



**NHS National Customer Board Meeting**

**Meeting Minutes**

**Hilton London Green Park, Mayfair**

**Tuesday 4<sup>th</sup> April 2017**

<b>Present:</b>		
<b>Chair</b>	Sir Ian Carruthers OBE	Independent Chair of the NHS Customer Board for Procurement and Supply
<b>Board Members:</b>		
	Colin Gentile	Chair of the London Customer Board Chief Financial Officer, Kings College Hospital NHS Foundation Trust
	Mick Guymer	Chair of the Northern Customer Board Director North West Procurement Development
	Alan Hoskins	Incoming Chair, HCSA Director of Procurement and Commercial Services, NHS South of England Procurement Services
	David Melbourne	Deputy Chief Executive & Chief Finance Officer, Birmingham Women's and Children's NHS Foundation Trust
	Tim Slater	CEO, NHS Supply Chain
	Suzanne Tracey	Chair of the Southern Customer Board Chief Executive Royal Devon and Exeter NHS Foundation Trust
<b>Apologies</b>		
	Peter Lawson	Commercial Director, Crown Commercial Service
	David Pierpoint	Managing Director Procurement and Customer Engagement, NHS Supply Chain
	Steven Pink	Director of Change and Commercial Delivery, NHS Business Services Authority
	Jin Sahota	Director of Supply Chain, Commercial Division, DH
	Mandie Sunderland	Chair of the Clinical Reference Board Chief Nurse Nottingham University Hospitals NHS Trust
<b>In attendance</b>		
	Andy Harris	Procurement Strategy Lead, NHS Business Services Authority,
	Will Laing	Business Partner Health, Crown Commercial Service
	Steve Milliner	Head of Stakeholder Engagement and Communications, DH
	Maggie Tonge	Senior Commercial Specialist – Workforce Category, Crown Commercial Service
	Paul Webster	Commercial Division, DH
	Ian White	Programme Lead – Carter Procurement Transactions and Sustainable Solutions Director, NHS Improvement
<b>Customer Board Exec:</b>		
	Louise Hillcoat	Stakeholder Manager, NHS Business Services Authority
	Debbie Pacey	Stakeholder Co-ordinator, NHS Business Services Authority

## Part 1

### 04/04/01 Welcome - meeting opens

- 1.0** The Chair welcomed everyone to the meeting and in particular Maggie Tonge and Andy Harris who were attending the meeting for the first time.

Congratulations were given to Alan Hoskins on taking up his position as Chair of HCSA.

Apologies had been received from Peter Lawson, Jin Sahota, Steven Pink, Mandie Sunderland and David Pierpoint who were unable to attend due to conflicting commitments.

### 04/04/02 Member/Attendance Update

- 2.0** Suzanne Tracey was attending her last National Customer Board. Her replacement is currently being recruited.

### 04/04/03 Receiving Minutes

- 3.0** All were in agreement that the minutes and public report from the meeting on 15<sup>th</sup> February 2017 were a true and accurate record. The public report can now be published on the NHSBSA website.

#### **04/04/04 Action update**

- 4.0** The Chair took the Board through the action report, confirming that the majority of items had been closed. He commented that the board was maintaining good discipline in delivering on the actions and thanked all members and administrative support for ensuring this efficiency continues.
- 4.1** The following items were discussed further;
- 3.1.7 Ian White was actioned to share PPIB reports with each regional Chair to offer visibility both of the tool and the visibility of differing prices across trusts. This action has been superseded by the production of a procurement league table using PPIB data to present a balanced scorecard. Currently the scorecard is being reviewed by HOPs and when it is signed off will be circulated to members.
- 14.7 Steve Milliner referenced the action concerning the FOM comms plan, which is being finalised and should be available to share by 10<sup>th</sup> April 2017.
- 20.17 Mick Guymer has been confirmed as the Customer Board attendee at the NHS Supplier Board. This action can now be closed

#### **04/04/05 Reports, progress and feedback from the regions**

- 5.0** The Chair invited the Regional Chairs present to provide an overview of progress in each of their areas:

##### **5.1 North – Mick Guymer**

- Next meeting will be held on Friday 7<sup>th</sup> April.
- Mick guided the meeting through the update of workstreams as detailed in the pre-read pack
- He noted that the Interim Director of Finance at Leeds Teaching Hospitals NHS Trust, Jonathan Wood, has now returned to East Lancashire Hospitals NHS Trust. Jonathan and Brian Mangan were representing the Northern Customer Board in discussions with CCS. Jonathan's replacement at Leeds will pick up the CCS contract.
- The North is now receiving all NHS Supply Chain data aligned to the STP footprint.
- Regional Procurement Skills Development updates are included as a key agenda item.

