

Reference Number: FOIAH2425/435
From: Private Individual
Date: 06 November 2024
Subject: Contract Register, Procurement Strategy, and Contact Details

Q1 Contract Register Request:

I am seeking the full and entirety of the organisation's contract register or database. The register should include the following columns/headings or something similar:

- Contract Reference -Unique reference number associated with the contract.
- Contract Title
- Procurement Category –
- Supplier Name
- Spend (Total, Annual or contract value)
- Contract Duration
- Contract Extensions
- Contract Start Date
- Contract Expiry Date
- Contract Description [Please provide me with as much detail as possible.]
- Contact Owner (Person that manages the contract register)
- Contact details of section 151 officer
- CPV codes/Pro-Class
- How many contracts are currently held on the contract register

If any of the headings within your contract register has not been provided, please state this within your response.

Please provide the contract's register file in Excel format.

A1 [See attached – 435 Contracts Register](#)

[Trust does not use CPV or Pro-Class
185 Contracts on Register](#)

Q2 Procurement Strategy Document Request:

• Can the organisation provide a full version of their Procurement Strategy for the fiscal year 2024-2025?

• If the Procurement Strategy is a strategic direction (2022-2025) instead of an annual plan, please provide an update document for 2023-2024. If an update cannot be provided, please provide information on when an update is planned to be published.

• We require the full document. If any parts of this document have been removed, please state this within your response.

A2 [See attachment – Procurement Strategy](#)

Q3 Contact Details Request:

- Provide contact details of the person responsible for API or data sharing, including [Name, Job Title, Telephone, Email Address].
- Provide contact details of the person responsible for the actual contract's register, including [Name, Job Title, Telephone, Email Address].

A3 [Head of Procurement - Richard Jolley, \[wcfh.HPLFOI@nhs.net\]\(mailto:wcfh.HPLFOI@nhs.net\)](#)

HEALTH PROCUREMENT LIVERPOOL™

PASSIONATE ABOUT HEALTHCARE



Procurement Strategy





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Foreword

Health Procurement Liverpool (HPL) is a collaborative support function established in 2021 to provide procurement services to four specialist NHS Foundation Trusts within the Merseyside region. The four participating organisations are Alder Hey Children’s NHS Foundation Trust, The Clatterbridge Cancer Centre NHS Foundation Trust, Liverpool Heart and Chest Hospital NHS Foundation Trust and The Walton Centre NHS Foundation Trust (hereinafter referred to as the “Member Trusts”).

HPL is currently hosted by The Walton Centre and is overseen by a Procurement Board comprising of Chief Finance Officers from each Member Trust.

HPL was created in April 2021 and over the last two years, through consultation, has successfully integrated four individual Procurement services to create a single shared function which now supports all organisations.

Our HPL service is the first of its kind in Liverpool and the work we have undertaken to date will drive and deliver benefits for our wider systems. We are a team of like-minded procurement professionals who are simply passionate about healthcare, and throughout all of our procurement processes have patients at the heart of everything we do.

In bringing our skills and expertise together as one we have developed a more

resilient, responsive, and effective procurement service which is helping to drive and deliver enhanced quality, efficiency and value for money through collective procurement and professional management of our commercial arrangements.

The aim of Health Procurement Liverpool is to support, influence and manage the entire chain of supply from demand through to consumption and disposal, ensuring the lowest total cost of ownership associated with goods and service, whilst at the same time ensuring the highest standards of quality patient care are delivered through embracing innovations.

Our category management approach allows us to share best practice, drive economies of scale through collaboration and ensure commercial arrangements across our partner organisations are

delivered in a consistent way.

Our structure allows us to do things once and do them well, which reduces cost and time not only for our organisations but also our suppliers.

Best practice procurement will support our Member Trusts in delivering high quality patient care by promoting collaboration between internal customers and our suppliers as well as with other NHS organisations across our integrated care system (ICS) where it benefits to do so. Our strategy will help strengthen and promote teamwork, outline effective procurement processes, and support the development of staff involved in purchasing and supply activity.

Maximum benefits will be achieved through the active participation of all concerned and the application of necessary processes and resources required to facilitate this which are clearly defined within the strategy.



Alder Hey Children's
NHS Foundation Trust



**The Clatterbridge
Cancer Centre**
NHS Foundation Trust



**Liverpool Heart and
Chest Hospital**
NHS Foundation Trust



The Walton Centre
NHS Foundation Trust

Our strategy covers a three-year period and will be measured quarterly via progress updates and performance dashboards which will be developed to reflect our strategic objectives. HPL performance and progress will be reported into member organisations and our Procurement Board on a regular basis, to ensure transparency and accountability of delivery.

As we continue to develop and grow our service we have listened to our clinical and business colleagues to ensure our procurement focus and strategic direction is fully meeting the needs and expectations of our patients and colleagues across member organisations.

The procurement strategy has been developed to support the respective missions of each Member Trust of high quality of treatment, care and patient experience whilst also considering and addressing national procurement agendas.



Mike Burns,
Chief Finance Officer,
The Walton Centre
NHS Foundation Trust



Karen Edge,
Chief Finance Officer,
Liverpool Heart
and Chest Hospital
NHS Foundation Trust



John Grinnell,
Chief Finance Officer
and Deputy CEO,
Alder Hey Children's
NHS Foundation Trust



James Thomson,
Director of Finance,
The Clatterbridge
Cancer Centre
NHS Foundation Trust

Strategic context

This strategy sets out the strategic aims and ambitions for Health Procurement Liverpool over the next three years.

The strategy has been developed in consultation with colleagues and considers all current and previous government publications which set out actions for improving and developing procurement in the NHS.

Our ambition is to create a modern, effective, and efficient procurement function, which supports innovation and delivers the highest quality patient care.

A report by Lord Carter of Coles relating to the review of productivity in NHS Hospitals (June 2015) also highlighted Procurement as an enabler to deliver efficiencies and savings for everyday consumables, high value medical devices and common goods and services.

This report is still relevant with the metrics and measures from the Carter review now reported through Model Hospital. Subsequent initiatives, including the Procurement Target Operating Model (PTOM) and development of the Government Commercial Function (GCF) have provided further national guidance over recent years, which will influence the way in which procurement services are delivered going forwards.

In addition, the creation and development of Integrated Care Services (ICS) will drive collaboration across the system with system-based working during the pandemic bringing Procurement teams closer together.

Health Procurement Liverpool will embrace and build upon the above by creating a shared Procurement function that will allow further growth of Procurement collaboration across our system. Our Procurement Strategy has been developed in line with all relevant previous government publications, the Carter report, respective Member Trusts' Finance and Procurement plans and the Member Trusts' respective strategies. The procurement strategy will also ensure that each Member organisations' visions, values, and goals are incorporated.

Our ambition is:

“to create a modern, effective, and efficient procurement function, which supports innovation and delivers the highest quality patient care.”

Health Procurement Liverpool recognises that proper management of the supply chain is essential to the efficiency and effectiveness of clinical and support services. Patient care depends on the assured and timely availability of appropriate 'fit for purpose' equipment and services and our strategy will set out plans to achieve this by:



Extending the **range of goods and services** influenced by the procurement function.



