

# Customer Procurement Savings Reports

Guidance Notes

Version 3.1  
June 2022



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## General Information

### Document conventions

- Menu options, labels and links are all shown in bold. For example, in “Click **Save** before leaving this page”, **Save** is the text on a button.
- Some screenshots are annotated with numbers. These numbers correspond to a particular instruction in the step-by-step instructions associated with that screenshot. Numbers in screenshots are not always sequential as not every step is represented.

The screenshots in this document are taken from our test system. Any correlation with actual trusts, products and suppliers is coincidental. Where test data cannot be used, the details have been blurred to preserve confidentiality and security.

### Abbreviations and definitions

Department Name	Departments are collections of requisition points within a trust.
Requisition point code	Requisition point code is the order location point code.
GLN	Global Location Number – a number that uniquely identifies a physical location, such as a requisition point.
Requisition point name	Requisition point name is the order location point code.
Cost centre	Cost centre is the GL Code provided by the trust against the NPC hierarchy
Transacted	Purchases made through and invoiced by NHS Supply Chain
Direct	Customer purchases invoiced by and paid directly to suppliers using NHS Supply Chain Framework Agreements.
Transacted	Purchases made through and invoiced by NHS Supply Chain.
Tower Name	Tower name that is providing the product
Portfolio	A group of related products (for example, “dressings” or “stationery”)
Contract Title	A contract with one or more suppliers to provide products in a specified portfolio.
NPC	National Product Code
MPC	Manufacturer’s Product Code
Product Description	Description of the product
Brand Name	Brand name of the product
UOI	Product UOI
E-Class level 3	Product E-classification

GTIN	Global Trade Item Number – a globally unique number (up to 14 digits) used to identify trade items, products, or services
Supplier Name	Supplier providing the product
Classification	This is the classification that the saving is recorded under
Initiative	This is the initiative that the saving is recorded under
Month	A calendar month (April, May, June and so on).
Q1	Quarter 1: April, May, and June.
Q2	Quarter 2: July, August, and September.
Q3	Quarter 3: October, November, and December.
Q4	Quarter 4: January, February, March.
TR	Transaction Report
YTD	Year to date: from the start of the current financial year (from April to March).
YTD total	Net savings since the start of the current financial year.

## Selecting multiple entries in a list

To select a range, select the first item in the range and then hold down the SHIFT key and select the last item in the range. This selects a continuous range including those you specified.

To select (or de-select) multiple items that are not consecutive, hold down the CTRL key while selecting (or de-selecting) individual items.

## Contact details

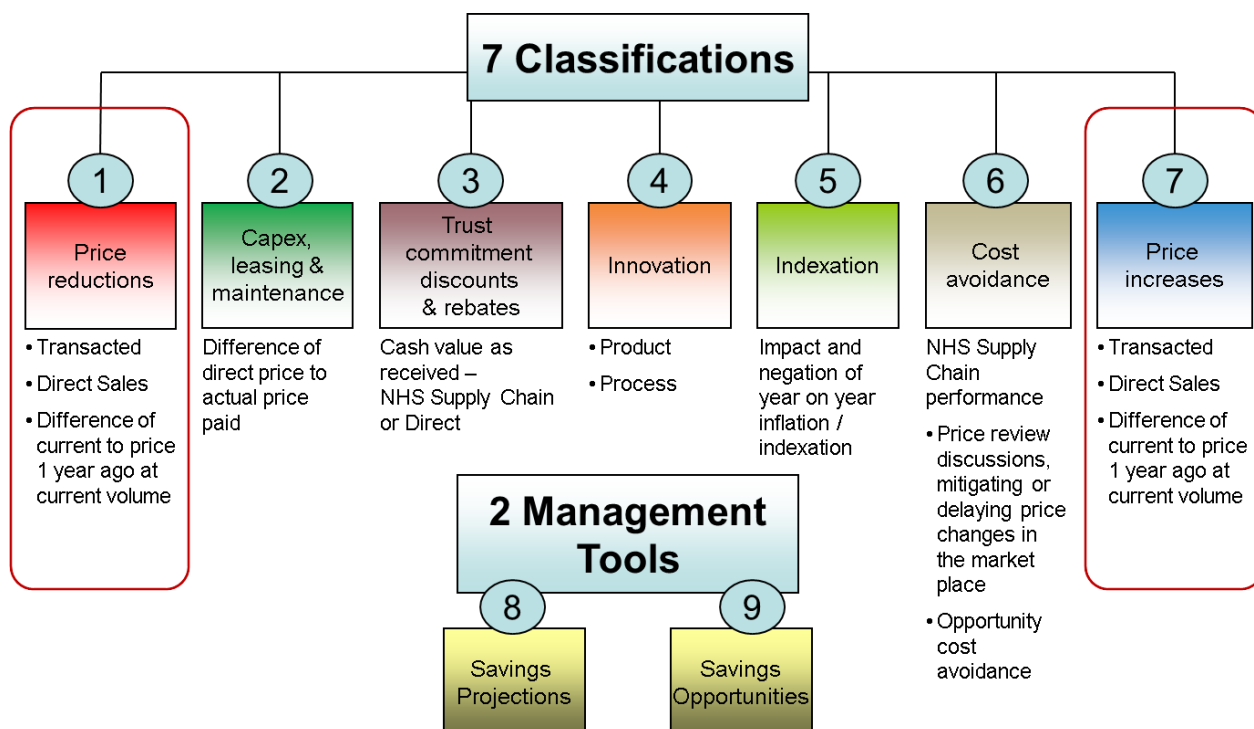
If you have any questions about the savings reports, please contact your account manager.

If you experience any difficulty in running the reports, contact the Customer Services IT Help Desk (telephone 0845 680 4357 or email [CSHelpdesk@supplychain.nhs.uk](mailto:CSHelpdesk@supplychain.nhs.uk)).

## Overview

The Customer Procurement Savings reports have been developed to enable you to view and download details of the savings you have made on purchases through the NHS Supply Chain.

Savings have been classified into seven categories (classifications), and two management tools have been specified. These are shown in the diagram below.

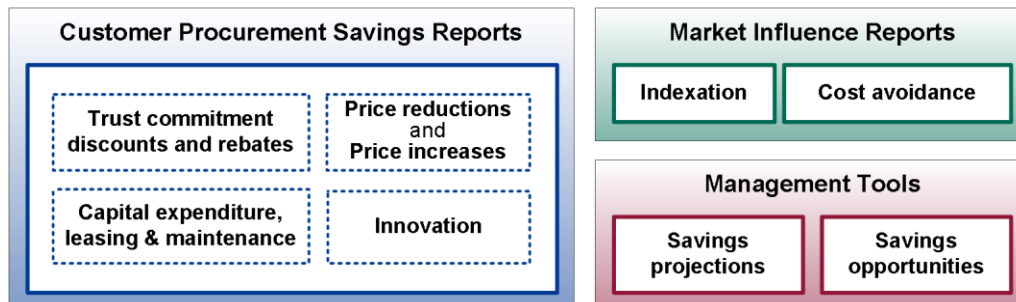


Savings classifications 1 and 7 (circled in the image above) were placed on our system in October 2012. For NHS Year 2012–2013, these are the only classification reports available.

**2 Management Tools** is **not available as part of June 2020 release**.

## Mapping savings categories to reports

The mapping between reports and the savings categories are as shown in the diagram below.



- The 'Customer Procurement Savings Reports' covers each of the following classifications, with the classification being one of the parameters that can be specified:
  - Price reductions and price increases (a single option). This includes the new "No price movement" classification.
  - Capex, leasing and maintenance
  - Commitment discount
  - Innovation
- Each of the 'Market Influence Reports' and each of the 'Management Tools' is listed as a separate report option.

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**2 Management Tools** is **not available as part of June 2020 release**.

