

**REPORT TO THE TRUST BOARD****25 NOVEMBER 2009**

<b>Reference:</b>	TB 87/09
<b>Title:</b>	<b>Procurement and Supply Strategy Progress Report 2008/09</b>
<b>Report from:</b>	Andrew Holden, Director of Finance and Investment Mario Varela: Director of Procurement
<b>Purpose:</b>	To provide the Trust Board with a progress report on the implementation of the Trust's Procurement and Supply Strategy.
<b>Executive summary:</b>	The attached summary report and the supporting appendices set out the achievements and benefits from the implementation of the Trust's Procurement and Supply Strategy during the financial year 2008/09.
<b>Legal implications:</b>	The spending of public sector monies must adhere to the Trust's Standing Financial Instructions and EU Public Procurement Regulations.
<b>Risk and assurance:</b>	The report provides assurance in relation to Trust objective 1c (achieve financial targets) and Board Assurance Framework risk 1c(i) on the delivery of Cost Improvement Plans.
<b>Key recommendations:</b>	The Trust Board is requested to: <ul style="list-style-type: none"> <li>• Register the on going progress in the delivery of the strategy</li> <li>• Ensure that all Divisions undertake a thorough review of their expenditure and identify areas that have not yet been subject to best procurement practice.</li> <li>• Continue to support and influence the involvement of relevant clinical staff. There is an ongoing need to engage with clinical networks and draw clinicians into collaborative procurement.</li> <li>• Provide relevant support for the adoption of electronic procurement across the Trust.</li> <li>• Support the on going collaborative procurement agenda in London.</li> </ul>

**BARTS AND THE LONDON NHS TRUST****TRUST BOARD MEETING: 25 NOVEMBER 2009****PROCUREMENT AND SUPPLY STRATEGY PROGRESS REPORT  
2008/09****INTRODUCTION**

1. The vision and strategies outlined in the Procurement and Supply Strategy of 2002 continue to be implemented through a robust roadmap which has transformed the performance of the function from one of the lowest performing in the country to one which is used as a benchmark for the rest of the NHS.

**ACHIEVEMENTS DURING 2008/09**

2. The Trust has been implementing the Oracle financial and purchase order system and currently 75% of all requisition and purchase order activity is undertaken by budget holders against Trust negotiated contracts. Savings achieved within the transaction team have been invested in our sourcing and contracting team.
3. Key performance indicators and national reports on supply chain management have identified the Trust as a beacon of good practice and one of the best performing trusts in the NHS.
4. Achievement of cash releasing savings of £5.14 million against a target of £5 million (£29.03 million realised since the initial adoption and implementation of the strategy in 2002/03).
5. Materials Management product line activity increased by 10,619 during the year (an increase of 81% since 2002/03).
6. Developing closer working relationships with the new Clinical Divisions by linking a senior Procurement professional with each Division.
7. Leading the London Procurement Programme's Medical and Surgical workstream that has delivered savings in excess of £7 million for the London health economy.

**RECOMMENDATION**

8. The Trust Board is asked to note the progress made during 2008/09.

**Mario Varela**  
**Director of Procurement**

**25 November 2009**