House of Commons

Committee of Public Accounts

NHS Supply Chain and efficiencies in procurement

Twenty-Fourth Report of Session 2023–24

Report, together with formal minutes relating to the report

Ordered by the House of Commons
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The Committee of Public Accounts

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Contacts

All correspondence should be addressed to the Clerk of the Committee of Public Accounts, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5776; the Committee's email address is pubaccom@parliament.uk.

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Summary

NHS Supply Chain was created to solve a known problem and to save the NHS money. The NHS was not making the most of its collective buying power to get the lowest prices for consumables and medical equipment. To solve this, in 2018 the Department of Health and Social Care (the Department) established the NHS Supply Chain organisation to make savings through aggregating the NHS's purchasing power. But too many trusts still lack confidence in NHS Supply Chain and choose not to use it for billions of pounds of spending. Of the £7.9 billion that trusts spend on consumables and medical equipment, only £4.5 billion is spent through NHS Supply Chain. Trusts are clearly not engaging with the service that NHS Supply Chain provides at the scale required to harness the NHS's collective buying power. Net customer satisfaction with NHS Supply Chain is in decline; from a peak of 67% in 2021–22 to 54% in 2023–24 and over two-thirds of trusts say they shop elsewhere because of limited availability through NHS Supply Chain. NHS Supply Chain has so far failed to demonstrate that it is the answer the NHS needs. The Department told us that it was intended that using NHS Supply Chain would become so compelling that trusts would choose not to go elsewhere. So far, this approach appears to have failed.[1]

NHS England, and before it the Department, have been far too lenient in their oversight of NHS Supply Chain. They have failed to validate savings, do not challenge why trusts do not make more use of NHS Supply Chain and have allowed NHS Supply Chain to get to the point where its systems are not fit for purpose and where it is, by its own admission, years away from being what the NHS needs.

The NHS's need for an effective and high-performing procurement function remains compelling and this function requires strong national leadership and oversight. Currently, neither NHSE nor NHS Supply Chain has a clear vision of how NHS Supply Chain can secure the confidence of not only local procurement teams and managers but, crucially, clinicians as local champions for what is best for the NHS and patients. The need is also urgent. Delay and non-delivery risk further undermining the value of NHS Supply Chain. We are encouraged by the recognition by NHS Supply Chain that there is much to do but also much to be gained. We look for swift and sustainable progress from NHSE and NHS Supply Chain and would encourage our successor Committee to continue monitoring this.

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1   Q 17

Introduction

The NHS collectively spends approximately £8 billion annually on buying medical equipment and consumables, from gloves and paper to stents and prosthetic hips. The Department of Health & Social Care (the Department) created NHS Supply Chain in 2018 in response to a report by Lord Carter which found greater scope for efficiencies in the NHS by aggregating its spending power and reducing the variation in prices that trusts pay for the same goods.

NHS Supply Chain is responsible for procuring products, warehousing, and delivering consumables and medical equipment on behalf of the NHS. It became fully operational in April 2019, under the ownership of the Secretary of State for Health and Social Care. Its key objectives were, by 2023–24, to deliver £2.4 billion of savings and have 80% of relevant NHS spending on medical equipment and consumables (known as 'market share') go through NHS Supply Chain. It has a catalogue of more than 600,000 products and its annual operating budget for 2023–24 was £240 million. Since 2021, NHS Supply Chain has been owned by NHSE.

Conclusions and recommendations

1. **NHS Supply Chain has failed to persuade trusts to use it, meaning trusts are missing out on opportunities for savings.** NHS Supply Chain was created as a national body through which trusts could make use of their collective purchasing power to secure better deals. This is not yet happening. Trusts spend approximately £7.9 billion on medical equipment and consumables, but £3.4 billion a year of this spend is outside of NHS Supply Chain. This means that NHS Supply Chain is only achieving around 57% of market share against a target of 62% (its original target was 80% by 2023–24). NHS Supply Chain estimates that, if trusts made greater use of NHS Supply chain using the existing contracts that are currently in place, they could save a further £60 million to £90 million by 2026. However, it considers that its capacity constraints as well as other operational reasons mean it would be difficult for it to grow more quickly and it needs to improve its infrastructure and modernise technology. NHS Supply Chain now expects it to take at least three years before it can reach 80% market share. It also needs to gain trusts' confidence as their overall net satisfaction with NHS Supply Chain is in steady decline; from its peak of 67% in quarter two 2021–22 to 54% in quarter two 2023–24. This is a shockingly low level of net customer satisfaction.

