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# WELSH HEALTH SUPPLIES

## ANNUAL REPORT 2007/08



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# FOREWORD | Paul Williams - Chief Executive

This is the last foreword I shall write for Welsh Health Supplies as part of the Bro Morgannwg NHS Trust, and it does provide a useful reference point to look back not just at the last year, but the journey we have jointly been on since the 1st April 1999.

I believe the Trust and the Board have provided a culture which has allowed WHS to meet the needs of its customers and ensure that the challenges facing Procurement have been faced with both a determination to succeed and a willingness to innovate and drive continuous improvement. The achievement of a savings figure exceeding £10m in the reporting period is a major achievement and certainly helps Trust to meet the financial challenges, and my congratulations go to the teams who have worked hard to deliver this.

I am also grateful for the support WHS provide to some of our other hosted agencies including IHC and NLIAH, where there is a real appreciation for the work that is carried out.

It has been a rather challenging year for the Materials Management Service where the upgrade to the Oracle system area again produced a number of challenges and did have an impact on the service to customers. As we approach a new contract for the service provider who will work with is to deliver the system our Customers demand and deserve.

As always, I am pleased to acknowledge the valuable contribution WHS has made to the Quality agenda and the drive to improve all aspects of the service provision to Customers. The European awards process is a major challenge and the business came through this extremely well. It was also

pleasing to see the recognition WHS had at the Wales Quality Awards ceremony for the work that has been undertaken on imbedding the European approach to the awards process in Wales.

Each of the annual reports that has been produced by WHS has focused on similar areas, and the savings achievements at £25.88m over the last nine years has provided a major contribution for our Trust Customers. Key developments, particularly around IT systems have also been noticeable and none more so than web tendering and e-Auctions, which whilst they are now quite common, were extremely innovative at the time.

My final word is reserved for staff, and to thank them for all their hard work, and for the valuable contribution they made to NHS Wales.

**Paul Williams**  
**Chief Executive**  
**Abertawe Bro Morgannwg University NHS Trust**  
**(Former Chief Executive of Bro Morgannwg NHS Trust)**



# INTRODUCTION | Mark Roscrow - Director

This is the last annual report that we shall have under the banner of the Bro Morgannwg NHS Trust, which was not something that was predicted as we started the year. It has certainly been an interesting journey as we look back over the years and I firmly believe that being part of a large Trust has provided many benefits to both ourselves and importantly our Customers.

As we look back over the last twelve months, a number of highlights come to mind. We were delighted to welcome the Contracting and Equipping Teams from the former South and West Wales Supplies Consortium into the organisation. This has been supported with the Partnership Board which has proved extremely valuable as we start to re-shape the delivery of the services.

Regular readers will know that continuous improvement has been a recurring theme for many years as we try and focus on the quality of the service we deliver to NHS Wales. The EFQM has been a major part of this and in 2007 WHS once again submitted an application to the European Quality Awards process. Following an exhausting weeks assessment we were disappointed to miss out narrowly on a prize, but we're delighted to be recognised for 5 star excellence through this demanding process. I am grateful to all the staff who contributed to this, but particularly to Sharon Webber who lead the submission and to the support she received from Julie Jones.

As part of the quality programme, we also worked along side the Wales Quality Centre to pilot an alternative assessment process based around the European model. This will now form part of the application process available to organisations which are at a particular level. It was also pleasing

to receive the recognition for this at the Gala Dinner in December.

The Contracting Team continued to focus on delivering savings and the total for the year amounted to £13.45m which was a superb effort from the team as a whole. This was during a time of quite a number of staff changes as people moved onto face new challenges unfortunately for the NHS to roles away from Public Procurement. Whilst the savings are a key measure for us, the quality of the products and services are critical and I am as ever extremely grateful to the staff across Wales who provide invaluable advice and guidance to us.

The work in support of the IHC project has continued and here again, it has been an extremely busy year with a number of complex procurements carried out. A number of these projects were undertaken using the competitive dialogue process which is still relatively new but proved to be extremely valuable in these specific examples.

The work of the project team was again a mixed bag of projects with a very big focus on the replacement contractor for the Oracle Managed Service. This was extremely complicated and involved significant engagement with the Oracle Central Team and key users across Wales.



The Materials Management Team also faced a year of challenges with the Oracle upgrade very much the centre piece of this. Whilst a considerable amount of planning and testing went into this project, it was not without its difficulties and certainly did have an impact on the service to our Customers. I am grateful to Sara Taylor and her team for all the hard work in keeping us going.

The drive to move away from paper continued with progress being more steady than spectacular. This will continue to progress over the coming year. The move away from the use of paper was one element of the work we are doing on sustainable development as we focus on this key strategic issue, and the role that Procurement can play to support this initiative. June Scott has taken the lead for us in this area and we remain on target to meet the targets being set by WAG.

I have briefly mentioned the contribution that many colleagues across Wales play in helping us to deliver on an increasingly demanding agenda and I would like to restate my appreciation for the valuable contribution.

Finally, my thanks to all of the staff in WHS who contributed to delivering a first class service, to Customers across Wales.



# KEY ACHIEVEMENTS ACROSS THE BUSINESS

## Corporate Social Responsibility

Welsh Health Supplies have placed great emphasis on this important area and have established plans that will see the integration of CSR into the organisation as well as the procurement processes.

Implementation of this key area is led by the Senior Management Team.

## KEY ACHIEVEMENTS 2008/09

- An assessment of the organisation has been undertaken against the Value Wales “Sustainable Procurement Assessment Framework” and action plans established with targets in place to achieve level 3 in all areas and level 5 in one area by 2009 as set out in the *Securing the Future* report.
- Work has commenced to identify our Carbon Footprint. This information will be valuable to us in setting targets for improvement in the future and will also inform our business planning process.
- We have identified a number of sustainable champions within the organisation who are working on local staff initiatives including recycling.
- Value Wales have provided training for a number of staff in the use of a Sustainable Risk Assessment Tool for procurement.
- Signed up to the Value Wales “Opening Doors Charter” designed to support SMEs and encourage them to trade with the Public Sector.
- Attend regular meetings of the UK wide NHS SD Forum as well as the AW NHS SD Group.
- Support the British Medical Association Group that is reviewing the ethical issues involved in procuring medical products.
- A number of policy documents have been drafted including Sustainable Procurement, Transport and Packaging.



- Expanded the organisation by successfully transferring the former SWW Consortium's Contracting and Equipping functions to Welsh Health Supplies from 1 June 2007 and taking responsibility for the Procurement requirements of both the National Leadership & Innovation Agency for Healthcare (NLIAH) and the Delivery & Support Unit (DSU).
- Worked with the South West Wales Partnership Board and Team to develop objectives and an action plan aimed at targeting efficiencies and producing value for money contract solutions.
- Successfully completed a number of e-Auctions including the first collaborative contract for NHS Northern Ireland for the supply of Procedure Gloves which utilised the e-Auction functionality.
- Continued to meet regularly with Key Customer Stakeholder Groups including Commodity Advisory Groups, the All Wales Drugs Committee, the Energy Price Risk Management Group as well as numerous working groups and contract support groups.
- Supported staff development by continuing to work with the Chartered Institute of Purchasing and Supply as well as the Health Care Supply Association (HCSA). WHS staff have the opportunity to attend the HCSA Summer School and a prize is offered for best project submitted. This year first prize went to Mr Alex Curley of WHS (*pictured right, centre*) who was presented with a cheque for £100 by the Welsh branch secretary of the Association Mr Larry Petterson (*left*) and WHS Director Mr Mark Roscrow (*right*).



**HCSA Summer School Prize Winner Alex Curley**

- Re-organised the structure of the workforce to release capacity and become more flexible to customers needs by moving to a matrix management approach. Recruited a Head of Operations to support this change and assist in resource management.
- Successfully moved to an automated process for stock purchasing reducing the amount of paper in the system and speeding up the ordering process making it more efficient and effective.