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## Available report variations

For most of the savings types, the following report variations are available:

- Portfolio reports enable you to view the savings in monetary terms made when purchasing products in each of the portfolio sets.
- Product reports enable you to specify some additional product-related criteria: they can be run for a portfolio, a contract, specific NPCs and specific MPCs. Multiple options can be selected, and the report is grouped by NPC.
- Supplier reports can be run by portfolio and by contract, enable you to identify savings at the level of a contract or a portfolio that relate to a particular supplier.

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Supplier reports are not available for the cost avoidance savings type.

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## How do the reports work?

The reports run for a calendar month, and figures relating to a month are released 10 working days following the month end.

With the exception of the Management Tools, each report can be run for a specified month, for a quarter, and for the year to date. The forecasting tool always provides data for a financial year, and the savings opportunity reports for the specified period of time.

The reports can be exported to Excel for further analysis.

Information about the basis of the report and how to interpret it is provided on the “Disclaimers” tab when downloaded into Excel and under the How savings are calculated.

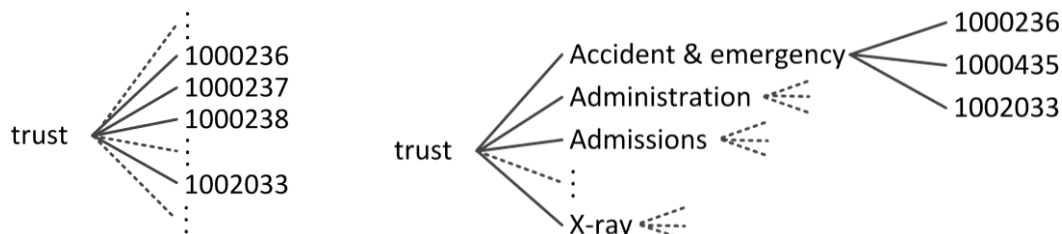
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Savings reports and TR reports cover different – but overlapping – time periods. Savings reports are based on calendar months. Most of the TR reports follow a 4, 4, 5 week pattern. This means that if the month-end falls mid-week, the savings reports show a complete month but the corresponding information in the TR reports may be split across two reporting periods. The reporting pattern for TR reports also means that a TR report may contain more than a single month’s information.

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## Reporting by department

Departments are collections of requisition points within a trust, which provide a way of grouping requisition points into services. This grouping enables a level of reporting between individual requisition points and the whole trust.



Requisition points are mapped to departments using the Online Catalogue and Ordering application. See the *Online Catalogue and Ordering User Guide* for instructions.

## VAT Reclamation report (not available as part of June 2020 release)

HMRC allows trusts to reclaim the VAT paid on confectionery (for example) sold to the general public – for example, through trust shops and coffee shops – as a commercial activity, separate to the activity of providing health care.

To help trusts identify the amount of VAT that they can reclaim, a report is provided that specifies the VAT paid against a set of specified products for particular requisition points.



You can run reports for any authorised requisition point and for any month as often as required. However, you can only indicate that you intend to use those figures in a VAT claim once and those are the figures that are used in your savings reports.

The report is based on:

- Products for which VAT can be reclaimed (identified by NHS Supply Chain)
- The requisition points identified by the trust that will only be used to order products for re-sale to the public.

A signed declaration from the Financial Director of the trust is required indicating the intent to reclaim VAT on purchases for those requisition points.

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NHS Supply Chain cannot provide VAT advice. It is the trust's responsibility to determine whether or not VAT can be reclaimed on purchases. See the HMRC website for guidance.

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### What's new in Customer Procurement Savings Reports?

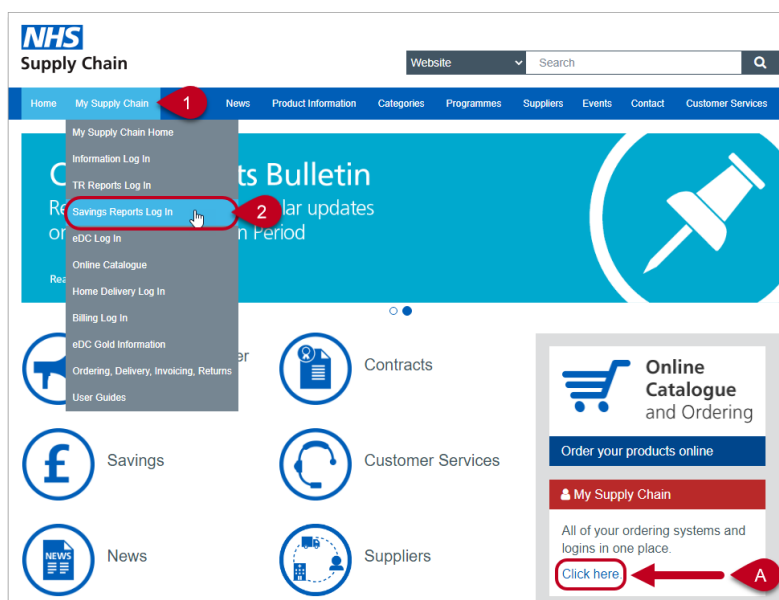
- Cost Centre - Cost centre is the GL Code provided by the trust against the NPC hierarchy
- Tower Name - Tower name that is providing the product
- E Class Level 3 - Product E-classification
- MPC – Manufactures product code
- Brand Name - Brand name of the product
- Unit of Issue – Product UOI

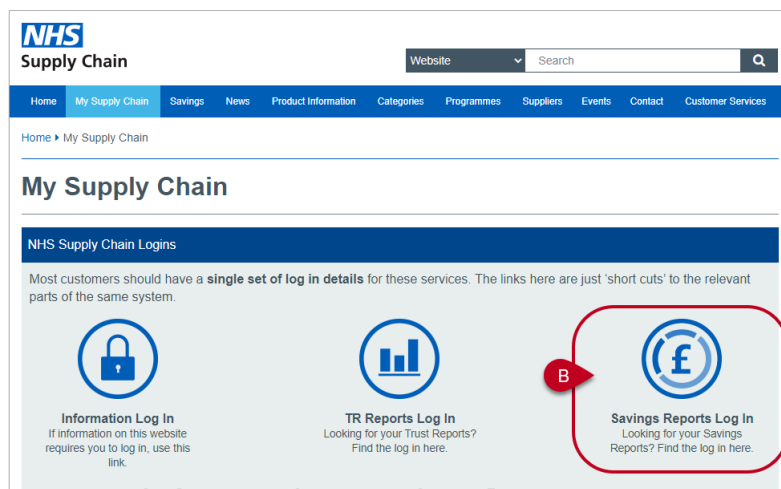
## Accessing the Reports

You can only access information for your own trust, and the figures you see reflect the prices you were (and are) actually paying for products.

### Logging in

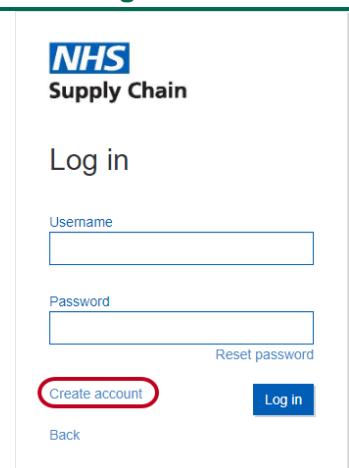
- 1 Open a web browser and go to [www.supplychain.nhs.uk](http://www.supplychain.nhs.uk)
- 2 Do one of the following:
  - Select the **My Supply Chain** menu and then select **Savings Reports Log In** (steps 1 and 2 in the upper image below).
  - Click the **Click here** link in the box on the right of the window, then select Savings Reports Log In on the page that opens (steps A and B in the two images below).





