



TRUST PROCUREMENT BOARD

ANNUAL REPORT

FOR YEAR ENDED 31 MARCH 2018

Helen O'Neill
Director of Finance, Procurement and Estates (Chair)
January 2019

INTRODUCTION

The Trust Procurement Board is chaired by the Director of Finance, Procurement and Estates who has responsibility for procurement within the Trust. The Trust Procurement Board reported in 17/18 through the Senior Management Team and the purpose of this report is to advise on the work undertaken in the year ended 31 March 2018. In future years, the Trust Procurement Board will report through the Audit Committee, following amendments to the Terms of Reference in 2018/19.

TERMS OF REFERENCE

The Trust Procurement Board Terms of Reference during 2017/18 were as follows:

- Operate within the existing Public Sector Procurement Policy framework, and in support of the HSC Procurement Strategy
- Develop and approve an annual Procurement Action Plan for the Trust, covering all areas of non-pay spend, and oversee the implementation of the Action Plan
- Maximise the level of spend procured through Centres of Procurement Expertise
- Monitor compliance to procurement policy, the HSC Procurement Strategy and relevant controls assurance standards
- Obtain full commitment to regional contracts from within the Trust, and monitor uptake
- Review and plan for local contracting activity, including any capital procurement activity
- Ensure the provision of adequate training and guidance to Trust end users on procurement and contract management commensurate with their roles and responsibilities.
- Share information freely with other Trust Procurement Boards
- Support regional initiative to deliver best practice as agreed by the Regional Procurement Board, through collaborative project work and adoption of best practice outputs

MEMBERSHIP AND MEETINGS

The membership of the Trust Procurement Board will be appointed by the Senior Management Team and will consist of not less than three Trust representatives. A quorum will be two Trust members.

Membership of the Trust Procurement Board during 2017/18 was as follows:

- Director of Finance and Procurement
- Assistant Director of Estates Services
- Director of Pharmacy
- Assistant Director of Functional Support Services
- Assistant Director of Financial Services
- Assistant Director of Corporate Planning
- Assistant Director of Performance Improvement
- Head of Laboratory Services
- Head of Purchasing & Supply

Procurement and Logistics Service (PaLS)

- Asst Director – Procurement and Logistics Services
- Head of Logistics and Community Support Services
- Head of Non – Clinical Procurement
- Head of Social Care Procurement
- Head of Procurement – PaLS Armagh

Representation from the CPD Construction Division - Health Projects will be sought as and when required. The Assistant Director for Estates will report on CPD Construction Division performance and any associated issues. A representative from CPDHP attended in May 2018.

The Trust Procurement Board met 2 times during 2017/18 and minutes of these meetings are available. The following sections within the annual report provide an update on how each of the terms of reference were discharged by the committee during 2017/18.

REGIONAL PROCUREMENT BOARD

The Regional Procurement Board continued to meet regularly during 2017/18. Membership from the Southern HSC Trust is the Director of Finance, Procurement & Estates. All Trusts have established their own Procurement Boards and link into this forum. Feedback from the Regional Procurement Board is given as necessary to the Southern Trust Procurement Board by the Director of Finance, Procurement and Estates.

The Assistant Director of Performance Improvement was the Trust representative on the Regional Social Care Procurement Implementation Board on behalf of the Trust. In 2018/19 this project group will move to a Business As Usual (BAU) environment. A re-constituted, Social Care Procurement

Board (a sub-group of the Regional Procurement Board) will be established and a draft Terms of Reference and Structure has been developed subject to agreement of the Executive Directors of Social Work and endorsement by the Regional Procurement Board. This new Board will meet in 2019 and the Trust's representative will be the Director of Older People and Primary Care Services.

TRUST PROCUREMENT STRATEGY AND PROCUREMENT PLAN

The Trust Procurement Strategy 2015 – 2018 was still applicable in 2017/18.

In 2017/18, the Trust had a procurement plan which was aligned to the strategy and both the plan and its progress were monitored at Trust Procurement Board.

Furthermore the Trust provided regular updates to the DOH as requested against the HSC wide Strategic Procurement Action Plan 2015-2018.