   Recommendation 1: *NHS Supply Chain should set out how, and by when, it will get the NHS to use NHS Supply Chain for the original goal of 80% of its spending on consumables and medical equipment.*

2. **NHSE has been weak in its oversight and support of NHS Supply Chain.** Both the Department and NHSE failed to validate the cumulative £3.3 billion savings claimed by NHS Supply Chain, instead, they relied on NHS Supply Chain to make these checks – effectively marking its own homework. This undermines the confidence we can have in these reported savings. NHSE has not given NHS Supply Chain the full financial support NHS Supply Chain considers it needs to transform and modernise its business. For 2023–24, NHS Supply Chain requested a £252 million revenue budget to operate the organisation and implement its transformation projects for the year. NHSE provided just £240 million. NHSE acknowledges that this shortfall would delay a new IT system but explains there are many other calls on NHS funding and that it must get the balance right between other competing priorities and NHS Supply Chain. We were surprised at the decision to reduce NHS Supply Chains request for an extra £12 million investment in IT when it is expected to save £500 million by 2026–27.

   Recommendation 2: *NHSE should set out how it will provide adequate challenge of and support for NHS Supply Chain, particularly regarding NHS Supply Chain's plans to modernise and transform its business.*

3. **NHSE does not challenge trusts as to why they do not buy more products through NHS Supply Chain.** Trusts submit data to NHSE on how much they spend on medical equipment and consumables, and through which suppliers (including NHS Supply Chain). NHSE makes this procurement data available to all trusts but relies on them to analyse the data and change their practices in response. Despite NHSE's central role, it does not use this data to identify and generally challenge trusts as to why they do not purchase more using NHS Supply Chain. Instead, it told us it that,

given its resources, it only challenges the trusts that are struggling most financially. In addition, NHSE does not analyse the data to identify what NHS Supply Chain could do differently to persuade trusts to use it more. It is disappointing that the information NHSE collects is also incomplete, as 55 trusts (out of more than 200) do not routinely provide this data. NHSE should work with trusts to improve the data available to it.

Recommendation 3: *NHSE needs to use procurement data more systematically to challenge trusts to buy more consumables and medical equipment through NHS Supply Chain.*

4.   **The way NHS Supply Chain has calculated and reported its savings has caused confusion and mistrust.** NHS Supply Chain has used several different methods for calculating savings depending on the audience, for example, to government, trusts and suppliers. Each method gives a different result, risking clarity over how much NHS Supply Chain has actually saved. NHSE has shared with us NHS Supply Chain's reported savings through two different methods. For the first, using the original method set by the Department, NHSE shared with us NHS Supply Chain's reported savings of £3.3 billion from 2016–17 to 2022–23. For the second, using a method, which is more in line with trusts and does not re-count savings, NHSE shared reported savings of £1.7 billion over the same period. Trusts do not always recognise the savings that NHS Supply Chain reports, causing mistrust and frustration. NHS Supply Chain and NHSE have developed a new, more consistent, method for calculating savings, which is being rolled out across the NHS.

Recommendation 4: *A year after implementing the new savings method, NHSE should assess whether trusts accept the savings that NHS Supply Chain reports. The new method for calculating savings should be used in all cases to ensure consistency.*

5.   **It will be several years before the NHS sees the benefits from NHS Supply Chain's efforts to improve its business.** NHS Supply Chain's main vehicle for improvement is a transformation programme which is expected to run from 2022–30. We are concerned that the risk to this transformation programme was rated red/amber in August 2023. NHS Supply Chain acknowledges the difficulties it faces in transforming its business. It told us that the seven projects it is running in 2023–24 to modernise the way it works are 'exceptionally challenging'. NHS Supply Chain is also trying to improve its procurement route known as eDirect, which has had well-known problems since 2018. Most recently, between June 2022 and March 2023, NHS Supply Chain reported that on average more than one quarter (26.9%) of orders made through eDirect were delivered late, by an average of 22 days. It reports an improving picture with 8% of orders now 8 days late. However, NHS Supply Chain acknowledges that there will not be any further progress with eDirect in the next 12 months and estimates that improvements will take 18 months to appear once it has started the enhancement work. We were disappointed that no positive action appeared to be being taken to rectify the lack of warehousing in the South of England as a constraint on the business.

