

NHS Forth Valley

Procurement & Logistics Strategy

2010 - 2013

Approved date:

Review date:

FOREWORD

Following the Publication of the Review of Public Procurement in Scotland - Report & Recommendations by John F. McClelland CBE in 2006 and the subsequent assessment of Procurement Capability within NHS Forth Valley; conducted by NHS National Procurement. NHS Forth Valley developed a four year strategy to improve the performance, presence and remit of their Procurement function.

The first strategy was approved by the Executive Group in July 2007 and focused on a number of key areas for development:

- **Cost Reduction and Cost Avoidance** – delivering real savings to NHS Forth Valley from National Contracts, local initiatives and efficiency improvements.
- **Engagement with the NHS National Distribution Centre (NDC)** – reduce local stock holding and establish the NDC as the main source of supply of ward consumable items such as paper products, dressings, wipes, etc.
- **Introduction of Ward Product Management (WPM)** – an integral part of engagement with the NDC supply chain is to have Procurement take over the ordering, delivery and stocking of ward supplies releasing nursing time to care.
- **Procurement Remit** – extend the influence/involvement of the Procurement Department across NHS Forth Valley not just “stores”.
- **E-procurement** – improve efficiency of ordering including invoice matching, requisition approval and introduce tighter controls on what is ordered.
- **McClelland Capability Assessment** – demonstrate continuous improvement across the key elements measured each year during the assessment.
- **Logistics solution for Forth Valley Royal Hospital (FVRH)** – the Project Company is responsible for the internal movement of goods within the hospital.

In the past three years the NHS Forth Valley Procurement Department has:

- Delivered £1.5 million in savings and cost avoidance;
- Fully engaged with the NDC and implemented the National Logistics model one full year ahead of target;
- Implemented Ward Product Management across 32 departments/wards in the acute hospitals;
- Established itself as a key member of the Health Procurement Delivery Group;
- Consistently been assessed to be within the upper quartile for procurement performance in NHS Scotland.

This revised strategy has been drafted in the context of the current and challenging economic environment. Furthermore it acknowledges future opportunities and builds on previous successes.

I would like to pay tribute to the hard work and achievements of the procurement team in supporting to the clinical service units in pursuit of their organisational objectives and in particular to Bob Jarvis, Head of Procurement, who has provided the focus and operational leadership to the department for the past three years.

*Jonathan Procter
Director of Strategic Access & Capacity Planning
Executive Lead - Procurement*

SUMMARY

This Procurement Strategy sets out the work required to ensure that NHS Forth Valley meets the expectations of our customers; is capable of being measured against best practice and has developed consistent ways to promote continuous improvement towards procurement excellence.

The main driver is the agenda set by the Review of Public Procurement in Scotland Report & Recommendations 2006 (McClelland Report) and now being fulfilled by Scottish Government.

This strategy has been aligned with the NHS National Services Scotland Corporate Strategy 2009/10 to 2012/13.

The main elements involve planning changes in how we currently undertake corporate procurement and how we will continue to develop a world class procurement function within the period of the strategy. This includes the following main objectives:-

Performance

- To meet the recommendations of the McClelland Report on Public Sector Procurement Reform.
- To embrace and promote a culture of continuous improvement.
- To meet the performance management requirements of the NHS and the Public Sector Procurement Reform Board.

Governance

- To develop appropriate governance and quality standards arrangements for NHS Forth Valley Procurement including the establishment of an NHS Forth Valley Procurement Steering Group.

Resources

- To further develop an integrated NHS Forth Valley Procurement function, serving the needs of all NHS Forth Valley and our collaborative partners.
- To resource the Procurement Department appropriately to meet the evolving needs throughout the period of the strategy and the varying levels of maturity attained.

Collaboration

- To fully engage with NHS National Procurement as the Centre of Expertise for procurement across NHS Scotland.
- To develop partnerships with stakeholders including customers and key suppliers.

Sourcing

- To maximise NHS Forth Valley uptake of national procurement contracts and other collaborative opportunities.
- To operate in a socially responsible and ethical manner ensuring compliance with all procurement legislation and guidance in our activities.