##### **5.2 Midlands – David Melbourne**

- Next meeting will be held on Wednesday 3<sup>rd</sup> May.
- David asked for the PPIB STP data packs to inform the Directors of Finance and drive adoption within trusts.
- Both Colin Gentile and David have attended their regional NHSI Heads of Finance meeting, which was well attended and offered NHSI a good opportunity to discuss procurement workstreams (such as NCP. David invited Ian White to attend to showcase the Carter workstreams and help the finance community to understand the National Savings programmes. Ian White will review the schedule of NHSI Heads of Finance meetings and plan to attend in order to present the national programmes.
- Mick offered to share the details of the North West regional finance group to Ian.
- In order to increase communications with the finance stakeholders, there is an HFMA webinar on 4<sup>th</sup> May which will include a section on the Carter programmes. Paul West, NHSI and Howard Blackith, DH will speak about the National Procurement Forum to the next HFMA meeting.

##### **5.3 South – Suzanne Tracey**

- Last meeting was held on Thursday 2<sup>nd</sup> March.
- The meeting called for more engagement on the Capital business area and this will be added to the agenda going forward.
- The meeting had discussed cost pressures within the healthcare market.
- An STP dashboard has been produced so that comparisons and best practice can be shared within the region.

- Discussions took place on how the Future Operating Model will be transitioned and trusts had asked for more detail on what changes they would experience.

#### **5.4 London – Colin Gentile**

- Next meeting will be held on Tuesday 16<sup>th</sup> May.
- Attendance is inconsistent and the Chair is now trying to refresh the membership. The FD engagement is good and important and consideration is being given to increasing the FD representation on the board. The members concluded that FDs are not hearing the national savings messaging.
- STP dashboard – enables visibility of differing saving delivery across trusts.
- A joint CCS & LPP workplan has been drawn up and two key workstreams identified to move forward (telephony and non-clinical staffing).
- The meeting had benefited from a presentation of the FOM Commercial model.
- The Kings IFM model is working well and delivering clear efficiencies. It is a limited liability company running procurement, SCM and FM services aimed at delivering clear efficiencies for clinicians. HMRC have been consulted regarding the tax position of the organisation.
- Paul Webster said that the centre is issuing some guidance regarding the tax position of NHS organisations and this will be shared with the board when published.

#### **5.5 Clinical Reference Board – Louise Hillcoat on behalf of Mandie Sunderland**

- Last meeting held on Friday 24<sup>th</sup> March.
- Suzanne Hinchliffe, Leeds Teaching Hospitals NHS Trust presented details regarding the trust's lean approach (Virginia Mason) to driving efficiencies throughout the hospital and supply chain.
- There is an efficiency programme which has identified significant savings in the area of electrodes across Ambulance and Acute trusts. By stopping acute trusts from removing electrodes when a patient arrives by ambulance, significant waste can be avoided. A standard electrode specification will be adopted and the programme is looking at other areas of efficiency including IV cannulae.
- The CET evaluation process was demonstrated and some challenging supplier behaviour was discussed.
- Confusion still exists amongst the supplier base about the CET's reports in relation to the NCP procurement activity. As a result, the CET has issued a clear statement defining their role and activities. This statement will be circulated to members.

### **04/04/06 Landscape and policy update including Alignment with NHS Improvement**

**6.1** STPs - The Chair asked the Regional Chairs how they considered STPS are playing out at local level.

6.1.2 Members recognise that in order to drive efficiency, procurement must be done at a scale that justifies the overheads, and questioned whether the STP structure is the most efficient or whether other consolidation of back office activity may be more appropriate.

6.1.3 The Board agreed that there are significant differences in how the STP footprint is being adopted across the regions, that some parochialism persists and that historical working relationships can prevail instead of moving to the STP footprint. Different models are emerging but that collaboration is certainly the direction of travel.