# KEY ACHIEVEMENTS ACROSS THE BUSINESS

- Continued to work with Trusts to develop their approach to stock ordering and reducing the amount of paper in the system.
- Worked closely with both Finance and the Central Team to ensure that all testing was undertaken in advance of the system upgrade to 11.5.10.
- Piloted a “put away” service in Morriston Hospital that utilised the bar coders who manage the top up system to bring stocks onto the ward and put them away as a part of the service on offer.
- Continued to work with the UK wide Supply Chain Forum which benchmarks performance with both the public and private sectors.
- Retained accreditation to all quality systems as well as successfully extending the scope of ISO 9000 to embrace the local contracting and Equipping Teams who joined in June 2008.
- Secured site visit by the European Quality Award assessors achieving a score of circa 500-550.
- Worked with the Purchasing and Supply Agency England on the development of their enablement strategy.
- Continued to work with the Home Nations in several areas including price and process benchmarking.



## Home Nations

Welsh Health Supplies have excellent relationships with colleagues in each of the Home Nations i.e. Scotland, Northern Ireland and England.



## ACHIEVEMENTS 2007/08

- Held regular meetings at director level to share current strategic issues and challenges.
- Commodity specific groups continued to meet including Food and Pharmacy.
- Worked with Home Nations on UK wide e-Enablement Strategy.
- Continued to work with Home Nation colleagues on the development and management of price benchmarking.
- Established wider network of benchmarking partners by holding a UK wide public sector benchmarking workshop.
- Contributed to the joint public/private sector Logistics Benchmarking Group.

# KEY ACHIEVEMENTS ACROSS THE BUSINESS

## Informing Healthcare – Gwent Out of Hours Procurement

Following a procurement exercise via the WHS Procurement Team based in IHC, a contract was let which allowed access to clinical patient information for the Gwent Out Of Hours GP service. Doctors and nurses in the out-of-hours service can now quickly access parts of the medical record held by the patient's GP.

This helps them make important decisions about the care the patient needs outside normal surgery hours — usually at evenings and weekends.

Medical staff using the individual health record in out-of-hours care are already seeing benefits as they can double-check medications previously prescribed, and they can see if the patient has any allergies or adverse reactions or has visited their GP recently.

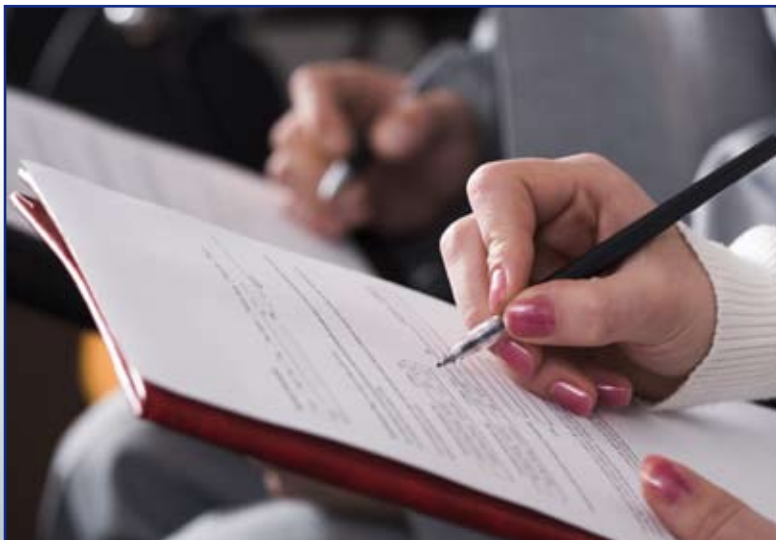
This information helps to inform the decisions medical staff need to make, which might include things like *'is a home visit necessary?'*, *'should the patient be referred immediately to hospital?'*, or *'should the patient's current medication be altered or stopped?'*. Similar approaches are now being rolled out across NHS Wales.



**A Collection of Informing Healthcare Patient Awareness Leaflets**

## Staff Training and Development

Continuous development of staff. The ethos of the organisation is that having well trained and motivated staff is essential to the provision of an effective service to our customers across Wales and to developing the business.



Each member of staff has a personal training and development plan which is specific to the post and to business requirements.

The training provided at Welsh Health Supplies is a combination of recognised professional qualifications and “in-house” and mandatory training. The typical courses/ training provided during 2007-2008 included the following:-

- CIPS Diploma in Purchasing Supply.
- NVQ in Procurement.
- Training for all contracting staff “An introduction to Procurement” on induction delivered by the Value Wales training partner, PMMS.
- Leadership Development course for the organization’s middle managers.
- Mandatory training in Fire Awareness, Violence and Aggression, Manual Handling plus KSF awareness.

Other specialist qualifications/training undertaken by staff included:

- EFQM “Assessed Assessors” course.
- ISO 27001 Training.
- Digital Tachograph.
- Train the Trainer.
- ILM Diploma in Management.
- LGV Driver Assessment.
- NVQ Warehousing and Distribution.
- ECDL.
- HGV Driver Training.
- ILM Train the Trainer.

Welsh Health Supplies provides a warehousing and logistics service to 13 Trusts in Wales from its two Distribution Centres in Bridgend and Denbigh.

Materials Management utilises its own fleet of vehicles to service circa 4000 customers across Wales. Distances over 300,000 miles are travelled per annum.

The South Wales DC is located in Bridgend and provides logistic services across the vast majority of South, West and Mid Wales.

The DC in North Wales is located in Denbigh and provides logistic services across North Wales extending from Queensferry in the West to Dolgellau in the South.

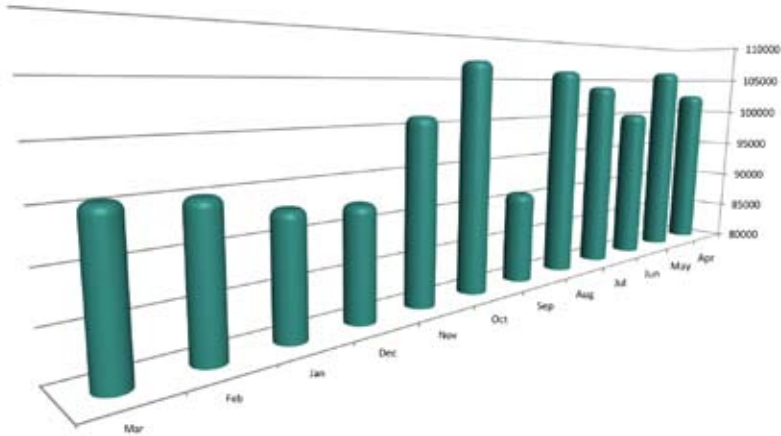
Materials Management is made up of 86 staff employed in Customer Service, Warehousing, Purchasing, Automatic Data Capture and Administration.

## ACHIEVEMENTS 2007/08

- A total of 21 million items, valued in excess £25m were shipped across Wales.
- A monthly average of 8,400 orders processed containing an average of 96,711 lines (*graph 1*).
- 35,000 deliveries made throughout 2007/08.
- Deliveries on time regularly met the 98% internal target.
- First pick availability targets were achieved and in some instances exceeded. Where problems have arisen with suppliers Materials Management worked closely with their Contracting colleagues to ensure continuity of supply (*graphs 2*).
- Continued development of the automated ordering functionality within Oracle with 81% of all purchase orders now fully automated compared to 40% during 2006/07. The benefits include a much refined ordering process which requires little intervention from the Buyer.
- A third of suppliers now have the ability to electronically trade with WHS via Tecsol. This has given rise to improved understanding/relationships between suppliers and WHS, increased accuracy of orders and acceleration of the ordering process.

