present a co-ordinated and consistent approach to demand management by aligning needs at scale, minimising variability and subsequently, delivering greater value gained from each health pound spent.

1.3 ICS Clusters – The New Foundation for Procurement Delivery

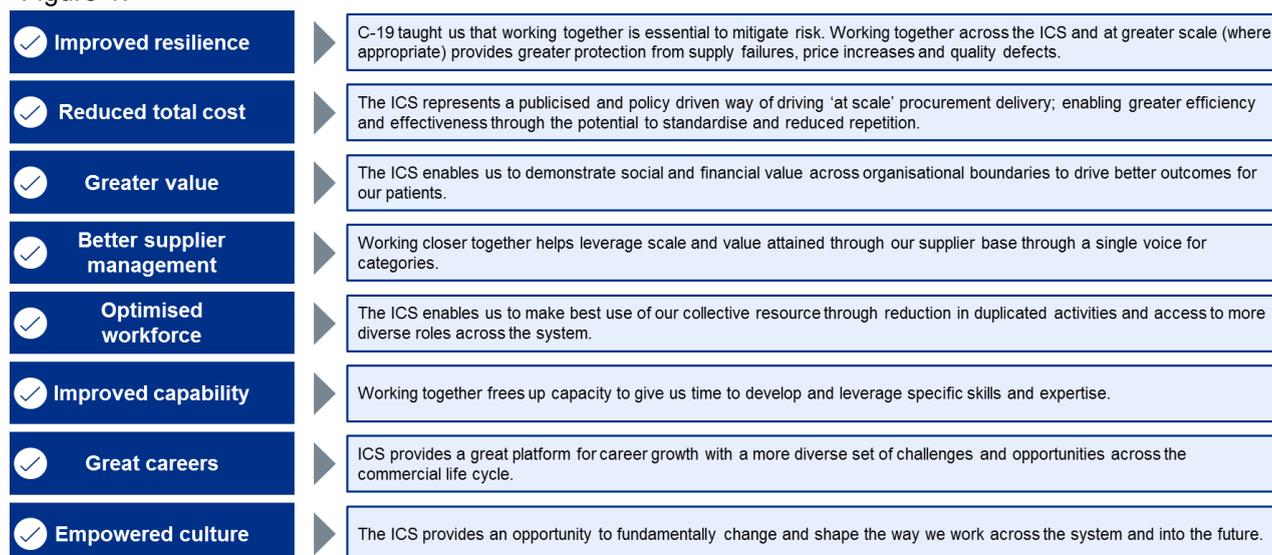
Our ICS cluster will be the new foundation for procurement delivery across Bath, Swindon and Wiltshire (BSW) Acute Hospitals Alliance:

- It will build on the new networks, relationships and ways of working made over the last 3 years, to cement a future where procurement always looks beyond organisational-level buying as a minimum, ensuring wider collaboration across the end-to-end supply chain and encouraging larger scale activity.
- It will use the BSW ICS footprint as a foundation to build shared capability, to identify and address targeted areas of unwarranted variation and value potential.
- It will be positioned as a central function within the ICS construct, directly shaping and supporting ICS development, ensuring future system-wide decisions regarding service delivery transformation, considering critical third party contracts, supplier and market management enablers.

1.4 ICS Procurement Model - Benefits

The shift to an ICS way of working will provide the foundation for at scale procurement across BSW with significant monetary and non-monetary benefits, achieved through unlocking efficiencies and improving operational performance across the system. See Figure 1 below.

Figure 1.



There is substantial scope for cost savings through the application of best practice and high standards, collaboration and process modernisation. Whilst there has been significant improvement as to the importance and performance of procurement over the past 3 years from which each Trust in the ICS has benefited, the pace of change must increase if we are to continue to influence a challenging non pay agenda.

Locally based procurement teams and informal ICS collaborative working has now transitioned into a single hosted procurement service for the BSW ICS cluster. Savings will be delivered through an aggregated work plan and new operating model. The ICS has identified 5 key priorities for change, on which the newly designed service will need to support:

- I. Formalised acute collaboration and sustainability.
- II. Locally-based integrated teams supporting primary care.
- III. Shifting the focus of care from treatment to prevention and proactive care.
- IV. Redefining the ways we work together to deliver better patient care.
- V. Providing a flexible approach to our workforce.

The operating model with the national Category Towers is alive and well embedded in current ways of working and all trusts in the BSW ICS have been engaging and will continue to engage with the Category Towers at an ICS level. This aggregated approach has forged a well-established relationship with the Account Management team at Supply Chain Co-ordination Limited (NHS Supply Chain).

In addition, the BSW ICS Procurement Service will continue to build on its support for the, 'Getting It Right First Time (GIRFT)' programme, through the development of leading edge analytics and dashboards via the Scan 4 Safety programme, which shows consultant choice and data in support of the GIRFT activity.

Previous trust procurement strategies outlined the Scan 4 Safety programme as an aspiration to implement. This is has been extended now for the whole BSW ICS cluster, with point of care scanning of all items embedded in Cath Labs, theatres and , Interventional clinical settings. The challenge over the next 3 years is how we use the enablers of Scan 4 Safety to drive more efficiency through inventory management and purchase to pay as well as the wider organisation benefits around patient ID etc.

It is recognised that procurement is not an activity that is restricted to procurement professionals alone. Everyone involved in the end to end procurement process has the responsibility for ensuring that the products and services that are selected, bought and used represent value for money, provide the right outcome for the patient and are not wasted.

This Procurement Strategy focuses on delivering best in class procurement from a formalised ICS operating model with world class clinical branding and settings that benefit both patients and staff, and which meet the aims and objectives of all organisations and the local health economy aligned to a

strategic plan. It will define the actions to continue the journey of continuous improvement in procurement and Scan 4 Safety principles over the next three plus years, alongside the National Strategy and NHS Procurement Standards that are considered to be best in class to deliver value into patient care.

