

Key Messages Regional Advisory Forum – November 2023

Regional Focus – South

- £20million savings have been delivered, the net effect after price increases is £10.7million which is around 4.7% of the regions spend. This is a strong position; trusts were thanked for their support.
- Year to date 314 workplan opportunities have been completed.
- A team update was provided. There are ongoing changes within internal functions, escalations are in place to enable prioritisation of workplan opportunities.
- Thanks were given to trusts for routing the relevant queries through customer service teams, this enables ICS Managers to concentrate on work plan delivery.
- System level engagement is improving, good progress is being made with Kent and Medway.
- A process needs to be put in place for clinical sign off of projects at a system level. Request for members to bring forward their ideas and best practice on how we can do this.
- A forward view of framework strategies, what is the strategy and what is the expected is needed to assist with local planning.

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 1st April vs 1st 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 welcomed 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 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.