CONTROLS ASSURANCE STANDARD

The Trust's reported compliance was 82% for 2017/18 in relation to the Management of Purchasing Controls Assurance Standard, an improvement of 1% on prior year. 2017/18 was the last year of this standard however the DOH has issued circular HSC (F) 22/2018 "Controls over the ALB Non Payroll Commissioning Cycle" which has outlined a broad approach for 2018/19. The Trust is working through this in 2018/19 with a view to completing a self-assessment for 2018/19.

PURCHASING RETURNS

The Trust Procurement Board ensured the completion of the six monthly and annual return on Direct Award Contracts for the Department of Health.

PAYMENT TO SUPPLIERS

The Prompt Payment Policy Performance was 92.2% and the Trust achieved 80.0% against the 10 day prompt payment good practice target. This was a slight reduction in performance against 2016/17 due to the impact of an upgrade to the finance system mid year which caused increased delays in the approval and processing of invoices for payment for a number of months.

INTERNAL AUDIT REPORTS

During 2017/18, Internal Audit reviewed catering procurement and contract management. A satisfactory assurance was given for procurement and contract management however stock management within Daisy Hill catering was assessed as limited. This was because there was no stock management system in place within the Catering Department at Daisy Hill Hospital.

Internal Audit also reviewed the management of contract adjudication groups regionally. A satisfactory level of assurance was received with no priority one issues raised.

Lastly, the management of domiciliary care contracts obtained a limited assurance with 3 priority one issues. These related to the monitoring of actual hours delivered by the independent sector provider, checking of invoice verification reports for under-delivered hours and procurement /contracting with independent sector providers.

Progress on the implementation of audit recommendations is formally monitored by the Trust's Audit Committee.

In 2017/18, the Governance statement of the Trust continued to reflect the challenges faced in resolving resource and capacity issues both within COPEs and the Trust to ensure proper procurement and contract management arrangements are in place across all areas.

PROCUREMENT GUIDANCE

During the year the Trust Procurement Board reviewed and noted the following guidance:

- HSC(F) 09/2017 – GC Works contract – withdrawal of HSC(F) 37/2015
- HSC(F) 13/2017 – Issue of PGN 01/2017 on Art in Government Contracts
- HSC(F) 14/2017 – Issue of PGN 02/2017 Innovation in Public Procurement
- HSC(F) 32/2017 – Reissue of PGN 01/12 (as amended) Contract Management Principles and Procedures.

PROCUREMENT AWARENESS TRAINING 2017/18

PALS led procurement awareness sessions in April/May 2017 in the Trust, targeted at Head of Service and above.

E procurement training continued on a quarterly basis during 2017/18.

Pals also provided a limited number of places for tender evaluation training in December 2017 and contract management training in February /March 2018 which was well received by Trust managers. More training is planned for 2018/19.

Development of bespoke training in commissioning, procurement and contract management is ongoing, targeted at senior staff involved in social care contracting . This, third level course, is supported by DLS, the Social Care Procurement Unit and the HSC Leadership Centre and is available in 2018/19.

KEY PERFORMANCE INDICATORS

A range of key performance indicators are monitored at Trust Procurement Board. Quarterly performance reports were produced by PALS during 2017/18 covering a range of statistics. The report for Quarter ending 31 March 2018 is included as Appendix 1.

PALS LOCAL ACTIVITY

Goods and Services procurement for the Trust is undertaken by BSO Procurement and Logistics Service (PaLS). PaLS is a Centre of Procurement Expertise under the terms of the N.I. Public Procurement Policy 2002 and in addition to providing operational services also acts as the Trust's advisor on procurement and logistics matters. Each year the Trust signs a service level agreement with BSO concerning the service offering from PALS, the cost of these services was approximately £1.24m in 2017/18.

The pattern of PaLS procurement activity over the last 3 years for Southern HSC Trust is set out in the table below:

Service Area	Trust 2015/16	Trust 2016/17	Trust 2017/18
<u>Logistics</u>			
Value of Issues - £	6,727,410	6,952,882	7,088,854
Lines Issued	218,764	227,063	231,818
Average Service Level Achieved	99.31%	98.94%	98.97%
<u>Procurement</u>			
Savings Achieved including CSR - £	1,509,572	1,998,339	1,515,633
Value of Requisitions - £	28,168,809	32,311,780	32,292,157
Lines Requisitioned	213,846	232,248	242,680
Average Service Level Achieved	3.55	4.44	3.89

The number of local tenders and quotes which were completed in 2017/18 are outlined in the table below. This excludes Regional Tenders which were completed for multi Trust participation.

