

Welcome to

HCSA

Annual Conference and Exhibition
24-25 November 2021 | Harrogate Convention Centre

Recognising the Value
of NHS Procurement

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of NHS Procurement

Welcome Address

RT. HON LORD PHILIP HUNT OF KINGS HEATH OBE PC

HCSA
President

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Conference Introduction

MARK ROSCROW MBE

HCSA Chair of Trustees

NHS Wales Shared Services Partnership

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Harrogate Nightingale Unit

Chris Slater, Director Of Commercial & Procurement

Leeds Teaching Hospitals NHS Trust

William Hewitt , Head of Procurement

Harrogate and District NHS Foundation Trust

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Recognising the Value of NHS Procurement

Collaboration – Delivering Value and Outcomes for the NHS

Luella Trickett, Director, Value & Access, ABHI

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Sir James Mackey – 24 November 2021





OUR HOSPITAL SITES

- 1 HEXHAM GENERAL HOSPITAL**
Corbidge Road, Hexham, NE46 1QJ
- 2 NORTH TYNESIDE GENERAL HOSPITAL**
Rake Lane, North Shields, NE29 8NH
- 3 WANSBECK GENERAL HOSPITAL**
Woodhorn Lane, Ashington, NE63 9JJ
- 4 THE NORTHUMBRIA HOSPITAL**
Northumbria Way, Cramlington, NE23 6NZ
- 5 ALNWICK INFIRMARY**
South Road, Alnwick, NE66 2NS
- 6 BERWICK INFIRMARY**
Infirmary Square, Berwick-upon-Tweed, TD15 1LT
- 7 BLYTH COMMUNITY HOSPITAL**
Thoroton Street, Blyth, NE24 1DX
- 8 HALTWHISTLE WAR MEMORIAL HOSPITAL**
Westgate, Haltwhistle, NE49 9AJ
- 9 MORPETH NHS CENTRE**
The Mount, Morpeth, NE61 1JY
- 10 ROTHBURY COMMUNITY HOSPITAL**
Whitton Bank Road, Rothbury, NE65 7RW

£692.4m Total income
 £685.0m Total expenditure
 £7.4m Surplus

➔

★★★★★
EXCELLENT FINANCIAL RISK RATING

STAFF SURVEY

Ranked 1st among Acute and Acute & Community Trusts (Out of 128) and 4th overall (out of 219)

80% response rate to staff survey

91% of staff agreed care of patients /service users was the organisation's top priority

STAFF CIRCA 12,000

STAFF EXPERIENCE

Real time measurement in 2021 (score out of 100)

73.9 sustainable engagement

80.4 proud to work here

74.8 invigorated after making a positive difference to others

97.2% of patients attending A&E were treated within four hours

95% of patients rated the care they receive within A&E as excellent, very good or good

98% of outpatients rated their care as excellent, very good or good

85.9% of patients started treatment for cancer within 62 days of a referral from their GP

96% of inpatients rated their care as excellent, very good or good

60.7% of patients referred from national cancer screening programmes started treatment within 62 days

QUALITY PRIORITIES

- ✓ **Flow: Discharge**
= as expected
- ✓ **Staff experience**
= as expected
- ✓ **Patient experience**
= as expected
- ✓ **Children & young people's emotional well-being & mental health**
= as expected
- ✓ **Supply & administration of medicines**
= as expected
- ✓ **End of life care & bereavement**
= as expected
- ✓ **Management of acutely unwell patients**
= on-going work (due to Covid-19 impact)

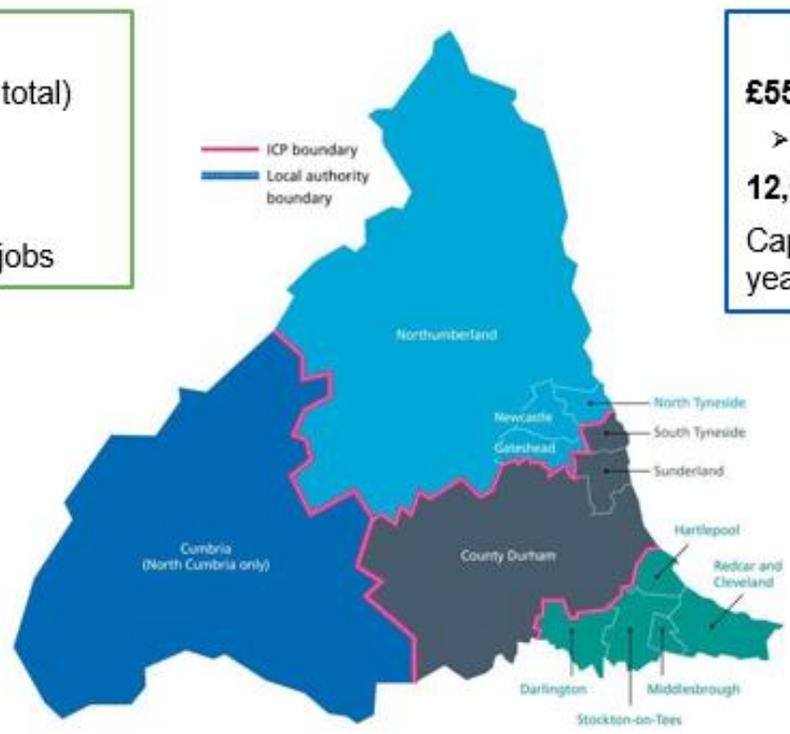
North East and North Cumbria

Public sector opportunity

Gross Value Add
£67.5bn for NE&NC (4% of England total)
23% of this is public sector
 (education, health and social care and public administration)
 Public sector accounts for ~**260,000** jobs

Higher Education
£1.5bn university spend p.a.
18,000 people employed and many more in colleges
3.8% of GVA

Local Government
£4.5bn annual spend
160,000 people employed
 Capital up to **£350m p.a.**



Northumbria Healthcare
£550m annual spend
 > **£50m** spent on goods and services p.a.
12,000 staff
 Capital **c.£60m p.a.** and **£325m** 5-year plan

NHS
£5bn annual spend
 > **£440m** spent on goods and services p.a.
90,000 staff
 Capital **£200-250m p.a.** and **£1.6bn** 5 year plan

About the Customer Board

Key areas of focus are:

- Working nationally and with trusts across each region to increase volume and value through the national model
- Ensuring transparency of opportunities to maximise adoption and sharing of best practice from peers, including using the emerging ICS infrastructure to engage
- Inputting to and supporting national solutions that are fit for purpose including embedding the new operating model in the NHS
- Working with national bodies and regional peers to support and develop the procurement function
- Supporting the change management programme in the regions

Areas of focus 2021:

- Supporting through Covid
- Resuming elective
- Sustainability
- Resilience

Regional Chairs

Appointed
Sept 2021



North
Jonathan Wood
Deputy Chief
Executive and Director
of Finance
Lancashire Teaching
Hospitals NHS
Foundation Trust

Midlands
David Melbourne
Acting CEO and CFO
Birmingham Women's
and Children's NHS
FT



Joined Nov
2011
Appointed
Chair 2014

Appointed
September
2020



London
Lucie Jaggar
Director of
Procurement and
eCommerce, Barts
Health NHS Trust

South
Alex Gild
Deputy Chief
Executive and Chief
Financial Officer,
Berkshire Healthcare
NHS Foundation Trust



Appointed
September
2020

Role of regional Customer Board members

- Members are to actively engage with peers in their region, for example local HoP forums, regional clinical meetings, engagement events etc. seeking feedback from the broadest possible range of customers and actively working to seek out solutions
- Represent their sub region (ICS)
- Use the Board to address issues and concerns which are preventing uptake of the NHS Supply Chain
- Engage in open discussion, questioning and feedback between fellow trust
- Providing regular ICS progress

Customer Board Resilience Working Group

Regional Representatives

North	Midlands	South	London
Jonathan Wood	Simon Clarke	Edward Taylor	Lucie Jaggard
Andrea Smith	Tracey Leforte		Pia Larsen
Paul Ralston			David Main

Outputs

- Revised ICN functionality on website
- Reinstated ICN weekly summary email
- Agreed principals to identify and capture demand changes and how this can be shared between trusts and NHS Supply Chain
- The group will continue to meet fortnightly and will feed updates into the regional and National Customer Boards

Some personal thoughts from me...

- We all understand the value of a healthy supply chain now...
- Let's **remember** and **act** upon the learning from Covid and last 18 months
- Remember the place the NHS hold in Society and cherish that
- Let's promote and develop the function and people together
- Thank you...

Thank you.



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The NHS: Current State of Play

Chris Hopson, Chief Executive, NHS Providers

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Workforce Alliance

Creative solutions for the NHS resource challenge

Lucy Upton and Michelle Walker

NHS Workforce Alliance

Delivered by:

Crown Commercial Service

NHS Commercial Solutions

NHS East of England Collaborative Procurement Hub

NHS London Procurement Partnership

NHS North of England Commercial Procurement Collaborative

workforcealliance.nhs.uk

Issues facing the NHS



Workforce Alliance

Staff shortages

- NHS hospitals, mental health services and community providers reporting shortage of 84,000 FTE staff
- 38,000 are nursing vacancies
- immediate workforce shortfall is so severe it requires at least 5,000 nurses a year to be recruited from overseas
- there is currently a shortage of 2,500 FTE GPs
- ambulance waiting times
- reductions in social care job applications

What we'll cover today



Workforce Alliance

- who we are
- how we can help
- examples of our work
- building new capacity through insourcing
- how you can get involved

Bringing together
people who care

Who we are



Workforce Alliance

The NHS Workforce Alliance was established in 2019 as a collaboration between NHS Procurement in Partnership (NHS PiP) and Crown Commercial Service (CCS)

People procurement without the sales pitch

As a team of health workforce experts with decades of experience, we are motivated by a genuine desire to make the NHS better. Partnership is at the heart of everything we do. When you choose to work with us you can be sure you are working alongside a team who share your values.

Work with people who care

Our experience and influence can help shape the NHS for the better. Our collaborative relationships with the Department of Health and Social Care, NHS England and NHS Improvement, NHS Employers, Health Education England and other government bodies means we can help influence policy and implementation for the benefit of the NHS and the patient we serve.

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How we have helped

Designing packages to help

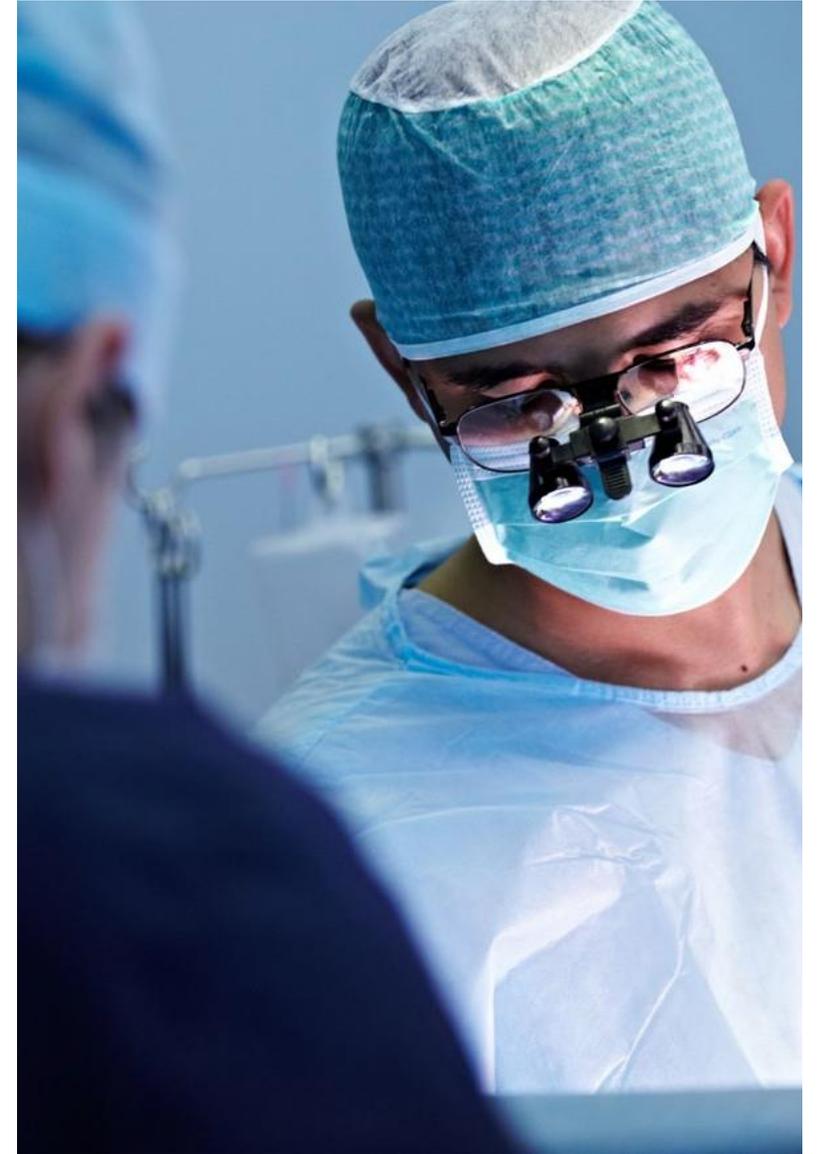
Using our suite of frameworks for a tailored solutions.

Examples of what we have done:

- set up a master vendor solution for the provision of doctors
- set up vaccination centres
- supported trusts to manage suppliers
- international recruitment – capital nurse collaborative

How we can help you

- we will help you design a workforce strategy
- we will support you with the implementation of NHS England and Improvement policy
- we will continue to support quality through audit



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Capital Nurse Programme



Workforce Alliance

- Capital Nurse is partnering with the alliance to deliver nurses across London
- currently supporting 18 trusts
- savings of £1.3 million
- on target to recruit 1,492 nurses across all specialties by end of 2021



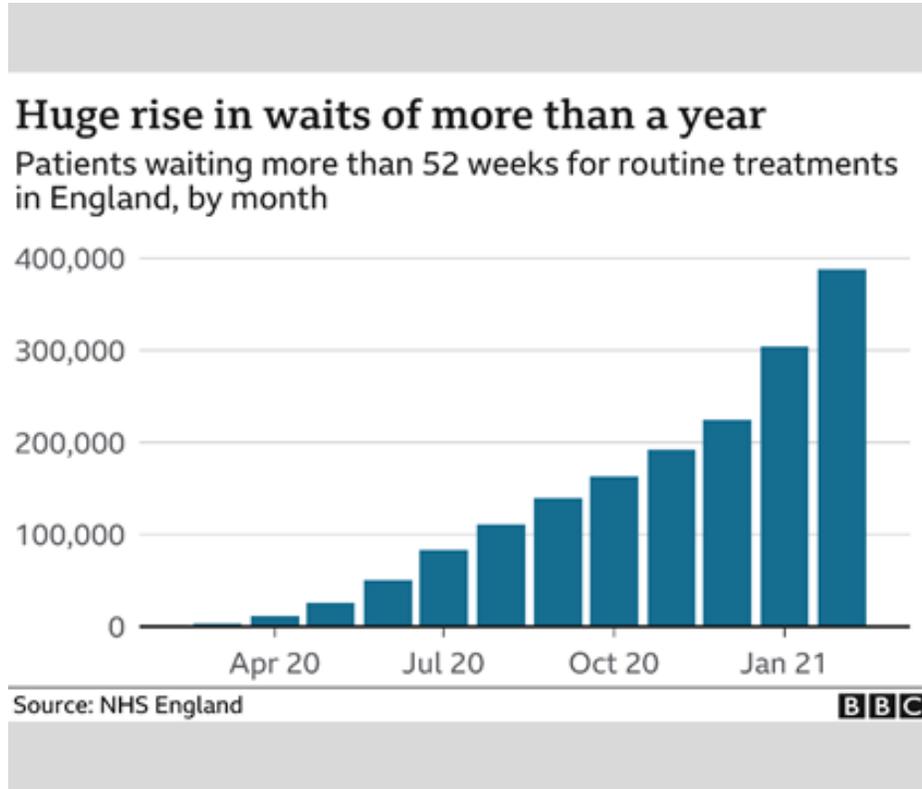
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An introduction to clinical insourcing

The market context



Workforce Alliance



- impact of the pandemic on elective surgery/waiting list times is high profile and widely acknowledged
- need for support to provide services is increasing
- NHSEI have implemented the Increasing Capacity Framework Agreement (via Arden and GEM CSU) for services carried out on provider premises (“outsourcing”)

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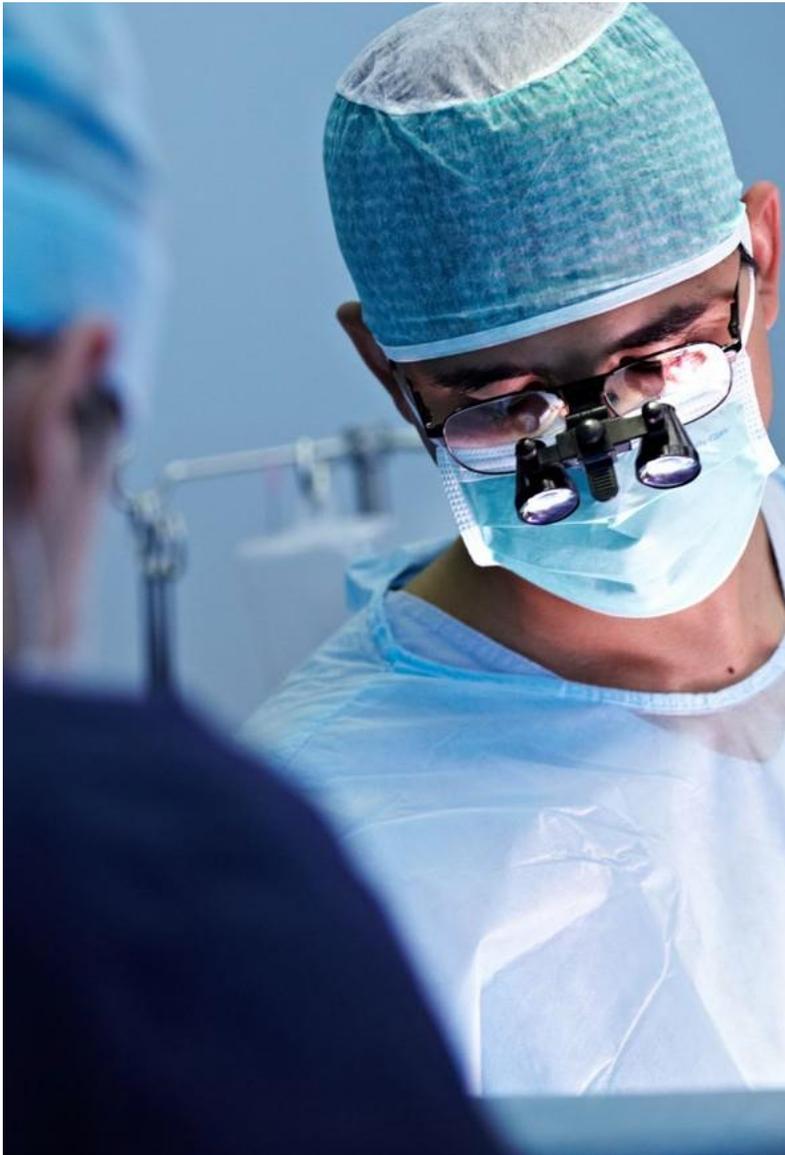


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Insourcing

"Using an organisation's own resources to accomplish a task"

- use of NHS equipment and resources to deliver patient care
 - services provided typically where theatres are otherwise not in use
 - NOT staffing – the provision of the service, not the people
 - contract for defined outputs with KPIs as appropriate
 - NHS retains responsibility for the patient pathway
 - NOT outsourcing – the use of independent provider premises
-



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Contracting for Insourced Services

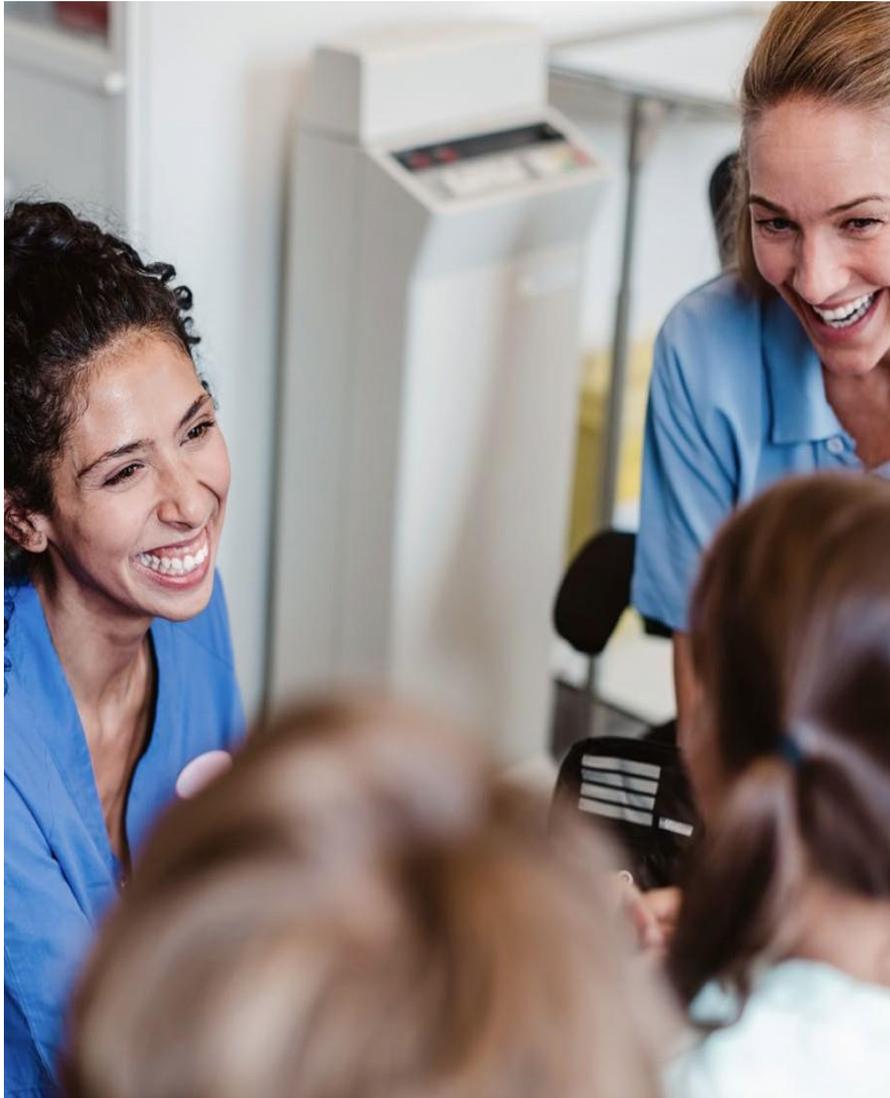
- new venture for the NHS
 - new venture for the alliance in terms of the service and scope
 - our understanding of the market and the challenges is developing
 - what are the commercial impacts?
 - what are the staff resource impacts?
 - new framework agreement: 1 November 2021 start
 - flexible to respond to a range of requirements
 - ongoing, periodic re-opening of the agreement under the Light Touch Regime
-



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Our new service offer

- a cost-effective solution: either at cost or a discount from tariff
 - supplier refresh – periodic re-openings
 - ensure consistent standards for the delivery of services and compliance with NHS requirements
 - scope of the framework agreement is broad – CPV code for “Healthcare Services”
 - increased visibility of the patient pathway and greater resilience of local services
 - contract on bespoke terms and conditions which incorporate flow-through as applicable from the NHS Standard Contract
 - assist trusts in better achieving internal KPIs
 - call off terms and conditions enhanced to incorporate the specific requirements when procuring a clinical service
-



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Features of the supply market

- emerging opportunity
 - developing market with new entrants
 - existing providers revising their scope
 - an opportunity to commercial providers
 - some "staffing providers" can deliver the service
 - some providers are Insourcing Providers
 - clarity re: the requirement is essential
 - contract management is key
-



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Do's and Don'ts

This is not an agreement for the supply of staff

- contract for defined services with defined outputs

Understand and articulate the scope of the service

- clearly define the patient pathway with the Provider
- how will use of the service increase your capacity