Improving **purchasing performance** including the scope for product standardisation, supplier rationalisation and demand management.



Reducing potential clinical risks associated with the use of equipment and consumables by **standardising** on fewer different makes of products as far as possible, involving clinicians and other users in product selection.



Improve inventory management **ordering, storage, and stock holding** within each Member Trust.



Monitor consumable **usage and identify patterns** to support demand management;



Further **develop relationships** with the Department of Health and Social Care (DHSC), Supply Chain Coordination Limited (SCCL), Central Commercial Function (CCF), the Cheshire

and Merseyside (C&M) Integrated Care System (ICS) and other external collaborative Procurement partners and Innovation Agencies to maximise purchasing power, embrace innovation and ensure best procurement practice.



Build on relationships with NHS Trusts regionally and nationally that provide a similar specialist service (e.g., hospitals dedicated to relevant clinical specialties: cancer, paediatrics, neurology or cardiothoracic) or acute Trusts with large units specialising in these clinical areas to **collaborate on procurement where possible** to achieve cost efficiencies and standardisation.



Promote **professional staff training and development**, including but not limited to engagement with Procurement Skills Development (PSD), the GCF and the National Standards for Procurement.



Enhance **data quality and systems** to help inform better commercial decision making and real time reporting.

Scope

HPL Trusts are bound by statutory and mandatory public procurement regulations and the various requirements of probity and corporate governance. It is therefore, appropriate to reaffirm that each of the Member Trusts' supply activities must be carried out in accordance with statutory requirements and in compliance with their respective Standing Financial Instructions (SFIs) and Schemes of Reservation and Delegation (SoRD).

Health Procurement Liverpool has analysed each Member Trusts' non-pay expenditure from accounts payable invoices 21/22 and have determined that a total of c.£170 million (inc. VAT) is influenceable by Procurement. This includes spend with NHS Supply Chain, High Cost Tariff Excluded Devices (inc. HCTED) but the above does not include, capital expenditure, spend on blood products, pharmaceuticals, or expenditure with other NHS/public sector bodies.

Over the next three years Health Procurement Liverpool will be responsible for the procurement of c.£510 million (inc. VAT) of goods and services across its four Member Trusts.

Currently not all the Member Trusts' total non-pay expenditure passes through Health Procurement Liverpool (as some transactions take place via non-purchase order).

On-going work will be undertaken to investigate all non-pay expenditure channelled via the non-purchase order route and a process will be introduced to transact all spend where possible via purchase order and via a catalogue across Member Trusts.

This strategy encompasses all influenceable non-pay expenditure for goods and services, including areas not historically influenced by procurement e.g., some estates and IT procurements, but does not include spend on blood products, pharmaceuticals, or expenditure with other NHS/ public sector bodies.

The strategy is concerned with the effective management and constant improvement of purchasing and supply activity including acquisition and full life cycle costs.

The strategy also encompasses areas of development and improvement that will ensure the continued growth of the procurement function in support of enhanced collaborative working across our Integrated Care Board (ICB).

a total of
c.£170 million (inc. VAT)
is influenceable by Procurement

Such areas may include income generation via commercial arrangements which Health Procurement Liverpool may agree with external organisations (e.g., potential hosting of frameworks by acting as a contracting authority “host”) or providing services to other bodies who may require specialist support from a professional procurement function, either on an interim basis or under a more longer-term arrangement. Any opportunity will be assessed as they arise to determine whether it is appropriate for HPL to provide a service.



The Health Procurement Liverpool strategy supports each of the Member Trusts’ wider strategies with a close link to financial health and commercial development.



The procurement strategic aims ensure that each wider Trust’s goals and ambitions are reflected in all our procurement related activities.



Health Procurement Liverpool is underpinned by each Member Trust’s core values with a commitment to encompass these values and principles into our procurement and commercial activity.



The continued development of Health Procurement Liverpool will support each of the Member Trusts’ strategic objectives by ensuring that the right products and services are available at the right time, demonstrating value for money and supporting clinicians in the delivery of service, therefore contributing to improved patient care and outcomes.

Structure and responsibilities

Health Procurement Liverpool should be viewed as an integral part of each Member Trust and will be led by the Chief Procurement Officer who will:

- Manage the provision of a procurement service to each Member Trust.
 - Provide leadership to Health Procurement Liverpool ensuring compliance with up-to-date Public Procurement Legislation.
 - Provide professional advice and training in all aspects of procurement.
-

Responsibility for the management of the procurement function within each Member Trust is designated as follows:

Chief Executive:
Overall responsibility for ensuring procurement best practice.

Chief Finance Officer:
Delegated responsibilities as the Trust Board lead for Procurement.

Deputy Chief Finance Officer:
Responsibility to support and champion the procurement function within the organisation.

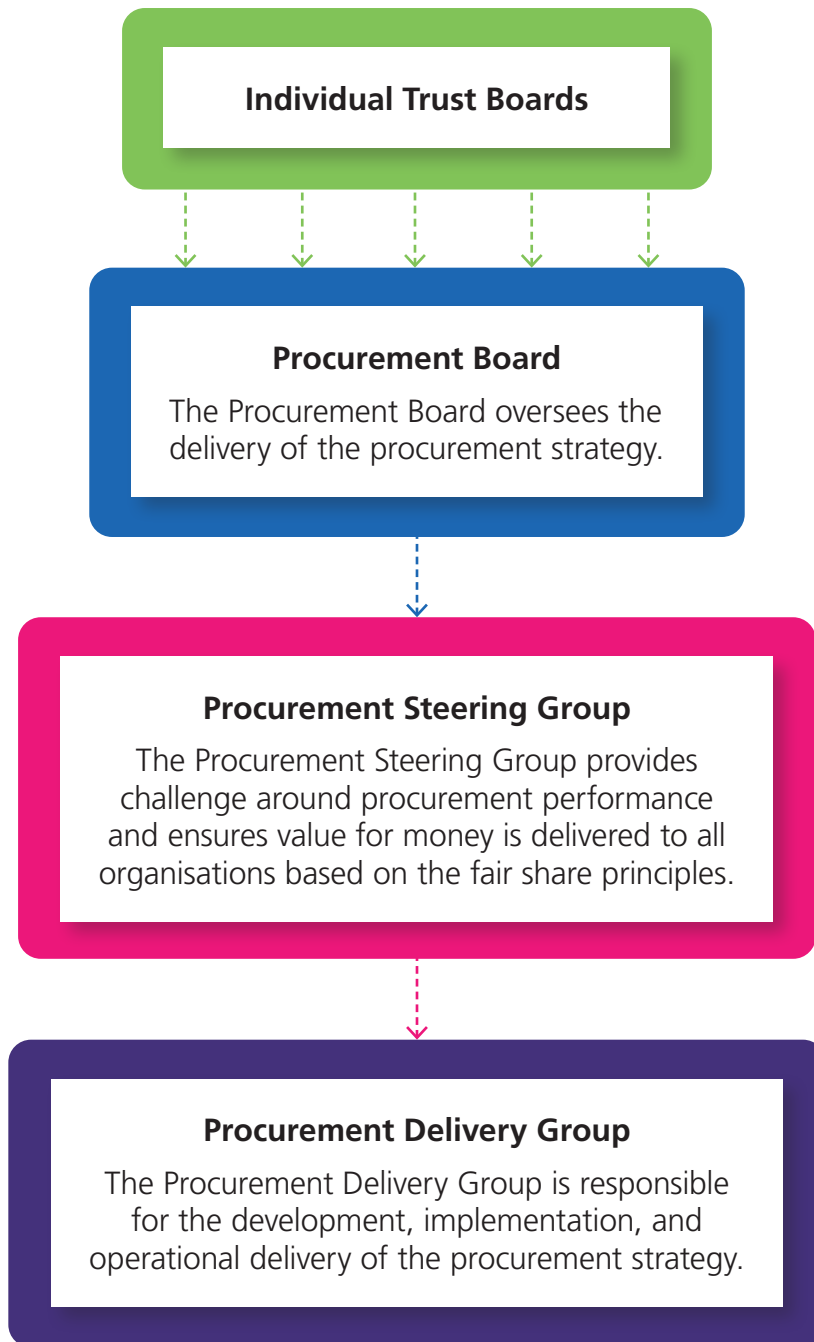
Non-Executive Director:
To sponsor the Procurement function and champion improved procurement within the organisation at Board level.