### 3 Type your **Username** and **Password** into the boxes shown, then click **Login**.

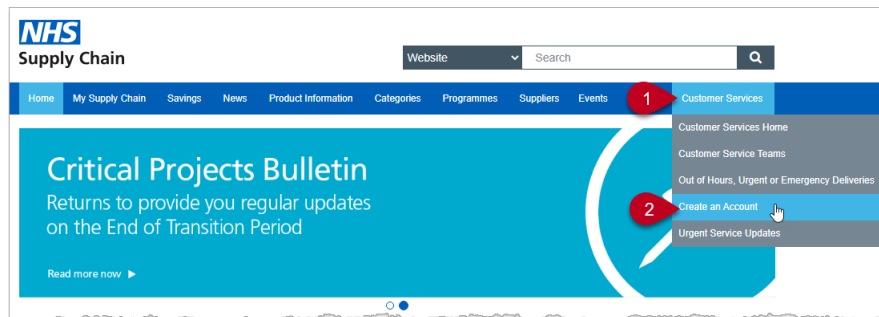
If you do not have an account, click **Create account** on the login box and follow the instructions in the next section.



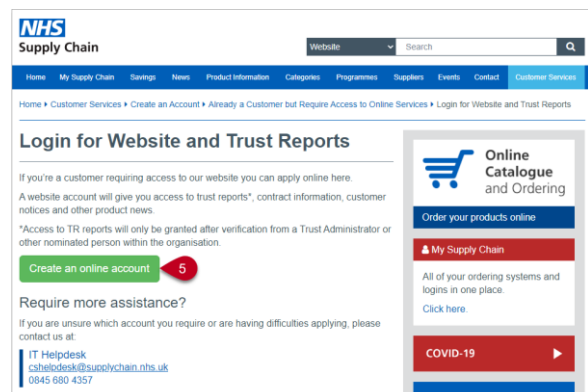
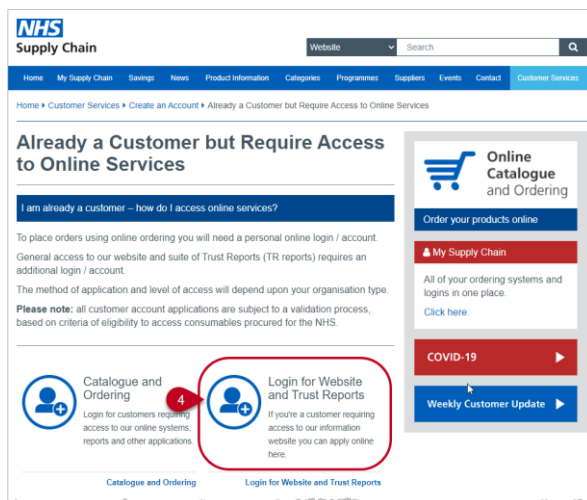
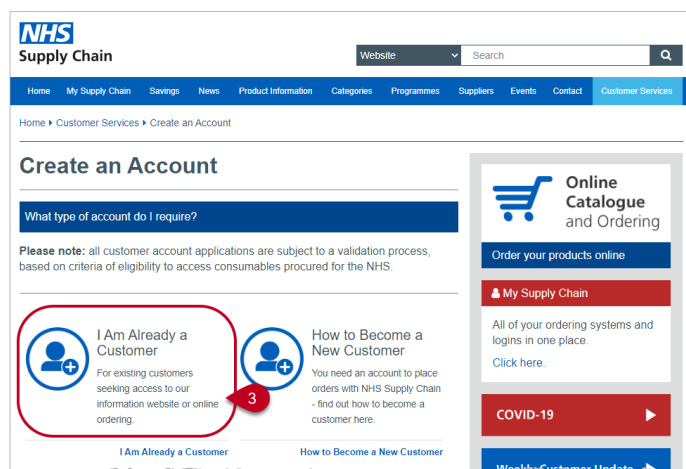
### Creating an account

If you do not have a user account, you need to complete a **New user application** form and submit it. You can access this form either by following the steps outlined above or by following those below:

- 1 Open a web browser and go to [www.supplychain.nhs.uk](http://www.supplychain.nhs.uk)
- 2 Select the **Customer Services** menu and then the **Create an account** option.



- 3 Follow through the screen prompts to reach the **New user application** form, which you must then complete and submit.



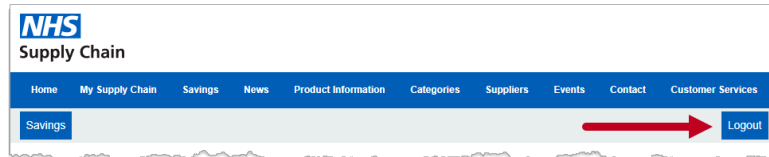
After logging in

A list of **Savings Reports** is shown after you have logged in.

VAT reclamation is **not available as part of the June 2020 release**.

If this is the first time you have accessed these reports, a message about confidentiality is displayed in the central area of the website. Read the message carefully and click **Accept** if you agree to be bound by the agreement.

When you have finished what you are doing on the website, you must log out to keep your information secure.



## Running the Savings Reports

To run a report, click the **Run** button to its right.

The detailed information shown in the different reports is described in the following sections:

- Customer Procurement Savings Reports are described on page 22
- Customer Procurement Market Influence Reports (starting on page 27) consists of two reports:
  - The 'Cost Avoidance report' is described on page 27
  - The 'Indexation report' is described on page 28

Management Tools (starting on page 31) consists of two reports **(not available as part of the June 2020 release)**:

- The 'Projections' report is described on page 31
- The 'Opportunities' report is described on page 32

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The *VAT Reclamation Report* uses different criteria and is described separately – see 'The VAT Reclamation Report' on page 34.

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All of the reports have either two or three versions, enabling different criteria to be selected and sorting or grouping the information differently.

An overview of the differences in information displayed for each of the three versions is provided separately. For explanations, see:

- 'Understanding the portfolio version' on page 19
- 'Understanding the product version' on page 20
- 'Understanding the supplier version' on page 21



## Criteria common to all the reports

Additional criteria can be specified for some of the different report versions (see 'Additional options for the product and supplier versions of the reports' on page 17) and for some of the savings types (see 'Customer Procurement Savings Reports' on page 22, 'Customer Procurement Market Influence Reports' on page 27, 'Management Tools' on page 31 and 'The VAT Reclamation Report' on page 34).

The following parameters are common to most of the reports. The numbered options below correspond to the numbers on the image below.

The VAT Reclamation Report is a trust-wide report, so the options to specify departments and requisition points, and the options to increase the level of detail or to group using requisition points are not available.

- 1 Select the trust for which you are running the report. Only those trusts that you are authorised to view are displayed in the drop-down list below **Select DOH code**.

Type the code or part of the name of the trust into the box when searching to display a list of trusts that match.



- 2 **Select department** enables you to run the reports for one or selected departments associated with the trust you selected in step 1. See 'Reporting by department' on page 8. (Not available for the VAT Reclamation report.)

The 'Unallocated departments' option enables you to run the report for requisition points that have not been mapped to a department.

- You can select a single department or multiple departments (see 'Selecting multiple entries in a list' on page 5).
- You can also choose to view information for **All departments** associated with the chosen trust.



- 3 Select requisition point** displays the requisition points associated with the trust you selected in step 1. (Not available for the VAT Reclamation report.)
- Select single or multiple requisition points (see 'Selecting multiple entries in a list' on page 5).
  - You can also choose to view information for **All requisition points** associated with the chosen trust.

If a GLN has been associated with a requisition point, it is shown in brackets after the requisition point name.

