NHS Supply Chain Medical Supplier Board Meeting
Mary Ward House 5 - 7 Tavistock Place, London, WC1H 9SN
14/12/17
Meeting Notes

Attendees

- **Chair:** Chris Holmes, Head of Procurement & Customer Value, NHSBSA
- **Secretariat:** Louise Hillcoat, Supplier Stakeholder Manager, NHSBSA

Nene Antonio P/T	DH
Catherine Barker	NHSBSA
Alan Birks	AXREM
James Cheek	BIVDA
Ila Dobson	AXREM
Stephanie Gibney P/T	NHS SC
Kate Greenbank	NHS Improvement
Mick Guymer	NHS Customer Board
Mark Hart P/T	NHS SC
Chris Hill	SDMA
Kevin Hodges	BHTA
Laurence Hodgson	DH
Jason Lavery	NHS SC
Edmund Proffitt	BDIA
Jin Sahota P/T	DH
David Sissling	MedTechScan
Mark Songhurst	Leeds Teaching Hospitals
Tracy Stewart	AHPMA
Nishan Sunthares P/T	ABHI
Gwyn Tudor	Medilink UK
David Walker	Barema
Paul Webster	DH
Rob Young	NHSBSA

Apologies

Naomi Chapman	DH, CET
Nicola Harrington	NHS SC
Mike Sawers	UTA
Doris-Ann Williams	BIVDA (represented by James Cheek)
Paul Surridge	BHIMA
Tracy White	BHTA (represented by Kevin Hodges)

Meeting Notes

	Item
14/12/1	**Welcome and Competition Law led by Chris Holmes**
1.1	Chris Holmes read out Competition Law guidelines to the Board as a Standing item requirement
1.2	The Board members are reminded that, with the exception of commercial in confidence slides, all Key Documents will be produced and posted on the Supplier Board website in full and in line with its Transparency Objective. As all Suppliers will have access to the website, the documents will be produced in such a way that the un-initiated reader will have some understanding of the documents and content, even without having all the background.
14/12/2	**Introductions, Notices, Apologies and Action update**
2.1	All attendees and guests were welcomed to the **Mary Ward House** and introductions were shared. Apologies are listed above Chris Holmes asked all members to consider throughout the day, the information and discussions that they would find useful to be included in the agenda on 15th March 2018. Members are asked to email nhsbsa.supplierboard@nhs.net with their recommendations for agenda items **Action: All members**
2.2	**Action update from 13/9/17 Supplier Board meeting** An action report was circulated prior to the meeting. Louise Hillcoat, Secretariat referred to the "Amber" action 4.1 relating to Trade Association membership and industry representation. A summary was included in the pre read pack with a list of those supplier members currently supplying through NHS Supply Chain. Only three member organisations had sent through their membership list and therefore some corrections/errors are contained in these lists. Members are asked to review the membership list included in the pack and send any corrections to the Supplier Board email address by 19th January. **Action: All members** An up to date membership list, in Excel format, would be valuable to ensure that supplier engagement can be optimised. All member organisations to send their up to date membership to nhsbsa.supplierboard@nhs.net **Action: All members**
2.3	**Notices** Jin Sahota informed members that Philip Dunne, Minister of State at the Department of Health has offered to attend a future NHS Supplier Board. Jin asked those members present if a visit from the minister would be of interest to them and asked whether this would be the appropriate forum? • James Cheek, BIVDA confirmed that the Minister's presence would be welcomed by BIVDA. He valued the opportunity to obtain a wider view of the UK healthcare landscape. • David Walker, Barema, confirmed that his members would welcome engagement with the Minister. Consideration should be given to a wider supplier event in the future so that all

