

***Operational productivity and performance in
English NHS acute hospitals: Unwarranted
variations***

An independent report for the Department of Health by
Lord Carter of Coles (Feb 2016)

Recommendation 5a:

“Developing PTP plans at a local level with each trust board nominating a Director to work with their procurement lead to implement the changes identified, overseen by NHS Improvement and in collaboration with professional colleagues locally, regionally and nationally”.

***Aintree University Hospital NHS
Foundation Trust***

**Procurement
Transformation
Programme (PTP)**

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Procurement Transformation Programme (PTP)

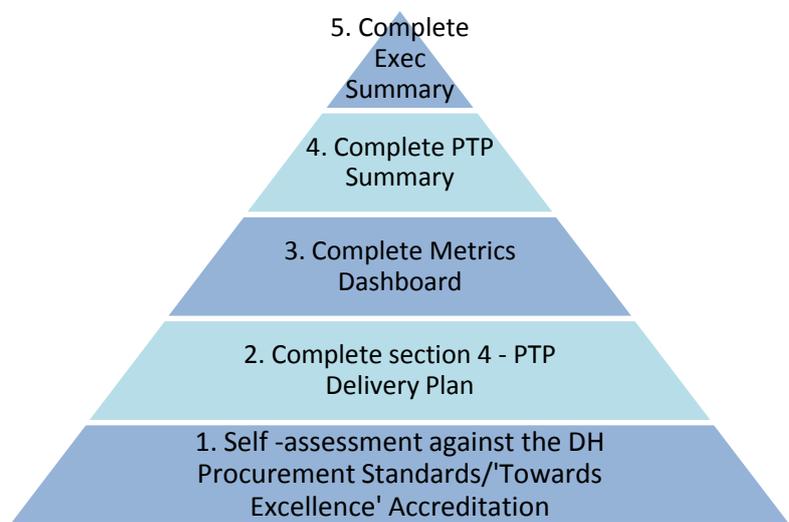
Aintree University Hospital NHS Foundation Trust

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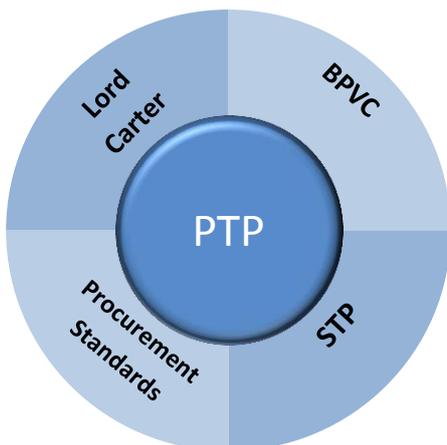
This document builds on the initial DH/NHSI template issued at the end of July 2016 and has been designed to assist trusts in achieving recommendation 5a of the Lord Carter review by completing the **5 step process** illustrated here.

Recommendation 5a requires all acute trust boards to have a board approved PTP in place by autumn 2016.



In developing their PTPs trusts will need to make reference to four key policy areas:

- 1) The recommendations from the Lord Carter review
- 2) *Better Procurement, Better Care, Better Value* (BPVC)
- 3) The local Sustainability and Transformation Plan (STP) for 'back office' efficiency/rationalisation
- 4) The self-assessment score against the DH Procurement Standards and any development needs/actions identified from this process and the 'Towards Excellence' accreditation process (if trusts have begun this journey).



Section 4 of this document – the **PTP Delivery Plan** – summarises the key action areas from both the Lord Carter and BPVC documents to help trusts to develop their responses to these policy documents in the table provided. These are mapped to the relevant procurement standard for ease of reference.

The bulk of section 4 can be completed using the actions from the self-assessment against the standards and, if your trust has gone through an assessment under the 'Towards Excellence' accreditation process, the output report from this process.

All **key** actions should then be summarised in **section 2** – the PTP Summary under the 6 main Procurement Standard headings. Not all actions from section 4 necessarily need to be carried through to this section.

