

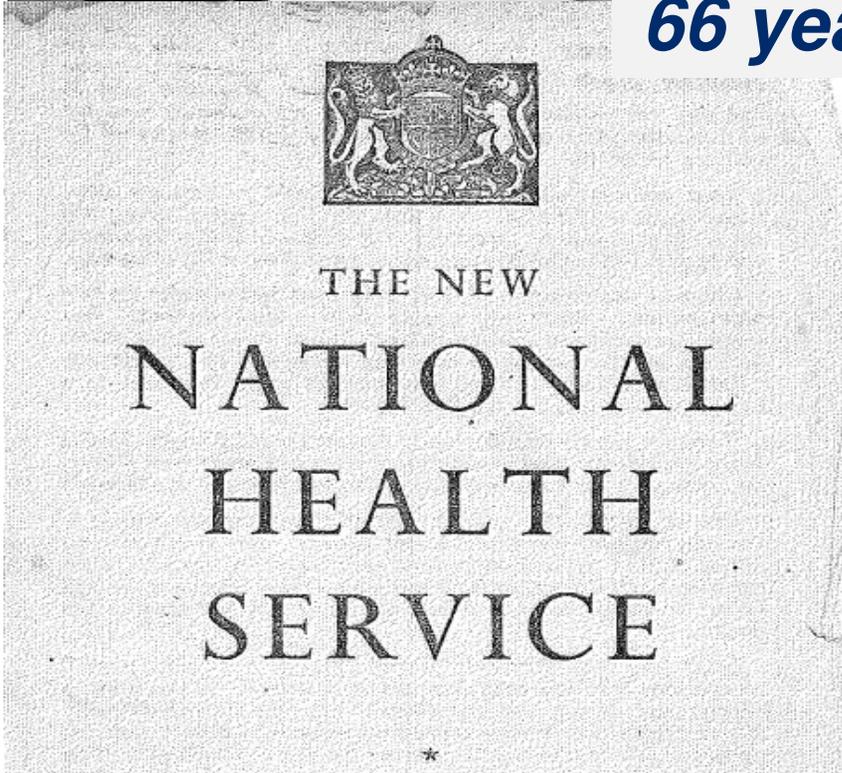


Lord Philip Hunt





66 years on.....