Chief Procurement Officer:
Responsible for the development of strategic and operational procurement performance, ensuring compliance with relevant legislation, Trust(s) Scheme of Reservation and Delegation/ Standing Financial Instructions and NHS policy guidance.

All Trust Managers:
Responsibility for ensuring that procurement is only carried out following consultation with the Procurement Department, and following the procedures and protocols set out within the Standing Financial Instructions and Scheme of Reservation and Delegation, complying with all appropriate policies and procedures relating to purchasing.

The HPL governance structure and partnership agreement has been agreed to help clearly define and lay out key principles to ensure ownership, transparency, accountability, and fair share across all Member Trusts.

Health Procurement Liverpool Governance Structure



Progress against the strategy will be reviewed by the HPL Delivery Group (HPL Senior Management Team) monthly, with any major variance to plan reported/escalated to the Procurement Steering Group and Procurement Board as required.

An annual procurement performance report will be provided to each Member Trust Board.

Current procurement position

Over recent months HPL have put in place the necessary foundations for our shared service and is now setting out its formal strategy which outlines how it will deliver the services to its Member Trusts going forwards (the “Procurement Strategy”).

To ensure the HPL strategy is fit for purpose and meets the needs of all Trusts and clinical colleagues, senior Procurement leads have engaged and consulted with stakeholders across all Member Trusts, via a series of engagement sessions.

This feedback has been invaluable and has shaped the key themes of this strategy (as set out in Appendix A) which provides a focus for the Procurement function over the next three years and will promote the development of an efficient and effective procurement service to all member organisations.

In addition to stakeholder feedback all local, regional, and national procurement requirements have been considered with the strategy also addressing the original objectives as set out in the Health Procurement Liverpool business case, to ensure all core requirements and outcomes relating to the shared service are fully achieved.

Our vision for Health Procurement Liverpool (HPL) is:

“ To develop a **world class** health procurement alliance which creates opportunities, delivers **excellence**, embraces **innovation** and maximises **value** to patient care, whilst ensuring financial sustainability. ”



Aims, objectives and initiatives

The key objectives of the procurement strategy are detailed below. Full details including the benefits and measures to each of these objectives can be reviewed in full detail within Appendix A.



Procurement

Procure all goods and services in the most sustainable and cost-effective way considering all activity that forms part of this process.



Cost/Quality improvement programme (QIP) and cost reduction

Identify opportunities for new contracts, contract reviews, maintenance arrangements and re-tendering opportunities to further develop relationships with key suppliers that will deliver efficiencies and contribute to the respective Member Trusts' CIP targets.

Consider new ways of working and undertake options appraisals in conjunction with the divisions and directorates across all Member Trusts to determine the best solution(s) and routes to market that supports value for money, promotes collaboration, maximises economies of scale, aggregates demand and reduces duplication.

In addition, it is the intention to highlight the added value that Health Procurement Liverpool can also deliver through price reduction/cost avoidance initiatives.



Enhance and strengthen contractual management

Identify with departments key suppliers/services which could be contract managed more effectively – formalise improved reviews of these contracts, using service levels were identified to ensure maximum value and quality of service delivery.



Capital programme

Ensure that procurement assistance will be present in the delivery of the capital programme for medical equipment and building/refurbishment works across all four Member Trusts and where possible develop future plans to deliver economies of scale.



Maintenance contracts

Ensure that maintenance contracts are fit for purpose, reviewed and cost efficiencies are maximised.



Procurement department profile

Raising the profile of HPL both internally in each Member Trust and externally, ensuring that HPL are actively engaged with other colleagues across the respective Member organisations and developing long term relationships to ensure the service is embedded as part of each of the Member Trusts' divisional and operational teams.

Continue to integrate the Procurement teams to share learning and develop a positive culture for HPL.



E-development

Robust systems are critical for effectively managing the procurement function and to produce timely and robust management information to provide greater intelligence on procurement decision making.

The HPL ambition is to maximise digitisation/automation of procurement activities across the alliance.



Joint working and collaboration

Work collaboratively with HPL partners, other Trusts, public sector organisations and procurement hubs to deliver efficiencies both in the procurement process and in the purchasing outcome.



Inventory management

Increase and develop the materials management service across the Member organisations, growing the number of product lines managed on wards and departments by the materials management team, ensuring stock levels are relevant and delivering a just in time service to reduce waste.

Implementing enhanced inventory management technologies that will support greater track and traceability of consumables and equipment across all HPL Trusts.



Innovation

Increase and encourage innovation as part of the procurement process, review current contracts and practices (internal and external) to promote innovation and look for innovative solutions and ways of working. Provide horizon scanning intelligence to clinical and business colleagues through our category management approach.



Best practice, standards and guidance

Adoption of key regional and national best practice to ensure HPL remains relevant and continues to be an efficient and effective service.

Aligning our local procurement activities to work in partnership with the Central Commercial Function (CCF), a team of commercial experts within the NHS England Commercial Directorate.



Continuing professional development

The development of staff is integral to the success of HPL in delivering a cost effective and professional procurement service to all Member Trusts. Working to ensure procurement standards are met and maintained. Offering career progression through a newly developed progressive procurement structure. Training and Development is important to our people and in ensuring staff feel valued, inclusive, and part of one HPL team.



Sustainability and social value

To promote sustainability and social value in procurement processes – Supporting the Trusts in playing their role as good Corporate Citizens.

HPL will promote and develop the sustainability and social value agenda and build all mandatory requirements into projects supported by and undertaken through procurement.



Appendix A – Objectives, benefits and measures

The HPL strategy seeks to influence all non-pay activity, from demand to disposal ensuring that value for money is achieved at all stages of the supply chain.



Strategic aim: **Procurement**

Procurement is the identification of need to the point of disposal including all related supply chain activities that need to be administered in a cost-effective manner whilst demonstrating value for money.

Objective: Procure all goods and services in the most cost-effective way considering all activity that forms part of this process. The intention is to ensure that the right product is available at the right time and in the right place for the right value in respect of all goods and services required for Member Trusts.