1. Executive Summary

- 1) This PTP sets out how the Trust will need to transform procurement services in order to achieve the Carter Procurement recommendations and targets. From late 2016 onwards following submission, it is anticipated that NHSI will begin to hold Trust Boards to account for delivery of their PTPs.
- 2) Submission of this PTP will re-refresh the existing procurement strategy and align it more tightly to the Lord Carter recommendations. Where conflict between the existing approved Trust procurement strategy and this document occur then the actions from this document will take precedence. All other objectives from the procurement strategy remain in place.
- 3) This PTP is designed to support the commercial and corporate objectives of Aintree University Hospital NHS Foundation Trust ('the Trust').
- 4) This PTP is built around the four key policy areas detailed on the contents page of this document. The STP and back office efficiency drive is the greatest unknown element of these policy areas and this PTP will require to be seen as a fluid document able to be revised as the STP agenda develops.
- 5) Procurement currently and historically has an operational and tactical role with the Trust. This is reflected in a number of performance metrics and in the levels of investment in the function relative to the regional average (NWPB benchmarking data evidences this). The actions in this PTP are designed to elevate procurement to a more strategic level.
- 6) This PTP will generate a significant workload. It is necessary to identify priorities and establish a set of objectives. This has been done within the PTP Delivery Plan. For brevity the key actions are summarised in Section 2 of this document. Only actions with a firm target date have been pulled through to section 2 to ensure the PTP key actions satisfy the SMART objective criteria.
- 7) In embracing this PTP the Trust Board acknowledges that the Board's procurement lead has its support in implementing the changes that will be required to deliver effective strategic procurement and commercial services to the Trust. This will need to be done within the context of the transformations detailed in this PTP and the wider changes occurring within the procurement landscape during the period 2016–2021.

2. PTP Summary

This section summarises the **key activities that the trust needs to undertake** to achieve the targeted performance improvement. The more detailed PTP delivery plan is shown in the table format in section 4 below. The actions are split into the 6 areas of the procurement standards:

1. Strategy & Organisation

Action	By when
Develop a presentation and supporting documentation which can be utilised to train non-procurement staff in multiple forums.	April 2018
Head of Procurement to attend Trust board once annually to present on current procurement performance and developments.	HoP attendance at Trust board in FY 2017/18.
Formal product selection process map to be agreed by Clinical Procurement Evaluation Group (CPEG) and endorsed by Trust senior clinical leadership.	CPEG relaunch Dec 2017 new Deputy Chief Nurse
Current collaboration meetings within the STP suggest desire for more formalised collaboration with other trusts within the STP footprint. An element of joint workplanning is planned to commence from April 2017 on a number of key spend areas as a test bed for future deeper collaboration.	NM LDS group active, aim for draft SOC Nov 2017 for re-aligned procurement service structure from April 2018

2. People & Skills

Action	By when
Training Needs Analysis for procurement function to be developed and run by June 2017 and a training plan developed that fits within budgetary constraints.	Training plan in place by September 2017.
Beginning April 2017, Procurement will work closely with IT and Estates department(s) to begin to align procurement processes through the e-Procurement platform.	IT and Estates tenders to be run through e-Tendering system by 2018
To develop a 3 year workplan for procurement activity in order to plan to resource accordingly.	By March 2018

3. Strategic Procurement

Action	By when
The procurement function will pull together a consolidated master contract database and work with operational managers currently responsible for the management of contracts in order to create a single approach to contract and supplier management.	Trust wide contract database in place by September 2017. Strategy for contract and supplier management in place by December 2017.
Review and confirm to NHSI that the trust is committed to the first tranche of nationally contracted products.	Completed
Formal joint working is required between data analysts across the local STP footprint and beyond in order to maximise the volume of data able to be analysed within the national PPIB tool.	Benchmarking group to be established by July 2017 with a minimum of 3 other trusts - complete

4. Supply Chain

Action	By when
Rollout of dynamic inventory management system (Genesis) to all Theatres by Nov 2017 and a trust wide review of options for further roll out to key areas requiring a dynamic Inventory management system.	Continue rollout to Theatres by Nov 2017 and options paper for wider rollout to other key departments by April 2018
Review of internal logistics with Estates & Facilities leads to explore the issues with roll cages in corridor/patient areas with a view to eliminating during 2017/18.	Review of problematic areas to be completed by December 2017

5. Data Systems

Action	By when
The procurement function is to remain fully engaged in the development of Trust-wide plans on GS1/PEPPOL To maximise shared learning benefits the procurement function will ensure that it aligns to the learning from the 6 national demonstrator sites and engage with GS1 working groups with NWPD and NEP.	GS1 Recommendation Paper to be developed for consideration by executive team by April 2018, DMD support provided. System upgrade to support PEPPOL Jan 2018, aim to phase implementation June 2018

6. Policies & Procedures

Action	By when
Roll out of on-site sales representatives credentialing system.	Roll out by April 2018
Re-fresh and re-launch of procurement policy document with process maps embedded.	Q1 2018
To work with EBME leads to identify risk rating on installed medical equipment and subsequent likelihood of the need for re-procurement, looking at the next 24-36 months.	Q1 2018

