

Eastern Link

Spring 2007

Moving forward and delivering

These are exciting times for the new East of England NHS Collaborative Procurement Hub (CPH) as we look forward to our official launch in April and look back on three years of achievement as the Eastern NHS Supply Confederation.

With our new, expanded team settling in at our base in Fulbourn, Cambridge, our main focus is on the mobilisation and implementation of the CPH, which aims to secure around

£34 million in year cash-releasing savings over the next three years for NHS trusts in Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk.

It's an ambitious target but with our ongoing exploration of new sectors (Pharmacy and Purchased Healthcare, to name just two), delivering these savings is certainly achievable.

The new East of England CPH is the latest step in the national

CPH programme, which has seen recent hub launches for Yorkshire and Humberside, and Surrey and Sussex, and will continue to bring extensive savings across the UK for the NHS as a whole.

To pave the way for our own CPH we've been bringing in expertise from around the country through the recruitment of some key people. Among the posts already filled - or due to be appointed - are our new Supply Chain Director (starting in May), our Procurement Director, three Senior Category Managers, Clinical, Office & IT Category, and Estates & Facilities Specialists, and our Support Services Manager. We've appointed a Pharmacist to lead our Pharmacy category and we're looking to appoint our Data Analyst posts, as well as recruiting further over the coming months.

We've come to the end of a very successful and rewarding era as a Confederation and we've laid the foundations to push the CPH forward and develop a wide range of exciting new partnerships.

Our commitment now is to the success of the East of England NHS CPH and all of us will be working hard to secure real savings for our member trusts for years to come.



David John
Chief Executive

Improving Healthcare

The East of England CPH's new Purchased Healthcare (PHC) team has been created to give the SHA and PCTs the specialised procurement support they need to help them deliver high quality health services through a range of cost effective providers.

The team is headed up by Assistant Director of Procurement Glenn Gooch and supported by Category Manager Paul Ruthven and Interim Category Lead Nasmin Begum.

They're currently exploring different models and developing standard regional approaches to meet the specific procurement and contract management needs of local stakeholders.

"The region spends over £500 million on PHC so the models we're looking at will make sure that trusts get value for money through the negotiation of robust contracts and service levels," says Glenn. "And by streamlining these processes, trusts won't need to keep 'reinventing the wheel', which

means we can significantly reduce both management and administrative costs."

Although the team is still in consultation with trusts, commissioners and suppliers to determine exactly where to concentrate their efforts, eight specific areas have already been identified:

- Older Person Mental Health
- Adult Mental Health
- Elderly Frail
- Physical Disability
- Palliative Care
- Learning Disability
- Acquired Brain Injury
- Out of Hours Services

One of the first tasks for the newly formed team has been to help Norfolk PCT to review and re-tender the county's Out of Hours GP Service. As a member of the stakeholder team, Paul Ruthven's input has been to advise on the implications of EU legislation, draft the specification and develop the tender evaluation and supplier selection criteria.

When the contract goes live in the summer, the people of Norfolk can look forward to a comprehensive, quality healthcare service that provides best value across the county.

A healthier econo

As the new East of England CPH goes live, we take a closer look at the core sourcing processes that will help bring a higher level of healthcare to the region.

The core operating processes for the new East of England CPH underpin the whole of our organisation, helping us to serve our customers better and ensuring good commercial practice across all of our procurement activities.

Key to this is the interaction that we will have with you, our stakeholders, allowing us to combine your expert knowledge and experience in your own areas with the specialist expertise of our Fulbourn-based team.

Together, these new and existing partnerships will bring substantial savings to the member trusts throughout the region and deliver better quality healthcare to its communities.

Effective collaborative working lies at the very heart of the CPH approach. Collaborative sourcing means we can standardise the products and services, the methods of procurement and the costs to the trusts so we can exercise greater control in managing supply, which is all too often usually led by suppliers.

So how are we going to achieve this?

The sourcing process relies on extensive consultation with all stakeholders to make sure that the right product is being sourced at the right price. But this is not purely about the bottom line - it is essential that

the trusts are getting the product they demand, not the one that fits a particular price point. This is where your input is crucial and we have made sure that the appropriate mechanisms are in place to assimilate your specific product knowledge and expertise so you can tell us what you need and when you need it.