Year of Award	No. of Quotations	No. of Non EU Tenders	No. of EU Tenders	Mini Competitions
2016/17	9	0	7	7
2017/18	3	0	3	5

With regards to Direct Award Contracts in SHSCT, performance for 2017/18 was as follows. The DOH revised the categorisations used for DACS in 2016/17 and after as below:

Year	Volume of DACs approved locally	Volume of DACs reviewed by COPE but orders not raised through PALS	Volume of DACs reviewed and ordered by PALS	Volume of STAs with RAG status RED
2015/16	44*	27*	43	0 (0)%
Year	DACS normally pre-advised by PALS	DACS normally advised by PALS	DACS normally advised by CPD HP or other COPE	Volume of STAs with RAG status RED
2016/17	30*	57	nil	3 (3%)
2017/18	29*	58	2	3 (3.3%)

**These relate to Estates and Pharmacy expenditure.*

PROCUREMENT AND LOGISTICS SERVICE – REGIONAL UPDATE

Key Achievements and Developments in 2017/18

The 2017/18 financial year was a significant one for PaLS as it saw the re-accreditation of our Centre of Procurement Expertise fall due. The work to secure the re-accreditation is considerable and after a rigorous 3 day assessment following review of evidence by a three man panel PaLS successfully retained its accreditation.

Along with this important achievement PaLS continued “business as usual” and had notable success:

- The Social Care Procurement got up and running and has begun supporting procurements across a number of HSC organisations.
- Continued modernising our warehouse by introducing new “push-back” racking to improve space efficiency.
- Replaced all our long-span warehouse racking to support warehouse modernisation.
- For the first time we established our own Cardiac Rhythm Management framework which will deliver considerable savings to HSC organisations.
- Supported HSC organisations in contract management of a failing postal services contract along with helping to successfully transition to a new provider.

- Expanded our range of equipment frameworks to allow HSC organisations to order a wider range of goods online using the HSC electronic catalogue.
- Supported the upgrade of the eProcurement system delivering customer training across all organisations.
- Developed a range of digital training materials for eTendersNI and eProcurement software to assist PaLS staff and HSC customers.
- Developed and launched a PaLS SharePoint site including a staff portal with training materials, procedures, information sources.
- Led the “Innovative Use of Social Procurement Clauses” transformation workstream on behalf of HSC.
- Finalist in GO Awards Ireland

Performance Metrics

The table below shows the key measures of BSO PaLS performance within the BSO Corporate Scorecard:

Indicator	Target	Actual PaLS Performance 2017/18
% Products Supplied on First Request	95%	98.92%
Average Processing Time For Non-Stock Requisitions	5 days	4.02
Stock Turnover Ratio	1.9	1:12.04
New Savings Delivered	£5m	£3.5m

2018/19 –Year Ahead

In looking forwards the year ahead will see some important opportunities for PaLS to grow alongside changes in legislation that are likely to impact on how we conduct our business.

We hope to expand our Community Equipment and Continence Service to new customers along with extending our Receipt and Distribution Point management service. The new GDPR regulations will require adaptations to our terms and conditions and completion of a review of all contracts that PaLS manage on behalf of HSC to establish areas affected by the new regulations. Most significantly will be the UK's exit from the European Union and the impact that might have on our supply chains and security of supply, having clear sight of the impacts will be key to ensuring continuity of supply.



PaLS staff “Delivering Together” with our HSC colleagues

OTHER PROCUREMENT UPDATES

For those areas of procurement outside PALS, there is a standing agenda item at each Trust Procurement Board for an update. Progress in these areas in 2017/18 has been summarised as below:

SOCIAL CARE PROCUREMENT

Following the introduction of the Public Contract Regulations 2015, ‘Social and Other Specific Services’, relating to “services to the person”, procurement regulations are specified in a ‘light touch regime’ for contracts with a contract value over a threshold of €750,000 (currently £615,278).

The Regional Social Care Implementation Board, established in September 2016, has overseen the development of a Centre of Procurement Excellence for the procurement of over threshold social care procurements in the form of a Social Care Procurement Unit (SCPU) and the activities associated with this new function to further procurement compliance in this area. A five year regional procurement work plan agreed to target key priority areas and endorsed by the Regional Procurement Board is ongoing.

