

**Meeting Report**  
**NHS National Customer Board Meeting**  
**Hilton London Green Park, Mayfair**  
**Friday 22<sup>nd</sup> September 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>		
	Nick Gerrard	Chair of the Southern Customer Board Director of Finance and Performance Management, East Kent Hospitals University NHS Foundation Trust
	Alan Hoskins	Chair, HCSA Director of Procurement and Commercial Services, NHS South of England Procurement Services
	Gerard McGeary	Head of Supplier Management, NHS Business Services Authority
	David Melbourne	Chair of the Midlands Customer Board Deputy Chief Executive & Chief Finance Officer, Birmingham Women's and Children's NHS Foundation Trust
	Tim Slater	CEO, NHS Supply Chain
<b>Apologies</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
	Peter Lawson	Commercial Director, Crown Commercial Service
	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>		
	Howard Blackith	Programme Director, DH
	Will Laing	Business Partner Health, Crown Commercial Service
	Einav Ben-Yehuda	NHS Improvement
	Steve Milliner	Commercial Division - Procurement Transformation Programme, DH
	David Pierpoint	Chief Operating Officer, NHS Supply Chain
	Maggie Tonge	Senior Commercial Specialist – Workforce Category, Crown Commercial Service
	Paul Webster	Commercial Division, DH
<b>Customer Board Exec:</b>		
	Marie Aubin	Stakeholder Manager, NHS Business Services Authority

## Part 1

### 22/09/01 Welcome, Member/Attendance Update

- 1.0 The Chair welcomed everyone to the meeting and asked for individuals to introduce themselves; particular welcomes were given to those who were attending their first meeting. The Chair went on to explain that Steven Pink had now left the NHSBSA, but noted his significant contribution to the Board and wished him well for the future.

- 1.1 Apologies had been received from Mick Guymer, Colin Gentile, Mandie Sunderland, Peter Lawson and Jin Sahota who were unable to attend due to conflicting commitments.

### **22/09/02 Receiving Minutes**

- 2.0 All were in agreement that the minutes and public report from the meeting on 4<sup>th</sup> July 2017 were a true and accurate record and could be formally adopted by the Board. The Chair noted that this would be the last time a Public Report would be produced in this format.

### **22/09/03 Action update**

- 3.0 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 progressing the actions.

- 3.1 The following items were discussed further:

5.4 The final draft letter is with the DH awaiting confirmation of how it will be shared. Once it is finalised Paul will share with the Customer Board team to issue to members. Conversation moved on to other areas such as Pathology where trusts are looking to source VAT exempt services. It was agreed that after the letter had been issued this topic should be covered in a future agenda.

6.3.8 The Chair asked for an update on the consolidated position between the FOM and NHSI and what the future procurement landscape would look like. It was noted that HCSA is keen to get involved in this. A meeting has been scheduled for October 2017 to take this forward. Update will be provided post meeting.

7.5 It was confirmed that progress is being made by the NHS Supply Chain regional leads, once completed it will be shared at the local boards and then the National board.

### **22/09/04 Review of Draft Metrics**

- 4.0 The Chair asked for confirmation from NHSI that they would provide data for the metrics. Update was given that NHSI has completed their own dashboard based on their programme outcomes which will be shared with the Customer Board team. All were in agreement that the two dashboards should be reconciled. Further work to be done between NHSI and the NHSBSA on the metrics and process.

- 4.1 Discussion moved on to the process in which trusts will receive the information from NHSI. Currently, it is shared via the NPF meeting and then on to all Heads of Procurement on a monthly basis. A request was made that the information should be made available via the model hospital; this will be picked up with the relevant team at NHSI and update provided. The importance of ensuring that Finance Directors and Chief Executives are also made aware of this data was made and further consideration of this point is needed to ensure information is tailored appropriately for the audience.