Recommendation 5: *Alongside its Treasury Minute response, NHS Supply Chain should provide a clear and realistic road map setting out the timetable*

for transformation and modernisation and when benefits will materialise. In carrying out this exercise NHS Supply Chain should also examine whether the eight-year timetable should be reduced.

6. **NHSE and NHS Supply Chain have not convinced clinicians that they value the quality of products above price.** We are concerned that a focus on costs may impact on the quality of outcomes for patients. We can see the value in reducing unnecessary variation in the range of products that clinicians can choose, but this needs clinicians to be involved in those purchasing choices to make sure patient care is part of the value and cost considerations. Both NHS Supply Chain and NHSE consider that trusts and clinicians need to be free to make decisions about which products to buy in some instances and NHS Supply Chain contends that it offers an appropriate choice of products to trusts. While we find it reassuring that trusts have the freedom of choice over which products to buy, we are disappointed that there is no national leadership or analysis on which products lead to the best outcomes, other than for highly specialised equipment.

    Recommendation 6: *NHSE and NHS Supply Chain should set out how they will involve clinicians in purchasing choices to ensure that better patient care is considered alongside value and cost.*

1   Increasing the use of NHS Supply Chain

1.   On the basis of a report by the Comptroller and Auditor General, we took evidence from the Department of Health and Social Care (the Department), NHS England (NHSE) and NHS Supply Chain on NHS Supply Chain and efficiencies in procurement.[2]

2.   The NHS collectively spends approximately £8 billion a year buying medical equipment and consumables, from gloves and paper to stents and prosthetic hips. Historically, both local trusts and national organisations have been responsible for buying such goods, with the balance shifting between the two over time. In 2016, the Carter report identified the scope for efficiencies through greater collaboration which would allow the NHS to aggregate its purchasing power, thus securing the best price.[3]

3.   In 2017–18, the Department implemented a new operating model and delivery body for NHS procurement known as NHS Supply Chain. The new body was responsible for procuring products, warehousing and delivering consumables and medical equipment for the NHS. The new NHS Supply Chain model became fully operational in April 2019. Its key objectives were, by 2023–24, to deliver £2.4 billion of savings and achieve 80% of relevant NHS spending on medical equipment and consumables (known as 'market share') through NHS Supply Chain. It oversees a catalogue of more than 600,000 products and has an annual operating budget of £240 million for 2023–24. When it was originally set up, it was owned by the Department, but has been owned by NHSE since 2021.[4]

4.   NHS Supply Chain is modernising its business through a transformation programme that is expected to run from 2022 to 2030. The programme focuses on reorganising NHS Supply Chain's operating model to change the way it works with suppliers and replacing and upgrading key legacy IT systems. NHS Supply Chain estimates the cost of its transformation programme to be £144 million.[5]

The use of NHS Supply Chain by NHS trusts

5.   In 2016, Lord Carter's report found that there was considerable variation in the prices trusts paid for the same, or similar, products across several suppliers. In response, the Department set up NHS Supply Chain. By doing so, the Department aimed to create value for money by making the most of the tremendous buying power of the NHS. The original target for NHS Supply Chain was to have 80% of relevant NHS spending on medical equipment and consumables going through it by 2023–24. However as of September 2023 57% of relevant NHS spend went through NHS Supply Chain, against a revised target of 62%.[6]

6.   We asked NHS Supply Chain how well the organisation was working, given that £3.4 billion of medical equipment and consumables is purchased outside of the organisation. NHS Supply Chain noted that there has been significant growth since 2018 when market