3. Carter Metrics Dashboard

MEASURES		PERFORMANCE			COMMENTARY
		CURRENT OCTOBER 2017	TARGET SEPT 2018	TARGET SEPT 2019	
1	Monthly cost of clinical and general supplies per 'WAU'	£583	£553	£524	Target a 10% reduction by April 2019 - as per the model hospital national median target.
2	Total % purchase order lines through a catalogue (target 80%)	95.17%	97%	100%	Target 80% of purchases to be from an electronic catalogue by September 2017
3a	Total % of expenditure through an electronic purchase order (target 90%) up to and including PO issue	74.11%	90%	100%	Target – 90% to be via ePO initially for 3a and 3b by September 2017.
3b	Total % of transactions through an electronic purchase order (target 90%) up to and including PO issue	91.59%	95%	100%	Target – 90% to be via ePO initially for 3a and 3b by September 2017.
3c	Total % of expenditure through an electronic purchase order from requisition through to and including payment	TBC	TBC	TBC	Target – TBC by NHSI
3d	Total % of transactions through an electronic purchase order from requisition through to and including payment	TBC	TBC	TBC	Target – TBC by NHSI
4	% of spend on a contract (target 90%)	88.79%	95%	100%	Target – 90% of expenditure by September 2017.
5a	Inventory Stock Turns	TBC	TBC	TBC	No current target set
5b	Inventory Stock Turns-dynamic	NA	NA	NA	No current set target.
6	NHS Standards Self-Assessment Score (average total score out of max 3)	1.00	1.50	2.00	Level 1 achieved in December 2013 through NW PSD. Level 2 accreditation planned in 2017. NHSI target for Level 2 is October 2018
7	Procurement CIP Target	£1m	£1m	£1m	Achieved £1.6m in year 2016/17, £700k recurrent

RAG Rating Definitions:	
Green	Better than the Lord Carter or Trust target
Amber	Up to 10% less than Carter target
Red	More than 10% below Carter target

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
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Strategy & Organisation 1.1 <i>Strategy</i>		To produce a Procurement and Commercial strategy approved by the Board (or a relevant Board sub-committee).	Achieving Level 1 against this standard: Procurement strategy has been in place since June 2013 and renewed in 2016 Procurement annual work plan agreed by February each preceding year.	Submission of this PTP will re-refresh the existing procurement strategy and align it to the Lord carter recommendations. Where conflict between the existing approved procurement strategy and this document occur then the actions from this document will take precedence.	PTP will be submitted to Board Finance sub-committee by March 2017	Board finance sub-committee meeting.
Strategy & Organisation 1.2 <i>Executive Commercial Leadership</i>	Executive & Non Executive sponsorship for procurement and PTP	Lord Carter recommends a board director should be nominated to work with the trust procurement to ensure PTPs are fully embedded in the trust performance improvement plans.	Board Director sponsorship of this PTP is via our Director of Finance.	No action required	NA	NA
		BPVC recommends non-executive directors and trust boards must play a stronger role in both championing improved procurement and holding their executives to account.	Colin Maloney was appointed in June 2014 and became involved in a number of discussions around procurement following the launch of BPVC and the subsequent DH/NWPD drive to engage NEDs on the procurement agenda. It is not anticipated that they will have a routine role in procurement matters going forwards but their awareness of the importance of modernising NHS procurement both locally and nationally may be leveraged at a future date if required.	As Colin Maloney's NED role has been relinquished we need to actively seek an appropriate NED procurement champion through our Board Director.	April 2017	NA
		Budget holders to receive procurement & commercial training as appropriate.	Achieving Level 1 against this standard.	Develop a presentation and supporting documentation which can be utilised to train non-procurement staff in multiple forums.	Training slides and supporting documentation to be developed and launched via e-Learning and DAG	<i>e-Learning platform and DAG meeting minutes</i>

Section 4 - PTP Delivery Plan

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Strategy & Organisation 1.3 <i>Procurement & Commercial Leadership</i>		<p>The Procurement leader is to be integrated with the organisation's business and financial planning process</p> <p>Procurement leader helps to raise commercial & procurement standards across the organisation through education and promotion.</p>	Achieving Level 1 against this standard.	<p>Head of Procurement to attend Trust board once annually to present on current procurement performance and developments.</p> <p>Training package to be produced as per actions against Standard 1.2 above.</p>	HoP attendance at Trust board in FY 2017/18.	Trust board papers
Strategy & Organisation 1.4 <i>Internal Engagement</i>	Clinical Engagement	BPVC urges trusts to re-think clinical engagement, particularly in relation to the procurement of high-value medical devices.	The procurement function works closely with a number of lead clinicians on high value medical devices on an ad hoc basis.	The procurement function continues to align to national workstreams on this, including the 'zero cost' high value off tariff device work of NHS England and the DH "Getting It Right First Time" programme.	Timeframes are as per the national programmes.	As reported to MEG
	Work with the Royal Colleges	BPVC encourages trusts to work with the Royal Colleges to develop clinical leaders' awareness of procurement.	The procurement function has aligned to the work NWPD has undertaken with the RCN on the "small changes:big differences" campaign.	The procurement function will continue to avail itself to regional and national initiatives by the Royal Colleges.	Timeframes are as per the national programmes.	As reported to CPEG
		To develop a formal stakeholder engagement process and product adoption decision making process map.	<p>Achieving Level 1 against this standard and some Level 2.</p> <p>No formal internal stakeholder mapping or decision making processes in place to underpin the work of procurement groups.</p>	Formal product selection process map to be agreed by Clinical Procurement Evaluation Group and endorsed by Trust senior clinical leadership.	Process map in place and authorised by June 2017.	CPEG minutes.