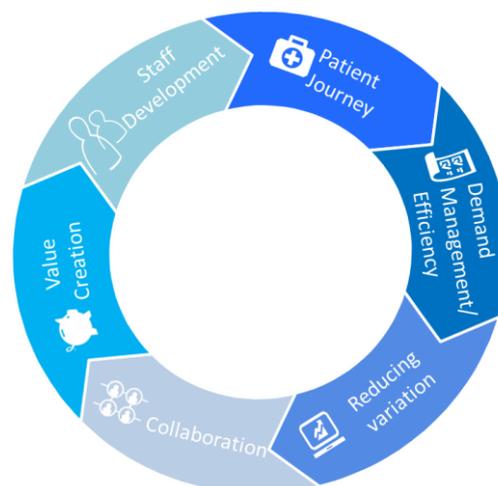
2. INTRODUCTION

The ICS has an acute operating budget of **£3.6m**, of which **£500k** relates to non-pay goods and services and **£153 million** is addressable.

The Vision of the procurement function is very simple and is based on a continuous cycle of improvement that is focused on, see Figure 2:

Figure 2.

- **Patient Journey** - ensuring product is in the right place at the right time.
- **Demand Management / Efficiency** – ensuring we use our resources across the ICS in an efficient way as well as looking to remove and manage efficient demand through reducing wastage in the supply chain.
- **Reducing Variation** - using our analytics systems to have informed evidence based discussions to remove variation and standardise.
- **Collaboration** - Formalised across the ICS cluster, with SCCL and other partners.
- **Value Creation**, ensuring we unlock value for each organisation in the BSW ICS cluster.
- **Staff Development** - Building and delivering a capable, professional, high performing and proactive workforce.



Procurement will continue to have a key role to play in supporting the delivery of high quality patient care whilst ensuring value for money is achieved. The new BSW ICS Procurement Strategy has been framed around a number of strategic aspirations aimed at achieving this vision:

- **Reduce the cost and improve the quality of goods and services** - through effective category planning by reducing variation and maximising aggregation opportunities working as a hosted system to support the Royal United Hospitals Bath NHS Foundation Trust, Great Western Hospitals Foundation Trust and Salisbury NHS Foundation Trust
- **Improve Supply Chain Management** - through increasing the value of inventory managed via procurement to optimise levels, reduce cost, delivery charges, wastage and more effective expiry management. Maximising inventory availability and minimising operational inefficiency or patient procedures being cancelled through non availability of kit or inventory, implementing a clear and consistent Inventory Management Strategy for the ICS.
- **Effectively manage supply chain risk** - through maintaining and reviewing supply chain and departmental risk registers and by the effective use of the trusts Datix system to manage, learn and inform improvements.
- **Data and spend analytics** - ensure that we continue to develop our best in class analytics capability from point of care scanning with appropriate dashboard for presenting and informing clinical decision making.
- **Improve data records** - through improving master data and catalogue coverage to ensure reduced invoice queries, and continue to implement Pan-European Public Procurement On-line (PEPPOL) messaging standards to drive improvement within the P2P process and supply chain.
- **Increase the amount of trust spend covered by contract and purchase order** - through working with end users and suppliers to ensure appropriate terms and conditions are in place and that all expenditure is procured in line with the aligned Trusts Standing Financial Instructions.
- **Collaboration** - Maximise the benefits of a single procurement service for the ICS through aggregation, standardisation and a commitment to market that drives efficiency through cost reduction and reducing duplication. This will be achieved by developing and maintaining an ICS work plan that is supported by our partners at SCCL (NHS SC) via the current operating model.

- **Build a motivated professional high performing team** - through empowering and training our staff ensuring that we review staff well-being and take advantage of the trust schemes to support this in order to develop and retain our talent.

To support the above, the BSW ICS procurement function has been designed with a service line and category focus, and working with SCCL (NHS SC) and the national Category Towers within the current operating model will be critical.

The scope of procurement for the BSW ICS covers medical consumables and equipment, IT hardware, software, systems and services, capital projects, builds and equipping schemes, trust tenders for non-clinical services, procurement for corporate, estates and facilities and support for trust subsidiaries as and when required. Also included are supply chain management transactions and analytics.

The spend on pharmaceuticals is not in scope and comes under the responsibility of the Chief Pharmacist, however the BSW ICS Procurement function will provide professional input and assistance to pharmacy colleagues as and when required and via collaborative arrangements i.e. with the Peninsula Purchasing Supply Alliance (PPSA) and Bristol & Weston Purchasing Consortium.

This Strategy of the BSW ICS Procurement function aligns with the values of the each trust in the cluster and wider operational plan of the ICS. In delivering this Strategy the BSW ICS procurement function will support the primary objective of vibrant local and specialist services through delivering procurement innovation in use of resources and value.

3. NATIONAL PROCUREMENT CONTEXT

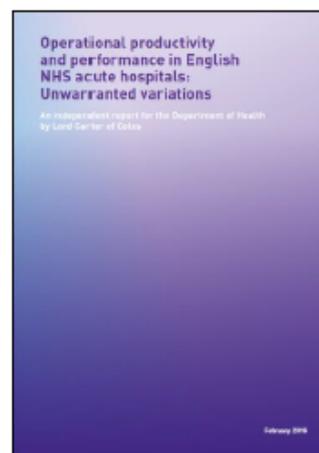
Over the past few years' procurement within the NHS has had greater focus and an increasing profile and this has been further enhanced during the Covid 19 pandemic, with the service at the forefront of managing supply into frontline clinical services. The commitment from the government to modernise and put procurement at the heart of the NHS has been very apparent as presented in the publications in Figure 3 below and most recently in the January 2021 NHSE & I ICS Based Procurement Guidance, Procurement Target Operating Programme (PTOM).

Figure 3.

Better Procurement, Better Value, Better Care (Aug 13)

NHS e-Procurement Strategy – published (Apr 2013)

Lord Carter report – Operational productivity and performance in English NHS acute hospitals: Unwarranted variation (Feb 16)



There is also a full transformation of procurement category management, supply chains, with the Scan 4 Safety programme devolved by the Department of Health to Trust Chief Information Officers and the new operating model with the nation Category Towers, which will underpin delivery of savings opportunities for each trust and the wider system for the next 3 years.

It is critical that the all trusts in the BSW ICS recognise the need to engage and influence the national procurement landscape, both working with the new operating model to enable the benefits that are forecast but also to engage and influence policy making and general strategy direction through the regulator NHSI.