Category management

The process is supported by the Category Management teams who are responsible for developing a category's overall strategy and overseeing its implementation by optimising and delivering robust contracts

and supply chain solutions. The teams work closely with - and act on behalf of - the Category Management Group, which is made up from senior managers from our member trusts.

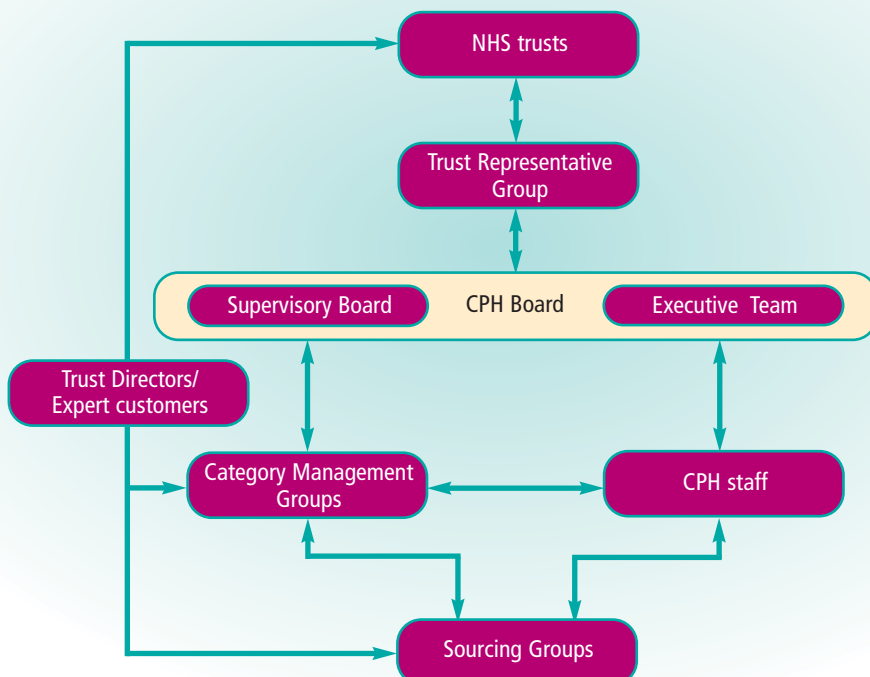
The Category Managers lead the sourcing process through the creation of sourcing groups, which include representative product users who are encouraged to feed their own particular expertise back into the procurement process.

Sourcing to your needs

One of our primary aims is to engage key people within the trusts and actively encourage them to embrace the work of the CPH and share in our achievements through participation in sourcing groups. These groups will lead the procurements, ensuring delivery that meets the needs of the NHS.

Some sourcing group decisions will also require the support and input of the clinical community, so the role of the Clinical Procurement Specialists (CPSs) is an important one. The CPSs are the clinical interface of the CPH and they will link into the decision making process through their interaction with and development of new and existing clinical networks, product evaluation committees and trust procurement staff.

How the approach to category management sits within the overall organisation of the CPH



News in brief

Postal services

The roll out of the Postal Services agreement with TNT Post continues, with four Acute Trusts currently benefiting from the reduced prices that this service offers. A further three more trusts are working towards implementation and it is anticipated that all trusts should be able to utilise this agreement by mid 2007. The cash-releasing savings for this project are in excess of £350,000 for the region.

Non-emergency patient transport services

Trusts from around the region came to the inaugural Sourcing Group meeting held in February. A number of trusts are actively working on NePTS, with many more interested in working collaboratively on this project. It was agreed to concentrate on smaller groups of geographically linked trusts and these are currently being formed. If your trust is not represented, or you wish to find out more, please contact Richard Whiteside on the number below.

National Framework for Laundry and Linen Services

The National Framework has been in place for over a year and many trusts across the region are now making substantial savings. Those trusts that are currently not on the framework, or are coming to the end of their existing contract, should get in touch with Richard Whiteside.

IT

In 2005 the Eastern NHS Supply Confederation was one of the first NHS organisations to take part in an e-auction for desktop PCs which dramatically reduced prices and saved the region over £1 million. We are continuing to work with Dell and HP to secure further cost reductions through future collaboration, which included the signing of a new agreement in January.