Understand the potential impact on local staffing resources

- education and communication
- supplier relationship management

Impact into the future

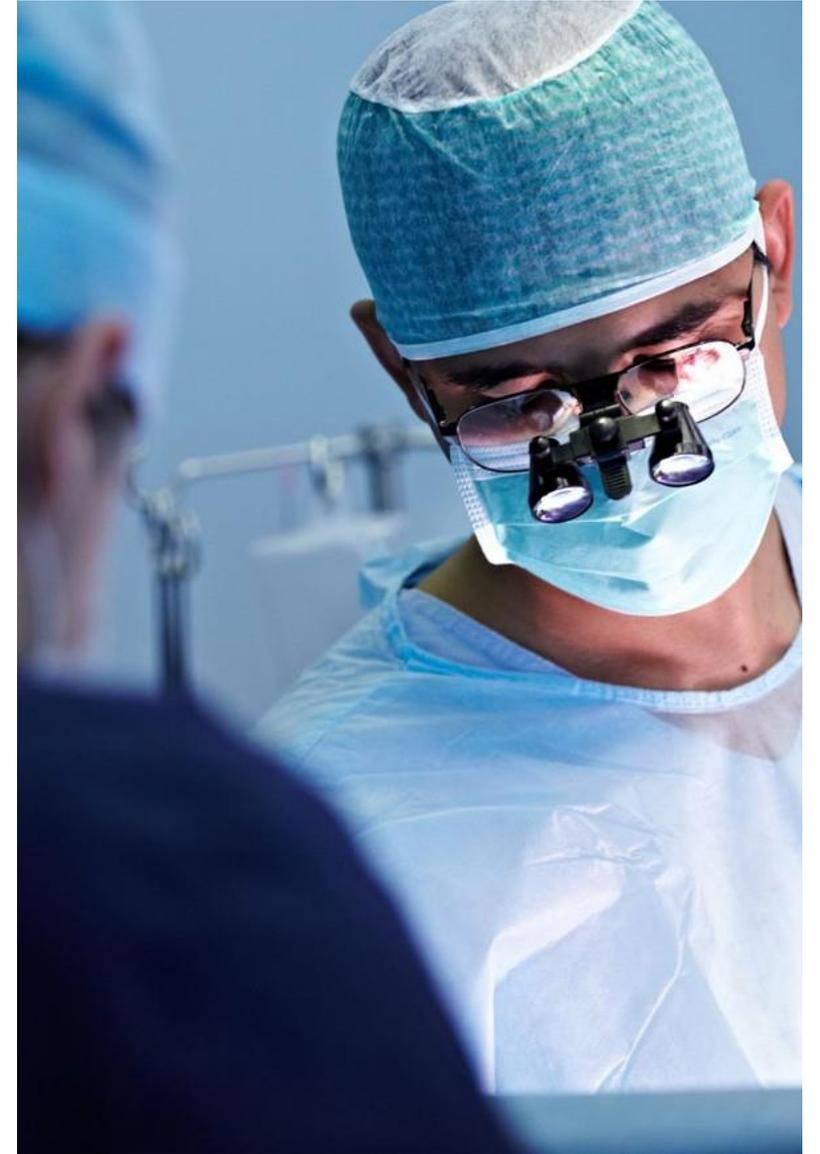
- relationship with ICS

Understand the commercial implications

- what is the basis of your contract?
 - how will you measure outcomes and secure impact?
-

How you can get involved

- share ideas, experiences and challenges
- speak to your relationship team: we have 2 named contacts for each ICS
- visit our stand to find out who your contacts are
- help us drive collaboration between workforce professionals and procurement



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Workforce Alliance

Thank you

Delivered by:

Crown Commercial Service
info@crowncommercial.gov.uk

NHS Commercial Solutions
NHSCS.agency@nhs.net

East of England NHS Collaborative Procurement Hub
workforce@eocph.nhs.uk

NHS London Procurement Partnership
lppworkforcesupport@lpp.nhs.uk

NHS North of England Commercial
Procurement Collaborative
enquiries@noecpc.nhs.uk

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Procurement law update: Recent developments and future changes

Andrew Daly, Partner and Head of Procurement

24 November 2021

“Justifiably top of the tree.”

Agenda

- A review of the various changes to procurement law that have taken place over 2021
 - PPNs
 - Legislation
- A look to the future with the proposed amendments to the Public Contracts Regulations 2015, as well as the introduction of the new Provider Selection Regime for healthcare services
- Key areas of risk
- Q&A

PPNs

Recent changes

- PPN 06/20: Taking account of social value
- PPN 01/21: Procurement in an Emergency
- PPN 02/21: The WTO GPA and the UK-EU-TCA
- PPN 04/21: Applying Exclusions in Public Procurement, Managing Conflicts of Interest and Whistleblowing
- PPN 07/21: Update to Legal and Policy requirements to public procurement information on Contracts Finder

Amendments to legislation

Recent changes

- The Public Procurement (Agreement on Government Procurement) (Amendment) (No. 2) Regulations 2021
 - Foundation Trusts and NHS England required to apply a lower procurement threshold from 16 August 2021.
 - Replaces Schedule 1 to the PCR
 - The following now fall within the definition of Central Government Authorities:
 - NHS Business Services Authority
 - NHS England
 - NHS Trusts
 - NHS Foundation Trusts
 - Lower threshold for the application of the PCR to the procurement of services and supplies now applies (£122,976 rather than £189,330).

Thresholds from 1/1/22

Type of contracting authority	Type of contract	Current threshold (exclusive of VAT)	Threshold that will apply from 1 January 2022 (inclusive of VAT)	Estimate of the effect on the new threshold if VAT were to apply at 20%
Central Government Authorities	Services contract	£122,976	£138,760	£115,633.33
	Supply of goods contract			
Sub-Central Authorities	Services contract	£189,330	£213,477	£177,897.50
	Supply of goods contract			
All	Works contract	£4,733,252	£5,336,937	£4,447,447.50
All	Light Touch Regime	£663,540	£663,540	£552,950

Change is on its way

Main changes

- Green Paper: Transforming public procurement – no change expected until 2023 at earliest
- Health and Care Bill – anticipated 1/4/22
- NHS Provider Selection regime: Consultation on proposals – anticipated 1/4/22
- The law is going to change, until then the law is still set out in the Public Contracts Regulations 2015 as amended

Current trips and traps



Calling off framework agreements

7 questions when calling off a framework

- Are you covered?
- Is your requirement covered?
- What is call off methodology?
- Contract required?
- Term remaining?
- Value remaining?
- If direct award, how ensure value for money?

HEMPSONS

Debriefing
suppliers



**KEEP
CALM
AND
DEBRIEF**

Debriefing Suppliers

Regulations 86-87

Must provide to:

- “Tenderers” – economic operators who have submitted an offer and who have not been definitively excluded; and
- “Candidates” – economic operators who applied to be included amongst operators to be selected for tender, but does not include any operator which has been informed of its rejection and reasons

Debriefing Suppliers

- The following:
 - The criteria used for the award of the contract
 - Where practicable the score obtained by the successful bidder and the score obtained by the recipient of the letter
 - The name of the successful bidder
 - AND

Debriefing Suppliers

- “the reasons for the decision, including the characteristics and relative advantages of the successful tender” – this shall include any reason the bidder receiving the letter did not meet any technical specification
- A precise statement of when the standstill period is expected to end or a date before which the contract will not be concluded

In practice (1)

What this means in reality (and in our view the approach that is the safest and most compliant overall) is that:

- each criterion and sub-criterion should be listed,
- the scores for the winning bidder and the bidder being debriefed should be listed against those criteria, and
- for each criterion and sub-criterion, you should include text explaining what it was about the winning bidder's bid that meant that it was awarded a particular score.

In practice (2)

Scenario	Requirement
Where the winning bidder achieved a higher score than the unsuccessful bidder for a particular question	Explain why the winning bidder's bid was comparatively better and deserved the better score
Where the bidder that is receiving the debrief achieved a higher score than the successful bidder for a particular question	The characteristics of the winning bidder's bid should be set out (there will be no "relative advantages" attaching to that element of the winning bidder's bid, but there will be characteristics)
If the bidders scored the same	The characteristics of the winning bidder's bid should be set out (again there will be no relative advantages)

In practice (3)

- We do not recommend that you simply set out the reasons for the score achieved by the unsuccessful bidder, alongside the reasons for the score award to the successful bidder and leave the bidder to determine the characteristics and relative advantages.
- We do not recommend that you simply paste into the debrief given to a bidder the evaluators' rationale for that bidder and for the winning bidder.

Key issues

- Time preparing debrief usually saves time in the long run
- Check your calculations
- Put yourself in bidder's shoes – is it clear why they didn't win?
- Clearly state if didn't meet specification
- Check date for standstill – working days etc

Managing significant areas of risk

- Other key areas of risk:
 - Evaluation
 - Moderation
 - Manifest error
 - Audit trail

Questions/ discussion



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Andrew Daly Partner and Head of Procurement

t: 01423 724015

m: 07748 982 185

e: a.daly@hempsons.co.uk

@A_Daly_Hempsons

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Working within an evolving system to deliver sustainable value – a perspective from NHS Supply Chain

Chris Holmes, Supply Chain Director, NHS Supply Chain,
Andrew New, Chief executive officer NHS Supply Chain,
Professor Heather Tierney-Moore OBE, Chair, NHS Supply Chain

NHS Supply Chain Working Within an Evolving System to Deliver Sustainable Value

Supporting NHS trusts to deliver safe and excellent patient care and continuing to build the services the NHS needs

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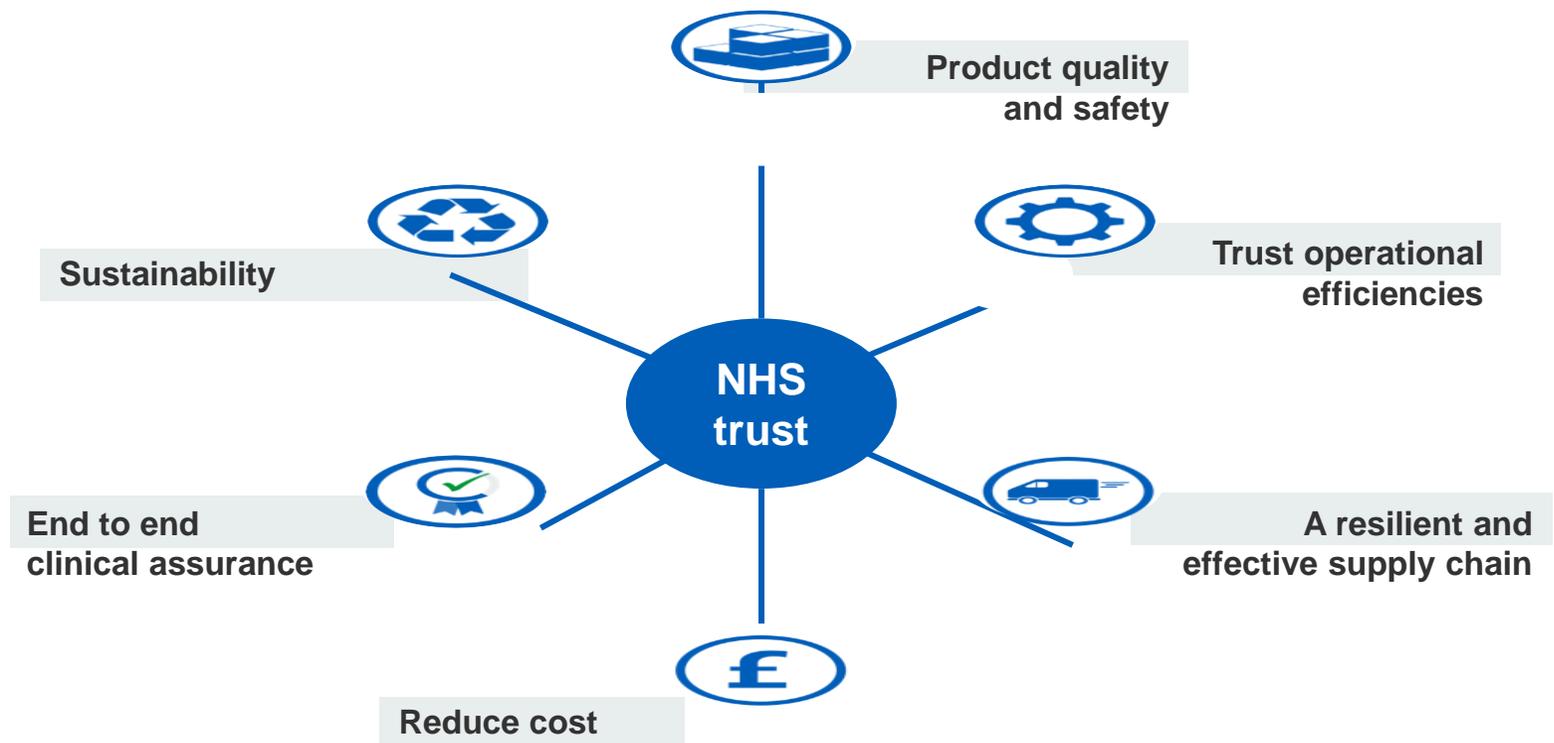


Andrew New – CEO, NHS Supply Chain

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Our Six Priorities



Transforming our Capability to make the most of our Assets

Procurement - Category Management Excellence

Commercially effective, value creating, innovation accelerating

Operations - Supply Chain Excellence

Multi channel, highly transparent, resilient supply chain and logistics

Business Efficiency

Simple to transact with, data rich with simple high value insights, efficiently governed

Business Partnering

Understanding the consumer need, supporting implementation and maximising value

The Patient

Maximising the use of NHS Supply Chain capability and asset to enable better patient care



Heather Tierney-Moore – Interim Chair, NHS Supply Chain

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Chris Holmes – Director of Supply Chain, NHS Supply Chain

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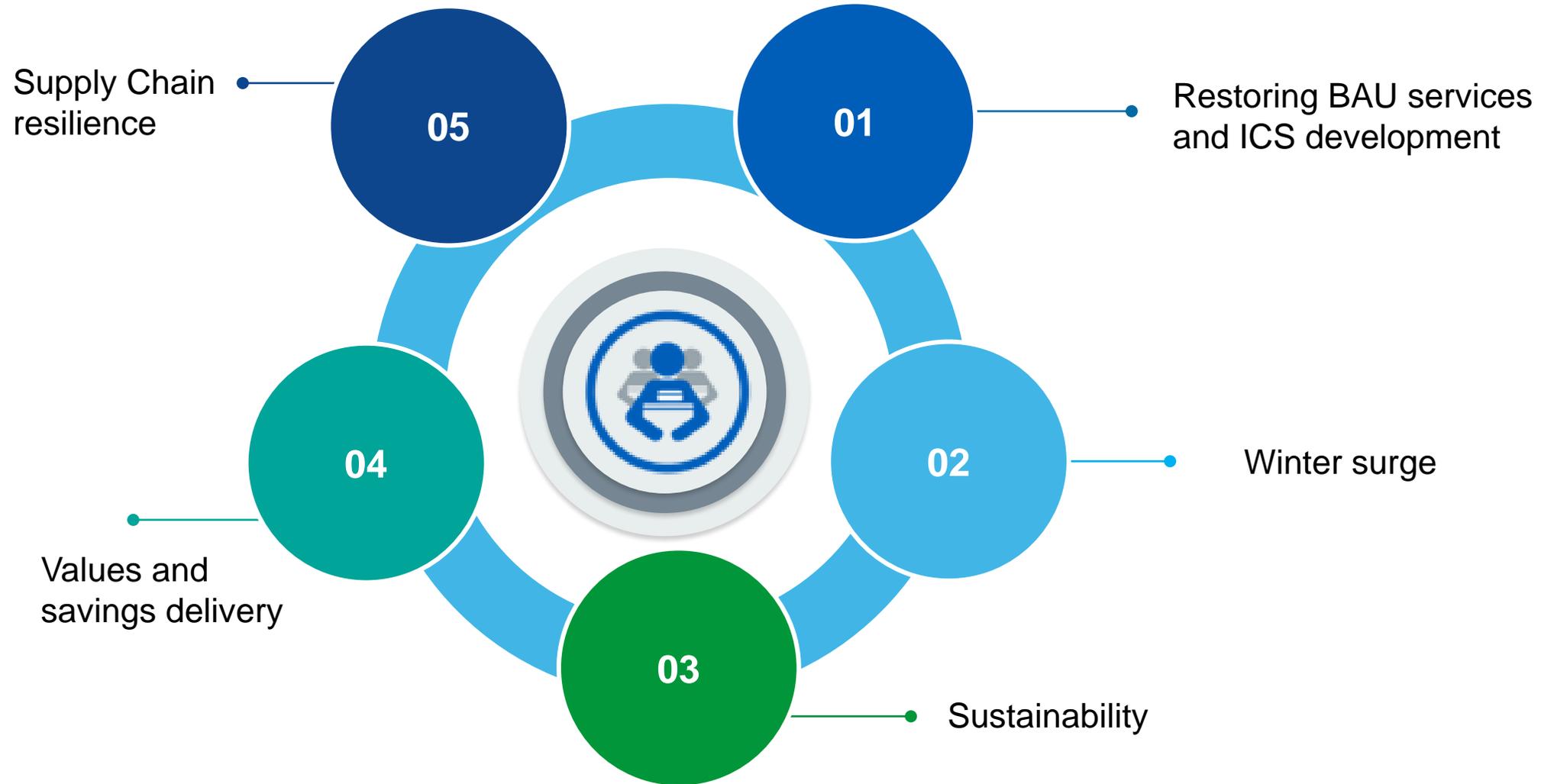




Where listed all measures shown are year to date against actual targets in brackets.
 *Denotes an annual stretch target has also been set.

Enabled by our Transformation Programme

Current Landscape



Resilience Activities

01 **Service excellence programme**
 Improve supplier inbound performance and review of optimal supply channel

02 **Increased stockholding**
 Better protect customers from supply issues

03 **Alternative product mapping**
 Across top 8,000 products

04 **Continued monitoring of global events**
 CTSPs working with suppliers to understand potential supply disruptions

05 **Strengthening of the category and sourcing strategy standards**
 Increasing the focus further on resilience

06 **Future mapping of supply chains via NQC tool**
 More in-depth views of supply chains

07 **Customer Board Working Group**
 Working together to improve information flows to support resilience



Supply Disruption

Supply Disruptions – Current Focus Areas

- Blood Collection – Becton Dickinson - Root cause is global demand based on ongoing pandemic response. Full details published to customers via ICN
- Blunt Fill Needles (filtered) – Vygon - Root cause is global demand based on ongoing pandemic response. Manufacturing base focussed on hypodermic needles. Multiple alternatives being sourced to widen direct alternative options
- Wipes – Multiple global supply chain challenges on cotton raw material, oil price (PPE) and ongoing freight costs. Strong position now from UK manufacture
- Baby Food – Cow and Gate (Danone) have decided to leave the market. HIPP now increasing capacity to fill the void. T10 supply supporting in the interim

Global Freight Issues

- As reported widely by the media over the last number of months, many organisations are experiencing ongoing transportation challenges due to Covid-19 and EU Exit
- Container price has increased from \$2000 to \$18000
- Standard price increase process applies, transparent open book approach 'Cost Value Engineering (CVE)'
- Exploring alternative global freight / shipping options with DHSC and existing service providers

Customer Board Resilience Working Group

The aim of the group is to work with NHS Supply Chain and the system to improve process and communications around supply chain resilience issues, area of focus include:

- Comms on supply challenges including the ICN process
- Improving the demand signal from Trusts to enable us to proactively adjust stocking/order levels
- Impacts on supply of catalogue misalignment
- Demand management process and controls

Outputs so far:

- An ICN filtering enhancement has been successfully deployed onto the website to make finding key issue updates easier
- Supply Alerts (pre ICN) will be developed from a weekly internal Service Call and issued to trusts by the CRM and CS teams
- The weekly ICN summary email will be reinstated
- Agreement on a regional approach to engagement to understand potential demand changes

The priority is to ensure a seamless transition and continuity of supply, particularly as we navigate through a potentially challenging winter period.

A new PPE supply chain will bring together the best elements of the PPE programme and NHS Supply Chain approaches. During the phased transition of PPE to NHS Supply Chain:

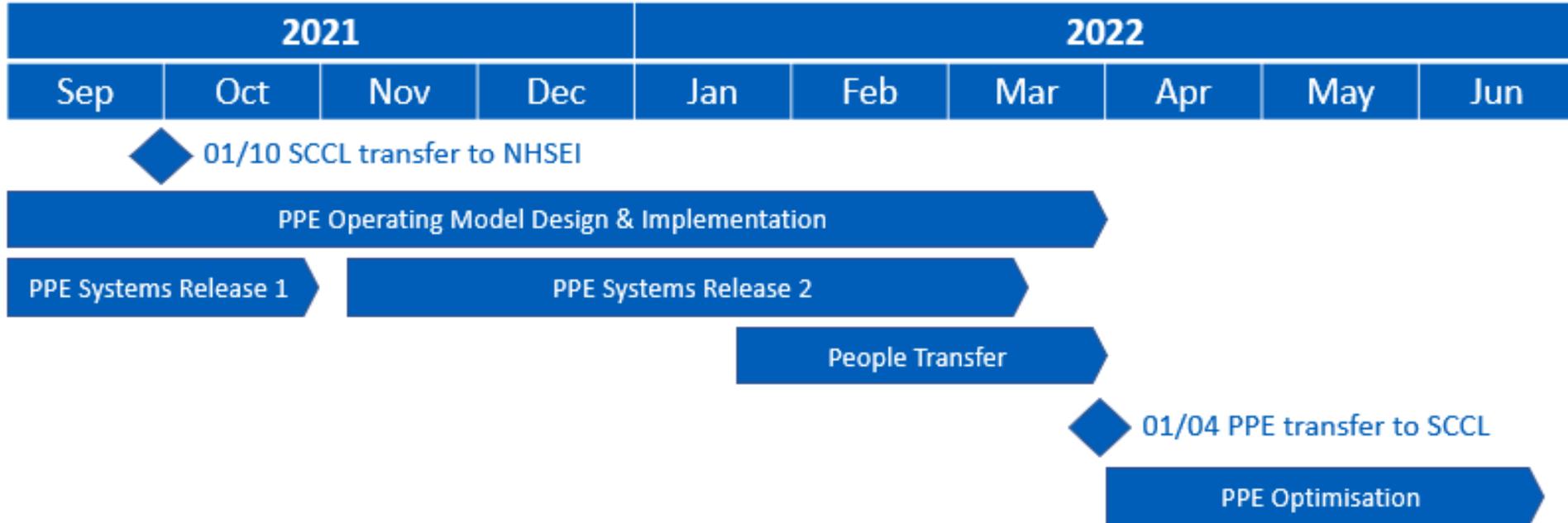
- DHSC will continue to be responsible for the supply of PPE until April 2022
- PPE will continue to be supplied through the auto replenishment model for NHS trusts and PPE Portal for primary and community organisations
- PPE products that are used for COVID-19 will remain free of charge until the end of March 2022*

Vision

To ensure that the PPE supply chain meets the needs of the health and social care service whilst driving value for money through collaboration, spend aggregation, standardisation and resilience through incorporating supply chain excellence best practice.