	suppliers could hear the Minister's views on UK Healthcare. The meeting agreed that in the first instance the NHS Supplier Board would offer the opportunity to have a meaningful dialogue with the Minister, whereas a larger event would take the form of an inform. • Chris Hill, SDMA, said that the meeting would be most beneficial as a questions and answers session. He welcomed the opportunity to submit questions in advance of the Minister's attendance. • Ila Dobson and Alan Birks, AXREM, endorsed the proposal to invite the Minister to the NHS Supplier Board meeting. They asked for a tight agenda, bringing a united industry voice with agreed questions, with particular focus on the Efficiency agenda. • Edmund Proffitt, BDIA, agreed with the proposal to invite the Minister to the Supplier Board and in particular the government vision of future efficiencies • Tracy Stewart, AHPMA, had previously proposed Ministerial engagement with the NHS Supplier Board and welcomed the opportunity wholeheartedly, with the proviso that this should be for two-way discussion. She recommended that members assume joint responsibility for collating topics and questions ahead of the meeting. • Kevin Hodges, BHTA, echoed the above thoughts and asked that the SME agenda be raised as the Minister had previously expressed his support for UK SME organisations. • Gwyn Tudor, Medilink, confirmed that the SME agenda is of particular interest to Medlink members and welcomed the opportunity to engage with the Minister at the NHS Supplier Board, where interaction with members would mean in depth and meaningful dialogue could take place As all members present were unanimous in their agreement that the Minister should be invited to the March meeting, an invitation will be sent to Philip Dunne by the Chair before 22nd December. **Action: Chris Holmes, Chair** Jin Sahota asked members to consider what format the session should take and what topics should be discussed? It was agreed by all present that a Question and Answer session at the March Supplier Board agenda would be the most beneficial format. Subjects that would be of interest to members include: • The wider efficiency agenda, • The Carter implementation programme, • SME representation within the Healthcare sector Paul Webster, DH, reminded members that the Minister would require advanced notification of the questions in order that he can prepare meaningful answers. Members agreed to use the February MedTech Forum to confirm the set of questions that would be submitted to the Minister. As this will give the Minister limited time to research appropriate responses, all members agreed that the signoff at the MedTech forum should be the final stage of the process. **Action: All members**
14/12/3 3.1	**NHS Future Operating Model - Paul Webster** **Government Commercial Function** A copy of the GCF Supplier code of conduct has been circulated in the pre read pack. Members were asked to share the document with their membership to draw attention to this document as this code of conduct is being used in central government and the set of principles will be adopted by the Future Operating Model.

3.2	**Visibility of what the ICC and success looks like in the new world**
3.2.1	**ICC Legal Entity status:** The ICC will take the legal form of a Limited Company, wholly owned by the Secretary of State for Health. The company will be called Supply Chain Coordination Ltd (SCC) and was incorporated in October 2017. The board of directors is being appointed and will include DH, NHS Improvement, Clinical, Customer and Supply Chain representatives. Non-Executive Directors are currently being appointed. Nishan Sunthares, ABHI, asked whether there would be a representative of industry on the board. PW explained that that was not considered appropriate at this stage but we would be looking at a substantive appointment of NEDs next year. Jin Sahota, DH, confirmed that when the NED appointments are finalised, the NHS Supplier Board members will be notified. It is anticipated that this information will be available by the March 2018 NHS Supplier Board meeting. It is currently expected that SCC Ltd will be in place from 1st April 2018 and fully operational by 1st October 2018. SCC will employ approximately 240 staff, transferred from current NHSBSA Supplier Management, DH and DHL as well as newly hired employees. The TUPE consultation process has started for all in scope employees following a mapping of existing employees to roles within the ICC and the CTSPs.
3.2.2	**Function of the ICC:** The ICC sits across the top of the FOM structure and will contract manage the 14 contracts that are being put in place (11 CTSPs, Logistics, ICT, Transactional Services) The ICC will ensure a consistent approach will be adopted by each tower and will be the main contact interface between the Towers and all NHS England trusts, as well as suppliers at a strategic level.
3.2.3	**Trading with the ICC:** The Master Services Agreement will novate from the NHSBSA to the ICC from 1st April 2018. Therefore, all trading obligations will transfer to SCC Ltd, including the purchase of products. As this will be a government owned organisation, there will be no corporate guarantee and all trading arrangements that are currently in place with NHSBSA will novate to the ICC where applicable. The Department does not expect this to be problematic and no suppliers have expressed any concerns to date. Nishan Sunthares, ABHI, asked for written clarification on how suppliers will trade with the ICC, and how any changes, contract novations and contacts will be communicated to the supplier base. *[Post-meeting clarification: Nishan subsequently requested clarification of the principles by which these frameworks will be novated to the relevant tower be shared. For instance, whether the cardiology framework will be novated with no substantive changes]* Paul Webster referenced a Supplier facing FAQ document that is under development. This document will capture the questions that have been received through a recent Survey Monkey. The document will be held online and will be updated as more questions are raised. It is important that the FAQ document addresses the questions that suppliers need to have answers to, so Paul asked members to send any questions that they or their membership have raised to nhsbsa.supplierboard@nhs.net before Christmas.