6.1.4 It is clear that some STPs are further ahead than others in developing their STP based procurement plans.

#### **6.2 Carter recommendations including Nationally Contracted Products and PPIB tool**

Ian White gave an update on the following:-

##### **6.2.1 Nationally Contracted Products (NCP)**

This workstream of the National Procurement Forum is being led by Andy McMinn, Plymouth Hospital Trusts.

Couch Rolls was the first NCP procurement to be run. It was launched on 27<sup>th</sup> March and has gone well with the potential to deliver £940k saving and a price better than direct

purchase. Many lessons have been learned throughout the process which will inform future procurement activity.

Blunt Fill Drawing up Devices will be launched on 24<sup>th</sup> April, slightly ahead of schedule and should deliver national savings of £1.1m.

The next phase of products has now been agreed and will be subject to an October 2017 launch.

Communications to HOPs regarding the value of savings to them as an individual trust should reference the growing portfolio of products that will be included in the NCP programme and will collectively deliver significant savings. Trusts must also be aware that the 12 month procurement cycle will mean regular changes to the products they use, which will drive different supplier relationships at trust level.

Ian White reported that the precedence for this programme in the USA demonstrates early resistance but familiarisation going forward means less resistance and in fact proactive suggestions from trusts as to which products should be included in a national procurement programme.

In order to speed up delivery of the NCP programme, the projects must be run concurrently, which requires increased resource. In order to preserve the integrity of the NCP programme, a CET report must underpin the procurement activity to ensure the correct products are procured. This means that more resources must be allocated to both the CET and the NHS Supply Chain team who are operationalising the NCP programmes.

The Board was informed that funding has been approved and is awaiting final details, which will be shared at the next meeting.

Tim Slater commented that the NCP team needed to deliver the first two programmes and gain as much learning, both in terms of procurement and communications. The 26 week timeline has been proven to be the correct amount of time to deal with stock management, communications and compliant procurement. Lessons and resources can now be applied to the next phase of products, concurrent implementation can ensure a more speedily delivery of future phases.

### 6.2.2 **Update on PTPs**

NHSI has advertised four regional heads of procurement posts who will report into the four procurement directors.

110 of 136 trusts have submitted PTPs and it will be the responsibility of these four HOPs to review the plans, extrapolate the metrics and drive the creation of a model procurement department within the Model Hospital.

There will be a webinar on 11<sup>th</sup> April to engage with trusts who have not submitted their metrics.

The Regional Chairs requested that Ian White circulates the list of trusts who have supplied data and those for which it is still outstanding. The regional boards can then discuss with their members and encourage and support their completion of the required metrics

### 6.2.3 **PPIB**

The tool continues to be developed. For example, the tariff for excluded devices now can be excluded from the reports, which ensures alignment with the NHS England HCTED programme

The tool has created a balanced scorecard of non-pay spend price benchmarking and each trust has received their individual opportunity analysis demonstrating median and minimum pricing. This has been sent out to 136 managers and has highlighted the difference between trusts' pricing.

Spend data is not visible when trusts use an outsourced managed service. Although proving a challenge, the team is trying to bring those data sets back into the visibility. A league table is anticipated to be produced by 11<sup>th</sup> May and will be circulated to members.

#### 6.2.4 **GIRFT**

NHSI is working towards integration of the GIRFT work with the other national programmes. Advise Inc are producing price benchmark reports in categories such as orthopaedics to demonstrate savings through GIRFT. They are developing more enhanced categorisation so that product comparisons can be more accurate in order to compare pricing.

#### 6.2.5 **Role and structure of NHSI's National Procurement Forum (NPF)**

The inaugural meeting of the NPF took place with procurement representatives of all the STPs on 22<sup>nd</sup> March. They are building eight workstreams for which the terms of reference and membership are under development. As stated previously, the NCP programme workstream is being led by Andy McMinn.

Ian White has produced a set of slides for the NPF session and a diagram showing the eight workstreams and their appointed leads, which he will share with members.

The Chair requested that an NPF update be received by the meeting and added to the best practice pack

Alan Hoskins requested that the Board formally recognise the innovative work that Ian White and NHSI have done to drive the implementation of the NPF and its workstreams.

### **6.3 Future Operating Model (FOM)**

6.3.1 Andy Harris reported that he attended regional HOP meetings and was regularly asked what post-FOM may look like for procurement and in particular what a Model Procurement Department should look like. Ian White said that the NPF will define what best practice procurement looks like.