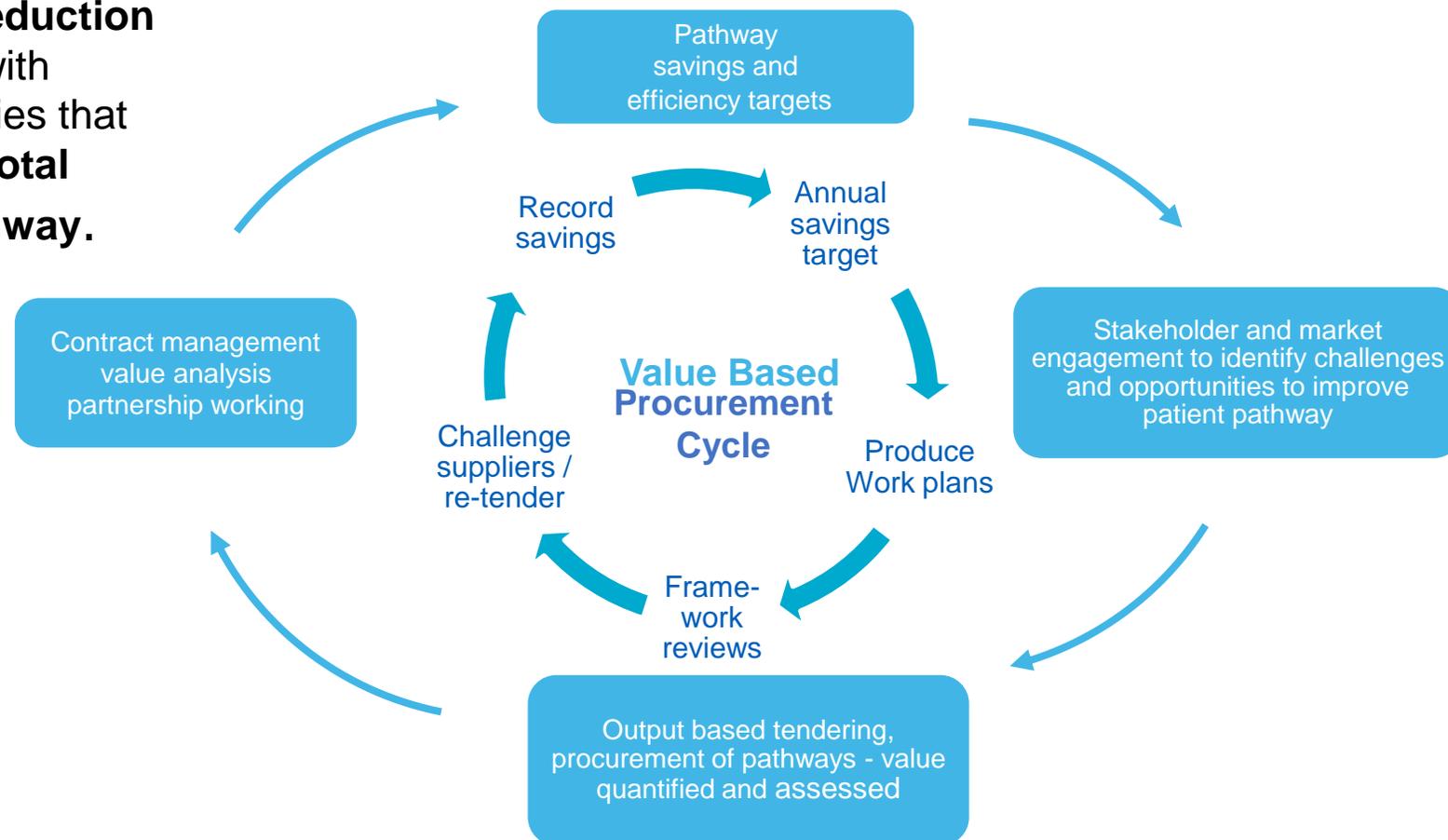
*The Government is currently consulting on extending the provision of free PPE to providers from April 2022 to end of March 2023.

PPE Transition Plan



Value Based Procurement Approach

In Value Based Procurement, there is a **shift in emphasis from a reduction in product costs** to working with industry to consider technologies that can influence a **reduction in total costs within the patient pathway.**



The aim of this Value Based Procurement pilot was to negate the use of a surgical drain for parotidectomy cases to:

- Reduce the patient length of stay, enabling them to recover on the day case unit.
- Improve patient flow and increase activity.
- Reduce the cost for each parotidectomy case.

“I was impressed with the support in implementing the new product and technique and looking at the full patient journey. The support provided by Baxter helped ensure all aspects of the patients journey were mapped and helped highlight areas of focus such as meeting patient’s expectations for day case surgery prior to surgery.”

Navin Mani, Consultant Head and Neck Surgeon, Manchester NHS Foundation Trust

Collaborative Working Reduces Overnight Stays For Parotid Surgeries In Value Based Procurement Pilot

The Results

- Reducing the need for overnight stays in favour of a day case procedure.
- Reducing patient discomfort. The patient goes home swiftly without the discomfort and challenges a surgical drain can create. With a drain the patient may have experienced some discomfort when the drain is pulled out. Pain relief may also have been given prior to the drain removal.
- Enabling the trust to save bed days, drive cost efficiencies and reallocate resources (beds) for other procedures.

Before



After



Innovation

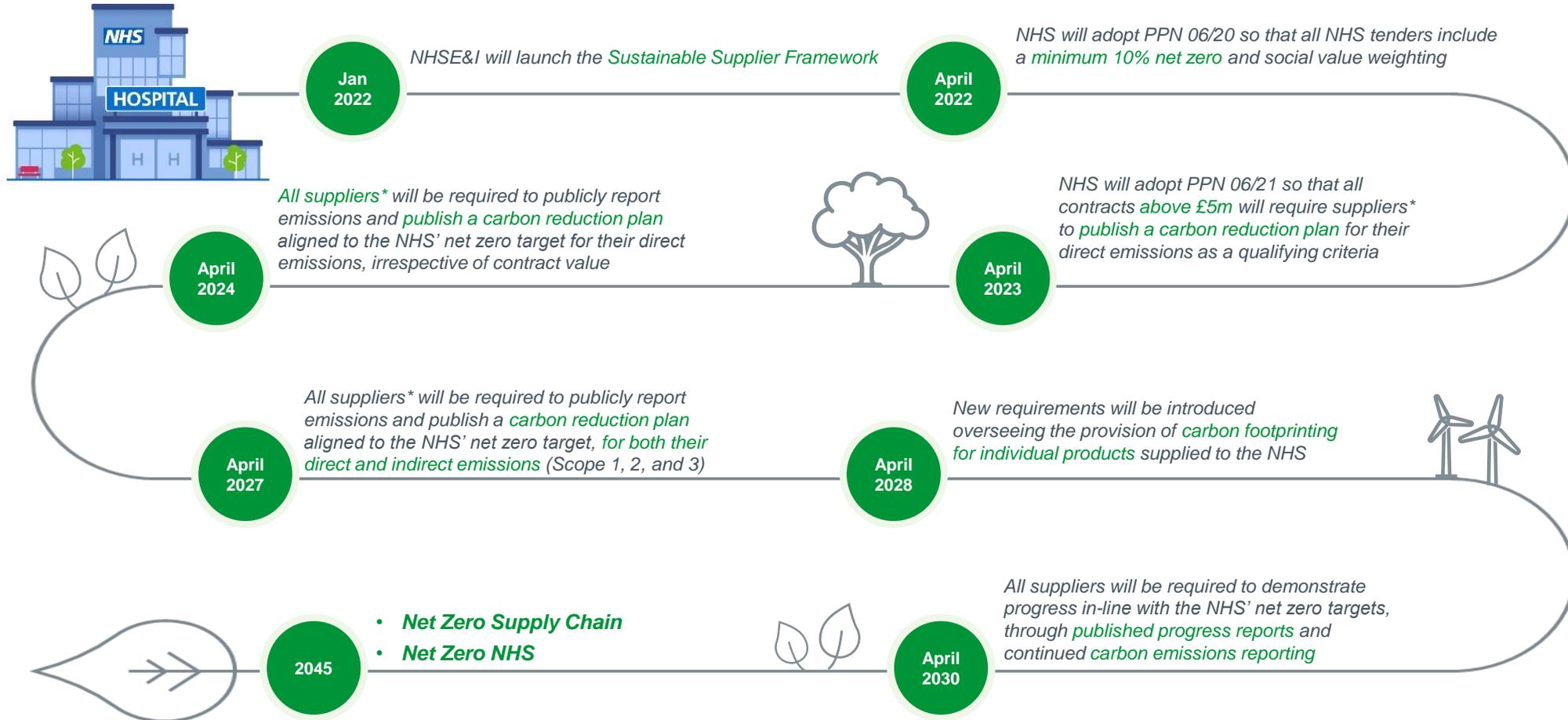
The **MedTech Funding Mandate** went live on 1 April 2021. NHS Supply Chain is the agreed supply route for the first four products selected by NHS England and Improvement to be funded in 2021/2022 these are all live and available to purchase:

- **gammaCore** – a handheld device which alleviates the symptoms of severe cluster headaches
- **HeartFlow** – creates a 3D model of a patient's coronary arteries and assesses the extent and location of blockages
- **Placental growth factor-based testing** – a blood test to rule out pre-eclampsia in pregnant women
- **SecurAcath** – for securing percutaneous catheters

<https://www.supplychain.nhs.uk/programmes/medtech-funding-mandate/>



Building Net Zero into NHS Procurement



**To account for the specific barriers that Small & Medium Enterprises and Voluntary, Community & Social Enterprises encounter, a two-year grace period on the requirements leading up to the 2030 deadline, by which point we expect all suppliers to have matched or exceeded our ambition for net zero.*

Our Four Strategic Pillars To Deliver Sustainability

We are committed to leveraging the strength of our people, our operations and our supply chain to drive better health outcomes and create sustainable economic, social and environmental value for our stakeholders.



Labour Standards

Upholding and promoting the basic rights and freedoms of those who work across the entirety of NHS Supply Chain.



Waste and Circular

Management of waste across the entirety of NHS Supply Chain.



Single Use Plastics

The use of plastics across NHS Supply Chain, as well as the cumulative impact of these components and products on the environment.



Climate Change, Energy

NHS Supply Chain's holistic response to climate change, air pollution and the carbon agenda.



Sustainability Solutions for Trusts

Becoming the world's first carbon net zero national health system by 2040 will require big changes for the NHS and for NHS Supply Chain.

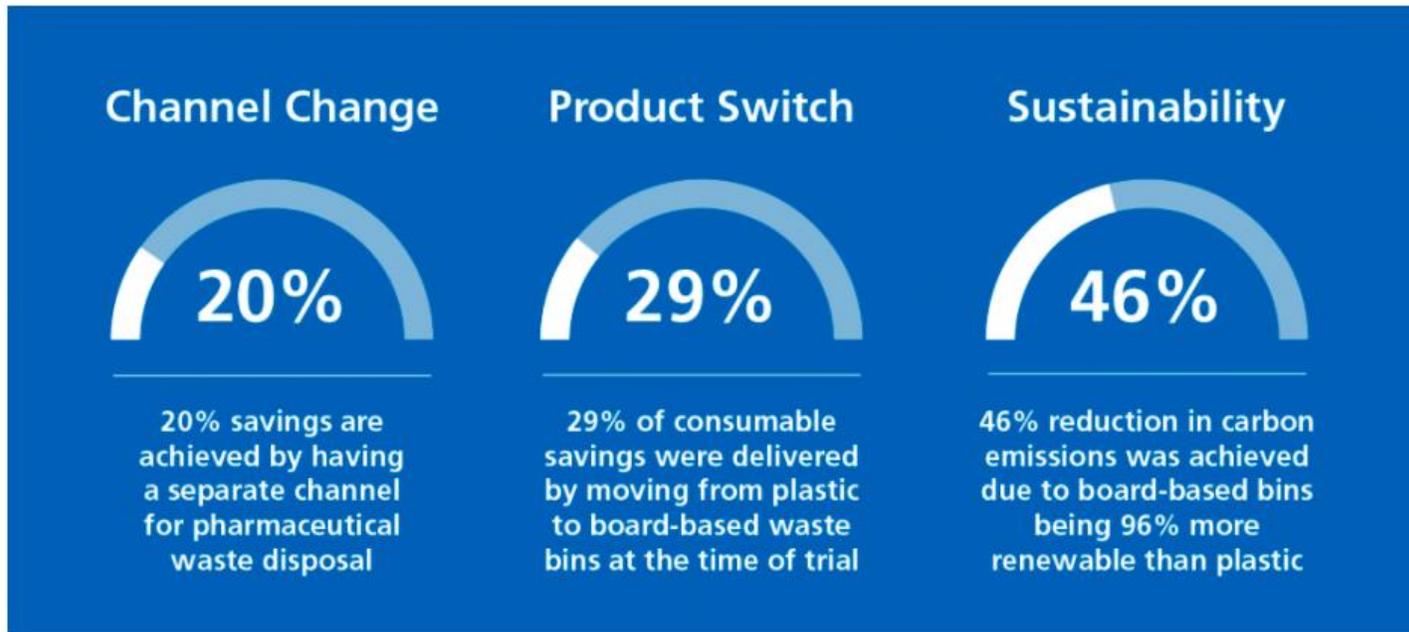
NHS Supply Chain are exploring more sustainable product solutions throughout our inventory in order to support trusts to deliver on this ambition.

Three key initiatives for trusts to consider are:

- **Board-based waste containers**
- **Single-use plastic alternatives in Catering**
- **Remanufactured devices**



Case Study: Newcastle Upon Tyne Hospitals NHS Foundation Trust – Clinical Waste Containers



“We were able to switch from rigid plastic to rigid board-based containment for this waste stream which has helped our trust address the requirement to improve our environmental performance, generate savings whilst continuing to move towards fulfilling our sustainability objectives.”

Jason Mitchell, Waste Manager
Newcastle Upon Tyne Hospitals
NHS Foundation Trust



“NHS Supply Chain is part of the NHS family, here to support you and your teams to deliver a resilient national procurement and supply service, providing clinically assured products at best national prices”

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Recognising the Value of NHS Procurement

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Value Based Procurement and Efficiencies in the Treatment pathway

Chair – Marc Ibbotson HCSA

Presenter -Hans Bax Medtech Europe

Presenter – Brian Mangan NHSSC

Presenter – Richard Evans Gore

HCSA

Supporting NHS Procurement Professionals

www.nhsprocurement.org.uk

Registered charity in England no. 1170161

Value Based Procurement

- the best kept secret of Procurement

November 24, 2021

Hans Bax

HCSA

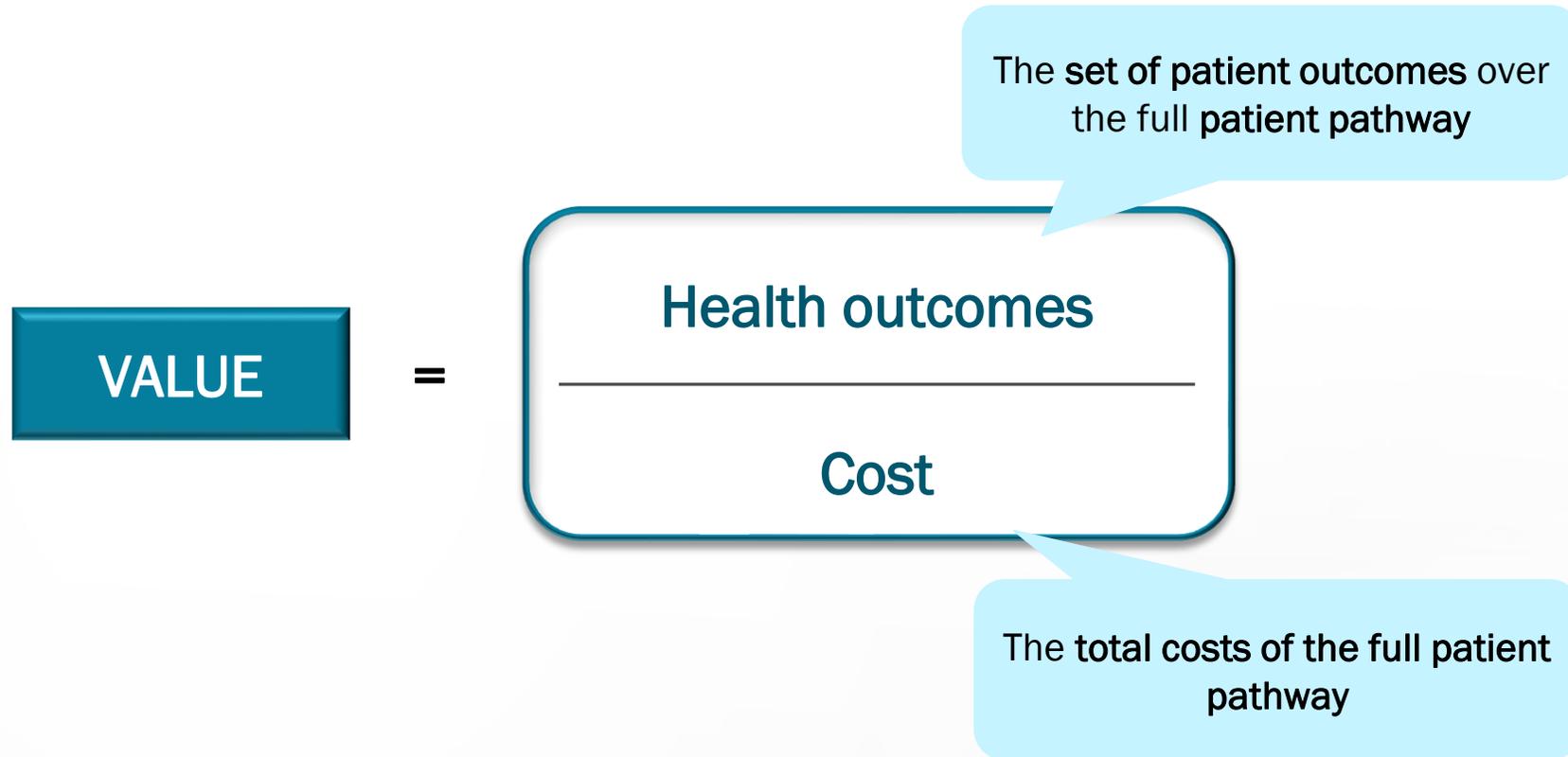
24-25 November 2021 | Harrogate Convention Centre

Recognising the Value of NHS Procurement

European healthcare systems face major challenges

- Ageing populations and chronic diseases cause an **increased demand** for healthcare services
- COVID-19 causes a significant **backlog** of treatment cases
- Lack of **qualified staff**
- Significant parts of budgets **spent inefficiently**, having **too little impact** on people's health
- Focus on treating the illness; too little emphasis on **prevention, early detection & patient involvement**
- Medtech solutions improving healthcare delivery often not implemented; **the uptake of innovations lags**

Healthcare Transformation - a value-based approach



Procurement as we know it



"Price-only"
focus

Buying decisions focused on the **product price** with only limited alignment to hospital objectives and patient pathway pain points



Innovations
under
pressure

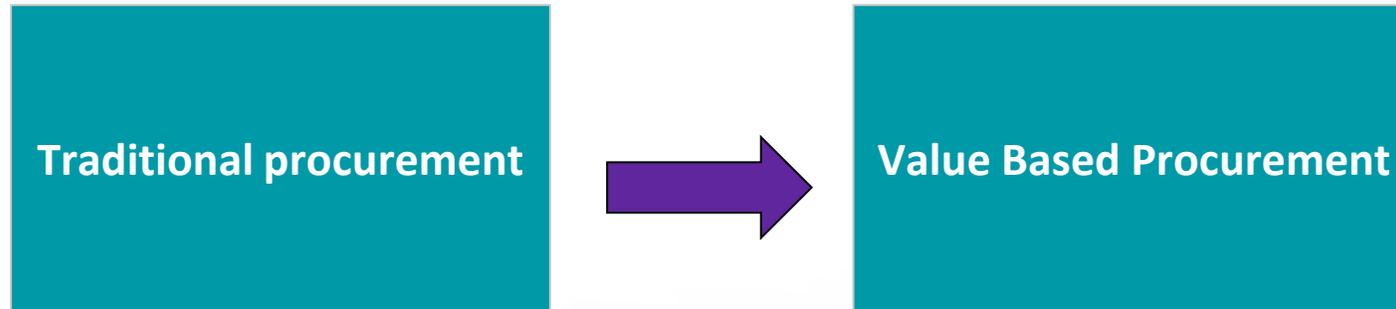
Traditional procurement tenders limit the adoption of **medtech innovations**



Relationship

Transactional, short term contracts hamper **buyer-supplier partnership**

Value Based Procurement



Selecting the 'one' product/supplier out of many available that contributes the most to the **improvement of (patient) outcomes** and the **total cost management** of the patient pathway
- not just the lowest product price

European health systems and PPOs starting their journey

-  • Anticoagulation Point of Care solution
- Enhanced recovery for hip fractures
- Musculoskeletal patients IC pathway
- Cataract surgery

-  • Radiology equipment

-  • Haemodialysis equipment
-  • Infusion technology
- Connected hospital bed services
- Cataract surgery pathway

-  • Colorectal and bariatric surgery
-  • Perioperative hypothermia prevention
- Surgical gloves

-  • TAVI
- Underpads & diapers
- Pacemakers & home monitoring (Ritmocore)
- Integrated care technology—several disease pathways
- Heart failure case management platform (TIQUE)



-  • Cochlear implants
- IV catheters
- Integrated care for stroke patients

-  • Stents & angioplasty balloon catheters
- Hip and knee implants

-  • Integrated care technology approach
- Wound care
- Cataract
- Infusion pumps
- Multimorbidity IC mgmt. (CAREMATRIX)

-  • Diapers—Incontinence
- Knee implant devices
- Cyclotron IP
- Renal cancer personalized treatment

-  • Perivascular stents
- Suture devices

-  • Cryoablation atrial fibrillation

-  • Surgical sutures
- Cryoablation leads



A change of practice



1. Focus on strategic objectives and care pathways pain points, *not product price*



2. Demand for comprehensive value propositions and evidence, *not just products*



3. Applying a (limited) set of outcome-based award criteria, *not technical specs*



4. Involvement of multidisciplinary teams, *not a single decision-maker*



5. Early (pre-tender) engagement with suppliers, *not only during bid process*
(market readiness assessment & tender requirements optimization)



6. Relational contracts and partnerships, *not transactional*

Applying Value Based Procurement in England - NHS Supply Chain's approach

Brian Mangan

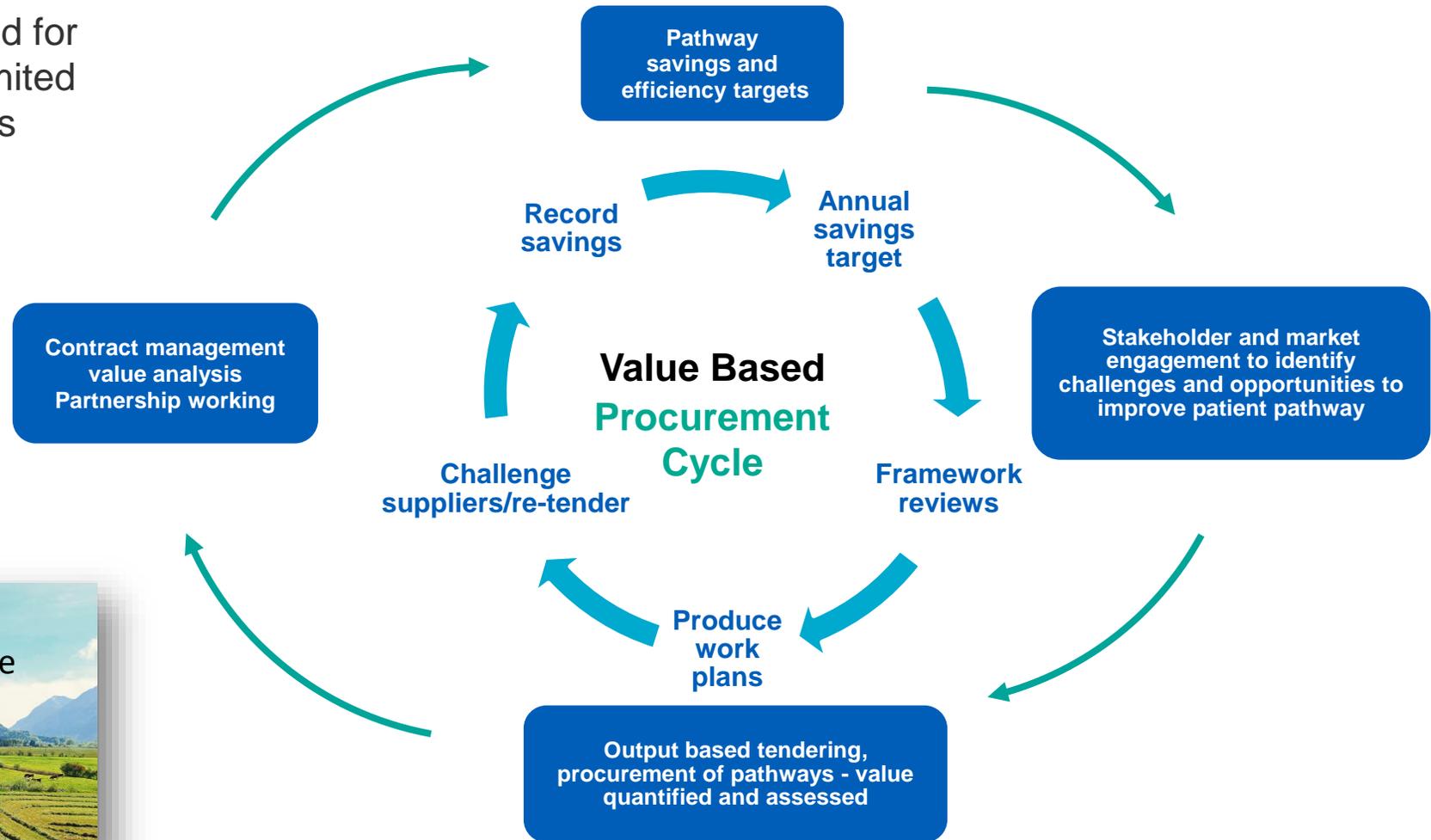
VBP Project Lead

November 2021

Twitter: @NHSSupplyChain
www.supplychain.nhs.uk

Value Based Procurement – Why and what?