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1 INTRODUCTION

1.1 Structure of the strategy

This Strategy represents the further development of the five year Procurement & Logistics Plan approved by the Executive Group in July 2007. It recognises the major changes in structure and service delivery as a result of being fully engaged with the NDC as the main supplier of ward/department consumables. The strategy also recognises the additional requirements and opportunities presented by the forthcoming opening of the Forth Valley Royal Hospital and the logistics solutions that will require implementation.

This Strategy sets out the work required to ensure that NHS Forth Valley procurement meets the needs of its customers; is capable of being measured and has developed plans to promote continuous improvement towards procurement excellence.

This strategy recognises the results of the annual Assessment of Procurement Capability undertaken by the NHS National Procurement Centre of Excellence. NHS Forth Valley procurement will implement a plan to achieve procurement excellence. This Strategy represents a way forward for the next three years. Through its implementation NHS Forth Valley procurement will be capable of measuring and benchmarking its activities.

The implementation of this Strategy will require close collaborative working by the NHS Forth Valley Procurement Department with colleagues across the NHS (including Partnership working where appropriate); external consortia Boards developed through the Shared Support Services Programme; all appointed National Centres of Expertise and in particular NHS National Procurement.

The structure of this document aligns NHS Forth Valley Procurement with the strategic requirements, vision and goals of NHS Scotland and corporate National Services Scotland publications, and through those, aims to contribute to the required outcomes of the Better Health, Better Care – Action Plan 2007 and meet the recommendations of the Review of Public Procurement in Scotland 2006.

It should be noted that the NHS Forth Valley Procurement Department is not responsible for the procurement, stocking and distribution of pharmaceutical items. The NHS Forth Valley Procurement Department will, however, work collaboratively with these and other departments to ensure that assistance, guidance, consistency of standards and best practice is captured, shared and maintained.

1.2 Definitions

Procurement

Procurement is the process of the acquisition, usually by means of a contractual arrangement after open competition, of goods, services, works and other supplies. This definition covers both conventionally funded and more innovative types of procurement. The process spans the whole life cycle from mutual conception and definition of need, to the end of the useful life of an asset or the end of a contract and concerns itself with achieving best value for money.

Best Value for Money

The concept of best value for money is defined as the optimum combination of whole life cost and quality (or fitness for purpose) to meet the customer's requirements. While best value for money will be the primary objective of procurement policy, this definition allows for the inclusion, as appropriate, of social, economic and environmental goals within the procurement process.

1.3 Aims

The aims of this Strategy are to set out:

- **What** NHS Forth Valley procurement support we propose to deliver to NHS Forth Valley over the next 4 years to assist their contribution to transforming the health and well being of the people of Forth Valley;
- **How** NHS Forth Valley procurement will enhance both the quality of our services and our ways of working so that we become valued over that period, as a world-class partner who consistently meet customer expectations.

NHS Forth Valley procurement also recognises that our activities have an effect on the society in which we work, and that developments in society affect our ability to work successfully. NHS Forth Valley Procurement Department is committed to achieving environmental, social and economic aims that tackle these effects.

It is recognised that this will require progressive and sustained change over a number of key areas throughout the three year period of the Strategy, particularly within the first three years.

To meet the Aims of NHS Forth Valley the Procurement Department will require to be consistently delivering satisfactory outcomes over the nine key areas for measured continuous improvement as set out in the NHS National Centre of Expertise, Procurement Capability Assessment. These are:

- Strategy and Objectives
- Sourcing Strategy Development
- Purchase Demand Management
- Supply Base Management
- Requirements - Planning and Control
- Goods and Services Provision
- Structure and Organisation
- People
- Performance Measurement

Through the annual review process set out for this Capability Assessment, NHS Forth Valley Procurement will require to demonstrate year on year improvement in each of these areas.

1.4 Context

NHS Forth Valley depends on external organisations to provide goods and services. It is therefore important that NHS Forth Valley maintains a clear corporate strategy for selecting, purchasing, receiving and managing these resources. The way in which Forth Valley procure goods and services is defined in the Standing Financial Instructions.

