

**TO:** West Gloucestershire Primary Care Trust Board

**FROM:** Mike Theelke, Director of Finance

**DATE:** 19<sup>th</sup> May 2005

**SUBJECT: GLOUCESTERSHIRE PROCUREMENT STRATEGY**

## **1.0 PURPOSE**

1.1 To present to the Board for review the Gloucestershire Shared Procurement Service Strategy as it relates to West Gloucestershire PCT.

## **2.0 BACKGROUND**

2.1 Following re-organisation of the county health community on the 1<sup>st</sup> April 2002, and the establishment of a shared procurement service organisation, a procurement strategy has now been produced to complement West Gloucestershire PCT's corporate vision and strategic aims.

2.2 The document replaces the individual procurement strategy documents approved by the former health organisations. All Trusts are expected to have an approved procurement strategy in place.

## **3.0 DISCUSSION**

3.1 The purpose of the strategy document is to set down the management framework which will positively influence procurement activity affecting the total non-pay spend of the Trust. It also seeks to support departments and provider service areas in delivering high quality healthcare to patients and the community. It has been developed to address the total supply chain and:

- provides a strategic vision and initiatives for the next 5 years;
- is flexible to meet the changing needs of the local health community and wider NHS;
- satisfies legislative compliance and public sector policy;
- does not differentiate between goods, works or services;
- will deliver savings recurrently as a contribution to annual business planning

3.3 The key components of the strategy are:

- Long term objectives – what is to be achieved?
- Roles and responsibilities;
- Extending procurement influence over the range of goods and services;
- Commitment and involvement of clinical and senior managerial staff;
- Relationships with key suppliers;
- Greater collaboration and moving towards Purchasing Confederations
- Strategies for IT;
- Supply chain management;
- Staff competencies and development;
- Product and supplier rationalisation;

- Environmental sustainability
- Communicating the strategy

3.4 The full benefits of the strategy will come through the commitment and priority given by the West Gloucestershire PCT and through positive support and contribution from staff at all levels.

3.5 The IT strategies discussed in sections 4.7.15 to 4.7.18 have now been progressed, and a business case for proposed changes presented to the county Directors of Finance Forum. The estimated costs to West Gloucestershire total £110,000 over five years, with estimated procurement savings in excess of £200,000 over the same period.

3.6 It is proposed that sign off of this business case be delegated to the Director of Finance, with a copy of the document being made available to any Board member who wishes to review the proposals in more detail.

#### **4.0 RECOMMENDATION**

4.1 Board Members are asked to:

- Receive the report and note its contents
- Endorse the contents of the strategy
- Note progress on the IT recommendations, and delegate sign off of the Business Case to the Director of Finance
- Note that the strategy will be revised (anticipated to be small scale) over the next few months, with amendments being reviewed at the PCT Procurement User Group. Any major changes to the strategy will be reported back to the Board at a future date.