

DELIVERING VALUE FOR MONEY THROUGH OUR COMMERCIAL TEAM

CASE STUDIES 2025/26

OVERVIEW

The Commercial team at Midland Heart was established in 2022 and is responsible for procurement, contract management, energy procurement and utilities management across around 170 contracts.

The team is also responsible for the oversight and guiding framework of the contract management lifecycle which includes managing agreements from the initial request through to negotiation, execution, performance, and renewal or termination. It involves automating and streamlining processes, improving compliance, and delivering value through contract management.

Our Commercial Strategy provides increased due diligence around cyber in our supply chain in collaboration with our cyber security team, including leading cyber security supply chain webinars. The team is also responsible for the implementation of regular contract management workshops for key topics and acting on audit recommendations to improve storage, accuracy and accessibility of contracts and supplier data. The team are also directly accountable for required enhancements for notices relating to the new Procurement Act 2023.



OUR COMMERCIAL STRATEGY IS UNDERPINNED AND DRIVEN BY SEVEN OBJECTIVES AS FOLLOWS:

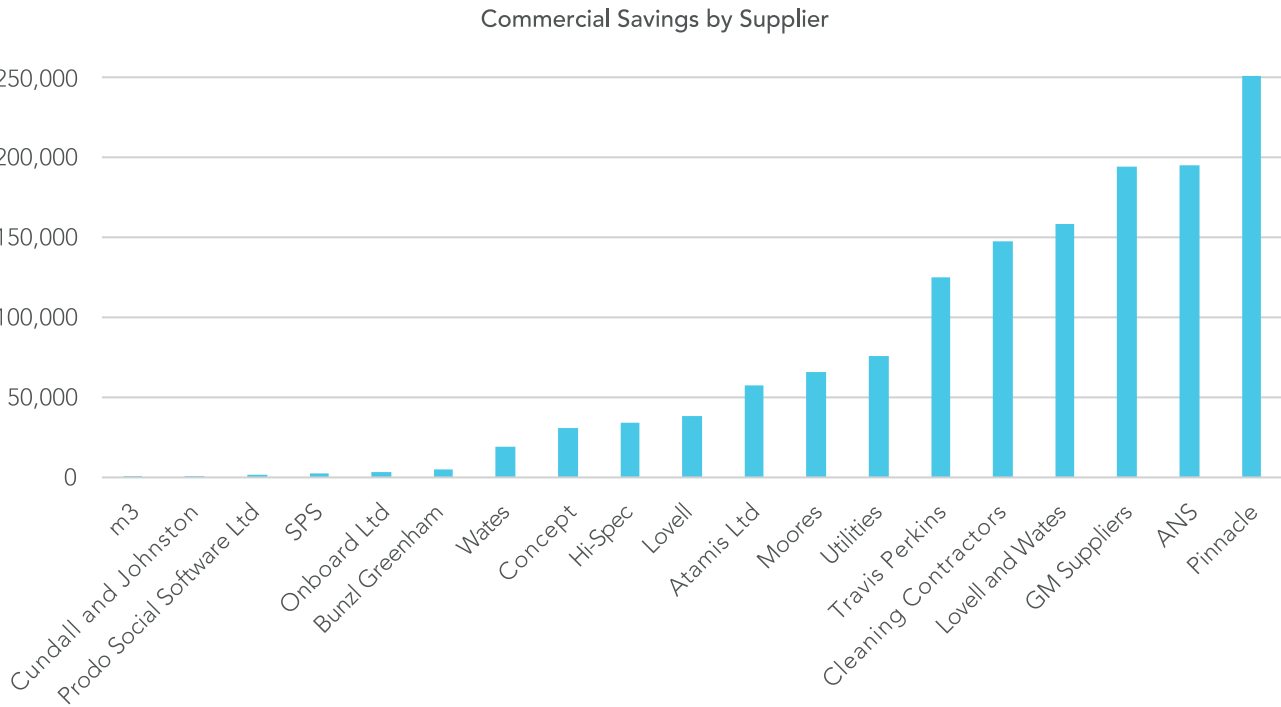
Deliverables	Description
Cashable Savings	Delivering savings through tenders, rebates, benchmarking and negotiations.
Supply Chain Strategy	Evaluation of the supply chain to identify consolidation opportunities
Supplier Standards	Standardisation of supplier standards.
Value for Money	Delivering value through economy and efficiency
Procurement Act Readiness	Ensuring preparedness for the new Procurement Act.
Supply Chain Reporting	Delivering MI to leadership detailing KPI performance.
Utilities Management	Simplification of the utility processes.



RESULTS AND COST SAVINGS

The team has consistently delivered a variety of cost savings which are summarised below:

- Since 2024, and following mobilisation of the Commercial Strategy for a range of procurement activity including energy, contract cleaning and grounds maintenance, the Commercial team has delivered cost avoidance, savings and rebates totalling £2.9m.
- Over the past 12 months the Commercial team have placed over 50 contracts and saved around £1.41m in the current financial year as depicted below.
- Cleaning and grounds maintenance contracts have been tendered during 24/25 which has enabled us to avoid significant price increases that were being levied by incumbent suppliers - leading to an avoidance of cost totalling c£250,000 per year.
- The team has delivered Contract Management training to over 130 contract managers and supplier KPI reporting has been established across the business. The Procurement and Contract Management system went live in early April 2026, supporting the Commercial Strategy and conforms to the recommendations from the BDO audit in 2024.



The team have also re-negotiated terms with suppliers following a comprehensive strategic disposals programme which directly impacted the supply chain, leading to contractors claiming losses.

In addition, utilities management has been centralised to drive increased efficiency by managing invoices more diligently and increasing the level of compliance around changes of tenancy. This approach has already delivered £70,000 in savings and further work has also been carried out to ensure we have Automatic Meter Readers (AMRs) installed in our communal areas to reduce manual meter readings and increase the accuracy of billing for our tenants.





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