4. LONG TERM PLAN AND ICS FOCUS

The Long Term Plan outlined that on 1st April 2021, all NHS organisations will be part of an Integrated Care System. As procurement, this shift represents an opportunity for us to better align our procurement and supplier management activities to directly shape and support ICS development, ensuring future system-wide decisions regarding service delivery transformation, consider critical third party contracts, supplier and market management enablers. **Appendix 1 presents the ICS status against 34 action points in the national guidance, recommended sequence for delivery timetable.**

The ICS Procurement Strategy aims to continue to transform procurement along with the wider national transformation over the next 3 years by delivering value for the ICS member trusts with sustainable savings that are underpinned by compliance, controls and commercial viability.

5. FINANCIAL CONTEXT AND THE IMPORTANCE OF PROCUREMENT

Aim: Deliver procurement best practice, initiatives to deliver effective procurement strategies that manage supply quality and cost effective price and risk management

- The market outlook is changing with a weakening currency and increasing raw material costs, which will mean that the ICS Procurement Department will need to maintain and develop the skills within the team locally.
- The local position across the BSW ICS continues to be financially challenging, hence its savings plan will need to be robust, aligned to the ICS strategic plan and that of each member trust and most importantly be sustainable. To enable this, the BSW ICS Procurement function will play a key role as referenced in each trust Strategy and the strategic aims of the wider BSW ICS cluster.
- The pressure in recent time for having to challenge price increases has grown and therefore good contract management and procurement is critical and as a cluster the ICS must:
 - Maximise competition on all procurements to improve price and service and manage risk.
 - Focus contract and performance management as a critical element of procurement, to ensure that it obtains value and performance to the expected level from its suppliers.
 - Through our Inventory management system(s) and processes ensure that waste, obsolescence, expiry management is effective to maximise supply chain efficiency.
 - Utilise the model hospital data, Purchase Dashboard (PD) and spend analytics systems e.g. AdvisInc both prior and during management of contracts and service reviews.
 - Ensure all spend is transacted via the purchase order system in place at the time in each respective trust. It is recognised that the member trusts are looking to standardise finance systems for the ICS to establish a common platform.
 - Utilise appropriate Supplier Relationship Management (SRM) programmes, to drive value improvement and hold our suppliers to account on service, value and risk.

6. STRATEGIC OBJECTIVES AGAINST THE THEMES IN THE NHS PROCUREMENT STANDARDS

Aim: Embed strategic procurement programmes that are developed to drive out waste and unnecessary cost to support CIP, whilst maintaining and improving the quality of care to our patients and underpinned by the principles of the NHS Procurement Standards.

As part of the 3 year procurement strategy the BSW Procurement Service will look to build strong foundations towards levels 2/3 of the procurement standards. This will involve clear objectives and measures being developed around the domains of:

- Strategy and Organisation
- People and Skills
- Strategic Procurement

- Supply Chain
- Data, Procurement Systems and Performance Management
- Policies and Procedures

An Annual Plan will be produced that will capture the required strategic objectives for procurement.

7. STRATEGY AND OUR ORGANISATION, AND PEOPLE & SKILLS

Aim: To deliver a high performing procurement function that is actively working towards level 2 (RUH) and over the next 3 years Level 3 (ICS) of the NHS Procurement Standards

The BSW Procurement ICS Service aims to achieve level 2 of the procurement standards for the RUH in 2021 with a strategic aim to deliver incremental improvement towards level 3 of the procurement standards for the whole ICS by the end of 2022 through:

7.1 Strategy & Organisation

- Develop a consistent way to capture feedback and report end user satisfaction. Enabling informed plans to be drawn up to continue to improve the local procurement service.
- Monitor monthly the model hospital performance measures and Process Efficiencies and Price Performance (PEPPA) metrics to drive improvement internally and improve and achieve the aspirational target of being a leading ICS procurement function by the 31st March 2022.
- Embed the single service hosted procurement model for the BSW ICS by utilising effectively the talent and capacity from the combined service.
- Continue to promote and develop working relationships with the national Category Towers at ICS level, engaging on aggregation opportunities and patient outcomes.
- Develop and put in place an ongoing training package for end users that are a combination of presentation and informal training as well as e-learning modules that build budget holder knowledge on procurement responsibilities and operational duties within the wider organisations and in line with SFI's.
- Continue to build internal and external engagement through effective aggregation work with collaborative partners and SCCL (NHS Supply Chain) to make best use of procurement resource as well as:
 - Be an active member of the Southern Regional Customer Board, representing the the wider BSW ICS.
 - Continue to support work with the Southern Procurement Partnership.
 - Where appropriate share learnings at national and regional procurement forums.

7.2 People & Skills

We recognise staff to be our most valuable asset and we need to develop our people to enable them to support the delivery of this Strategy. To enable this, the function will:

- Ensure appraisals and training plans are kept up to date and regularly reviewed in line with the requirements of all member trusts.
- The functional heads will complete regular training needs analysis and build a programme of requirement that is accurately recorded in the training plan of all staff appraisals.
- Utilise more effectively the Procurement Skills Development Network as well as HFMA and HCSA to deliver the training needs of our teams in a cost effective impactful way.
- Ensure the function is engaging with the host Learning and Development department to identify opportunities and build learning as well as identifying appropriate access to funding where appropriate.
- To look to develop an approach to training across the ICS as a wider programme of support.
- To utilise more effectively the training materials from the Positive Purchasing Procurement Academy to enable desk training and development for all procurement staff.
- Ensure that the scope of procurement on non-pay and appropriate commercial income generation is developed to enable full coverage of all addressable non pay.
- Develop our external networks using our ICS influence to develop potential secondment opportunities for staff to improve their skills in the wider healthcare system.
- Develop and implement a flexible resource model and strategy to more effectively manage peaks and

- troughs of strategic sourcing support required by each member trust in the ICS system.
- Ensure all staff are happy and effective through continual review of development needs, improve staff health and wellbeing scores and develop clear retention and recruitment plans.