### **22/09/05 People and Leadership**

#### **5.0 Update on the Future Operating Model**

Howard Blackith provided an update on the FOM and the progress around the procurement programme. CCS is currently the focus with go live at the start of October 2017. A communications pack will go out to all trusts shortly which has generic FOM information as well as specific information on the Office Solutions Tower. The award for the Medical Tower is due to be at the start of October, which is slightly behind schedule. The non-medical towers are due to go live July 2018.

- 5.1 An update was given on the research undertaken by the DH with trusts around FOM engagement and readiness. Overall the feedback has been positive. One area of focus needs to be the smaller more specialist trusts who may have more individual needs in areas such as logistics. The verbatim comments provided to the DH are being used to influence the teams work further.
- 5.2 The intention is that the survey will be run again in a number of months after the Office Solutions Tower is up and running.

- 5.3 Challenge was raised over what was being done to engage with stakeholders over and above Heads of Procurement to ensure that trust boards are supportive of the FOM and the future changes. Reliance should not be made on Heads of Procurement cascading up within their organisations. NHSI hold a quarterly Director of Finance meeting which has provided update on the FOM which has been beneficial, however it was raised that in some regions a large proportion of Directors of Finance and Chief Executives are not aware of the changes. The Chair suggested that a letter out to Finance Directors and Chief Executives would be beneficial. NHSI felt that trusts were perhaps receiving too many letters and were therefore switching off; NHSI has resorted to only issuing letters as a last resort. The regional productivity directors are visiting every trust engaging at Head of Procurement and Director of Finance level, at which discussion always covers procurement. Discussion moved on to how this is being embedded into the performance regime and how NHSI teams working with trusts at a local level are supporting trusts with this.
- 5.4 With regards to FOM readiness suggestion was made that trusts should have a metric on their board report as it is a transformational programme, NHSI may want to consider issuing a standard set of slides to trust boards requesting that they have a discussion on this point. The Chair confirmed that every board should have a Non-executive Director to lead on procurement who would be responsible for ensuring that their trust is on board with the programme.
- 5.5 Summary was made that trusts boards, Chief Executives, Directors of Finance and Heads of Procurement all need to be engaged in the right way so they know what they need to do with the information to ensure the success of the programme. The DH FOM team is to engage with stakeholders through NHSI's existing forums.
- 5.6 **Procurement Skills Development Network (PSDN)**  
A summary was provided that this was a direct action from the last meeting. It was agreed that this agenda item would be taken forwards to the next meeting when Mick Guymer is present.

David Melbourne provided summary on the background of the PSDN and how it was borne from the vision and delivery of the Finance Skills Development Network (FSDN). The FSDN provides training and support for finance colleagues, historically there wasn't anything in place for procurement teams. The PSDN network is now being developed across the country with structure and support now taking shape. Trusts are working towards becoming accredited; however lack of assessors is a major barrier. All were in agreement that the assessment process and criteria needs to be reviewed as some trusts may be operating at level two but have to receive level one first and then wait a year before meeting level two based on existing guidelines. It was agreed that this would be brought back to the next meeting.

5.7 **CCS Workforce Update**

Re-cap was provided on where this action came from and progress that has been made on meetings with trusts or clusters based on the request which came through the National and Local Boards. CCS is looking to move frameworks away from tactical into a more holistic and strategic proposal. This will involve change management strategies so CCS is up-skilling their own internal resource to be able to support these discussions. Work is also been done on shared banks which is crucial going forwards. Request was made that volunteers are still required from London; CCS is happy to work with LPP on this.

The Chair recommended that the measures be included in the CCS dashboard based on feedback from members that there are already a large number of metrics being covered in the board data pack.

