

ICS Supply Chain Drive

National Summary Report November 2023

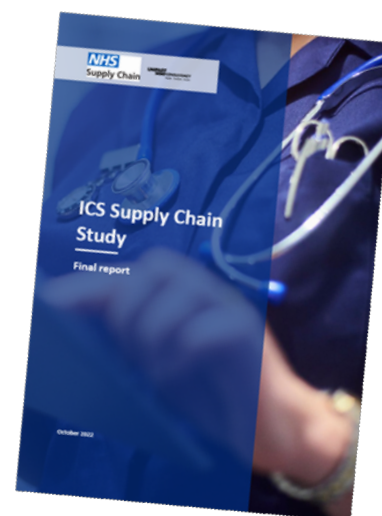
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1. The Supply Chain Drive background

In 2022, NHS Supply Chain undertook a national ICS supply chain study, commissioned through Unipart Consultancy. The aim was to identify and enable opportunities for NHS Supply Chain to strengthen the resilience, efficiency and service performance of supply chains for consumable products across the NHS. The study focussed on the contribution and leadership made possible by emerging and collaborative ICS structures / organisations.



The study engaged with 11 ICSs and established a number of key findings:

- The significant opportunities for sustainable supply chain improvements at Trust level can be accelerated by ICS support and oversight.
- Using the Supply Chain Maturity Model (SCMM), a clear roadmap of next steps and actions provided in the report can support every ICS to develop their supply chains at local, regional and national level.
- >£200 million cash releasing and efficiency saving opportunities exist at Trust and ICS level across England, principally from improving inventory and supply chain management.
- Investment in supply chain expertise and qualifications, and in continuous improvement training, will support workforce retention, recruitment, productivity and job satisfaction, whilst improving service performance.
- ICS collaboration with NHS Supply Chain to develop a single, end-to-end supply chain standard and visibility would unlock significant additional efficiencies at regional and national level.

Following the report, a new programme was commissioned, inviting all 42 ICSs nationally to participate and take forward action on the key findings and recommendations. This new programme was called the Supply Chain Drive (SCD) – an NHS Supply Chain-led programme, delivered through Unipart Consultancy. The programme provided resource to every ICS who chose to participate to come together and form a supply chain development plan. Plans would be based around the SCMM and national study recommendations, customised with local priorities and constraints. The ambition remained to reduce cost, build greater resilience and flexibility and to underpin improved patient care.

In addition to supporting regional supply chain development, the SCD also aimed to identify ways in which NHS Supply Chain could continue to develop services to meet ICS needs.

2. The Supply Chain Drive process

The SCD had three core objectives:

- To give every ICS the opportunity to act on the recommendations of the previous national report and build on their existing supply chain strategy.
- To provide resource to every ICS to establish a supply chain maturity baseline and form a plan to develop supply chain leadership and services and underpin business cases for investment.
- To support ICS and NHS Supply Chain collaboration and national supply chain development to release more cost, build greater resilience and flexibility and to underpin improved patient care.

The SCD launched through a series of webinars in March / April 2023, aimed at ICS Supply Chain leads and the supply chain leaders within individual trusts. The webinar presented the findings and recommendations from the National ICS Supply Chain Study and invited the ICS leads to register to participate in the SCD. The SCD then followed a process of co-production, involving discussion, reflection and distillation, working around a core structure of three workshops:

Workshop One: Held via Teams with up to five ICSs leads and their member trusts to generate debate. This workshop covered a more detailed review of the National ICS Supply Chain Study outputs and the NHS Supply Chain Maturity Model (SCMM) used in the National Study. Participants were then taken through the Supply Chain Self-Assessment (SCSA) Tool, used to establish individual maturity baselines. Participants were then given several weeks to complete the SCSA.

Workshop Two: Held individually (and face-to-face where possible) with each ICS lead and their member trusts. The results from the SCSA were shared and discussed, seeking consensus as an ICS on maturity levels across the thematic areas of the SCMM. Current and emerging development areas were discussed, together with constraints and risks to improvement. These formed the basis of a draft improvement plan which was further refined after the workshop by the Unipart consultant.