	Action: All members Paul asked the meeting where this document should be shared and what the most useful forum for communicating with the supplier base would be. Nishan Sunthares, ABHI welcomed the FAQ document, which he recommended be shared with the Supplier Board members for them to disseminate to their membership. He also suggested that the FAQ document should be hosted on the NHSBSA and DH websites, as well as the current NHS Supply Chain location. Louise Hillcoat, NHSBSA, asked members whether the NHS Supply Chain supplier portal would be an appropriate additional channel to circulate a link to the FAQ document, bearing in mind that the users of the supplier portal tend to be finance and logistics personnel. Members agreed to ask their membership. **Action: All members** ***[Post- meeting update: The Supplier FOM Q&A document can be read here. Links to this document have been uploaded to the DH and NHSBSA websites and has been shared by email with members and all suppliers who are on the NHS SC contact list]*** The meeting recognised that not all suppliers are members of a trade association or have representation on the NHS Supplier Board. Paul asked how communications with these unrepresented suppliers could be improved. Gwyn Tudor, Medilink, commented that MedlinkUK and MediWales have a wide representation beyond their own membership and would be happy to use their publications to communicate a link. Mick Guymer, Customer Board representative, recommended that the link be sent to regional customer board members for dissemination to their trusts so that they can signpost suppliers that they are in regular contact with. Kate Greenbank, NHS Improvement, suggested that a press release to HSJ with the link for suppliers may be useful. NHS Supply Chain's supplier contact list contains over 3,000 names and can be used to email a link to all active suppliers.
3.2.4	**ICC Ways of Working** SSC Ltd will be a fully government funded organisation. All financial transactions which currently flow through NHSBSA will flow through SCC Ltd. From 2019 funding will be from NHS England, in the form of Top Slicing from NHS Budgets. Terms and conditions of current business will remain the same for current frameworks. Chris Holmes commented that the terms and conditions would be reviewed and amended over time. Jin Sahota, DH, reiterated that the public element of SCC is extremely important and that the organisation will remain a public entity, which had been a key learning from the feedback from NHS trusts during the consultation period. There is a mix of private entities and public bodies within the model which strikes a healthy balance.
3.3	**Members survey in response to FOM** In early November the DH SRM team issued a survey to gain a view of the market's understanding of the Future Operating Model. There was a disappointing response from the supplier base.

