

# North West London Procurement Alliance Business Plan Summary 2018-19

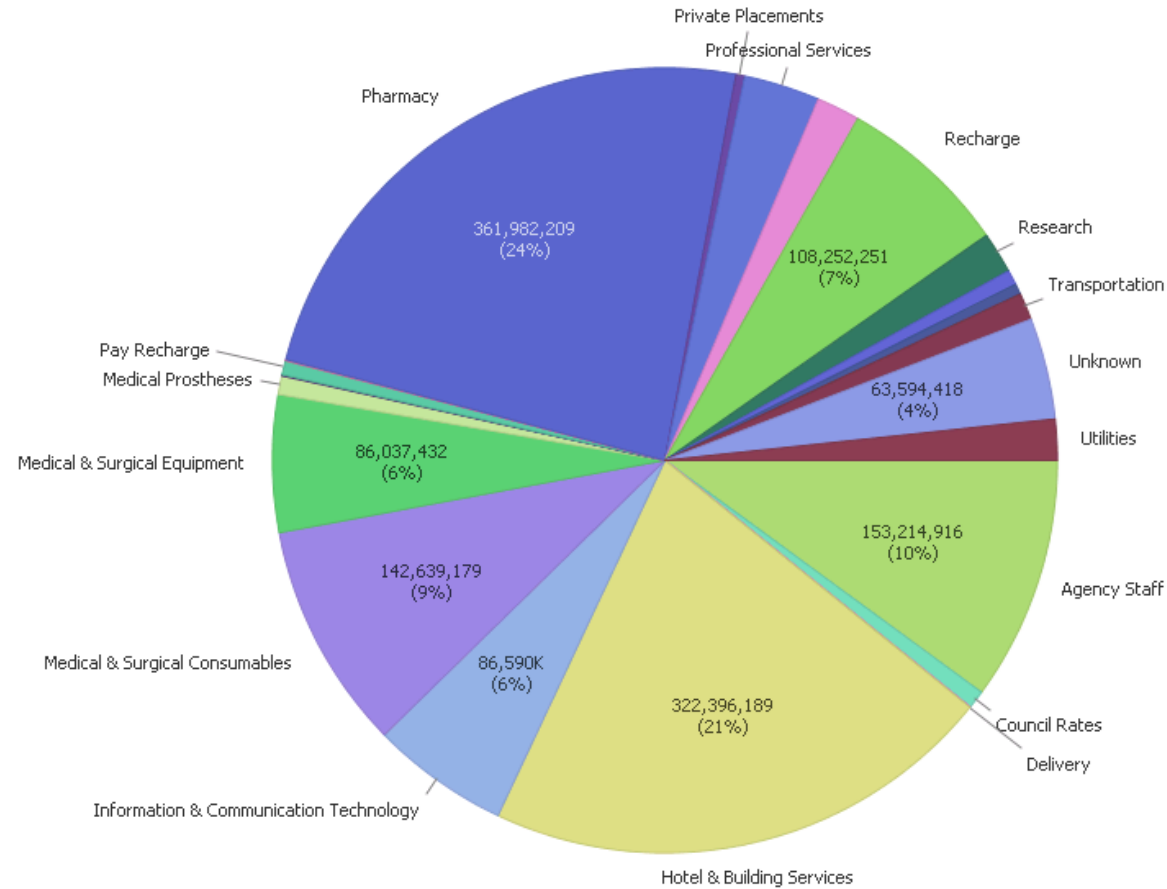
IAN WHITE – DIRECTOR NWL PROCUREMENT ALLIANCE

# What is the North West London Procurement Alliance?

- ▶ Ten provider NHS trusts from across North West London working together with the 8 CCGs to improve procurement strategy and operations
- ▶ Established 2016 via an agreement between the NHS organisations
- ▶ Recognises the strength of working together to achieve more
- ▶ Acknowledges that all members can make a contribution regardless of their circumstances
- ▶ The alliance shall improve value for money on influenceable non-pay through better procurement and contract management