- Increasing demand for healthcare with limited financial resources



The why and the what...in summary..

Adviselinc

480 followers

2w •

[+ Follow](#) ⋮

VBP not only offers opportunity for buyers and suppliers to create change, but also enable an environment from more traditional relationships to a progressive, collaborative and strategic partnership.

An insightful read over on the [National Health Executive Magazine](#).

#MakesSense

[#SpendAnalytics](#) [#HealthTech](#) [#NHSSustainability](#)

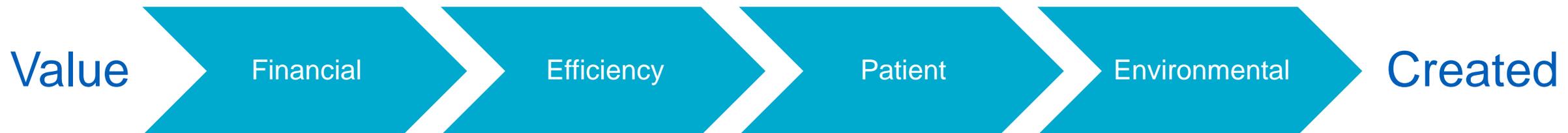
<https://lnkd.in/dUVwHNgj>



VBP - its not brain surgery, its good procurement...

Theory into practice

Reduction in consumption	“In patient” to day case	Change in patient pathway	Operational productivity	Reduction in infection
<ul style="list-style-type: none"> • 2 pilots demonstrated ROI based on higher quality product, requiring reduced use of existing products. 	<ul style="list-style-type: none"> • 3 different solutions enabling day case surgery with average LOS reduction of circa 3 days, improved theatre efficiency and patient experience. 	<ul style="list-style-type: none"> • Solution to maximize the opportunity for 10 days per patient enabling antibiotics to be administered at home, rather than in an acute setting. 	<ul style="list-style-type: none"> • Transnasal endoscopy equipment – improved patient experience, clinical outcomes and demand/capacity management. 	<ul style="list-style-type: none"> • Reduction of infection in high risk cardiac patients. • Reduced CAUTI rates.



Challenges and opportunities

Recognition

- Working with NHSE/ system level guidance for efficiency savings

Results

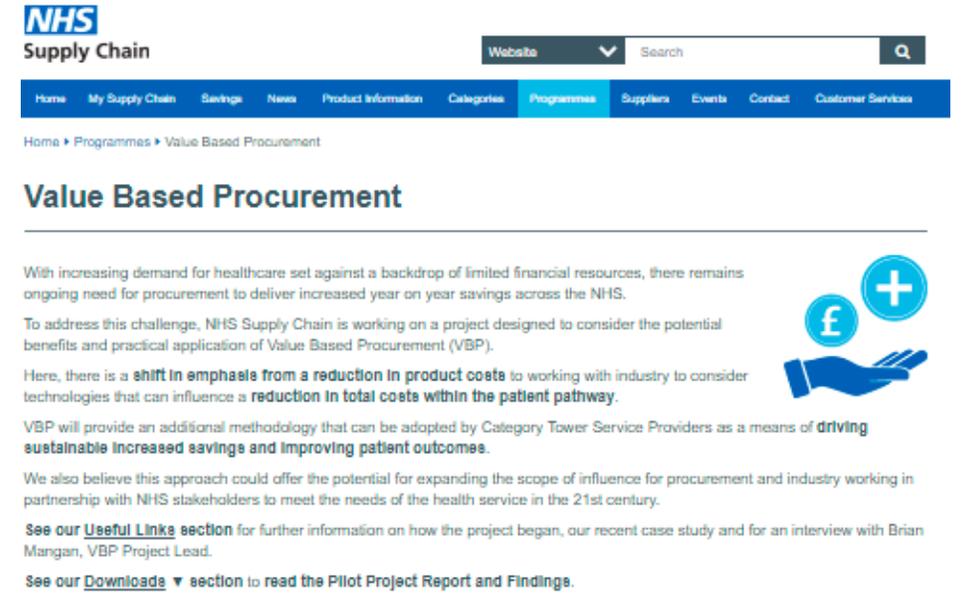
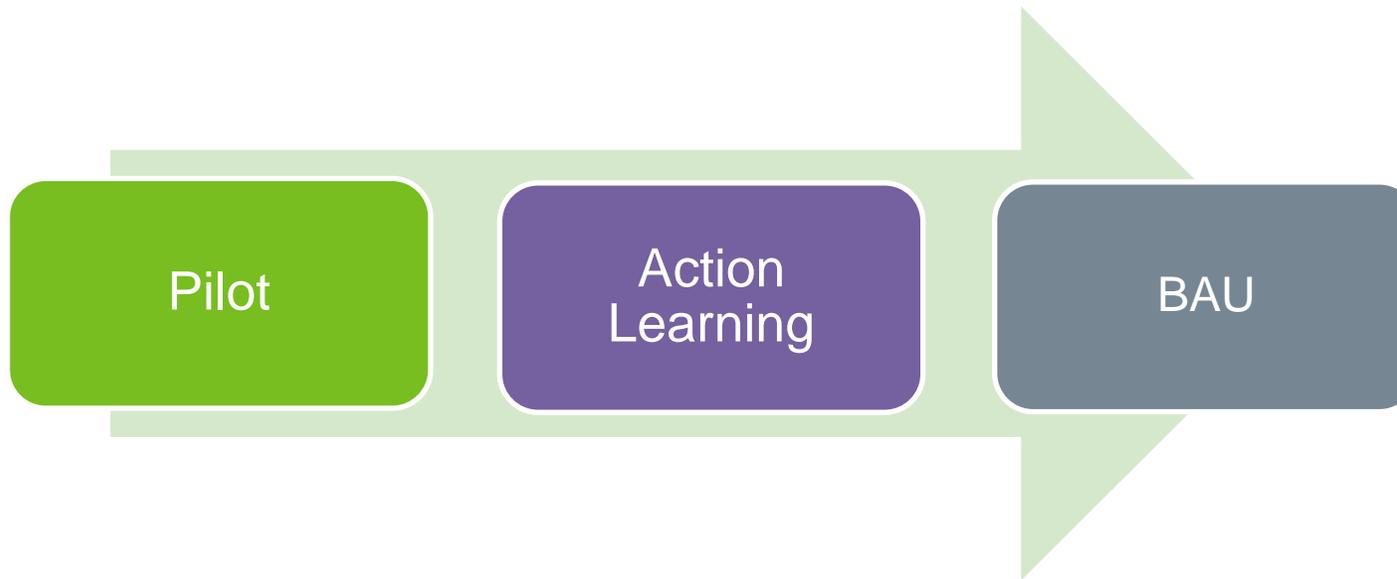
- Action learning
- Case studies, CTSP projects, benefits calculators

Relationships

- Shared learning
- Promotion of partnership working

Responsibility

- Contracting for value
- Common language of value



The screenshot shows the NHS Supply Chain website. At the top, there is a navigation bar with the NHS logo and 'Supply Chain' text. Below this is a search bar and a menu with items like 'Home', 'My Supply Chain', 'Savings', 'News', 'Product Information', 'Categories', 'Programmes', 'Suppliers', 'Events', 'Contact', and 'Customer Services'. The 'Programmes' menu item is highlighted. Below the navigation bar, the breadcrumb trail reads 'Home > Programmes > Value Based Procurement'. The main heading is 'Value Based Procurement'. The text below the heading discusses the need for procurement to deliver increased year on year savings across the NHS, mentions a project designed to consider the potential benefits and practical application of Value Based Procurement (VBP), and states that VBP will provide an additional methodology that can be adopted by Category Tower Service Providers as a means of driving sustainable increased savings and improving patient outcomes. It also mentions that the approach could offer the potential for expanding the scope of influence for procurement and industry working in partnership with NHS stakeholders to meet the needs of the health service in the 21st century. There are links to 'Useful Links' and 'Downloads' sections.

<https://www.supplychain.nhs.uk/programmes/value-based-procurement/>

Thank you for listening - Any Questions?

For further information in relation to Value Based Procurement please visit our website:

<https://www.supplychain.nhs.uk/programmes/value-based-procurement/>

brian.mangan@supplychain.nhs.uk

Twitter: @NHSSupplyChain
www.supplychain.nhs.uk

VALUE BASED PROCUREMENT – WHAT IT IS AND HOW IS IT GOING?

A HEALTHCARE SUPPLIER PERSPECTIVE

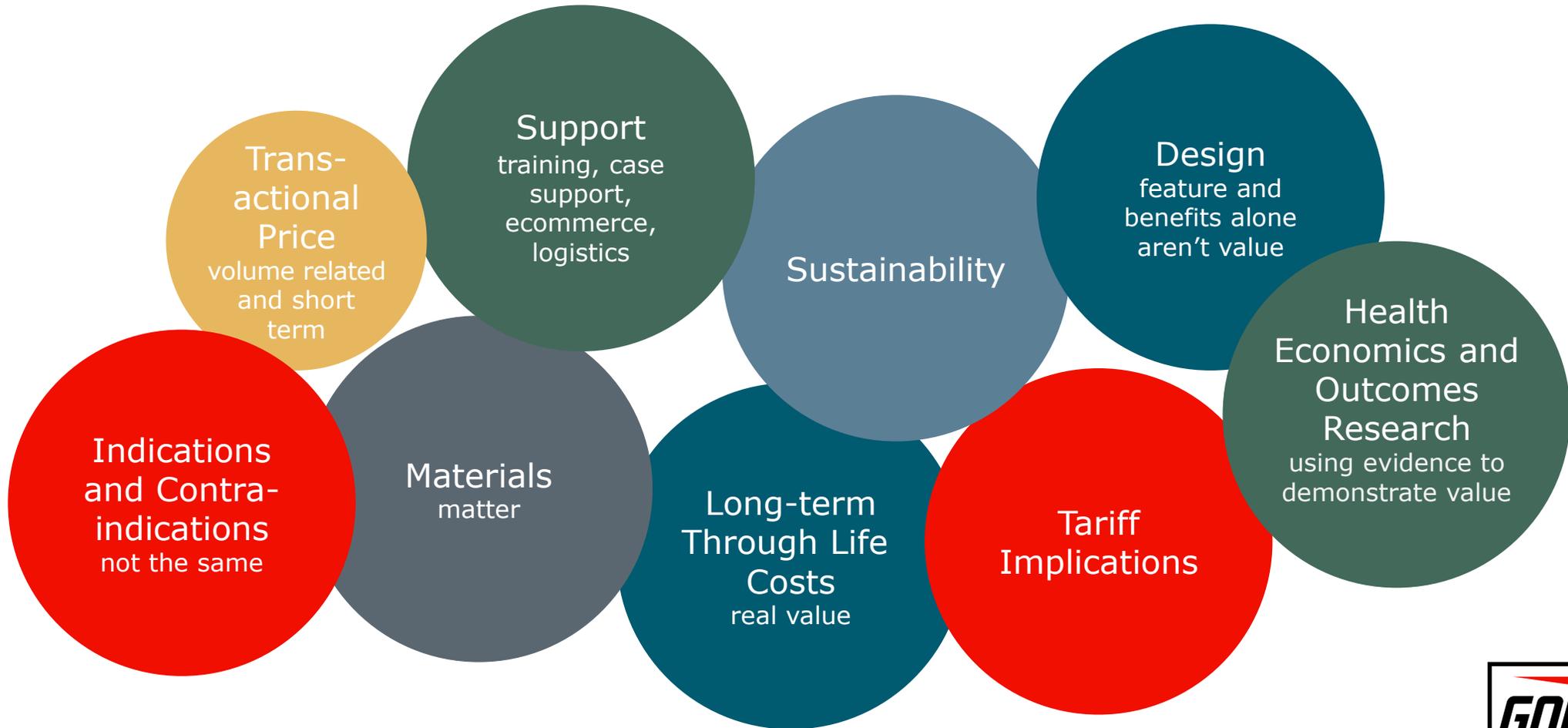
Richard Evans
Health Economics and
Value Strategy

Nov 23, 2021

Together, improving life



What is value in healthcare?



Macro Analysis

Core elements for analysis in the development of a Risk Share Agreement

- Reimbursement – procedure in tariff/included on HCTED list
- Commissioning policy – routinely commissioned
- Current guidelines – NICE guidelines/professional societies
- Differentiated value (reinterventions/bed days)
- Sources of data (published clinical trials – Health economic (HE) studies/reference costs/prices)
- Buying process – local/national tender
- Current contracts – framework
- SWOT/PESTLE analysis



Complicated Process

- **Clinical trial data**
Systematic review and clinical practice guidelines.
- **Comparisons**
Alternative treatment options.
- **HE data**
Apply costs along the patient treatment pathway.
- **Identify unique value/outcomes**
Are outcomes/costs better?
- **Engage with (multiple) stakeholders**
Physicians/Procurement/Legal/Commissioners.
- **Create a contract**
Risk share. Best interest of all parties. Patient first.
- **Implementation**
Minimise admin for provider and supplier.
- **Measurement**
On-going assessment to monitor performance.
Evaluate outcomes and costs for differentiation using an evidence based approach.



Service – Added Value

- **Electronic data interchange (EDI) – reliable delivery**
Free of charge delivery on time including emergencies. Elective cases are not cancelled.
- **Physician training**
Sharing best practices related to device support, improved outcomes.
- **Virtual case support**
Adapted during Covid 19 to support physicians remotely.
- **Case support**
Pre-case planning, film reading, sizing for routine and complex cases, guidance on device use and suitability.
- **No Associate sales commission**
Physicians/procurement are not pressured into using devices to meet a discount target.



THANK YOU FOR LISTENING

PLEASE JOIN US TOMORROW AT 11.35 FOR A DEEPER DIVE

For further details please contact Richard Evans

revans@wlgore.com

07867906243

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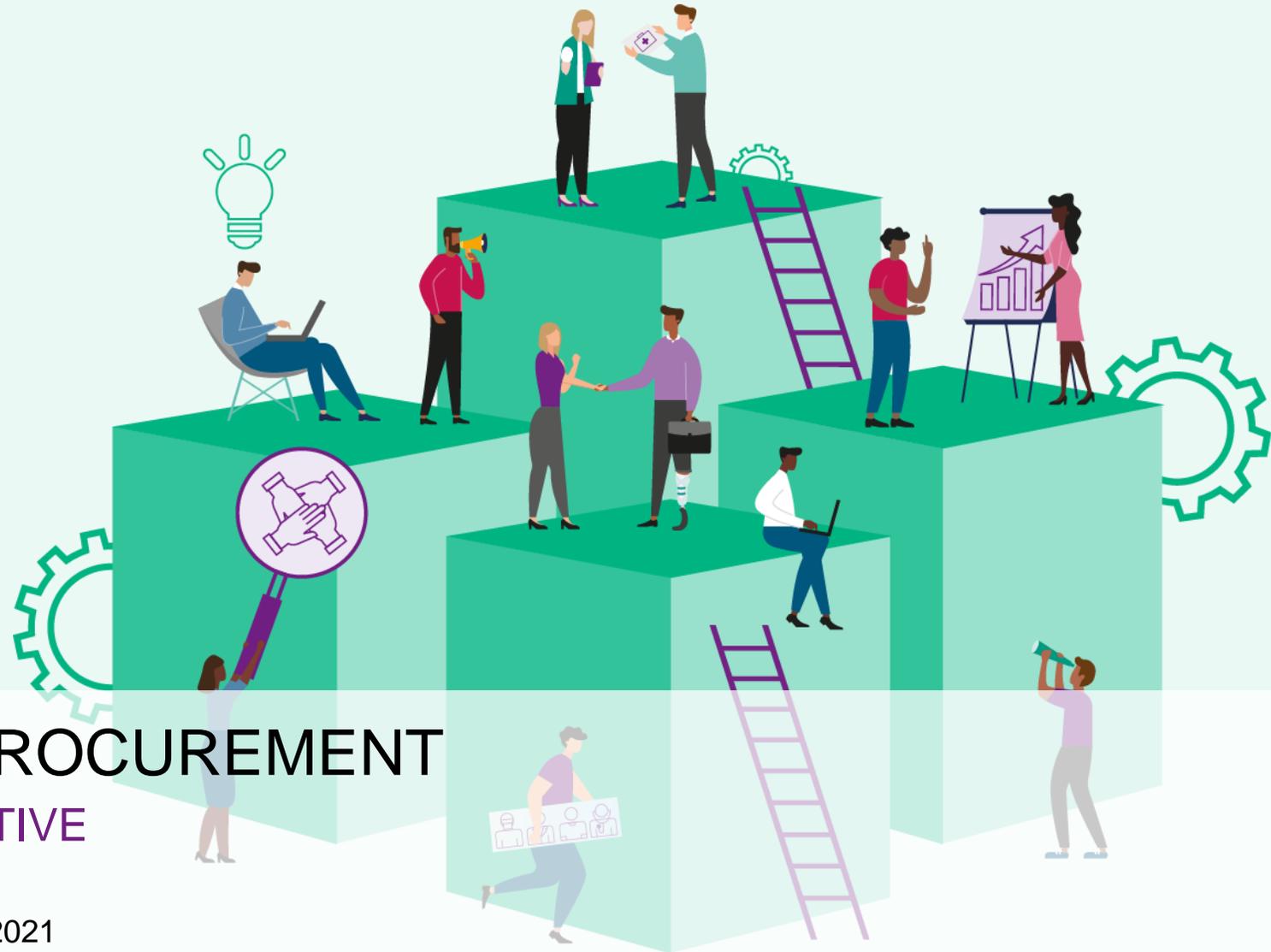


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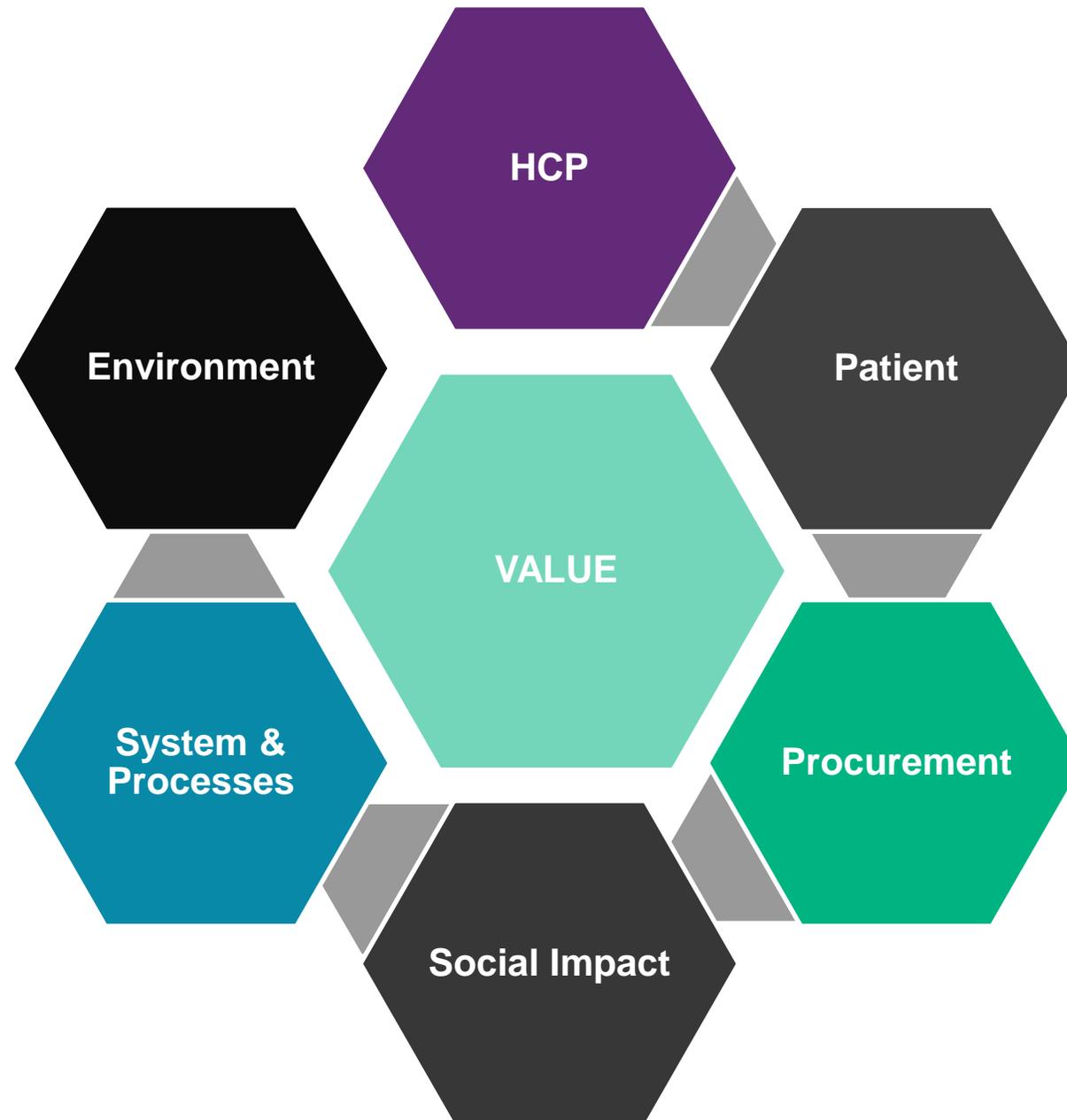
VALUE BASED PROCUREMENT

SUPPLIER'S PERSPECTIVE

Dawn Cooper

24th November, HCSA Conference 2021

What is Value?