In this period of transition the Trust, and other HSC organisations, will remain unable to comply with the requirements of the Public Contract Regulation for over threshold procurement but has a clear direction agreed to redress this over the next 3 to 5 years through the regional procurement work plan.

The SHSCT continues to support the pre-procurement activities of procurement undertaken by the SCPU including preparation of business cases/appraisal, personal and public involvement, equality impact assessment activities, development of specification and other associated activities.

Where contracts over the EU threshold value are not part of the regional plan or where such services are aligned to latter years of the plan the SCPU continues to advise the Trust on the management of these awards of contract on a case by case basis. This will continue to see the Trust with further procurement exercises, under the influence of the SCPU, where operationally critical or where required to support strategic change, and will include the use of a 'direct award of contract' approach until capacity is available to address the full requirement. A Programme Manager and Contract Support Officer (Awards) is in place to support this. Unfortunately during 2017/18 the Contract Support Officer post has been vacant limiting capacity.

In 2017/18 the Trust, under the influence of the SCPU, completed an above threshold exercise for Bed Based Short Breaks (contract value approx. £17.2m). The Trust has also progressed pre-procurement planning for Domiciliary Care Services as well as agreeing an interim solution for the procurement of a number of individual bespoke high cost cases, involving up to 12 Mental health and Learning Disability clients, in advance of the regional procurement of these via the Regional Procurement Workplan.

Engagement events were held early 2017/18 to provide an update to the sector on changes to the procurement, including the role of SCPU and to encourage registration by providers on e-tenders NI which will be a vehicle for applying for tenders for social care.

In February 2017 the Trust brought forward an approach to the management of the allocation of funding to contracts with a value under the EU threshold to the Trust Procurement Board which was endorsed in principle subject to agreement of a common regional approach. In 2017/18 a common regional approach has not been agreed however the SCPU are working with DLS to develop a common framework, guiding approach to award of such contracts. Whilst it is anticipated guidance will be available in 2018/19 the Trust has therefore been unable to develop a workplan for award of

contracts under the EU threshold value. In the interim the Trust will continue to be challenged to evidence value for money in this area.

In 2017/18 the Trust also responded to the learning of the Console Case (prepared by HSC Internal Audit) and developed an action plan to strengthen contract management in this area. Within this action plan, and acknowledging the limitation of procurement of contracts under EU value, the Trust is testing the feasibility of benchmarking as an approach to supporting assessment of value for money in these contracts.

PHARMACY PROCUREMENT SECTION

The Regional Pharmaceutical Procurement Unit, which is a shared service run by the NHSCT, supported by BSO PaLS, continued throughout 2017/18. The Regional Pharmaceutical Contracting Executive Group (RPCEG) is responsible for approving the award of all contracts that are awarded for pharmaceuticals and dressings across HSCNI.

During 2017/18 the Pharmacy procured £30,192k of goods, including pharmaceuticals, dressings, enteral feeds, medical gases and a small amount of related medical and surgical disposable items. Four contracts were awarded during 2017/18 using the regional pharmacy contracting process [Branded Medicines, Group 2, Seasonal Flu and Imatinib (Non-Gist)] and a Medicinal Products and Pharma-Funded Homecare Service framework. These contracts covered a total of 376 lines. In addition 29 Direct Award contracts (DACs) were put in place.

The service level agreement with the Regional Pharmaceutical Procurement Team was reviewed during 2017/18 and remains in place. The reports developed to allow the monitoring of efficiencies that contribute directly to the Medicines Optimisation Regional Efficiency (MORE) Programme, continue to be run each month.

Locally, the Pharmacy Department in SHSCT raised 27 DACs in 2017/18 all of which related to contract extension terms.

ESTATES PROCUREMENT SECTION

The Trust must use the Estates Procurement Manual for all construction and design works undertaken locally, costing < £500k and above the Trust's delegated limit where approval has been given by CPD.

Compliance with the Estates Procurement Manual is monitored by CPD.

