



The Global Language of Business

Procurement and Supply Chain

Cath Craddock

Introduction



- Dewsbury and District Hospital
- Pinderfields Hospital
- Pontefract Hospital



- 8,000 staff
- income in excess of £500 million
- across clinical commissioning groups
- CIP challenge of over £19m

West Yorkshire Association of Acute Trusts



**West Yorkshire
Association of
Acute Trusts**

**WYAAT is part of the
West Yorkshire and
Harrogate Health and
Care Partnership**

- Airedale Hospital
 - Bradford Teaching Hospitals
 - Calderdale and Huddersfield
 - Leeds Teaching Hospitals
 - Harrogate Hospital
 - Mid Yorkshire Hospitals
-
- 2.6 million people
 - Collaborative WoW
 - STP Funding
 - Local Health Care Record Exemplar Bid



- Strategy is to build a modern, effective and efficient procurement capability that is among the best in the world. It aims to:
 - deliver taxpayer value
 - support innovation
 - stimulate growth
 - deliver the highest quality patient care
- Operating Model for NHS Supply Chain

Operating Model Aims



Supply Chain Coordination Limited (SCCL)



- Established on 1 April 2018 as a limited company wholly owned by the Secretary of State for Health and Social Care
- Category Towers focusing on medical and non medical spending (including capital) to use the full buying power of the NHS through demand aggregation.
- DXC Technology will take over responsibility for Supporting Technologies and Infrastructure Services for NHS Supply Chain
- Unipart Logistics became responsible for delivering the logistics service for NHS Supply Chain as NHS Supply Chain: Logistics.



	Products and Services	Providers
Medical	NHS Supply Chain: Ward Based Consumables	DHL Life Sciences and Healthcare UK
	NHS Supply Chain: Sterile Intervention Equipment and Associated Consumables	Collaborative Procurement Partnership LLP
	NHS Supply Chain: Infection Control and Wound Care	DHL Life Sciences and Healthcare UK
	NHS Supply Chain: Orthopaedics, Trauma and Spine, and Ophthalmology	Collaborative Procurement Partnership LLP
	NHS Supply Chain: Rehabilitation, Disabled Services, Women's Health and Associated Consumables	Collaborative Procurement Partnership LLP
	NHS Supply Chain: Cardio-vascular, Radiology, Endoscopy, Audiology and Pain Management	HST
Capital	NHS Supply Chain: Large Diagnostic Capital Equipment Including Mobile and Services	DHL Life Sciences and Healthcare UK
	NHS Supply Chain: Diagnostic, Pathology and Therapy Technologies, and Services	Aksoo & Company
Non Medical	NHS Supply Chain: Office Solutions	Crown Commercial Service
	NHS Supply Chain: Food	Foodbuy
	NHS Supply Chain: Hotel Services	NHS North of England Commercial Procurement Collaborative
Support Services	NHS Supply Chain: Logistics	Unipart Group Ltd
	NHS Supply Chain: Supporting Technology	DXC Technology

NHS Supply Chain



- NHS challenge to deliver £22 billion in savings by the end of the financial year 2020/2021 including £700 million from improving procurement
- Address current fragmented procurement landscape
- Reduce widespread price variation and lack of consistency of products
- Leverage buying power of NHS - identifying right clinically assured, high quality products at best value through a more sustainable approach
- Able to consolidate orders from over 600 suppliers

NHS Supply Chain



- NHSSC currently manage 4 million orders per year from over 120,000 order points at 10,000 different locations

40% of the NHS's £5.7bn spend in everyday hospital consumables common goods, high value healthcare consumables and capital equipment goes through NHS Supply Chain.

The Operating Model plans to double this by 80%

- The Operating Model for NHS Supply Chain is being funded via a “top slice” on NHS Trusts and from 1st April a BP=SP (Buy Price = Sell Price) transparency pricing model has been established

Procurement Target Operating Model Design



The PTOD will sit alongside the NHS Supply Chain (SCCL) programme and existing procurement initiatives and will look at reviewing and re-thinking the current national model of procurement delivery, with the following aims:

- **1. Procurement Structures:** To ensure that new procurement organisational structures are developed based on a leading practice design blueprint(s), to ensure procurement teams are set-up to best leverage the national scale of the NHS, to best execute against existing (and potentially new) national routes to market and to generate value from the emerging suite of supporting spend tools.
- **2. Procurement Skills:** To develop world-class procurement capabilities.
- **3. Procurement Technologies:** To support the identification and implementation of potentially game-changing digital procurement technologies.
- **4. Procurement Savings:** To secure best value prices using volume leverage across as wide a net of third party non-pay spend as possible – inclusive of Trust based “services”, spend not currently in scope of the SCCL model.

Challenges for Trusts



- Bridging the gap
 - Difficulty of transition, changing from one model to another, costs and savings / control within different organisations.
- Capability and Capacity – getting the right people with the required skills in the right place
 - On procurement not part of the current model
 - Change and project management skills
 - Demand and supply chain skills
- Collaborative working – how to engage
 - Networks, consolidation, transformation across multiple organisations.

Adapting to a changing landscape

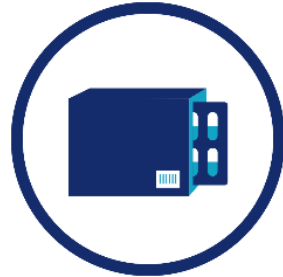


- Trusts were asked to write plans on how they would transform after the Carter review.
- The Carter Metrics were established to understand the process efficiencies of Trust with targets around Purchase Orders and e-catalogues.
 - Trusts are still responsible for the ordering and transacting
- Improving Stock Control and implementing Inventory Management is a strategic goal for most Trusts, and was identified in nearly all the Trust Transformation plans.
 - This includes rolling out the GS1 standards to improve patient safety as well as cost.

GS1 Standards and NHS Supply Chain



Global Trade Item Numbers
(GTINs)



Global Location Numbers
(GLNs)



Core Enablers

- Location Numbering
- Catalogue Management
- Patient Identification

Primary Use cases

- Product Recall
- Purchase to Pay
- Inventory Management

Location Manager: Single source of truth for location information

Speakers



- Any questions?
- Dave Harris - Head of Service – logistics and supply chain, NHS Lancashire Procurement Cluster
- Utilising modern materials management systems to drive tangible benefits within the NHS environment
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- Pavanjit Devsi - Director of Procurement and Contracts, North East London Foundation Trust and Barnet Enfield and Haringey Mental Health Trust Procurement Shared Service
- Procurement across over 200 sites – how to make collaborative procurement work for you