Objective

- Creation of a single consolidated HPL Contracts Database ensuring more proactive management of contract reviews and renewals.
- Identifying each supplier's strategic level of importance to the member organisations (including the creation of a supplier tiering structure).
- Drive contract compliance and uptake throughout the member Trusts.
- Establish a process of contract management and review of performance for contracts commensurate with their strategic importance to the organisation.
- Procure capital expenditure in line with the requirements of the Member Trusts' capital programmes.
- Undertake collaboration on contracts as appropriate across HPL and within the wider C&M ICS.
- Deliver the respective Member Trust's procurement CIP via implementation of the work plans established by the team and in conjunction with divisions/directorates and clinical business units.
- Embed all relevant policies and procedures issued by the CCF into HPL's operational processes.
- Ensure that NHS Terms and Conditions of Contract are used for all procurement transactions.

Benefits

- Increased contract coverage and control of expenditure.
- Increased control of contracts with contracts renewed in a timely and cost-effective manner.
- Improved supplier performance.
- Procurement acting as a professional partner working with budget holders to manage contracts more effectively.
- Effective management of workload.
- Compliance with member Trusts' SFIs and relevant Public Procurement Legislation.
- Market testing to ensure VFM.
- Increased purchasing leverage via consolidation of expenditure and aggregation of spend with other Member Trusts and where appropriate C&M/ nationally.
- Aggregation of supplier spend supporting rationalisation and standardisation opportunities and savings.
- Creation and identification of workplan opportunities.
- Increased Procurement Profile.

Measure (KPI)

- Annual Member Trust work plans in place and shared with business colleagues in advance each financial year (supporting joint work planning across divisions, Trusts, the alliance, and ICB).
- Contract management system in place to enable delivery of and to inform:
 - Annual work plans.
 - Timely renewal of contracts.
 - Annual measures of increased contract coverage demonstrating greater control and influence of expenditure.
- Increased contractual coverage.
- Ensure governance documents are completed and that lessons learnt logs are shared to support the ongoing learning and development across the team.





Strategic aim: **Quality/cost improvement programme (QIP) and cost reduction**

The NHS is under significant pressure to deliver cost efficiencies as everyone is challenged to do more with less. Avoiding unnecessary costs in purchasing activities is a key responsibility of HPL and it is integral in ensuring that the respective Member Trusts (and taxpayers) maximise value for money.

The current economic climate is challenging (e.g., rising inflation, global supply issues, pandemic recovery) and the ability to achieve cost reductions has become extremely difficult. Notwithstanding this, HPL has several avenues which it will be exploring to ensure that all available cost saving opportunities are progressed, cost pressures mitigated and, wherever possible, concluded with a positive financial outcome, without compromising on quality.

Objective: Identify opportunities for new contracts, contract reviews, retendering opportunities and further develop relationships with key suppliers that will deliver efficiencies and contribute to the respective Member Trusts' CIP targets. Consider new ways of working and undertake option appraisals in conjunction with the respective Member Trusts' divisions and operational areas to determine the best solutions and routes to market which support value for money.

Highlight the added value that HPL delivers through cost reduction/avoidance initiatives.

Objective

- Analysing and interpreting data (Accounts Payable and Purchase Order Data) to include influenceable non-pay data and re-classification to e-class coding where possible.
- Stakeholder/Supplier mapping to understand core/critical suppliers.
- Increased supplier engagement.
- Market analysis/pre procurement knowledge.
- Reviewing of existing contracts.
- Establishing areas of expenditure not covered by a contract or catalogue.
- Value analysis.
- Overseeing all purchasing activity.
- Challenge and seek to resist inflationary increases proposed from the supply chain and explore alternative routes/supply options where possible to do so.
- Applying best practice across all procurement activity consistently across Member Trusts.
- Exploring opportunities with Finance colleagues to define and recognise the influence Procurement exerts in relation to its transactions with suppliers including exploring a more flexible definition of financial benefits.
- Working more closely with our procurement partners and hubs/NHS SCCL to recognise and deliver added value solutions which provide wider benefits for Member Trusts.
- Marketing HPL as a professional procurement service provider with qualified and well skilled staff able to respond to external requests for support.
- A collective Product Evaluation Group (PEG) in place across HPL and linked in with the C&M Network.

Benefits

- Reduced revenue costs on a recurring basis.
- Compliance with Trust SFIs, SORD and relevant procurement legislation.
- Reduction in risk of non-compliance with regulations and governance arrangements.
- Increased contract coverage and compliance.
- Increased control and influence on spend.
- Raising the profile of Procurement.
- Reducing opportunate and unplanned spend.
- Avoiding unnecessary costs to the organisation.
- Highlighting the added value and benefits this delivers to budget holders.
- Trust money able to stretch further.
- Shift to value-based procurement methodologies to support longer term sustainability.
- HPL becoming a strategic player with national contract providers to influence the maximisation of benefits to member Trusts.
- Income generation opportunities through framework hosting or delivering Procurement services to other NHS organisations.
- HPL leading the way to procure at scale across C&M.
- Driving CIP and products standardisation and rationalisation across Member Trusts and C&M ICB.
- Consider the guidance provided by the CCF in respect of the most appropriate procurement frameworks.

Measure (KPI)

- Measurement of savings, contribution to Trust's annual savings targets and delivery of a collective HPL annual savings target.
- Year 1 – Savings target to be agreed by Procurement Board.
- Year 2 – Increase on annual savings by 15%.
- Year 3 – Increase on annual savings target year on year.
- Cost reduction/avoidance savings recorded on monthly Procurement savings tracker and percentage of cost reduction savings reported monthly as a percentage of total Procurement savings.
- Catalogue coverage (% of catalogue orders through all HPL e-procurement systems).
- Year 1 baseline %.
- Year 2 increased coverage % to be agreed.
- Year 3 increased coverage % to be agreed.
- Contract coverage (% of spend covered by contract).
- Year 1 establishing baseline
- Year 2 TBC once baseline established.
- Year 3 TBC once baseline established.
- Year 1 – determining baseline with a recognition of potential increase in waivers through “no Purchase Order No Pay” initiative and greater procurement challenge and control.
- Year 2 – 2% reduction in No. of waivers year on year across the alliance.
- Year 3 – 5% reduction in No. of waivers year on year across the alliance.
- Regular reporting of inflationary impacts from suppliers for member organisations and recording of and mitigations achieved through Procurement intervention.
- Consignment agreements – amnesty for those held already to enable a combined HPL list and introduce a standardised consignment agreement terms enabling these to be streamlined across the alliance and in line with what Member Trusts require (i.e., expiry date management).



Strategic aim: **Enhance and strengthen contractual management**

Procurement expertise used to support with the management of high value, strategic and service critical contracts across HPL.

Objective: Health Procurement Liverpool to become actively involved in and support service leads/divisions with regular and robust contract management of high value, service critical contracts across HPL organisations.

Holding suppliers to account to deliver key requirements of contracts and building Procurement teams intelligence of current supplier performance to help support improved contracts and commercial agreements moving forwards.