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
Strategy & Organisation 1.5 <i>External Engagement</i>	Improve Collaboration	<p>As a guideline Lord Carter recommends that trusts collaborate with at least five other trusts to share data and resources to modernise their procurement function.</p> <p>Lord Carter and BPVC also challenge trusts to improve their relationships with procurement partner organisations.</p>	<p>The Trust is a member of NWPDP, which involves us working closely with our colleagues from all provider trusts in the region.</p> <p>The Trust has been in a partnership with NHS Supply Chain since 2013 which has significantly contributed to the new operating model. In addition we are associate members of various Procurement Hubs.</p> <p>The Trust co-ordinates its management and engagement with Crown Commercial Services through its membership of NWPDP</p>	<p>The local STP workstream on back office rationalisation will dictate how formalised collaboration will be taken forwards from 2017 onwards. The procurement function will actively participate in formulating this vision during the next 6 months.</p> <p>Discussions are underway regarding aligning ourselves to a procurement hub until 2018 and a decision is envisaged by March 2017. By this time the Future Operating Model landscape currently under development should be clear and membership of this organisation will be reviewed at this point.</p> <p>Continue engagement with both organisations through NWPDP network events.</p>	<p>As per the STP timeframes on back office rationalisation.</p> <p>Review procurement hub membership options by March 2017</p> <p>Ongoing.</p>	<p>Briefing Papers to DoF</p> <p>Briefing Paper to DoF</p> <p>N/A</p>
		To establish joint workplans with like-minded trusts within the STP footprint.	Achieving an element of Level 2 against this standard.	Current collaboration meetings within the STP suggest desire for more formalised collaboration with 3 other trusts within the STP footprint. An element of joint workplanning is planned to commence from April 2017 on a number of key spend areas as a test bed for future deeper collaboration.	Draft joint workplans produced by April 2017 with like-minded trusts within STP footprint.	POD / TSG updates

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
		To begin to develop a 3 year workplan for procurement activity in order to plan to resource accordingly.	The existing Trust procurement strategy details the resource requirements to deliver against the plan contained within that document. The STP work around back office rationalisation and the creation of this PTP add focus on the need for better planning and better resourcing to deliver the increased challenges around the procurement agenda following the publication of the Carter report.	To develop a 3 year workplan for procurement activity in order to plan to resource accordingly. Link to Standard 3.2 – creation of a consolidated master contract database	By March 2018	POD / TSG Updates
Strategic Procurement 3.1 <i>Category Expertise</i>	Supply Base Fragmentation	Lord Carter makes it clear that addressing the variety of products and manufacturers supplying the NHS is a key strand of the national PTP. The FOM will play a key role in addressing these issues. At a local level however trusts must begin to address the proliferation of suppliers and products used within their organisations.	The procurement function operates a materials management service, which manages product range and selection through the trust Clinical Procurement Evaluation Group. This group is currently aligning its work plan against the NCP programme and NHSSC Savings Calendar.	The procurement function will align where possible to the National Clinical Evaluation Team workstreams, the BSA 'Trusted Customer' programme and the central NHSI/DH 'Core List' initiatives.	Timeframes are as per the national programmes.	CPEG
		Category expertise to be used on all major procurement and commercial arrangements.	The procurement function is typically achieving Level 1.	Greater formalisation on collaboration will provide good scope for building category expertise with clusters of trusts.	As per the STP timeframes on back office rationalisation.	N/A