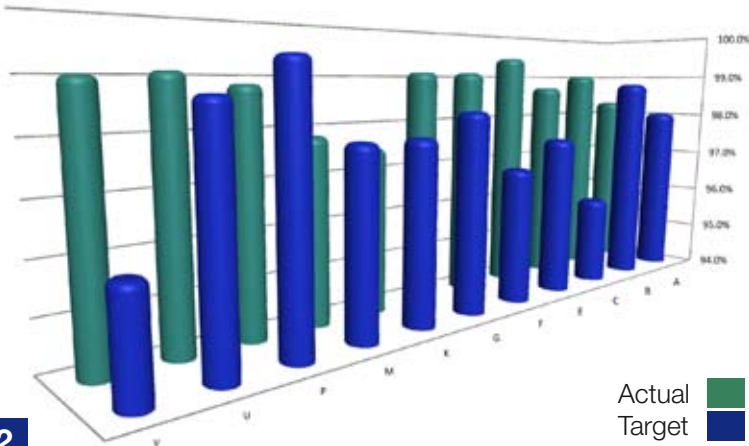
1

No. of Lines Issued April 2007 - March 2008

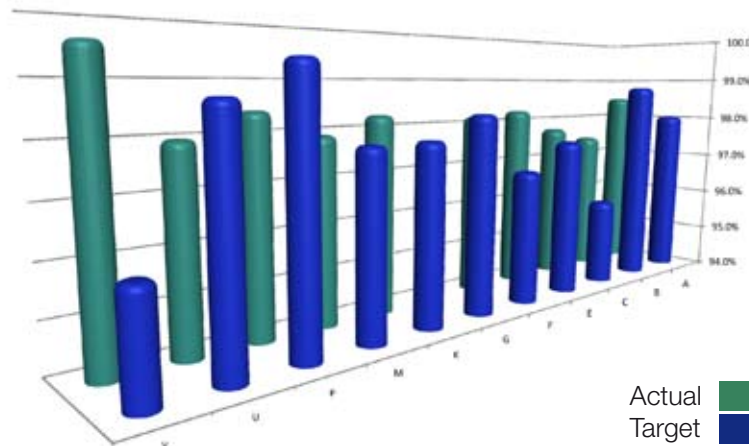


2

Bridgend Stores Efficiency Statistics April 2007 - March 2008



Denbigh Stores Efficiency Statistics April 2007 - March 2008



**Key**

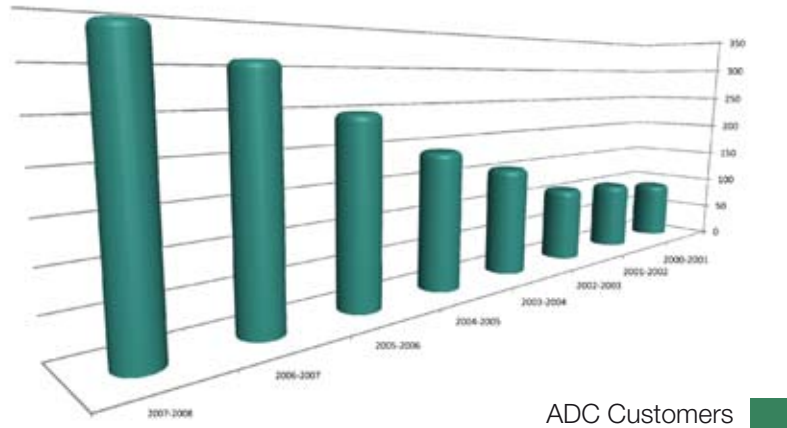
- A Provisions
- B Staff Uniforms
- C Patients Clothing
- E Dressings
- F Medical & Surgical
- G Patient Appliances
- K Lab Disposables
- M Cleaning Materials
- P Electrical
- U Hardware & Crockery
- V Bedding & Linen

# MATERIALS MANAGEMENT | Phil Atkinson - Head of Materials Management

- Automatic Data Capture (ADC) remains the prime electronic method of data collection for the WHS service. Additional locations have been added at Bridgend and Swansea sites with Velindre and Withybush Hospitals due on line in early 2008/09 (*graph 3*).
- A “Take to Ward” Service was implemented for Swansea NHS Trust which involves WHS staff collecting data from wards, picking the items and delivering the products direct to wards and departments. The process has streamlined the Supply Chain, increased Customer Satisfaction and has resulted in a reduction of telephone queries from Swansea customers.
- A “Ward Put Away” system has been developed at the Princess of Wales Hospital and involved Welsh Health Supplies staff in the provision of an “end to end” solution.
- An electronic customer enquiry form for non urgent calls has been introduced but is still in its infancy. Customer Service staff are promoting its availability and functionality while the aim is to reduce non urgent customer calls into WHS and increase response times for urgent calls.
- All Customer calls to Materials Management are categorised and analysed in order to continually improve the service and ensuring best practice is being adhered to.
- Customer telephone surveys have consistently exceeded the 75% target with very positive feedback received from customers (*graph 4*).
- WHS offer customers various options of transmitting information. Electronic ordering is the preferred customer ordering route and the chart to the right illustrates the split between the different orders methods (*graphs 5*).
- This is the second year WHS have been involved with the “Clean Your Hands” campaign. WHS play a vital part in the campaign by ensuring the safe storage and accurate and timely distribution of all their materials which include posters and starter pack.
- WHS are key players in the successful LBC cervical cytology testing campaign programme and for a number of years have provided storage and distribution of the kits.
- Oracle FMS received a major system upgrade in 2007 and WHS worked closely with Finance and Central Team colleagues during the extensive testing. However, the upgrade proved very challenging with issues arising that had not been prevalent during testing. Some issues were of such complexity that a number of patches were applied to Oracle, thus resulting in extra testing and challenges to WHS.

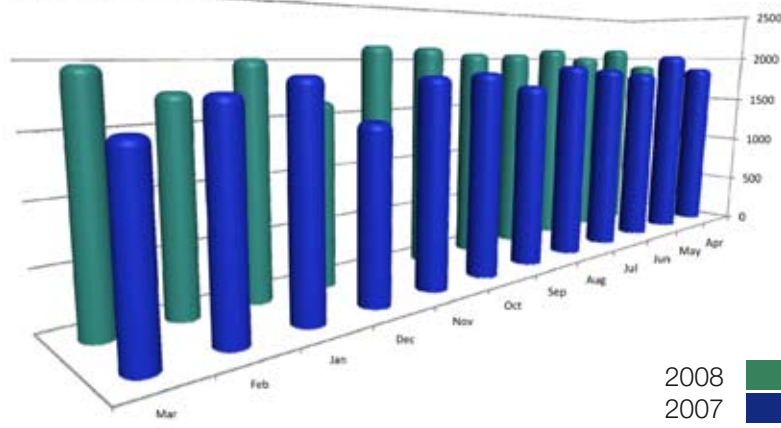
3

Automatic Data Capture Customers



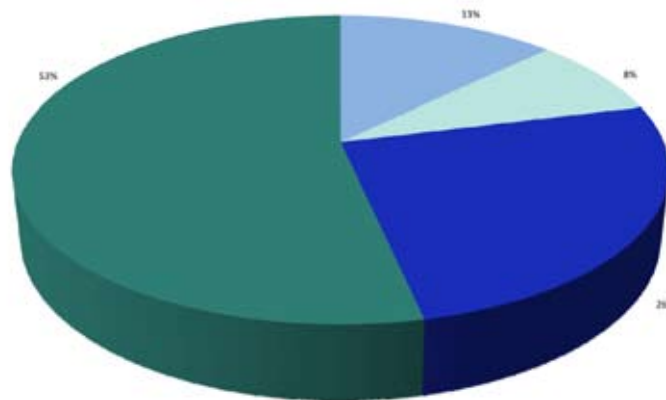
4

No. of Paper Requisitions April 2007 - March 2008

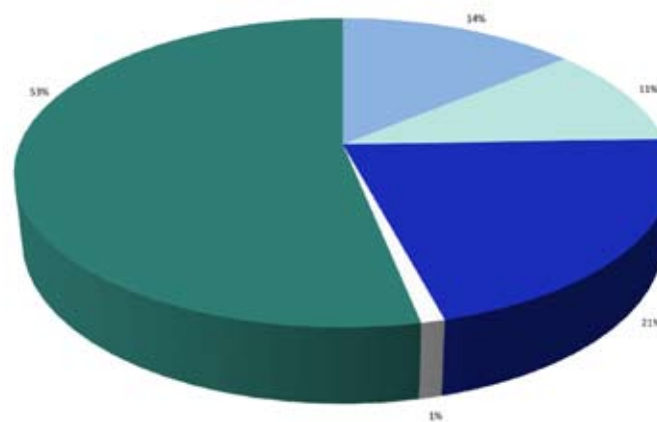


5

Processes Used for Requisitions 2006-2007



Processes Used for Requisitions 2007-2008



Remote Reqs  
ADC  
SSP  
Paper Reqs  
Email

# MEDICAL TEAM | Pam Kendall - Commodity Manager

Responsible for the negotiation and management of a portfolio of some 47 contracts including: Medical & Surgical Sundries, Dressings, Incontinence Products, Instruments and Laboratory Products with an annual value of circa £27m.