The McClelland Report set out a vision of increased efficiency and professionalism through structured collaboration and a national effort to adopt best practice. This is applicable to all Public Sector bodies throughout Scotland, including NHS Forth Valley.

The Scottish Government has agreed 83 recommendations made within the McClelland Report for implementation across the Public Sector. NHS Forth Valley requires to demonstrate, through the annual Capability Assessment referred to at Section 1.3 and provision of regular reports to Scottish Government, year on year progress against implementation of these recommendations where they apply directly to the organisation; and also against the outcomes of those recommendations remitted to other parties such as the National Centres of Procurement Excellence (NCoPEs) to develop further, where they apply to NHS Forth Valley.

The Public Sector Procurement landscape is undergoing considerable change with pressure to deliver performance improvements and to achieve financial savings through more efficient and coordinated service delivery. In addition to this, the new National Centres of Expertise for Procurement, such as NSS National Procurement, are transforming the way that the public sector contracts for goods and services. The planned management of commodity categories of Public Sector Procurement to reflect those commodities that are best procured for the public sector nationally; by sector and locally will also impact on the way we conduct our business and who we conduct it with.

The Centres of Excellence have a vital role to play in promoting best practice, delivering efficiencies and maximising the use of limited resources through collaboration. The NHS Forth Valley Procurement Department have an equally vital role to play in ensuring that NHS Forth Valley is fully engaged in the work of the NCoPE and the identification, development and implementation of best practice processes in our ways of working. There are existing areas of very good practice in place within NHS Forth Valley. These must be built upon and expanded to all parts of the organisation, along with integrating and embedding beneficial findings from other bodies.

There may also be scope to develop the provision of procurement services to assist other organisations to deliver sustainable efficiencies. This will be particularly relevant with partner organisations within the Local Authorities and other Public Bodies

In addition the scale of some partner organisations may limit their capacity to deal with the increasingly complex area of procurement legislation and therefore their ability to ensure compliance. This is a further area where NHS Forth Valley, through both its own Procurement Department working along with NSS Central Legal Office and NHS National Procurement can deliver packages of professional expertise.

Purpose and Vision

2.1 Purpose, mission, values and vision

As part of the development of this Strategy, work has been undertaken to determine our purpose, mission, values and vision. The outcomes from this work are reflected below.

2.1.1 Purpose

The purpose of NHS Forth Valley Procurement within NHSS is to deliver effective local, national and specialist services which enable and support improvements in the health and well being of all the people of Scotland.

Within that context NHS Forth Valley Procurement is tasked with delivering an efficient and effective range of customer focussed procurement activities, in a manner, which delivers sustainable value for money through ethical purchase of goods and services on behalf of NHS Forth Valley.

2.1.2 Mission

NHS Forth Valley Procurement enables and supports the delivery of best practice and value for money procurement of goods and services to assist in the delivery of better health and better care.

2.1.3 Values

The principle values of NHS Forth Valley Procurement are:

- Customer focus through helping others;
- Openness and transparency in all our work;
- Integrity in our ways of working & decision making processes;
- Mutual Respect and recognition of each persons contribution;
- Excelling & Improving through a continuous improvement culture;
- Commitment to staff through team working and development.

These values reflect the NHSS organisations principal values.

2.1.4 Vision

NHS Forth Valley procurement vision over the period of this strategy is to develop through a process of continuous improvement, to become valued as a world class Procurement Department that equitably enables and supports the delivery of the business plans of all NHS Forth Valley stakeholders and external collaborative partners.

2.2 Key Themes for Delivery

The NHS Forth Valley Procurement Strategy sets out the seven Strategic Enhancement Themes (Seven Set) to be taken forward to deliver our agreed Strategic Actions. NHS Forth Valley Procurement will adhere to these seven themes within implementation of the Procurement Strategy.

Our Service Enhancement Themes:-

- Improve Customer Service
- Ward Product Management
- Strengthen our Partnership Working
- Ensure our Quality and Innovation

Our Ways of Working Enhancement Themes:- Our processes

- Modernise our Working Practices

Our people:-

- Enhance our Leadership Capability
- Develop our People

Actions to fully develop the themes will be a key focus for the first year of the Strategy, with more detail on subsequent steps emerging as we proceed.

