

Key Messages National Customer Board December 2021

Key points

- a. Work to be done to scope appropriate risk reporting through the Customer Boards
- b. With regards to the Target Operating Model the first market engagement session took place last week, with three further sessions planned for early next year. The procurement documentation would then be published. The process is going well and on track
- c. Update from NHSE/I included:
 - Recruitment of Chief Commercial Officer has completed, announcement is due in the new year
 - Really clear EPRR process, however it is recognised that wider support is needed before things become an emergency and after the event, a Continuity of Supply Team will be established as the liaison between NHS Supply Chain, the regions and the resilience team in the DHSC
 - 24 of the 34 PTOM steps have been completed, alignment with NHS Supply Chain on the three steps which relate to supply chain. Further work on this is being done in the new year
 - Continuation of work on procurement standards, there are several trusts which have no accreditation, agreement with the Cabinet Office is that this must be done by the end of March 2022
 - Cabinet Office has agreed to fund several accreditations, including the ABC accreditation for Heads of Procurement and ICS Leads
 - Social Value guidance was due to be published in October, this is due to now be issued at the start of 2022
 - Work is in progress to develop a National Commercial Strategy in 2022/23, focusing on the non-medicine side. It will be high level noting the contracting terms with the NHS
 - Brief discussion was had on the structure of Preeya's team and alignment to the regional structure and how they interface to the Customer Boards. Request has been made of the Regional Directors from NHSE/I to understand how they can support the procurement function in each region
 - Request was made for visibility of the ICS tracker from NHSE/. In order to be able to do this each ICS needs to confirm they are happy to share this as some have asked for it not to be published
- d. Hamish Makanji provided a performance summary from NHS Supply Chain. Highlights include;
 - £145m capital savings year to date, revenue is at £50m which is 5.3% against sales. Summary of regional figures was then provided. Performance is in line with targets, however there are challenges on the horizon. Year to date £44m of savings opportunities have been implemented
 - 2000 opportunities to move volume over to NHS Supply Chain to deliver a saving, trusts were thanked for their co-operation in this
 - Trusts were asked to continue to engage on resilience activities, close work is being done at a trust level on this as well as through the Resilience Working Group
 - The remanufactured programme is starting to gain traction in the system
- e. Chris Holmes joined by Lucie Jaggar, Jonathan Wood and Pia Larsen provide an update on the Resilience Working Group, key points included:
 - The aim of the working group to ensure there are regular and direct conversations around which areas need to be focused on to ensure disruptions are handled as well as possible. Recognition was given that the work with NHS Supply Chain and customers is positive communication is a lot more open
 - Focus has been on improving communications on the ICN process, Pia Larsen has sponsored this from a customer perspective
 - Work is being done on the demand management process, ensuing it is as transparent as it can be. At present it is causing additional work for trusts and NHS Supply Chain, the work being done should alleviate this. Lack of transparency around process and thresholds, may lead to the NHS shooting themselves in the foot. Work needs to be done to improve visibility between NHSE/I, NHS Supply Chain and trusts to improve visibility in such difficult times
 - Collective work on cost pressures and the process NHS Supply Chain goes through on price increase management, it is inevitable that increases will come through,
 - Brief discussion was had on service level reporting and how this is not perceived as a true reflection. Work is being done between UCLH and Oxford with NHS Supply Chain on root cause analysis for service level reporting discrepancies by customers, this is being picked up by the working group in the new year



- Request was made for an indication of the level of inflation through NHS Supply Chain, reference was made to the slides previously shared with the Customer Board, noting that this would be updated and shared with the Resilience Working Group
- f. The Chair asked Chris Holmes to give a brief update on COVID preparedness from NHS Supply Chain perspective, key points included:
 - There has been no surge on demand in the system from an NHS Supply Chain perspective and no different buying patterns have been noted
 - PPE is being provided by PPE colleagues outside of NHS Supply Chain, however there are no issues at present and no reason why this will change
 - There is a significant ICU stockpile which will be called upon if needed, there is a separate supply channel for this
 - With regards to vaccine consumables NHS Supply Chain delivers into trusts, if this needs to increase there should be no reason why NHS Supply Chain can't manage this
 - Discussion was had on the scientific models which show that January and February could be very challenging, the Chair urged for visibility across all impacted products and asked Chris to check in with relevant colleagues and update Board if any concerns.
 - Preeya Bailee updated that where new policies are agreed, the supply chain implications need to be flagged before the policy change is implemented
- g. The group were asked for feedback on the Customer Boards and if the outcomes were as expected. Members were asked to consider this over the next couple of months and for a fuller agenda item to be included in the March meeting

Summary of escalations from the Regional Customer Boards

- h. Positivity around the messaging from NHS Supply Chain at the HCSA Annual Conference
- i. The resilience working group is being well received improvements have been seen in messaging and comms, however work to be done on service level reporting, particularly around product stock outs
- j. The importance of CIP and efficiency next year, Value Based Procurement to be reviewed in next round of meetings
- k. Savings pipeline needs to be identified for the new year
- l. Greater convergence in the Midlands with more collaboration through PTOM
- m. Establishing visibility of collaborative ICS procurement workplans, NHSE/I are going to provide information to support this
- n. Inflationary pressures coming through the system and how they will be managed, there may be a mismatch between national and local assumptions. Procurement strategies may need to be reset, locally, regionally, and Nationally
- o. Request was made for the Customer Boards to be used to feed in intelligence into the finance community around cost pressures coming through from suppliers

