

National Ambulance
LGBT Network



Supporting Lesbian, Gay,
Bisexual, Trans staff,
patients and communities

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A Guide to Procurement

Making the most of your
budget and complying with
NHS purchasing rules

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Introduction



The NHS is pretty prescriptive when it comes to spending money, and adherence to the two principles below will keep to stop you going far wrong.

- People involved in any procurement should apply 'due diligence' to the spending of public money and ensure purchases present good value.
- All procurement should provide an auditable trail so that proper review and scrutiny can be applied.

This pack explores the three stages of the procurement and purchasing process and ensures the two principles above are maintained. We hope you find this information useful.

With grateful thanks to Kay Stock at Yorkshire Ambulance Service for helping to put this resource together.

Part 1

Maintaining a Budget

Part 2

Selecting a Supplier

Part 3

The Purchasing Process





Maintaining a Budget

Important learning points:

- Making a plan for using your budget.
- The importance of keeping accurate records.
- Setting up an effective authorisation process.
- Knowing where your sources of support are.



Budget Management



Budget management is an important part of leading a staff network, and for those unfamiliar with this task it can be a bit daunting. The first thing to say is that there is support in every Trust from finance and procurement teams and the first step is to make valuable connections with people that can help.

Whatever your budget is, get your core group to think about how this money should be spent. Before doing this you need to establish what needs to be included in your budget. Your Diversity and Inclusion Manager should be able to tell you this. For example, you might need to know if your budget needs to include:

- Travel expenses to events
- Attendance at conferences
- Participation fees for events (like Prides)

There may be additional 'pots of money' for certain activities, for example participation fees may fall

under engagement and conferences
under education and development.

Your budget plan can be broken down into three sections:

1. Funding essential activities – there are fees and costs attached to most events and knowing these up front is essential.
2. Promotional materials and printed communications. Will you need to pay for these out of your budget and how much are they?
3. Any remaining budget can be used to develop other initiatives.

Budget plans don't have to be exact, but based on the best information you have available. It helps you to make the most of the money you have.



Example Budget Planner



££

££

££

££

££

££

Item	Budget	Actual	Income
Subscriptions (eg: Stonewall)	£	£	
Printed material (£	£	
Consumables 1 (£	£	
Consumables 2 (eg: pin badges for staff)	£	£	
Events (eg: fees for Pride eve		£	
Travel costs (eg: to conferenc		£	
Other	£	£	
Total expenditure	£	£	
Trust contributions			£
Sponsorship			£
Other income			£
Total income			£
Expected surplus / reserves			£

How you plan to
spend your money

How you actually
spend your money



Most Trust's will require you to have an authorisation process for spending money. If there isn't one already, this is simple to set up and may be a form to get signed. Always keep copies of all authorisations so you can produce them if needed. It may sound daunting if you're starting out, but it all becomes very routine once you get used to it!

Set up your financial records (below) and always keep copies of authorisation forms (right).

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NHS
Yorkshire Ambulance Service NHS Trust

Staff Equality Networks Funding - Request Form

Name of Network	
Date	
Lead Officer	
Budget Code	
Description of what the money will be used for?	
How does the request contribute towards the delivery of the Trust's Diversity and Inclusion Strategy?	
Cost	
Total	
Was this expenditure agreed at a previous Network meeting?	
Yes <input type="checkbox"/>	No <input type="checkbox"/>
Receipt(s) provided?	
Yes <input type="checkbox"/>	No <input type="checkbox"/>

Diversity and Inclusion Unit Use Only		
Signature		
Date of decision		
Approved <input type="checkbox"/>	Declined <input type="checkbox"/>	Further action <input type="checkbox"/>

www.yas.nhs.uk

Staff Network Balance Sheet

Staff Network: Yorkshire Ambulance LGBT Network 2019/20
Budget Code: 282300 - 475400

Description of Income / Expenditure	Payment In	Payment Out	Running Total
Totals	£ -	£ -	

* Estimated value



Selecting a Supplier

Important learning points:

- Knowing there are rules we must follow.
- Understanding what 'due diligence' means.
- Being aware of hidden costs.
- Remembering the impact of VAT on your budget.



Selecting a Supplier



NHS requirements state that any purchase between the values of £5,000 and £25,000 should be subject to three like quotes. For purchases under £5,000 this isn't a requirement but it is generally considered good practice when spending public money to apply the same principles of 'due diligence'.