The NHS resilient and popular



COUNTRY RANKINGS

Top 2*
Middle
Bottom 2*

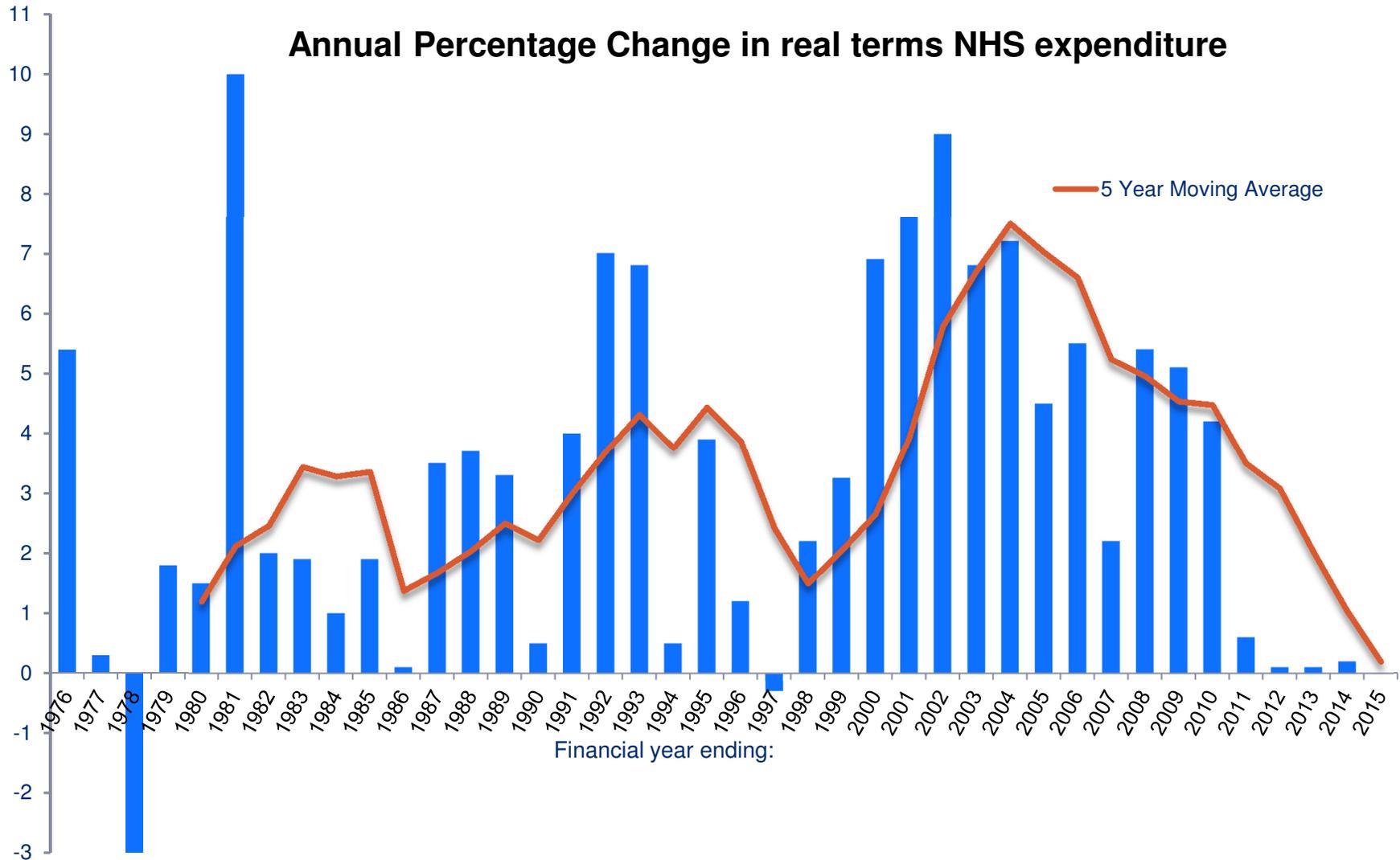


The
COMMONWEALTH
FUND



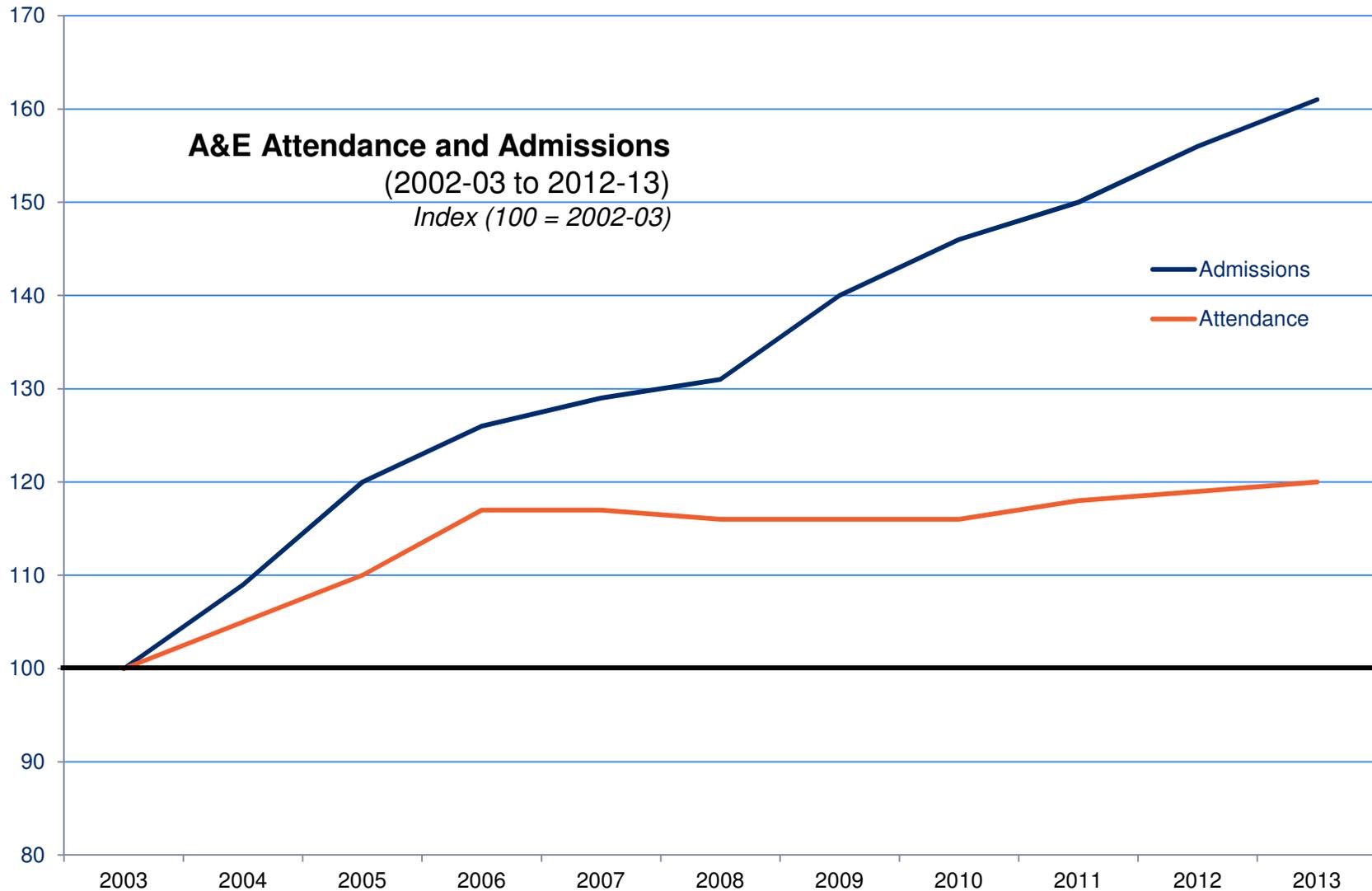
	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING (2013)	4	10	9	5	5	7	7	3	2	1	11
Quality Care	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
Access	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
Efficiency	4	10	8	9	7	3	4	2	6	1	11
Equity	5	9	7	4	8	10	6	1	2	2	11
Healthy Lives	4	8	1	7	5	9	6	2	3	10	11
Health Expenditures/Capita, 2011**	\$3,800	\$4,522	\$4,118	\$4,495	\$5,099	\$3,182	\$5,669	\$3,925	\$5,643	\$3,405	\$8,508

