

When procurement becomes an essential value driver



One NHS trust has taken considerable steps towards best in class procurement by achieving CIPS Corporate Certification Standard, gaining recognition from colleagues and peers.

About CIPS

CIPS, the Chartered Institute of Procurement & Supply, is the world's largest organisation dedicated to the profession of procurement and supply, with a voice that is recognised across the globe. CIPS works in partnership with governments, businesses, public sector entities and international development agencies to support organisations to achieve sustainable value.

“ As procurement becomes more critical and more aligned to the trust’s “business” objectives, it is imperative the Board have assurance around procurement capability and capacity. Working with CIPS to achieve the accreditation has been vitally important. Having an independent professional body working with our procurement staff to set the highest standards and provide a benchmark, ensures our resources are used appropriately in the delivery of high quality patient care. ”

AARON CUMMINS, DIRECTOR OF FINANCE & DEPUTY CEO, UNIVERSITY HOSPITALS OF MORECAMBE BAY NHS FOUNDATION TRUST

Why CIPS Corporate Certification?

The trust had been experiencing a number of severe clinical challenges. As a result it was placed into 'special measures' after an inspection by the regulator identified concerns surrounding the safety and management of its services. A mostly new Executive Board was put in place to manage and drive transformational change.

Procurement wanted to support and emulate the achievements of clinical colleagues by working to the highest possible standards, and ensuring resources are used appropriately in the delivery of high quality patient care. In addition, cost reductions available from traditional areas, such as consumables, had been almost exhausted making savings targets ever more challenging.

Globally recognised, CIPS Corporate Certification Standard is the only independent, comprehensive procurement-specific assessment of its kind. Examining an organisation's procurement and supplier management procedures in targeted detail, it highlights where improvements and efficiencies can be made, ensuring that procurement becomes an essential value driver and organisational influencer.

The results

Achieving CIPS Corporate Certification Standard demonstrates that the team has the expertise to implement NHS England's Procurement Policy efficiently and effectively. It has also strengthened the case for a cultural shift in behaviours across NHS England and a halt to the 'go-it-alone' procurement behaviours being demonstrated by budget holders.

Traditionally, visibility of commercial and procurement support across NHS England has been low. Promoting the accreditation is an important part of a wider piece of work to raise the profile of the Commercial Team across the organisation, encouraging engagement from colleagues in other departments.

The benefits

- Gave confidence to clinical colleagues that the service was independently recognised as meeting a national standard
- Recognition at Board level means the team is now asked to lead on complex projects and become more involved at a strategic level
- Morale is high with staff keen to develop themselves professionally – some have gone on to study CIPS qualifications
- Staff retention has improved in an area where historically it has been difficult to attract suitably qualified and experienced staff
- Recognition by peers has resulted in the potential to grow service provision to other trusts
- Efficiencies, such as reduction in agency staffing bill of almost £6m
- Contribution to service improvements that have benefitted patients

About the Trust

University Hospitals of Morecambe Bay NHS Foundation Trust serves a population of over 350,000 from three main hospital sites in the north of England. In addition, a range of local outreach and diagnostic services are provided from a number of community facilities. The trust employs approximately 5,000 staff and has an income of £280 million.

The trust's Procurement and Supplies department is made up of 27 permanent staff in two teams – Procurement and Materials Management – who spend £85 million a year excluding wages, of which £35 million is influenceable spend. The team typically saves the trust in excess of £1.6m each year, and actively collaborates with other trusts to look for further efficiencies.

The background

Whilst the NHS has been ranked as the best value healthcare system in the world, in today's economic climate, it is under increasing pressure to deliver cost reductions and service improvements. Lord Carter's NHS Operational Productivity Review involving 32 hospitals, together accounting for half of the nation's total health budget, estimated that £700m could be saved through better procurement. Nonetheless, efficiency targets of 2-3% per year from 2016 to 2021 pose a significant challenge.



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