8. STRATEGIC SOURCING

Aim: Strengthen sourcing, control and compliance

8.1 Sourcing Cycle

The function has a range of options for assessing appropriate routes to market. These range from:

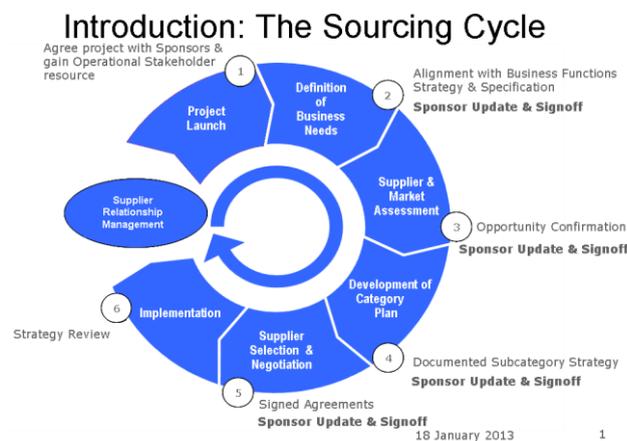
- I. Single Tender Action
- II. Local Tender (case by case engagement with market)
- III. National framework contract route (through NHS Supply Chain)
- IV. Regional framework contract route (through Collaborative Procurement Hubs)
- V. OJEU Tender (as an ICS, individually or through collaboration with other organisations)
- VI. 'Innovation' route (through commissioning)

For each project undertaken procurement will assess with the end users the most appropriate route looking at the urgency of need, competitions in the market place and criticality of supply and the level of which the need is satisfied by the existing market.

The combined spend of member trusts is segmented and grouped into market facing categories. It is then grouped into clinical, non-clinical, capital and commercial income. Each area has a sourcing lead responsible who will look to aggregate spend across the ICS

To do this the function will use the sourcing cycle which is imbedded within the function. See figure 4 below.

Figure 4.



In section 3 and 4 of the sourcing cycle, procurement officers will assess their options of route to market through the completion of a standard assessment through reviewing competitiveness of what they are looking to buy and how critical this is, they will then complete an assessment as per the below example.

Figure 5.

Criteria/Option	Local /Independent Sourcing	Collaborative sourcing (PPSA)	National sourcing
Strategic Attractiveness			
Financial Attractiveness			
Implementation Difficulty			
Stakeholder Acceptability			

Completion of a sourcing strategy document will outline a clear assessment of the options and the selection of the chosen route to market.

Each procurement lead or category buyer will be responsible for:

- Category savings strategies and delivery working where appropriate with the new operating model.
- Working with trust colleagues and wider ICS colleagues/stakeholder networks where appropriate to develop ICS category strategies to aggregate and commit demand working with the new operating model.
- Ensuring GS1 Standard compliant catalogues are in place.
- Effective contract writing and management.
- Formal performance review via supplier relationship management plans.

8.2 Strategic Sourcing Principle Aims

The primary aims of the Strategic Sourcing workstream will be delivered as part of the Annual Plan, noting that the BSW ICS has a real opportunity to influence both at the South Regional Customer Board and other forums.

9. SUPPLY CHAIN MANAGEMENT AND EFFICIENCIES

Aim: To eradicate wastage and inefficiency in the supply chain.

- Optimise stock levels based on “just in time” principles. Continue to review areas of potential standardisation, consumption analysis and engage with clinical teams to inform decision making.
- Continue to review any methodology that can increase patient safety and improve the resilience of the supply chain.
- Ensure effective risk management of departmental risks and wider national issues.
- Ensure the impact of the supply chain is considered as part of any planned or future changes. Both in terms of contractual changes and physical changes in infrastructure or changes to clinical service delivery.
- Apply appropriate operating models to remove or reduce non-supply chain staff from involvement in supply chain activity. Ongoing review and future planning should include a balance of people, process and technology.
- Review current delivery and distribution routes to organisations in the BSW ICS. Consider the potential for benefits based on consolidation and review changes being implemented by SCCL/NHS SC and the new operating model.
- Ensure all staff involved in supply chain activity have appropriate skills and knowledge. Support all areas to develop their knowledge and enable a consistent application of principles across all organisations in the BSW ICS.
- Remove or reduce wastage within the across the BSW ICS. Ensure that processes to record and recognise wastage are in place. Create a clear programme of reporting to highlight the ongoing work to reduce wastage.
- Ensure common practices and processes are in place across the BSW ICS. Also identify and work with key suppliers to deliver benefits across the entire supply chain. Ensure that benefits are shared where relevant as part of wider contract and commercial agreements as part of the contractual process.

- Continue to apply the Scan4Safety methodology and principles, act as a lead link guiding and supporting all trusts, departments throughout the BSW ICS as required.
- A full Supply Chain Management Strategy and Transactions and Analytics Strategy will be produced and incorporated to this Procurement Strategy.

10. PROCUREMENT SYSTEMS, ANALYTICS, DATA AND PERFORMANCE MANAGEMENT

Aim: Improve quality of data, information and transparency. Provide clear actionable insight.

There has been a rapid development in the range and type of data now being captured by the ICS and member organisations. The overall approach and strategy with regards analytics needs further integration with a wider organisation approach. The development of a Procurement analytics road map should be prioritised and include:

- Development of an appropriate analytical approach based on category and stakeholder requirements. This will be a combination of self-service reports, information packs and detailed analysis. The focus will be on enabling data informed decisions rather than access to tools or reports.
 - Create further clinically engaged forums and initiatives based on the information captured as part of the Scan4Safety programme. This will be based at a specialty level and will underpin the engagement with end users. This will also link and support wider national programmes such as Getting it Right First Time (GIRFT).
 - Continue to develop locally reported operational key performance indicators. Updating and adapting to meet organisational needs.
- Continue to develop and review technology across the end to end Procurement process to ensure that we have effective systems to safeguard patient care and help deliver savings, lower our process costs and which offer greater opportunity for all businesses (national and local) to bid for our work, which may include the use of social media to communicate with suppliers.
 - Work in collaboration with the provider of the National analytics tool (PPIB) and GIRFT to input and inform moving forward. Also, developing local skills and knowledge within data analysis to enable the function to be a key support to stakeholders.
 - In accordance with NHS eProcurement Strategy, continue to progress the adoption of common global standards; GS1 standards (for product coding, location coding and data synchronisation) and PEPPOL standards (for purchase order, shipping note and invoice messaging).
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11. ICS INTEGRATED PROCUREMENT & EXTERNAL PARTNERSHIPS