For other Estates expenditure relating to public supplies and service contracts, this must be procured under CoPE influence i.e. BSO PaLS. An update on activity in both areas is provided below:

Estate Development and Capital Works

Introduction

The Estate Development and Capital Works department is actively involved in the procurement of all construction/capital works contracts throughout the Trust. The team fulfil the role of an informed client on behalf of the Trust with respect to the management of Professional Works Consultants (design teams).

Achievements 2017/18

- The Service supported Trust Planning and CPDHP on the CAH and DHH Paediatric Unit, Aseptic suite CAH work schemes and proposals for the Newry CTCC scheme
- The Service completed 9 work schemes which included the CAH C Arm replacement, Maternity lift replacement CAH, Hydrotherapy Pool refurb CAH, Ramone Refurb CAH and ED refurb CAH
- Completion of 17 Minor Works schemes with an approximate expenditure of £400K
- Achieved a 'Green' RAG rating regarding the Estates Procurement Performance Returns submitted to CPD Health Projects.
- NEC 3 contracts - Development team staff have attended training on NEC3 contracts and successfully achieved ECC Project Manager Accreditation.in advance of new contracts being implemented
- Cost Database and process created and implemented to facilitate greater

accuracy in producing budget costs

- Processes and procedures for management of work schemes have been compiled into a manual (Under £500K)
- Metering - Developed and implemented procedure for installation meters (energy and water) in new building works

Plans for 2018/19

- Continue to work in Partnership with CPD-HP and Trust Planning on the delivery of Non- Delegated Work Schemes
- Project Manage delegated work schemes as directed by Trust
- Assist Directors with their prioritisation of delegated work schemes by managing work scheme list
- Review format and use of works prioritisation list
- Developing and implementing process for managing performance of Design Teams
- Developing an 10 year Estates Strategy- including development plans for DHH, South Tyrone Hospital, St Luke's site and NIAS
- Undertake work scheme using NEC3 contract
- Continue to provide external and internal reports
- Develop process for Estates Development Officers for projects over £500K when approval is given to project manage same
- Review Asbestos Management arrangements
- Discussion Paper in relation to funding of small projects
- Assist in the Regional & Interim MTC contract
- Review Low Voltage strategies on the South Tyrone Hospital site, Daisy Hill Hospital Site and St Luke's site and advise on recommendations

Management of Estate Services Contracts

This small Estates team is responsible for the management of all the Estates Contracts Trust wide. These contracts range from fully comprehensive, planned preventative maintenance, to repair only contracts, ensuring equipment and facilities remain safe and operational throughout the equipment's whole life cycle and to minimize disruptions to services.

The Estates contracts range from those linked and associated with highly complex critical systems, such as Theatre Equipment, Medical gas systems, Theatre ventilation plant and Electrical systems to less critical but also important services such as maintaining Community Aids, Ground Maintenance and Warehouse Equipment.

The team includes an Estates Contracts Manager and an Estates Contracts Officer who utilises the assistance of Admin support staff and Estates Officers for procurement. This area of activity is the responsibility of the Head of Estates Operations (Southern Sector).

In 2017/18 Estates had **273** maintenance & service contracts in place which can be divided in 4 main categories:

- **92** Medical Equipment Contracts (approximate annual value of £3.34 million)
- **98** Non-Medical Equipment Contracts (approximate annual value of £8.5 million)
- **15** Decontamination Equipment Contracts (approximate annual value of £942k)
- **16** Utility Contracts (approximate annual contract value of £24.85 million)

Estates continue to provide contractual and administration support in relation to the 52 X-ray Service and Maintenance Contracts. (Approximate value of £5.35m).

BSO/PaLS Estates Procurement

Estates work in conjunction with BSO/PaLS, both locally and regionally, to procure some of its 208 Estates contracts. Whilst Estates provide admin support for 48 X-ray contracts the X-ray contracts are procured by PaLS. The quantum of the contracts procured by PaLS is as follows:

Local PaLS Estates Activity

- Locally PaLS manage 22 Estates contracts.

Regional PaLS Estates Activity

- Regional PaLS manage 28 Estates contracts and 30 X-ray contracts, for the Southern Trust, these contracts are in the following areas:
 - X-ray equipment.
 - Utilities/fuel & energy.
 - Transport & vehicle maintenance.
 - Grounds maintenance.
 - Waste contracts.
 - Electrical, building & plumbing supplies and,
 - Estates service and maintenance contracts.