To find out more about any of the services and agreements mentioned above, call Richard Whiteside on 07798 572 017 or Rachel Alwin on 07766 763857.

This combined partnership approach helps the Category Managers and Clinical Procurement Specialists to understand and manage supply markets so that products and services can be procured at the optimum price through a stable supply chain.

Developing procurement for the future

The NHS is a sizeable and complex organisation so it is essential that the right information is conveyed to and from end users as quickly and as efficiently as possible at a local level. To help this process, our staff are in constant touch with our stakeholder trusts. This is particularly true of the CPSs who are always championing procurement across the region.

This is obviously a two-way dialogue so they'll be working closely with the trust procurement teams to make sure that all your needs are being addressed and that future opportunities and relevant spend categories can be identified and progressed.

The benefits of collaborative working

The goal of the CPH is to deliver robust, cash-releasing savings to its member trusts, but collaborative working has a wide range of additional benefits for its stakeholders.

There's a clearer picture of new opportunities through shared knowledge and data capture, and a more informed approach to local needs. Processes can be streamlined and made more efficient through enhanced performance monitoring and the input of the CPSs.

What this means for the region is a more effective supply chain geared up to the requirements of the trusts and backed up by a committed specialist team proactively seeking improvement and delivering savings that just wouldn't be possible if trusts worked in isolation.

But collaborative working isn't a 'one size fits all' process. Far from it. It's a way of ensuring that individual needs are addressed within specific organisations, but using 'partnership power' to ensure that those needs are catered for at the best price possible and that those savings can be negotiated to benefit the region as a whole.

Integrating collaborative procurement into the overall business decision making process and promoting ownership of this approach is crucial to achieving added value throughout the supply chain.

And that will ultimately lead to significant savings, improved patient-centred products and services, and higher quality healthcare for everyone in the region.

Making the difference: securing savings

With the Eastern NHS Supply Confederation evolving into the East of England CPH, we can reflect on three very successful years that have seen us secure £8 million in cash-releasing savings across a range of categories including Estates & Facilities, Office & IT and Clinical.

Some of our largest savings came from three important areas: computers, patient warming blankets and orthopaedic prostheses.

An innovative online e-auction for 5,000 PCs drew over 300 bids in two hours from seven short listed suppliers and resulted in a 43 per cent saving or £1.7 million.

In the case of patient warming blankets, we identified that trusts were paying different prices for the same product. The Confederation secured a regional agreement for the same reduced price for all trusts and a saving of nearly £300,000.

Similarly, the Confederation harnessed the region's requirement for orthopaedic prostheses and issued an invitation to tender to 15 potential suppliers resulting in contracts that delivered annual savings of £500,000.

As we head into our first year as a CPH, we expect to continue to deliver substantial savings not only in these areas, but also in the dressings, mobile phones, patient transport, pharmacy products and orthotics categories.

News about our progress as a hub and how we're continuing to help to take some of the financial pressure off our member trusts around the region will appear in future editions of *Eastern Link*.



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Delivering through technology

E-enabling our work is an important part of the plan for the CPH and this is moving just a little bit closer with the development of our data analysis and benefits tracking system.

The benefits tracking solution is one of the keys to driving the performance of the CPH. The system allows trusts to view their information and savings data with us on a regular basis, helping them to hold us accountable for the delivery of the targets we have agreed with them. This visibility will ensure that trusts are able to question and challenge our delivery, ensuring we stay focussed.

Data analysis is also important to our future success. The project to develop the data analysis needs of the CPH and the procurement community kicks off in April 2007. The project will

take multiple data sources and map them so that we produce robust, repeatable analyses of the commercial aspects of the NHS. These analyses will then assist in the development of our future strategy, as well as supporting the sourcing process at a project level.

Leading the project will be Craig Lorne, Enablement Manager, supported by the team of data analysts, who are currently being recruited.

"Developing these tools will be a quantum leap forward for the CPH and collaborative purchasing in the East of England," says Craig. "The team of analysts and I will be looking to add business value to the CPH through these systems.

"I firmly believe that building these systems is part of the wider base on which we can ensure success for us all."

Contacts

The East of England NHS Collaborative Procurement Hub is changing fast to cover an even wider range of services. If you'd like to get in touch with us, please go to www.eoecph.nhs.uk and click on the 'Contact us' link for a full list of our people.