	From the limited results, it became apparent that there was a difference in the level of understanding between suppliers who had received direct engagement from the FOM team and those who had received the information from a third party or written notice.
3.4	**Events and face to face engagement** Paul Webster, DH offered an open invitation to members and their membership for a member of the SRM team to attend their events or meetings. Members were asked to send details of future meetings or events to which they may wish to invite a member of the SRM team. **Action: All members** Tracy Stewart, AHPMA, reported excellent NHSBSA engagement at AHPMA meetings for some time, at both formal council meetings and bespoke meetings of relevant stakeholders including DoH, CET, clinicians, academic experts, etc. Tracy thanked Louise for her role in ensuring continuity and interaction. She welcomed the opportunity to invite CAPA and FOM representatives to future meetings. Mick Guymer, National Customer Board, referenced the NWPD Excellence in Supply Awards at which Jim Craig of the PTP team, Naomi Chapman, CAPA and Louise Hillcoat spoke to a mixed audience of suppliers and Trusts. There is a proposal that these EiS Awards will be rolled across the four customer board regions.
3.5	**Summary of the Year** Jin Sahota, DH, gave a summary of 2017 activity. He confirmed that the programme is progressing in line with expected timelines and that developments are positive. The award of the first seven Category Towers followed healthy competition. CCS contract for Office Solutions is now live and is acting as a pilot from which learning has been applied to the Medical towers, which have now commenced their transition period, and will go live in May 2018. The next four Category Towers are in approval stage and the awards will be announced in January 2018. The Logistics, Transactional Services and ICT tender submissions are currently being evaluated and are progressing to plan. Evaluation of the tender responses was conducted by a cohort comprising 74% NHS employees. There has been improved engagement with NHS Trusts and the Supplier base. Scan4Safety – awaiting confirmation of the funding which is currently in the budgeting process for the next tranche of 25 trusts. The membership discussed what happens to current frameworks in use by non-DHL category towers. Paul stated that between now and May 2018 nothing changes during transition period and NHS SC (DHL) and CPP arrangements will continue to be operated. Once the Towers were live the Category Tower Service Provider through their Category and Sourcing strategies will determine the arrangements to be used ongoing. Category Strategies being produced. Analysis of existing frameworks is a key activity with some rationalisation of those frameworks inevitable. The framework which delivers the best outcome will be chosen. For the Category Towers won by CPP, the current NHS SC frameworks are planned to transfer the agency arrangement. All frameworks will remain in the name of the Authority. These will then novate to SCC Ltd. It is possible that some frameworks may be too complicated or administratively difficult to novate in which case the fall back position is for them to remain under BSA until they expire. The full list of agreements to novate is currently

	under review but should be available post transition. It is the intention that those frameworks which have been put in place by a constituent member of CPP (CPC, EOE, LPP and COE), for business areas in scope of FOM, but residing in Category Towers that have been won by other suppliers, will be made available to the new CTSP in order to bring all frameworks through the national route. Nishan Sunthares, ABHI, called for bilateral communications so that individual messages and questions about the FOM can be addressed, rather than trying to cover all issues in a group setting. He repeated the uncertainty felt by his members and asked that more detail be shared as to how one framework may be chosen as the most appropriate for continuation into the national framework. Paul Webster, DH confirmed that the CTSPs are being consulted as to how they will engage with the Supplier base and will ensure that due notice is given to any framework withdrawal or transfer of business to a different framework. Kevin Hodges, BHTA, asked about the CTSPs' formulations of category strategies and whether they are able to reach out to the supplier stakeholders. Paul Webster, DH, said that at this stage the CTSPs it may be too early in the process to have meaningful dialogue but that the DH are encouraging appropriate levels of contact at the right time. Jason Lavery, NHS Supply Chain, reminded the meeting that NHS SC continue to operate as business as usual and will continue to interface with suppliers.
3.6	**Clinical Assurance within the Future Operating Model – Nene Antonio** The Clinical and Product Assurance (CAPA) directorate will offer support to the FOM in three main areas: • To provide governance to support clinical & product assurance • To be a clinical voice for the NHS within the ICC and national procurement • To assure clinically informed innovation within procurement The Clinical Evaluation Team is currently conducting evaluations on every day healthcare consumable products. In the FOM, this evaluation will be an integral activity and the outputs will inform the procurement process. The evaluation activity will be managed by the CTSPs. The CAPA team have developed guidance which has been shared with CTSPs. The team does not propose to tell the CTSPs how to conduct their clinical assessment, but to ensure they are conducting the evaluations using appropriate and consistent evaluation criteria. They will oversee product rationalisation processes to ensure they are consistent and transparent and clinically acceptable. It is expected that the extensive customer consultation included in the process will lead to increased confidence in the available product range. Nene shared a pictorial representation of the product evaluation requirements and process which becomes more critical and detailed depending on the clinical risk and complexity of user engagement. In response to the government's AAR report, innovation will become a key CAPA responsibility. They will assume the communication and coordination role between the government teams and CTSPs as well as provide a link to the AHSNs. James Cheek, BIVDA, commented that it is important for innovation to focus on whole life cost and not just unit price. Paul Webster, DH, confirmed that non price savings are an integral part of CTSP contract featuring in the savings and gainshare models.