Pathway Mapping

- Understand the **system and process**
- Identify any efficiencies
- Tricky alone as a supplier
- Clinical input, nuance for each trust

Collaboration starts here:

- Supply partner
- Clinical teams
- Procurement
- Finance

Improve the outcomes for the patient and **the value will follow**



Value Based Procurement: Simple or Complex

Simple VBP Process - Reducing Product Use



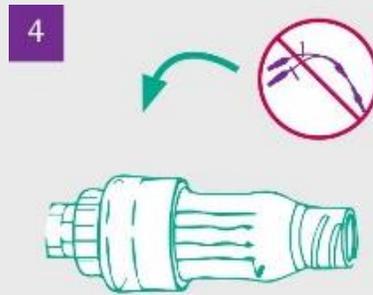
1
Patient admitted to ward



2
Pre-cannulated with double needlefree extension attached



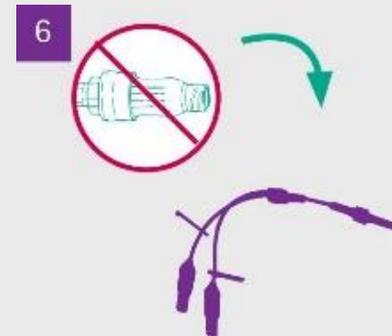
3
Sent to CT department for scan



4
Double needlefree extension removed.
Pressure injection compatible valve attached.



5
Patient returned to ward.



6
Needlefree valve removed.
New double needlefree extension attached.

Simple VBP Process - Reducing Product Use

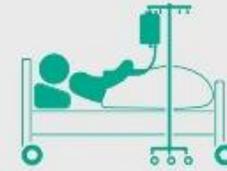
1



2



3



Patient cannulated with pressure injection compatible needlefree device upon admittance to ward

Sent to CT department for scan

Patient returned to ward with same device attached

ENVIRONMENTAL SAVINGS



CURRENT SITUATION
297,572g



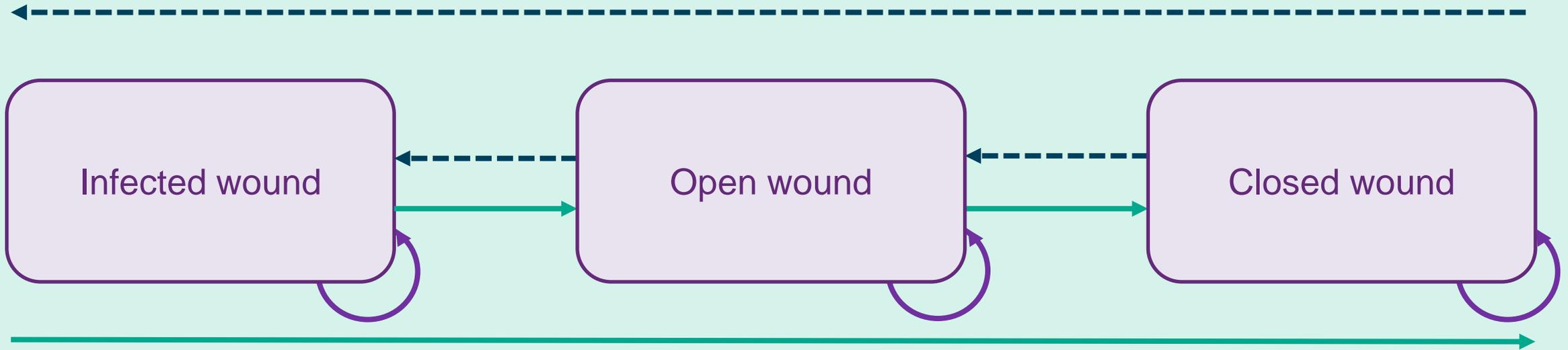
SOLUTION
135,260g



REDUCTION OF OVER 162kg PLASTIC WASTE
(3.5 kg CO2e)

Complex VBP – Wound care

Wound deterioration



Positive progression towards healing

14.2 dressing changes/month
(nurse visits)

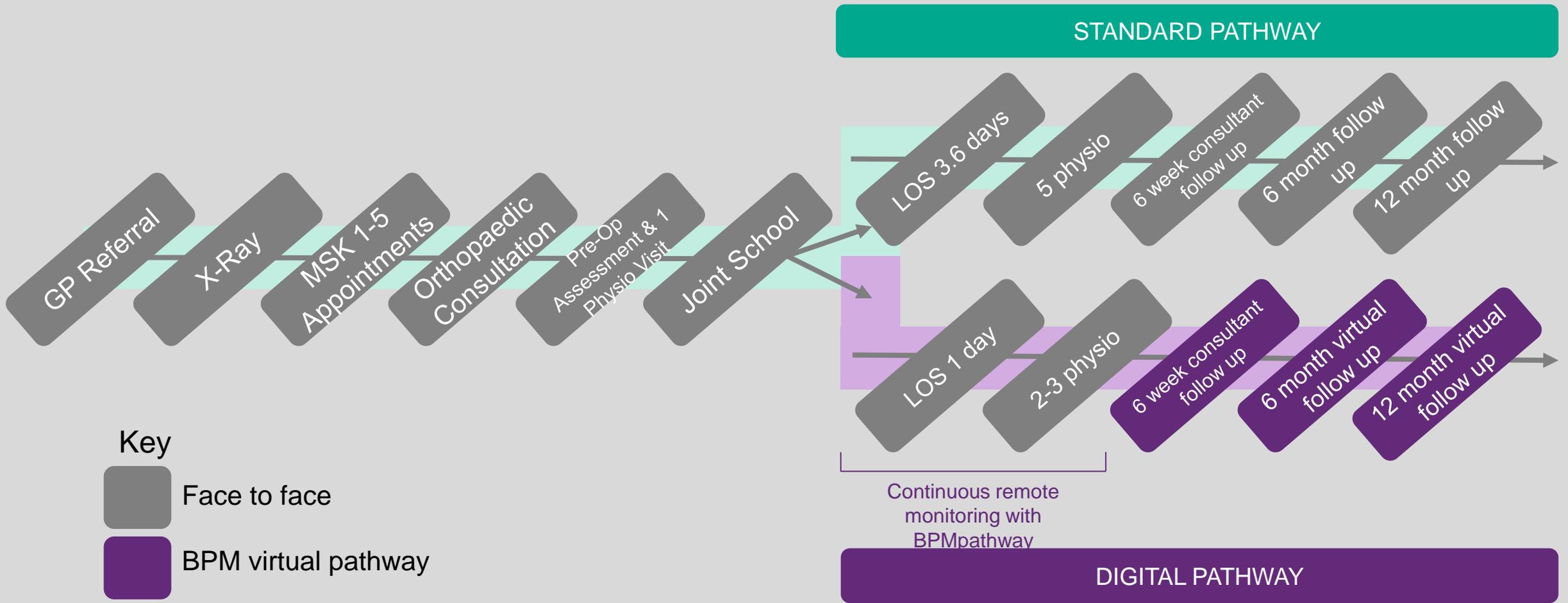
Many investigations
Frequent antibiotics
Expensive dressings
Hospital admissions

11.5 dressing
changes/month (nurse
visits)

Few investigations
Few antibiotics
Standard dressings

0.34 dressing
changes/month (nurse
visits)

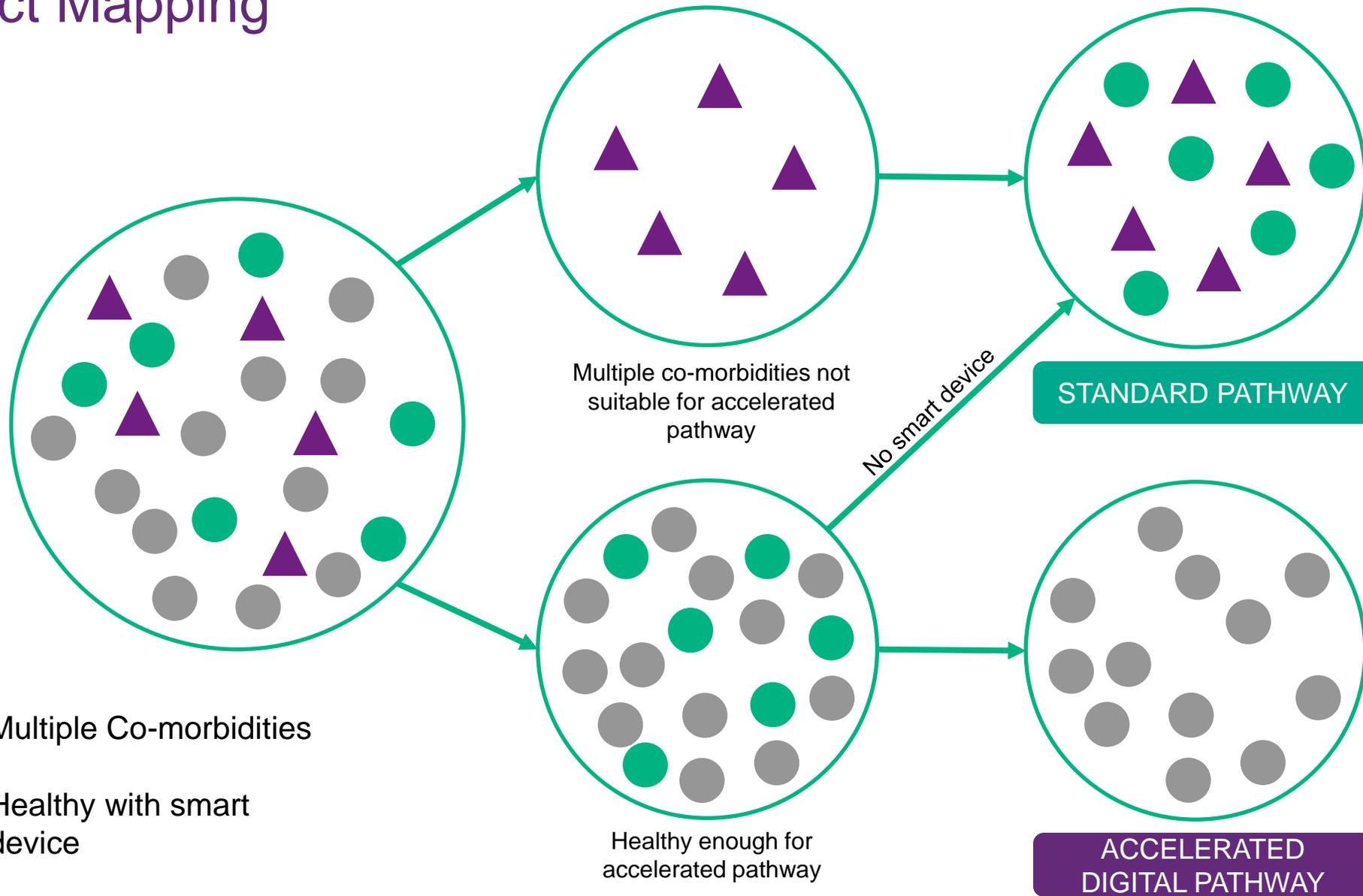
Complex VBP – Digital Pathway



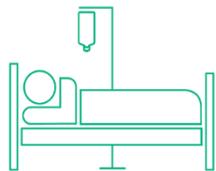
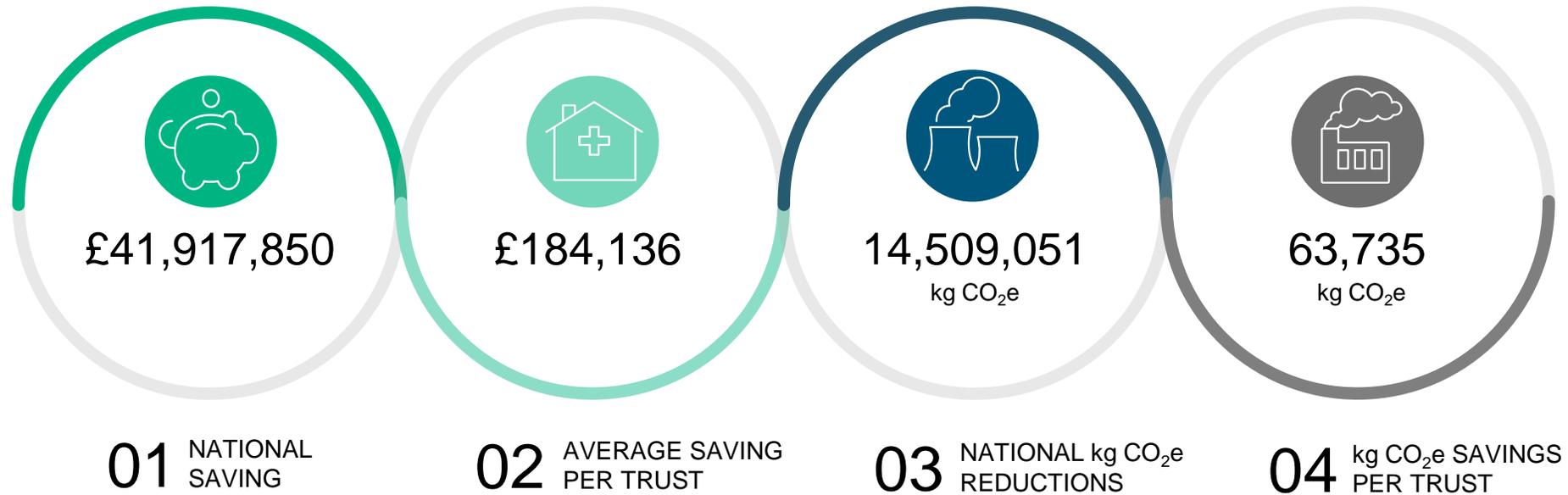
Impact Mapping

Key

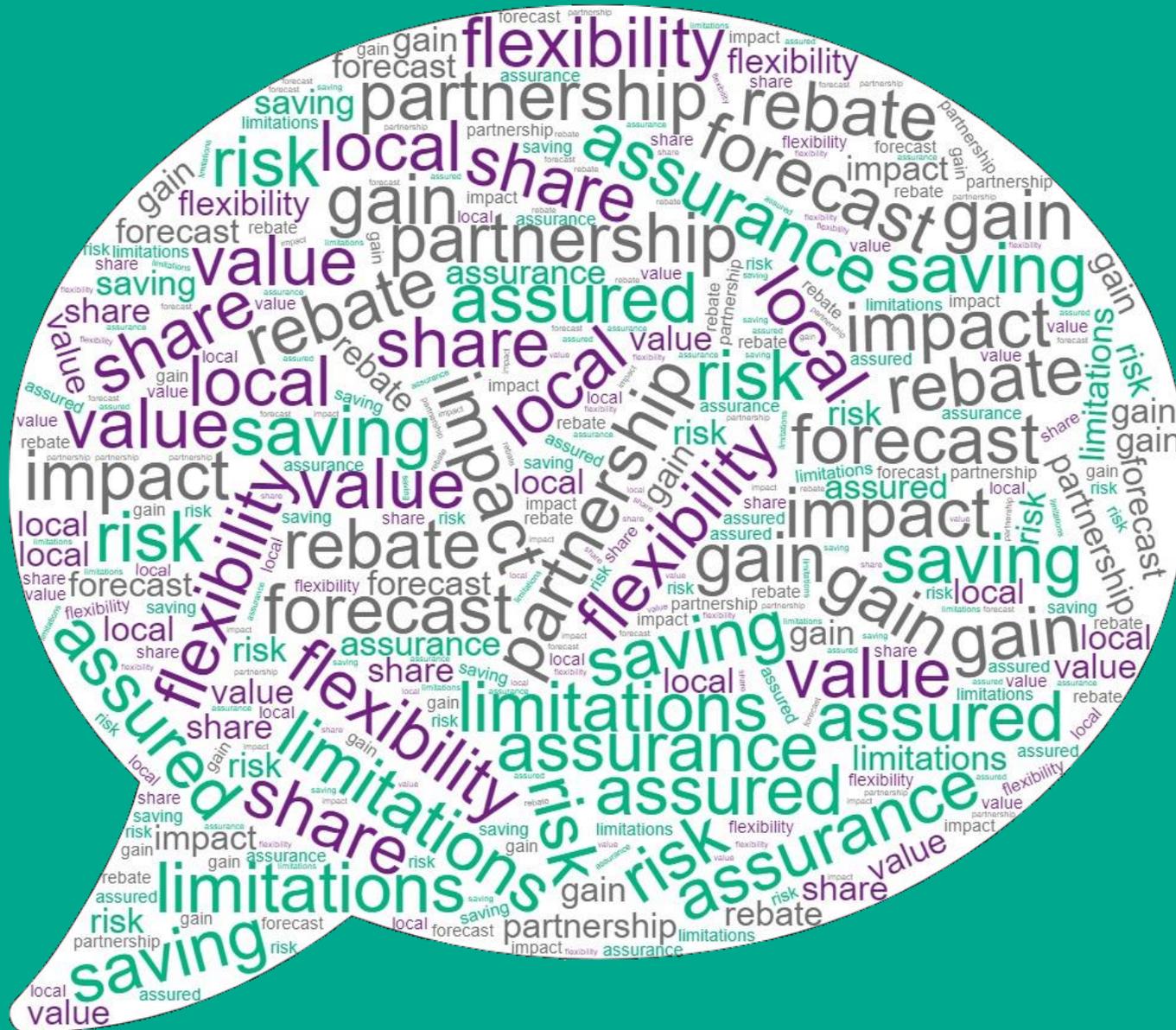
- ▲ Multiple Co-morbidities
- Healthy with smart device
- Without smart device



Modelling Impact



Reducing NATIONAL length of stay by 2.00



NICE's Core Purpose

Improving health and wellbeing by putting science and evidence at the heart of health and care decision making

01



Pillar 1

Rapid, robust and responsive technology evaluation

02



Pillar 2

Dynamic, living guideline recommendations

03



Pillar 3

Effective guidance uptake to maximise our impact

04



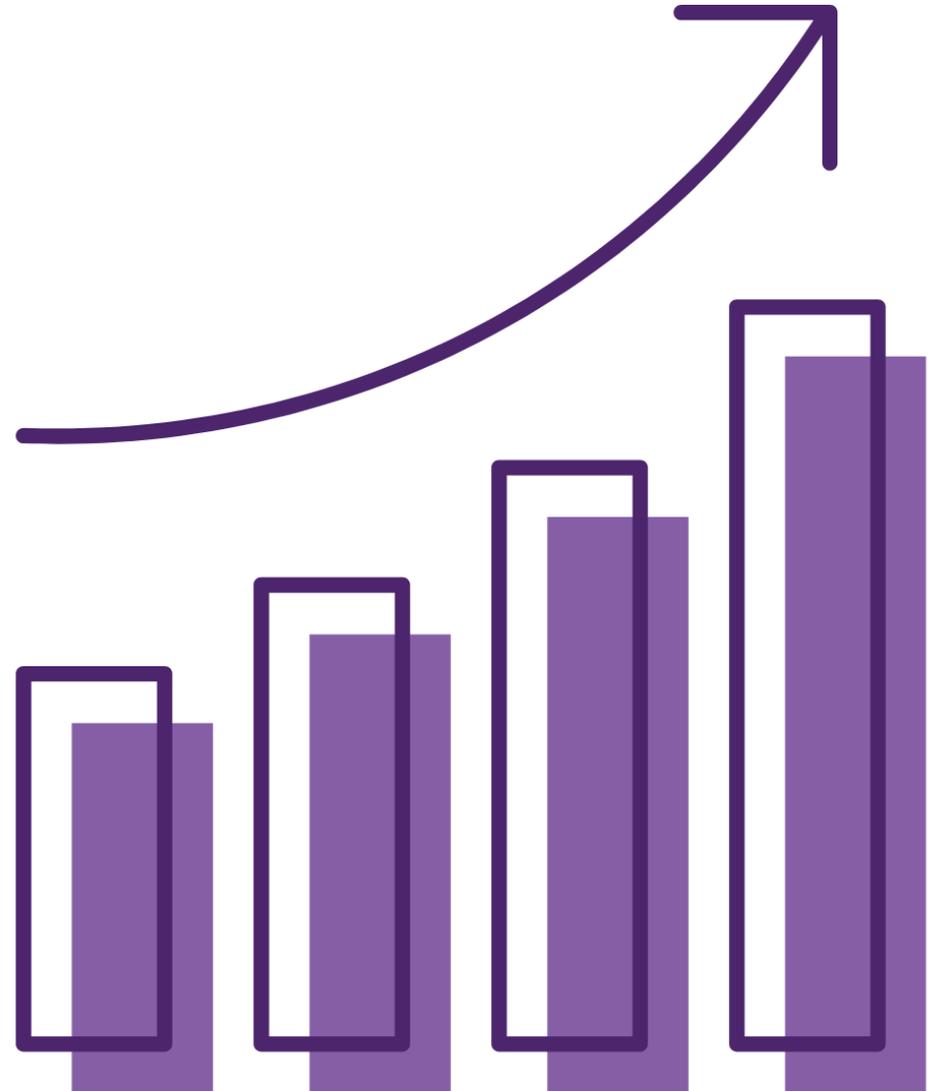
Pillar 4

Leadership in data, research and science

Internal transformation to enable our strategy

Scaling Up

- How do we get scale for VBP?
- Will regions collaborate?
- Will ICS's bring trust together?
- Collaborate beyond individual trusts to share benefits.
- Maximise on efforts



Summary

- **VBP is a welcomed process**
- **It can bring the reality of value to trusts, more efficiently. with evidence.**
- **VBP can bridge the gap for innovation not suitable for NICE.**
- **Projects can be simple or complex.**
- **Suppliers and Trust partnership is the way to resolve the difficulties.**
- **Transparent, equal partnering required in a win:win situation.**
- **Lots to do but we are on our way now.**



Thank You

Contact:

dawn.cooper@bbraun.com

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Gluing it all together Supply Chain Optimisation

Peter Hogarth, Corporate Account Executive
BusinessCare Integration, UK & Ireland

Supply Chain Optimisation



Cook at a Glance

- We were founded in 1963 in Bloomington, Indiana.
- Our first products were wire guides, needles and catheters.
- Cook Medical provides our products to 135 countries.
- There are more than 12,000 employees of Cook Group companies globally.



Supplier Alignment to Supply Chain Improvement

1. HCSA Information Packs and Tools
2. Procurement Standards Dashboard, Scan4Safety and eProcurement Strategy
3. Commercial Continuous Improvement Assessment Framework (CCIAF) 2021
4. Cook Customer Portal – Order History, Live Chat, Product Communications

HCSA Corporate Partnership

Collaboration 2020
The Key to Supply Chain Success

Supply Chain Optimisation 2019



JACKIE POMROY

Jackie Pomroy Consultancy
Managing Director



ROB DRAG

R2 Consulting Ltd
Director



PETER HOGARTH

Cook Medical
Corporate Account Executive,
Business Care Integration



SINEAD KENNEDY

Cook Medical
Manager - Supply Chain Solutions

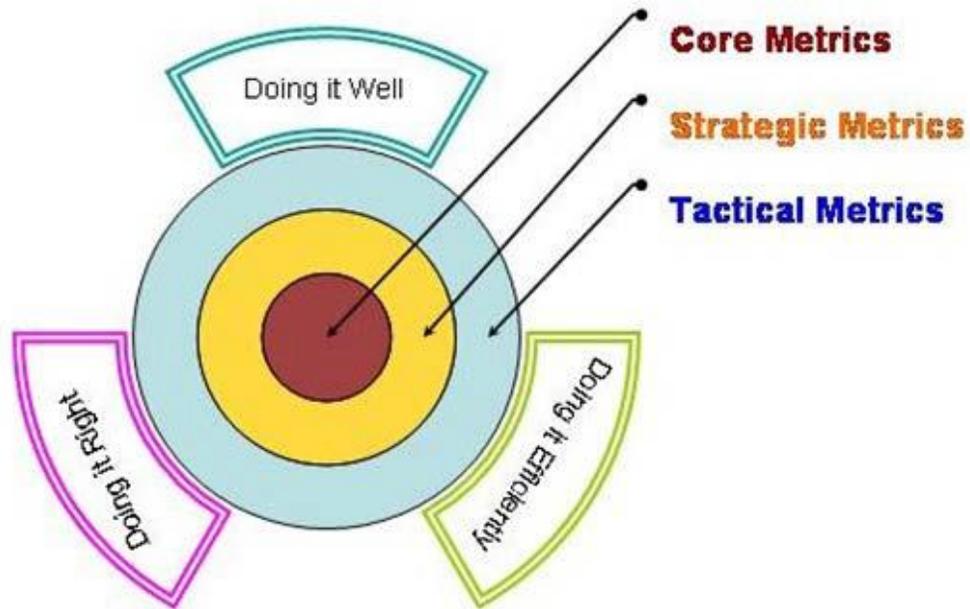


IAN WHITHAM

COOK MEDICAL
Global Project Manager,
Supply Chain Solutions



Original NHS Procurement Dashboard Targets



- * 80% spending on catalogues for goods
- * 90% with electronic purchase orders
- * 90% spending under contracts

HCSA Information Packs & Tools

1. Regulatory and Compliance
2. Requisition to Receipt and Payment
3. Consignment Stock
4. Inventory Management
5. Logistics and Distribution
6. Contracting
7. Loan Kit Management

Access for HCSA members

<https://nhsprocurement.org.uk/members-area/learning-development/supply-chain-optimisation-information-packs-and-tools-2/>

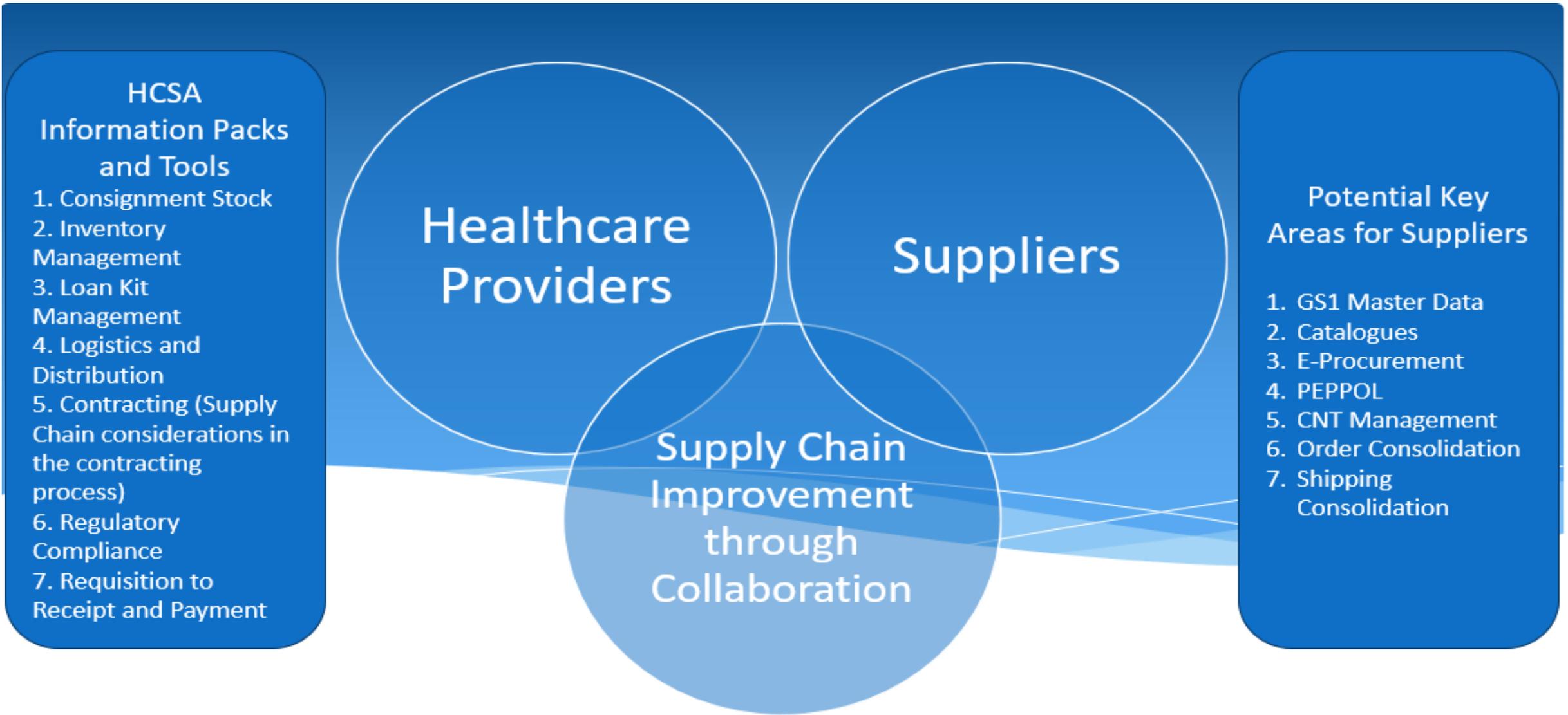


JACKIE POMROY
Jackie Pomroy Consultancy
Managing Director



ROB DRAG
R2 Consulting Ltd
Director





Cook Review of HCSA Packs and Tools

Requisition to Receipt and Payment

How efficient is your Requisition to Receipt and Payment Process?