Select requisition point

All requisition points  
4C1004 - CV19 ICU  
4C1008 - LCPCT FINANCE (ST JOHNS)  
4C2004 - DISTRICT NURSE BH&SCC  
4C2022 - HEALTH VISITOR BEAUMONT LEYS  
4C2023 - DISTRICT NURSE BEAUMONT LEYS  
4C2066 - DISTRICT NURSE NEW PARKS  
4C2103 - DISTRICT NURSE, PASLEY RD  
4C2164 - DISTRICT NURSE SPRINGFIELD RD

- 4** Specify the level of detail you want to include in the report.
- Select **Detailed requisition point report** to see a breakdown by requisition point.
  - Clear the box to view a summary for the selected requisition points.

Only applicable if more than one requisition point is selected in step 3, and not available for the VAT Reclamation report.

Detailed requisition point report

☐ Unchecked defaults to totalling your selection above

- 5** Select the **Financial year** you want to report on from the drop-down list.

A financial year runs from April of one year to March of the next, and a new financial year will appear on the list after 30 April of that new financial year. For example, 2013/2014 would be available in the list in the diagram below after 30 April 2013.

For NHS Year 2012–2013, only classifications 1 and 7 (Price Reductions and Price Increases) are available for reporting purposes.

For NHS Year 2019-2020 has a baseline set to 1st April 2019. This is to ensure that the margin removal amount is not classed as a saving. Reports prior to April 2019 will show the sell price which includes margin.

Financial year

2019/2020 ▼

- 6** Select the **Frequency** and **Frequency value** from the lists.

The options in **Frequency value** depend on what you select in **Frequency**:



- If you select **Month**, the values are the months of the year (April, May, June and so on).
- If you select **Quarter**, the values are 1, 2, 3 and 4 (quarter 1 is April, May and June; quarter 2 is July, August and September; quarter 3 is October, November and December; quarter 4 is January, February and March).
- If you select **Year to date**, no values are available for selection.

Frequency

Month ▼

Frequency value

April ▼

**7** Choose how you want to group the information displayed in the report. (Not available for the VAT Reclamation report.)

- If you selected **Month** in **Frequency**, you can only choose to group by month.
- If you selected either **Quarter** or **Year to date**, you can choose to group by month or by quarter.

Group by

Month ▼

### Additional options for the product and supplier versions of the reports

This information applies to all the reports of these types unless the individual report information specifies otherwise.

You can specify additional **Search criteria** (at the bottom of the page) to restrict the report to selected portfolios, selected contracts or (for product report versions only) specified NPCs or MPCs.

These reports also display additional information, and sort and group the reports differently.

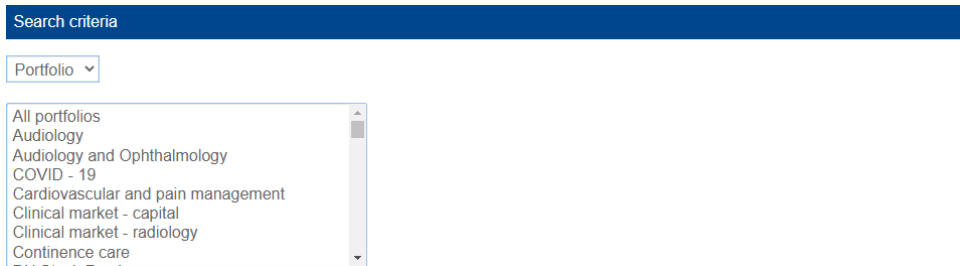
- To view savings related to contracts, in **Search criteria** select **Contract** from the drop-down list. Select either **All contracts** or specific contracts from the list shown.

Search criteria

Contract ▼

All contracts  
 AER  
 Adhesion Barriers CMP  
 Adhesive Surgical Tapes  
 Adhesive Surgical Tapes and Associated Products  
 Adhesive Wound Dressings  
 Adhesive Wound Dressings First Aid Kits  
 Administration Sets

- To view savings related to portfolios, in **Search criteria** select **Portfolio** from the drop-down list. Select either **All portfolios** or specific portfolios from the list shown.



Search criteria

Portfolio ▾

- All portfolios
- Audiology
- Audiology and Ophthalmology
- COVID - 19
- Cardiovascular and pain management
- Clinical market - capital
- Clinical market - radiology
- Continence care

- To view savings related to specific products, in **Search criteria** select either **NPC** or **MPC** from the drop-down list. Type the product codes into the box that appears.
  - You can specify multiple NPCs or MPCs by separating them with commas (for example, ABC123,ABC124,ABC124)
  - If MPCs contain punctuation, enclose them in quotes (for example, "ABC-123", "ABC/123", "ABC.123")



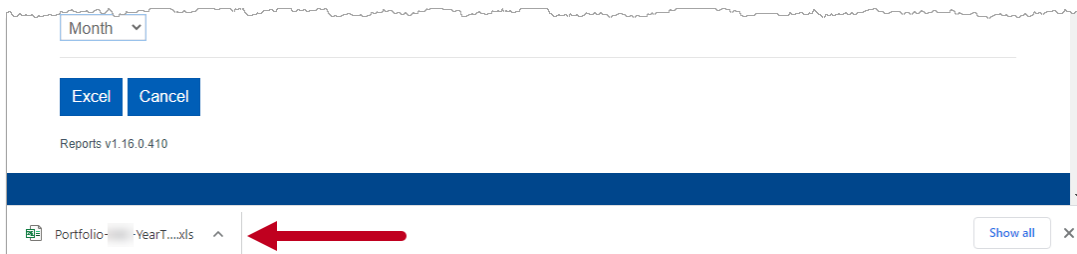
Search criteria

NPC ▾

You can only view savings related to **NPCs** or **MPCs** in the **Product** versions of the reports.

## Output options

The reports can be generated in Excel spreadsheet format, values are shown to the level of whole pence.



Month ▾

Excel Cancel

Reports v1.16.0.410

Portfolio- YearT...xls

Show all ×

Depending on the browser you are using and your settings for downloading files, you may be prompted to give a location in which to save the report. The downloaded report may be accessed either from a box in the middle of the screen or from the bottom of the browser (as shown in the image above).

## Information displayed for the report variations

The differences described between the variations of the reports apply to all reports with those variations unless details about the individual report specify otherwise.

Unless otherwise specified, the 'Customer savings procurement reports' are used as examples throughout this section.

### Understanding the portfolio version

- The contents of the first four columns varies depending on whether you have chosen to generate a **Detailed requisition point report** or not.

Detailed requisition point report

☐ Unchecked defaults to totalling your selection above

- If you did not choose a **Detailed requisition point report**, the first four columns ('Department name', 'Requisition point code', 'GLN' and 'Requisition point name') are empty.
- If you did choose a **Detailed requisition point report**, the first three columns ('Department name', 'Requisition point code', 'GLN' and 'Requisition point name') contain relevant information. The information for each requisition point is displayed separately.

The image below shows a sample summary (**Detailed requisition point report** *not* selected) report covering the year to date for all requisition points, grouped by quarter.

Price increases (negative savings) are shown in red and are in brackets.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	AJP - Hollows Respite Care NHS Trust													
2														
3	Portfolio savings - year to date by quarter													
4	Report for year to date 2018													
5	All departments													
6	All requisition points													
7														
8	Department name	Requisition point code	GLN	Requisition point name	Transacted or direct	Portfolio	Classification	Initiative	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD total	YTD total
9									Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD purchased total	YTD saving total
10					Transacted	Domestic management paper hygiene	Price reduction	Customer base price	£0.00	£493.99	£0.00	£0.00	£2,726.42	£493.99
11					Transacted	Dressings and woundcare	Price reduction	Customer base price	£0.00	£20.23	£0.00	£0.00	£174.51	£20.23
12					Transacted	Infection control environmental	Price reduction	Customer base price	£0.00	£193.26	£0.00	£0.00	£2,621.89	£193.26
13					Transacted	Office solutions	Price reduction	Customer base price	£0.00	£10.75	£0.00	£0.00	£164.75	£10.75
14					Transacted	Audiology	Price reduction	Price reduction	£0.00	£47.65	£0.00	£0.00	£28,201.54	£47.65
15					Transacted	Cardiovascular and pain management	Price reduction	Price reduction	£0.00	£0.00	£0.00	£0.00	£4,145.35	£0.00
16					Transacted	Continence care	Price increase	Price increases	£2.00	£0.00	£0.00	£0.00	£304.00	£2.00
17					Transacted	Dental	Price reduction	Price reduction	£0.00	£0.00	£0.00	£0.00	£1,161.88	£0.00

The image below shows the first few columns of the same report with the values for each requisition point shown separately. This increases the number of rows in the reports and splits the savings appropriately between the requisition points that contributed to them.