## **22/09/06 Process and Quality**

- 6.0 A brief background was provided on the personnel changes within NHSI and the review of the workstreams which has taken place since. The following are the six workstreams:
1. Nationally Contracted Products
  2. Procurement analytics and benchmarking
  3. Procurement Transformation
  4. Benefits realisation
  5. Future Target Operating Model (TOM)
  6. Collaboration
- 6.1 With regards to NCP, procurement best practice principals are being applied

- Firstly, consult stakeholders and simplify the requirements, the CET has been used for this
- Aggregate demand to the national level
- Commit the aggregated volume to suppliers to ensure the best quality at the best price

Two out of 32 products have been launched, the results have been good but the main challenge is around speed of implementation. NCP is currently behind plan in terms of roll out; a number of steps are being taken to rectify this such as supplier education, work with NHS Supply Chain and the NHSBSA on speeding up their internal processes and assessing the pipeline to look at which product areas can be rolled out more easily to deliver quicker success. It was shared that 99 percent of trusts have signed up to NCP and have put in hold other activity to support the National Programme which is not coming to fruition as quickly as originally anticipated causing problems for trusts. NCP is to be viewed as a proof of concept, what needs to happen now is the industrialisation as it embeds into the FOM.

- 6.2 It was noted that in the South, as part of the discussion on NCP, Greg Dix raised that there should be a drive to reduce spend by 100% on Couch Rolls by changing behavior and eliminating its use. If the couch is sterilised properly there should be no requirement for the Couch Roll.
- 6.3 Discussion moved on to PPIB and the behaviour it is driving in the supplier base. There are examples of suppliers setting their price at the highest level based on the transparency being provided. The DH asked for referral of any suppliers who were participating in this activity as they are currently working with the top 20 suppliers in the market, but would be happy to meet with those suppliers who are acting in such a way and raise this evidence with them at a senior level. Discussion also covered the new funding model for PPIB.
- 6.4 It was noted that PPEPA is the procurement league table; this will go live in October 2017 on myNHS which is a public forum.
- 6.5 There are a number of trusts who have not submitted their PTP plans for a variety of reasons. This is being monitored by NHSI and can be picked up through the local boards using the NHSI heatmap.
- 6.6 Request was made that a more joined up approach is needed from NHSI in terms of the conversations the local teams are having with trusts in their regions. Procurement is one of 12 workstreams and therefore needs to form part of the overall agenda. Feedback was given that some of the information being shared in the meeting is not being used at a local level in regular conversations between NHSI and their trusts.
- 6.7 **Scan4Safety**  
There was no update on this since the last meeting.

## 22/09/07 Performance

- 7.0 **NHS Supply Chain/NHSBSA Dashboard**  
Progress remains good in terms of savings, performance for consumables (£250m against the £300 has been delivered) and capital (the £158m has been met a year ahead of plan). NCP will support the savings agenda as well as the NHS England High Cost Tariff Programme. In terms of Capital, one of the main levers for delivering the savings has been the DH Capital Fund. 135 trusts have used the fund with over 9.5k units of Capital purchased through the fund. On-going work in this area is being done, looking at lower value items and multi-trust aggregation. One of the Carter recommendations was around transparency; good progress has been made in terms of pricing with 20% of bespoke pricing arrangements removed and 19% of rebates. There is still a long way to go, but progress has been good so far.
- 7.1 All trusts have now been returned to the Rugby DC following the supply chain issues earlier in the year. Work has been done on NHS Supply Chain's back end systems to help inform ordering; a demonstration of this was given at the Joint Board which is NHS Supply Chain, NHSBSA and the DH. The Chair raised challenge that whilst the Net Promoter Score has gone up, Customer Satisfaction has decreased. A Customer Satisfaction score tends to be a blunt instrument; however customer loyalty is usually achieved in score of eight and over, which is NHS Supply Chain's strategic imperative score and has been consistently met.

A good engagement session has been held with a number of Midlands trusts during which a number of questions were raised on the FOM. Recognition was given to the joint teams who are becoming increasingly busy against a backdrop of uncertainty. In terms of the FOM, focus is on savings

delivery, whilst supporting the growth from 40% to 80% through a central model is delivered. In terms of customer relationship the NPS is now at 28, which is a big increase from 14 this time last year.