Source: Commonwealth Fund, Mirror, Mirror on the Wall, 2014 Update How the U.S. Health Care System Compares Internationally, p. 7.



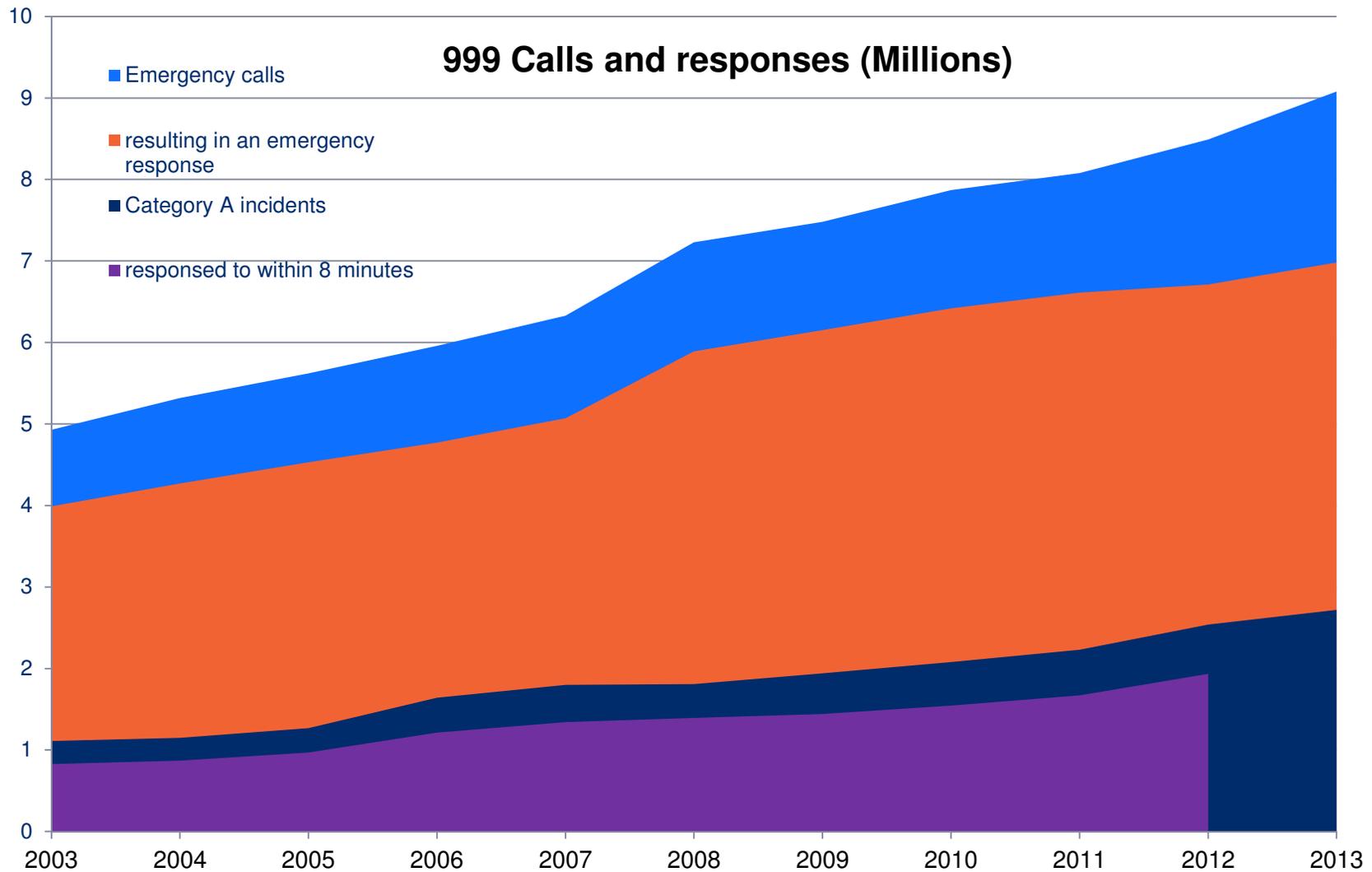
Source: NHS Funding and Expenditure, House of Commons Standard Note SN/SG/724