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
Strategic Procurement 3.2 <i>Contract & Supplier Management</i>	Zero Inflation	Both BPVC and Lord Carter review both stipulate that Trusts must work to resist inflationary pressures and engage with industry effectively to ensure zero inflation policies are sustainable.	The procurement function tackles all requests for inflation but does not currently record its successes.	Introduce a formal Zero Inflation policy in conjunction with improving performance against Standard 3.2 and 3.3.	NA	Finance and Performance Minutes / CIP Updates
		Develop a strategy for contract and supplier management across the whole Trust.	The procurement function is typically achieving Level 1.	The procurement function will pull together a consolidated master contract database and work with operational managers currently responsible for the management of contracts in order to create a single approach to contract and supplier management.	Trust wide contract database in place by September 2017. Strategy for contract and supplier management in place by December 2017.	Board Report
Strategic Procurement 3.3 <i>Supplier Relationship Management</i>	Industry Engagement	BPVC urges trusts to re-think procurement's engagement with industry, again, particularly in relation to the procurement of high-value medical devices	This is detailed against Standard 1.4	This is detailed against Standard 1.4	This is detailed against Standard 1.4	This is detailed against Standard 1.4
	Innovation	Both BPVC and Lord Carter review encourage Trusts to work with industry to encourage innovation and promote its adoption into the NHS.	The procurement function works closely with the AHSNs through the various NWPD network meetings and economy sub group HoP meetings. The trust has been finalists in three separate awards for Innovation.	To continue to work with the AHSN & SME's to review innovation and secure stakeholder engagement as required.	Ongoing.	N/A

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
		Develop a detailed Supplier Relationship Management (SRM) programme.	The procurement function is achieving Level 1 and some of Level 2 against this standard.	As detailed against Standard 3.2 the procurement function and the Trust must develop a single approach to contract and supplier management.	New detailed SRM process in use by January 2018.	TBC
Strategic Procurement 3.4 <i>Risk Management</i>		The management of risk, continuity of supply and supply chain resilience to become routine elements of the new SRM programme.	The procurement function is achieving Level 1 against this standard.	Contingent on the roll out of the enhanced SRM process, the stress testing of suppliers supply chains is to become a key component of this initiative.	New detailed SRM process (including risk management element) in use by January 2018.	TBC
Strategic Procurement 3.5 <i>Sourcing Process</i>	Align to National Sourcing Initiatives	<p>Lord Carter requests trusts take the following actions on national sourcing initiatives:</p> <ol style="list-style-type: none"> 1) Aggregate sourcing by working with NHSSC in particular 2) Accept and adopt clinically driven product testing wherever possible, in particular with reference the NHS Clinical Reference Board and Clinical Evaluation Team and any workstreams with the BSA/NHSSC 	<p>The procurement function is committed to working with NHSSC to participate in demand aggregation exercises, either through NWPD or directly.</p> <p>The procurement function is also committed to the national contracted products programme being facilitated by the BSA through NHSSC.</p>	<p>Maintain dialogue with NHSSC account manager and NWPD leads to engage in demand aggregation exercises.</p> <p>Review and confirm to NHSI (to nhsi.procprogramme@nhs.net) that the trust is committed to the first tranche of nationally contracted products in response to the Jeremy Marlow letter dated 21st September 2016.</p>	<p>Ongoing</p> <p>Response issued October 2016</p>	<p>TBC</p> <p>CPEG</p>

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
		<p>3) Collaborate to take committed volume to market</p> <p>4) Reduce variation and proliferation of choice</p> <p>5) Lord Carter states: “We do not expect to see hubs competing with or undermining the national solutions, so we recommend trusts take this into account in developing their PTP plans”. Your PTP should detail how your trust will comply with this request</p>	<p>The trust has a Clinical Procurement Evaluation Group with clearly defined Terms of Reference and approval sign off process.</p> <p>The Trust is not a full member of any procurement hub and commits all available spend via NHSSC</p>	<p>N/A</p> <p>Formal product selection process map to be agreed by Procurement Steering Group and endorsed by Trust senior clinical leadership.</p> <p>The Trust is reviewing its options against membership of a procurement hub and a decision is expected by March 2017.</p>	<p>In line with ToR</p> <p>April 2017</p>	<p>CPEG</p> <p>Procurement Steering Board minutes.</p>
		<p>BPVC and the wider transparency agenda require Trusts to openly publish all opportunities and spend electronically.</p>	<p>Since 2010-11 the Trust has published all spend in excess of £50,000 (Trust threshold for tendering) in accordance with central government transparency requirements. All contracts and workplans have been published on website until Oct 16, when it was removed due to upgrade.</p> <p>The procurement function is committed to utilising the multiquote e-Sourcing platform to advertise all procurement requirements above £10,000 and which</p>	<p>Publish contract database and work plans on new website by April 2017.</p> <p>No action required</p>	<p>NA</p> <p>NA</p>	<p>Website</p> <p>NA</p>