- 7.2 There are a number of key tasks which are happening simultaneously between NHS Supply Chain and the NHSBSA which need to be balanced carefully to ensure delivery. Request was made of the Board that if they felt that this was not being managed effectively to raise this with the NHSBSA so that focus could be shifted.
- 7.3 **Crown Commercial Service Update**  
A sample of the new information and data pack was included in the pre-read. A request for feedback on this was made so that a finalised document for the regions could be produced. Recommendation was made that going forwards the regional packs are included in the National inform and that metrics to track their key initiatives be included in the pack going forwards as mentioned earlier in the meeting.
- 7.4 A request for a nomination to work with CCS on developing their online procurement tool was made. Question was raised over how this sits with what SBS is developing as they are part DH owned. A request would be made through the regional boards for nominations.

## **22/09/08 Reports, progress and feedback from regions**

- 8.0 **Midlands – David Melbourne**  
The last meeting was in May, with update provided at the July meeting. The next Midlands meeting is on 27<sup>th</sup> September. Clarification was sought on how NHSI will be supporting the local meetings, it was reported that the NHSI dashboard will be made available and also by November 2017 there should be four procurement specialists, one for each region who will start attending the local meetings.
- 8.1 **South – Nick Gerrard**  
There was a lot of discussion on getting more clinical traction in the meetings, with a request that GIRFT be brought on to the national agenda in the future.

STP best practice was discussed with Wiltshire sharing their work so far at the next meeting. Update was provided that Chris Slater from Leeds Teaching Hospitals NHS Foundation Trusts gave an update on their PTP at the last NPF meeting. It was agreed that Einav would facilitate a further discussion on this if the local chairs felt it would be beneficial.

- 8.2 **North – Marie Aubin in the absence of Mick Guymer**  
The last meeting was held on 8<sup>th</sup> September, with key points of note included in the pre-read pack. An update from CCS, who is working with NHS Digital, was given at their last meeting, this is a national initiative but for whatever reason the finance and procurement community is not being engaged with effectively.
- 8.3 **London - Marie Aubin in the absence of Colin Gentile**  
Their last meeting was on the 20<sup>th</sup> September so no key messages were available. Attendance still remains a challenge in London, which Colin is aware of.
- 8.4 **Clinical Reference Board – Marie Aubin in the absence of Mandie Sunderland**  
They last met on the 15<sup>th</sup> September 2017; the only point of note was the pending meeting between Mandie and the Chair to discuss roles and responsibilities of the Board.

## **22/09/09 Recap on Messaging for Regions**

- 9.0 The Chair asked for members to contribute what they felt were their key points from the meeting, and asked Marie Aubin and David Melbourne to draft them on behalf of the Board. The following points were noted:
- FOM Communications and Update
  - Focus needs to remain on PSDN and accreditation
  - CCS still require nominations for their workforce update from London
  - NHSI – ensuring the messages is getting through to the local teams

- NHS Supply Chain – great progress against the savings and customer perception through NPS, this should be tested at local boards
- Alignment between NHSI and FOM and what good looks like
- PPIB – status of how many trusts have issued the purchase order for this

#### **22/09/10 AOB and Meeting Close**

- 10.0 The Chair asked for AOB to be raised, he went on to say that membership and attendance needed to be reviewed as the FOM rolls out. It was agreed that it should remain as is at present and be reviewed next summer when all categories are in place. Further agreement was made that local chairs should raise this with their boards to seek their feedback.
- 10.1 With regards to next year's meetings, all were happy with this year's programme, but would like the local board meetings bringing in line so that local boards can feed more in to the National Board.
- 10.2 The Chair thanked those in attendance for their contribution and brought the meeting to a close.

The next meeting will be held on Wednesday, 8<sup>th</sup> November.