# FY 2015-16 Expenditure across NWL

Pane: None



Pane: None

# FY 2015-16 Category Expenditure across NWL

## Category vs Spend/£ Per Member

	ICH	LNWHC	ChelWest	TRM	CNWL	WLMH	HIL	Total
Agency Staff	32.37M	53.51M	14.01M	11.40M	18.33M	14.49M	9.11M	153.21M
Hotel & Building Services	72.46M	53.53M	41.17M	30.67M	24.66M	89.55M	10.51M	322.56M
Information & Communication Technology	21.91M	11.41M	12.09M	8.11M	27.56M	2.99M	2.48M	86.54M
Medical & Surgical Equipment	65.43M	9.73M	2.46M	1.07M	380.0K	311.3K	6.66M	86.04M
Pharmacy	118.28M	57.18M	75.66M	68.32M	24.02M	2.36M	16.17M	361.98M
Professional Services	14.64M	10.68M	14.07M	3.26M	2.34M	1.76M	826.7K	47.58M
Recharge	34.52M	20.04M	28.19M	11.02M	11.34M	2.80M	342.3K	108.25M
Staff	4.64M	1.69M	219.8K	1.22M	622.9K	336.4K	634.0K	9.37M
Training	866.4K	1.11M	1.26M	1.03M	938.8K	975.0K	486.8K	6.67M
Transportation	7.43M	4.19M	2.00M	1.06M	1.07M	344.1K	779.3K	16.87M
Unknown	4.27M	5.01M	9.52M	15.26M	16.42M	11.53M	1.56M	63.56M
Utilities	11.15M	6.64M	3.01M	252.2K	698.5K	1.87M	1.82M	25.45M
Medical & Surgical Consumables	30.83M	52.83M	22.15M	24.40M	4.36M	113.7K	7.95M	142.64M
Purchased Healthcare Services	7.00M	8.37M	948.4K	8.39M	1.32M	93.6K	1.02M	27.15M
Council Rates	4.30M	3.29M	118.7K	99.6K	1.49M	1.29M	855.4K	11.45M
Medical Prostheses	4.19M	2.94M	2.67M	655.1K	0	0	1.15M	11.60M
Pay Recharge	0	257.8K	3.09M	2.62M	2.40M	0	490.2K	8.86M
Research	20.22M	206.1K	-5	5.31M	20.8K	77.1K	0	25.83M
Petty Cash	14.4K	969	0	199.1K	40.5K	519.8K	19.2K	794.1K
Private Placements	0	0	0	630	5.33M	170.9K	0	5.50M

# Key themes of the 2018-19 Business Plan

- ▶ Achieve in year savings of at least £3.8m.
- ▶ Develop the skills of procurement teams
  - ▶ General skills training like data analysis, communication and negotiation skills
  - ▶ Specific training in standardised approaches, category management, stakeholder engagement, contract management
  - ▶ CIPS Level 4 Corporate Award training through an initial cohort of 15 NWL candidates
- ▶ Improve data quality and completeness
- ▶ Common systems and processes, procedures and documentation
- ▶ Shared programme of work divided between trusts working for each other

# 2018-19 Business Plan - projects

- ▶ Devised from the category management assessment training and workshop
- ▶ A rolling programme of work to deliver 60 projects through 10 themes across a broad range of trust expenditure
- ▶ Address over £300m of expenditure
- ▶ Projected In year savings c£3.8m
- ▶ Potential opportunity - c£17m

# Summary of Key Activity

**Funding agreed at the level set for 17/18 - with further investment subject to a robust business case.**

**Expected delivery of £3.8m savings in year.**

## **Priority Investments**

- Staffing - Procurement Director, Programme Lead, Programme Managers x 2, Clinical Nurse Advisor
- Specialist Expertise (Consultancy) - Supply Chain, Negotiation Skills Training, Procurement Processes
- Data Analysis Support - Support to use of PPIB & Procurement Dashboard (deep analytics)