	A	B	C	D	E	
1	AJP - Hollows Respite Care NHS Trust					
2						
3	Portfolio savings - year to date by quarter					
4	Report for year to date 2018					
5	All departments					
6	All requisition points					
7						
8	Department name	Requisition point code	GLN	Requisition point name	Transacted or direct	Portfolio
9	Adolescent Care	200002	5055205683409	ELM RESPITE CARE UNIT	Transacted	Office solutio
10	Adolescent Care	200002	5055205683409	ELM RESPITE CARE UNIT	Transacted	Domestic mar
11	Adolescent Care	200002	5055205683409	ELM RESPITE CARE UNIT	Transacted	Infection con
12	Adolescent Care	200002	5055205683409	ELM RESPITE CARE UNIT	Transacted	Cardiovascul
13	Adolescent Care	200002	5055205683409	ELM RESPITE CARE UNIT	Transacted	Continence c
14	Adolescent Care	200002	5055205683409	ELM RESPITE CARE UNIT	Transacted	Domestic mar
15	Adolescent Care	200002	5055205683409	ELM RESPITE CARE UNIT	Transacted	Domestic mar

The report indicates whether the savings are made for transacted or direct purchases, and the portfolio, classification and initiative to which they relate. A given portfolio can be listed more than once, with an entry for each classification and initiative.

Following the 'Initiative' column are details of net savings for the time period specified for grouping the information. For example, if you chose to group the information by **Month**, there will be a column for each month covered by the report. The information in these columns varies from report to report.

The final columns in each row show totals for the period you selected. For example:

- If you selected a **Frequency** of **Quarter** and a **Frequency value** of **1**, the final columns show the values for Quarter 1.
- If you selected a **Frequency** of **Year to date**, the final columns show the values for the year to date.

### Understanding the product version

Product reports show all the information shown on the portfolio report plus an additional 11 columns.

- **Cost Centre** – The cost centre is shown where available
- **Tower Name** – This is only available on the product report
- **Contract Title** – it is possible to filter by contract title
- **NPC** – it is possible to filter by NPC
- **MPC** – it is possible to filter by MPC
- **Product Description**
- **Brand** – The brand is shown where available
- **UOI**
- **EClass Level 3**
- **GTIN** – the product GTIN is shown where available

- 'Supplier Name' – it is possible to filter by supplier

An additional column is also shown before the final columns that display the totals:

- 'YTD Total – Supplied Individual Units' shows the quantity purchased, which is the number of packs received multiplied by the pack size

### Understanding the supplier version

Supplier reports show all the information shown on the portfolio report (see 'Understanding the portfolio version' on page 19).

Additional information is shown in columns after the 'Portfolio' column:

- 'Contract Title' – it is possible to filter by contract title
- 'Supplier Name' – it is possible to filter by supplier name

One row in the report is displayed for each supplier associated with each contract. For example, if there are three suppliers associated with the 'Bedding' contract in your trust, three rows are displayed.

## Customer Procurement Savings Reports

The customer procurement savings reports show savings for the following classifications:

- Price reductions and increases (shown on a single report), which includes *No price movement*
- Trust commitment discounts and rebates
- Innovation (in both product and process)
- Capital expenditure, leasing and maintenance.

### Additional options for the Customer Procurement Savings reports

As well as the standard report criteria (see 'Criteria common to all the reports' on page 15), the customer procurement savings reports enable you to specify a savings type (classification) and an initiative.

- 1 To specify a savings type, in **Select classification** select one of the savings categories from the list shown or choose **All classifications** to generate a report covering all areas.
- 2 To specify an initiative, in **Select initiative** select one of the listed initiatives or choose **All initiatives**.

---

The initiatives shown vary depending on the classification you select.

---

Select classification

All classifications

Price reduction and price increase

Commitment discount

Innovation

Select initiative

Base price increase direct sales

Base price reduction direct sales

Basic price increase transactional

Basic price reduction transactional

### How are the savings calculated?

The way that savings are calculated varies from one classification to another. An explanation for each classification is given below.

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Price increases (negative savings) are shown in red and are in brackets.

---

Data identified as Direct refers to goods transacted via suppliers on NHS Supply Chain framework but not invoiced by NHS Supply Chain. This direct savings data is shown one month in arrears except for the capital/leasing/maintenance classification, which is shown in the quarter in arrears.

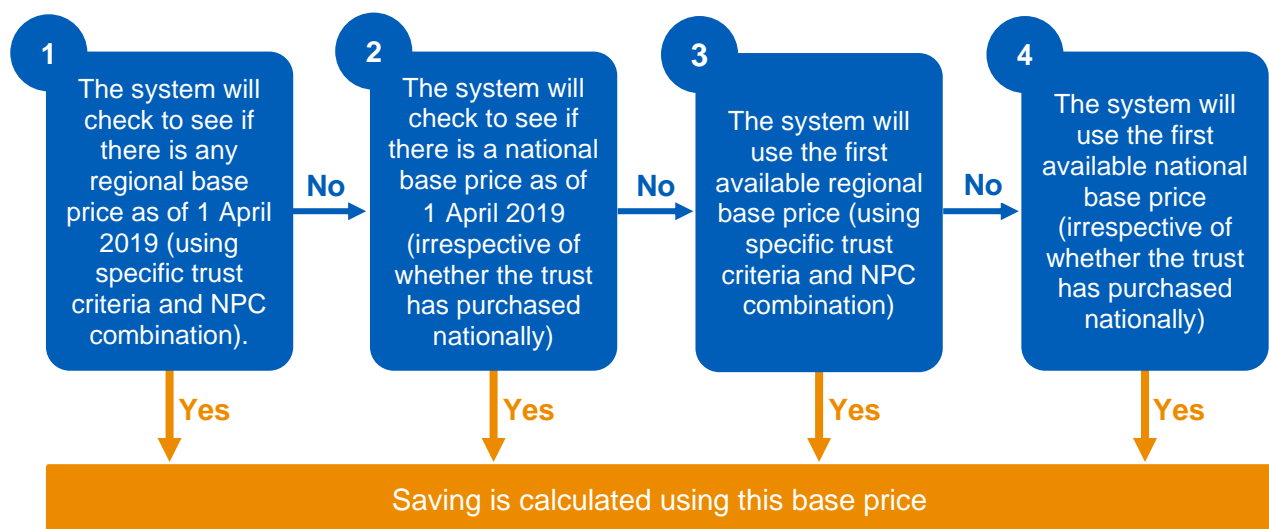
## Classification – Price reduction and price increase

Price reduction and price increase are calculated in the same way.

- **Basic price reduction transactional**
- **Basic price increase transactional**

Saving calculation is based the price on the transaction date compared to the price 365 days ago at the current volume. The rules below are applied to the transactional savings and the appropriate base price is used to calculate the saving.

### System rules for transactional savings



For example, assume the base price (the price your trust pays) for a product varied over time as shown below:

Time period	Base price
1 January last year to 1 October last year	£ 20
2 October last year to 31 December last year	£ 18
Current (from 1 January this calendar year)	£ 18

Assuming that 100 units are purchased on each occasion, the savings are calculated as follows:

Date of purchase	Quantity	Saving
Between 1 January and 1 October this year	100	(£ 20-£ 18) ×100 = £ 200
Between 2 October and 2 November this year	100	(£ 18-£ 18) ×100 = £ 0

If you were not purchasing through NHS Supply Chain during the earlier (comparison) periods, you can provide your own unique comparison price for the reports, which will be visible only to you.