## Achievements 2007/08

Negotiated 14 contracts valued at £29m over the total period of the contracts achieving a saving in excess of £2m.

Some of the key contracts where savings were achieved include:

- Napkins Babies Disposable Total Saving over Contract Period £13k by moving from a branded to a non branded product.
- Anti Embolism Products & Stockings Total Saving over Contract Period £126k. Quality assessments undertaken include measurement of pressure at various gradients to ensure the optimum performance of the stocking.
- Suction Canisters & Liners Total Saving over Contract Period £92k.
- IV & Related items Total savings over contract period £221k. A change of supplier the last time the contract was negotiated provided a more competitive response in this market area resulting in further savings being achieved.

Continued to utilise the e-Auction tools undertaking three successful events including:

- Management of Incontinence for five South Wales Trusts achieving savings in excess of £650k per annum.
- Urology for all Trusts in Wales achieving savings in excess of £520k per annum.
- Bandages Tapes and Plasters for all Trusts in Wales achieving savings in excess of £1.7m per annum.
- Procedure Gloves for all Trusts in Wales and Northern Ireland achieving savings in excess of £657k per annum.

Continued to work closely with the medical profession through the Medical Commodity Advisory Group. This Group is made up of representatives across numerous disciplines including Infection Control, Theatres, HSDU, Nursing and Anaesthetics. Chaired by Mr Simon Poulter, Consultant Anaesthetist the Group provide advice and professional support to the contracting process.



Quality remains a key issue for the Team who work closely with Surgical Materials Testing Laboratory (SMTL). SMTL, who are part of the NHS in Wales are a UKAS accredited laboratory providing a range of services including product testing and evaluation in support of the All Wales contract renewals.

SMTL also provide support and advice to the Medical CAG.

Product Safety is of course of paramount importance and WHS works closely with the National Patient Safety Association (NPSA) to ensure that advice and guidance issued is incorporated into the contracting process. Representatives from the NPSA also attend the Medical CAG.

A number of Trusts have a dedicated Procurement Nurse in post providing a vital link between the clinical and procurement functions within their Trusts. WHS works closely with these Nurses who also provide support to the contracting process attending working groups that support contract re-negotiations.

Collaboration is a key theme for WHS and during 2007/08 WHS have continued to work closely with colleagues across the Home Nations:

- For Syringes and Needles. During 2007/08 WHS negotiated the Procedure Gloves contract as a joint contract with Northern Ireland

which included extensive testing by SMTL and the running of an e-Auction.

- Following the privatisation of parts of the Procurement service in England, WHS have developed good working relationships with NHSSC who are their new Procurement provider. WHS worked closely with the NHSSC in the re-negotiation of the Surgeons Gloves contracts.
- The negotiation of contracts for Orthopaedic Implants is a complex and specialised area. WHS have met regularly with colleagues from each of the Home Nations to explore the benefits of collaboration.

The Welsh Assembly Government take a keen interest in a number of areas negotiated by WHS. The work undertaken on Single Use Tonsillectomy Instruments has been hailed as a particular success and the ongoing prospective audit helps to monitor the quality in this key area. With the renewal of this contract approaching and the NHSSC contract for re-usable instruments also due for renewal WHS are continuing to work closely with WAG in these key areas.

Sustainability is a key issue within the Medical Team and with many manufacturers moving their production abroad issues around Ethical Procurement and Sustainable Supply Chains are being raised. WHS are working closely with WAG and other key bodies across the UK to explore and address these issues.



# FACILITIES | John Lewis - Commodity Manager

Responsible for the negotiation and management of a portfolio of some 35 contracts including food, non medical disposables and cleaning materials with an annual value of circa £8m.

## Achievements 2008/09

- Continued to work with the Catering profession through the Foodstuffs and Catering Commodity Advisory Group. The CAG is a key support group for the team, made up of representatives from each Trust. The group sets evaluation criteria for forthcoming tenders, supports the ongoing monitoring of contracts as well as identifying areas of development. The group is chaired by Stephen Barnard Catering Manager for Cwm Taf NHS Trust.
  - Quality remains a key feature for the team who work closely with a number of professional third party organisations who provide quality assurance and support to the contracting process. This includes the Campden and Chorleywood Food Research Association which supports the team in developing specifications and quality assessment of a range of canned and frozen product and Hybu Cyg Cymru which supports the development of meat specifications along with the provision of an inspection service for meat provided on contract.
  - Food Safety is a priority for the team who continue to work with Support Training Services Ltd (STS) who are the UK NHS service provider for Food Hygiene inspections. All suppliers on All Wales contracts must be accredited prior to delivering to the NHS.
  - Collaboration is a key theme for the team who work closely with Value Wales in respect of Food Procurement. June Scott WHS chairs both the Welsh Public Food Procurement Group and sub group. Membership of these Groups is drawn from the major food buying sectors in Wales.
- The main group focuses on a wide range of issues including Food Safety, Collaboration, Partnership working, Strategic developments, Sustainability and sharing best practice.
- The Sub Group was established to drive forward this agenda and has to date achieved the following:
- Established an All Welsh Public Sector Food Hygiene Contract. Supported by WHS.
  - Successfully negotiated the first Welsh public sector food contract for Imported Fruit. Managed by WHS in conjunction with Value Wales.
  - Established links with the All Wales Trading Standards Group, the All Wales Environmental Group, the Organic Centre Wales as well as academic professionals including Professor Kevin Morgan from Cardiff University.

In addition the team works closely with colleagues from other Home Nations and meets on a quarterly basis to exchange information on markets, suppliers and sharing of best practice.

- Food and Nutrition remains a priority for the Welsh Assembly Government and WHS has been represented on two sub groups established to look at both Nutritional Care Pathways and an All Wales Nutritional Campaign for Food. These Groups will report back their progress to the Minister during 2008.
- Contract Management is one of the key issues facing the Team. Increased world demand for food along with climate change have resulted in shortages in the supply chain and ever increasing prices for product. This along with the impact of fuel price increases is placing a huge pressure on this market. The focus for the Team remains on achieving value for money and ensuring continuity of supply.
- Sustainability is a key issue for the Team and the potential to work closely with more Welsh SMEs is amongst the challenges faced by the Team. WHS are working with the Welsh Public Sector Food Group and the Department for Enterprise, Innovation and Networks (DEIN) on the development of information to help support this agenda moving forward.



# UTILITIES | Alex Curley - Commodity Manager

Responsible for the negotiation and management of a portfolio of contracts including: Gas, Electricity, Lift Maintenance and Disposal of Clinical Waste with an annual value of circa £30m.

## Achievements 2007/08

- Successfully expanded the flexible buying approach, pioneered with the Gas contract, to the electricity contract. Using these contracts, WHS acts on behalf of the NHS in Wales to procure their gas and electricity requirements. A comparison of benchmarking data with other public sector buyers confirms NHS Wales is continuing to perform very well indeed. Expenditure on electricity contracts was £9m, with £10m on gas.
- Re-negotiated the All Wales contract for Fuel Oils & ULSD. The prices for ultra low sulphur diesel (ULSD), kerosene, and heavy and light oils which make up this contract are updated every two weeks by the Utilities Team.
- Re-negotiated the Lift Maintenance Contract achieving savings in excess of £7k and enhanced the terms & specification within the contract.
- Expanded the customer base for the Disposal of Clinical Waste providing an opportunity for Local Health Boards to join the contract. As a result 16 LHB's have joined the contract during this year with more set to join next year. This has resulted in an increased spend against this contract of £800k.
- Provided close support to the Energy Price Risk Management Group (EPRMG). This Group consists of Finance and Estates/Energy Managers and has worked with WHS to establish



and revise purchasing strategies for gas and electricity that stand up to scrutiny during difficult and volatile market periods. The Group plays a major role in defining when and how much energy is procured and the strategy within which WHS works to achieve the best value for money.

