

Key Messages National Customer Board March 2022

Key points

- 1.0 Performance highlights:
- a. Savings stand at 5.9% against sales, this is a net figure against cost pressures
 - b. Year-end figure is estimated to be £90m revenue savings, this is off the back of 3800 individual savings initiatives which have been implemented, the annualised savings figure is £52m
 - c. £200m of new volume has moved to NHS Supply Chain which has contributed significantly to savings
- 1.1 Update was given on the work being done to review the focus of the Customer Board programme, a proposal will be taken to the regional boards before coming to the National Customer Board
- 1.2 Tracey Leforte joined the meeting to represent the Resilience Working group, key points from this discussion included:
- a. David Williams has now agreed to join the Resilience Working Group
 - b. Discussion was had on service levels, noting the work which is being done to understand the difference between reported and what trusts feel
 - a. The first thing looked at was communication and ICNs, there is now a consolidated ICN notice which goes out in a prioritised order each Monday. This has been well received however it continues to be monitored
 - b. It has now been agreed that an operational tracker will be established for the group so that progress can be communicated back to the wider procurement community more effectively
 - c. Trusts have agreed to support in strategic supplier discussions
 - d. Recognition that improvements and change has happened as a result of the group, there continues to be a big task. The group feels as if it is more of a partnership and results are being delivered
 - e. Supply chain mapping is taking place to allow NHS Supply Chain to work more pro-actively to alleviate the impact of global events
 - f. NHS Supply Chain isn't materially impacted by the Ukraine/Russia situation, the team are working through where tier two and three suppliers may be impacted. Work is being done with the DHSC and MoD to lift stock to support the situation in the Ukraine
- 1.2 Update from NHSE/I included:
- a. A procurement policy notice is due in the next couple of days from the Cabinet Office, regarding the ongoing situation in the Ukraine and Russia. A webinar will be held as soon as the PPN is issued
 - b. Work is being done on forecasting electricity and gas prices
 - c. Review is taking place on Finland and Poland as if they are impacted it will cause significant disruption to the NHS
 - d. Jacqui Rock is conducting trust visits and is collating key messages, feedback will then be cascaded out. She is looking to launch a commercial strategy in April 2022. Review of commercial capability in terms of people is taking place. Jacqui is looking to set up a PTOM delivery board
 - e. The Chair suggested it would be useful for Jacqui to be invited to a future meeting
- 1.3 Sara Ford provided an overview to members of NHS Supply Chain's Ten-Year Vision and progress on the Target Operating Model, key points included:
- a. NHS Supply Chain had a focused strategy when the operating model was set up, this has been broadened out. The 10-year strategy looks at how NHS Supply Chain can support the Long-Term Plan
 - b. Market engagement sessions have been taking place on the Target Operating Model
 - c. Core capabilities are procurement and optimising supply chains, focus is on bringing leading practices into how these functions operate in the future
 - d. NHS Supply Chain wants to be data driven
 - e. Focus is on being easy to work with, a core part will be re platforming the ecommerce, however it is much wider than this
 - f. Looking at how the proposition can be broadened out to primary and social care
 - g. Covid has magnified the siloed nature of how stock is managed across the end to end supply chain, this is an area for improvement



- h. Move towards a partnership model between NHS Supply Chain and trusts
- i. There was a series of trust engagement sessions last year, in the Regional Customer Boards there was feedback that further sessions would be beneficial, this has been agreed
- j. The purpose and vision is to free up the NHS to do more, members were encouraged to provide feedback on this
- k. Having one NHS procurement system is vital, NHS Supply Chain needs to be seen as part of the NHS, working alongside trusts

Summary of escalations from the Regional Customer Boards

- 1.0 The following were key points raised by the regional Customer Board Chairs on behalf of their members:
- a. Significance of impact of stock outs noting the added impact on trusts with multiple sites
 - b. Lack of transparency around Demand Management process
 - c. Improved communications from Resilience Working Group are needed
 - d. Improved connectivity with ICSs, identification of ICS leads needed
 - e. CIP planning and the impact of cost pressures, request for estimated savings target and earlier visibility of price increases to facilitate better planning
 - f. Appetite to do more around strategy development with CTSPs and how the Lead Reference Trust programme can be developed
 - g. Sharing of intelligence and information particularly to support resilience issues
 - h. HCSA has a role to play in ensuring everyone works together when there are different drivers
 - i. Trusts are focused on ensuring fit for purpose products are there for clinical use, however the sustainability agenda is part of the procurement strategies
 - j. Concern was raised over getting the basics fixed (right product, right place, right time) before teams can move on to more strategic work.