Information Pack Background

How to use this pack?

Process Diagram P2P

Who is involved in your P2P Process?

GUIDANCE - All sections HIGHLIGHTED BLUE on the other tab need to be reviewed

1 - Review your P2P information - Who is involved in the P2P process - how much time do they spend? Complete a review

2 - On the Organisation Team Costs Tab add as many lines as needed for roles descriptions (Free text), Role Type (Drop Down), Band (Drop Down) and time spent annually on P2P expressed as FTE

3 - As this is populated the chart below will give an overview of the current Organisation investment in terms of number of FTE and cost

Area	Team	Total Cost	Total FTE
Procurement	Strategic Team	€	0.00
	Operational Team	€ 51,774.14	2.00
	Receipts and Distribution	€	0.00
	Materials Management	€ 129,435.36	5.00
Supply Chain Team	Materials Management Senior Team	€	0.00
	Finance - Invoice Processing	€ 77,661.21	3.00
End Users	Non-Procurement Clinical	€ 11,682.81	0.20
	Non-Procurement Staff Non-Clinical	€ 148,758.43	5.00
Total		€ 419,312.01	15.20

P2P - Estimated Costs and FTE per area

HCSA
Supporting NHS Procurement Professionals
Overall 37

Example Trust

GUIDANCE - All sections HIGHLIGHTED BLUE need to be reviewed

1 - Complete Maturity Assessment - Note your maturity level. Refer to table next to this box

2 - Add in your stock holding amount in to the relevant section (Based on your maturity)

3 - Review the estimated costs of holding inventory compared to the estimated costs of stock holding in the commercial world it?

Maturity Level	Overall Score	Estimated Costs of Warehouse Management and Stock Holding (Based on Industry Standard %)	Inventory Stock Holding
Minimal	0 to 25	25	€ 2,000,000
Developing	26 to 44	25	
Established	44.55	25	

Estimated Early Asset: € 1,000

The cost is 20% of the total inventory value - This is made up of:

- Stockholding costs include:
 - Costs of warehouse/hulk space
 - Storage and handling, shortages
 - Systems
 - Insurance
 - deterioration
 - obsolescence
 - Interest on capital tied up in stocks

Estimated Cost of Holding Inventory

Deficit Cost: € 122,000

Commercial Continuous Improvement Assessment Framework (CCIAF)



HM Government

Commercial Continuous
Improvement Assessment
Framework

(Formerly Government Commercial Operating Standards
Assessment Framework GovS 008: Annex E)

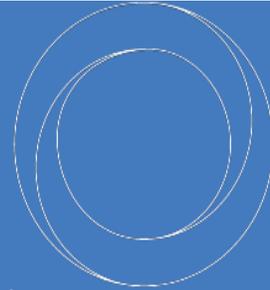
Date issued: May 2021



**Commercial Continuous
Improvement Assessment
Framework**

On-boarding Guidance

Issued: May 2021



Cook reviewed 27 CCIAF Practice Areas

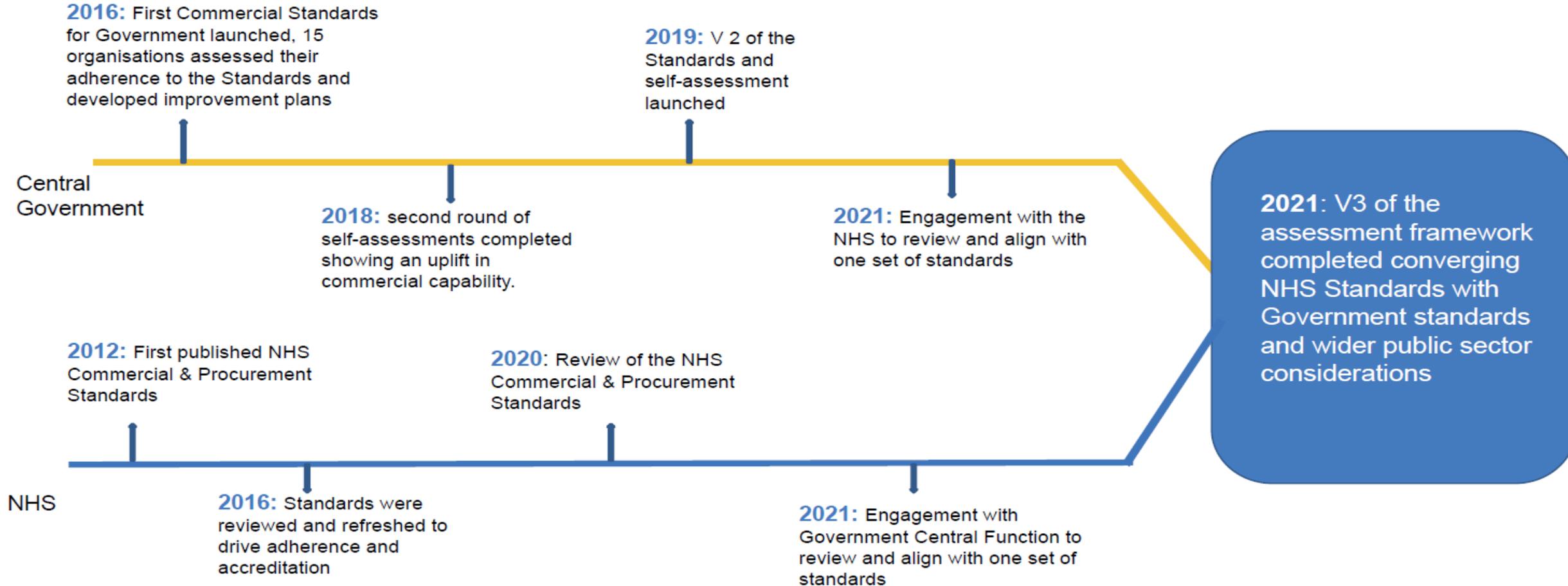
We can align to support Continuous Improvement particularly across the **Supply Chain, Contracting, CSR** areas

COOK[®]
MEDICAL

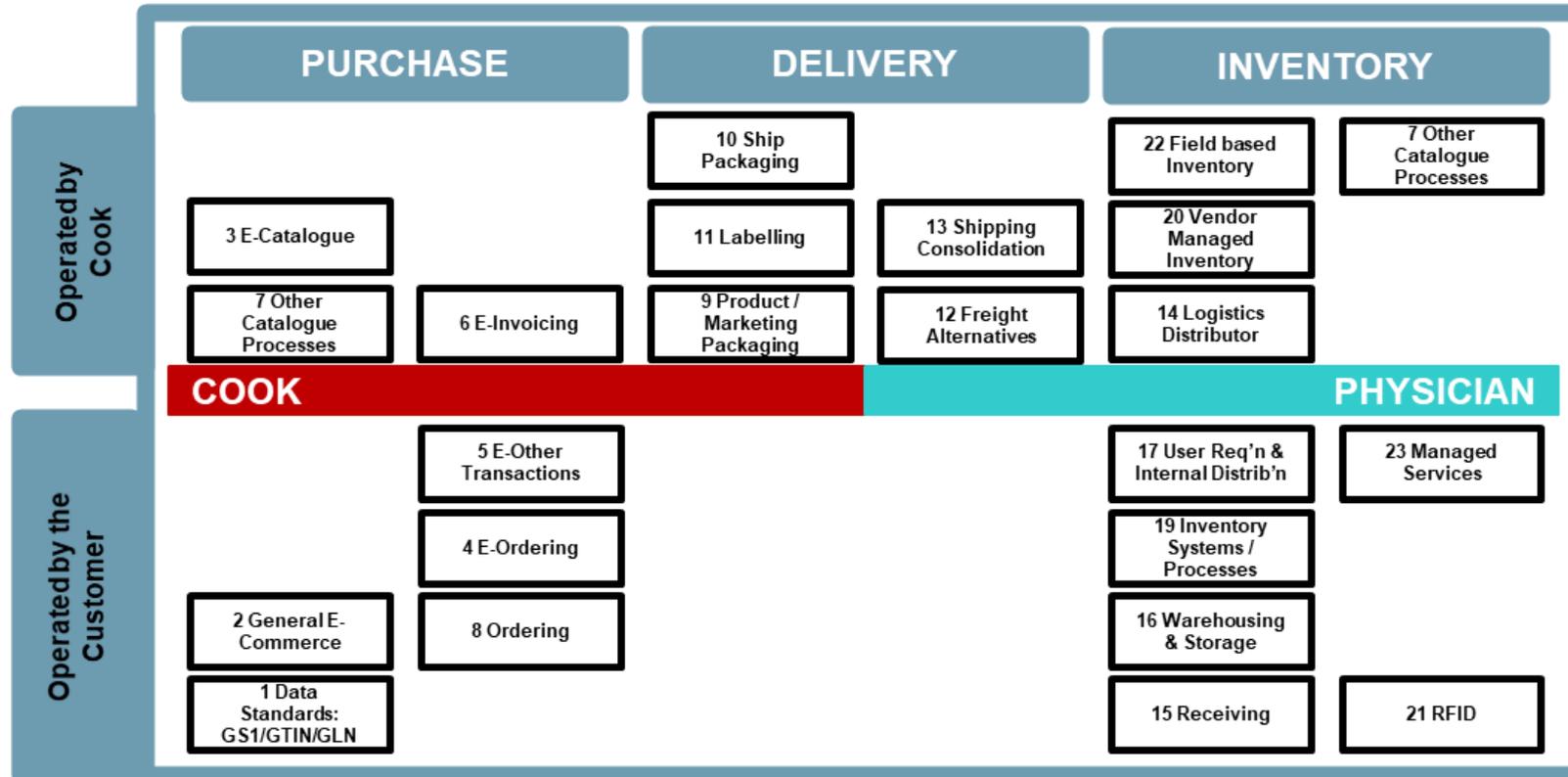
N.B. PTOM Procurement Target Operating Model (NHSEI) NHS harnessing its buying power to get best value for money for goods and services and also working with suppliers and the market to deliver better patient outcomes.

HCSA
Supporting NHS Procurement Professionals

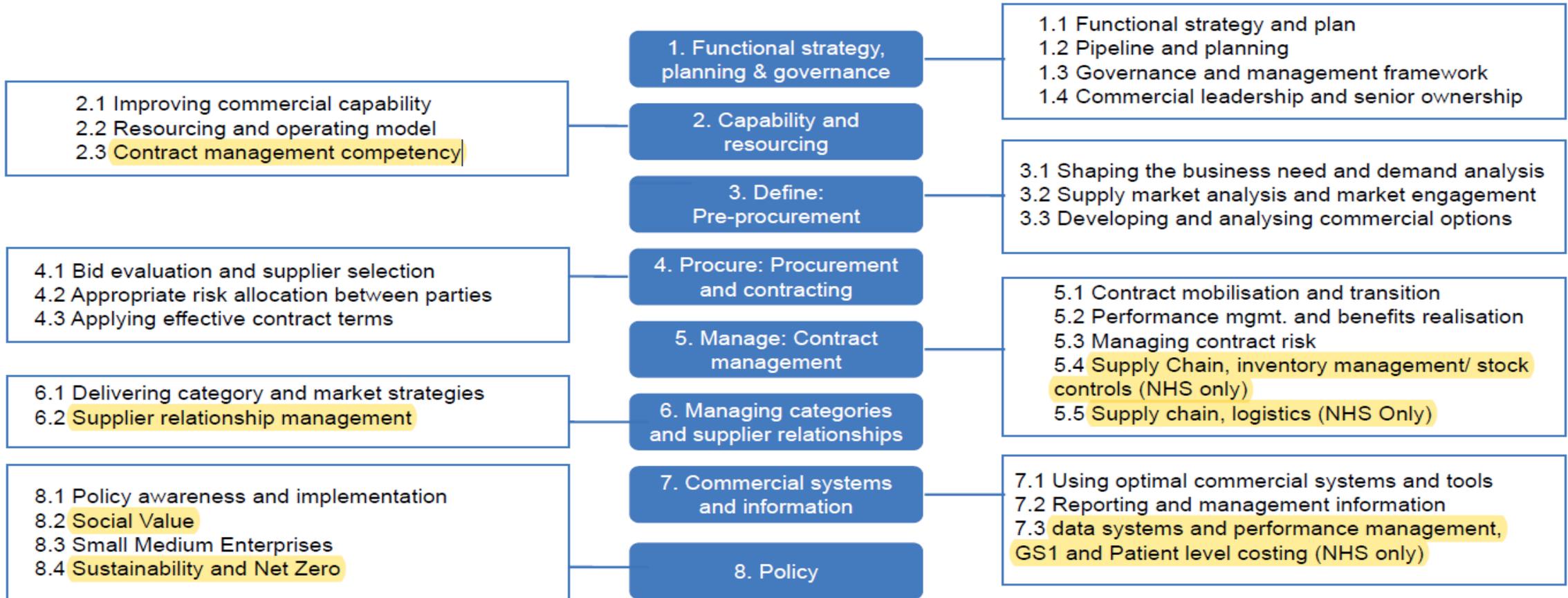
Commercial Self-Assessment Framework – the journey so far



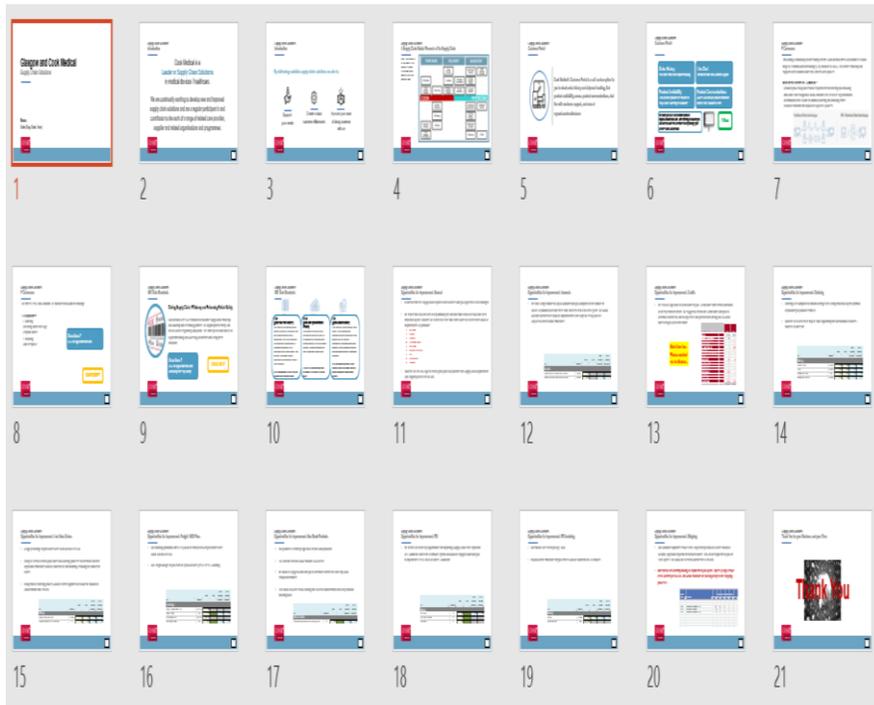
CCIAF Commercial Continuous Improvement Assessment Framework matched to Cook Capabilities = Collaboration across Supply Chain



Contracting authorities will self assess against 27 practice areas on a defined four level maturity scale ('Developing', 'Good', 'Better' and 'Best')



SC Analytics & Reporting by Trust or Health Board



1. eCommerce – EDI simplified P2P with PEPPOL Access Point
2. GS1 Standards – GLN, GDSN, GTIN, Catalogue Attributes
3. Consignment / Inventory Management – Asset Management responsibilities
4. Logistics and Distribution – Order size, frequency down to Requisition Point level
5. Contract Management requires Contract Monitoring

Introducing a new self-service solution

Cook Medical | Customer Portal

Order History

View order status and shipment tracking.



Live Chat

Interact real-time with Customer Support.



Product Availability

Find out what products are available to ship & what's currently on backorder.



Product Communications

Access Cook Medical product notification memos in the Document Center.



We invite you to use our customer portal at mycook.cookmedical.com. After creating an account you will have full access to all features to help manage your business with Cook Medical.



80 UK Healthcare Organisations
registered by November 2021



Welcome to the Cook Customer Portal

The Cook Customer Portal is a secure, one-stop gateway to getting your work done!

Language: English

Sign In

Email Address

Password [Forgot your password?](#)

SIGN IN

Don't have an account? [Sign up now](#)

Or if you have a Cook email address

SIGN IN WITH COOK EMAIL



Cook Medical Customer Portal

To make your tasks easier, we've gathered them in one place. If you don't see what you need here, please [contact us](#).

- Dashboard
- Customer Account**
- Contact Support
- Document Center

Tools for All Customers



Product Availability

Check availability of products

NEW



Order History

View open and shipped orders

NEW



Product Alternati...

Find alternatives for products



Product Number ...

Search order numbers by reference part numbers (RPN)



Reimbursement C...

Find North American C-codes for Cook Medical products



Global IFU Finder

Find product instructions for use (IFU) by reference part number (RPN) or order number

Recent Documents

UMI-Loc® Uterine Manipulator Injector | Product Discontinuation Notification

Added on 10/29/2019

Rhapsody® H-30® Holmium Laser System | Laser cleaning instructions

Added on 10/29/2019

Cook Airway Exchange Catheter | Product Discontinuation

Added on 10/29/2019

Amplatz Needle Holder | Return to Market

Added on 10/29/2019

AcuSnare Polypectomy Device-Duck Bill | Return to Market

Added on 1/22/2020

[VIEW ALL DOCUMENTS](#)

Invite a new user from your organisation

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- FAQs
- Privacy Policy
- Terms of Use
- Cookie Compliance
- Data Protection Notice
- Logout

© Cook Medical 2019

- Live Chat
- Give Us Feedback

LANGUAGE
English

Customer Portal – early to register thank you

- * Altnagelvin Area Hospital – Western Health and Social Care Trust
- * Antrim Area Hospital – Northern Health and Social Care Trust
- * NHS Greater Glasgow and Clyde
- * NHS Orkey
- * Hywel Dda University Health Board – Bwrdd Iechyd Prifysgol
- * Leeds Teaching Hospitals NHS Trust
- * Oxford University Hospitals NHS Foundation Trust
- * Manchester University NHS Foundation Trust

Go to the sign in screen at <https://mycook.cookmedical.com>



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Sign Up

Email Address

SEND VERIFICATION CODE

New Password

Confirm New Password

First Name

Last Name

Company Name

Title

Customer Number

Select Your Role

CREATE

CANCEL



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Sign In

Email Address

Email Address

Password [Forgot your password?](#)

Password

SIGN IN

Don't have an account? [Sign up now](#)

Or if you have a Cook email address

SIGN IN WITH COOK EMAIL



All you need is your Account / Billing Numbers

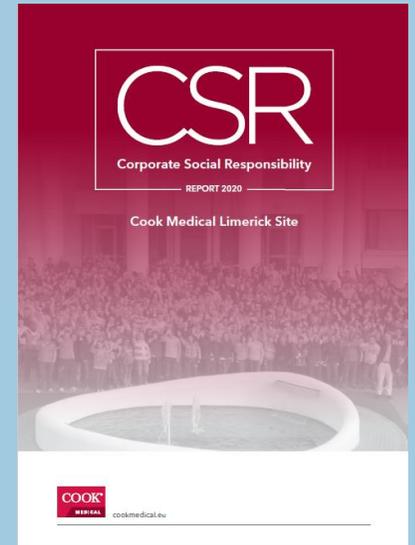


Recap Cook Medical key SC focus areas

1. eCommerce – EDI and PEPPOL
2. GS1 Standards – GLN, GDSN, GTIN, Catalogue Attributes
3. Consignment / Inventory Management – Field Based Staff responsibilities
4. Logistics and Distribution – Order review, size, frequency to Requisition Point level
5. Contract Management requires Contract Monitoring



The Modern Slavery Act 2015





Alan, Matt, Waseem, Mark, Pete & Steve 2019
Eurfron and Shirley also here 2021



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Recognising the Value of NHS Procurement

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Recognising the Value of NHS Procurement

A Look to the Future

Andy McMinn,
Chief Procurement Officer, University Hospitals Plymouth NHS Trust



University Hospitals
Plymouth
NHS Trust

Andy McMinn
Chief Procurement Officer

University Hospitals of
Plymouth

&

NHS Peninsula Purchasing and
Supply Alliance

A look to the
future.....