- The work of the Utilities Team relies heavily on collaboration and support with end users. This has been evidenced again this Financial Year by the excellent working relationships with the All Wales Clinical Waste Group, Energy Price Risk Management Group & Lift Maintenance Working Group. The input from these groups has enabled another successful year within the Utilities Team.
- Collaboration - WHS has also played its part at the All Wales Utilities Forum, run by Value Wales and the Energy Stakeholders Forum, (ESF) run by the Office of Government Commerce. The ESF is part of the Transforming Government Procurement agenda and is promoting collaboration on a UK wide basis. As part of this a working group, including WHS, is developing an energy price risk management strategy that will be applicable, and available to, the whole UK public sector.



# PHARMACY | Tracey Prothero - Commodity Manager

Responsible for the negotiation and management of a portfolio of some 30 contracts including Generic and Proprietary Drugs, IV Fluids, Family Planning, Vaccines, Medical Gases and Home Oxygen Therapy with an annual value of circa £50m.

## Achievements 2007/08

- Negotiated 12 contracts valued at £11m achieving a savings in excess of £2m.

Some of the key contracts where savings were achieved include:

- Generic Injectables Annual Saving of £1.1m by splitting out the Generic Drugs contract into key focus areas.
- Generic Tablets and Capsules Annual Saving in excess £248k by splitting out the Generic Drugs contract into key focus areas.
- Heparins Annual Saving in excess of £152k.
- Contract Media Annual Saving in excess of £786k by focussing on Trust specific outcomes.
- Benchmarking is a key process with monthly comparisons of the top 50 All Wales Drugs carried out against prices on contract in

England. This has resulted in cash releasing savings during 2007/08 of £178k.

- New drugs coming onto the market quickly reach a high level of expenditure for Trusts. WHS identify these as quickly as possible and ensure these are tendered so avoiding the need for Trusts to replicate this work.
- Contract Management is a key issue for the Team and a lot of effort is put into scoring supplier performance to ensure that complaints and contract problems are kept to a minimum. Queries and problems have been decreasing as a result of closer monitoring on such things as lead times and out of stocks.
- Negotiations for Pharmaceuticals are supported by the All Wales Drug Contracting Committee. The Group is chaired by Ken Thomas, Chief Pharmacist at Princess of Wales Hospital and is made up of 6 Chief Pharmacist representatives from around Wales as well



as a QA Pharmacist, Technical Pharmacist, Director of Finance and representatives from WAG.

- All Pharmaceutical quality evaluation is conducted by St Mary's Pharmaceutical Unit (SMPU), supported by the All Wales Quality
- In addition to the links with the Home Nations WHS also works closely with Value Wales on areas that cut across the Welsh Public Sector. WHS are leading the negotiations on the first Welsh Public Sector contract for the provision of community items including Walking Aids.
- The Welsh Assembly Government takes a keen interest in a number of contract areas negotiated by WHS including the provision of a Home Oxygen Therapy Service across the Principality. Regular meetings with Stakeholders have been established to monitor this important contract.

Control Sub-Group, made up of QC Pharmacists from each Trust. The All Wales Quality Control Pharmacist, Dr Julian Smith leads this group in the process of product evaluation and quality scoring for the adjudication process. Changes to product evaluation now involves working with the rest of the UK in setting up of a product database which contains evaluation material for all products on the market, which will eventually mean less work will need to be carried out at the time of adjudication, enabling QC Pharmacists from around the UK to share the work, which will be carried out throughout the year.

- Collaboration is a key theme for the Team who meet with colleagues from Scotland, England and Northern Ireland on a regular basis. This provides a useful exchange of information on markets, suppliers and best practice, which helps ensure that the NHS in Wales gets the best value from the All Wales Contracts.

### **Medical Gases**

- Following requests to uplift Liquid Oxygen prices by 43%, WHS entered a formal mediation procedure with BOC during the early part of the year. The proposed increases would have resulted in an increase in value for the remainder of the contract of in excess of £1m or £250k per annum. The mediation outcome was successful for NHS Wales, with negotiations resulting in a cost avoidance saving of approximately £180k per annum.

### **Sustainable Procurement**

- WHS are working closely with the other Home Nations, with members of the Pharmacy Team having recently attended a workshop, which included representatives from all Home Nations and Industry. The outputs from that day are now being considered and a proposal will be suggested as to how Pharmaceutical Procurement is taken forward.

WHS Projects Team covers a diverse range of procurements on behalf of NHS Wales. The following is a review of some of the more notable activity during a busy and challenging financial year 2007/08.



## Informing Healthcare Hysbysu Gofal Iechyd

### Supporting the Informing Healthcare [IHC] Programme

IHC is a key Welsh Assembly sponsored programme which aims to improve the delivery of healthcare by introducing new ways of accessing, storing and using information. This includes making relevant information about your health available to doctors and nurses who treat you wherever you are and providing health professionals with the tools, knowledge and services they need to follow best practice. Some key procurement milestones during the year include:

- Delivery of contract to allow access to patient records for the Out of Hours Service in Gwent and subsequently a procurement under Competitive Dialogue for 2 additional health communities [and option to extend to rest of Wales].
- Procurement of Pathology Labelling solutions for Trusts to enable automated labelling and identification of test results and requests. Assists in the reduction in potential for errors and automated update to patient record.
- EU compliant procurement of a Framework Agreement for a Blood Glucose Management solution for NHS Wales as part of the Point of Care.
- Support for the NHS Wales National E Mail service and Active Directory project.

There have numerous other procurements undertaken all geared to delivering the objectives of IHC. During the year added value and savings circa £724k have been achieved through the WHS Procurement Team.



## Swansea NHS Trust Picture Archive & Communication System [PACS]

- The team supported Swansea NHS Trust with the procurement of a Trust wide PACS solution. PACS enables images such as X Rays and scans to be stored electronically and viewed on screens creating a near filmless process and improved diagnosis methods. Doctors and other health professionals can assess and compare images at the touch of a button. The WHS support resulted in the selection of a system which is now in the process of being implemented & provides the Trust with real clinical and operational benefits.

## NHS Wales GP Clinical System Framework Agreement

- Working with colleagues from the Primary Care IM&T Programme, WHS provided procurement support in the establishment of a Framework Agreement to allow future investments in GP Clinical Systems in a compliant and efficient manner. The 4 year agreement ensures that any new systems implemented in primary care are mandated against a strict set of Welsh minimum standards to ensure strategic fit across Wales, improve and increase functionality and ensure all systems are fit for purpose.



## Automated Robotic Pharmacy Dispensing System

- During 2007/08 Phase 4 of the Automated Pharmacy Dispensing System was undertaken as part of the Modernisation of Pharmacy Services. Phase 4 included systems for the new Rhondda Community Hospital, Neath Port Talbot and Singleton Hospitals. WHS has successfully provided the procurement support to the previous phases which now means that all major acute hospitals have an automated dispensing system in place.



## Support to the Delivery and Support Unit and 2009 Access Project

- 2009 Access Project is a key objective within NHS Wales and seeks to ensure that patients in Wales will not wait longer than 26 weeks from GP referral to start of treatment, including all tests and outpatient consultations. As part of its contingency plans DSU commissioned WHS to establish a series of commercial agreements whereby additional capacity and capability to potentially supplement internal resources. Agreements are now in place to allow for the provision of clinical services in radiology, audiology and echo cardiology.



## Radiology & Radiotherapy Equipment Procurements

- WHS continues to work in conjunction with colleagues in Welsh Health Estates in assisting with the procurement of major items of Radiology & Radiotherapy Equipment. The vast majority of the procurement activity is undertaken via the WHS established Radiology & Radiotherapy Equipment Framework Agreement. This has enabled the procurement of radiology equipment in a much more efficient and streamlined manner than previously was the case pre Framework Agreement. Major items of kit are now being procured in days and weeks rather than the previous individual OJEU route of several months. 2007/08 was again a very busy year with many major items of radiology kit going through the Framework [eg MRI & CT scanners, X Ray rooms, Gamma Cameras etc].