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
			are not being sourced from existing framework agreements from our procurement partner organisations.			
		<p>Sourcing plans to be developed more in advance than currently seen in order to allow better resource planning.</p> <p>Link to Standard 2.3 - to begin to develop a 3 year workplan for procurement activity in order to plan to resource accordingly. Also link to Standard 3.2 – with an identified need for the Trust to develop a single contracts database.</p>	The procurement function is achieving Level 1 against this Standard and some Level 2.	<p>The procurement function will pull together a consolidated master contract database and work with operational managers currently responsible for the management of contracts in order to create a single approach to contract and supplier management.</p> <p>3 year workplan to be developed by March 2018.</p>	<p>Trust wide contract database in place by September 2017.</p> <p>Strategy for contract and supplier management in place by December 2017.</p> <p>3 year workplan to be developed by March 2018.</p>	<p>TSG</p> <p>TSG</p>
<p>Strategic Procurement</p> <p>3.6</p> <p><i>Benchmarking</i></p>	National Price Benchmarking System	Lord Carter and BPVC identified the need for a national price benchmarking service. This has culminated in the launch of the national PPIB in August 2016 with Adviselinc. All trusts are expected to submit their data in a timely manner and the data should be used to inform local procurement workplans and strategies.	<p>The procurement function has access to the PPIB tool and is utilising the data to inform workplanning for 2017/18, currently showing between £500k and £1.5m opportunities.</p> <p>The Trust submits monthly data to PPIB via NEP.</p>	<p>Formal joint working is required between data analysts across the local STP footprint and beyond in order to maximise the volume of data able to be analysed within the national PPIB tool.</p> <p>Explore NWPDs Data Analyst network to assist in identifying key opportunities.</p>	Benchmarking group established by April 2017 with a minimum of 3 other trusts.	TBC

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
		<p>To maximise the opportunities arising from the PPIB tool, which is provided FOC to the Trust from NHSI.</p> <p>To consider at a later date an enhanced version of the PPIB from the market that could encompass full business intelligence packages.</p>	The procurement function is achieving Level 1 against this Standard.	<p>To commit to utilising the PPIB tool in order to maximise the benefits.</p> <p>Later in 2017/18 to consider if the PPIB tool is fit for purpose for all BI and benchmarking requirements for the medium to long term.</p>	Ongoing	
Strategic Procurement 3.7 <i>Specifications</i>		<p>The procurement function has a strong record in specification development with well-engaged divisions. The challenge is to ensure this can be rolled out across the Trust.</p> <p>To begin to understand the full pathway and whole life costs to the health economy.</p>	The procurement function is achieving Level 1 against this Standard and some Level 2.	<p>As detailed against Standard 3.5, through our alignment to national programmes on specifications and the work of the Clinical Evaluation Team we will be better placed to challenge specifications more appropriately and with evidence.</p> <p>Align to the NWPD/Liverpool University 'Value Based Procurement' programme to explore opportunities with the supplier base and trust stakeholders.</p>	Ongoing Ongoing	
Supply Chain 4.1 <i>Inventory Management & Stock Control</i>	Inventory Management Development	Lord Carter identified a general under investment in inventory control. Building on the DH eProcurement Strategy the Lord Carter report urges Trust procurement departments to build supply chain capability on inventory management systems.	The Trust has a well-established materials management function within the procurement function.	The Trust is implementing a dynamic Inventory Management (IM) system, initially in Theatres closely followed by a plan to deploy in areas of high value clinical devices (in particular Interventional Radiology and Cardiology).	As detailed below.	As detailed below.

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
		<p>Dynamic IM system to be deployed in theatre areas for management of high value implantable devices.</p> <p>Trust developments on GS1 to include full engagement of the procurement function to ensure benefits around primary use cases relating to IM and procurement are maximised.</p>	<p>Currently these areas have Vendor Managed Inventory on consignment basis and will utilise the new IM system for improved control.</p> <p>The trust needs to produce a Strategic Outline Plan regarding GS1</p>	<p>No action</p> <p>The procurement function is to remain fully engaged in the development of Trust-wide plans on GS1</p>	<p>Implementation due for completion April 17</p> <p>Trust Board to review current position and plans in 17/18</p>	<p>DAG</p> <p>Trust Board minutes</p>
Supply Chain 4.2 <i>Logistics</i>		<p>Internal logistics generally working well but there are a number of areas around Wards and Theatres that routinely have NHSSC roll cages sat in corridor areas for extended periods of time and are used effectively as additional storage facilities to be picked from.</p>	<p>The procurement function is achieving Level 1 against this Standard.</p>	<p>Review of internal logistics with Estates & Facilities leads to explore the issues with roll cages in corridor/patient areas with a view to eliminating during 2017/18.</p>	<p>Review of problematic areas to be completed by September 2017.</p>	
Data, Systems and Performance Mgmt. 5.1 <i>Performance Measurement</i>		<p>With this PTP submission the Trust is adopting the use of the Carter procurement metrics as the core KPIs for the procurement function, which will be reported on annually at Trust Board.</p> <p>The procurement function will be working closely with our partner organisations in our STP footprint to benchmark these metrics and identify potential areas for focus and to share best practice.</p>	<p>The metrics have identified a key number of actions that can quickly improve the compliance to standards i.e. Header PO's for contracts to match invoices against i.e. Agency.</p>	<p>Monthly reporting against Carter procurement metrics in response to requests from NHSI</p> <p>The procurement function will be working closely with our colleagues within our STP footprint to share performance data and best practice.</p>	<p>Ongoing</p> <p>Ongoing from January 2017.</p>	
Data, Systems and Performance Mgmt.		<p>Cost avoidance and value add of procurement has no standardised</p>	<p>The procurement function is achieving Level 1 against this Standard.</p>	<p>To share best practice with other organisations to build a more holistic and standardised approach to procurement</p>	<p>Review and refine reporting mechanisms</p>	