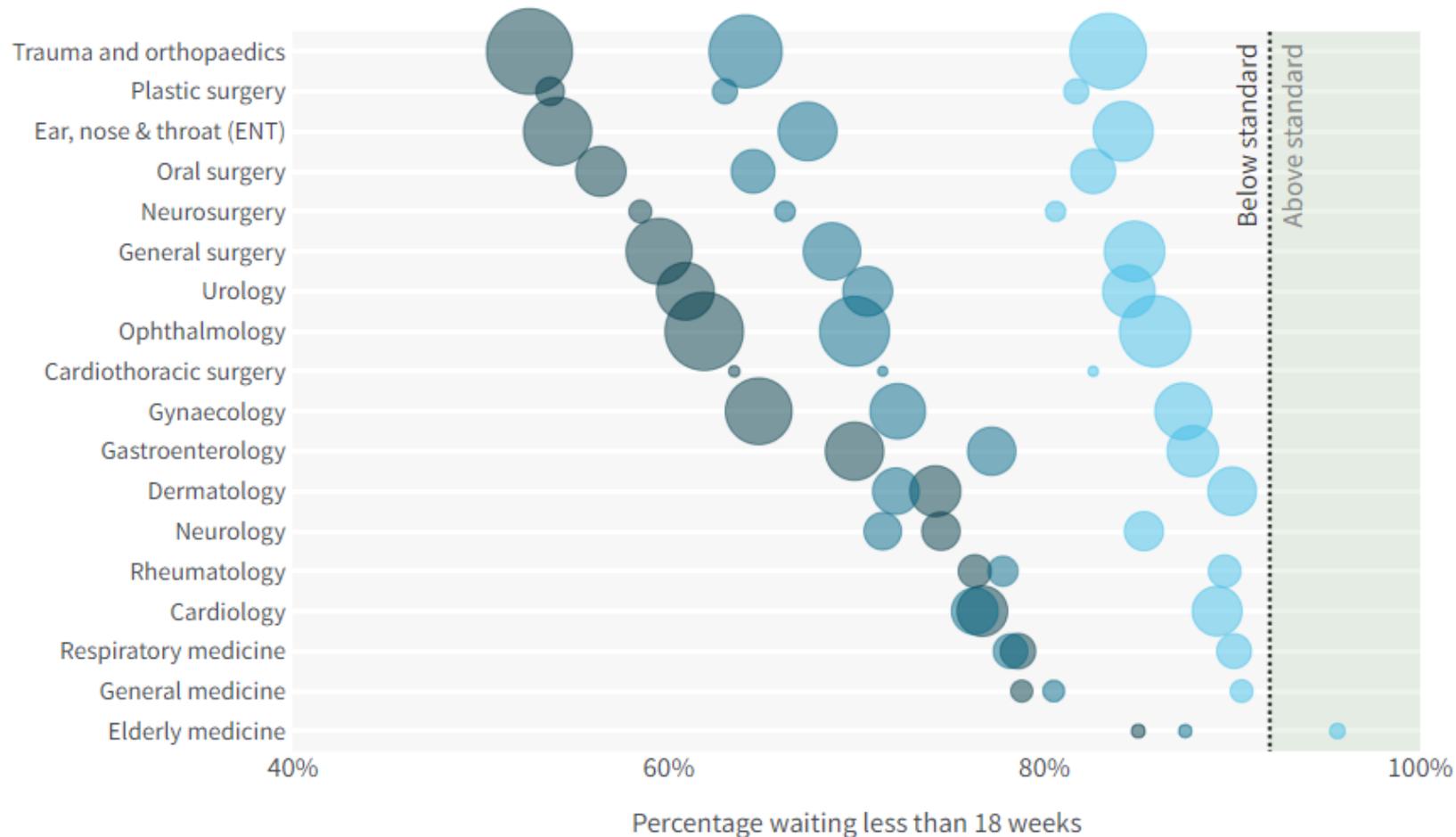
All specialties have seen a fall in performance against the RTT standard between April 2019 and April 2021

Dots scaled to show the size of the waiting list



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Apr-19 Apr-20 Apr-21



"Expectation
is the root of all
heartache"

- Shakespeare

Significant price falls for commodities 2020

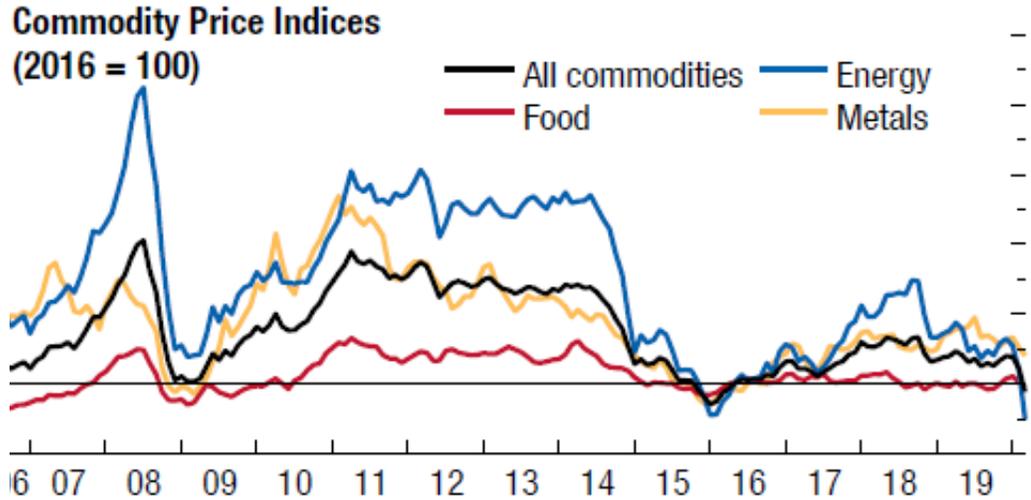
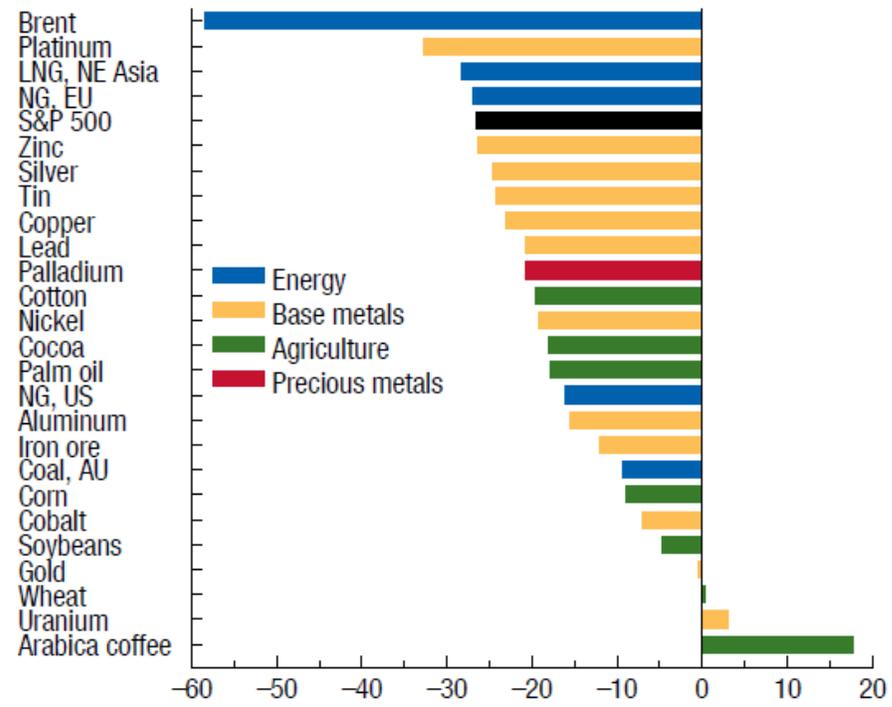


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Figure 1.SF.1. Impact of the COVID-19 Outbreak
(Percent)

1.SF.3. Commodity Market Developments

1. Impact on Commodity Prices



Commodity prices. Based on futures market pricing at the end of March 2020, the average petroleum spot prices per barrel are estimated at \$35.60 in 2020 and \$37.90 in 2021. For the years thereafter, oil futures curves show that prices are expected to increase toward \$45 but stay below their average 2019 level (\$61.40). Metals prices are expected to decrease 15.0 percent in 2020 and 5.6 percent in 2021. Food prices are projected to decrease 1.8 percent in 2020 and then increase 0.4 percent in 2021.

Source: World Economic Forum "The Great Lockdown" May 2020

Crude Oil 2016 -2021



15 min delay
Source: Morningstar

Brent WTI

1D | 1M | 3M | 1Y | 5Y

West Texas Intermediate Crude Oil Futures

Today's data summary

% change
+0.60%

Price (\$/barrel)
84.26

Change
+0.50

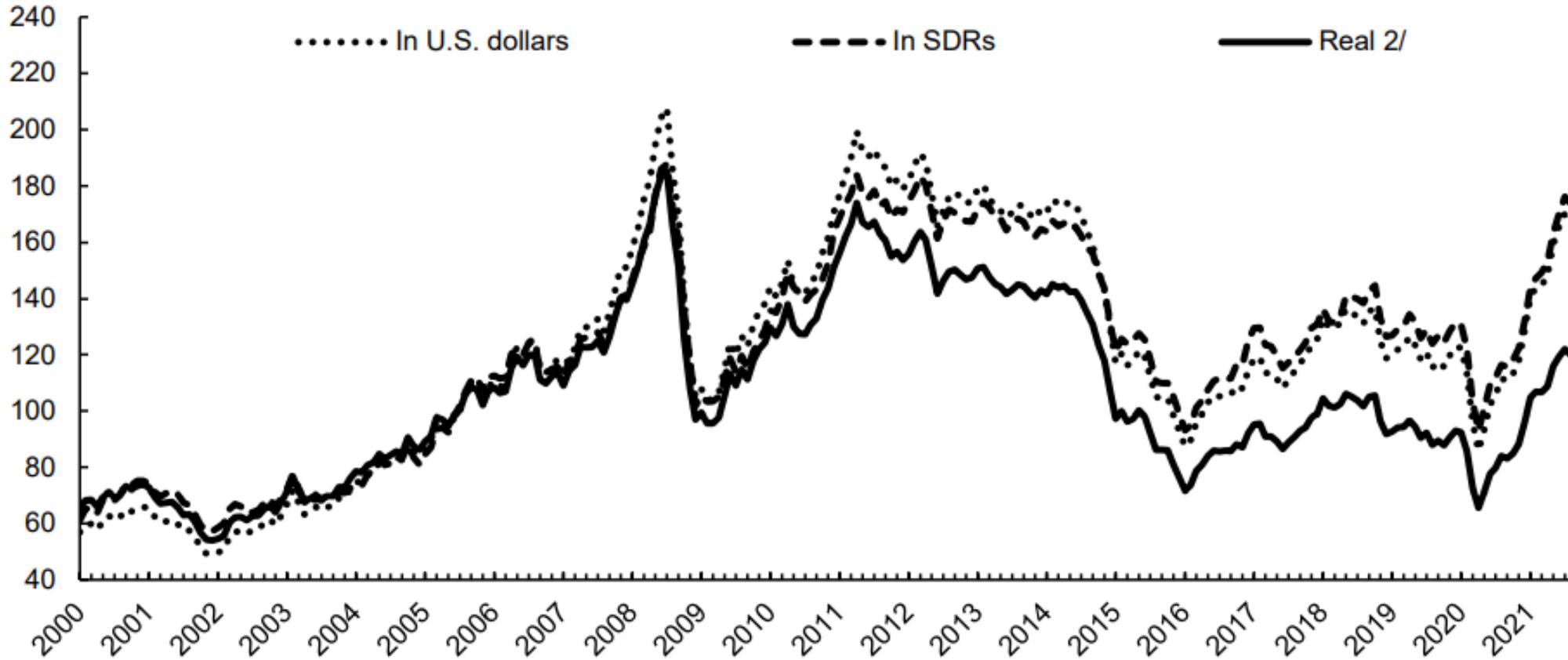


Crude Oil 55% rise compared to average per barrel price of 2019/20. Forecast to hit \$90 per barrel and £1.5 per litre of fuel

2021 - Commodity prices 20% higher than pre C19 (includes fuel)

Chart 1. Indices of Primary Commodity Prices

(2016 = 100) 1/



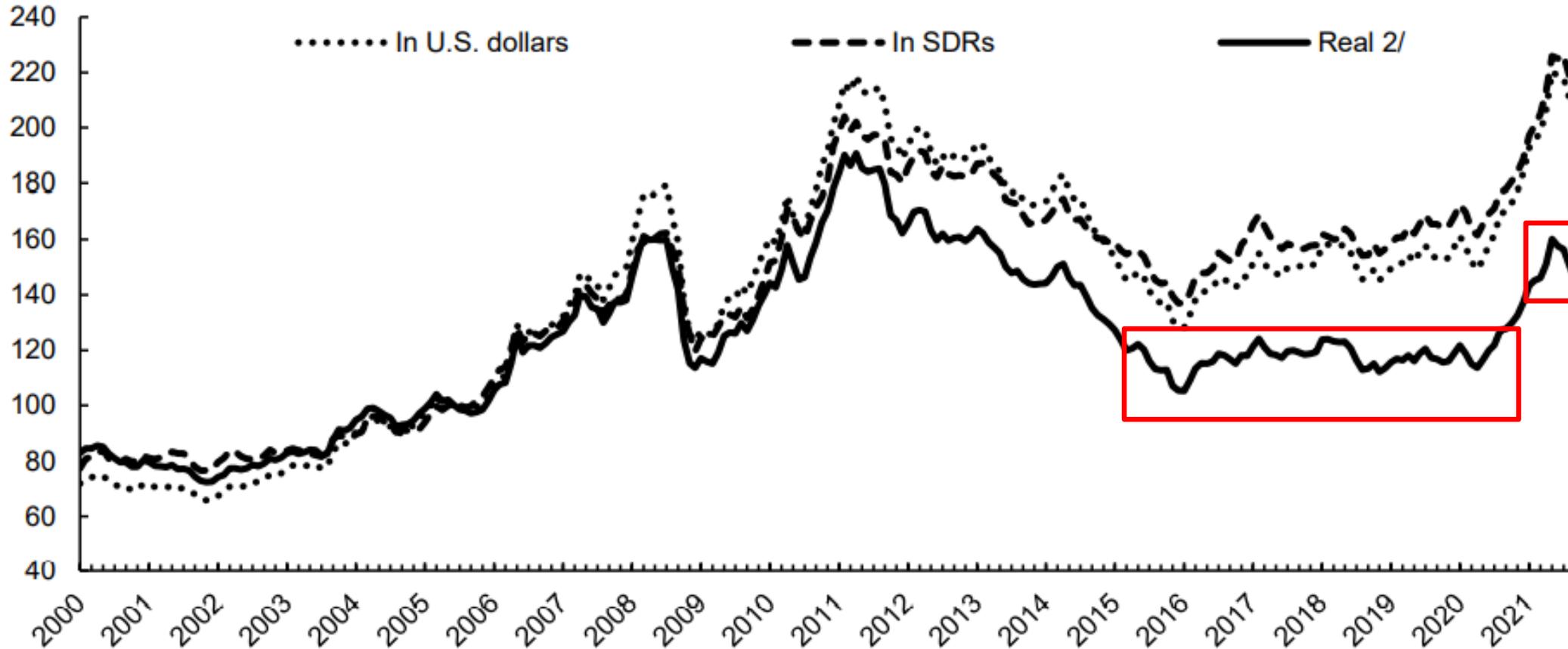
Source: <https://www.imf.org/en/Research/commodity-prices>

2021 - Non-Fuel 20% higher than 2015 to pre-C19 pre C19



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Chart 2. Indices of Non-Fuel Primary Commodity Prices
(2016 = 100) 1/



Source: <https://www.imf.org/en/Research/commodity-prices>

Evidence of supply disruption in many categories



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Construction slowdown as builders are hit by rising prices and shortages of staff and materials

By [HUGO DUNCAN FOR THE DAILY MAIL](#)

PUBLISHED: 21:55, 6 October 2021 | **UPDATED:** 00:15, 7 October 2021



 3
[View comments](#)

Shortages of staff and materials have combined with rising prices to slam the brakes on Britain's construction industry.

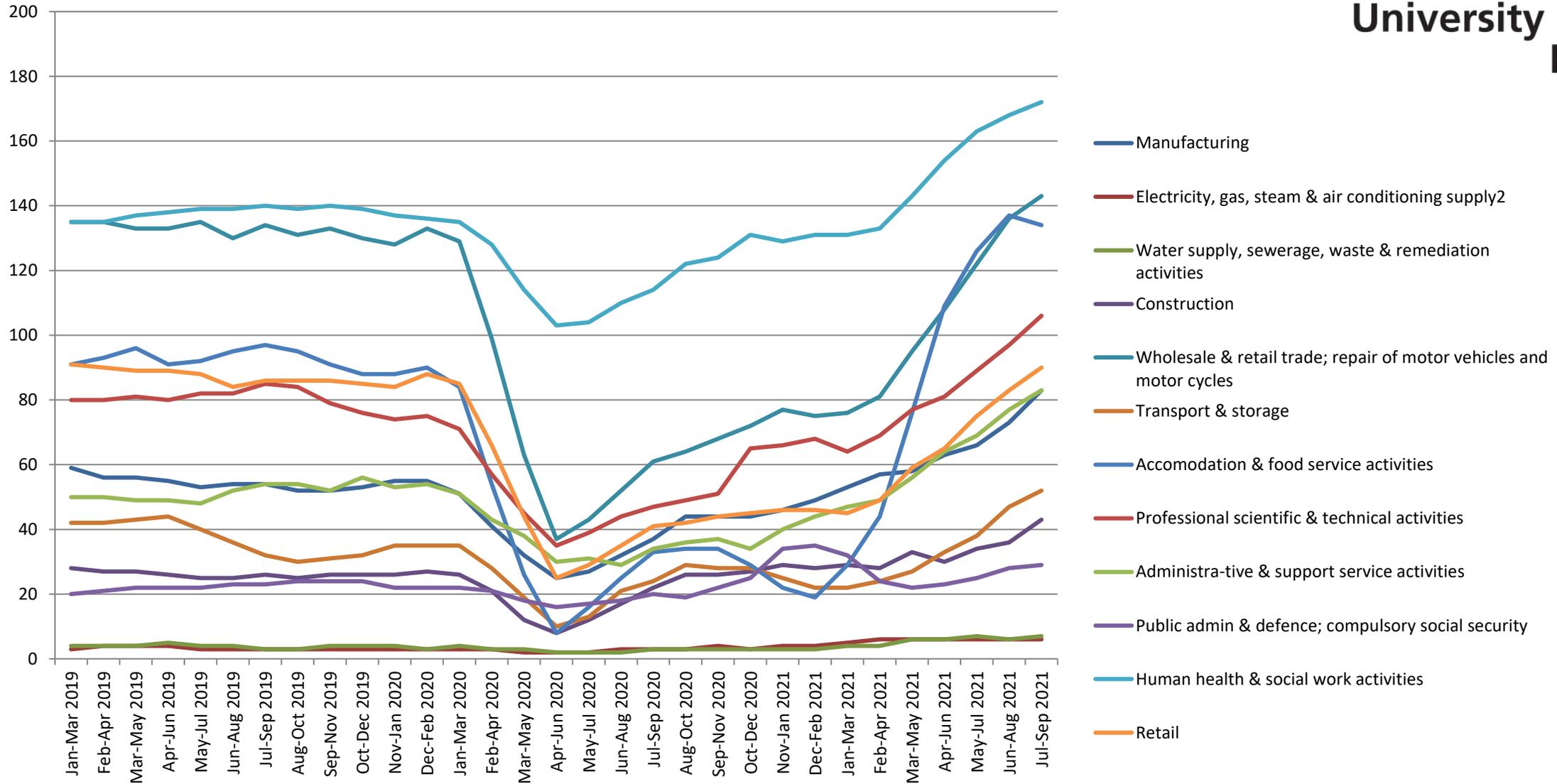
In the latest sign of the problems facing UK firms, research group IHS Markit said its index of activity in the sector hit an eight-month low of 52.6 last month.

The report fuelled fears that the recovery from the Covid recession is running out as shortages and rising prices disrupt business.

Vacancies by Sector 2019 - 2021



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Source: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesinthek/latest>

Figure 1: The number of employees declined between February and November 2020, but is now above the pre-coronavirus level

Payrolled employees, seasonally adjusted, UK, July 2014 to September 2021



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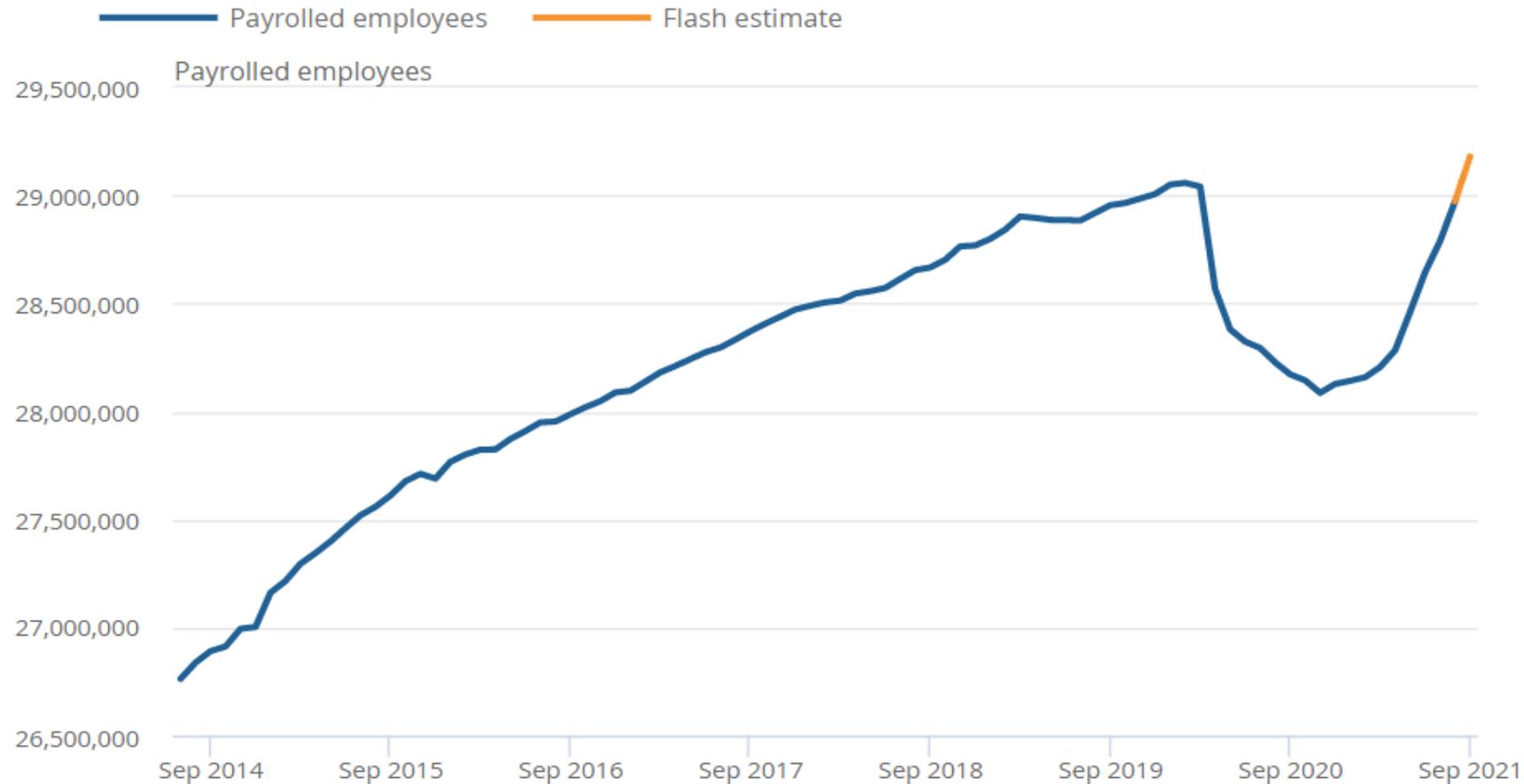
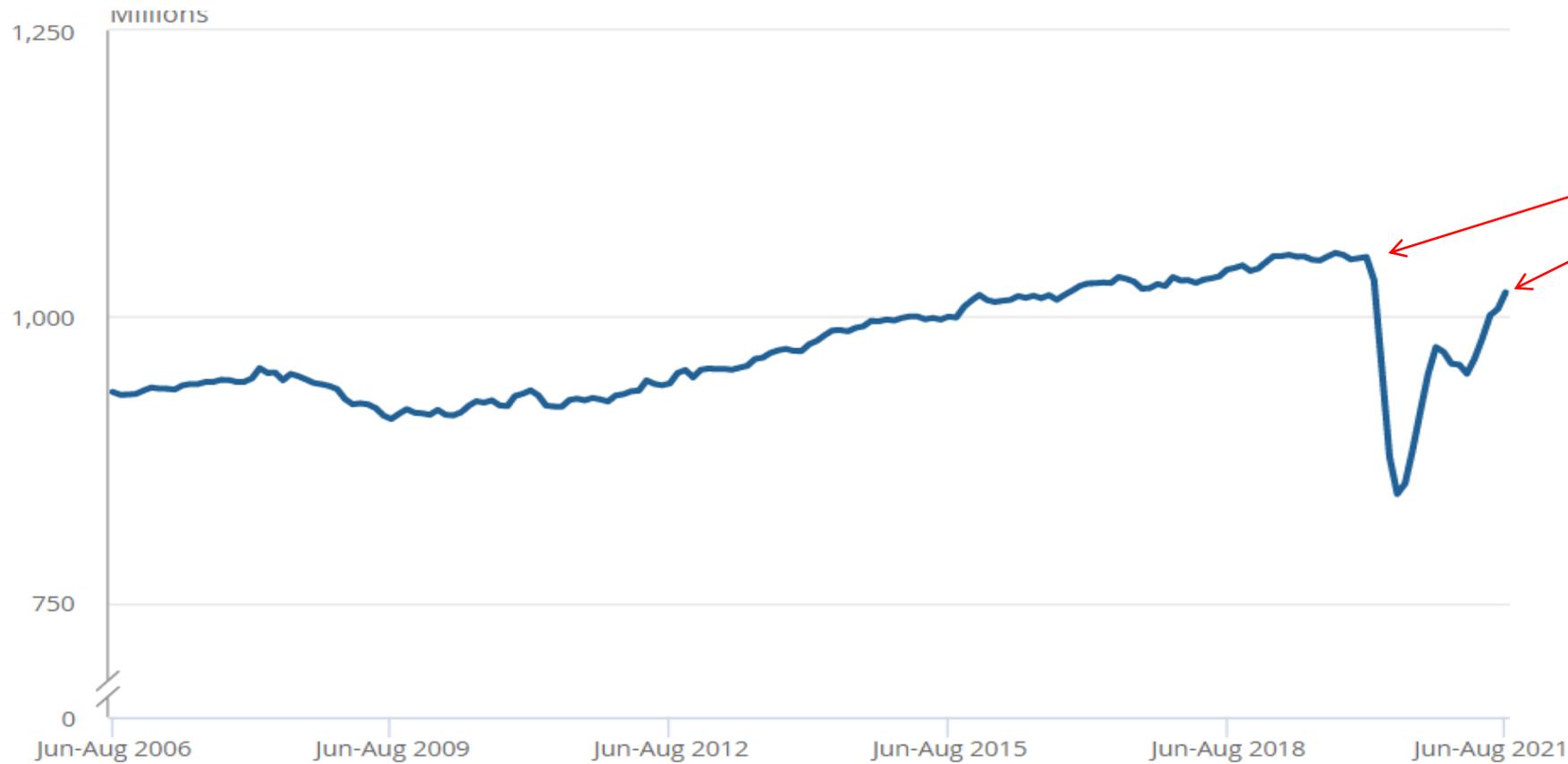


