

# Procurement Strategy 2022-25



## Our Vision

This strategy encompasses all non-pay expenditure for goods, services and works (excluding drugs) and identifies areas of development and improvement that will ensure a continued high level of service to the Trust and its patients. The strategy sets out the plans for areas of development which extend beyond that of traditional transactional purchasing and aligns into the Trusts Strategy, GM ICS Procurement Board and the National Procurement Strategy.



4ward  
Thinking

Working  
Together

Accountable

Respectful

Demonstrate  
Compassion



## Strategic Action Plans (SAP) : 2022 - 2025

1	CIP & Cost Avoidance
2	Supply Chain Coordination Limited (SCCL)
3	Whole Life Costs
4	Sustainability / Social Values
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7	Procurement Profile
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10	Materials Management

Improve



Integrate



Innovate





# Strategic Action Plan 1: CIP and Cost Avoidance

The NHS as a whole is under significant pressure to deliver cost efficiencies and deliver outstanding patient care . The Procurement team will manage the supply chain, delivering the lowest total cost of ownership associated with all non-pay expenditure, whilst at the same time ensuring the highest standards of quality are met.

**Goal:** Identify opportunities to contribute to Trust CIP targets via data analysis, implementation of new contracts, contract reviews and retendering opportunities. Developing relationships with key suppliers that will deliver efficiencies whilst maintaining / improving quality. Ensuring value for money is delivered at all times.

Strategy	Benefits	Measures / KPIs
<ul style="list-style-type: none"> <li>• Deliver the Procurement CIP via implementation of the work plans established by the team and in conjunction with divisions</li> <li>• Monitor cost pressures</li> <li>• Utilise Price Increase process to challenge cost pressures</li> <li>• Analysing and interpreting data</li> <li>• Review of existing contracts</li> <li>• Ensure contract management is in place for all strategic contracts</li> <li>• Challenge purchasing activity</li> <li>• Applying best practice across all Procurement activity</li> <li>• Integration with the divisions</li> <li>• Undertake collaborative Procurement as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced costs</li> <li>• Working with Management Accountants to assist in budget management regarding cost pressures</li> <li>• Compliance with Trust's SFI's and relevant Procurement Legislation</li> <li>• Increased contract coverage and compliance in line with National recommendations</li> <li>• Raising the profile of Procurement</li> <li>• Reducing maverick spend</li> <li>• Avoiding unnecessary costs to the organisation and highlighting the added value</li> <li>• Understanding of how the divisions work and the pressures they are under in order to target specific areas to deliver operational efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>• Measurement of savings, contribution to CIP Year 1 £1.0m Year 2 £TBC Year 3 £TBC</li> <li>• Procurement CIP as a % of total Trust CIP Year 1 4.2% Year 2 TBC Year 3 TBC</li> <li>• Procurement CIP delivered as a % of total Trust CIP delivered Year 1 TBC Year 2 TBC Year 3 TBC</li> <li>• Measurement of Cost Avoidance Year 1 £500k Year 2 TBC Year 3 TBC</li> </ul>



## Strategic Action Plan 2: Supply Chain Coordination Limited (SCCL)

Supply Chain Coordination Limited (SCCL) is the management function of NHS Supply Chain which consists of 11 Category Towers who were appointed to provide a route to market for specific categories of goods and services. National metrics state that NHS Trusts are expected to channel 80% of their applicable expenditure via the category towers in order to aggregate expenditure and achieve best pricing across the NHS.

**Goal:** To achieve 80% applicable expenditure channelled through the category towers within 3 years. To work with SCCL to ensure the savings targets identified within the SCCL Trust Impact statement are realistic and delivered. Historically the cost of SCCL Operating Model is £1.386m to WWL (0.3% top slice from tariff)

Strategy	Benefits	Measures / KPIs
<ul style="list-style-type: none"> <li>• Work with SCCL and the GM Procurement ICS to create and deliver a work plan aimed at ensuring cost savings, standardisation and aggregation.</li> <li>• Monitor cost pressures and business continuity / demand managed lines</li> <li>• Ensure accurate, consistent and clear reporting of savings delivery.</li> <li>• Maintain weekly review meetings with SCCL Account Manager to review progress against KPIs.</li> <li>• Report progress to the appropriate Programme Board.</li> <li>• Adopt the Nationally Contracted Products (NCP).</li> <li>• Explore resilience for NCPs.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports the aggregation of expenditure at a regional/national level to ensure the best value for money is achieved within the NHS.</li> <li>• Ensures delivery of the Trust Impact statement and financial benefits.</li> <li>• Maintaining quality of goods and services provided to the Trust.</li> <li>• Reduced risk of supply issues</li> </ul>	<ul style="list-style-type: none"> <li>• Work plan agreed and in place with SCCL and regular monthly review meetings in place.</li> <li>• Achievement of 80% applicable expenditure channelled via the category towers <ul style="list-style-type: none"> <li>➢ Year 1 – 70%</li> <li>➢ Year 2 – 75%</li> <li>➢ Year 3 – 80%</li> </ul> </li> <li>• Achievement of savings v Trust Impact statement <ul style="list-style-type: none"> <li>➢ Year 1 – TBC</li> <li>➢ Year 2 – TBC</li> <li>➢ Year 3 – TBC</li> </ul> </li> <li>• Adoption of NCPs - 100% uptake where applicable and product is used at WWL.</li> </ul>