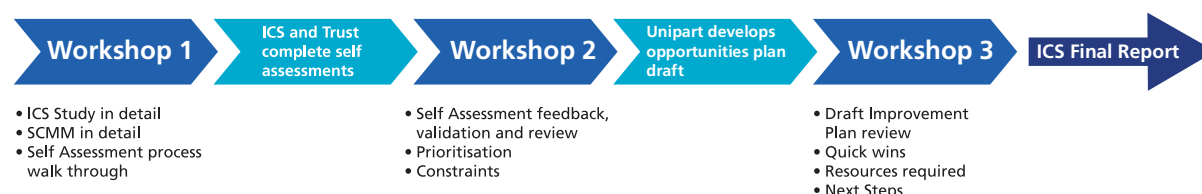
“The workshops really helped bring us together as an ICS team to identify and agree the areas of improvement we need to make in supply chain management.”

Simon Moore, Norfolk & Waveney ICS

“The discussion was wide ranging and informed and provided ideas for future focus.”

Francis Clifford, South West London ICS

Workshop Three: The draft ICS supply chain development plan was reviewed and refined into a clear roadmap and linked to NHS Supply Chain programmes. Comparison was undertaken to the National study to identify any further opportunities or gaps.



After workshop 3, a final, individual and bespoke report was issued to each ICS Supply Chain lead for progression by the ICS. The report linked initiatives to NHS Supply Chain development programmes and identified where collaboration with NHS Supply Chain and/or wider regional networks could support progression. There was a high degree of commonality across the individual reports, driven by the high level of consistency in supply chain challenges faced across the NHS, including workforce, systems, data management and performance visibility.

3. Supply Chain Drive participation

32 ICSs attended the launch webinar and the majority registered to participate in the programme. ICS supply chain leads were not present in every ICS and it proved challenging to co-ordinate dates with all member trusts. Significant efforts were made to reach out to all ICSs again after the webinars to encourage participation, explain the process and accommodate constraints within the ICSs themselves.

In total, 30 ICSs attended Workshop One. 18 progressed to Workshop Two, and 15 on to Workshop Three and the final report. Reasons for the drop out included lack of capacity and resource, competing priorities within the ICS or Trust organisations, and lack of ability to bring all parties together to participate in further work. It is hoped that the learnings from those who participated will be able to support those ICSs who could not, at this point, engage in the programme.

4. Supply Chain Drive key findings

Across all of the workshops, key findings emerged regarding ICS supply chains that were consistent with the initial, more focussed, ICS study:

- ICS investment in supply chain/central resources is challenged by local and regional financial pressures.
- Rising year on year service demand and NHS backlog post Covid is putting pressure on NHS resources, including people, premises and costs. Individual Trust pressures can be a constraint on collaborative planning and execution.
- Extreme inflation and ongoing supply chain disruption is making clinical consumables, medical devices and medicines purchases extremely volatile and variable in terms of both price and availability. Planning and investment at a regional level requires data which may not yet be available to drive regional programmes.
- Recruitment, retention and career progression for all colleagues is a priority and essential to resource transformational supply chain projects.
- The level of supply chain organisational maturity within ICSs ranges from individual trust ownership, through ICS influence on trust supply chains, to ICS leadership for all healthcare provider supply chains. The more mature organisations with a centralised model evidence a greater ability to guide long-term supply chain ambition and to effect change.
- Against the SCMM and in line with the first national study, ICSs in the SCD programme tended to rank as Reactive on supply chain maturity (13 out of the 15 who completed the assessment). However, the two more centralised models ranked as Managed, in line with the comments above on organisational model maturity.
- ICSs share a range of supply chain priorities:
 - Contribute to the 23 / 24 / 25 ICB sustainable breakeven plan with savings and productivity increases. (Several ICSs are working on a common ICS treatment of supply chain efficiencies, such as inventory reduction, to simplify and gain recognition for these savings).
 - Deliver product availability and visibility despite ongoing disruption to product supply.
 - Reduce clinical time spent on non-clinical work.
 - Provide supply chain support for refurbishment work put in place for elective recovery and reduce hospital space used where possible. (Several ICSs reported that supply chain had not been considered when changing facilities or services).
 - Support the move towards GS1, enabling scan to patient.
 - Reduce spend on material waste or obsolescence. (All the ICS who participated expense (treat as used) medical products at the point of receipt. Consequently, tracking waste or obsolescence is not a priority as, financially, the product is treated as already used. This leads to a lack of recognition of the actual cost of waste and obsolescence).