## Agency Nurses

- Following the award of the Agency Nurses contract, much of the focus has been on contract management and ensuring compliance with quality aspects of the contract specification. During the detailed planning stage of the contract it was recognised that Supplier Audits would be critical



to the success of the contract and Health Inspectorate Wales were appointed to undertake a comprehensive audit programme on behalf of NHS Wales. By the end of 2007 all the contracted Agencies had been successfully audited for compliance to the Contract Specification with detailed audit reports being presented to the All Wales Agency Nurses Steering Group. The success of the contract has led to an increased demand from LHBs to participate in the contract arrangements and WHS are currently working closely with all LHBs in Wales to develop this service with them which will ensure a unified approach to the use of Agency Nurses across Wales.

## Medical Locums

- Current contract arrangements for the supply of Medical Locums in Wales are due to come to an end in March 2008 and a decision was made in March 2007 to participate in a national framework agreement for Medical Locums currently being negotiated by PASA with WHS taking an active role in the negotiation and award process. The national agreement is due to commence in April 2008 and WHS will then undertake a process of agreeing a specific Welsh contract for the supply of Medical Locums to all Welsh NHS Trusts. In order to allow sufficient time for WHS to do this and to ensure continuity of supply the current contract has been extended for a period of three months to 30th June 2008.

Overall 2007/08 has been a successful year for the WHS Projects Team with a number of key procurements supporting NHS Wales modernisation and the ongoing quest for improved Value for Money. The challenges will not decrease going forward as the demands of the service increase. Let's hope for another good year!

# PROJECTS TEAM | Nic Cowley - Deputy Director

## Automated Pharmaceutical Dispensing Systems – “Robots”

WHS Projects Team concluded the procurement of Phase 4 of the Automated Pharmaceutical Dispensing System roll out in Wales in 2007/08. One of the main reasons for introducing automation into hospital pharmacies was to eliminate the most common source of dispensing mistake, namely picking errors. That is, human error in product selection from the shelf. Medicines often have the same corporate packaging as well as similar names and they also come in a range of strengths which can add complexity to the dispensing process. Picking errors are the major cause of all dispensing problems reported to the national scheme and the latest information indicates that the introduction of robots has resulted in a 60% reduction in such errors. Reported errors are those which actually leave the Pharmacy and therefore have the potential to cause significant patient harm. The robots installed in Welsh hospitals have delivered this reduction, contributing to significant improvements in patient safety.

The other major benefit of automation is that it facilitates the redeployment of staff to a more patient orientated service provision enabling the delivery of patient centered medicines management services across Wales.

The modernisation of hospital pharmacies through the implementation of automation has also improved working conditions, enabled process redesign and improved the capacity of the service to absorb increases in throughout which would not have been manageable or safe to absorb. This has helped the service in Wales deliver service improvement despite the projected deficit in manpower facing Pharmacy.

All the above benefits have been delivered within a project running over a five year period with each phase coming in at or below budget, on time and with few complications. This project has placed Wales at the forefront of the engagement with this technology. We have refined and developed the specification over time and delivered the single most significant improvement in Pharmacy services across most of NHS Wales and we will continue to deliver this as subsequent phases roll out.



## Local Contracting

Responsible for the negotiation and management of a portfolio of around 140 contracts including Maintenance of medical and non-medical equipment and service contracts including Orthotics and Taxis. Total annual value of contracts circa £10.5m. Contracts are established on behalf of the Trusts within the South West Wales Partnership i.e. Bro Morgannwg, North Glamorgan, Pontypridd and Rhondda, Swansea and Velindre Trusts.

## Key Achievements 2007/08

- Welsh Health Supplies took responsibility for the management of the local contracting Team in June 2007 successfully managing the transfer of staff from Swansea to Bro Morgannwg NHS Trust.
- Review undertaken of the contract portfolio to assess the level of activity being undertaken. As a result a number of lower value contracts were returned to Trusts to negotiate and the remaining contracts were assessed to identify the potential to merge them together where it was considered beneficial to do so.
- The South West Wales Partnership Board set the partnership key objectives and targets for the year. Regular updates are provided to the Board who meet every two to three months.
- The Local Contracting Team have successfully retained their ISO 9000 accreditation which has been integrated within the scope of WHS' systems. In addition work has begun on reviewing the ISO 9000 procedures to reflect the changes in working practices that will be required in future.



# LOCAL CONTRACTING | Clive Osborne - Commodity Manager

- The Procurement leads from each of the Partnership Trusts meet monthly to take forward the overall agenda. Key focus areas include:
  - Key Performance Indicators – these have been developed and a common definition agreed.
  - Migration to e-Tendering utilising the Bravo system.
  - Review of Trust Procurement Strategies to reflect on going changes.
  - Review of influenceable spend to identify opportunities for the Partnership going forward.
  - Focus on savings targets.
  - Development of response to the Value Wales Sustainable Procurement Assessment Framework (SPAF).

Savings achieved during the year were in excess of £20k per annum for local contracting.



## Capital Equipping

Covering the Swansea, Velindre, Bro Morgannwg & Pontypridd & Rhondda NHS Trusts, Capital Equipping is a procurement activity that can be defined as those tasks on a capital scheme required to plan, cost, agree, source, acquire, deliver, store and commission the equipment needed to enable a new or refurbished healthcare facility to be available within a pre-determined timescale and budget. The Equipping Team form an integral part of the planning process within each Trust.

## Key Achievements 2007/08

The capital equipping function has delivered significant value over many years and has received accolades from Trusts in terms of service delivery & professionalism. The importance of running an efficient and effective Equipping Team cannot be underestimated and they play an integral part in the success of any new schemes & the clinical and patient benefits that are derived from new health care facilities. 2007/08 has been no exception and the following are some highlights and key achievements:

### Velindre NHS Trust [Cardiff]

- Equipping and commissioning the additional Radiotherapy Bunker – Velindre Hospital. This project links to the wider increase in capacity and investment in Cancer Services in Wales.
- Equipping the Active Support Unit scheme – within a total scheme budget of £1.3m.

### Bro Morgannwg NHS Trust:

- Ongoing work within the Child/Adult Mental Health Unit.
- Upgrading Ward 12 at Glanrhyd Hospital, Bridgend.
- Equipping the Cardiac Wards at the Princess of Wales Hospital, Bridgend.

# LOCAL EQUIPPING | Hugh Miles (retired January 2008) – Commodity Manager

## Swansea NHS Trust:

- Equipping and Commissioning the Burns and Plastic extension [Welsh Regional Burns Unit] Morriston Hospital within a total scheme budget of £10m. Roll-over scheme between two financial year periods with anticipated completion summer 2008.
- Additional MRI facilities – Singleton Hospital.
- Equipping the new Critical Care Ward, Morriston Hospital (total scheme budget of £3.2m).
- Preparing equipment schedules for the Anaesthetic Offices Scheme, Morriston Hospital.
- Equipping and Commissioning the Gamma Camera room at Singleton Hospital.

## Pontypridd & Rhondda NHS Trust:

- Full equipping activity for the new Ysbyty Cwm Rhondda, Llwynypia – this is a key part of the re-development and delivery of healthcare for the Rhondda.
- Upgrading of Wards and Departments within Dewi Sant Hospital.
- Continuing work on the Ante-Natal Clinic and Community Offices Schemes.

One of the key aspects of Capital Equipping is to enable new developments or schemes to be delivered on time and to budget. It is very pleasing to note that all schemes have been delivered in line with Trust requirements during 2007/08 as well as delivering cost savings and added value. Savings achieved during 2007/08 were circa £920k.



**Critical Care Ward - Morriston**

# CONTINUOUS IMPROVEMENT

In order to maximise value to its customers and other stakeholders WHS aims to continually improve its services and deliver excellent results. This is achieved in part through the use of formal management system standards and by embedding the concepts of excellence within the organisation utilising the EFQM Excellence Model.

