

Meeting Report
NHS Northern Customer Board for Procurement and Supply Meeting
8th December 2017
The Met Hotel, King Street, Leeds

Present:		
Chair	Mick Guyer	North West Procurement Development
Board Members:		
	Peter Becconsall (dep for Paul Havey)	Assistant Finance Director (Business and Commercial) Lancashire Teaching Hospitals NHS Foundation Trust
	Lynne Hodgson	Director of Finance, North East Ambulance Service
	Daren Hopkinson	Head of Procurement, North West Ambulance Service
	Joe Lever	Procurement Director, Salford Royal NHS Foundation Trust
	Brian Mangan	Deputy Director, North West Procurement Development
	Paul Ralston	Head of Procurement, The Rotherham NHS Foundation Trust
	Dan Shelley (on behalf of Helen Lisle)	Head of Procurement, Newcastle upon Tyne Hospitals NHS Trust
	Ian Willis	Head of Procurement, York Teaching Hospital NHS Foundation Trust
Apologies:		
	Lee Bond	Chief Financial Officer, Hull and East Yorks Hospitals NHS Trust
	Dr Naomi Chapman	Clinical Programme Lead, NHS Clinical Evaluation Team
	Stacie Croxton	Customer Service and Marketing Director, NHS Supply Chain
	Emma Graham	Crown Commercial Service
	Paul Havey	Finance Director/Deputy Chief Executive, Lancashire Teaching Hospitals NHS Foundation Trust
	Angela Gaskell	Head of Purchasing and Supplies, St Helens and Knowsley Hospitals NHS Trust
	Helen Lisle	Director of Procurement & Supplies, Newcastle upon Tyne Hospitals NHS Trust
	Simon Worthington	Director of Finance, The Leeds Teaching Hospitals NHS Trust
In attendance:		
	Mike Fairbotham	Associate Director of Procurement & Logistics, Yorkshire Ambulance Service NHS Trust
	Andy Harris	Procurement Strategy Lead, NHS Business Services Authority, Regional Co-ordinator for the HCSA
	Jon Hannah	Regional Head of Procurement - North, NHSI
	Gareth Harvey	Head of Customer Engagement, NHS Supply Chain
	Will Laing	Senior Relationship Manager, Crown Commercial Service

	Celia Poole	Stakeholder Engagement Lead Commercial Division - Procurement Transformation Programme - DH
	John Warrington	NHSI GIRFT Team
Customer Board Exec:		
	Marie Aubin	Stakeholder Manager, NHS Business Services Authority
	Debbie Pacey	Stakeholder Co-ordinator, NHS Business Services Authority

08/12/1 Welcome meeting opens

- 1.0 Welcome, introductions and apologies were made, with note to those attending the meeting for the first time. The Chair gave update on the status of the Conflict of Interest register.

08/12/2 Department of Health update – Future Operating Model (FOM)

- 2.0 Celia Poole from the DH provided an update on the Future Operating Model Programme and the Category Tower awards. Brief overview of the NHSI/DH led workshop which was held on 31st October 2017 to work on what the future procurement department may look like was given explaining there was excellent representation from across all trust types with each attendee being asked to complete a trust impact assessment; these are now being collated by the DH. The output from this session will be shared with the procurement community. Discussion moved on to whether the Customer Board felt it would be beneficial to hold a separate Northern event to brief the region on the changes, this could either be done as part of an extended Board meeting or as a separate session. The Chair shared his view on moving procurement into a business support role and the space and time needed to think these changes through as well as consideration to alternative delivery models. All were in agreement that this would be useful.
- 2.1 Broad discussion was had on the importance of ensuring clinicians attend the January workshops and the challenges this would bring with dates yet to be confirmed and how busy January can be within trusts with winter pressures. The Category Tower service providers would be asked to attend and provide update.
- 2.2 There is an intention that each trust will nominate a clinical lead to act as an advocate on the FOM within their trust. Request was made that this be linked into the GIRFT workstream where appropriate.
- 2.3 The Chair raised that the prompt settlement discount will disappear in April 2019 and trusts need to make sure this is on their radar. Celia Pool confirmed that nothing from the centre had come out on this. The Chair asked members to raise any queries around this as soon as possible, especially how to mitigate this loss as for those trusts who are benefiting from it, as when it is removed it will eat into the buy price / sell price benefits.
- 2.4 All were in agreement that the DH FOM update could be used as a context setter for the meeting going forwards as it no longer needed to be a closed session.