This falls under the initiative:

- **Switching to service provider**

The saving calculation is based on the current price compared to the price your organisation previously paid. You can provide the price paid prior to switching to NHS Supply Chain as a service provider. If no previous price is provided, selecting this option defaults to using the system transactional rules for **Basic price reduction transactional** and **Basic price increase transactional**. Please contact your account manager to provide the price previously paid.

### Classification – No price movement

- **Basic price no movement transactional**

The saving calculation is based on the price on the transaction date compared to the price 365 days ago at the current volume, and if there is no price movement these are aligned to this initiative. The rules applied are the same as for Basic price reduction transactional and Basic price increase transactional.

- **NHS England**

Savings calculations for transactions of £0 where the NPC is linked to the 'NHS E Specialist Commissioned Devices' portfolio are aligned to this initiative.

### Classification – Innovation

- **Innovation scorecard**

Savings calculation for all transactions where the NPC has been identified as “innovative” are aligned to this initiative. The rules applied are the same as Basic price reduction transactional and Basic price increase transactional.

- **Innovation**

Other forms of innovation, including product innovation, are declared as they are agreed with a customer.

- **Range management**

Savings calculation is based on the average 3-monthly price paid (as determined by the system) for the old product's selling price compared to the new product's selling price (taking into account any UOI/banding). Where a customer moves multiple products to one alternate product, a weighted average based on volume is applied to the price calculation.

There may be an element of backdated savings that will be added retrospectively, mainly due to new range management products being identified or awaiting verification.



### *Priority order for transacted savings calculation*

- 1 Range management
- 2 Switching to service provider
- 3 Basic price reduction transactional
- 3 Basic price increase transactional
- 3 No price movement
- 3 Innovation scorecard
- 3 NHS England

### Classification – Commitment discount

A commitment discount is based on the quantity or the value of transactions over a specified period. Trusts are required to sign up to the discount *unless* the supplier has agreed to commit to a blanket discount for all trusts.

The following initiatives are available within this classification.

- Commitment discounts

The saving is the cash value recorded in the month it was paid to the trust, including retrospective or upfront credits (credit note, or free of charge equipment or equivalent) to trusts from suppliers and facilitated by NHSSC. This is facilitated by NHS Supply Chain.

- Commitment discounts direct

The savings are paid directly from the supplier to the trust, and include retrospective or upfront credits (credit note, cheque or free of charge equipment) to trusts direct from suppliers. This is not passed through NHS Supply Chain. The supplier or trust can provide this information.

### Classification – Capital, leasing and maintenance

Through the tender process, we have ascertained the % difference between a direct quote and one through NHS Supply Chain framework. It is the difference that is used to calculate the saving. It is recognised as a saving at the point of invoice as this is the closest to the commissioning point of the asset that we can ascertain.

The options available are:

- Capital
- Maintenance

For example:

Customer direct quote discount	5%
NHS Supply chain quote discount	7%
<b>Discount applied</b>	<b>2%</b>

## Understanding the Customer Procurement Savings reports

Price reductions and price increases are shown separately, with the net position calculated and displayed.

---

Price increases (negative savings) are shown in red and are in brackets.

---

### The portfolio version

Following the 'Initiative' column are details of net savings for the time period specified for grouping the information. For example, if you chose to group the information by **Month**, there is a column for each month covered by the report.

The final two columns in each row show the purchase value and the net savings for the period you selected. For example, if you selected a **Frequency of Year to date**, the final two columns show the values for the year to date.

### The product version

The product report shows all the information shown on the portfolio version, but with some more details.

The information is grouped by product, and the contract, NPC, supplier name and product description are shown for each product – the report can be filtered by any of these apart from product description.

An additional totals column shows the total number of units purchased over the time period specified.

### The supplier version

The supplier report shows all the information shown on the portfolio but with some more details.

The information is grouped by supplier, so the savings associated with each supplier can easily be identified. It is possible to filter this report by supplier.

## Customer Procurement Market Influence Reports

There are two market influence reports:

- The 'Cost avoidance report' – see below
- The 'Indexation' report – see page 28

### Cost Avoidance report

The cost avoidance report indicates savings made as the result of NHS Supply Chain procurement activity in partnership with our suppliers to deflect, mitigate or delay price increases on products. This classification also indicates where we have worked with a specific customer on specialist activity as agreed. An example of this would be the re-deployment of resource due to managed service of stock.

---

There is no supplier version for the cost avoidance report.

---

#### How are the savings calculated?

A comparison price is calculated for the relevant period that reflects the mitigated activity.

##### Example 1

Assume we have evidence that prices were to rise by 5% from 1 April. Following discussions with suppliers, the price increase is delayed until 1 August. The current selling price (SP) is £ 10.

Time period	Calculation	Base price
1 April this year to 31 July this year	Current SP + 5%	£ 10.50

In the time period specified, all purchases of the stated product generate an activity saving in the Cost Avoidance classification.

Date of purchase	Qty	Anticipated spend	Actual spend	Saving
10 June	100	£ 1,050.00	£ 1,000.00	£ 50.00

##### Example 2

Assume we have evidence that prices were to rise by 8% from 1 February.

Time period	Calculation	Base price
1 February this year to 31 January next year	Original SP + 8%	£ 10.80

Following discussions to understand the cause of the price rises, we were able to mitigate some aspects (for example, by receiving the product differently into the warehouses), which meant the price only rose by 2%. If the current selling price is £10, it will rise on 1 February to £10.20.

The savings are therefore:

Date of purchase	Qty	Anticipated spend	Actual spend	Saving
1 August	100	£ 1,080	£ 1,020.00	£ 60.00

### Additional options for the Cost Avoidance reports

As well as the standard report criteria (see 'Criteria common to all the reports' on page 15), the cost avoidance reports enable you to specify an initiative. In **Select initiative**, select one of the listed initiatives or choose **All initiatives**.

### Understanding the Cost Avoidance report

After the initiative information are groups of three columns, one for each of the periods that the report is grouped by: in this example, there is one group for each quarter. The three columns specify:

- Actual spend – the amount of money spent on products in this portfolio against this initiative for the time period specified.
- Spend on pre-NHS Supply Chain activity – the amount of money that would have been spent without NHS Supply Chain (procurement) involvement, in partnership with the supplier and/or trust.
- Cost avoided – the saving made on products in this portfolio because of this initiative for the time period specified (the difference between the two previous columns: positive if the actual spend is lower).

	A	B	C	D	E	F	G	H	I	J
1	AIP - Hollows Respite Care NHS Trust									
2										
3	Cost avoidance by portfolio - year to date by quarter									
4	Report for year to date 2018									
5	All departments									
6	All requisition points									
7										
8	Department name	Requisition point code	GLN	Requisition point name	Transacted or direct Portfolio	Initiative	Quarter 1 Quarter 1 spend per NHSSC activity	Quarter 1 Quarter 1 cost avoided	Quarter 2 Quarter 2 spend per NHSSC activity	
9					Transacted	IV Therapy	Cost avoidance	£0.00	£0.00	£0.00
10					Transacted	Office Products and Furniture	Cost avoidance	£0.00	£0.00	£0.00
11					Transacted	Rehabilitation	Cost avoidance	£0.00	£0.00	£0.00
12					Transacted	Office Products and Furniture	Delaying price changes	£0.00	£0.00	£0.00
13					Transacted	General Medical	Forward buying	£0.00	£0.00	£0.00
14					Transacted	Office Products and Furniture	Forward buying	£0.00	£0.00	£0.00
15					Transacted	Pathology	Forward buying	£0.00	£0.00	£0.00
16					Transacted	Office Products and Furniture	Price review discussions	£0.00	£0.00	£0.00

The final three columns in the report show the year to date (YTD) totals for each of these amounts.