Figure 5: Total actual weekly hours worked increased on the quarter, reflecting the relaxation of coronavirus restrictions

UK total actual weekly hours worked (people aged 16 years and over), seasonally adjusted, between June to August 2006 and June to August 2021



Suggests a 3 % productivity loss post C19

Whole economy pay growth rising significantly



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Chart

AWE: Whole Economy Year on Year Three Month Average Growth (%): Seasonally Adjusted Total Pay Excluding Arrears



7.8%
September
2021

Source:

\$1.37 v 1.24 twelve months ago



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GBP to USD Chart

• 1 GBP = 1.37279 USD Oct 18, 2021, 13:09 UTC

British Pound to US Dollar



1.18 euro to £ v 1.11 twelve months ago



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GBP to EUR Chart

• 1 GBP = 1.18336 EUR Oct 18, 2021, 13:11 UTC

British Pound to Euro

12H 1D 1W 1M 1Y 2Y 5Y 10Y

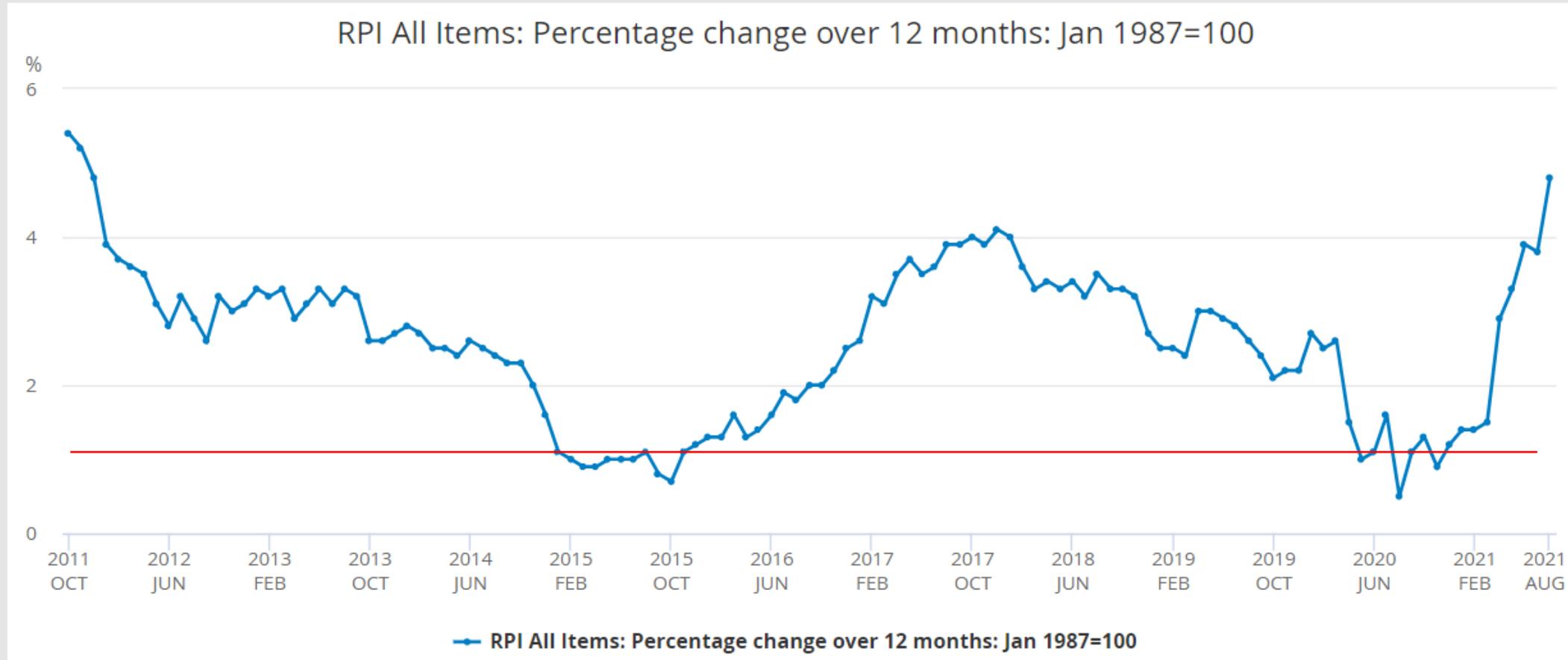


Large difference between actual inflation and H2 funding settlement



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Chart



=0.9% for inflation in tariff H2 21/22

Source:

Carter report of 2014



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“Although a lot of effort has been put in at trust level to manage key clinical categories such as cardiac stents, the supply base and product offering has steadily increased in **fragmentation** and variety. For example the first generation **drug eluting stent** was introduced to the UK several years ago and since then **variety has grown out of all proportion** and across a sample of 10 trusts (see figure 3.2) we have seen 50% difference in the average price being paid, and total spend disaggregated across **26 brands and 11 suppliers**”

Carter report of 2014



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“**NHS Catalogue** - this strand has the goal of creating a high quality, national catalogue of goods where trusts can have confidence both in the range and price at which they are procuring. Work includes **range rationalisation** and price competition in a number of key product areas. National category strategies for all category areas are being developed and an independent, clinically driven, product testing and evaluation capability established”

Question – Is the NHS leveraging its scale?

NHS Spend Comparison Service

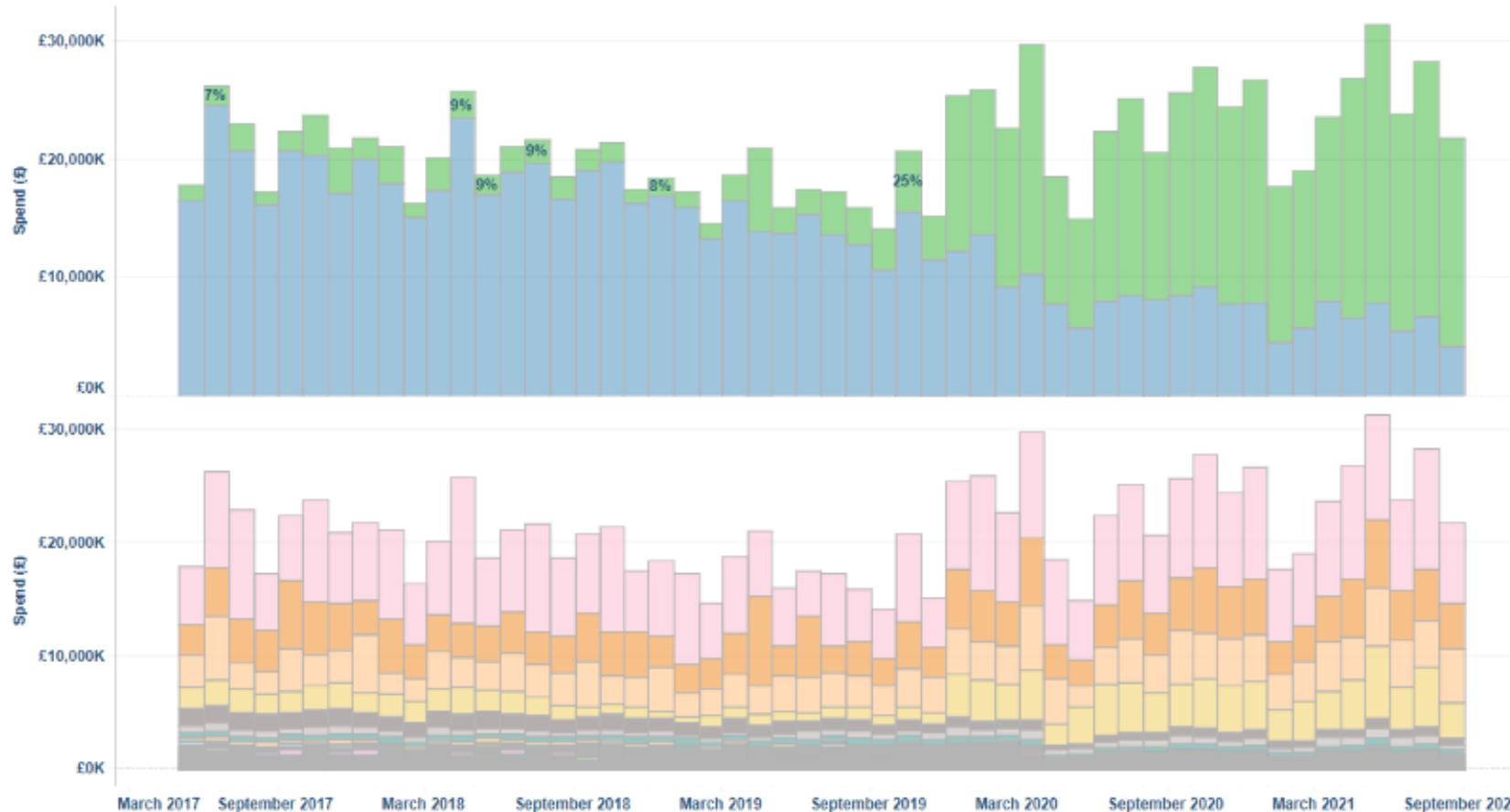


Providers	Spend (£)	% Supply Chain	Suppliers	Product Codes	Var to Med (£)	% Var to Med	Var to Min (£)	% Var to Min	%
191	£1,104.1M	37.2%	496	14,853	£36.8M	3.3%	£160.0M	14.5%	

Supply Base Fragmentation

Fragmentation Chart Type

Supply Base / Route Trend



We must maximise the use of **Value Levers**

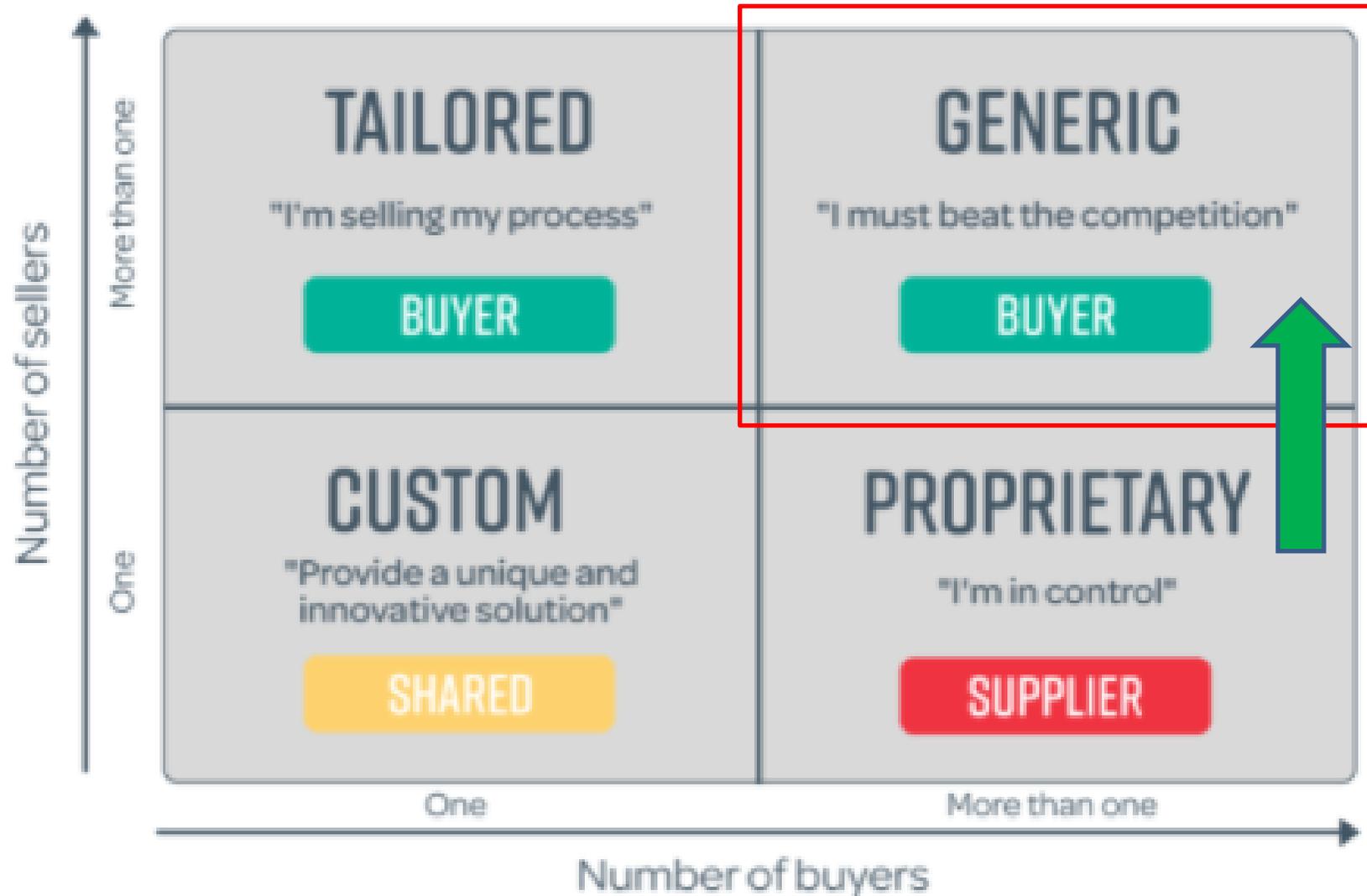


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Whichever sector or organisation I have ever worked in, the commercial **counter measures** or **Value Levers** at my disposal to combat market pressures have remained the same;

- **Supplier** rationalisation
- **Range** rationalisation
- Where possible shift from **proprietary** (brand) to **generic** specs and products
- **Competition**
- **Aggregation**
- **Commitment** – amplify power by offering contractual commitment to the market

From Proprietary pricing (Brand) to Generic (Cost +)



30 – 50%
price
reduction

2019 Nationally Contracted Product programme headlines



- Success - All Acute trust Chief Executives signed commitment
- Success – Average **24%** saving, **£15.93m** savings
- Success - wider efficiency benefits are assumed but not evidenced
- Originally 21 Categories, with 19 launched
- Success - Reduced variation **>90% reduction** in stocked products (SKU's) from **2031 to 152**
- Some category failures due to process failures and supplier quality issues
- Have experienced supplier resistance, gaming and quality issues
- NCP a positive “brand”

Supplier rationalisation and aggregation yields remarkable results in Hampshire



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Target: Run a two Trust competition for the supply of the orthopaedic components, implants and capital equipment for sports medicine. Rationalise to a single supplier for **Hampshire and Southampton Hospitals**. To improve quality and reduce cost.

Outcome: Achieved **30%** reduction in cost, delivering CIP of **£231,651** collectively. This CIP is made up of a combination of reduced component prices and a removal of maintenance and loan charges on equipment. The vendor had to change it's national pricing matrix, as part of offering this deal, so there is now a higher discount threshold for all NHS customers that trigger this volume band. In addition the supplier offered **£500k** of free capital assets that has improved the Orthopaedics service



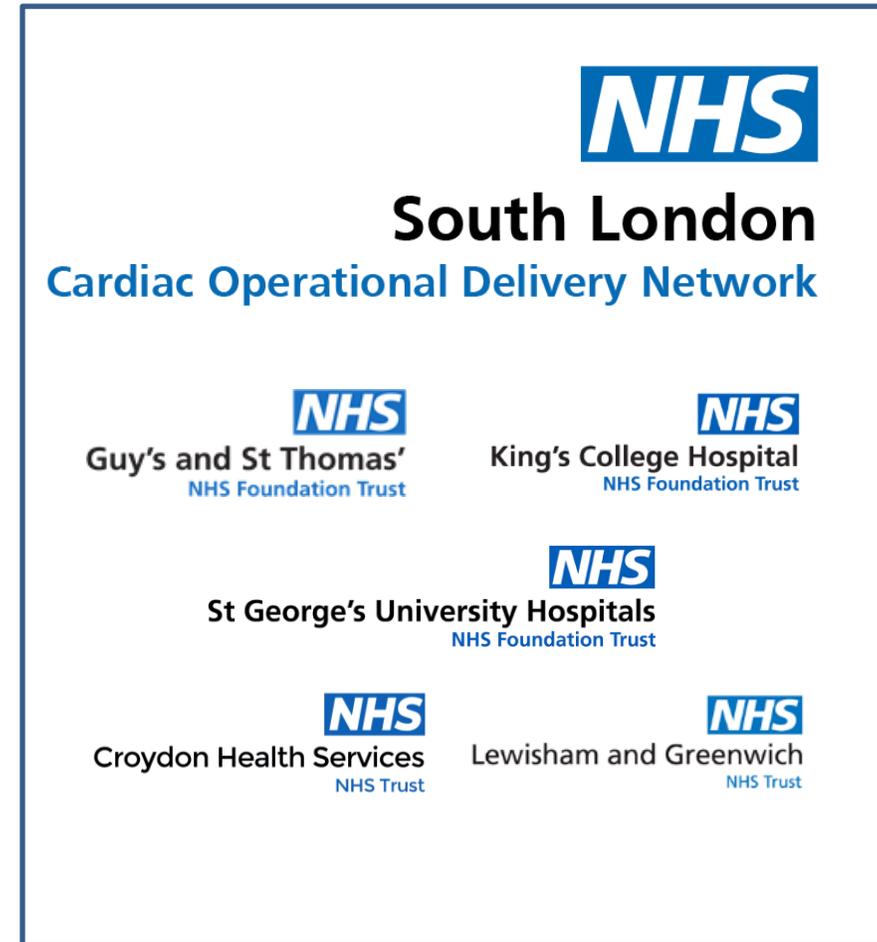
Wessex NHS
Procurement Limited

Clinically led, procurement enabled value

- Percutaneous Coronary Intervention (PCI) and Cardiac Rhythm Management (CRM)
- Clinical councils were established for each product category
- Range standardisation
- Dual source
- 30% Savings – lowest price in the UK for Drug Eluting Stents and Balloon Catheters



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NHS Procurement Imperatives



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Provider

Maximise use of Value Levers

- Focussed support of **Operational Recovery**
- Deliver **Capital Investment Programme**
- **Financial improvement**
- Suppressing **inflation**
- Supply Chain **Risk Management Framework**
- Post C19 **de-stock** planning
- Plan for staff **development** and **retention**
- **ESG** in procurement processes

ICS

Maximise use of Value Levers

- Savings
- **Clinicians** drive standardisation and rationalisation agenda
- Develop a **ICS Risk Management Framework**
- **ICS approach** to **capital** investment
- ICS procurement approach to **Strategic** categories
- Pooling of **Strategic** category management resources

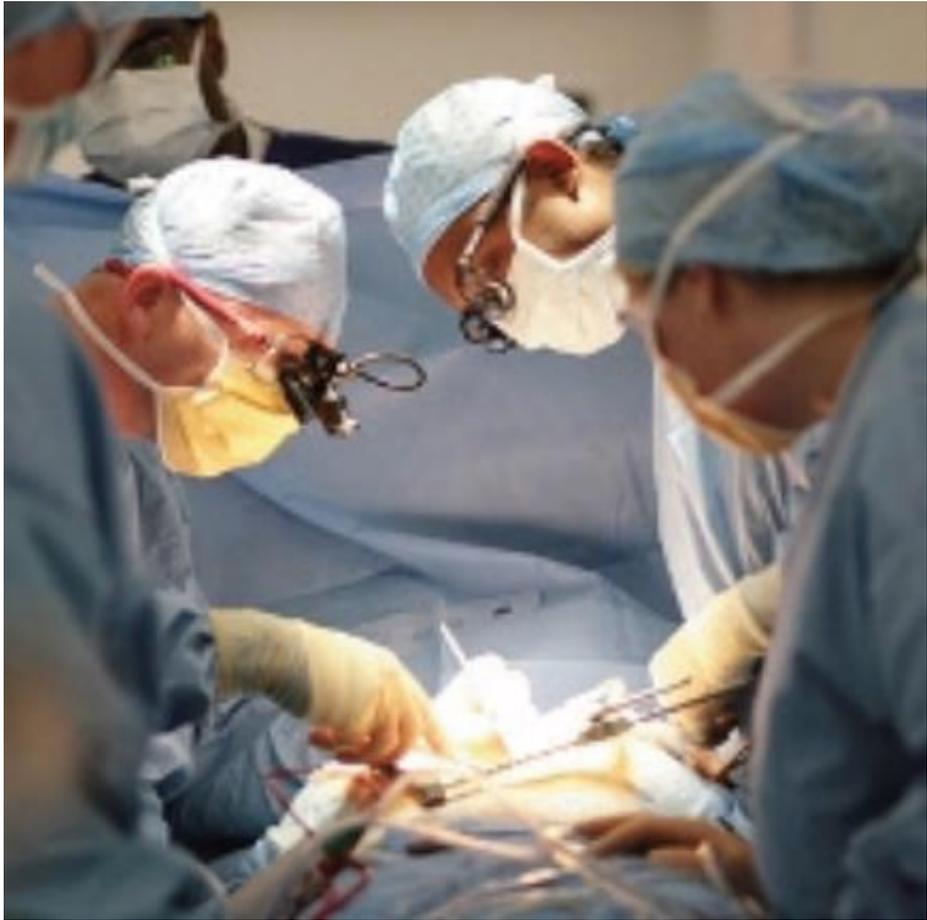
National

Maximise use of Value Levers

- **NHSEI** develop a NHS Commercial and Procurement Strategy
- **NHSSC** National Category Strategies for **Generic** categories that improve quality and reduce cost further
- **GIRFT** Clinical Leadership on standards and aggregation in procurement of **Medical Devices**
- **NHSEI/NHSSC** lead on NHS Master Data planning



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of NHS Procurement

Reflections on Day 1

Clara Purnell

Royal Berkshire NHS Foundation Trust

HCSA Deputy Chief Officer and Head of Procurement and Logistics

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