**Procurement Transformation Plan**

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| **Trust name** | **Manchester University NHS FT** |
| **Completed by** | **Simon Walsh-Group Procurement Director** |
| **Date** | **Wednesday 6th June,2018** |

1. **Executive Summary**

Manchester University NHS Foundation Trust(MFT) was created on1st October,2017 after the merger of two predecessor Trust – Central Manchester University Hospitals and University Hospital of South Manchester.

MFT has an annual plan non-pay spend of £692m of which around £400m is influenceable (including drugs) and after removing PFI and other payments.

MFT Group Procurement costs £2.8m per annum and employs 96 staff across 4 main sites including Accounts Payable.

A strong track record of supporting non-pay procurement has ensured continued service modernisation and savings achievement. The Trust has achieved an annual average of £7m cash releasing and cost avoidance savings

May,2018 saw the Trust achieve the biggest and most ambitious system change in finance&procurement in the NHS – the adoption of a single Integra Cloud platform after a 4-month project.

MFT now has a unified requisitioning; ordering; receipting; payments and financial management system that will form the ‘engine’ for this refreshed PTP.

The Procurement function has overall responsibility for the Trust’s non-pay spend with a simple ‘line of sight’ from the Board through the Chief Finance Officer and Group Director of Finance to the Group Procurement Director.

The Procurement function provides both Trust-wide Group services and Hospital/Managed Clinical Services specific services through a ‘once only model’ that utilises the purchasing power of MFT.

1. **Trust Procurement Performance**

This analysis reflects the combined MFT position from the legacy predecessor organisations of Central Manchester University Hospitals NHS FT and University Hospital of South Manchester NHS FT.

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| **MEASURES** | **PERFORMANCE** | **Commentary (including what has been implemented since submission of original PTP and consideration as to what support is required)** |
| **Carter Target** | **Current** |  |
| 1 | Monthly cost of clinical and general supplier per ‘WAU’ | **NA** | **£548.52** | Combination of former CMFT and UHSM. |
| 2 | Total % purchase order lines through a catalogue  | **80%** | **90%** | Achieved |
| 3a | % of invoice value matched to an electronic purchase order | **90%** | **77%** | 90% will be achieved in 2018/19. |
| 3b | % by count of invoices matched to an electronically generated purchase order | **90%** | **85%** | 90% will be achieved in 2018/19  |
| 4 | % of spend on a contract | **90%** | **81.7%** | 90% will be achieved in 2019/20 Qtr 1 |
| 5 | Inventory Stock Turns | **NA** | **39 Days** |  |
| 6 | NHS Standards Self-Assessment Score(average total score out of max 3) | **Please complete NHS Procurement & Commercial Standards template (section 3. 2)** | Level 2 |
| 7 | Purchase Price Benchmarking Tool Performance | **NA** | **82.04** |  |

1. **Procurement Transformation Plan - Summary**

This section should summarise the measures which have been implemented since the completion of the original PTP, and any impediments you have experienced, and the support you require to overcome these.

For consistency, we have split out the key activities into the sections as per the original PTP.

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| 1. **People & Organisation**

The MFT Procurement Department is a well-resourced and efficient function that is committed to the development of its staff.The development of a multi-skilled and ‘rounded’ workforce has been aided by a dedicated training budget and an ethos at all levels that celebrates being part of Procurement and of MFT. |
| **Measures Implemented**  | The Departmental structure has constantly developed and overall through prudent investment a career structure within MFT Procurement has been developed both within and across all the Teams.CIPS qualification is both encouraged and 75% funded ensuring that Group Hospitals/Manged Clinical Services(MCS) receive professionally qualified advice.MFT has strengthened its Data Team and consolidated all reporting activity. The maintenance of a unified corporate service rather than devolving resources to Group Hospitals/MCS reflected the Trust’s confidence in being able to deliver a service that meets the requirements of MFT. |
| **Impediments and support**  | The Department has continued to recruit in a competitive and challenging market resulting in a high churn of staff.The attractiveness of MFT staff to other Trust has also impacted on the stability of Teams.MFT has protected the Procurement budget though there has been a requirement to achieve on-going efficiency savings in operating costs. |

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| 1. **Processes, Policies & Systems**

MFT has consolidated all reporting into a single suite so the positions of the two former Trust are now no longer reported.A 12-month programme from July,2018 to June,2019 is in place to achieve the full consolidation of the service across MFT. MFT has appointed a Clinical Procurement matron and revised its clinical engagement structure |
| **Measures Implemented**  | Modernised materials management service at the Wythenshawe siteUnified structure emphasising functional responsibilities rather than site basedA Purchasing Procedure manualRevised Procurement of Goods and Services PolicyClinical Procurement Matron appointed and revised clinical engagement structure agreed  |
| **Impediments and support**  | National decision to reassess at Procurement Standards Level One has been challenged given CMFT (2/3rds of MFT) was the first Trust to achieve Level Two.Operational Procedure Manual to be refreshed.The continued roll-out of Genesis Inventory Management will be predicated on Hospital/MCS and not corporate funding. |

***Please complete the embedded NHS Procurement & Commercial Standards template below.***



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| 1. **Partnerships and Collaborations**

MFT enjoys and reciprocates a strong network of support and is proud of its recognised role as an exemplar and system leader.Key relationships include;With Greater Manchester Provider Trusts through the Health&Social Care Partnership and especially the Northern Care AllianceWith the Shelford TrustsWith Greater Manchester TrustsWith the North West Procurement Development Office and North West TrustsWith Manchester City Council and Manchester UniversityWith the Association of Greater Manchester AuthoritiesWith NHS SBS; NHS Supply Chain and NHS Improvement |
| **Measures Implemented**  | MFT has continued to maintain the above relationships believing that irrespective of size commercial markets and supplier relationships demand cooperation. |
| **Impediments and support**  | MFT believes in aggregated and a shared procurement model across Greater Manchester – the speed of and commitment behind this change has been limited. |

1. **Risks and issues**

**Future Operating Model**

MFT will continue to proactively engage with colleagues developing the Future Operating Model and ensure that the Trust needs are fully reflected.

An initial assessment indicates that the current MFT FOM category utilisation is 45% with a potential to achieve 55% stretching to 60% (against a target over 3 years of 80%).

The above is likely to reflect the Trusts’ non-pay mix; specialities and extensive range of existing managed services arrangements.

**Capacity**

MFT has committed to a ringfenced budget for Procurement during 2018/19 and 2019/20 providing stability whilst achieving efficiencies – the key risk is the challenge of recruitment and retention of staff.