

## **Key Messages Regional Advisory Forum – November 2023**

### **Regional Focus – North**

- Year to date savings in the region is at 3.3%, this increased to 4% in the last quarter. This is strong but lagging behind other regions. Inflationary pressures are starting to decline; however, they are still impacting the savings position.
- There is £3.8million of savings opportunities awaiting either a clinical or procurement decision to proceed. There is a strong pipeline of activity in the region.
- A team and recruitment update were provided. Members were thanked for their understanding at this time of change. It was recognised that a number of trusts are also facing recruitment freezes for non-clinical roles so the pain of recruitment is shared.
- Regional successes were shared including Minimally Invasive Surgery, Sutures and Disposable Continence.
- Feedback has been received from some trusts in the region that they have not been able to access the resilience report, this has been rectified and the relevant ICS Managers have taken their trusts through it.
- During the update on TOS 3, members discussed how Private Sector organisations are supporting trust Orthopaedic activity. Independent companies can use the new TOS 3 agreement. Further discussions will be needed with finance and commissioner colleagues to commit independent providers to use the same supplier as the rest of the ICS.

### **Key points**

- An update was provided on Inflationary Reporting. Finance and data teams are working on this, but it is not finalised yet. The methodology used is top 80% of products by sales excluding Specialised Services Devices Programme (SSDP) products and those with regional pricing. A point in time comparison looking at 1<sup>st</sup> April vs 1<sup>st</sup> October shows a 1.6% increase.
- Engagement on Value Based Procurement (VBP) is being mobilised more rapidly. Three VBP's have been shared with ICS Managers and a pilot process to deliver these has now been launched. A targeted approach is being used initially, with the aim to roll this out on a wider scale.
- The draft dashboard has been shared in the pack. Members of the Regional Advisory Forum has been engaged throughout the development, but feedback is welcome to improve this going forward.

Lindsey Ward (Head of Supplier Management) joined the meeting to provide an overview of the work in this area. Key points included:

- The new operating model means NHS Supply Chain now manages c1500 suppliers instead of 11 category tower services providers and therefore there is a need for a more standardised way of working. Focus was on making NHS Supply Chain easy to do business with, looking at suppliers on a holistic basis and not category by category.
- Overview of Supplier Relationship Management (SRM) framework was provided.
- Overview of the segmentation tool and the 12 elements of evaluation criteria that has been used to segment suppliers, six of which are aligned to the cabinet office. Suppliers will be segmented in to preferred, strategic, transactional, or key.
- The segmentation model identified 32 suppliers that NHS Supply Chain should initiate formal SRM with, each one will have a dedicated Supplier Relationship Manager and follow a structured process to manage the relationships. They are responsible for bringing the customer voice into the process where necessary.

- The implementation journey for strategic, preferred and key suppliers was given, the output will be a supplier relationship plan. There are no strategic suppliers today, which reflects the current position and the work needed to align and move some into this area.
- The remaining suppliers that sit outside of the 32 have been segmented into transactional, they will fall into; informative, consultative or involvement. Engagement strategies with these suppliers will be owned by the category teams.
- A brief overview of Strategic SRM within the Commercial Directorate at NHSE was given – this will be setting the basic standards. Members were asked to share what they do in this space today with [ian.feltham@nhs.net](mailto:ian.feltham@nhs.net) to feed into their development work and capture best practice in the system.

Steve Vandyken joined the meeting to provide an overview of the transition to the new TOS 3 framework, key points included:

- TOS 3 will replace the current TOS 2 agreement and will go live in February 2024.
- There will be a small increase in suppliers, but a reduction in the number of codes.
- Engagement through the British Orthopaedic Association to promote the framework.
- There are a series of regional sessions planned internally for NHS Supply Chain and for Trusts and ICS to provide an overview of the new framework.
- Focus is shifting from individual trust arrangement to ICS level.
- Engagement with GIRFT has been welcomed to support clinicians on the journey, there is regional variation.
- Clinical engagement is critical to the success of implementation.
- Summary of social value and sustainability and how this has been reflected into TOS 3 and how it will be embedded within future projects.
- Work is being done on spend efficiency reports to reflect added value over the length of the call of commitment contract as well as reviewing VBP opportunities.
- Uptake from customer has gone from 35% to 85% in the last five years.
- Elective recovery for hips and knees is still a challenge, there are regional variations.
- The new agreement will move from the traditional ten lots to three to reflect development in the implantable space, power tools, robotics, apps and wearables.
- The regional team format will remain, this works well in terms of supporting customers at a collaborative level.

## Actions for the NHS

- Request for trusts to engage with ICS managers on the roll out of the three VBP opportunities and support local conversations and engagement with the right clinical / non-clinical stakeholders.
- Request was made for further representation in the region for the Resilience Steering Group. Members were asked to let NHS Supply Chain know if they would like to take part.