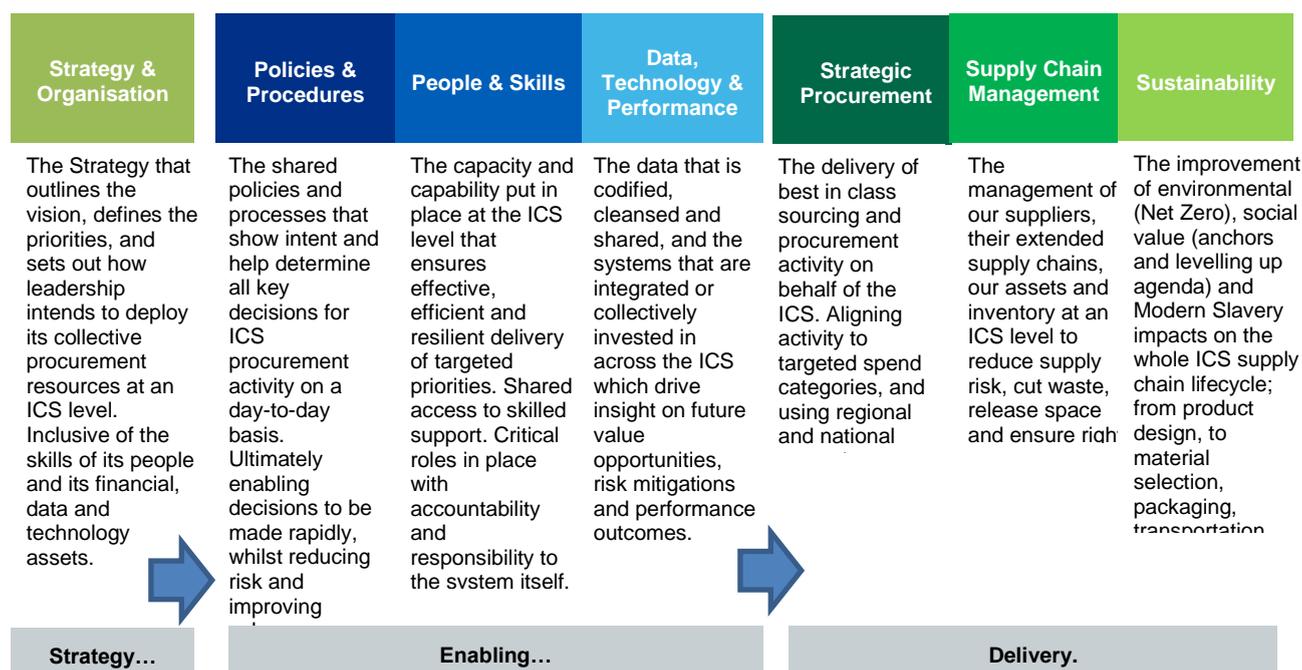
Aim: Working together as single service to consolidate purchasing requirements and drive greater cost efficiencies from the market.

11.1 Cross functional working

We will collectively make the BSW ICS footprint the new foundation for procurement delivery. A set of 7 dimensions will help structure the critical activities of the 3 acute trusts and provide direction to steer delivery. See Figure 6 below.

Figure 6.

Seven Dimensions



- 3 Acute Trusts in the STP will regularly review model hospital measures and performance.
- Head up by the Head of Sourcing two clear work plans are in place (clinical and non-clinical) to aggregate the volume across the BSW ICS.
- Growing ICS volume and spend across is taking place with SCCL (NHS SC) through repatriation of products back to NHSSC where it is commercially viable including a standardisation programme to reduce variation and consolidate spend. This supports the national drivers for spend and growth via SCCL (NHS SC) and the new operating model that has been established. This was the first of its kind and a number of other regions are implementing similar models at an STP level. This workstream will be critical for engaging appropriately with the new operating model through NHS SC and the category towers.
- The cluster will feed in and support the national direction of travel with the operating model and align the ICS to support the model.
- The ICS will continue to support the national agenda as part of the procurement ICS work and the sharing and communication of plans internally for the new operating model.
- The procurement work around one team across the ICS is a key objective of the Hospital Alliance over the few years and the Procurement ICS function will need to support this strategic priority and build comprehensive aggregation projects across the ICS to better utilise the purchasing power within the system and work effectively with partners such as SCCL (NHS SC).

By embedding 'one for many' procurement service and by formalising the collaborative approach, the ICS Procurement function will:

- Leverage the ability of small to medium NHS trusts to function in the wider health economy and enable the delivery of the procurement element of the financial plans as outlined in trust strategic plans 2021 onwards.
- Build capability and capacity for working with partners across the NHS e.g. SCCL (NHS SC), Crown Commercial Services, BUNZL Healthcare and Regional Cohorts (e.g. PPSA), to enable greater leverage on common areas of spend, create a more resilient resource model and supporting the sharing of skills in order to maximise service efficiency.
- Continue to review joint governance for collaborative programmes across the BSW ICS and integrate this with effective contracting, considering the joint objectives of the individual organisations to ensure that incentives and measurement will support collaborative behaviours.
- Reduce price variation through standardisation with a common and collective approach to market and unlocking aggregation opportunities for the BSW ICS.

- Use collective buying power to negotiate better deals with suppliers and support this with world class analytical systems to help identify opportunities.
- Shape market intelligence around our current and future requirements and improve our supplier management capabilities.
- Build on the relationships with key trusts and cohorts around Bristol, Gloucestershire Oxfordshire, Hampshire and Dorset.
- Develop better and more efficient partnerships with industry with the aim of reducing the cost to serve building on the work plans.

12. PROCUREMENT LEADERSHIP AND GOVERNANCE

Aim: Facilitate leadership in the transformation programmes to delivery efficiencies and build procurement capability for now, and in the future enabling strengthen management, control and compliance

The Director of Procurement is the lead responsible for Procurement, Commercial Services and Supply chain Management, reporting directly to the Directors of Finance at the ICS member trusts who have executive responsibility for the service at Trust Board and the ICS Procurement Board as the governance body.