Achievements and Initiatives Implemented in 2017/18

- Direct Award Contracts (DAC) process has continued to be employed to great effect which continues to reduce the administration burden by agreeing DAC's for longer than one year up to a maximum period of 5 years in line with Regional Pals Service and Maintenance 5 year Regional procurement programme. This process has been employed where there has been clear evidence submitted confirming sole source status while still fulfilling DoH guidance (issued December 2011) on award of contracts without competition. Upon expiration of any DAC, the Estates Contract Team is reducing DAC numbers and eliminating their associated procurement risk and challenge by testing the market place and carrying out a procurement exercise via eTendersNI. This process has reduced the total number of Estates DACs of 64 from the previous year by a further 11 contracts which equates to a 20% reduction.
- Continual use, familiarity and improvements in the electronic procurement process via eTendersNI portal to publish and find tender opportunities for central government in Northern Ireland has facilitated Estates to procure and operate under the umbrella of the CoPEs own procedures and advertise and procure electronically. Estates managed to procure 19 tenders and awarded successfully 19 tenders at quotation and Non EU value levels during 2017/18 period which is an increase of 237% on the previous year.

- Estates Contracts Team have processed six expiring Local PaLS managed contracts both Non EU tenders and quotations which have transferred to Estates, to cover the intervening period until they can be captured under a Regional PaLS procurement timeline.
- Introduction of a Procurement Contracts Section within Estates 'Z' drive system to store all Contract documentation and expenditure information in one secure place easily accessible by authorised staff.
- Contract Manager participation within the newly formed Province wide Health Trust Contract Managers Group along with Regional PaLS Representation to manage and review Regional Procurements and timeline programmes for both current and future exercises.

Plans for 2018/19

- Continual participation in the Regional Estates Procurement Group to seek continual improvement development in the employment of procurement standardised procurement documentation and review current procedures used within individual Trusts to maintain full procurement compliance.
- Continual processing of all expiring Local PaLS managed contracts both Non EU tenders and quotations transferring to Estates, to cover the intervening period until they can be captured under a Regional PaLS procurement timeline.
- Development and implementation of Key Performance Indicators for Maintenance and Service Contracts to measure and benchmark performance.
- Continual development and growth of the Procurement Contracts Section within Estates 'Z' drive system to store all Contract documentation and information in one secure place easily accessible by authorised staff.
- Continual participation within a Province wide Health Trust Contract Managers Group along with Regional PaLS Representation to manage and review Regional Procurements and timeline programmes for both current and future exercises.

- Recruitment of remaining Estates Contracts Officer Posts to ensure full management reviews and performance of Contracts.
- Development and implementation of MiCad software to incorporate new Contracts module.

Measured Term Contract (MTC) Framework for Building Maintenance and Minor Works

The Trusts Estates Operations Department employ MTC Frameworks to undertake all general building maintenance requirements and also for undertaking Minor Works projects under £45k.

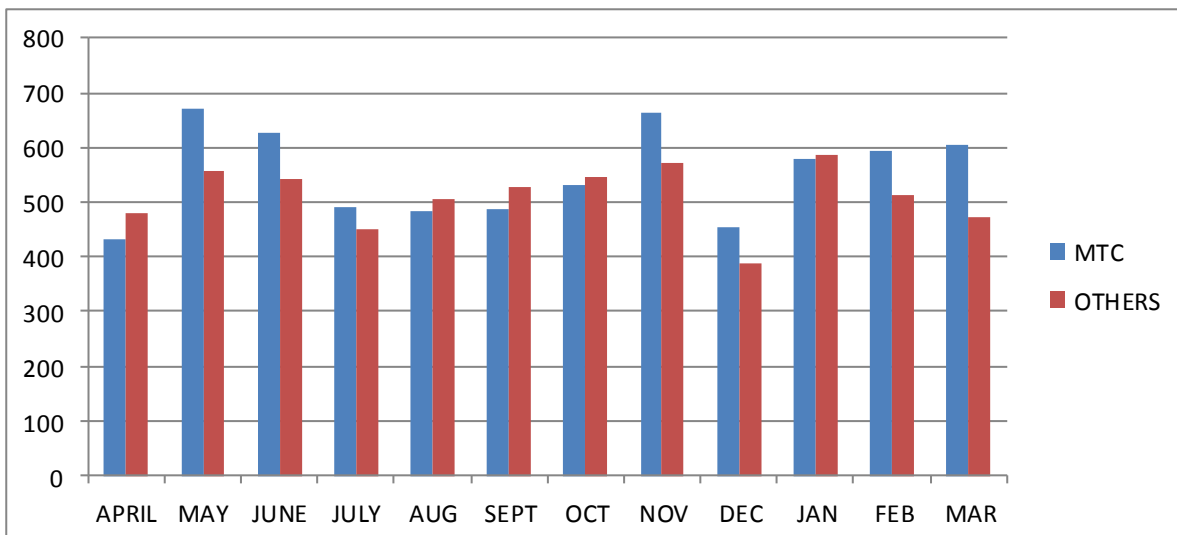
- It is specifically designed for use on building maintenance and minor works.
- It is endorsed by the Centre of Procurement Expertise (Central Procurement Directorate) which recommends its use by all public Health Sector Organisations.
- All works, (including emergency works), have been competitively tendered, therefore 'best value for money' is promoted.