6.3.2 Ian White quoted various procurement models around England where best practice can be shared, but that the NPF would look to consolidate best practice and recommend how trusts and STPs should operate in the future.

6.3.3 At the NPF event on 22<sup>nd</sup> March – half the agenda referenced the FOM and the members posed questions to the DH for which responses will be given to attendees by 7<sup>th</sup> April. The next NPF meeting will be on 25<sup>th</sup> April and the FOM team will attend again.

6.3.4 Steve Milliner reported that a recent meeting of the STAG had taken place with ten out of 18 members attending. Members voiced their concern over the lack of detail and understanding the design of the ICC (not able to share detail yet).

Steve reported ICC detailed design process is now underway with planned completion and issue of associated 90 day deliverables by end of June. The organisation structure is currently under review as part of this design process.

Members of the STAG are being consulted and asked for input with regards to how the ICC manages customer engagement activity. Steve referenced a series of regional workshops which are due to take place and invited all members of the Board to attend. Steve will circulate the details.

6.3.5 Steve referenced a document that had been shared by the FOM team at each regional meeting asking for trusts to sign up to the FOM. However there appeared to be confusion as to whether the trust signature to the NHSI model had also meant signing up to the FOM. This confusion will be addressed by the FOM comms teams and highlighted the need for a simple diagram that illustrates how the various national organisations work together. Steve agreed to revisit the production of a summary paper of the national initiatives and department priorities.

6.3.6 The four Regional Chairs were asked to go back to their Board members to ascertain the level of understanding of commitment to the programmes

6.3.7 Ian White referenced the NHSI work as an interim position, paving the way for the Category Towers to adopt a central procurement function. Steve Milliner asked members to recognise

that each category tower may adopt a different national approach to savings initiatives going forward.

- 6.3.8 The Chair requested that a quarterly summary document be produced showing the consolidated position between the DH FOM team and NHSI which can be shared with trusts, perhaps via the HCSA.
- 6.3.9 Alan Hoskins and Colin Gentile agreed to work with the FOM team to discuss how existing communications channels can be communicated quickly and regularly to ensure that trusts know the implications of the change. Colin Gentile suggested that a new and updated "Ladybird guide to FOM" be produced. Steve Milliner asked if a meeting could be arranged to inform how this communication could be enhanced and asked whether the NHSBSA could facilitate the establishment of this meeting.

#### **04/04/07 Update on PSD Network**

- 7.1 Mick Guymer had provided a set of documents within the pre-read pack which giving an insight into the activity and structure of the Procurement Skills Network by region.
- 7.2 Mick requested that each Regional Board considers the PSD network within their agenda.
- 7.3 Members discussed their concerns that the economic climate is creating difficulty for trusts to commit the funding to the network and agreed that the Regional Boards are an effective forum to promote the value of the PSDN as all the national programmes and FOM model rely on improved procurement skills across all trusts.
- 7.4 Mick reported that David Hodgson has now taken over responsibility within the DH for the PSDN from Liz Liversage and he is trying to find sources of additional funding to maintain the procurement training programmes.
- 7.5 The Chair requested that an updated PSDN report be included in the next meeting pre-read with an update to be discussed on the agenda. Mick agreed to provide these reports.

#### **04/04/08 Overview of progress against agreed priorities**

##### **8.1 NHS Supply Chain – Dashboard**

- 8.1.1 Tim Slater gave a brief summary of the highlights from the dashboard. He thanked the NHSBSA team for redesigning the dashboard, a format that is now being widely adopted across the Regional Boards. All members agreed that the new format is a significant improvement. Tim reported that the cash releasing savings figure currently stands at £215m which is ahead of target. The Capital figure is also ahead. There has been good commitment to Core List from trusts.
- 8.1.2 Andy Harris asked members to recognise that savings delivery performance via NHS Supply Chain has been ahead of target despite a severely challenging economic environment.
- 8.1.3 Recent procurement and price change activity have highlighted that timely customer communications are vital.
- 8.1.4 Andy Harris asked that some significant savings have been delivered within the clinical space and should be recognised in addition to the NCP savings.