Increase in demand



Source: House of Commons Standard Note SN2197, NHS Activity Statistics: England, p.3.

Increase in demand



Source: House of Commons Standard Note SN2197, NHS Activity Statistics: England, p.11.



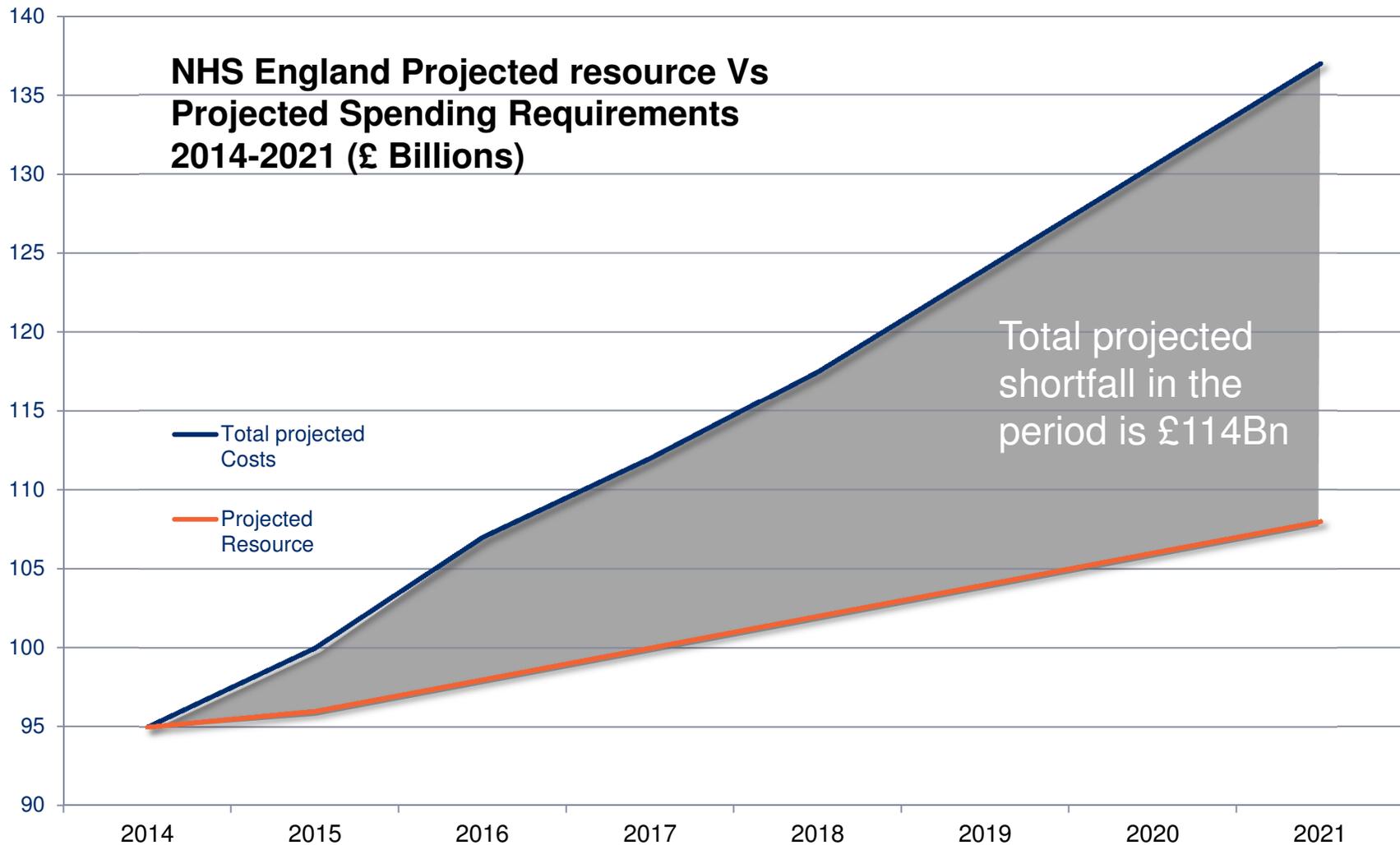
Drivers of increased demand?