Accordingly, in line with the overall NHS Forth Valley Integrated Healthcare Strategy

- Deliver cost reduction
- Maximise efficiency and productivity
- Identify, capture, and share good practice.
- Embed into 'business as usual' the principles of excellence driven by a strong focus on best practice; customers' and stakeholders' needs.
- Organise delivery of the 2010 actions, to build momentum for achieving our three year Strategic vision.
- Systematically work through the specific imperatives of the McClelland Report recommendations, to assess exactly what is needed to improve NHS Forth Valley with its requirements, in terms of:-
 - how NHS Forth Valley Procurement need to improve our Procurement service delivery.
 - how NHS Forth Valley Procurement need to modify our ways of working to deliver service improvement.
 - how Forth Valley Procurement will promote continual best practice throughout NHS Forth Valley.
 - how best NHS Forth Valley Procurement can work with NCoPE, other Boards and stakeholders to progress towards contributing to achievement of NHS Forth Valley strategic objectives.

1. Service Enhancement - Improve Customer Service

Aims	Objectives	Actions
<p>To deliver sustainable value for money Procurement services which meet customer expectations.</p>	<p>1. To implement a comprehensive procurement strategy which delivers the maximum benefits to NHS Forth Valley</p>	<p>1. Identify those contracts, which support corporate MHD Forth Valley activities Complete</p> <p>2. Identify and agree key commodities or contracts that will be targeted for quantified efficiency savings. April 2010</p> <p>3. Develop a Procurement manual with improved training, guidance, procedural notes, checklists and educational materials for all processes. September 2010</p> <p>4. Develop improved dissemination of procurement regulatory and legislative guidance. Attend Course during 2010</p> <p>5. Promote NHS Forth Valley customer engagement in appropriate NP Strategic Sourcing - Commodity Advisory Panels (CAPs). Ongoing action by Implementation Manager.</p> <p>6. Develop techniques for measuring customer services effectiveness. Increase the use of customer surveys throughout 2010/11.</p>

2. Service Enhancement – Ward Product Management

Aims	Objectives	Actions
<p>To provide departments with a stock management system to eliminate stock outs, reduce wastage and free up nursing time spent on logistics.</p>	<ol style="list-style-type: none"> 1. To maintain and expand the Ward Product Management Service currently in place in SRI and Falkirk. 2. To set up and deliver WPM in relevant departments in FRVH. 3. Consider expanding the service at FVRH once the move is complete. 	<ol style="list-style-type: none"> 1. Begin a comprehensive review of stock levels on all WPM wards. Commence March 2010. 2. In agreement with ward staff reduce stock levels where possible. Commence March 2010. 3. Design the “ideal” layout for the ward storage areas in the RFVH standardising the layout to improve efficiency for both logistics and ward staff. June 2010 complete by end July 2010. 4. Plan the new stock levels for FVRH and stock the storage areas prior to patients arriving on ward. July 2010 through October 2010 and into phase 3 of the move. 5. Plan the movement and consumption of stock left on the ward following the departure of the patients. From July 2010 onwards. 6. Following the completion of the move in August 2011 review the work level and staff workload to ascertain whether the WPM programme can be expanded. Commence November 2011.

3. Service Enhancement - Strengthen our Partnership Working

Aims	Objectives	Actions
<p>To develop trust based relationships with all customers, stakeholders and suppliers.</p>	<p>1. To ensure that partnership working, in terms of NHS Forth Valley Partnership Policy, forms an integral part of the workplan for activities that may impact on ways of working for staff.</p> <p>2. To apply the terms of the Scottish Government's Suppliers Charter and promote its adoption by NHS Forth Valley</p>	<ol style="list-style-type: none"> 1. Develop and implement an effective procurement communications strategy. Commence October 2010. 2. Identify our key strategic suppliers. Complete by April 2010. 3. Develop effective and innovative partnership arrangements with suppliers and implement a consistent contract management strategy. 3 suppliers already engaged expand to top 10 by March 2011. 4. Develop a generic Code of Conduct for dealing with suppliers and customers. October 2010. 5. Perform effective contract management tools, drawing on expertise of National Procurement. Complete by June 2010. 6. Maintain a comprehensive and accessible supplier and contracts database. Complete March 2010. 7. Provide guidance to prospective suppliers wishing to do business with NHS Forth Valley. Ongoing.