##### **8.2 Crown Commercial Service**

- 8.2.1 CCS has produced sector specific micro-sites and has shared a link to these from the newsletter. Will Laing asked members to visit the site and feed back to him.  
<http://ccsheretohelp.uk/>
- 8.2.2 David Melbourne referred to the promotion of a flash sale on IT equipment in March which was contained within quarterly newsletter included in the pre-read pack commenting that this may contribute to trusts spike spending at year end, Members agreed that this would encourage behavior that trusts are trying to avoid. Will agreed to feed the concerns about the flash sale promotion back to his team

- 8.2.3 CCS is engaging with all the Regional Boards and is developing MOUs that will specify within each category what role CCS and partner organisations, such as LPP and other hubs, should be taking and how they can work together. The final version of the MOU will be signed by end of May.
- 8.2.4 The non-medical staffing project will produce a case study that can be shared with Regional Board chairs.
- 8.2.5 Will reported that he will be demonstrating the new Crown Market Place tool at all upcoming Regional meetings. This tool is in the process of being re-named
- 8.2.6 There is an outstanding action for Ian White and Will Laing to discuss how they can work together on national savings initiatives, such as inclusion of office solutions into NCP. Will reported that he and Emma Graham (CCS) met with Ian last week to discuss how to carry this forward
- 8.2.7 Will reported that sales growth is increasing for the first time in a couple of years showing how CCS are developing better engagement with trusts.
- 8.2.8 Maggie Tonge gave an introduction to the workforce categories at CCS. She asked whether she can engage with teams across the regions through the Regional Boards as they will provide contact information for review of projects as well as defining future strategies for Workforce for Health Sector.
- 8.2.9 Alan Hoskins recommended that CCS should adopt a proactive approach for example with the NNMC extension CCS could identify key projects within trusts and offer support to busy teams.

### **8.3 Increase connectivity to and engagement with customers across the region**

Reference was made to the paper contained within the pre-pack regarding the STAG – no further discussion took place.

### **8.4 Facilitate, support and input to national solutions**

No discussion took place on this agenda point.

### **8.5 Increase compliance**

No further discussion took place on this agenda point as it had already been covered earlier in the meeting.

## **04/04/9 Agree revised priorities**

### **9.1 Customer Board role**

Members discussed the 2017 priorities as circulated in the pre-read. Generally members were happy with the priorities but asked that reference to the Future Operating Model be included and what it means to trusts.

The Chair asked members to consider whether the document reflects the priorities of all the stakeholder groups and asked that each representative organisation (DH, DHFOM, NHSBSA, NHSI and Regional Boards plus the Clinical Reference Board) define their objectives to ensure that the Customer Board is designed to deliver these objectives. Each member was requested to set out their objectives by 14<sup>th</sup> April.

## **04/04/10 Recap on messaging for the Regions**

**10.1** The Chair asked members to contribute what they believed should form the summary for each Regional Board.

- Nationally Contract Products – first launch and how the programme will be accelerated going forwards
- Kings College Hospital NHS Foundation Trust procurement activity – share with Regional Boards



- STPs variation across regions – how do we ensure we are working on what a model procurement department looks like
- Heads of Procurement recruitment for NHS
- IData set into NHSI – model hospital metrics
- DH advisory group/ FOM
- Inflationary pressures being faced by trusts
- Procurement league table
- CCS data report/workforce
- PSD network
- Scan4Safety/GS1

#### **04/04/11 Discussion on Managing Declaration and Conflicts of Interest**

- 11.1** Members discussed the Declaration of Conflicts of interest document which was shared within the pre-read pack. Paul Webster commented that he felt the last section is too generic. Guidance is needed on which types of issues may be included e.g.: if a relative/spouse has commercial interest in a pharma company. Subject to this amendment, all members accepted the document.

#### **04/04/12 AOB and meeting close**

- 12.1** Suzanne Tracey has stepped down as Chair of the Southern Customer Board and this was her last meeting. She expressed her thanks and appreciation for the role of the Customer Board and commented it had been a great pleasure to be part of it. The Chair commented that the Board will miss Suzanne greatly and gave his sincere thanks for her valued contribution. On behalf of all members, the Chair wished Suzanne well in her increased role as Chief Executive at Royal Devon and Exeter NHS Foundation Trust
- 12.2** The Chair thanked members for their attendance and brought the meeting to a close. The next meeting will be held on Tuesday 4<sup>th</sup> July