Most procurement departments will be able to help with this and will have a list of suppliers already set up on the relevant systems. This is useful as it shortens the process of generating purchase order numbers which are always required to confirm an order.

It is a popular myth, when getting three quotes, that you have to go with the cheapest option. In fact there are a variety of reasons for selecting a supplier which includes:

- Price for the order.
- Quality of the product(s).
- How quickly the product(s) can be supplied.

Also bear in mind, if you are making a repeat order, that you may already have a supplier and the cost overall may be reduced by not having to pay 'origination costs'. Origination costs are usually a one off fee applied for setting up production, for example tooling to make badges or graphic set up for clothing products. You should not have to pay these a second or subsequent orders.

Finally, remember that most quotes provided do not include VAT. Always check this as 20% can make a considerable difference to the spend being incurred. It can also easily take you out of budget if you don't factor it in.

Some items are exempt from VAT but this is a complicated thing to define. As a rule of thumb you pay VAT for 'goods', but don't need to for 'services'. Other exemptions include certain printed materials. It is always best to check with a finance colleague before placing an order.



Supplier Evaluation Template



Order for			
Date			
Supplier	1	2	3
Name			
Cost of item			
Origination costs *			
Delivery charges			
VAT			
Total cost			
Available?			
Delivery time			
Quality ranking **			

Notes: * Add this if applicable. ** Rank the three products in order of quality (1 = best, 3 = worst).





The Purchasing Process

Important learning points:

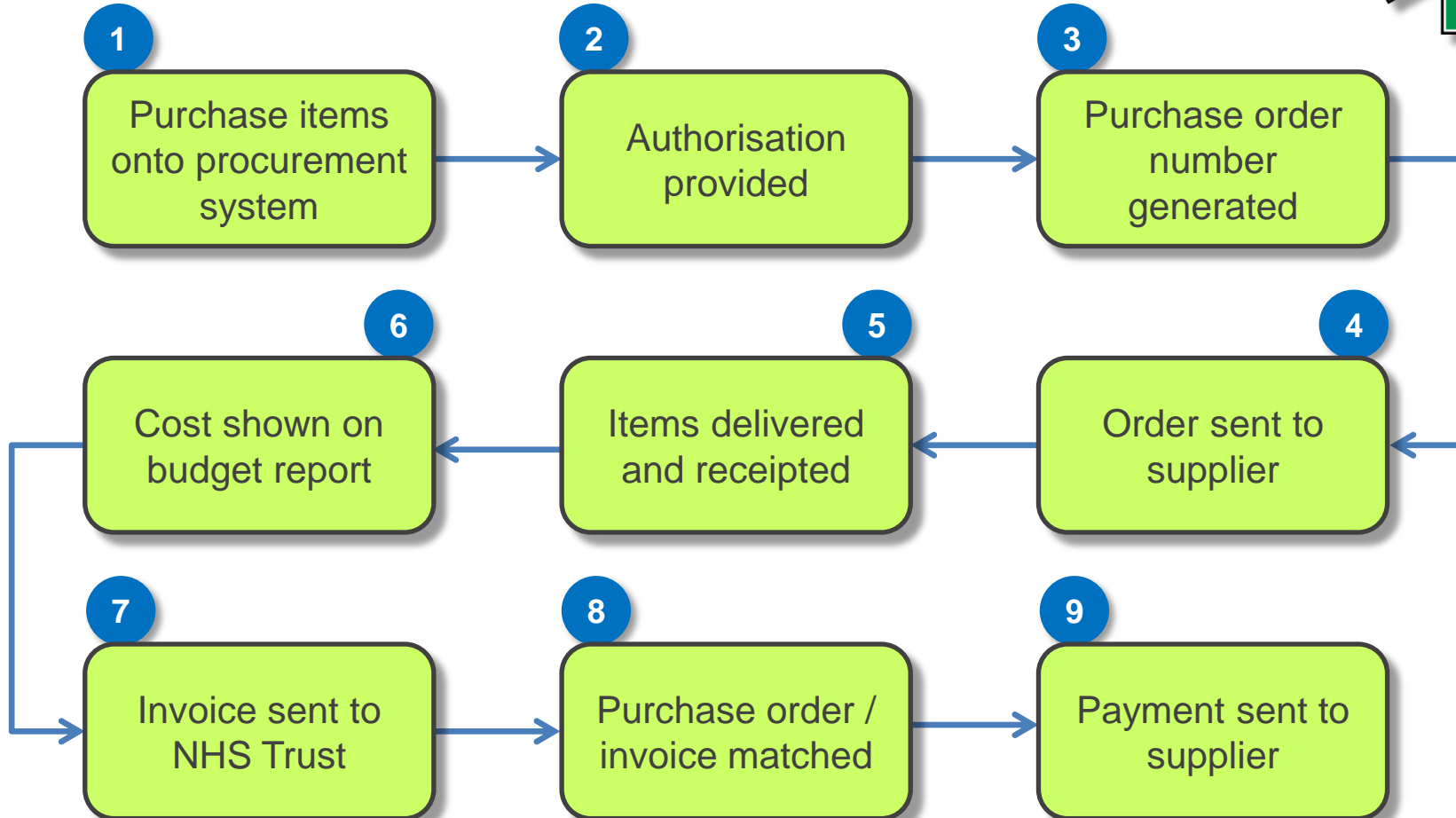
- Understanding the overall process.
- Knowing your responsibilities.
- Being aware of the role of other people.
- When you can bypass the full process.