4. Service Enhancement – Ensure Quality & Innovation

Aims	Objectives	Actions
<p>To support the application of robust and professional governance, management and operational standards to all procurement activities and expenditure.</p>	<ol style="list-style-type: none"> 1. To ensure that NHS Forth Valley has appropriate governance and accountability standards in place. 2. To ensure that appropriate quality standards are in place for all aspects of NHS Forth Valley procurement. 3. To ensure that accurate, complete, timely and auditable records are maintained and available. 4. To ensure that the requirements of guidance issued by the Scottish Procurement Directorate in the form of Scottish Procurement Policy Notes (SPPNs) are adopted by NHS Forth Valley 	<ol style="list-style-type: none"> 1. Establish an NHS Forth Valley Procurement Steering Board with appropriate representation. April 2011. 2. Review and update appropriate sections of NHS Forth Valley SFI's. Ongoing as required. 3. Engage with NSS CLO at appropriate timescales to ensure correct contract application. Ongoing as required. 4. Assess current ways of working and subject them to rigorous review to identify areas for improvement in quality, efficiency and effectiveness. Review progress quarterly. 5. Ensure maintenance of NHS Forth Valley data on the Scottish Government supported data warehouse and use of its tools to enable targeted efficiencies and benchmarking. Annually. 6. Maintain networks with other organisations to enable identification and transfer of best practice. Ongoing. 7. Work collaboratively with other areas of NSS to plan and implement change. Ongoing. 8. Ensure contracts are awarded in line with best practice, legislative requirements and have a full audit trail available. Ongoing.

5. Ways of Working - Enhancement – Modernising our Working Practices

Aims	Objectives	Actions
<p>To promote, demonstrate and help Departments and partners realise the benefits from new ways of working including those attainable from e-Procurement.</p>	<ol style="list-style-type: none"> 1. To promote and support more efficient and effective ways of working. 2. To support the implementation of eProcurement Scotland (ePS) requirements throughout NHS Forth Valley 3. To maximise the use of the Scottish Government supported data warehouse to identify target areas for improved efficiency. 4. To work with NP to maximise NHS Forth Valley supplier adoption capability for e-Business. 	<ol style="list-style-type: none"> 1. Develop plans for approval by the Procurement Steering Group, for the structure of NHS Forth Valley Procurement. By March 2010. 2. Gain NHS Forth Valley wide commitment to the continued roll out of ePS capability and tools. Ongoing training. 3. Ensure plans are developed, resourced and delivered to permit the roll out of ePS. Ongoing. 4. Establish and support an NSS ePS User Group. March 2010. 5. Represent the interests of all NHS Forth Valley Divisions in discussions with the NCoE. Ongoing. 6. Maximise development and use of the Spikes Cavell Observatory. Fully compliant. 7. Maximise the capability, integration and roll-out of existing and planned Purchase to Pay systems as part of NSS Pathfinder proposals as part of the NHS SSS Programme. Pilot scheme by October 2010. 8. Eradicate the use of paper based systems within the Procurement cycle for anything other than emergency business continuity purposes. Ongoing training of staff.