There are four Frameworks in place which cover specific geographical areas, these are as follows:

- Lot 1 – Craigavon Area Hospital
- Lot 2 – Craigavon and Banbridge Community
- Lot 3 – Newry and Mourne
- Lot 4 – Armagh and Dungannon

Achievements to date

In 2017/18, 12,756 orders issued to MTC and other contractors



Plans for

2018/19

Given that the current MTC Frameworks were let for a 4 year term, which will expire in 2018, the team are in the process of undertaking a new procurement exercise to renew these contracts. It is planned that a new 12 month framework will be in place Dec 2018 while a regional approach is explored. A number of improvements to processes will be introduced, including:

- The upper financial limit of works that can be procured through an MTC has been increased from £45k to £100k, in line with CPDHP guidance. This will give the Trust greater flexibility, particularly in the implementation of urgent projects.
- The scope of works under the MTC will be extended i.e. tasks such as water safety works, drain cleaning, the use of hired in labour will have bespoke, competitively tendered, rates instructed via the MTC.
- Limit the use of Dayworks and time related items therefore ensuring better value for money.
- Further develop performance monitoring procedures and make greater use of KPI's as a means to pro-actively address any issues that may arise.
- Utilise the new suite of NEC contracts for Term Service contracts in lieu of the GC Works contract

CONTRACT MANAGEMENT ARRANGEMENTS

The implementation of a central contracts database did not progress in 2017/18. The Trust continued to highlight this risk of lack of central monitoring and assurance in the Governance statement for the Trust in 2017/18. To assist in mitigating risks, contract management training was run in February and March 2018 with 20 attendees.

OVERALL REVIEW OF PERFORMANCE IN 2017/18

As noted in the updates provided above, 2017/18 was another year of improvements being made to try and comply with procurement and contract management guidance. However, the resources required to fully comply with procurement and contract management guidance remain a challenge for the Trust. The Trust works on an ongoing basis with PaLS both regionally and locally to prioritise procurements according to risk.

Internal audit work identified a number of areas of improvement for the Trust to address.

The Trust reflected its ongoing challenges in the Governance Statement for the year ended 31 March 2018.

TRUST PROCUREMENT BOARD WORKPLAN FOR 2018/19

Some of the key tasks to be undertaken in 2018/19 by the Trust Procurement Board will be:

- Review of Terms of Reference of Trust Procurement Board in line with HSC (F) 22/2018;
- Revision of Trust Procurement Strategy for period 2018-2021 in line with HSC Strategic Action Plan 2018-2021;
- Continued participation in regional discussions on social care procurement approaches and development of associated guidance ;
- Progressing new approach for replacing control assurance standard;
- Progressing procurement action plan for 2018/19;
- Oversight of implementation of internal and external audit recommendations;
- Promotion of further training and awareness in procurement and contract management.
- Consideration of impacts on Trust of EU Exit

CONCLUSION

This report is submitted to the Trust's Senior Management Team and subsequently Trust Board for information in accordance with the Terms of Reference of this committee and the Standing Financial Instructions of the Trust.

Ms Helen O'Neill

Director of Finance, Procurement and Estates