## Management Systems Certification

- WHS has robust management systems in place to assure the desired levels of performance are achieved and continues to maintain certification to a number of internationally recognised standards including;
  - ISO 9001:2000 Quality Management System
  - ISO 14001 Environmental Standard
  - OHSAS 18001 Occupational Health and Safety
  - ISO 27001 Information Security Standard

Local Contracting and Equipping Teams, new to WHS in 2007, were successfully included in the scope of ISO 9001 Quality Management certification in August 2007 with plans to include them under the above certification during 2008/09.

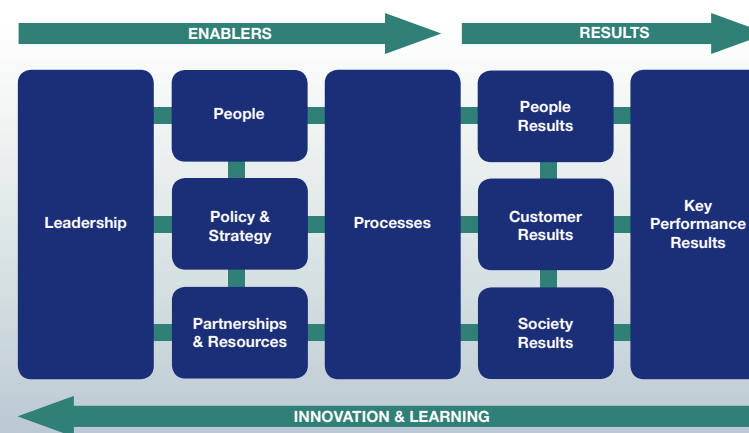
The Environmental Management System will be further enhanced during 2008/09 and beyond with the integration of sustainable development

principles. This will see environmental, social and economic issues considered at every level of planning and policy deployment within WHS.

Further developments will see re-certification of the WHS Occupational Health & Safety Management System to the revised OHSAS 18001:2007 standard.

## EFQM Excellence Model

- In order to achieve excellent results across a balanced set of measures WHS must seek to manage effectively and continually improve across all areas of the business. Using the EFQM Excellence Model provides WHS with a framework against which progress on its journey towards excellence can be assessed, highlighting both its strengths and opportunities for improvement.



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# CONTINUOUS IMPROVEMENT

## Wales Quality Award

- In 2007 WHS worked in partnership with the Wales Quality Centre to pilot an 'alternative assessment' process based on the successful European Excellence Award 2005+ approach requiring an in depth on-site assessment. The pilot was very successful with WHS being recognised for their contribution with the presentation of a 'Blazing a Trail' Award at the December 2007 Awards Ceremony. The Wales Quality Centre has subsequently used this experience to include the alternative approach as an option at the launch of the 2008 Awards.

## European Excellence Award

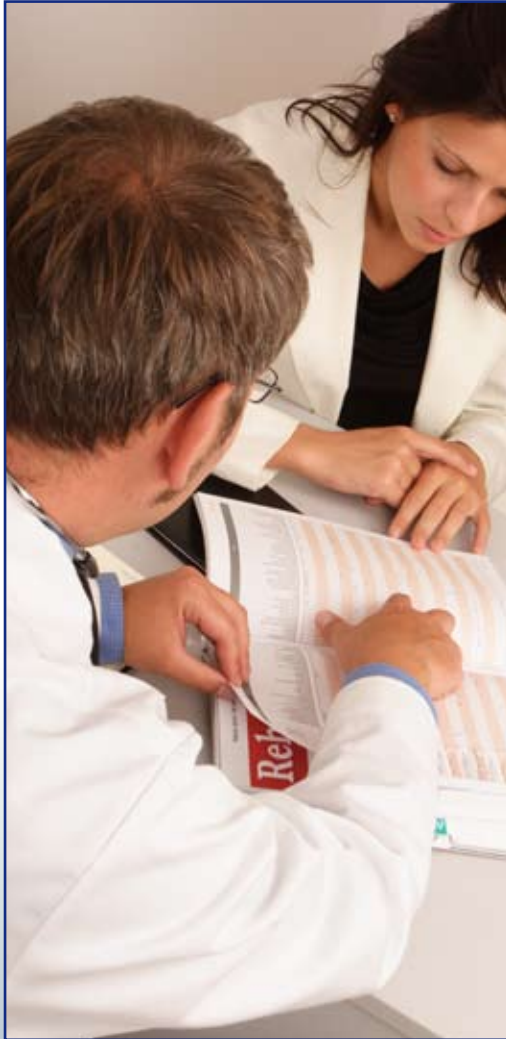
- The first joint application to the EFQM Excellence Award for Contracting and Materials Management was made in 2007. A total of 25 staff from all levels were interviewed over 4 days by a highly experienced, professional team of assessors from Switzerland, Belgium and France. As a result of this intensive assessment and in recognition of the efforts made by all staff in delivering a quality service WHS were successful in achieving Recognised for Excellence status with an improving score against the model.
- The assessment provided a valuable opportunity to benchmark and learn from other leading organisations from all over Europe from the public and private sector. The output from this assessment has been used to prioritise improvements efforts over the year with the focus on customer satisfaction and process management.



**Mark Roscrow (Director) and David Phillips (WQC Chief Executive)**



**From top left to right: Nic Cowley (WHS), Mark Roscrow (WHS), Gerhard Leu (EEA Switzerland), Jacques Philippaerts (EEA Belgium), Patrick Manns (EEA France) Annick Price (EEA Belgium), June Scott (WHS), Julie Jones (WHS) and Sharon Webber (WHS)**



## Investors in Excellence

- WHS was awarded re-accreditation through the Investors In Excellence programme, a national standard for improving performance based on the EFQM Excellence Model. To achieve accreditation WHS demonstrated high levels of performance in how the organisation is managed and results achieved.

**WHS will continue to utilise the feedback from assessment and stakeholders to assess its progress on its journey towards excellence, building on its strengths and acting on opportunities for improvement.**

## Key Achievements

- Delivered services in accordance with the requirements of ISO 9001:2000 Quality Management, ISO 14001 Environmental Management, ISO 27001 Information Security Management and OHSAS 18001 Occupational Health & Safety Standards, successfully maintaining accredited certification. Local Contracting and Equipping teams audited by external certification body and successfully included in certification to ISO 9001:2000.
- Investors in Excellence accreditation awarded by Wales Quality Centre in recognition of WHS capabilities and performance against defined standards based on the European Excellence Model.
- 'Blazing a Trail Award' presented to WHS at Wales Quality Award 2007 for involvement in alternative assessment approach pilot.
- Recognised for Excellence achieved through European Excellence Award process in July 2007.



ISO 27001  
IS 79969

2007/08 was another busy year for the IM&T team, based at Bevan House, which is responsible for the IT services and infrastructure across all four sites used by Welsh Health Supplies.

## Migration of Consortium Staff

The South West Wales Supplies Consortium was merged into Welsh Health Supplies in June 2007. Over the subsequent months the staff based at Gorseinon and Avon Court were successfully migrated from their Swansea Trust infrastructure to the WHS domain with minimal disruption.

## Information Security

2007/08 saw WHS' first triennial recertification to ISO 27001, the Information Security Management Standard, audited by the British Standards Institute. Retention of the prestigious standard is attributed to excellent support from all of the staff plus close working between the IM&T Team and the Quality Manager. WHS continue to be the only NHS body in Wales to hold this certification.

## Website re-launch

2007/08 saw the launch of a completely new integrated website where a single server supports both the NHS facing intranet and the public facing internet. This site has brought a fresh look and feel to our sites and significantly reduced the maintenance and administration effort required. The website is at the core of WHS' communication strategy.





**eCommerce**

WHS has been heavily involved in the development and deployment of the NHS wide eEnablement Strategy. WHS continue to represent Wales on several working groups. WHS has sought to promote adoption of the Strategy in particular in the Oracle FMS contract renewal process and in the Value Wales xchange Wales project.

**ECDL**

WHS has retained its ECDL (European Computer Driving License) Test Centre status, once again achieving an “A” grade when audited by the British Computer Society. Recognising the value of ECDL, WHS has chosen to maintain it’s Test Centre despite the withdrawal of central funding by IHC.