- **Technological advances** in diagnosis and treatment are the biggest driver of increased cost of care delivery.
- **Increased prosperity and expectation** along with medical price inflation and increased cost of delivering care account for much of the rest of the increase in demand.
- **An ageing population**, though a contributor, is a relatively small driver by comparison.

Source: Newhouse (1992), Cutler (1995) – King's Fund – Living with an ageing society

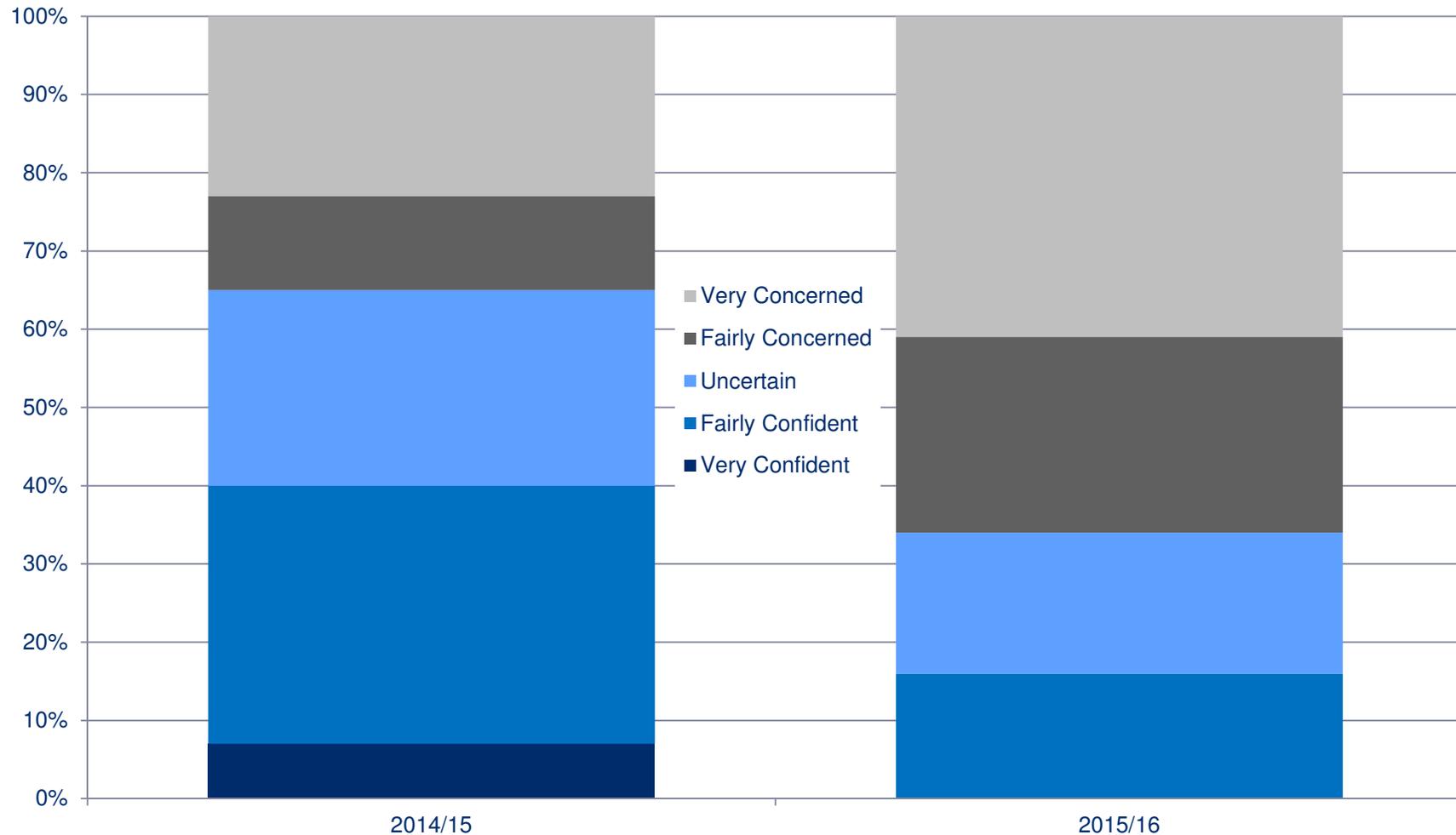
Demand v Resource



Source: NHS England

Confident?

The King's Fund asked "Looking ahead, how confident are you that your organisation will achieve financial balance in 2014/15 and 2015/16?" (74 responses)



Source: The King's Fund, Quarterly Monitor Report, Report 11, April 2014.



Reported Deficits 2013/14



	Surplus (£M)		
	Plan	Actual	Variance
Trusts (acute only) ¹	(142)	(311)	(169)
Foundation Trusts ²	134	(144)	(285)

¹ Source: Board Meeting, 15 May 2014 Paper F: Service and Financial Performance Outturn Report for the period ending 31 March 2014, para 4.8, p. 20.

² Source: Performance of the Foundation Trust Sector, Year Ended 31 March 2014, slide 4.1