## Strategic Action Plan 3: Whole Life Costs

The cost of maintaining medical and non-medical equipment/services within the Trust forms a considerable element of individual budgets and overall Trust expenditure.

**Goal:** to evaluate the entire category of spend as a whole with the aim of consolidating contracts and reducing spend and mitigating risk.

Strategy	Benefits	Measures / KPIs
<ul style="list-style-type: none"> <li>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.</li> <li>Ensure presence at equipment purchasing meetings</li> <li>Identify opportunities to streamline suppliers, create multi-site agreements and create collaborative or joint agreements with other local Trusts.</li> <li>Review of cover levels – new equipment warranties, increasing cover to reduce or eliminate cost of call-outs - merging contracts or suppliers, using better value 3<sup>rd</sup> party maintenance solutions where appropriate.</li> <li>Introduce escalation renewal process</li> <li>Work with the GM Procurement ICS on 'Maintenance' workflow</li> </ul>	<ul style="list-style-type: none"> <li>Better data available for more detailed analysis which will help in identifying cost savings and eliminate waste (purchase dates, costs, asset numbers, life costing and expectancy, number of call-outs, percentage of call-outs covered by maintenance contracts).</li> <li>Improved management information allows easier identification of cost savings.</li> <li>Introducing preventative maintenance solutions wherever possible to eliminate equipment down-time.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in individual maintenance contracts               <ul style="list-style-type: none"> <li>Year 1 - 552</li> <li>Year 2 – TBC</li> <li>Year 3 – TBC</li> </ul> </li> <li>Reduction in total cost of maintenance contracts               <ul style="list-style-type: none"> <li>Year 1 - £50,000</li> <li>Year 2 – TBC</li> <li>Year 3 – TBC</li> </ul> </li> <li>Point of sale maintenance agreement               <ul style="list-style-type: none"> <li>Year 1 – 90%</li> <li>Year 2 – 95%</li> <li>Year 3 – 100%</li> </ul> </li> </ul>





## Strategic Action Plan 4: Sustainability / Social Value

The NHS Standard Contract mandates that all healthcare services are required to have a Green Plan in place. This Green Plan evidences the Trusts commitment to local public health outcomes, to delivering the NHS Long Term Plan commitments and to achieving Net Zero carbon emissions by 2045 at the latest.

The Green Plan acts as the central document for the trust's agenda for sustainability. Over time the plan will be amended and added to allowing the Trust to adapt with current legislation, adopt emerging technologies and provide high quality healthcare that contributes towards reducing our impacts on the climate and environment.

**Goal:** Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust (the Trust) have the goal of becoming a net zero healthcare provider in the UK. The Trust has a responsibility to provide high quality health care whilst minimising negative impacts on the environment.

Support the development of the Trusts role as an anchor institute within the Wigan Borough.

Strategy	Benefits	Measures / KPIs
<ul style="list-style-type: none"> <li>Contribute towards the development and delivery of the Trust's Green Plan. The development of a Green Plan outlines the Trusts high-level vision and strategic objectives and provides actions that will allow the goal to be achieved.</li> <li>As part of the Anchor Institute, work with Community Wealth Building: Local suppliers</li> <li>Actively contribute to towards the Trusts Net Zero Programme Oversight Group</li> <li>Actively contribute to towards the GM ICS Sustainability Forum.</li> <li>Actively contribute to towards National Procurement sustainability Groups</li> <li>Allocation of social value / sustainability % weighting in tenders</li> </ul>	<ul style="list-style-type: none"> <li>Contribute towards the trust becoming a net zero healthcare provider.</li> <li>Create more wealth and wellbeing within the Wigan Borough.</li> <li>Helps to focus the supply base on delivering sustainable solutions.</li> <li>Raise awareness within the Procurement function of the need to ensure sustainability / social values are included and evaluated within processes.</li> </ul>	<ul style="list-style-type: none"> <li>All procurement staff to undertake Modern Day slavery training</li> <li>Monitor SME Spend (national target 23% by March 2022) Year 1 23% Year 2 Maintain target Year 3 Maintain target (pending system capability to capture supplier information)</li> <li>Reduction in Trust Carbon Footprint (carbon neutral target by 2040) Year 1 develop strategy Year 2 TBC Year 3 TBC</li> </ul>



