

**Key Messages Regional Customer Boards
May 2021**

Regional Focus – London

- Query was raised over the lack of communication around supply issues such as BD and Smith and Nephew. There is a chain effect between supplier, tower and customer resulting in poor communication. The potential impact is not recognised resulting in product not being on the shelves. Communication needs to be quick and simple with ongoing messages around stock availability
- London's revenue has dipped significantly, notably against Orthopaedics, this is not replicated in other areas. Possible reason for this is work being done in the independent sector. However, trusts are starting to build their activity again to meet elective demands with services being run across six or seven days, it may balance out towards the end of summer
- Roll cage returns is becoming a big issue again in London, all members were encouraged to support this
- Rob Young and Simon Smith joined the meeting for a brief discussion on Category Tower Service Providers
- In order to support the structure and debate of the Customer Board members were asked to review the papers prior to any meeting and the necessary preparation done to facilitate the right level of constructive discussion.

Key points

- Update was shared on the engagement with trusts for the operating model. Phase one was diagnostics, a summary was then circulated with the 25 participants. The implications of the emerging direction of travel is now being reviewed. All the categories have been reviewed into four groups, this doesn't mean there will be four Towers, just that the market dynamics are different, and the contracts need to be tailored. There will be a series of meetings over the next three weeks with DHSC and NHSE/I, feedback can then be provided back to customers after a final decision have been made towards the end of June 2021
- Update was given on resilience around stock cover, information would be coming out to trusts soon, this is off the back of the new planning guidance and should provide the confidence trusts need going forwards
- Justine Henson joined the meeting to provide an update on eDirect, key points included:
 - a. Customer engagement has been taking place on this since November 2019 with 19 pilot trusts, a lot of system enhancements have been made since then. The two big improvements are; customer configurable three way matching and back order management, customers should start to see these improvements next year, this will be done as part of the Core Technology Refresh Programme
 - b. Since January work has been done to streamline the GL reporting trusts receive
 - c. Hamish Makanji provided an overview of the work being done on the NHS Supply Chain value proposition; key points included:
- Hamish Makanji provided an overview of the work being done on the NHS Supply Chain value proposition; key points included:
 - a. Focus historically has been on savings, more needs to be done to explain the wider value NHS Supply Chain offers such as sustainability and supply chain resilience. A deck has been provided for members to review and feedback, the plan is that it will be updated quarterly
 - b. Members fed back that whilst CiP is important, there are as many (arguably more) conversations around sustainability than CiP currently, it is a very high priority for trusts NHS Supply Chain was counselled to not just focus on tradition and CiP
 - c. Query was raised over how NHSSC and the Towers are working to leverage the value across ICSs. The customer facing team had been reconfigured to work more effectively with ICSs, also a new collaborative strategy is due to be launched which focus on the opportunities at collaborative level. Through the category council process the Towers are made aware that they need to demonstrate collaborative/system wide working within their strategies otherwise they won't get signed off



- d. Request was made of NHSE/I to confirm if there are any plans for the legal entity of an ICS to be changed within the PTOM plans
- e. Positive feedback was provided regarding the pack, however further detail around the cost/benefit of logistics would be useful
- Nene Antonio joined the meeting to update members on NHS Supply Chain's business plan, further information would be shared with the NHS in the coming weeks
- Confirmation was provided that all PPE would go back into NHS Supply Chain from October 2021, this is aligned to when the ownership of NHS Supply Chain is planned to move into NHSE/I. Focus is on ensuring the model can deliver to the level as they are today, but also those seen at peak. This is a partnership working approach between NHS Supply Chain and the PPE team. Transition will be gradual, products are starting to move back into the NHS Supply Chain networking, this will be done selectively to ensure there are no service disruptions due to transition
- Clinical engagement in transformation projects is still difficult, trusts are in a difficult position still with clinicians not in the right place to be able to focus on this with no let up from Covid to now ramping up BAU activity
- There is a desire to move towards value-based procurement and away from CiP activity, noting that there is no focus on CiP within trusts at the moment. Point was made that as savings are harder to deliver, the NHS needs to find new ways of delivering benefit
- Update was provided by NHSE/I. Request was made for visibility of the procurement standards link, the following can be used [Government Functional Standard GovS 008: Commercial - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/functional-standards/govs-008-commercial)
- Round table discussion on development of ICS structures in the region
- Most trusts have either accepted the revised Terms of Sales by signing up or have accepted implied terms. Clarification was provided that there would be no further review of the Terms as this was done and concluded Nationally
- ICSs are being asked to nominate a sustainability champion, NHS Supply Chain should tap into this
- The paper in the pre-read pack regarding Lead Reference Trusts was referenced, members were asked to revisit the Charter and re-engage with the programme

Key facts

- London accounts for 20% of the YTD savings against 14% revenue. Significant amount of savings attributed to clinical councils which is positive
- The length of savings conversion has dropped from 118 to 99 days, in other regions the average is 60-70 days, regular engagement and transparency will help deliver further improvements
- £3.6m savings identified
- Revenue growth is estimated to be £29m this year with a further £34m scoped, yet to be ratified

Request of NHS provider organisations

- With regards to eDirect members were asked to cascade the information they have received
- Trusts are to ensure that their Customer Relationship Management team remain in the loop on issues regarding Towers so they can support in resolution
- There is a significant amount of information available on the NHS Supply Chain website, including the Procurement Calendar and Lead Reference Trust information, members encouraged to review the website regularly to ensure they have most up to date information
- All trusts are encouraged to access their savings reports
- Members were asked to support in ensuring that data sharing complies with GDPR
- If any STP/ICS colleagues are looking to move spend away from NHS Supply Chain please flag this at the earliest opportunity so that discussions can take place to try and mitigate against this
- With regards to sustainability there are several initiatives ready to be worked on now, members were asked to engage at an ICS/STP level with their Customer Relationship Managers
- Utilise the dashboard to discuss opportunities with their STP/ICS