08/12/3 Receive minutes and public report from meeting 8th September 2017

- 3.0 It was noted that 6.4.2 should be "HTE" not "the", other than this the minutes and key messages were agreed as a true and accurate record of the meeting and will now be published on the NHSBSA website

08/12/4 Action report and matters arising

- 4.0 The Chair ran through the outstanding actions as follows:
- 6.1b – The Chair suggested that he meet with Jon Hannah to discuss 2018 priorities

- 6.3.2 – The Chair asked for this to be closed and that it be picked up as part of 2018 planning
- All other actions were either on the agenda or closed

08/12/5 Receive Report from National Customer Board – 22nd September and 8th November 2017

- 5.0 The Chair provided highlights from the National Board, key points included:
- Update on discussions on the metrics for the programme
 - NHS Supply Chain financial performance
 - Challenges on speed of roll out and adoption of NCP
 - PSDN is now featured on the National agenda
 - Proposal on rolling out the Excellence in Supply Awards from the North to the other regions, a paper would be prepared by Mick Guymer to take back to the National Board in February 2018 (a Northern event is been booked for 4/5th October 2018)
 - Quality discussion on the CRB and CET and the role and structure going forwards
 - GIRFT update was well received from John Warrington
 - Overview on the Credentialing presentation was given with suggestion that Alan Birks would be invited to the February meeting, but that the slides should be circulated with the minutes.

08/12/6 Review Workplan and Objectives

- 6.0 Comment was made that this was touched on in the matters arising, the Chair is content with where the Board has got to, suggestion was made that smaller workshop groups be used at the early 2018 meetings to consider:
- Reflection on 2017
 - Plan for 2018

08/12/7 Performance

NHS Supply Chain Update

- 7.0 The Chair provided an overview of the metrics paper on what it was intended to do. It was agreed that Marie Aubin would pick up with Jon Hannah on how this process will be managed going forwards.
- 7.1 Gareth Harvey provided an update on NHS Supply Chain's financial position, highlighting that the current savings figure stands at £262m, ahead of the anticipated figure to ensure the target of £300m is reach by the end of September 2018. There is a challenge at the moment in terms of measuring savings coming through wholly owned subsidiaries; these are not being reflected so the picture may not be a true representation. The region has seen a 4.2% growth in business and many trusts in the region are already starting on the journey to move from the 40 – 80% through the central model, supporting the FOM which is very positive. There was an ask of the Board to start disseminating this information through STPs.
- 7.2 The Chair asked that any examples of excellent practice be shared with him so they can be included on future agendas as well as examples of where trusts are starting to work against the FOM model.
- 7.3 Discussion moved on to the wholly owned subsidiary model, all were in agreement that it would be useful to understand the model more and the impact it has on procurement. It was shared that there are often varied reasons why trusts go down this route, but an underlying benefit is VAT. There needs to be clear objectives for the trust in the short, medium and long term to ensure that it is not viewed as a VAT avoidance scheme by HRMC. One of the advantages is the removal of Agenda for Change for staff and therefore being able to attract talent and pay the market rate. The Chair summarised that the point would be taken away and considered, but that it is a much broader issue which needs to be addressed, he urged each of the sub-regional leads to consider it in their areas and possibly ask a Director of Finance to attend their procurement meetings.

7.4 Update was given on a few contract areas where supply issues have been faced, noting that NHS Supply Chain is working with the NHSBSA and DH to resolve these. NHS Supply Chain is seeing some trusts moving away from their route and requested that if they choose to do this they provide NHS Supply Chain with their pricing information and insight so that they can work through it. There was a message from Jim Craig at the HCSA event that the NHS needs to stand together against suppliers and stand behind the FOM. Point was raised that where there are supply issues NHS Supply Chain should consider using multiple suppliers to mitigate this, Gareth Harvey agreed to take this back to NHS Supply Chain.

7.5 Query was raised that the credibility of the FOM could be brought into question by front line staff who are sensing that decisions are purely being made on price with the quality of the products not up to standard. Request was made for positive communications to be shared. Gareth Harvey asked for trusts to cascade the ICN which contains the relevant information. The Chair referenced the Clinical Lead at each trust that the DH are trying to source and that this could be a useful channel to communicate with front line colleagues.

Nationally Contracted Products (NCP)

7.6 NHSI has taken the decision that in terms of NCP the 27 sole award categories intended to be brought into the programme will not be. There are currently three live categories; these all have adoption levels at 100% across the North. The following areas are due for launch soon:

- Toilet Paper 13% saving – launch 8th January 2018
- Temporary Shoes, 63% savings - launch 29th January 2018
- Pressure Infusers, 11% savings – went out to trusts yesterday

7.7 The Chair requested that where products had launched, that the paper included in the pre-read pack be updated each time to add uptake against each category.