## Strategic Action Plan 5: Model Hospital & e-Procurement Metrics

The national agenda mandates submission of monthly and quarterly data to NHSI/E and Partners. This data is used to populate the Model Hospital, Spend Comparison Service Benchmarking tool (SCS) and the Procurement League Table.

Through maximising the use of eProcurement systems and processes we can provide more accurate, reliable management information for reporting and procurement intelligence to improve procurement outcomes.

**Goal:** Utilise the data portals available to identify opportunities and areas of improvement. To improve system coverage, control and compliance that will assist with delivery of National Procurement strategies.

Strategy	Benefits	Measures / KPIs
<ul style="list-style-type: none"> <li>• Submit data in accordance with the deadlines.</li> <li>• Review all non-purchase order non-pay activity and put systems in place to maximise the amount of expenditure processed via the purchase order route whilst improving data quality</li> <li>• Maximising eProcurement systems and processes.</li> <li>• Increased utilisation / maintenance of electronic catalogues.</li> <li>• Ensuring all purchase orders have the relevant contract details assigned.</li> <li>• Support the national/regional agenda for Scan4Safety</li> <li>• Challenging new supplier requests</li> <li>• Contribute toward the process efficiency National metrics</li> <li>• Supplies and Services Cost per Weighted Activity Unit (WAU)</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of opportunities to deliver efficiencies and cost savings.</li> <li>• Drive contract compliance and uptake throughout the Trust.</li> <li>• Adherence to national requirements.</li> <li>• Identify opportunities to collaborate.</li> <li>• Improved position and performance within the Procurement League table and NHSI Model Hospital.</li> <li>• Effective governance</li> <li>• Compliance with SFI's.</li> <li>• Pre-populated, accurate order and pricing information.</li> <li>• Safeguards usage of approved suppliers and products.</li> <li>• Improved data capture and intelligence.</li> <li>• Mitigates risks of fraud.</li> <li>• Reduced non-contracted and maverick spend.</li> <li>• Improve patient safety through traceability of products.</li> </ul>	<p>League table position</p> <ul style="list-style-type: none"> <li>➤ Year 1 Top 10% (may be subject to change depending on model hospital developments)</li> <li>➤ Year 2 Maintain position</li> <li>➤ Year 3 Maintain and improve position</li> </ul> <p>Carter Metric 4 – Contracted Spend</p> <ul style="list-style-type: none"> <li>➤ Year 1 80%</li> <li>➤ Year 2 85%</li> <li>➤ Year 3 90%</li> </ul> <p>Carter Metric 2 – e-Catalogues % line transaction of e-catalogues</p> <ul style="list-style-type: none"> <li>➤ Year 1 70%</li> <li>➤ Year 2 75%</li> <li>➤ Year 3 80%</li> </ul> <p>Internal / Local KPIs</p> <p>CPA Lines PO Spend New Suppliers Waiver applications</p>



## Strategic Action Plan 6: Agile Working / Health & Wellbeing

The pandemic has provided the opportunity to consider how the Trust can best provide for our patients whilst maintaining the health, safety, and welfare of our staff. This has led us to working very differently via improved technology and digitisation, and lines of communication. A policy is being developed by the Trust which will provide a framework through which we can continue to work in an agile way.

**Goal:** To continue to have strong communication channels across the department and wider Trust, in order to successfully deliver the Procurement strategy whilst ensuring the health, safety and welfare of the team is maintained.

Strategy	Benefits	Measures / KPIs
<ul style="list-style-type: none"> <li>• Create virtual 'lunch' sessions</li> <li>• Utilise training sessions offered to support health and well being</li> <li>• Establish / encourage regular social events for the teams</li> <li>• Agenda item on both the monthly clinical and non clinical team meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Greater work life balance</li> <li>• Increased efficiency</li> <li>• Create a stable environment for the team to work in</li> <li>• Reduced absenteeism</li> <li>• Staff retention</li> <li>• Attractiveness as an employer</li> </ul>	<ul style="list-style-type: none"> <li>• Regular 'check ins'</li> <li>• Annual PDRs</li> <li>• Training Programmes</li> </ul>





## Strategic Action Plan 7: Procurement Profile

The benefits of promoting and increasing the visibility of the Procurement function, locally throughout the Wigan Borough, regionally via GM Procurement ICS and nationally via NHSI/E are significant. Procurement at WWL aims to lead and adopt best practise, sharing and learning from others.