Objective

- Understand from Member Trust data any areas of expenditure that is not contractually compliant, to ensure there are future robust contracts put in place.
- Understand from current contracts what KPI and contractual management is taking place.
- Carry out a supplier tiering exercise to successfully identify all core/critical suppliers to each Member Trusts service/operations and develop a joint strategy with service and clinical leads on Procurement supporting with the ongoing contract management of these arrangements.
- Development of a supplier management policy.

Benefits

- Identifies areas of non compliance for procurement support.
- Identifies any potential gaps or risks to supplier management and the successful delivery of required outcomes/benefits within contracts.
- Provides organisations with an understanding of their core/critical suppliers.

Measure (KPI)

- Year 1: Identification of a critical supplier contracts register across HPL and development of contractual measurement processes/documents to support enhanced contract management.
- Set up of contract management schedules and structures/ supplier tiering whilst establishing the procurement resource required to do this effectively and reporting mechanisms in place on supplier performance contracts.
- Year 2: 20% of agreed identified core/critical contracts actively monitored and supported by Procurement.
- Development of wider Trust supplier management policy.
- Year 3: 50% of agreed identified core/critical contracts actively monitored and supported by Procurement.
- Utilisation of systems and technologies to support contract management where possible.
- Annual sharing of Procurement workplan and contracts register, using artificial intelligence (AI) to provide colleagues with intelligence on when contracts require review.
- Records of Procurement supporting contract monitoring meetings relating to maintenance arrangements.
- Deliverables from effective contract management.



Strategic aim: **Capital programme**

The timely refreshment, upgrading and implementation of new and innovative medical equipment, rejuvenation of existing buildings and the development of new buildings are a necessary requirement of running a hospital and providing safe and effective patient care.

Objective: Ensure procurement assistance in the delivery of the capital programme for medical equipment and building/refurbishment works.

Objective

- Attendance at all relevant divisional and Trust wide meetings regarding capital projects.
- Early involvement of procurement at capital planning meetings to obtain indicative costings.
- Utilisation of framework agreements where appropriate to do so.
- Ensure procurement staff are available to assist in the timely procurement of all capital requirements.
- Work with Finance departments, divisional colleagues and Capital Management Groups to create a consolidated multi-year capital replacement plan covering all Member Trusts' capital requirements.
- Work with Finance to review asset requirements.
- Review asset registers to ensure Trusts' requirements are covered/included in collaborative procurement plans.

Benefits

- Procurement department fully involved in sourcing process for all capital equipment/projects.
- Capital is usually mid-high value; Procurement can ensure compliant sourcing processes are adhered to and value for money (VFM) is achieved.
- Visibility across the alliance will ensure economies of scale are achieved on capital across HPL, ICB and nationally.
- Help Trusts to collaborate on capital requirements to support the delivery cost and quality benefits.

Measure (KPI)

- Capital Planning programme met, and activity report produced.
- Any savings linked into Cost Avoidance.
- Year 1 – “As is” position, plan versus actual transactions, lost opportunities across alliance, sharing information on any varying governance to support improvement to purchasing activities.
- Year 2 – Work to influence more structured capital process with leads to aid better procurements and stretching of capital funds to go further.
- Year 3 – Have a consolidated multi-year capital plan in place covering all Trusts' capital requirements to maximise benefits in commercial agreements.



Strategic aim: **Maintenance contracts**

The cost of maintaining medical and non-medical equipment within each Member Trust forms a considerable element of individual budgets and overall Trust spend. Traditionally, these contracts have had little procurement input. Several strategic service-based contracts are also key areas for more proactive management and engagement from a procurement perspective.

Objectives: Evaluate the entire category of maintenance spend with the aim of consolidating contracts and reducing spend and risk across the alliance where possible.

Objective

- Create a more robust and meaningful Trust-wide maintenance and services database.
- Cleanse and standardise data to establish better management information, enabling better analysis and decision making.
- Review service contracts and specifications to ensure continued relevance and level of input required from procurement.
- Evaluate the entire category of spend with the aim of consolidating contracts and reducing spend and risk.
- Continually extract information held in other locations (Asset Register) into a central location for ease of analysis.
- Regular meetings with asset owners to understand equipment leading to improved knowledge of required cover levels, asset and contract worth, cost and frequency of use of consumables.
- Ensure presence at equipment purchasing meetings to enable maintenance contracts to be negotiated at point of purchase and capture of equipment data.
- Identify opportunities to streamline suppliers, create multi-site agreements and create collaborative or joint agreements with other local Trusts.
- Implement regular meetings to create links with wards and departments.
- Review of cover levels – new equipment warranties, increasing cover to reduce or eliminate cost of call-outs – merging contracts or suppliers, using better value 3rd party maintenance solutions where appropriate, selecting the most appropriate level of cover for each piece of equipment.
- Understand level of maintenance/frontline maintenance cover provided by other hospitals.

Benefits

- Better data available for more detailed analysis which will help in identifying cost savings and eliminate waste (e.g. purchase dates, costs, asset numbers, life costing and expectancy, number of call-outs, percentage of call-outs covered by maintenance contracts).
- Improved management information allows easier identification of cost savings.
- Improved patient safety through the easier identification of equipment going out of or not on contract for immediate action.
- Introducing preventative maintenance solutions wherever possible to eliminate equipment down-time.
- Improvements to service and potential recovery of monies for failure to provide services which are not delivered.

Measure (KPI)

- Reduction in number of individual maintenance and service contracts (by aggregating demand and rationalisation of suppliers, where possible):
 - Year 1 – Determine baseline.
 - Year 2 – TBC following baseline.
 - Year 3 – TBC following baseline.
- Reduction in total cost of maintenance and service contracts:
 - Year 1 – Determine baseline costs (for maintenance agreements).
 - Year 2 – TBC following baseline.
 - Year 3 – TBC following baseline.



Strategic aim: **Procurement department profile**

The benefits of promotion and visibility of the procurement function across the respective Member organisations and through external promotion are significant within our network and with our supplier base.

Objective: To raise the profile of HPL both internally and externally. HPL to become actively engaged with teams across the respective Member Trusts and develop relationships to be a key part of the divisional and operational teams in each organisation.

Using a category-based approach HPL will provide a more customer focused service which seeks to engage more proactively with stakeholders across all Member Trusts and ensures that the needs of all service users are met. HPL will promote its category-based ethos to the supplier base to ensure that all supplier interactions are dealt with in accordance with these principles.

Objective

- Delivery of "Introduction to Procurement" presentations to stakeholder groups and circulation of procurement contact booklets.
- Delivery of SFI and financial governance training for stakeholders, working with Finance colleagues.
- "Golden Rules" one page document to be created and circulated/publicised on Procurement intranet pages.
- Development of HPL intranet and internet page.
- Continuation of Customer Survey and implementation of improvements that can be made via the results.
- Update and wider communication of Company Representatives Policy and selection of a Reps tracking system to gain greater control over supplier interactions with the member Trusts and their staff.
- Entry into appropriate awards competitions, both local and national.
- Procurement information to be available for new starters on Trust Inductions.
- Agree a HPL communications strategy and ensure ongoing communication and engagement from Procurement colleagues.
- Review feedback from colleagues and address any issues/concerns.