NHSI Update

7.8 An overview of Jon Hannah's role as Regional Head of Procurement for the North at NHSI was given; the role sits as part of the regional team and also the Operational Productivity Team. The objective of the role so far has been to review some of the data analytics available and to establish which trusts would benefit from a procurement review, with some already underway in the North. Trusts were identified based on how they are tracking against their CIP plan and opportunities in PPIB which are not being accessed. NHSI acknowledges that there could be data discrepancies which need to be worked through first and it is a learning process on both sides.

7.9 NHSI is considering a template for trusts to put together their procurement CIP to get more standardisation. Almost all trusts in the North have either raised or committed to raise a PO for PPIB funding. It was noted that in terms of data the North is doing really well compared to other regions. However, some activity is not reflected in the data such as collaborative work which is also strong in the North. Acknowledgement was given that there is a time lag in accessing data even within the NHSI; Jon is getting close to the trusts in the region and therefore has his own live data. One of the objectives of the job is to set up sub-regional groups to review PTPs, it was noted that there need to be clear parameters and objectives around this to avoid creating a plethora of meetings for the region and further confusion on what they should attend. Update was given that Model Hospital will be given a refresh in February in terms of data and the way it is presented, whilst there have been many comments raised on this the positive is that it is starting conversations. Query was raised over why the Future Operating Model was not ticked against Ambulance, Mental Health and Community in Jon's slides, he agreed to query this.

7.10 It was noted that the Northern dashboard looks more positive than other regions. In terms of the procurement reviews, update was given that a Procurement Review document would be issued to the trust in advance to aid conversation and cut down the challenge around the numbers so that the time can be used on constructive conversation. Procurement reviews would also be used to share best practice acknowledging that a process around sharing this should be considered.

7.11 Discussion moved on to queries around the Model Hospital data, members were asked to direct their queries through Mark Gorman.

Crown Commercial Service

- 7.12 In terms of Office Supplies the Category Strategy is being developed, engaging with the Trusted Customer but with a request to engage wider. CCS will be issuing a survey to a broader number of trusts to obtain input. It was confirmed that the ICC will not sign off a category strategy without involvement of the Trusted Customer.
- 7.13 In terms of Workforce Strategy the team are engaged with the Lancashire Cluster and a workforce management workshop is being held in January 2018 which will hopefully lead to a case study which can be shared both in the region and nationally.
- 7.14 On 16th January 2018 there will be a CCS energy event; invitations will be distributed out via the Customer Board for members to cascade to the appropriate person within their trust. The event will be led by CCS category experts. CCS acknowledges they need to get better at publishing their performance on energy.
- 7.15 Will Laing updated that the dynamic purchasing system is now available for HSCN. Members were encouraged to join aggregated purchasing activity; brief details were included in the pack. The date for the procurement activity will be issued post meeting.
- 7.16 Overview of Crown Marketplace was provided, activity is building but there is still a request for the team developing this to engage with NHS procurement professionals to influence the development. Paul Ralston and Daren Hopkinson both offered to engage on this.
- 7.17 CCS has built contact centres for central government departments, a new framework has now been launched but they would like to speak to an NHS trust on how a typical trust on how they manage communications with patients and how it can support in driving improvements and commercial benefits.
- 7.18 Question was raised over whether CCS would be changing their Terms on Conditions with the introduction of the new data protection regulations. Will Laing agreed to take this point away.

08/12/8 People and Leadership

Trusted Customer

- 8.0 Andy Harris provided update on the programme noting that they are trying to ensure that for Community and Mental Health there will be a representative for each region. Further to this as mentioned earlier Category Tower Service Providers will only get their Category Strategies signed off if they have full input from the relevant Trusted Customer. Members were made aware that there is an area on the CPE portal for discussion amongst Trusted Customer members.

National Procurement Forum (NPF) Update

- 8.1 Update on NCP was given, with concern raised over the time being taken to progress some of the NCP category areas. Update from NHSI on their workstreams, the number of missing POs for PPIB and the variance between finance and procurement recognition of a trusts CIP were also covered. The Chair requested visibility of the full pack for consideration of what should be shared with members.

PSDN Update

- 8.2 The Chair provided update that the region is doing well; however, their challenge is now re-accreditation due to the time lapse from first accreditation and the associated resource to be able to do this. Congratulations were given to the Yorkshire and Humber region who managed to get all their acute trusts accredited by the deadline.
- 8.3 The Chair provided update on the funding for 2017/18 which has now been agreed centrally, there is also a view that consideration will be given to 2018/19 funding which is very positive.