6. Our People – Enhance our Leadership Capability

Aims	Objectives	Actions
<p>Visibility and positive impact of leadership in delivering the aspirations of the mission, values and vision of the Procurement strategy.</p>	<ol style="list-style-type: none"> 1. Customer and supply base with high confidence levels. 2. Decisions and outcomes aligned with overall NHS Forth Valley strategic goals. 3. To establish a management information system that meets the needs of NHS Forth Valley and its partners. 4. A strategic and collaborative approach to market engagement and sourcing. 	<ol style="list-style-type: none"> 1. To routinely engage with customers and suppliers at a senior level. Ongoing. 2. Develop a strategy for communications, which encompasses the most appropriate media methods to maximise coverage for all customers. October 2010. 3. To work with customers to establish the information data sets needed. Ongoing through SSUG etc. 4. To develop and implement Scottish Government Health Directorates requirements in respect of reporting on progress against Best Practice Indicators for Public Sector Procurement. As required. 5. To actively promote best procurement practice. Ongoing. 6. To maintain an up to date knowledge of current best practice and legislative requirements. Attend HPDG meetings etc. 7. To fully engage with NCoE and other public sector partners in respect of strategic sourcing of Category A, B and C commodities. Ongoing. 8. Ensure that the strategy is reviewed and updated annually to maintain currency against corporate goals. Annually.

7. Our People – Develop our People

Aims	Objectives	Actions
<p>To have an appropriately skilled workforce supporting the application of robust professional governance, management and operational standards to all procurement activities and expenditure.</p>	<ol style="list-style-type: none"> 1. To significantly improve the capability, operational effectiveness and professionalism of procurement with NHS Forth Valley 2. To make best use of existing available procurement resources across NHS Forth Valley 3. To structure a career development framework for NSS staff within Procurement & Logistics 	<ol style="list-style-type: none"> 1. To develop and structure the Procurement department in a way which meets the requirements of Public Sector Procurement Reform. On course. 2. To provide all procurement staff with the opportunity and support to undertake CIPS, Supply Chain Management SVQs (at an appropriate level) or other appropriate course of professional qualification. Via KSF. 3. All staff fully engaged in the NHS Knowledge & Skills Framework (KSF) process. As above. 4. All staff to have an annual Personal Development Plan. In place. 5. To identify and agree best utilisation of resource expertise within NHS Forth Valley with the capability to drive the Procurement agenda forward. Ongoing. 6. Active participation in best practice conferences, seminars, and workshops. Ongoing. 7. Development and maintenance of a procurement manual and related practical guidance. In place.

3 GOVERNANCE

3.1 General

There are various fiscal and legal requirements to be adhered to in relation to Procurement undertaken by NHS Forth Valley. There is therefore a responsibility to ensure appropriate arrangements for governance, controls and assurance are in place to monitor, measure and report upon compliance at all stages.

NHS Forth Valley is obliged to meet the minimum governance and accountability requirements as set out in the McClelland Report and is required to provide personal certification by a senior executive of that conformance. Compliance will be tested through audit and the annual capability assessment.

It is required that the NHS Forth Valley Procurement governance framework also promotes and reflects the following three criteria:-

- Specific senior management responsibility with direct access to the strategic management of business
- Procurement is recognised as integral to core NHS Forth Valley activities
- Appropriate executive accountability and involvement is clearly defined

3.2 Procurement Resource Structure

NHS Forth Valley will review the outcomes and recommendations of the McClelland Organisational Sub-Group, which is tasked with defining what the resource structures of individual Procurement Departments across the Public Sector should look like, and implement its recommendations where appropriate. This work takes into account the varying complexities of organisations but includes the following key areas of resource coverage:

- **Procurement Management** (with links to appropriate areas such as NCoPE, IT, Facilities, etc)
- **Commercial** (Sourcing & Implementation of Commodity Purchases)
- **Purchasing** (Ordering, Catalogues and Supplier data management)
- **Systems** (Training, Support including Business to Business (B2B), Benefits Management, Best Practice Indicators (BPI) and compliance)
- **Customer Services** (Performance Improvement, Problem Resolution, etc)
- **Logistics**

The delivery of all these aspects across NHS Forth Valley and to external NHSS organisations will require the current Procurement structural arrangements to be assessed, developed and realigned where appropriate to ensure skills gaps are filled and duplication eradicated. This will include consolidation and provision of appropriate resources as outlined earlier (Section 2.3) to meet our three year strategic aspirations as reflected in the aims outlined earlier.

3.3 Procurement Steering Group

3.3.1 Introduction

It is intended that an NHS Forth Valley Procurement Steering Group be established with appropriate representation from across NHS Forth Valley. This group will develop the governance framework, monitor and measure compliance and set the procurement structure and policy for NHS Forth Valley.

