

Key Messages Regional Customer Boards - September 2021

Regional Focus – South

- Members raised concern over cost pressures, NHS Supply Chain has been holding many of these back for four years and as contracts are re-tendered there are pressures, this is also against a backdrop of Covid and EU Exit. Historically strategies have been based on lowest costs, however, there needs to be a balance with resilience. There is no leeway within tariff to accept cost increases. Transparency of the governance process where these price rises are accepted was sought and the role the regulator has to play. Request was made for concern over cost pressure management and assurance on contract pricing decisions be escalated to the National Board
- Discussion was had on reporting of savings and cost pressures so that measure against the net figure can be made. Suggestion was made that cost pressures be incorporated into the savings reporting, Claire Marsh confirmed this was part of the report and it is the net effect which is reported to the NHS Supply Chain board
- Request was made for clarity to be provided over the £32m savings in the region and how much is cash releasing savings? Suggestion was made that savings need to be validated locally, the national numbers are reported based on the agreed savings methodology. Focus is on ensuring that all savings are recognised by trusts, part of this process is to ensure that there is a previous price paid in the system, the discrepancy comes where a product has not been used for over 365 days, in this case an acceptable base price needs to be agreed and put into the system
- Darren Williams provided a regional performance update. Key points included:
 - a. Net revenue saving for the region is £6.2m. End of year revenue forecast is £340m and there is therefore line of sight to the 3% target given to trusts for CIP as this equates to c.£10.2m
 - b. Example of Bristol's suture switch as a savings opportunity was highlighted
- Assurance was sought around the driver shortage issue, HR and the supply chain team are working to build resilience so that there is less reliance on agency drivers. Most deliveries are being made on schedule; however, plans are in place to increase numbers

Key points

- Update on the ongoing supply disruption, in particular those around BD was discussed. A summary slides will be circulated with the minutes for members to use within their ICS
- There will be a change to the Foundry system, invitations to training sessions have been issued. Trusts will need to provide a weekly stock take, with the ability to monitor and amend requirements through the system, putting control back to trusts
- Phil Nettleton supported by Konstantinos Alevizo joined the meeting to provide an update on Contract Launch. Key points included:
 - a. Contract launch process improvement sits as part of the Operational Excellence Programme
 - b. Focus on quality and accuracy so that products launch right first time
 - c. The programme spans most functions, support has also been given by Simon Clarke and Jackie Scroggs from UHB in terms of providing the voice of the customer into the work
 - d. NHS Supply Chain recognises this can often be a pain point for trusts, focus is on driving improvements to benefit customers, where improvements can be obtained throughout the process they will be
- Lee Atherton and Catherine Andrews from NHS Supply Chain joined the meeting to provide an update on collaborative working. Key points included:
 - a. 29 of the 42 ICSs are formally established
 - b. Collaborative working to lead the procurement landscape
 - c. NHS Supply Chain recognises ICSs are not just about procurement
 - d. NHS Supply Chain is ready to work at a collaborative level and have ways of working established, all Customer Relationship Managers are aligned to STP/ICS boundaries



- e. A collaboration Tool Kit has been launched to Customer Engagement colleagues, and it is now being rolled out to the CTSPs
- f. Ability to identify opportunities at a collaborative level, this is also linked to the sustainability agenda
- g. £5m collaborative opportunities in the pipeline
- h. Specific example was given the £1.3m savings delivered through Clinical Council Collaboration on PCI
- i. Work has been done with South West London to develop a best practice way of working across collaboratives
- Claire Marsh joined the meeting to update on the progress made on savings reporting since she last joined the Customer Boards, key points included:
 - a. All regions are now represented in the working group and to provide feedback on developments
 - b. A report to show the base line which is used to calculate savings has been developed, this is at trust level due to the granularity of the data required
- Alan Wain joined the meeting to give an update on NHS Supply Chain's sustainability work, key points included:
 - a. The challenge is huge to get to net zero, however, progress is being made
 - b. Sustainability metrics are reported to the NHS Supply Chain Board, reasonable progress is being made, a push is needed on plastics
 - c. A new service is being introduced to empty and recycle clinical waste containers which will reduce the amount of plastic in the system
 - d. Work is being done to look at how the plastic tax can be reduced
 - e. The government target is 30% on SNE, NHS Supply Chain is at 33%
 - f. All central government procurement needs to include a 10% weighting to social value, this will apply to the NHS from April next year. Training is taking place with all Category Towers
 - g. NQC is a government recognised portal for sustainability. NHS Supply Chain has gained agreement that any NHS customers can have access to the data and reporting at no cost and can therefore access supplier information, this is a win for suppliers as means they only have to complete the information once.
 - h. There is a remanufacturing programme now underway on to re-use devices, the devices come in at half the price and half the carbon footprint of the original product. HCTED have agreed that 80% of savings will sit with the trust rather than it all going back to NHSE/I. Members were encouraged to engage with their regional teams on this.
 - i. All NHS Supply Chain warehouses have been converted to sustainable electricity, all lighting will be LED by the end of the year
 - j. A grant has been secured to trial seven electric trucks for the year to see how the footprint can be reduced
 - k. Focus is with suppliers to look at what they are doing to reduce their carbon footprint, review of their carbon reporting is taking place to gather base data. This will be included in NHS Supply Chain reporting next year which will then flow through to trusts, a methodology to do this will be developed

Request of NHS provider organisations

- There will be a PPE webinar in September, all were encouraged to attend
- Anyone who would like to support Phil Nettleton on the Operational Excellence programme around Contract Launch should contact Phil directly philip.nettleton@supplychain.nhs.uk
- Members were asked to: help identify those ICS leads (where those individuals have been nominated as some ICSs are further advanced than others) to their NHS Supply Chain CRM and help share current progress and workplans and provide insight on pain points and blockers
- A trust facing savings methodology document is being developed, this will be launched to trusts in the next few weeks with all trusts invited to an engagement session
- With regards to the NQC portal, trusts were asked to feedback through their CRM if there is a supplier they use not on there
- Trusts were encouraged to review their workplan opportunities and progress what they can