### Indexation report

The indexation report shows savings made as a result of a comparison between current and historic prices having taken account of inflation when calculating the saving.

## How are the savings calculated?

Indexation of the comparative calculation of the base price of a product multiplied up for an inflation factor less the price now (SP). This saving is then multiplied by the number of units purchased to give a total difference. From the Customer Procurement Savings Reports, data from transactional classifications are used to calculate the indexation values.

The inflation measure used is CPI. CPI is a price index, the price is weighted average market basket of consumer goods and services purchased by households. The CPI is published monthly by the Office of National Statistics and is based on a scale where the value for the year 2005 is set at 100.

NHS Supply Chain is applying this index 2 months in arrears. For example, data for January is available from mid-February and is applied from the beginning of March.

For example, using the following base prices:

Time period	Base price
1 January last year to 31 August last year	£ 20.00
1 September last year to 31 December last year	£ 18.00
1 January this year to date	£ 18.50

And the following index values:

Month	Applied from	Value
June last year	August last year	120.40
July last year	September last year	120.60
August last year	October last year	121.20
September last year	November last year	121.60
October last year	December last year	122.40
November last year	January this year	122.60
December last year	February this year	123.30
January this year	March this year	122.60
February this year	April this year	123.60
March this year	May this year	124.00
April this year	June this year	124.00
May this year	July this year	124.40
June this year	August this year	124.10
July this year	September this year	124.10

The indexed base prices are calculated (the expected base price taking into account indexation) by multiplying the base price from last year by the index value for this year divided by the index value for last year:

Date of purchase	Base price last year	Index value	Indexed base price
5 August this year	£ 20.00	124.10/120.40	£ 20.61
15 September this year	£ 18.00	124.10/120.60	£ 18.52

The selling price for this year and the indexed (expected) base price for this year are then used to calculate the saving.

Date purchased	Qty	Price difference per unit	Total saving
5 August this year	100	£ 20.61 – £ 18.50 = £ 2.11	£ 2.11 x 100 = £ 211
15 September this year	100	£ 18.52 – £ 18.50 = £ 0.02	£ 0.02 x 100 = £ 2

### Additional options for the Indexation report

There are no additional options to the standard report criteria (see 'Criteria common to all the reports' on page 15).

### Understanding the Indexation report

After the initiative information are groups of three columns, one for each of the periods that the report is grouped by: in this example, there is one group for each quarter. The three columns specify:

- Actual spend – the amount of money spent on products in this portfolio against this initiative for the time period specified.
- Indexed equivalent – what the spend would have been had annual inflation been applied to all prices.
- Market impact avoided – the saving made on products in this portfolio because of this initiative for the time period specified (the difference between the indexed equivalent and the actual spend).

	A	B	C	D	E	F	G	H	I	J
1	AIP - Hollows Respite Care NHS Trust									
2										
3	Indexed spend by portfolio - year to date by quarter									
4	Report for year to date 2018									
5	All departments									
6	All requisition points									
7										
8	Department name	Requisition point code	GLN	Requisition point name	Transacted or direct	Portfolio	Quarter 1 Quarter 1 actual spend	Quarter 1 Quarter 1 indexed equivalent	Quarter 1 Quarter 1 market impact avoided	Quarter 2 Quarter 2 actual spend
9					Transacted	Audiology	£0.00	£0.00	£0.00	£28,296.44
10					Transacted	Cardiovascular and pain management	£0.00	£0.00	£0.00	£10,494.19
11					Transacted	Continence care	£0.00	£0.00	£0.00	£24,206.61
12					Transacted	Dental	£0.00	£0.00	£0.00	£1,161.88
13					Transacted	Domestic management	£0.00	£0.00	£0.00	£32,358.06
14					Transacted	Domestic management paper hygiene	£0.00	£0.00	£0.00	£8,531.01
15					Transacted	Dressings and woundcare	£0.00	£0.00	£0.00	£49,053.65
16					Transacted	Electrodes and diathermy consumables	£0.00	£0.00	£0.00	£10,272.14
17							£0.00	£0.00	£0.00	£57,577.57

Totals for each of these are shown in the final columns.

## Management Tools Reports (not available as part of the June 2020 release)

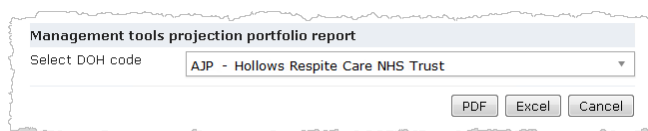
There are two management tools reports:

- 'Projections' report
- 'Opportunities' report

### Projections

There are three versions of the 'Projections' report:

- Portfolio version – for the portfolio version of the report, you can only specify the DOH code.



- Product and supplier versions – you can specify more details (see 'Additional options for the product and supplier versions of the reports' on page 17).

### Understanding the Projections report

This report shows savings realised to date and expected savings for the rest of the financial year. The example below is the portfolio version of the report.

Only transacted purchases are shown.

The savings for each portfolio are shown for each initiative, which results in some portfolios appearing multiple times.

- Projections calculated for price increases and price decreases.
- Projections are not currently calculated for other initiatives (commitment discounts, alternative product offerings, or capital, leasing and maintenance). Actual spends for some initiatives are shown on the report to correspond to information in the Customer Procurement Savings Report section.

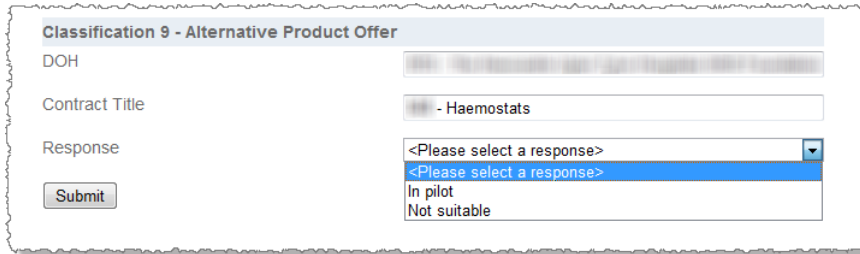
For each transaction type/portfolio/initiative combination, actual savings are shown for past months and projected savings are shown for future months. (Negative savings – increases in cost – are shown in red). Three columns at the far right of the report show the projected savings for the year, the actual spend to date and the projected spend for the year.

The projection is calculated using the latest month-end band 1 prices and historic volumes. These are used to give a forecasted spend and a relative saving. The projection is a mathematical extrapolation based on a point in time and not a price promise.

A					B					C					D					E										O					P					Q					R				
AIP - Hollows Respite Care NHS Trust																																																	
Projection by portfolio - year to date by month																																																	
Report for year to date 2018																																																	



Clicking in the end column as shown above opens a set of options in a web page (see below).  
Select the appropriate option and click **Submit**.



In the example below, alternative enteral feeding devices were suggested but were deemed unsuitable as an alternative.

Portfolio	Contract Title	Expected volume (in eaches) on current products	Expected spend on current products	Minimum savings available through alternate products	Maximum savings available through alternate products	Commitment discount available on current NPC	Response
Contingence Care New	Disposable Contingence Care and Associated Products CMP	884,020	£343,523.51	(£117,130.29)	£28,523.34	No	Not suitable submitted by 23/07/17 10:53:44
Contingence Approved Infection	Examination Glove	34,092,130	£769,496.06	(£699,452.12)	£70,555.52	No	

The example above shows the portfolio version of the report. The example below shows the product version of the same report, with the potential savings split across the individual products.