08/12/9 Process

Procurement Transformation in and Ambulance Trust

- 9.0 Mike Fairbotham, who chairs the National Ambulance Forum, joined the meeting and gave an overview of the group which focuses on aggregating spend, collaborative procurement and generally sharing the load amongst the service. The ambulance sector constitutes about 3% of NHS spend, however, the spend and processes adopted by the Ambulance Service impacts throughout the provider sector.
- 9.1 Key points included:
- The team at Yorkshire Ambulance NHS Trust was shortlisted for two CIPs awards recognising the great work being done by the team
 - Challenges of the landscape heavy urban areas to vast rural areas, 64 ambulance station in the region
 - Fleet of c315 – configuration complexity, trying to move towards a more common specification
 - To start with there was no appreciation of the value procurement could add. Vision was to achieve confidence in procurement and logistics within the trust
 - The journey to add value was covered with progress being monitored on-going and fed into the trust board
 - Realistically they are aiming at 4:1/6:1 ROI for the team which is now being met
 - Focus was on getting the whole end to end procurement and logistics piece in place
 - Moved the location of the team to improve morale, co-located with the Police and short walk to the trust HQ
 - Established a trust procurement group which is a mix of clinicians, procurement, trust leadership and health and safety. This group acts as a conduit for sales reps providing some governance and facilitating stakeholder engagement
 - Achieved confidence from the team, front line crew and senior leaders
 - C£90m spend of which c£60m is influencable non-pay spend
- 9.2 Question was raised over how easy it would be to determine a framework for a standard fleet, there is an element of clinical input needed, it would be possible, but it is not straightforward. The Chair and members thanked Mike for his presentation.

08/12/10 Quality

GIRFT

- 10.0 An overview of the background to the programme was provided, which originated with Professor Tim Briggs who started by going round each trust in the country that provided orthopaedic services. This identified the clinical variation; the findings were presented back to the Health Secretary and the DH. The programme has now moved on to look at other specialities, funding for 39 clinical specialities is in place and there will be 39 clinical leads in the GIRFT programme who are going into trusts reviewing each speciality.
- 10.1 Key points:
- Clinical leaders holding other clinicians to account
 - Use of cementless hips growing over the last 5-10 years with no evidence as to why, anecdotally it was due to relationships between surgeons and suppliers
 - Gathering clinical (NJR data), financial and outcome data, having conversations about why trusts data may look different to other trusts, 800 trust visits to date
 - All data is brought together to form a national report with recommendations, one recommendation is that for patients over 70 surgeons should only be using cemented10a rated products
 - Each trust will receive their own recommendations on what to improve, which could be local or more regional across their STP so time frames may also vary
 - There are have been two national reports to date; Ortho and General Surgery
 - Many trusts are progressing with the recommendations, with validation of the changes being made by Professor Tim Briggs
 - Debate about where the GIRFT programme sits, it does report into NHSI, however, it remains as a separate programme with its own implantation architecture made up of clinicians and programme members

- Ruth Tyrell and Liz Lingard are the leads in the North – John has suggested that they should attend the Board going forwards
- Royal Colleges have been heavily involved in the work as well as NHS England

10.2 GIRFT and NHS Procurement

- Each trust will receive their own report for each speciality
- Overview of what Gloucestershire Hospitals NHS Foundation Trust has been doing over the last few years to rationalise was provided – a lot of work with NHS Supply Chain has been done on this and a case study has been produced
- Data can be drilled down to surgeon level to understand patterns of behaviour
- Comparisons can be done within the trust, but also against the national average
- The programme is getting very close to being able to predict costs and future outcomes, which leads to a very different discussion with clinicians
- Work is now being done at an STP level, with a West Yorkshire example being shared with the Board
- Data is starting to be broken down by age group also
- Challenge was raised over managing the supplier market based on the data being shared
- The anticipated saving for hips across the NHS is c£15m
- Acknowledgement was given to aligning this work with that of the service providers sitting within the category towers
- The programme is engaging with the South West as a whole region, the learnings from this pilot will then be taken to other regions
- The opportunity around changes in clinical practice such as reduced re-admissions, flow of patients through the hospital are not built into the calculated savings
- Challenge was raised over getting the clinical STP leads to take this forwards as champions as they have responsibility for delivering clinical improvement programmes

10.3 All were in agreement that Ruth Tyrell and Liz Lingard should attend the Board meetings, the Chair agreed to approach them.

Scan4Safety

10.2 Brian Mangan provided update that they are looking to do a small pilot initially starting in Stockport; they have a lot of discussion going on with GS1 at the moment, which is positive. The Chair commented that there is a sense the function is not fully embracing it. Brian Mangan agreed to give further update at the next meeting.

08/12/11 AOB

11.0 The Chair informed members of the dates for 2018, noting that these dates have already been sent out for next year and wished everyone a good Christmas and New Year.