	Mick Guymer, Customer Board, commented that customer procurement departments were restricted in being able to purchase products that deliver patient pathways savings due to silo budgeting. There is optimism that trusts are moving towards a more value based procurement approach but the issue of budgets and short termism are still presenting obstacles. Nene Antonio said that when patient pathway savings are claimed, the role of CAPA will be to assess the clinical evidence that supports the claims and to make a recommendation to the FOM to say whether agree that trusts will benefit from patient pathway savings which also ties in with the GIRFT methodology. Kate Greenbank, NHS Improvement, referred to the need for smart analytics that can look objectively at clinical outcomes to drive better decisions. Tracy Stewart AHPMA, welcomed the analysis of patient outcomes. She raised the importance of overall value taking into account training and education. She illustrated the need with an example of incorrect product use, which was hugely wasteful and detrimental to the patient. NHSBSA stated that the Carter recommendation on transparent pricing calls for product training should be shown as a separate cost. There was some debate that this could lead to cost reduction measures leading to a lack of training and increased product waste. Nishan Sunthares, ABHI, called for assurance that the competencies and experience of the CAPA and clinical evaluation teams be robust. Nene Antonio confirmed that the team will comprise clinicians and health professionals. He reassured the meeting that budgets had been made available to bring in medical consultants as required depending on the product that is being evaluated. David Walker, Barema, asked whether clinical evaluation may include a review of international data available on the product in order to avoid duplication of evaluation of clinical performance and efficacy. Paul Webster reminded the meeting that the clinical evaluation was not to retest product performance and characteristic claims, approvals and standards, which will all be considered at tender phase to get products and suppliers on board. The criteria against which the products are tested are additional to these and are entirely in response to the priorities for product use as stated by a wide range of national clinicians. Rob Young, NHSBSA, confirmed that all category strategies are cross functionally approved and CAPA will be integral to the review and endorsement process.
14/12/4 4.1	**Inform on NHS Customer Board – Mick Guymer, Chair of Northern Customer Board** Mick Guymer gave a brief summary of the Trust representative forums, which comprise four regional boards and a Clinical Reference Board, all reporting to the National Customer Board. A pre read had been shared containing a highlight report of the most recent National Customer Board. This included reference to the future development of the NHS procurement function. Mick, gave an update on the Procurement Skills Development Network. He highlighted the differences in the levels of procurement skills across the regions and across trusts. There is a concerted push to develop procurement skills within all trusts and an aspiration that a majority of trusts will reach Level 1. Alan Birks, who had presented on the subject of Credentialing, at the last Supplier Board was

	invited to present a similar presentation to the National Customer Board. There is great interest from Trusts in the introduction of a standard set of criteria in order to reduce any potential on cost associated with a supplier's compliance to a range of different credentialing criteria. Mick referenced an event that the FOM team had led in October 2017 that examined the future development of NHS procurement. Nishan Sunthares, ABHI, asked that the output from the October event be shared. It was agreed to share this information when it is made available.
14/12/5	**Inform on NHS Supply Chain Procurement business unit – Mark Hart, NHS Supply Chain**
5.1	Mark Hart, commented on an outstanding action regarding the review of the recent cardiology super tender. He confirmed that all suppliers on the tender have now been engaged with and that maintaining service levels is always critical as the catalogue is finalised. The final stage of this process will be completed in January. An internal lessons learned process will take place on 12th January and a formal report will be issued following that meeting. The salient points will be shared at the March Supplier Board. **Action: Mark Hart**
5.2	Mark gave an update on the Nationally Contracted Products programme, which has yielded positive savings. This programme has created a blueprint for how procurement will be conducted by each CTSP with all of the NCP principles (Standardisation, Aggregation and Commitment) being embedded in each procurement CTSP as a standard way of operating. Nishan Sunthares, ABHI, highlighted that NCP has been a major concern for ABHI members. And asked whether learnings had been taken from the issues that have been experienced? Kate Greenbank, NHS Improvement, confirmed that there was a process of continuous improvement and that if suppliers had specific feedback then that would be welcomed as part of that process. Kate agreed to inform NHS Supplier Board members what mechanism they would be using to capture that feedback. **Action: Kate Greenbank** Kevin Hodges, BHTA, asked how suppliers will obtain notice of future procurements. It was confirmed that Procurement calendars would continue as an output of the ICC and that all notices would be published on Contracts Finder, as is currently the case.
5.3	An on-going discussion for several boards has been the need for accurate contact data. Mark expressed his confusion as to why suppliers would not want the contracting authority to maintain accurate contact information in the system. However there still remains a very poor level of response from suppliers, and those same suppliers will not be obtaining the information that the FOM team and procurement bodies are disseminating. Once again, members are asked to ensure their membership has given up to date information to their relevant buying teams. It was agreed that details of those companies who have not engaged in the SRM contact update exercise will be shared with the relevant member associations. **Action: Mark Hart**
5.4	Savings slides has been shared in the pre read documentation and Mark confirmed that by the end of 2017, £275m of cash releasing savings will have been delivered to the NHS and delivery of the £300m target is within reach.
5.5	Mark gave an update on the HCTED programme and had shared the trading statistics in the