Important Note:

In some Trusts network members may not be given access to procurement processes as described in this section. In this case you will need to discuss the process with your Diversity and Inclusion Manager.



Overview of Purchasing



Purchasing Process in Detail [1]



1. Purchase Items onto Procurement System

Different Trusts use differing procurement software systems so it is not possible to give detailed guidance on this. All orders do need to be inputted however so they can be referenced and paid for.

You finance team will be able to tell you more about the system and how to use it. You might also need a log in to enable you to put your orders onto the system. Take some time to meet the relevant people and understand the systems in your own Trust.

2. Authorisation Provided

Every order needs to be approved and very often this is built into the software system. The Purchase Order (PO) Number will not be generated until an approval is given. Some Trusts apply additional authorisation systems for

staff networks and you should familiarise yourself with this. It may be that someone from your diversity team can input the order as they authorise them.

3. Purchase Order (PO) Number Generated

This is a very important number as it gives the green light for the supplier. The number is the assurance they need that approval has been given and that they recover the finances. Most suppliers will be reluctant to provide any goods and services until they have official notification of this number.

4. Order Sent to Supplier

If you are using the procurement system the order will normally be automatically forwarded to the supplier once the PO Number is generated. If you have any special requirements there is no harm contacting them as well.

Purchasing Process in Detail [2]



5. Items Delivered and Receipted

Once your items have been delivered you will normally be required to 'receipt' the items on the procurement system. This tells colleagues in procurement and finance teams that you have the items and they are okay.

If you are not satisfied with the items in any way, do not receipt the items and contact your procurement team immediately. They will be able to advise you on the best way to handle the issue.

6. Cost Shown on Budget Report

Once receipted the cost should be linked to your budget code. You will see this as a payment on the next budget report. Be aware that some payments may take some time to process so it is useful to keep records to avoid any unexpected surprises.

7. Invoice Sent to NHS Trust

The supplier will normally send the invoice directly to the finance department. If for some reason they send it to yourself, forward immediately to your finance contact. They can then ensure payments are not delayed.

8. PO Number / Invoice Matched

The finance team will normally process this and only contact you for further information or something is not clear. It is useful to know that the PO Number is critical here and finance departments will more than likely withhold any payments if this is not provided.

9. Payment Sent to Supplier

If everything matches payment is sent to the supplier. Today, most payments are made electronically.

Small Items / Expenses



Most Trusts have processes in place for reclaiming cash for small purchases and expenses. An example is petty cash reclaims. Your finance team will be able to give you more information.

This is useful for events when purchasing small items and refreshments and refunding people for things like transport fares and parking charges.

Remember you must always have a receipt for the items being claims. Without this you don't have a valid audit trail and your could be held to account at a later date.

Even small items need authorisation so useful to set up a form to ensure you have details of the reclaim and a space for the authoriser to sign and date.

Always keep records of all the small items and the values can soon mount up and impact on your budget.

Documents to Help

A range of documentation is available to help you manage your finances. Ask your finance department for guidance documents related to VAT.

The National Ambulance LGBT Network produces a Supplier Information Guide for LGBT products. This can be found at www.ambulanceLGBT.org.