## **Exclusions**

- Specialist training support (exc negotiation)
- Leadership Development (exc initial team roles / team expectations workshop)
- Procurement Systems (e.g. eCatalogue, GS1)

# Resource Position

<b>Procurement Director</b>	In-post (secondment to Oct 18 with view to extend)	▲
<b>Programme Lead</b>	In-post (fixed term 31/3/19)	▲
<b>L&amp;D Lead</b>	In-post (fixed term 31/3/19)	▲
<b>Programme Support</b>	In-post (bank as required)	▲
<b>Clinical Nurse Advisor</b>	Shortlisting to interview w/c 21/5 (fixed term 31/3/18)	○
<b>Negotiation Training Subject Matter Expert</b>	PO Raised / Cohort 1 Summer	▲
<b>Supply Chain (4-5 mths)</b>	PO Raised / Commenced	▼
<b>Spend Analytics Support (12 mths AdviseInc)</b>	PO Raised / Commenced	▲
<b>Procurement Process Subject Matter Expert (4-5 mths)</b>	Starting spend approval process	○

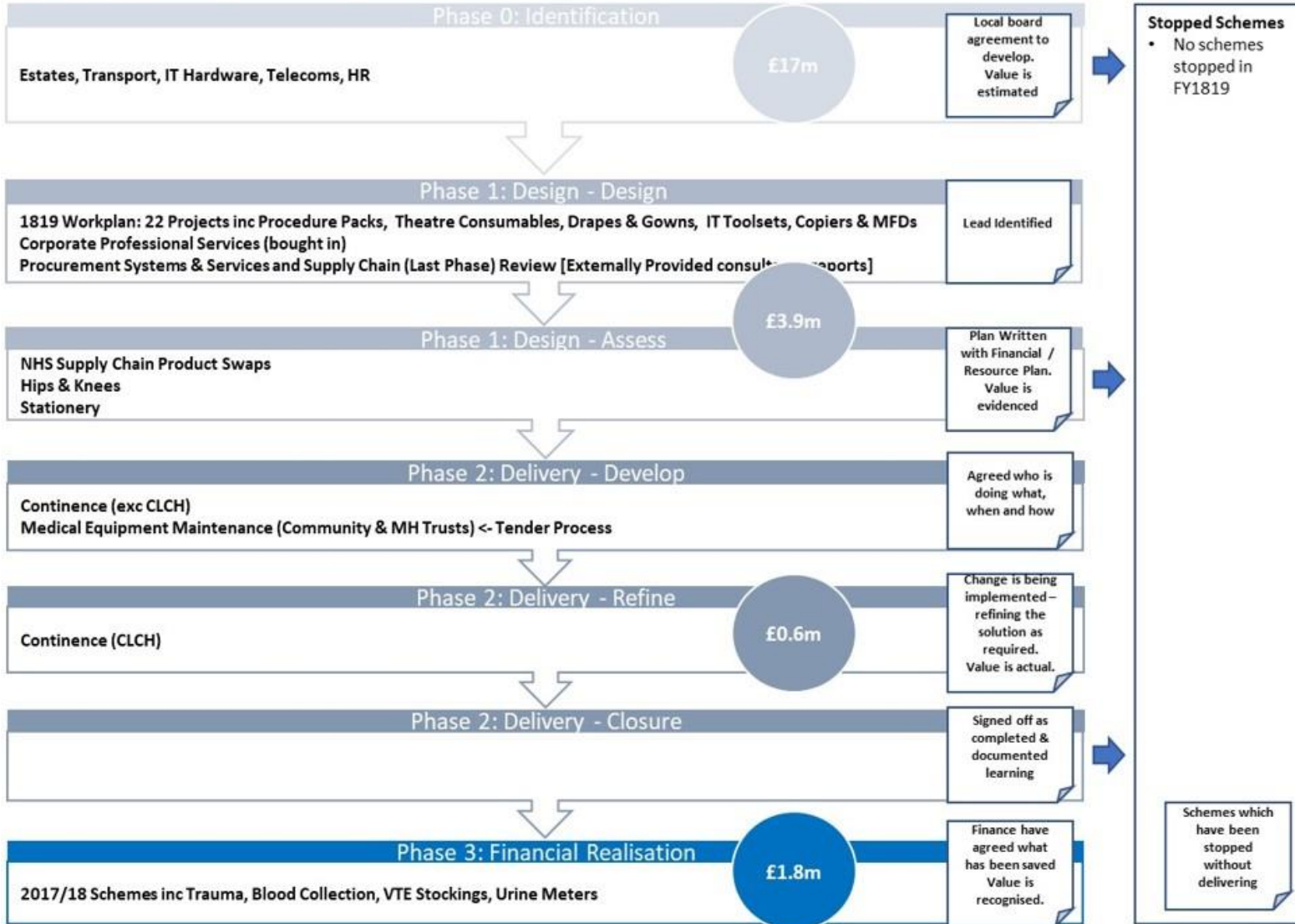


# Training Plan: Summer 2018

<b>CIPS Corporate Award (Level 4)</b>	16 Candidates across STP <b>(Candidates Identified)</b>	Module 1: 11-12 July / Module 2: 17-18 September Module 3: 19-20 November / Module 4: 25-26 Feb Module 5: 29-30 April
<b>Leadership Forum (Belbin &amp; Benchmarking)</b>	Senior Teams <b>(Candidates Identified)</b>	17 May, Stephenson House
<b>Negotiation Training</b>	Heads of Procurement (10 places) ** TO review suitability for further roll out **	Classroom: 2 days in June with group work afterwards
<b>Category Management Part 2</b>	Open to all trusts <b>(invitation to be sent to HoPs for cascade)</b>	1 day w/c June 24 <sup>th</sup> (subject to venue)
<b>Category Management Part 3</b>	Open to all trusts <b>(invitation to be sent to HoPs for cascade)</b>	1 day 10 <sup>th</sup> or 11 <sup>th</sup> September (subject to venue)
<b>Spend Analytics</b> <b>(PPIB &amp; Procurement Dashboard)</b>	Available to all trusts either centrally or locally. Contact Ian / Rebecca to arrange	Half Day sessions (as required)