BSW ICS Procurement function will ensure compliance to European Procurement Law (as enshrined UK statute) along with upholding trust Standing Orders and Financial Instructions. It will:

- Risk rate all significant projects using the respective trust register process.
 - Ensure that purchasing staff are fully trained in the requirements of procurement law and able to advise staff on compliance risks.
 - Maintain a strong record on product safety and regulatory compliance through the close working relationship with respective trust Medical Engineering departments.
- Procurement policy and processes will be clearly defined, updated and accessible and visible to all staff via training for non-procurement personnel and budget holders and available on the intranet. This will be supplemented with delivery of specific Standing Financial Instructions and contract management training for Divisional Management Teams.
 - The Director of Procurement and Leadership Team will meet with members of the procurement team to review performance metrics to track compliance and savings performance and report at relevant groups e.g. Non Pay Committees, Finance and Performance Committees etc.
 - Provide greater visibility of the performance of the ICS top contracts, which will help to improve the management of our major suppliers and ensure that they are meeting their contractual obligations and delivering against the agreed performance indicators.
 - Team development and training opportunities reviewed with appraisals and mandatory training requirements. As a function we will continue to invest and develop procurement staff in training seeking out appropriate courses for relevant staff levels via HCSA, Procurement Skills Development Network, Chartered Institute of Purchasing and Supply (CIPS) and or relevant University's.
 - To manage risk procurement will regularly review the procurement and supply chain risk register and alongside this embed a robust contract performance management review process for the ICS and with each individual trust to improve supplier performance and to ensure that all contracts deliver their expected outcomes and in turn manage supply chain and procurement risk effectively.
 - Review model hospital measures as a way of identifying other opportunities and ways to improve procurement performance.

13. SUSTAINABLE PROCUREMENT

Aim: In the context of broader sustainability, maintain the balance between financial, social and environmental factors, focusing on energy efficiency, carbon reduction and recycling and to ensure social justice and equity. Integrating environmental, health, social, political and economic issues into procurement decisions to embrace the founding principle of healthcare, 'first to do no harm'.

BSW ICS has an important role in delivering sustainable value from its procurement, which will evidence the organisations commitment to patients, staff, local community and society in general. This approach supports the core values of the ICS and all member trusts including quality and excellence, equality and diversity, working responsibly and with respect for each other and best environmental practice.

By embedding good sustainable procurement practice we can enhance value for money by ensuring long term cost effectiveness, as well as reducing waste, protecting biodiversity, and supporting sustainable economic growth that is underpinned by a stable and resilient supply chain, operational excellence and cost savings.

The aim for BSW ICS Procurement is to lead by example by removing barriers to sustainable development, by engaging with a mix of small, medium and large businesses and enterprises, whilst simultaneously driving innovation, cost efficiency and responsible procurement practice.

To deliver this, the ICS Procurement function will produce in line with national guidelines a Sustainable Procurement Strategy and Policy, that is focused on the outsourced products and services that it acquires on behalf of each trust, underpinning supply chains and which should be read in conjunction with the environmental management policy of each trust

This approach is critical in supporting the long term strategy of each Trust in delivering sustainable services to local community from the ICS and procurement with a significant footprint of financial spend and social factors has a consistent approach therefore sustainability will be imbedded in everything that procurement does within the ICS.

In line with national guidance, the Function will be responsible for contributing to each trusts sustainability plan and that of the ICS, focusing on reducing CO2 emissions, considering running costs and disposal costs, all of which will be considered as part of the whole life cost of the procurement tendering process.

14. FAIR AND EQUITABLE TRADE & TREATMENT

Aim: To maintain a policy that ensures procurement compliance with the principles of 'Fair and Equitable Trading' and encourages SME participation.

BSW ICS Ethical Procurement Policy will assist in managing risk associated with labour standards, ensuring compliance with relevant legislation, fostering transparency through the supply chain, providing for some level of due diligence in supplier approaches to managing labour standards and promoting continual improvement in this respect.

The Function will look to produce a policy that:

- Seeks to ensure all tendering and the process is clear
- Enforces and supports the public contract regulations
- Issues competition in a structure that encourages SME participation
- Seeks to appropriately advertise non mandatory tenders on our source to contract, portal and contracts finder.

15. EQUALITY AND DIVERSITY

Aims: All staff maintain the highest standards of personal integrity and that the business affairs of the organisation are conducted in a moral, honest manner and in full compliance with all legal requirements

- All procurement shall be non-discriminatory and will comply fully with the Equality Act 2010 supporting the principles of Equality and Diversity and we shall treat all our suppliers and stakeholders with equality.
- The Standards of Business Conduct will be followed by all staff ensuring that all our procurements are undertaken with fairness and transparency. In addition we expect and shall ask proof of our suppliers that they can demonstrate that they share the same beliefs on equality and diversity.
- Staff who work with suppliers shall act with integrity, transparency and fairness at all times.
- Procurement shall seek to support the Government transparency agenda by publishing organisational spend data publicly and supporting transparency initiatives both intra NHS and public sector.

16. PROCUREMENT RESOURCES AND COMPETENCIES

Aims: Deliver best in class procurement function within budgetary control while fostering an environment of people development and continual improvement.

- The ICS will need to ensure that the capacity and capability of its Procurement function is both maintained and developed despite the challenging workload pressures and financial challenges. This will be achieved by:
- Take a lead role in national and regional initiatives to better equip ICS purchasing staff for the future skills required as well as developing effective succession planning.
- Seek to recruit the best candidates for roles within the Department by promoting our recognised status and emphasising the unique range of opportunities that the ICS offers.
- In doing so we will support the statement of intent within each Trust Strategy to make the BSW ICS Procurement a place to work where individuals are developed to achieve outstanding results.
- Utilise the Procurement Skills Development network where appropriate to develop our people
- Engage and support the Healthcare Supply Association (HCSA) and ensure that junior members attend the procurement programs and training on offer from the HCSA
- Utilise the Positive Purchasing training tools and procurement academy to enable continuous development of the ICS Procurement Team.

17. DELIVERING THE OPERATING PLAN

Aims: to ensure the annual ICS Operating Plan supports the overall procurement strategy and clear measures exist for measuring success.