This Group will oversee implementation of the NHS Forth Valley Procurement Strategy and drive progress towards achievement and successful delivery in line with the public procurement reform agenda in Scotland. It will take direction from the NHS Forth Valley Healthcare Strategy Programme Board and will report, and provide assurance to the Strategic Projects and Property Committee and the Forth Valley NHS Board on implementation of the strategy.

The group should be chaired by the Executive Director, Procurement Lead and membership of the group should include representation from across NHS Forth Valley. The Steering Group is responsible for ensuring that the NHS Forth Valley Procurement strategy and the programme of work associated with it remains on course to deliver benefits, and that obstacles to delivery and benefit realisation are removed or reduced. It will lead, drive and facilitate the work to develop collaborative approaches to procurement across NHS Forth Valley. ([Appendix 1](#))

3.3.2 Remit

The Steering Group should have its remit ratified by and report directly to the NHS Forth Valley Healthcare Strategy Programme Board. The draft remit of the Group is to:

- facilitate the delivery of strategic procurement objectives on time, while maximising efficiency of resource use and remaining within budget constraints;
- make decisions on recommendations made in relation to developments within the public sector procurement reform agenda;
- ensure the required level of collaborative co-operation and working is achieved;
- identify, manage and resolve dependencies between initiatives, particularly where one initiative's progress depends on work done by another;
- monitor and manage risks and issues. Co-ordinate the resolution of issues and the implementation of contingency measures for risks if appropriate;
- assist in the management of the procurement programme.

4 SUMMARY

The NHS Forth Valley Public Procurement Reform Programme continues to be a major influence on local procurement and a driver for change at all levels of the public sector. With the development of centres of expertise dealing with strategic national commodities and the use of data gathering tools to inform national contracting, the profile and workload of procurement at strategic level is changing.

With the use of eProcurement tools the role of local procurement is changing with less emphasis on order processing and more focus on professional service delivery. Facilitating the savings and benefits the Board derives from national purchasing power and lower prices, and implementing value added initiatives and good practice is now a significant role for procurement.

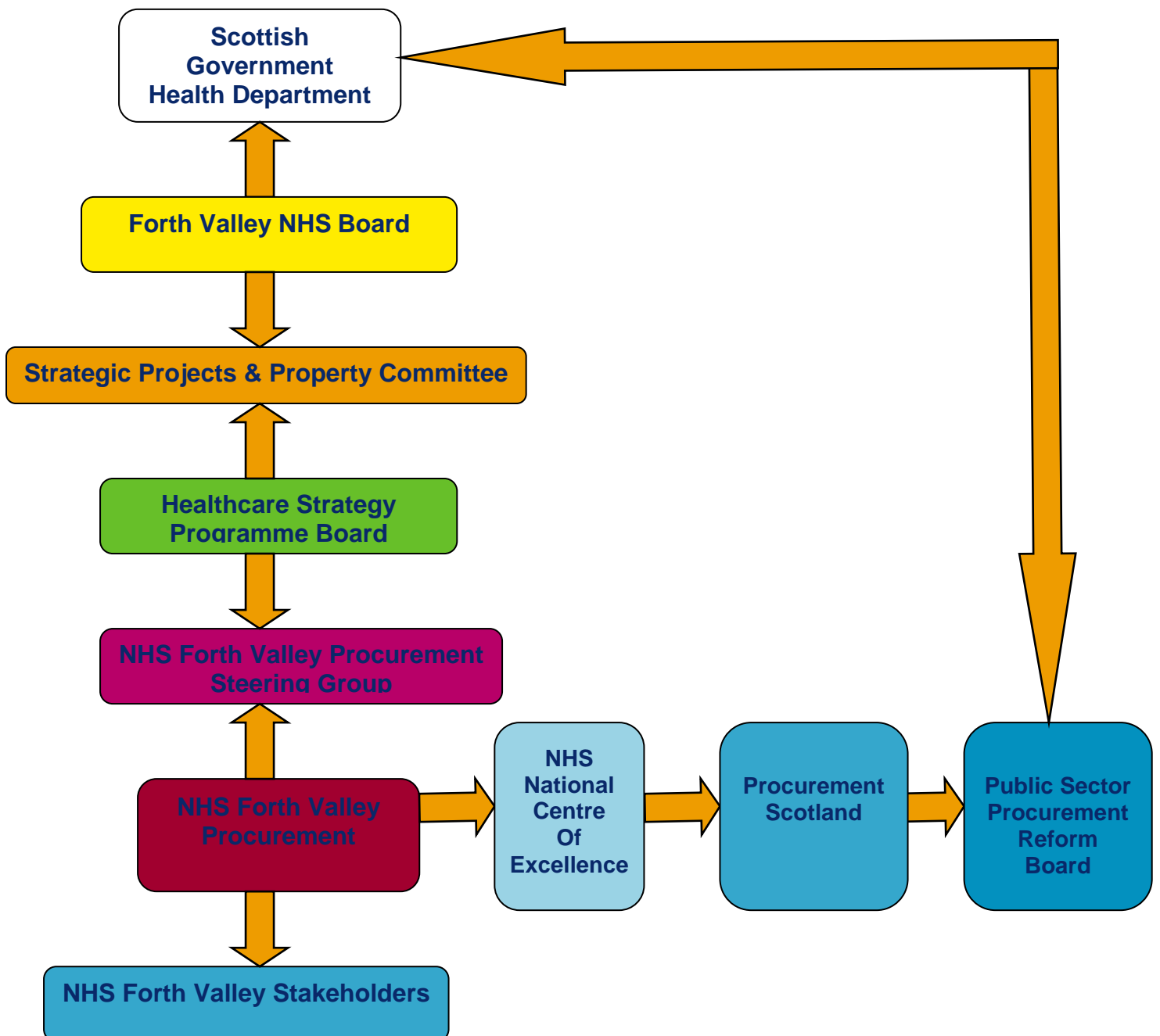
The skills set which staff need is also changing, communication and consultation linked to knowledge and understanding of customers needs becomes a priority if the supply chain is to be effectively managed and secured.