Benefits

- Ensures awareness of Procurement processes, increasing compliance.
- Ensures staff are aware of HPL and the role it plays in Member organisations.
- Encourages departments to use HPL as the correct route to purchase goods and services and when considering commercial agreements with suppliers.
- Gain greater control over non-pay spend across HPL and, with that more cost control.
- Empower member Trust staff if supplier representatives approach them directly.
- Actively improve the department via feedback from survey results to ensure we are serving customers to the best of our ability.
- Reduce risk of legal challenges being brought against the member Trusts by ensuring procurement activity is carried out compliantly.
- Enhance communication and tailor comms to each individual Trust requirements.
- Ensures colleagues can access most up to date procurement information in one place.

Measure (KPI)

- Aim to achieve a reduction in "poor or unsatisfactory" responses to any of the HPL customer survey categories year on year.
- Increased awareness of Procurement evidenced in responses from the customer survey.
- Annual delivery of Procurement staff training on SFIs/Financial Governance/Procurement policy and regulation.
- No. of awards won/shortlisted for. Including:
 - Year 1 – Local award.
 - Year 2 – Regional award.
 - Year 3 – National award.
- Set up of HPL intranet and internet pages and ongoing development of web pages to ensure relevant and informative.



Strategic aim: **E-development**

Robust systems are critical for effectively managing the procurement function and to produce timely and robust management information to provide greater intelligence for procurement decision making. The HPL ambition is to maximise digitisation/automation of procurement activities across the alliance.

Objective: Ensure optimum use of the purchase to pay system, and other electronic systems to ensure robust and useful information is available. Maintain a paperless requisitioning process and build upon other procurement processes that focus on paperless transactions.

Ensuring as much as possible procurement activities are digitised and ensuring opportunities to collaborate on technology are fully explored as part of HPL and wider ICB.

Objective

- Create an intelligence dashboard to be used within the Procurement department and communicated with divisions.
- Categorise and use national e-class coding systems to ensure cleaner procurement data to enable better buying practices and identifying collaborative opportunities.
- Proactively highlight areas for interrogation, and engage with Finance colleagues more often to manage potential budget pressures.
- Incorporate key KPIs so this information is available at the touch of a button.
- Provide up to date useful information for budget managers.
- Monitor and increase the use of current system catalogues.
- Increase number of purchase orders and reduce non-purchase order activity.
- Continue the process of product standardisation.
- Implement a single e-tendering system.
- Inventory Management systems embedded across Trusts to support GS1 & Track and Trace.
- Review opportunities for a single E-Procurement system
- Single catalogue management system.
- Standardised approaches to processing procurement information and data.
- Creation of interactive dashboards.
- Implementation of Robotic Process Automation (RPA) in procurement related tasks.

Benefits

- Improved governance.
- Elimination of paper.
- Increased visibility of expenditure.
- Accurate information available leading to robust control of spend and highlighting areas for interrogation.
- Increased focus of current resource on strategic work (rather than transactional).
- Improved demand management.
- Reduction in processing and transactional activity.
- Reduction of risk as a result of the rationalisation of product ranges available.
- Increased patient safety
- Enhanced leverage via consolidated usage.
- Reduction in stock holding and associated costs from multiple ranges held.
- Ease of ordering for end user.
- Increased concentration of high volume/low value orders via catalogue.
- Provide procurement with a greater opportunity to influence spend.
- Better reporting and information.
- Improving data quality.
- Access to real time data and procurement intelligence.
- Improve resilience.

Measure (KPI)

- Maintain a paperless requisitioning process.
- Increase electronic related procurement transactions (e.g., electronic waiver process, electronic supplier set up).
- Increased No. of approved catalogues available across HPL.
- Year 1 – baselining.
- Year 2 – increase/decrease following baselining.
- Year 3 – increase/decrease following baselining.
- Demonstrable decrease in the volume of product ranges available and removal of non-active catalogue lines (evidenced via Dashboard reporting). Removing those that are no longer in use.
- Number of orders placed via catalogue increased and non-catalogue orders reduced (current volumes to be determined).

- Number of lines processed via catalogue.
- Year 1 – Determine baseline.
- Year 2 – % increase to be agreed following baseline.
- Year 3 – % increase to be agreed following baseline.
- Measure of increase in non-pay spend covered by a PO and reduction in non-PO spend year on year.

Inventory Systems:

- Year 1 – Scope out current landscape across Member Trusts making a recommendation for each partner site.
- Year 2 – Agree through business case a single inventory system to be used across partner sites.
- Year 3 – Commence phased roll out of inventory system across partner sites.

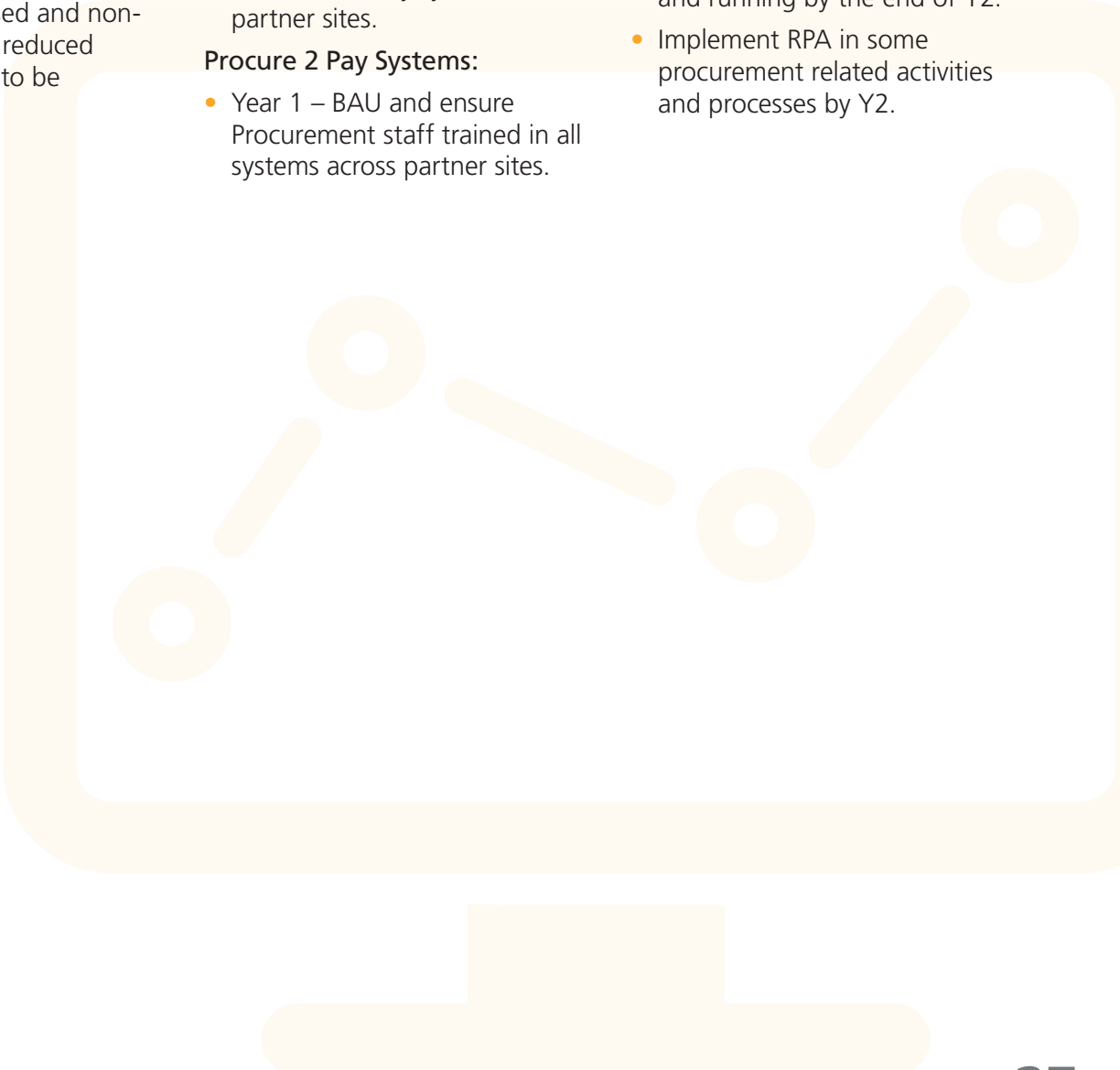
Procure 2 Pay Systems:

