



Diagnostics Directorate Diagnose Procurement Savings

Client Case Study

Client

A large NHS University Trust that needed to achieve significant savings to balance the budget and achieve a small surplus within the financial year.

The Radiology Directorate was tasked with saving **£2.5m** from an expenditure budget of **£29m**. Linea was engaged to fully analyse exiting non-pay expenditure, identify saving opportunities and implement solutions.

Challenge

Management in the Radiology Directorate was risk averse and historically unwilling to challenge current procurement practices.

Initially clinicians were very suspicious of the process.

The directorate lacked comprehensive accurate data and it was necessary to rely on supplier data to build the picture of opportunity.

The regional framework contracts negotiated by the collaborative hub to which the Trust subscribed, did not deliver value to the Trust. The hub frameworks stifled negotiation and made the process of obtaining advantageous deals political and much harder to achieve.

Approach

Existing practices were challenged and maintenance contracts with excessive service levels were corrected, equipment use was analysed and unused equipment

was taken off contract.

Competition was introduced into those areas where it had previously not existed and contracts were renegotiated based on the total value of the Trust's expenditure with the potential supplier.

The number of suppliers of consumables was reduced, demand consolidated and lower process negotiated.

Outcome

Cost savings exceeding £850k (£680k in year) were identified and implemented within 15 weeks.

Over £100k of additional expenditure was avoided.

New procurement processes were implemented creating additional savings and minimising inflationary cost increases.

The directorate was re-structured to deliver on-going savings of £500k.

“We faced a very difficult task to balance the budget and needed to thoroughly review all our procurement costs to secure significant savings if we were not to be forced to cut staffing levels. Linea took us through a very structured process that realised a significant amount of money without disrupting service levels and allowed us to retain the majority of our staff’.”

Manager Radiology Directorate