	pre read documentation. Mick Guymer, National Customer Board, asked whether the "No conversion, no pay" intention is likely to be implemented in the new financial year the NHS England. Mark stated that NHS SC and NHSBSA are engaged with NHSE on how they will seek to drive uptake through the national route. Chris Holmes, Chair, highlighted that these programmes had offered great examples of cross agency working, (NHS England, NHSI, DH, NHSBSA) and that joined up approach will endure throughout the FOM.
5.6	Mark drew the meeting's attention to the relatively poor service statistics relating to eDirect, which is due to a number of factors. Chris Holmes commented the transition from the NHS Supply Chain model into the FOM mode will increase scrutiny on the eDirect route. He reminded members that this service level is a direct measure of supplier performance, not that of NHS Supply Chain or any inventory management or logistics performance. There will be a focus on improved performance in the FOM.
5.7	There was a call for improved education and training about the tendering process as supplier error has caused delays in some frameworks. It was agreed that contracting training should be provided within the FOM. Members were asked for proposals on what the best forums would be for training, technical experts can be made available if required. **Action: All Members**
5.8	SME stats demonstrate good engagement with SME organisations above the national average. Chris Holmes, informed the meeting that SME stats are under scrutiny across government departments and that improved supply chain mapping will be needed going forward, to highlight both where supply chains may be vulnerable and where SMEs operate. He asked members to inform their membership that increase data would be included in contracts going forward in a similar way that other government departments, such as the MOD operate. **Action: All Members**
14/12/6	**Inform on NHS Supply Chain's Capital Solutions business unit – Jason Lavery, NHS Supply Chain**
6.1	Jason Lavery gave an update on the two strategic focus areas within the Capital markets as follows:
6.2	Provide support to trusts to identify equipment that needs replacing in a challenging environment. Every department in the NHS has urgent needs about which equipment needs to be replaced before another. He referenced a document relating to strategic investment planning and how the use of the NHS Trading Fund is benefiting trusts. A copy of this document to be circulated to members **Action: Jason Lavery**.
6.3	Multi trust aggregation of demand and leverage in order to offer economies of scale is now a well-established business model, recognised by both industry and hospitals for use to purchase high value equipment. However, lower value items have traditionally been fragmented in demand across trusts. Now NHS Supply Chain is able to identify where aggregation of demand on lower value equipment will deliver savings. The latest MTA calendar will be shared as soon as it is ready. It was noted that a number of successful workshops have been run with trusts and there has now been a £60m increase in the channel to the end of November. **Action: Jason Lavery**