- Year 1 – BAU and ensure Procurement staff trained in all systems across partner sites.

- Year 2 – Scope out current landscape across Member Trusts and determine potential art of the possible for a common P2P system (in partnership with Finance).
- Year 3 – look to migrate and standardise to one single system in partnership with Finance.

Cataloguing Systems:

- Year 1 – Scope out current systems/processes and making a recommendation for a single catalogue system.
- Year 2 – Implementing the single catalogue system and tracking of tangible benefits achieved.
- Year 3 – Ongoing management of the solution.
- Procurement dashboards up and running by the end of Y2.
- Implement RPA in some procurement related activities and processes by Y2.





Strategic aim: **Joint working and collaboration**

The importance of working jointly with other NHS Trusts and like-minded organisations has never been more prevalent in assisting in the delivery of efficiencies and CIP targets. The structure of HPL will afford it the ability to grow into a procurement provider offering opportunities for others to join the shared service and supporting the true spirit of integrated care working.

As HPL is now recognised as a more strategic customer to suppliers, it will seek to use this leverage to exert a greater influence and obtain better outcomes within commercial relationships and arrangements.

Objective: To work collaboratively with HPL members, other Trusts/public sector organisations, ICB, procurement partners and suppliers to deliver efficiencies both in the procurement process and in the purchasing outcome.

Objective

- Participate in joint contracts where realisable benefits can be achieved inclusive of a reduction in cost.
- Benchmarking/establish a process for determining a baseline price against which to measure offers.
- Regularly share knowledge and experiences with similar organisations.
- Regularly meet to review working opportunities.
- Engage more pro-actively with procurement partners/hubs on collective procurement exercise.
- Increased Collaboration – Identify opportunities for collaboration across HPL Trusts within all product categories.
- Procurement building wider relationships through sub-groups of clinical colleagues and business managers across the alliance.
- Strengthened relationships with suppliers in the market.

Benefits

- Reduction in costs.
- Increased efficiencies in terms of resource.
- Wider knowledge and skills available on projects.
- Increased network within Procurement.
- Single approach to procurement processes.
- Doing things once and doing them well.
- Delivers better outcomes for patients through our commercial arrangements.

Measure (KPI)

- Value of savings achieved via joint/collaborative working.
- No. of joint projects conducted/completed.
- Documentation of other softer efficiencies created.
- Participation in C&M workstreams.
- Detail of tangible benefits delivered through enhanced supplier relationships across our commercial contracts and agreements.



Strategic aim: **Inventory management**

The efficient and effective management of stock across the organisation to ensure goods are delivered in the right quantity, are of the right quality and are delivered to the right place at the right time.

Objective: To increase and develop the materials management service across each Member Trust, growing the number of lines managed by the materials management team, ensuring stock levels are relevant whilst delivering a just in time service to reduce waste.

To ensure that our receipt & distribution (R&D) services are efficient, effective, and work in partnership with our wider services.

Objective

- Ensure satisfactory levels of stock are maintained on each ward/department receiving the materials management service.
- Undertake regular reviews of stock levels on each ward/ department.
- Undertake/support stock takes/ de-stocking and re-distribution of items where appropriate.
- Ensure stock is appropriately rotated upon each top up.
- Increase the number of product lines managed by the materials management team.
- Increase the number of wards/ departments receiving the materials management service.
- Single R&D processes across Member Trusts building on best practice and levelling up of services.
- Single materials process across HPL (where best practice is available) and levelling up services to ensure consistency and efficiency.
- Increased service coverage for materials – review of service provided shows there is capacity in some Trusts to enhance coverage provided, feedback from Trusts indicate this would be gratefully received.

Benefits

- Cost savings and efficiencies through effective stock management/just in time processes.
- Reduction in overstocking – better cash management.
- Reduction in stock write off costs.
- Better relationships with Trust colleagues and enhanced procurement visibility across the organisation.
- Increased management of lines/ areas receiving the materials management service allows more clinical time to be focused on patient care.
- Allows procurement to manage more areas of expenditure on products meaning more control/influence over rationalisation and standardisation.
- Supports other national agendas such as GS1 and Trust projects such as track and trace.
- Allow more clinical time to be spent on patient care.
- Supports enhanced patient safety with medical device alerts/product recalls.

Measure (KPI)

- All wards/departments have agreed order levels and quarterly stock level reviews in place jointly between Procurement and Ward Managers.
- Number of product lines rationalised/standardised via the materials management service.
- Reduction of stock level holding value/volume.
- Increased number of lines managed by the materials management service.
- Increased number of areas receiving the materials management service.
- (Note a baseline in Y1 will identify the annual value of stock write offs, the total volume of stock held across the Trust currently managed by materials management and identification of stock that is not currently managed by materials management).



Strategic aim: **Innovation**

Innovation can be a new method, idea or product and can be crucial to the continuing success of an organisation.

Objective: Increase and encourage innovation as part of the procurement process and review current contracts and practices (internal and external) to promote innovation and look for innovative solutions and ways of working. Provide horizon scanning intelligence to clinical and business colleagues through the category management approach.

Objective

- Proactively engage with organisations that support innovation in procurement e.g. (NW Coast Academic Health Science Network, Value Based Procurement Initiatives (VBP)).
- Understand the importance of innovation in procurement.
- Use of innovative partnership procurement processes.
- Procurement work more closely with Member Trusts' research and development and innovation departments.
- Market horizon scanning within category management teams to build procurement market intelligence.

Benefits

- Organisation can be at the forefront of leading technologies and processes.
- Strengthens both internal Trust relationships and external supplier relationships.
- Increases organisation profile.
- Implementation of changes that are of benefit to the Trust and our patients.
- Implementation of new innovations.
- Provides a greater understanding of markets to supporting decision making around commercial arrangements, ensuring Trusts' have access to the latest technologies.