How the procurement strategy will be delivered year on year is a critical part of the requirement and understanding of 'how' success will be measured. To do this the procurement function will:

- Develop an end of year Divisional non pay spend review document through utilisation of procurement spend analytics to review and develop outline non pay plans for the forthcoming financial year.
- Produce an Annual Work Plan which will be presented agreed with each of the Divisions and their management teams which will contain granular level detail as to the contribution and value of the procurement plan towards their non-pay cost improvement plan (CIP).
- The work plan will contain both hard and soft objectives from value creation opportunities to process improvement in supporting this overarching 3 year procurement strategy.
- The work plan will be signed off by the Divisional Management Teams having reviewed risk and opportunities of each scheme and considered the Quality Impact Assessment process.
- The development of an operational plan to underpin wider compliance and supply chain improvement work and commercial activity along with the procurement work plan
- The overall plan will be presented to the ICS Procurement Board for approval to form the Sourcing team's objectives for the following financial year from which the procurement function will be measured.

The success of the annual operating plan will be measured through the ICS Procurement Board and workstream leads. This will include but not limited to:

- Local monthly report to the Director of Procurement on the progress of the non-pay workstream and the achievement of the annual operating plan objectives associated with each work stream.

- Achievement of annual non pay savings for the ICS, each trust and division that procurement support the delivery of.
- The success of delivery of change and value creation in key clinical areas through improved partnership working and multifunction teams.
- The annual procurement report and achievement of the annual operating plan of the procurement function for the year as outlined, agreed and signed off at the ICS Procurement Board and respective trust Finance and Performance Committees. These Team objectives are developed for the forthcoming year in terms of supporting the achievement of this Procurement Strategy.
- The procurement manual revised to outline the operational processes to support this Procurement Strategy along with the relevant operational policies, which are guidance for both procurement staff and trust colleagues, will be reviewed annually to ensure it is in line with achieving this Procurement Strategy.

18. HOW THE ICS PROCUREMENT STRATEGY SUPPORTS MEMBER TRUST STRATEGIES AND OPERATING PLANS

Aims: to deliver a best in class ICS procurement function that is aligned and supportive of each Trust Strategy.

As outlined at the start of the document this strategy is written as an enabler of each Trust strategy in supporting the respective trust's Trust strategic plan 2021-2024. The timelines work on the same period and the plan will be refreshed moving forward in line with the review of each Trust Strategy and Operating Plan in conjunction with both the Director of Procurement and the Director of Strategy & Development at each member trust. The detail on how procurement with support this will be found in the BSW ICS Annual Operating Plan which is broken down by, Delivering High Quality Local & Specialist Services, Care and People.

APPENDIX1

**BSW STATUS – NATIONAL GUIDANCE, RECOMMENDED SEQUENCE OF DELIVERY
TIMETABLE**



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APPENDIX 2 - PROCUREMENT STRATEGIC OBJECTIVES

Area	Objective	Key Actions	Measure
Strategy & Organisation	Work with the new operating model and supply chain to deliver the forecast savings	<ul style="list-style-type: none"> Develop clear work plan with NHS SC Enable aggregation and work with the operating model as an ICS to achieve benefits 	<ul style="list-style-type: none"> % of spend transacted through supply chain and operating model contracts Delivery of NHS SC work plan with the ICS trusts that meets or exceeds forecasted savings year on year.
	Through Collaboration with RUH Bath and Great Western Hospitals NHS FT aggregate and drive down price and improve quality	<ul style="list-style-type: none"> Develop clear ICS annual work plan across the various workstreams that have been put in place. Ensure operational delivery and accountable governance for delivering the annual plan 	<ul style="list-style-type: none"> Increased % contribution to local work plan and CIP from the ICS cross functional working. Delivery of the ICS annual work plan target as set by the ICS Procurement Board
	Investigation of work and effective procurement team across the ICS with clear leadership across the 3 acute trust and governance	<ul style="list-style-type: none"> Develop business case - sign off from Trust Boards. Identify appropriate resource to lead on behalf of the 3 acute trusts Work together to raise procurement standards and support each other in delivering the NHS procurement standards requirements. 	<ul style="list-style-type: none"> Improved model hospital procurement measures across the ICS acute trusts
	Aim for top 10 position in NHSI procurement league table for all trusts	<ul style="list-style-type: none"> Maintain quartile one position for SFT bring GWH and RUH up to the same attainment. Build a clear plan around standards accreditation Use of PPIB and performance review of Carter measures and price performance opportunities Build price opportunities into annual work plan 	<ul style="list-style-type: none"> NHSI Trust procurement league table



Area	Objective	Key Actions	Measure
People & Skills	Achieve all model hospital targets and exceed where possible	<ul style="list-style-type: none"> Ensure constant review and understanding of data and opportunities for improvement Document improvement plan and execute as part of the annual planning process. 	<ul style="list-style-type: none"> Model hospital performance data and benchmarking against peers and wider NHS.
	Achieve level 2 for RUH (2021) and level 3 for the ICS (2022) NHS procurement standards accreditation	<ul style="list-style-type: none"> Ensure effective evidence is collected and evidenced Build effective operational processes and policies to drive behaviour Ensure that Trust personnel are effectively trained and understand SFI's 	<ul style="list-style-type: none"> Pier review accreditation following external assessment.
	Improve internal and external engagement	<ul style="list-style-type: none"> Ensure that BSW ICS procurement continues to innovate and develop working effectively with the national bodies and evidencing best practice 	<ul style="list-style-type: none"> Events and invites to present and engage with system wide developments.
	Budget holder training to improve understanding of organisational responsibilities around procurement	<ul style="list-style-type: none"> Ensure effective annual training is carried out for directorates based on SFI requirements Use HFMA e learning training module to support end user training for non-procurement professionals 	<ul style="list-style-type: none"> Attendance at training % of key budget holders completing e learning module
	Training needs are reviewed regularly for all ICS Procurement and Supply Chain Management staff.	<ul style="list-style-type: none"> Workstream heads meet to review plans across to sites and gaps within the team to ensure effective plans of training both internally and externally are developed for team 	<ul style="list-style-type: none"> % of staff with appropriate qualifications and training plans for their role.
	Ensure appropriate resource management model to develop a fit for purpose team that could provide an integrated ICS procurement and supply chain management service, with staff are working together to limit exposure to the market challenge of gaining and retaining high calibre procurement people.	<ul style="list-style-type: none"> Single service provision through a hub and spoke hosted model Review strategy and align Build an annual and work plan that reflects the 'one for many' service model. Refresh structure to reflect an integrated service delivered through a hub and spoke 	<ul style="list-style-type: none"> Staff turnover % ICS wide work plan delivery