6.4	Jason referenced the radio therapy investment for the Cancer Fund, which has delivered £12.5m savings on equipment costs by utilisation of the trading fund on a total value of £75m. The savings have been re-invested in additional Linacs.
6.5	Ila Dobson, AXREM, informed the meeting that the MTA programme has proved to be an excellent extension of the commercial model into wider business areas. Benefitting both industry and trusts. She asked Jason whether during the piloting of the finance solution he had seen more uptake of the bulk deals or MTAs? Jason replied that they had started with a significant pot of money, but that was now tied up in equipment deals. MTA enables aggregation and commitment and less cash sensitivity and offers trusts a full financial analysis of their needs.
6.7	With agreement between the DH and NHSBSA a Master Lease Agreement scheme is to be piloted which can then be shared with industry for comment. NHS SC will produce a list of equipment within trusts for each year with technical information enabling trusts to make informed decisions on replacement and the financing options available to them. A case study will be shared with members. **Action: Jason Lavery**
14/12/7	**Modern Slavery Act - Stephanie Gibney, NHS Supply Chain**
7.1	Stephanie Gibney gave an overview of the impact of the Modern Slavery Act on suppliers and what it means for their business. She told members that commercial organisations with a turnover greater than £36m have to produce a slavery and human trafficking statement each year outlining the steps taken to ensure that slavery and human trafficking are not present in their supply chain. This includes some businesses in the SME classification. Businesses do not need to be wholly trading in the UK, they could be headquartered elsewhere but doing some sales in the UK but do need to make a disclosure if they meet the threshold. NHS Supply Chain's due diligence have highlighted that 70 suppliers, doing business through NHS Supply Chain, are not compliant. There will be a communication to all suppliers that they need to upload their statement to Sid4Gov. The ramifications if they don't produce a statement are that there can be an injunction from the secretary of state however in reality this has not been exercised thus far. More likely is that suppliers and brands will be judged in the public domain as campaign groups and journalists begin to scrutinise disclosures. Chris Holmes asked whether NHS Supply Chain is legally obligated to highlight which suppliers are not compliant. Stephanie confirmed that there was no legal obligation. Kevin Hodges, BHTA, asked how can the trade associations assist. It was agreed that if a letter is being sent to a member of a particular trade association, this could be copied to that association to support their members. The letter is likely to go out early January 2018. A status update will be shared with NHSBSA in Q1 2018. **Action: Steph Gibney** Chris Hill, SDMA, referenced that some NHS Supply Chain tenders require that suppliers are LSAS compliant which goes further than the Modern Slavery Act and is an onerous process for suppliers. He asked why this is not consistently applied across all frameworks. Stephanie replied that LSAS has been applied on the basis of a risk assessment; it is a risk

	based approach and is applied on areas where there are known and documented risks and/or high predictors of labour standards issues. She drew members attention to the NHS Supply Chain website where the LSAS criteria can be found - https://www.supplychain.nhs.uk/about-us/sustainability/ The Labour Standards risk assessment is based on known market issues, media and campaign group scrutiny, and research by bodies such as BMA and the Ethical trading initiative (ETI) active in this field. The risk assessment process has identified categories of high risk for labour standards non-compliance and LSAS is therefore applied on those alone. 200 suppliers are currently going through LSAS across a number of different frameworks. Corporate disclosure is the direction of travel for all companies and these systems are in place to support a supplier's move towards ethical procurement and more responsible business practice. Paul Webster, said the DH is keen to encourage all suppliers to comply with appropriate guidance and will want to understand those that do not. There will be an increased requirement going into the FOM for supply chain mapping. . Tracy Stewart, AHPMA, referenced the retail sector where there are stringent manufacturer audits, including mandatory site visits. Capability and competency checks include ethical workforce and working conditions as well as financial checks. She asked whether the new FOM presents the opportunity to develop and include a standardised check/audit for all suppliers. She referenced the BRC standard for consumer products as an example. The meeting acknowledged that this is part of supply and procurement across other sectors such as the military, and agreed by all that this should be looked in to, Chris Holmes committed to report back.
14/12/8 8.1	**MedTechScan – David Sissling, NICE** David Sissling gave an update on the programme. NICE are developing the MedTechScan capability to develop the innovation to adoption pathway, which is generally considered to be inefficient and inadequate. In the production of the AAR report, national policy is also highlighting the need to reform this. The Nature of change needs to address the multifactorial disaggregation of resources as well as the tariff decentralisation which creates silo behaviours within the Trusts. There has never been a centralised and consolidated database of MedTech product innovation and the landscape has been complex, fragmented and inefficient. The database gives the opportunity to bring innovative initiatives together from different sources, organisations and agencies and offers the opportunity to demonstrate consolidated savings opportunities through both product usage and patient pathway innovations. David had shared a summary of the system capability and characteristics in the pre read pack. NHS England will use the system to inform their prioritisation of investments. The AAR teams can use the system to receive active adoption updates for regulation and review activity in response to the AAR recommendations. NICE is using the system to get visibility of all innovative opportunities and where there is a requirement for additional information, value proposition information, evidence and cost. The project is based on partnership, NICE/NHS England/AHSNs/OLS/NISR plus AXREM/BIVDA/ABHI. NICE is developing the system based a similar pharmaceutical innovation system