Measure (KPI)

- Measurement of savings achieved from the introduction of new innovative solutions and VBP outcomes.
- Working and supporting VBP projects across the system and nationally on projects and initiatives.
- Other regional and national awards entered for Procurement Innovation.
- List of innovation projects procurement is involved in.



Strategic aim: **Best practice, standards and guidance**

Adoption of key regional and national best practice ensures HPL remains relevant and continues to be efficient and effective.

Objective: Ensure that all relevant national and best practice guidance and standards are met and implemented. Work with the GCF to ensure best practice Procurement standards are adopted and maintained.

To ensure that our R&D services are efficient, effective, and work in partnership with our wider services.

Objective

- NHS Scan4Safety Strategy (including GS1 adoption and implementation).
- Carter Review metrics achieved.
- Adoption of GCF standards.
- Managing change and keeping up to date with any changes to the Procurement Bill.
- Improve and standardise compliance and processes across HPL.
- Procurement procedures manual to be developed and be available on the HPL webpage for stakeholder reference.
- Reflect any changes in operational activities and procurement processes accordingly following updates to procurement legislation and regulation.

Benefits

- Ensures the department is at the forefront of new practices and procedures.
- Adoption of innovation.
- Reduces risk.
- Links in with forward thinking and innovation.
- Ensures best practice procurement.
- Ensures that all tendering and contracting activities are conducted in compliance with the new procurement rules.

Measure (KPI)

- Outcomes delivered from regional and national best practice.
- Creation of a Procurement Procedures Manual.
- NHS Procurement and Commercial Standards achievement as a shared service:
- Year 1 – Review current baseline and begin to collate necessary evidence (ensuring that previous CCF standards are still being met).
- Year 2 – Complete self-assessment to validate that HPL meets the new Level 2 standard (Better).
- Year 3 – Consider application for the achievement of Level 3 of the standards (Best).
- Procurement staff attend formal and informal training on the updated procurement regulations.
- Stakeholder training provided to colleagues across HPL Trusts on updated regulations.



Strategic aim: **Continuing professional development**

The development of staff is integral to the success of HPL in delivering a cost effective and professional service to all Member Trusts. Development is also important in ensuring staff feel valued, included and part of one HPL team.

Objective: All non-pay expenditure under the influence of professionally qualified staff. Procurement staff feel valued, respected and fully inclusive as part of the HPL service.

Objective

- All staff will have an annual Performance and Development Review (PDR) with clearly defined objectives.
- All staff will be provided with the opportunity to attend appropriate purchasing training commensurate with their role and level of responsibility.
- Staff will be offered the opportunity to undertake professional training commensurate with their role and level of responsibility.
- All staff will receive the appropriate mandatory training as determined by the Member Trusts.
- The mix of skills and ability will be identified for providing an effective and efficient procurement service.
- Encouragement of staff to start/complete/continue their professional qualification, Chartered Institute of Procurement and Supply (CIPS) or Chartered Institute of Logistics and Transport (CILT) where appropriate.
- Development of relationships with organisations such as Procurement Skills Development (PSD) and the GCF.
- Ensuring our procurement structure is regularly reviewed to ensure that staff have an opportunity to learn, develop and progress procurement careers within HPL.
- Identified Procurement training lead to support ongoing staff learning & development.
- Working to the CIPS Code of Conduct.

Benefits

- Improved skills and knowledge.
- Higher amount of qualified staff.
- A more responsive service with a greater understanding of customer requirements.
- Resource planning and succession planning.
- Developed staff.
- Retention of staff.
- More motivated team.
- Keeping skills and knowledge up to date.
- Reduce risk of challenge with trained staff understanding up to date regulations.
- Seen as a credible function.
- Enhanced quality of procurement services for all Member Trusts.

Measure (KPI)

- Staff retention measures.
- Staff progression and development measures.
- 75% of team to be professionally qualified.
- % of professionally qualified CILT members reported.
- Contracting teams fully qualified (or reached a level appropriate for their role) by year 3.
- Senior leadership team and contracting teams % of staff undertaken and achieved GCF Assessment Development Programme (ADP).
- E-Procurement team/materials management team professional development – (future proofing/planning).
- PDRs in place and training needs identified.
- PDR compliance reporting.
- Mandatory training compliance reporting.
- To be maintained year on year.





Strategic aim: **Sustainability and social value**

HPL has a key role to play in ensuring that Member Trusts meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment. Procurement process can support Trusts to deliver sustainability and social value within commercial activities.

To promote sustainability and social value in procurement processes – supporting the Trusts in playing their role as good Corporate Citizens and as anchor institutions delivering better health outcomes and services for local people.

Objective: Promote and develop the sustainability and social value agenda and build all mandatory requirements into projects supported by and undertaken through procurement.

Objective

- Develop a Sustainability & Social Value Procurement Strategy.
- Consider the sustainability and social agenda in all tendering work undertaken; include sustainability criteria in the evaluation of quotations and tenders in line with the regulation requirements.
- Work towards developing relationships with local small to medium enterprises (SMEs) where appropriate.
- Adopt technologies that support sustainability and social value in the supply chain measurement.
- Increase relationships with ICB sustainability and social value groups/attend and contribute to regional meetings.
- HPL will promote equality, diversity and inclusion principles within its dealings with suppliers and ensure that fair, equitable and transparent procurement processes are undertaken which do not discriminate against or favour any demographic.
- Support the NHS Carbon Reduction Plan through relevant procurement activities, promote and develop the environmental sustainability agenda with suppliers in respect of reducing carbon emissions in the supply chain and, where practical, build this into all procurement projects.
- Managing and monitoring supply chains to ensure that fair contract prices and terms are applied so that ethical, human rights and employment standards are always met, whilst delivering other social benefits, where available.
- Work within legislation to ensure social value is at the heart of procurement processes. In addition, the achievement of the Government target of Net Zero carbon emissions by 2045 will be a key driver in all relevant HPL procurement activities.
- Ensure procurement processes are carried out with integrity and transparency and that ethical procurement controls are in place to safeguard against any form of modern slavery taking place within the Member Trusts' supply chains.

Benefits

- Joint working initiatives developed between the Trust and suppliers supports enhancement of relationships.
- Compliance with procurement regulation and national policy.
- Shared learning and adoption of best practice.
- Supports the wider system to help address health inequalities.

Measure (KPI)

- Year 1 – Development of sustainable and social value Procurement Policy.
- Year 2 – Policy in place/active.
- Year 3 – Embedded/BAU/achieving.
- Year 1 – Review technologies that support measurement of sustainability and social value in the supply chain and commercial contracts.
- Year 2 – Adopt and commence use/reporting from systems on supplier compliance to national legislation.
- Year 3 – Provide challenge to suppliers around performance and use outcomes from system intelligence to promote improved performance in future contracts.
- Reporting of procurements that deliver social value and sustainability – Reduced carbon emissions, reduction in plastics, waste reduction.
- Procurement processes evidence that national requirements around net carbon zero are being implemented.
- Procurement shared learning of intelligence across HPL Member Trusts to promote best practice.
- Measurable outcomes of waste reduction from reusable initiatives.
- Outcomes of audits undertaken on suppliers and the supply chain to ensure compliance with ethical procurement principles.



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