- Improve visibility, coordination and sharing of resource, best practice and information/data between sites and trusts.
- Alongside the shared priorities, there was significant consistency in themes emerging for ICS supply chain development and transformation across Workshop Two and Three.

5. Common recommendations across the ICS individual reports

A range of recommendations emerged as common priorities across all ICS development plans, reflecting their common strategies, aims and challenges.

- Develop procurement and supply chain strategy.

This was a need for every ICS who participated except one. An approved strategy is essential for agreeing the organisation, systems and processes which will be driven from ICS level.

- Improve inventory management:

- Apply best practice in data and process to drive inventory savings.

Of the 15 ICSs who participated, three could evidence regular data-based revision of re-order quantities based on days of stock cover. For the remainder, this inventory management practice was either done visually or not done.

- Extend IMS across ICS and in reach within Trusts.

ICS and Trusts without IMS have found it very difficult to get the business case and funding approved.

- Implement supply chain career path and training.

This was recognised as a need in every discussion with the ICS representatives and would contribute towards benefits delivery, retention and recruitment. Most Trusts struggle to recruit and retain people, partly due to pay but also due to the lack of progression opportunities.

- Develop ICS shared catalogue.

“The ICS Drive process has been extremely useful for our ICS in understanding our current supply chain maturity level and steps that we could take to improve in the future. We’re looking forward to delivering the actions identified in the final report.”

Paul Mellor, Black Country Alliance

“The Drive project brought the ICS members together to look at common practices and where we differ. It put focus on ensuring anything done locally should be done in a way that supports future ICS collaboration.”

Julie Trotter, North East and North Cumbria ICS

- Calculate Scope 3 emissions.

Every ICS and Trust will need to report on their emissions, both only two specifically identified this as a key initiative, with considerable data collection needed. The issue was proactively suggested to the wider ICSs.

“The next steps for us are to upgrade our systems infrastructure and further enhance our supply chain and contract management capability. In doing this, we will want to learn from colleagues in other systems on how they have developed their skills”

Simon Moore, Norfolk & Waveney ICS

6. ICS enablers and constraints to implement plans

Workshops Two and Three covered a number of critical success factors to get development roadmaps approved and progressed. Key elements included:

- Engagement with senior medical and financial stakeholders with clinical and financial benefits sponsored by them.
- A track record of successful delivery and evidence of quick wins.
- The expertise and drive of procurement and supply chain people.
- ICSs with an existing centralised supply chain organisation have managed to deliver improvements across all trusts in the ICS with a particular focus on acute trusts.

A range of constraints and risks were also identified within the workshops:

- ICSs have severe financial constraints and demand pressure which may lead to lack of prioritisation for supply chain projects or reduction in spend on supply chain people.
- ICSs vary greatly in number of trusts, geographical area, procurement and priority for supply chain organisation and maturity. The change management support and approach will also therefore vary greatly.
- Current supply chain availability issues lead to considerable time and effort sourcing alternatives and create a lack of trust in the overall supply chain and reluctance to reduce stock levels. This is consuming resource and creating a lack of appetite for change.
- There may be a lack of resource availability at ICS or trust level to successfully deliver the ambitious projects.

- Recruitment, retention and career progression for supply chain colleagues is a risk and issue in the majority of ICSs, restricting levels of resource to drive improvement.

7. Conclusion and next steps

The SCD provided valuable support to a range of ICSs across England, many of whom are already planning and progressing their development plans to improve their supply chain, building on existing strategies.

The ambition to drive a quantum change in supply chain performance and efficiency by connecting up the supply chain from 'hospital/clinic/home' to RDC to supplier has a strong reliance on the capability and performance of NHS providers. The work recommended in this report aims to accelerate that evolution.

Notwithstanding that ambition, an opportunity exists to progress further work to support ICSs to develop supply chain organisational models and accelerate supply chain resilience, performance and quality across NHS providers.