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2   C&AG's Report, NHS Supply Chain and efficiencies in procurement, Session 2023–24, HC 390, 12 January 2024
3   C&AG's Report, para 1
4   C&AG's Report, paras 2–3
5   C&AG's Report, paras 19, 3.6–3.7
6   C&AG's Report, paras 1.3–1.5, 2.11

share was approximately 30%. It explained that it does not want to grow too quickly as it has capacity constraints, particularly in the south of the country. NHS Supply Chain added that it needs to improve its infrastructure and modernise technology before it 'moves to a utopian position in the future'. Given these constraints, and other operational reasons NHS Supply Chain maintained that it would be difficult to grow more quickly.[7] We also asked NHS England and NHS Supply Chain what the savings would be if the NHS only used NHS Supply Chain. NHS Supply Chain estimated that, if trusts made greater use of NHS Supply chain using the existing contracts that are currently in place, they could save a further £60 million to £90 million by 2026.[8]

7.   We asked NHS Supply Chain when it expected to reach 80% market share. NHS Supply Chain first told us that it would not be at 80% until it submitted its business case this summer to NHS England to seek the broader funding required to build the capacity. It described logistical challenges in the south, notably warehousing and having to find between 900,000 and 1.1 million square feet.[9] When pushed on whether it could say when it might reach the 80%, NHS Supply Chain said it "would like to see it as soon as possible" but that it was subject to infrastructure requirements and technology modernisation and how fast those could happen. Then it would go through a business case approval process for funding. It said that "As a minimum this will take at least three years to do. As a maximum I would hope not much more than three years, but that is the reality."[10]

8.   NHS Trusts largely have the choice whether or not to purchase equipment and consumables through NHS Supply Chain. NHS Supply Chain must therefore gain trusts' confidence in its services. It carries out a customer satisfaction survey to measure how satisfied customers are with its service. The survey shows that overall net customer satisfaction is in steady decline, from its peak of 67% in quarter two 2021–22 to 54% in quarter two 2023–24. NHS Supply Chain calculates overall net satisfaction by subtracting the percentage of customers who give a 'low' rating from the percentage who rate overall satisfaction as 'high'.[11] NHS Supply Chain has revised its overall net customer satisfaction target from 66% to 56% but is still failing to achieve this new lower target. We asked NHS Supply Chain why customer satisfaction is below target and declining. NHS Supply Chain recognised that there is a long list of things it needs do, which should improve services for its customers, and expects to see customer satisfaction start to improve. However, NHS Supply Chain explained that it does not expect to see significant improvement until it has completed the modernisation of its infrastructure and technology.[12]

Oversight of NHS Supply Chain

9.   NHSE is the owner and shareholder of NHS Supply Chain, and as such, approves NHS Supply Chain's annual business plan and funding requests. NHS Supply Chain reports its savings and other performance indicators to NHSE, but neither NHSE nor the Department validate or check the savings data. Instead, NHSE confirmed that it has relied

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7   Q 23
8   Qq 19–20; C&AG's Report, Figure 11
9   Qq 119–124
10   Q 126
11   C&AG's Report, paras 16, 2.17
12   Q 96

on NHS Supply Chain to make these checks, which undermines the confidence we can have in the reported savings.[13] NHSE has shared with us NHS Supply Chain's reported savings, which shows a cumulative £3.3 billion total from 2016–17 to 2022–23.[14]

10.   When the Department set up NHS Supply Chain, it did not make it mandatory for trusts to use it and trusts are free to buy consumables and medical equipment directly from suppliers or other supply organisations. There are several reasons why the Department did not mandate the use of NHS Supply Chain, including legal barriers. NHSE explained it cannot mandate that foundation trusts buy through NHS Supply Chain, and NHSE noted that it was a very deliberate decision for trusts to use it voluntarily. Instead, the Department wanted to make NHS Supply Chain so 'overwhelmingly attractive' that trusts would not choose to go elsewhere.[15] NHSE has tried to support NHS Supply Chain and increase trusts' use of it, for example NHSE has not specifically mandated that all trusts buy all large diagnostic equipment through Supply Chain however, trusts must buy some specific specialised high value products through NHS Supply Chain.[16]