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
5.2 <i>Savings Measurement & Credibility</i>		reporting mechanism into finance.		benefits reporting.	on an annual basis.	
Data, Systems and Performance Mgmt. 5.3 <i>Catalogue Management</i>		Elimination of all but some ad hoc residual free text ordering.	The procurement function is achieving Level 1 against this Standard and some Level 2.	Target catalogue coverage of 90% or more of the addressable transaction volumes.	By March 2018	Carter procurement metrics.
Data, Systems and Performance Mgmt. 5.4 <i>Procure to Pay (P2P)</i>	Develop P2P systems	<p>The Lord Carter review identified big variation in Purchase to Pay system maturity and compliance. Enhancing P2P systems must be seen as a priority for trusts that do not have well developed systems and compliance.</p> <p>Trusts are also encouraged to work in partnership with organisations within local health economies and with partner organisations as well as the national PTP to ensure opportunities to adopt common systems are maximised.</p>	<p>The Trust uses Oracle i-Proc for all P2P transactions. We are currently in the process of working with other provider organisations in our STP footprint to review systems used and to explore options for standardisation of how the systems are utilised – e.g. standard coding.</p> <p>There is also consideration being given to the adoption of a single e-Sourcing platform.</p> <p>The impact and timeframes around GS1/PEPPOL adoption also need to be factored into these reviews to ensure a joined up approach on all developments relating to P2P systems.</p>	The reviews are ongoing and expected to develop a series of actions by summer 2018.	Summer 2018	PSDB Minutes

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
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		<p>Adoption of full e-PO and e-Invoicing with adoption of initial PEPPOL compliant transaction by early 2018/19.</p> <p>Review for options to bring Accounts Payable (AP) within the control of the procurement function.</p>	<p>Full review to be undertaken with AP team and develop action plan / gap analysis.</p> <p>AP currently sits within the finance Directorate</p>	<p>Link to Standard 4.1 and 5.3</p> <p>Initial discussion to be held with other Trusts who control full P2P teams to understand structure and benefits.</p>	<p>As per 4.1 and 5.3</p> <p>Summer 2018</p>	<p>As per 4.1 and 5.3</p> <p>Briefing paper to DoF</p>
<p>Data, Systems and Performance Mgmt.</p> <p>5.5</p> <p><i>Cost Assurance</i></p>		<p>Link to Standard 5.4 - review for options to bring Accounts Payable (AP) within the control of the procurement function.</p>	<p>See 5.4</p>	<p>See 5.4</p>	<p>See 5.4</p>	<p>See 5.4</p>
<p>Data, Systems and Performance Mgmt.</p> <p>5.6</p> <p><i>Spend Analysis</i></p>		<p>To maximise the functionality of the PPIB tool, which is provided FOC to the Trust from NHSI. Link to Standard 3.6.</p>	<p>Link to Standard 3.6</p>	<p>Link to Standard 3.6</p>	<p>Link to Standard 3.6</p>	<p>Link to Standard 3.6</p>
<p>Data, Systems and Performance Mgmt.</p> <p>5.7</p> <p><i>GS1 & Patient Level Costing</i></p>	<p>GS1/PEPPOL Development</p>	<p>Building on the DH eProcurement Strategy the Lord Carter report urges Trust procurement departments to align themselves to the GS1/PEPPOL DH workstream and develop and execute plans as part of trust wide approach to GS1/PEPPOL adoption.</p>	<p>Link to standard 4.1 and 5.4</p>	<p>Link to standard 4.1 and 5.4</p>	<p>Link to standard 4.1 and 5.4</p>	<p>Link to standard 4.1 and 5.4</p>