The strategy and action plan provides a framework for further development of procurement and logistics in NHS Forth Valley and demonstrates commitment to best practice, collaboration and achievement of excellence across NHS Forth Valley's supply chain.

Reporting Lines

The diagram below (Diagram 1.0) illustrates the reporting lines for the Steering Group and associated governance relationships. These may change as Public Sector Procurement evolves.

Diagram 1.0



APPENDIX 2

Glossary of Terms and Abbreviations

McClelland Report	The detailed review of Public Sector Procurement in Scotland and recommendations published in 2006.
SFI	The Standing Financial Instructions of NSS
NCoPE's	National Centres of Expertise for Procurement established following one of the McClelland Report recommendations. In the case of NHS Scotland, NSS National Procurement provides this function.
NP	NSS National Procurement Division
e-PS	The eProcurement <i>Scotl@nd</i> service (ePS) supports the full purchase to pay cycle' providing a range of services including e-sourcing (electronic tendering and auctions) and transactional purchase to pay solutions.
KSF	NHS Knowledge & Skills Framework
SPPN	Scottish Procurement Policy Notes issued periodically by the Scottish Government – Scottish Procurement Directorate.
CLO	NSS Central Legal Office Division
Spikes Cavell Observatory	An online database containing the enhanced expenditure data of more than 500 local authorities, universities, colleges, central & civil government departments, police forces and other public sector bodies nationwide. NHS Forth Valley inputs data to this to enable reporting, supplier and commodity management and benchmarking.
SSS Programme	The financial Shared Support Services Programme for NHSS.
CIPS	The Chartered Institute of Purchasing and Supply
SVQ	Scottish Vocational Qualifications. A work place competency based set of qualifications set by the Scottish Qualifications Authority.
IT & C	Information Technology and Communications.
BPI	Best Performance Indicators for procurement within the Public Sector in Scotland.
B2B	Business to business activities
Public Sector Procurement Reform Board	The lead group responsible for driving forward and ensuring delivery of the Public Sector Procurement reform agenda. Chaired by the Scottish Government, Cabinet Secretary for Finance and Sustainable Growth