11.   NHS Supply Chain recognises it needs to provide a better service to trusts, and increase trusts' use of NHS Supply Chain, and has a programme of planned improvements that aim to transform and modernise the business.[17] However, NHS Supply Chain considers that it needs NHSE's support for this to be successful. NHS Supply Chain requested a £252 million revenue budget for 2023–24 to operate the organisation and implement its transformation projects for the year. NHSE did not approve the full amount requested but instead provided £240 million. We asked NHSE why it did not give NHS Supply Chain the full amount of funding requested. NHSE initially acknowledged that this shortfall would delay a new IT system but explained that there are a lot of calls on NHS funding and it has sought to get the balance right between other competing priorities and giving sufficient resource to NHS Supply Chain. It told us that, working with NHS Supply Chain it considers it has found a way to still target the original savings target of £500 million by 2026–27.[18]

NHSE's role in challenging trusts use of NHS Supply Chain

12.   Trusts submit data to NHSE on how much they spend on medical equipment and consumables, and through which suppliers (including NHS Supply Chain). NHSE makes this procurement data available to all trusts, but relies on them to analyse the data and change their practices in response. Despite its central role, NHSE does not use this data itself to identify and generally challenge trusts as to why they do not purchase more using NHS Supply Chain.[19]

13.   We asked NHSE why it does not do more to understand the reasons trusts purchase through routes other than NHS Supply Chain. NHS told us that, given the resources it has, it only challenges the trusts that are struggling the most financially. NHSE explained, for those trusts struggling the most financially, they could be put under 'legal undertakings', and NHSE can require them to use NHS Supply Chain. NHSE does, however, make data

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13   Q 116; C&AG's Report, paras 1.9, 2.5

14   Correspondence from NHSE to the Public Accounts Committee, 15 February 2024.

15   Q 17; C&AG's Report para 6

16   C&AG's Report, Figure 12

17   Q 64; C&AG's Report, para 3.3

18   Q113; C&AG's Report, paras 3.8–3.9

19   Qq 72–73; C&AG's Report, para 15

available to all trusts so they can work out themselves where they can get better value for money. NHSE does not analyse the data to identify what NHS Supply Chain could do differently to persuade trusts to use it more.[20]

14. The data NHSE collects is incomplete, as 55 trusts (out of more than 200) do not routinely provide this data. When we asked NHSE about the completeness of the data, NHSE told us it is working with trusts that are not routinely submitting and considering what other actions and levers it might have available to require people to submit in a timely fashion. It confirmed that one consequence of incomplete returns is that it has to make an estimate of the value of potential procurement savings and recognised that there is more it can do to improve the quality of data.[21]

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20   Qq 72–75; C&AG's Report, para 2.13
21   Qq 76–79

2   Improving the business for the future

NHS Supply Chain's transformation programme

15.   NHS Supply Chain recognises that it needs to make considerable improvements to its business if it is to give trusts a better service. While it has a programme of planned improvements, it will be several years before the NHS sees the benefits from these plans and starts to use NHS Supply Chain more as a result.[22]

16.   NHS Supply Chain has started a transformation programme which aims to bring key improvements to the business. This programme runs from 2022–30 and its focus includes replacing or upgrading legacy IT and improving inventory management and supply chain capacity.[23] The transformation programme was rated red/amber by NHS Supply Chain in its risk register as at August 2023, recognising the complex delivery challenges involved.[24] NHS Supply Chain acknowledged the difficulties with transformation, in particular how to modernise while continuing to run the day-to-day business. It told us about the seven 'cornerstone' projects happening this year which it described as 'incredibly challenging' and outlined the challenges of moving from old technology to new. More positively, it noted good progress with a new warehouse near Gorsey Point which it expects will resolve capacity problems in the North.[25] It did however confirm it will be unable to achieve 80% market share until it has procured more warehousing space in the South of England, along with technology modernisation, and that will take at least three years.[26]