Portfolio	Contract Title	NPC	GSN	Product description	Expected volume (in eaches) on current products	Expected spend on current products	Minimum savings available through alternate products	Maximum savings available through alternate products
Contingence Care New	Disposable Contingence Care and Associated Products CMP	CFP010	1765774820132	440 in-line pad absorbency band DS6 Medium 70-125cm (PE Backed)	5,135	£1,056.40	(£175.95)	£20.84
Contingence Care New	Disposable Contingence Care and Associated Products CMP	CFP0267	8729202928172	Shaped pad with absorbency band 16 PE Backed	112	£11.89	£5.07	£2.19
Contingence Care New	Disposable Contingence Care and Associated Products CMP	CFP1220	2015020202002	Fitted pad with absorbency band 17 Tissue Back Sheet	280	£24.19	£5.70	£3.80
Contingence Care New	Disposable Contingence Care and Associated Products CMP	CFP1248		Showering with absorbency band 115 Super with absorbency band for leakage security white with absorbency	30	£23.61	(£20.69)	£1.97

## The VAT Reclamation Report (not available as part of the June 2020 release)

You can run the VAT Reclamation Report for any trusts, CCGs or other entities to which you have access.

- 3 If you are associated with more than one trust or CCG, select the appropriate one from the **DOH code** list.

The screenshot shows the 'VAT Reclamation' form with the 'Savings' tab selected. The 'Select DOH code' dropdown is set to '000 - Central Teaching Hospitals NHS Foundation Trust'. The 'Financial year' is set to '2017/2018', 'Frequency' is 'Month', and 'Frequency value' is 'April'. A checkbox for 'I intend to submit a VAT claim based on the contents of this report for April' is present and unchecked. At the bottom right are 'PDF' and 'Cancel' buttons.

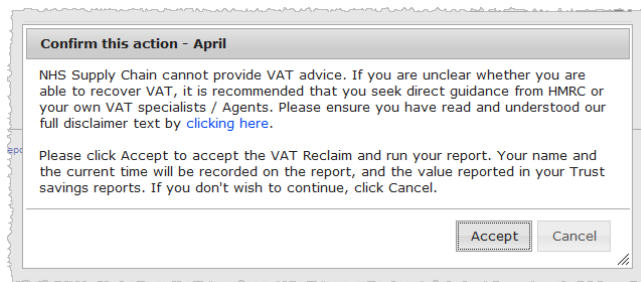
- 4 Select the **Financial year** for which you want to run the report.
  - 5 In **Frequency**, specify (within that financial year) whether you want to run the report for a particular **Month** or for the **Year to date**.
  - 6 If you are running the report for a particular month, in **Frequency value** select that month. All past months are available for selection.
  - 7 Indicate whether you intend to submit a VAT claim based on the report for each month.
- If you are running the report for year-to-date, all available months are available for selection. Select every month that you intend to submit a VAT claim for to include those savings in your Trust savings reports.

This screenshot shows the same 'VAT Reclamation' form but with 'Frequency' set to 'Year to date'. The 'Frequency value' field is empty. Below the main form, there are four checkboxes for submitting VAT claims for April, May, June, and July, all of which are unchecked. The 'PDF' and 'Cancel' buttons remain at the bottom right.

This option is only available for months where a report has not been run with the option selected. Once such a report has been run, the option is read-only.

- 8 Click **PDF** to generate the report.

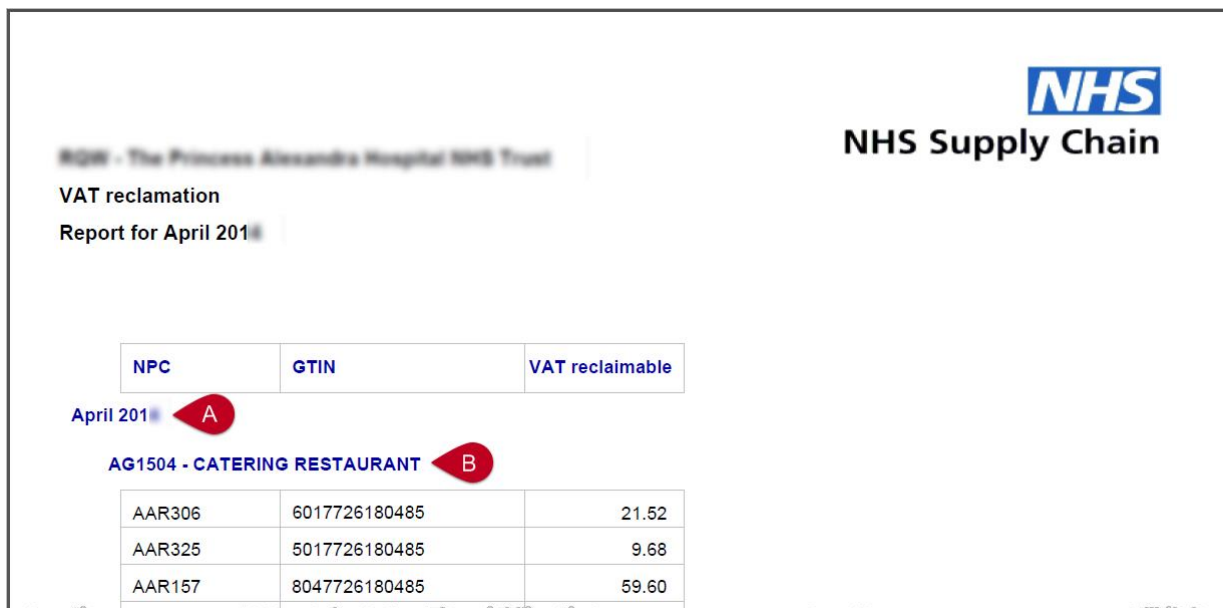
If you selected the option stating you intended to make a claim using the information generated, a confirmation message is shown.



- 9 Click **Accept** to continue.

## Example report

The report lists the VAT reclaimable for each product (identified by NPC and, where available, by GTIN) purchased. The report is grouped by month (**A**) and then by requisition point (**B**).



NPC	GTIN	VAT reclaimable
<b>April 2011</b>		
<b>AG1504 - CATERING RESTAURANT</b>		
AAR306	6017726180485	21.52
AAR325	5017726180485	9.68
AAR157	8047726180485	59.60
		<b>69.80</b>

The total for each requisition point is shown at the end of that requisition point's section (**C**), and the total for the month is shown at the end of that month (**D**).

AAR426		51.62
<hr/>		
Total for	ADTSM - CATERING RESTAURANT	C 991.68
<hr/>		
Total for April 2014		D 991.68
<hr/>		
Total		991.68
<hr/>		
<b>Disclaimer</b>		
The information in this report, which is regarded by HM Revenue & Customs as "ACCEPTABLE ALTERNATIVE EVIDENCE FOR INPUT TAX PURPOSES" contains the necessary information to enable NHS VAT Divisional customers to recover input tax. This alternative evidence is specifically provided to substantiate a claim to input tax for business activities only under existing HMRC VAT guidance/legislative requirements and should not be used for ANY purchases which are used by a VAT Divisional customer in the provision of NHS Health Care.		
Please note that this statement is provided for NHS VAT Divisional Customers in order to allow them to include any information which they feel is relevant in their monthly VAT return. NHS Supply Chain are not permitted to provide advice regarding a NHS VAT Divisional customer's ability to recover VAT in these (and/or any other) circumstances and direct guidance should always be sought from HMRC and/or their own VAT specialists/agents on this point.		

For any months where the person running the report indicated that a claim was being made using those figures, the name of the person and the date and time that the report was run are shown alongside the monthly total.

---

If you are running a year-to-date report, you may find some months have a "claim made" statement and some do not.

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Following the final month's total, the final page shows the grand total of the VAT reclaimable for the whole report followed by a disclaimer.