**eSourcing**

Throughout the year, WHS has fully utilised the capabilities offered by the BravoSolution eSourcing service.

Since moving from our in-house eTendering system to the Bravo one at the beginning of 2007, WHS has conducted all of its tendering activity through this route. In the 2007/08 year, over 180 tenders were run through this system (including IHC tenders).

## Service Management

Availability of key services and systems were maintained at a consistently high level as the principles of ITIL began to be introduced into the organisation. A range of Key Performance Indicators are reported on a monthly basis.



## Continuous Improvement

IM&T has successfully delivered a programme of planned replacement and upgrades, including improvements to the conference room facilities at Cardiff and the Video Conference facilities at Denbigh.

# WELSH ASSEMBLY GOVERNMENT INITIATIVES

Welsh Health Supplies have strong links with the Welsh Assembly Government and works closely with them on a number of key areas.

## ACHIEVEMENTS 2007/08

- Supported a number of work streams established by the Health Minister under the “Empowering the Ward Sister” project.
- Commenced the renegotiation of the Single Use Tonsillectomy Contract.
- Advised on Procurement matters relating to emergency preparedness.
- Worked with the National Patient Safety Advisory (NPSA) co-ordinators within WAG.
- Developed a Framework Agreement for Blood Glucose Solutions as part of WAG’s Pathology Modernisation Programme.
- Undertook the procurement of circa £20m worth of Radiology equipment as part of WAG’s initiative to create additional diagnostic capacity.
- Concluded an Agreement for Agency Nurses commissioned via WAG, to address the significant expenditure in this area and improve standards and supplier monitoring.
- Concluded Phase 4 of WAG’s roll out of Automated Pharmaceutical Dispensing Systems as part of Pharmacy Modernisation.
- Continued to support major procurement activity in WAG’s Informing Healthcare Programme & Primary Care IM&T Programme.

# NHS SUPPLY CHAIN

In 2006 the Logistics arm of the NHS in England (formerly NHS Logistics) along with a large part of the Procurement Team (Purchasing and Supply Agency) were market tested with the business being awarded for a 10 year period to DHL in partnership with Novation.

This change had impacts in Wales where numerous UK wide contracts are utilised and as a result work has been undertaken to build relationships with this new organisation.

## ACHIEVEMENTS 2007/08

- Regular meetings established with senior representatives of NHSSC.
- Work streams established to review IT, Communications, Contracting and Logistics.
- Links established between NHSSC and WHS to allow direct ordering to progress.
- Access to NHSSC catalogue established.



Collaboration is a key theme for Welsh Health Supplies. In Wales, WHS works closely with Value Wales' Procurement Team in a number of key areas.



**Mark Roscrow (seated left) with colleagues from across the Welsh Public Sector**

## ACHIEVEMENTS 2007/08

- Supported the development of and signed up to the Welsh Public Sector Memorandum of Understanding in respect of collaborative arrangements within the Welsh Public Sector.
- Senior Manager WHS chairs the Welsh Public Sector Food Group and Sub Group which have:
  - Established a Food Hygiene Contract for the Welsh Public Sector that aligns with that in place for the NHS.
  - Conducted a collaborative procurement for a range of Canned Fruits across the Welsh Public Sector.
  - Undertaken supply chain mapping for all commodities with a view to identifying best practice and opportunities to enhance current procurement activity.
  - Established link with AW Trading Standards Group.
  - Established link with AW Environmental Group.
- Established Project Board to lead the All Welsh Public Sector Procurement for Community Use items.

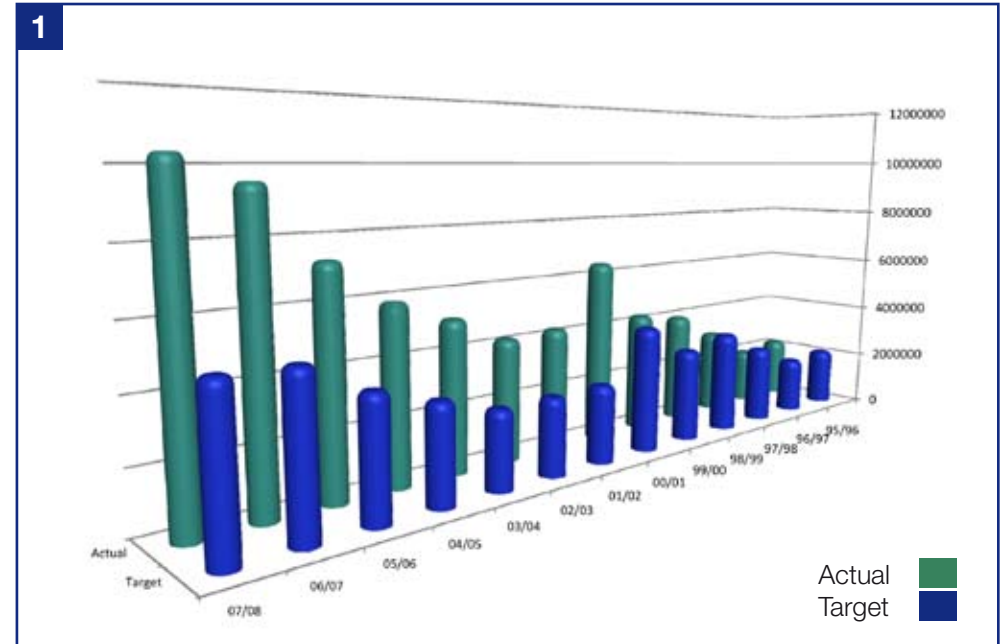
# FINANCE | Julie Jones - Business Support Manager

2006/07 once again saw Welsh Health Supplies delivering its service level agreements (SLA) within agreed funding while also investing in the organisation so improving customer service. The Materials Management SLA continued to be apportioned to Trusts, with the Contracting service funded via a direct SLA with the Welsh Assembly Government.

Investments made to benefit stakeholders in 2007/08 include:

- Phase 2 development of the website which will enable WHS to continue its improvements in communication in addition to increasing the amount and quality of information available to all stakeholders.
- Improved audio and visual equipment in the WHS meeting rooms that are regularly used for meetings such as product adjudications, the Procurement Board, the All Wales Drugs Committee and project working groups.
- Continued investment in plastic roll cages which are lighter and cleaner to use, for both warehouse staff and customers.
- Further investment in support of the sustainable development agenda as outlined in the procurement strategy.

Savings continue to deliver value to customers in 2007/08 with a final year saving of over £12m (*graph 1*).



	06/07 £	07/08 £		06/07 £	06/07 £
<b>Income</b>			<b>Welsh Health Supplies Balance Sheet as at 31st March 2008</b>		
SLAs	4,453,070	4,968,352		£000	£000
Sale of Stock	24,261,346	24,255,427	<b>Fixed Assets</b>		
<b>Total Income</b>	<b>28,714,416</b>	<b>29,223,779</b>	Land & Building	2,259	1,972
			<b>Current Assets</b>		
<b>Expenditure</b>			Stock	2,951	2,591
Delegated Budgets			Debtors	3,249	2,092
- Senior Management	434,649	298,336	Creditors: Amounts falling due within 1 year	-404	-286
- Admin & Clerical	1,249,730	1,772,885	Net Assets	8,055	6,369
- Ancillary	1,060,663	1,044,658			
- Non Pay	1,412,859	1,521,375	<b>Average Net Assets</b>	<b>12,345</b>	<b>7,212</b>
<b>Sub Total Delegated Budgets</b>	<b>4,157,901</b>	<b>4,637,254</b>			
Indirect and Corporate Support Costs	411,472	423,816			
Cost of Stock	24,080,740	24,082,880			
Depreciation	62,579	78,215			
<b>Total Expenditure</b>	<b>28,712,692</b>	<b>29,222,165</b>			
<b>Surplus</b>	1,724	1,614			

Further information on Welsh Health Supplies can be found on our website:

**[www.whs.wales.nhs.uk](http://www.whs.wales.nhs.uk)**

Alternatively you can contact one of the following:

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Mrs June Scott  
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