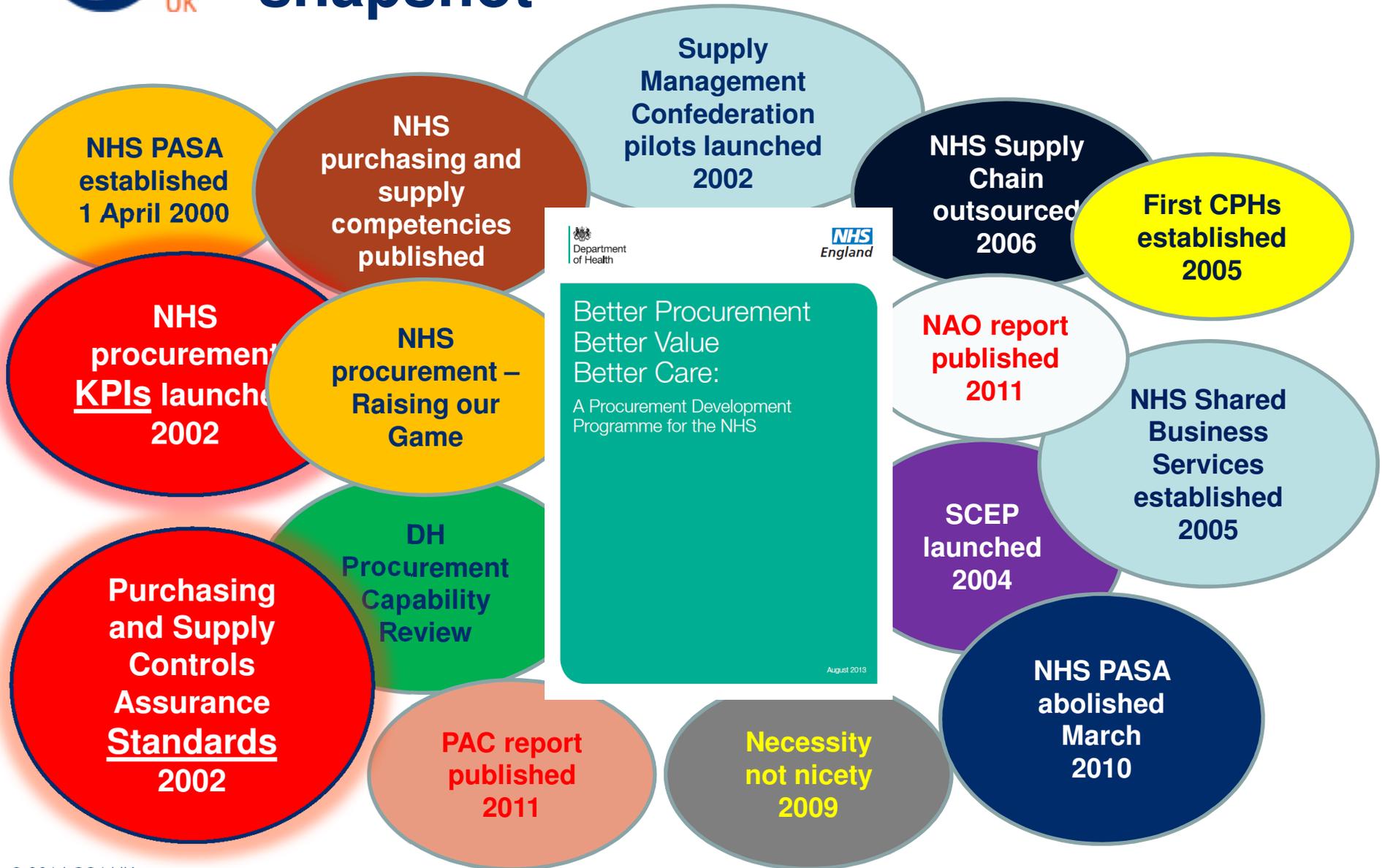
Staff numbers post-Francis



- The Francis report explicitly states that poor staffing levels at Mid Staffordshire led to poor quality care.
- “An extra 2,400 hospital nurses hired since the Francis report, with over 3,300 more nurses working on NHS hospital wards and 6,000 more clinical staff overall since May 2010” – *HSJ Feb 2014*
- “In its response to the Francis report in November, the Government announced that NHS trusts are planning to employ 3,700 more nurses by the end of the financial year. The RCN welcomes this announcement but warns that the recently published Frontline First report revealed there are nearly 20,000 nursing posts left unfilled.” – *RCN March 2014*