	(PharmaScan) which has proven to be a positive development both for industry and trusts. MedTechScan has secured funding for three years guaranteed with longer term sustainable funding plans in development. Road testing is now underway with an anticipated go live in September 2018 The meeting agreed that it is important that this system interacts with both Specialised Commissioning and Industry as well as NHS procurement. The prototype has shown high levels of usability David explained that Intellectual Property protection within the system, is secured by stringent controls. Users have very limited access to review the information and the precedent in PharmaScan which has protected the IP rights and commercial confidentiality, should reassure industry of the robust security built into the system. Alan Birks, AXREM, explained the user friendly nature of the system and the robust governance that is in place. He highlighted the benefits and advantages down the line and that the programme was benefitting from cross working examples and cross industry initiatives. David Walker, BAREMA, asked if this is this a UK only initiative? David Sissling confirmed that it is at the moment, but if an international supplier has an innovative product that they want to introduce into the NHS, they should have access to the MedTechScan system. Members agreed that there should be opportunities to link into the CTSPs to ensure innovation is pulled into the procurement landscape. James Cheek, BIVDA, asked whether there would be a complementary creation of accessible budget, tracking innovation to the requirements of procurement. He referenced a brand new test for preeclampsia, which saves patient costs of hospitality, but trusts stated that they did not have the budget to invest in the technology. The supplier was sent in a circular referral including CCGs and Secondary care. In the end the technology was not adopted and savings opportunities lost. It was acknowledged that the budget and finance issue is a significant barrier to adoption of new technologies and that this programme can create visibility of the savings opportunities, which may drive improved adoption levels. Gwyn Tudor, Medilink UK and Mediwales, said that the Welsh authorities are keen to engage with MedTechScan. David Sissling welcomed the introduction. **Action: Gwyn Tudor** The meeting agreed that it would be useful to produce an annual report on innovation, Alan Birks told the meeting that OLS are doing some work with the Minister for Health on industrial strategy. MedTechScan provides an objective assessment of the validity of claims of innovation. Chris Holmes, Chair, agreed to a further discussion with David on how this may impact/support Procurement in the FOM. **Action: Chris Holmes**
14/12/9 9.1	**GS1 Scan4Safey in a Trust Environment – Mark Songhurst, Leeds Teaching Hospitals** Mark gave a dynamic and informative demonstration and update on the implementation of the Scan4Safety programme in Leeds. The most significant impact has been on inventory

	management and the elimination of expensive waste, due to improved visibility of stock usage and replacement. The programme has delivered savings of approximately £6.5m across the six demonstrator sites with £2.5m at Leeds Teaching Hospitals and has now broken even against the initial investment. The products that are currently within scope are MedTech consumables, but huge savings are anticipated when it is rolled out to the pharmaceutical product areas.
9.2	Edmund Proffitt, BDIA, asked where the governance of this programme sat within the FOM. Paul Webster replied that GS1 sits under Jin Sahota, and is a key component of the eprocurement strategy. Rob Young, NHSBSA, referenced the NHS Supply Chain e procurement strategy to implement GS1 and will be rolled out under the ICT tower.
9.3	The meeting expressed their appreciation to Mark for bringing the Scan4Safety programme to life in such an interesting and dynamic way.
14/12/10	**Any Other Business**
10.1	Paul Webster, DH, repeated his openness to active engagement with all suppliers and their trade associations.
10.2	Chris Holmes referenced recent ministerial communications on the need to focus on the SME agenda and that suppliers would be approached, in the near future, regarding the SME presence within their supply chain.
14/12/11	**Items for next meeting**
11.1	Questions and answers to be presented to the Minister of State for Health Date of next meeting: 15th March 2018 Venue: tbc