Area	Objective	Key Actions	Measure
Strategic procurement		hosted operating model, utilising combined knowledge and experience.	
	Training plans are linked to appraisals with a clear development plan in place.	<ul style="list-style-type: none"> • Ensure training plan is documented in the spida appraisal system and regularly reviewed • Completion of appropriate positive purchasing and procurement academy information 	<ul style="list-style-type: none"> • % appraisals in date • % staff trained in effective category management • Regular training sessions internally from senior team to junior members.
	Ensure staff scores from NHS surveys for procurement are reviewed and appropriate action plans are in place.	<ul style="list-style-type: none"> • Review and develop improvement plans 	<ul style="list-style-type: none"> • NHS Survey results
	Deliver annual CIP plan	<ul style="list-style-type: none"> • Ensure robust planning process to identify opportunities is conducted with directorates • Review contracts databases and benchmarking tools • Develop a clear plan that is supported and signed off at directorate and trust board level 	<ul style="list-style-type: none"> • Monthly reviews against Trust CIP tracker and forecast
	Grow performance management and effective contract management principles for key contracts with stakeholders	<ul style="list-style-type: none"> • Effective use of the Trust SRM programme • Ensure performance indicators for key contracts are in place • Robust quarterly review meetings with the correct internal stakeholders to support review 	<ul style="list-style-type: none"> • Supplier scorecards
	All key contracts are governed by procurement	<ul style="list-style-type: none"> • Ensure all key contracts and documents and Agreements are on the contracts database system in procurement • Ensuring key agreements are on NHs Terms and conditions • Any at risk suppliers are documented and managed through the Trust risk 	<ul style="list-style-type: none"> • Purchase order system data • Contracts database

Area	Objective	Key Actions	Measure
Supply Chain Management		Management process and regularly reviewed	
	Regular price benchmarking through the life of contracts	<ul style="list-style-type: none"> Use of procurement dashboard system and bravo analytics as well as PPIB for one of purchase requirements 	<ul style="list-style-type: none"> Price performance measures within the model hospital
	Effective standardisation and aggregation opportunities developed across the Trust and wider STP	<ul style="list-style-type: none"> Review of items on catalogue Effective plans developed to reduce new items and reduce range of products via standardisation to aggregate volume. 	<ul style="list-style-type: none"> No of products procured reducing and inventory SKU's reducing Clear reduction in numbers of new products added to catalogue.
	Risk Management	<ul style="list-style-type: none"> Ensure effective risk management of department risks and wider national issues Constant review of internal Datix risks related to procurement and supply chain and document and implement lessons learnt to minimise patient cancellations as never events 	<ul style="list-style-type: none"> Number of Datix each year vs previous Risk and scores reviewed Number of patients cancelled as a result of procurement issue.
	Integrated Supply Chain	<ul style="list-style-type: none"> Review current material movements across the Trust Review for Procurement, pharmacy, housekeeping, Theatres laundry teams etc. Map process and identify opportunities to use resource more effectively Develop and present business case to board for a consolidated internal supply chain function 	<ul style="list-style-type: none"> Increased level of inventory controlled by procurement to 90%
	Data Capture at point of care	<ul style="list-style-type: none"> Maintain current performance of point of care scanning. Review and capture and store data effectively 	<ul style="list-style-type: none"> Dashboards and output and quality of information S4S metrix



Area	Objective	Key Actions	Measure
Data, Procurement Systems & Performance	Theatre kitting roll out to kit for procedures across Theatres to enable more operational efficiency	<ul style="list-style-type: none"> Develop and evolve theatres supply chain mat man team from managed service to kitting per procedure 	<ul style="list-style-type: none"> Prompt theatre start times Cancellation of procedures Identified shortages corrected before procedure Improved accuracy of usage
	We will develop and identify systems to capture data that supports the identification of "encouraged enterprises". We will identify a % target of spend in each category to be committed to SME' s and put in place a KPI to monitor this by category and overall. We will incorporate relevant training and identify category strategies in category plans	<ul style="list-style-type: none"> Identify data and metrics to measure current and future performance e.g. turnover level of suppliers related to spend Agree targets by category Review and sign off category plans Identify and develop training segment for team 	<ul style="list-style-type: none"> Trust does not use enough in this area and needs to review as part of meeting NHS level 2 standards.
	Procure to pay (P2P) –We will work with finance and the scan for safety team to develop an e-invoicing strategy and work to communicate this with suppliers.	<ul style="list-style-type: none"> Identify desired outcomes and objective of e-invoicing for all parties to meet scan for safety milestones Develop strategy and implement Feature as key success factor in scan 4 safety evidence. 	<ul style="list-style-type: none"> Scan4Safety team capacity to deliver Adoption of relevant technology and process changes in Accounts Payable.
	Purchase order electronic End to End. We will work to increase electronic requisition to payment metric	<ul style="list-style-type: none"> Delivered via scan for safety AP review above as well as introduction of PEPPOL standards and updating of existing systems, 	<ul style="list-style-type: none"> Finance team and Scan4Safety ability to change and implement a lined up process. % of end to end electronic transaction
	We will continue to roll out inventory management process change and procedure/ patient level costing in appropriate areas	<ul style="list-style-type: none"> Implement theatre kitting module Use with Surgeons the Data from point of care scanning across all specialities where appropriate to inform variation discussions and procedure costs 	<ul style="list-style-type: none"> Genesis development plans and road map Use of analytics system and data already used in orthopaedics and

Area	Objective	Key Actions	Measure
Policies & Procedures			cardiology to be utilised wider across the Trust
	Annual review of the procurement manual and wider policies	<ul style="list-style-type: none"> Operational team to review with Head of procurement manual to ensure it reflects changes needed to deliver the wider department strategy. 	<ul style="list-style-type: none"> Annual review and sign off Document version control % of in date policy reviews as per intranet internal page tracking
	We will develop and identify systems to capture data that supports the identification of "encouraged enterprises". We will identify a % target of spend in each category to be committed to SME' s and put in place a KPI to monitor this by category and overall. We will incorporate relevant training and identify category strategies in category plans	<ul style="list-style-type: none"> Identify data and metrics to measure current and future performance e.g. turnover level of suppliers related to spend Agree targets by category Utilise meet the buyer events Identify and develop training segment for team 	<ul style="list-style-type: none"> % target of SME