17.   There are some weaknesses and strengths in how NHS Supply Chain is managing the transformation programme. Most notably, there are questions about the capacity and resilience of NHS Supply Chain to deliver the necessary change, particularly in light of the heavy reliance on the Chief Executive Officer for NHS Supply Chain and delays in getting the appropriate approvals for recruiting a chief delivery officer.[27] NHSE acknowledged that the process has taken longer than it would want and that the necessary approval currently was 'sitting between' NHSE and the Department. The Department informed us that it is working with NHSE to streamline the approvals process.[28]

18.   NHS Supply Chain is also trying to improve its procurement route known as eDirect, which has had well-known problems since 2018. Some £1.5 billion of orders came through this channel in 2022–23.[29] NHS Supply Chain acknowledged that from a trust's perspective, while eDirect is working as it was designed, it is no longer what is needed to match the technology in some hospitals. NHS Supply Chain will therefore have to modernise at the same pace as NHS trusts are modernising their technology.[30] NHS Supply Chain reported that, over the period from June 2022 to March 2023, on average more than one quarter (26.9%) of orders made through eDirect were delivered late, by an average of 22 days.[31] NHS Supply Chain reported that there had been further

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22   Q 126
23   Q 64; C&AG's Report, paras 3.3–3.5
24   Q 64; C&AG's Report, Figure 10
25   Q 64
26   Qq 119–126
27   Qq 105–106; C&AG's Report, Figure 13
28   Q 106
29   C&AG's Report, para 2.21
30   Q 100
31   C&AG's Report, para 2.21

improvements since, with 8% of orders now eight days late. It is aware that there is still some way to go and that, further improvements will be slow to materialise. It told us that there will not be any further progress with eDirect in the next 12 months when it can put in place a new service provider and start to replace the old technology. From then, it estimates that improvements will take 18 months to appear.[32]

Reporting savings

19.   NHS Supply Chain has in the past used multiple methods to calculate and report its savings depending on its audience, for example, to government, trusts and suppliers. Each method gives a different result, risking clarity over how much NHS Supply Chain has actually saved. The method for calculating savings reported to government re-counted its savings from previous years. Separately, to show the savings trusts made individually, NHS Supply Chain calculated in-year savings for each trust, using prices paid the previous year as the baseline. The NAO report noted the mistrust and frustration caused by the differences in how NHS Supply Chain and trusts calculate savings.[33]

20.   NHSE considers that the NHS Supply Chain has delivered real savings and that the method to show its savings against its original target to save £2.4 billion by 2023–24 is clear.[34] NHSE shared with us figures setting out NHS Supply Chain's reported savings through two different methods. For the first, using the original method set by the Department, NHSE shared with us NHS Supply Chain's reported savings of £3.3 billion from 2016–17 to 2022–23. For the second, using a method which is more in line with trusts and does not re-count savings, NHSE shared reported savings of £1.7 billion over the same period.[35]

21.   NHSE, NHS Supply Chain and stakeholders including NHS trusts have developed a new way to calculate savings which will be aligned with a savings methodology it has rolled out across the whole of commercial in the NHS. NHSE told us that this method will mean that trusts are all going to be looking at their savings, calculating their savings and inputting them into the system consistently.[36]

Balancing cost with good outcomes for patients

22.   Both NHS Supply Chain and NHS England told us that trusts and clinicians need to be free to make decisions about which products to buy in some instances and NHS Supply Chain maintained that it offers an appropriate choice of products to trusts. However, there is a risk of tensions and disconnect between cost, clinical choice and patient care and there is no organisation with clear responsibility for managing that disconnect.[37] NHS Supply Chain told us that its role is to ensure it always has products available that are safe for use by clinicians but that it does not monitor the use of products by trusts.[38] NHSE considered that the choice of product was for local rather than national leadership.[39]

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32   Qq 27, 101–104
33   Q 83; C&AG's Report, para 2.7
34   Q 83
35   Correspondence from NHSE to the Public Accounts Committee, 15 February 2024
36   Q 82; C&AG's Report, para 2.9
37   Qq 28, 53–62
38   Qq 53–54
39   Qq 55–56