# Procurement

April 2018



## Schemes Underway

- Approx 20 schemes launched
- 50% of draft PIDs reviewed at May Steering Board
- Data collection underway where appropriate using PPIB / PD and local Trust sources
- Market Intelligence and Other Data Gathering underway (e.g. toolset audit collection)
- Timescales being agreed for each scheme
- Standardisation and Procurement Activities to commence later in Q1

Ian White meeting with each HoP on a Monthly basis to discuss programme and progress.

<- Diagram to left shows how schemes align to the agreed Provider Productivity Lifecycle, and will be reported on a monthly basis.

# Progress Against Core Themes

## Theme 1: Savings

Programmes launched

PIDs being written

Further programmes being scoped

Need for HOPs and Trusts to own 'their projects'

## Theme 2: Skills

Training programme developed

CIPs level 4 Corporate Award programme launched

Negotiation Training pilot programme launched

Category Management training launched

## Theme 3: Data

6 / 9 trusts live on Procurement Dashboard

CLCH: Revised data uploaded 14/5 to address outstanding delays

RMH: Issue relating to links with SBS

WLMH: Data being reviewed and uploaded

## Theme 4: Process

THH: Achieved Level 1 Standard of Procurement

Other Acutes to be reviewed

Formal Process activity to commence in late – Summer

Developing STP level clinical product selection and exception process including governance

# Conclusions and Questions

- All trusts need to work in partnership with others and the centre to achieve transformational change
- Aggregation is of itself a blunt instrument – real innovation is needed
- Working together enables expertise to develop, is much more strategic and supports real innovation
- Alliances are easier to establish, cheaper, more agile and effective than mergers
- By building trust skills these are embed people in local operations and create trusted advisors