**Goal:** To raise the profile of the Procurement department both internally and externally.

Strategy	Benefits	Measures / KPIs
<ul style="list-style-type: none"> <li>• Delivery of “Introduction to Procurement” or ‘Lunch and Learn sessions’ to stakeholder groups.</li> <li>• Reinstate Customer Survey</li> <li>• Entry into appropriate awards, local, national and international.</li> <li>• Review documentation regarding Procurement that is included in the Trust Induction.</li> <li>• Maintain visibility and presence across the organisation ensuring correct processes and procedures are followed, and providing advice, training and support.</li> <li>• Attend and contribute to regional and national meetings.</li> <li>• Contribute to the development of the trusts position as an anchor institute</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures awareness of Procurement and processes Trust wide, increasing compliance</li> <li>• Encourages departments to engage early with the Procurement team Actively improve the department via feedback from survey results to ensure we are serving customers to the best of our ability</li> <li>• Supports the Procurement profession.</li> <li>• Raises awareness of WWL at a regional and national level.</li> <li>• Increased understanding of other areas within the Trust.</li> <li>• Provides awareness of opportunities to generate income into the Trust.</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement in customer survey responses.</li> <li>• Ensure all divisions receive a minimum of 1 annual Introduction to Procurement session.</li> <li>• Local and / or national awards</li> </ul>



## Strategic Action Plan 8: Continued Professional Development

The development of staff is integral to the continued success of the department in delivering a cost effective and professional service. The aim is to ensure that all staff within the Procurement team receive training during the year (outside of the Trust mandatory training requirements). As a minimum, training needs will be identified annually via PDR reviews, but staff will be regularly encouraged to attend appropriate training to ensure that skills and knowledge are kept up to date. CPD is also essential for Chartered CIPS status to be applied for by those who are MCIPS qualified, a status which further demonstrates professional commitment and capabilities. In order to support this aim, the team will continue its involvement in the Skills Development Network, with a Procurement Skills Development (PSD) lead allocated – attending meetings and circulating training opportunities.

**Goal:** to ensure that knowledge and skills are kept up to date in order to deliver an excellent service to the organisation

Strategy	Benefits	Measures / KPIs
<ul style="list-style-type: none"><li>• Ensure knowledge and skills are kept up to date and improved where appropriate.</li><li>• Circulate the PSD courses.</li><li>• Create and maintain a log of CPD.</li><li>• Adherence to CIPS Code of Conduct and Ethics.</li></ul>	<ul style="list-style-type: none"><li>• The development of staff is integral to the continued success of the department and in delivering a cost effective, professional service.</li><li>• Improved motivation and confidence in the team.</li><li>• Compliance with Trust's SFI's and relevant EU Legislation.</li></ul>	<ul style="list-style-type: none"><li>• Always aim to have at least 1 person studying for their professional CIPS qualification (as appropriate)</li><li>• All members of the contracts team to hold a level of CIPS certification.</li><li>• Everyone to be L2 CIPS accredited or relevant qualification.</li><li>• All members of the Procurement team to undertake formal training.</li></ul>



## Strategic Action Plan 9: National Standards of Procurement

To encourage the continuous development of the Procurement function through increasingly higher standards, thus enabling Procurement departments to meet the challenges of the changing agenda. WWL Procurement team are currently accredited at Level 2 (reaccreditation achieved Q3 2021/2022)

Goal: Subject to the national changes being made and finalised for the National Standards a goal cannot yet be finalised. As an interim we will continue to work toward maintaining our current Level 2 Accreditation.

(Current Accreditation expires Sept 2024)

Strategy	Benefits	Measures / KPIs
<ul style="list-style-type: none"><li>• Regular attendance at PSD meetings</li><li>• Implement quarterly meetings to review standards</li></ul>	<ul style="list-style-type: none"><li>• Ensures best practice Procurement is being adhered to.</li><li>• Supports other Trusts in the achievement of their standards of Procurement accreditation.</li><li>• Champions the profession.</li><li>• Raises the profile of the Procurement function</li><li>• Encourages high standards</li></ul>	<p>Year 1 – ensure that L2 accreditation is maintained</p> <p>Year 2– TBC</p> <p>Year 3– TBC</p>



# Strategic Action Plan 10: Materials Management (pending BC)

Strategy	Benefits	Measures / KPIs



# Procurement Structure