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PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
		<p>Link to Standard 4.1 and 5.4</p> <p>Trust developments on GS1 to include full engagement of the procurement function to ensure benefits around primary use cases relating to IM and procurement are maximised.</p> <p>Adoption of full e-PO and e-Invoicing with adoption of initial PEPPOL compliant transaction by early 2018/19.</p>		<p>Link to Standard 4.1 and 5.4</p> <p>The procurement function is to remain fully engaged in the development of Trust-wide plans on GS1</p> <p>To maximise shared learning benefits the procurement function will ensure that it aligns to the learnings from the 6 national demonstrator sites and engage with GS1 working groups with NWPD and NEP.</p>	Link to Standard 4.1 and 5.4	Link to Standard 4.1 and 5.4
Policies & Procedures 6.1 <i>Procurement & Policy Guidance</i>		<p>Greater control and scrutiny of commercial visitors to site.</p> <p>One stop policy document incorporating all procurement and supply chain policies and procedures.</p>	<p>The procurement function is achieving Level 1 against this Standard and some Level 2.</p> <p>Publish on intranet</p>	<p>Roll out of on-site sales representatives credentialing system.</p> <p>Re-refresh and re-launch of procurement policy document with process maps embedded – to be issued to all Ward and Department procurement leads/budget holders for dissemination within their teams .</p>	<p>Roll out by April 2018</p> <p>Policy re-launched by April 2018.</p>	<p>Procurement Steering Board minutes.</p> <p>DAG</p>
Policies & Procedures 6.2 <i>Process Compliance</i>		<p>Carter metric 3d - total % of transactions through an electronic purchase order (target 90%) from requisition through to and including payment.</p>	<p>The procurement function is achieving Level 1 against this Standard.</p> <p>'No PO No Pay' policy to be introduced</p>	<p>Areas of ad-hoc spend and retrospective POs to be identified for inclusion in the workplan</p> <p>Link to Standard 5.4 and 5.5</p>	To be reviewed monthly in line with Carter metrics submission.	Carter metrics submissions
Policies & Procedures		<p>To understand the likely capital medical equipment requirements for the next 2-3 years more fully and</p>	<p>The procurement function is achieving Level 2 against this Standard.</p>	<p>To work with EBME leads to identify risk rating on installed base and subsequent likelihood of the need for re-</p>	Initial risk profile on installed equipment base to be completed by	Medical Equipment Group

Section 4 - PTP Delivery Plan

PROCUREMENT STANDARD	LORD CARTER/BETTER PVC KEY ISSUE	OBJECTIVES	CURRENT POSITION	ACTIONS REQUIRED	MILESTONES & REVIEW DATES	KPI/EVIDENCE
6.3 <i>Asset Management</i>		enable these to be factored into NHSSC multi-trust aggregation process more effectively.		procurement, looking at the next 24-36 months.	April 2017.	
Policies & Procedures 6.4 <i>Corporate & Social Responsibility</i>		The procurement function is committed to utilising consolidated deliveries via the NHSSC warehouse 'stock' route wherever possible via overnight deliveries in order to mitigate CO2 emissions from the supply chain. Establish baseline and target on-going reduction in delivery miles from 2018/19.	The procurement function is achieving Level 1 against this Standard and some of Level 2.	Establish baseline of delivery miles for the trust for 2016/17 from supplier base for top 100 suppliers. Establish strategy for reducing delivery miles from 2018/19	By September 2017 By March 2018	Sustainability Forum TBC Sustainability Forum TBC
Policies & Procedures 6.5 <i>SMEs</i>		Strategy to be developed which encourages Trust spend with SMEs	The procurement function is achieving Level 1 against this Standard.	Established baseline of SME spend for 2015/16 at 23%. Re-baseline spend for 16/17. Develop strategy for increasing spend with SMEs with colleagues in Estates & Facilities in particular with SMART targets incorporated.	By September 2017 By March 2018	E&F DAG

Appendix A – Risks & Issues

PTP Risk & Issue Log

#	Item Description	Risk or Issue	Severity	Type	Owner	Mitigating Action
1	Lack of current understanding around the STPs and how this will impact on 'back office' services	Risk	High	Landscape	HoP and DoF	DoF and HoP to ensure they are fully engaged with STP lead regarding potential plans around 'back office' and procurement to ensure potential changes are fully understood and appropriately consulted on.
2	Lack of resource to deliver against current 'business as usual' as well as the change programme detailed in this PTP and required by by Lord Carter recommendations	Issue	High	Resource	HoP and DoF	Innovative deployment and sharing of resource to be considered. e.g. utilising existing documentation, joined up SRM with STP footprints Procurement must be deployed as a key enabler to divisional CIP plans as opposed to taking the full responsibility for the delivery as a Procurement CIP, or making sure that the procurement team is not pulled into supporting actions that are not procurement related which eats into scarce resource.
3	Procurement Landscape changes, in particular the Future Operating model from October 2018	Risk	Medium	Landscape	HoP	Maintain links with FOM developments through multiple channels such as NWPD, NHSI, DH, local trusts, HCSA to ensure strategy is flexed to fit the final model on its anticipated launch in October 2018.

Choose	Choose	Choose
Risk	Critical	Budget
Issue	High	Resource
	Medium	Landscape
	Low	Technical