23.   NHSE described how it has established an evidence base for which specialised products are best to use (formerly known as high cost tariff excluded devices and now known as the Specialised Services Devices Programme). NHSE explained in written evidence that products purchased through this route are effectively free to trusts, with any consequent savings being available for spending elsewhere in the NHS. The resulting financial incentive for the trust is to purchase the 'free' device, creating the potentially perverse incentive of local financial incentives being in tension with local clinical preference or clinical judgement and not therefore always in the best interests of patients.[40]

24.   NHSE acknowledged that it does not direct or constrain local decision-making or monitor the use of, or outcomes from use of, a product. As a result, while trusts have the freedom of choice over which products to buy, there is no national leadership or analysis on which products lead to the best outcomes, other than for highly specialised equipment.[41] NHS Supply Chain has recently appointed a clinical director but NHSE has not yet appointed a position giving national clinical leadership that can get clinicians to follow agreed national category strategies, as requested by NHS Supply Chain in December 2022.[42]

25.   The Urology Trade Association told us in written evidence that it was concerned that the current focus by NHS procurement on acquisition costs alone is failing to acknowledge the importance of value for money across the whole patient pathway, and that lowest price does not always translate to best value for patients.[43] The Medical Technology Group (MTG) argued that the overall value of products is often overlooked by NHS Supply Chain compared to the costs of the initial procurement of the product. It noted that medical devices could provide the NHS with longer-term savings, as well as providing patients with better outcomes, which has a positive impact on patient lives and the economy as well as reducing engagement with health and care services. MTG recommended increased efforts within NHS Supply Chain to develop and deliver 'Value-Based Procurement models', capturing the whole system savings necessary for the NHS.[44]

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40   Qq 59–60, 107; Correspondence from NHSE to the Public Accounts Committee, 15 February 2024

41   Qq 53–58

42   Q 107; C&AG's Report, Figure 12

43   NHS0005

44   NHS0007

Formal minutes

Wednesday 20 March 2024

Members present

Dame Meg Hillier, in the Chair

Paula Barker

Peter Grant

Mr Mark Francois

Ben Lake

Anne Marie Morris

Matt Warman

Declaration of interests

The following declarations of interest relating to the inquiry was made:

7 February 2024

Anne Marie Morris declared the following interest: Chair of the All-Party Parliamentary Group on Access to Medicines and Medical Devices.

NHS Supply Chain and efficiencies in procurement

Draft Report (*NHS Supply Chain and efficiencies in procurement*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 25 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Resolved, That the Report be the Twenty-fourth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

Adjournment

Adjourned till Monday 25 March at 3.30 p.m.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee's website.

Wednesday 7 February 2024

Shona Dunn, Second Permanent Secretary, Department of Health and Social Care; **Amanda Pritchard**, CEO, NHS England; **Jacqui Rock**, Chief Commercial Officer, NHS England; **Julian Kelly**, Chief Financial Officer, NHS England; **Andrew New**, CEO, NHS Supply Chain   Q1–126

Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee's website.

NHS numbers are generated by the evidence processing system and so may not be complete.

1   Association of British HealthTech Industries (NHS0003)

2   British Healthcare Trades Association (BHTA) (NHS0008)

3   CMR Surgical Ltd (NHS0004)

4   Cook, Mr Nigel (NHS0009)

5   Essity (NHS0006)

6   Sanchez-Graells, Professor Albert (Professor of Economic Law, University of Bristol Law School) (NHS0001)

7   Smith, Chris (NHS0002)

8   The Health Tech Alliance (NHS0011)

9   The Medical Technology Group (NHS0007)

10   Urology Trade Association (NHS0005)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the <u>publications page</u> of the Committee's website.

Session 2023–24

Number	Title	Reference
1st	The New Hospital Programme	HC 77
2nd	The condition of school buildings	HC 78
3rd	Revising health assessments for disability benefits	HC 79
4th	The Department for Work & Pensions Annual Report and Accounts 2022–23	HC 290
5th	Government's programme of waste reforms	HC 333
6th	Competition in public procurement	HC 385
7th	Resilience to flooding	HC 71
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