NHS procurement snapshot





NHS procurement – NAO report issues

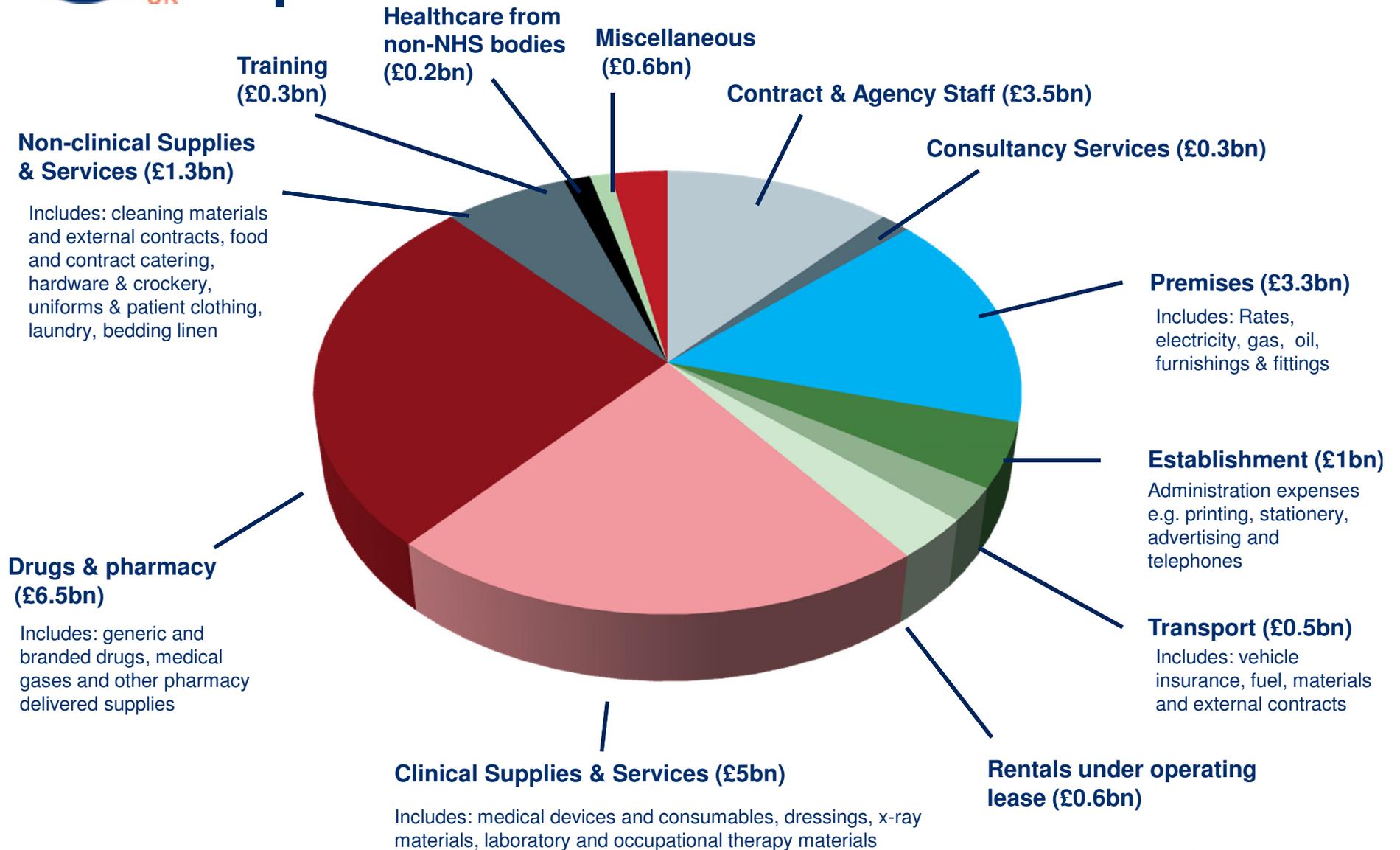


- “Limited data on what is purchased by individual trusts”
- “Trusts pay widely varying prices for the same items”
- “No immediate way of examining variation in prices”
- “No mechanism to secure commitment by hospital trusts”
- “Trusts are often paying more than they need to, even for basic supplies”
- “Some hospital trusts buy much wider range of key commodities than others”
- “NHS....frequently establishing new contracts and framework arrangements which overlap and duplicate each other....”
- “Variation between the highest and lowest unit price paid was around 10%”
- “Much larger savings of up to 30 per cent in some categories”
- “We [NAO] estimate that if hospital trusts were to rationalise and standardise product choices and strike committed volume deals across multiple trusts, they could make overall savings of at least £500 million...”





Acute sector non-Pay spend





NHS procurement – Strategy



A balance between the need to improve local **capability, data** and **leadership** for the longer term, and the need to **drive savings** in the short- term



Better Procurement
Better Value
Better Care:

A Procurement Development Programme for the NHS

August 2013



NHS procurement – Strategy



Short term:

- Develop a proposition to help NHS trusts deliver **£1.5-2bn savings**
- Increase **transparency**

Medium/long term:

- Create a new national ‘enabling’ function (**NHS Centre of Procurement Efficiency**) - home of professional development, data, analytics, diagnostics, benchmarking, best practice, and networking
- **e-Procurement strategy**



Better Procurement
Better Value
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Enablers



- Board level recognition and sponsorship
- Executive authority and influence
- Organisational alignment
- Category management and sourcing strategies
- Supplier Relationship Management
- Rigorous risk management
- Operating Process Management
- Performance management with KPIs
- Data, information and knowledge
- People strategy
- Excellence in governance, planning, programme and change management

Support for NEDs, Execs and HoPs

National strategy and landscape alignment

The Centre for Procurement Efficiency

National Delivery initiatives

National Category Strategies

Key Supplier programme

e-Procurement Strategy (GS1)

NHS Standards of Procurement

NHS Procurement Dashboard

Academy for procurement Excellence

Diagnostics and Benchmarking



HCSA will continue to.....



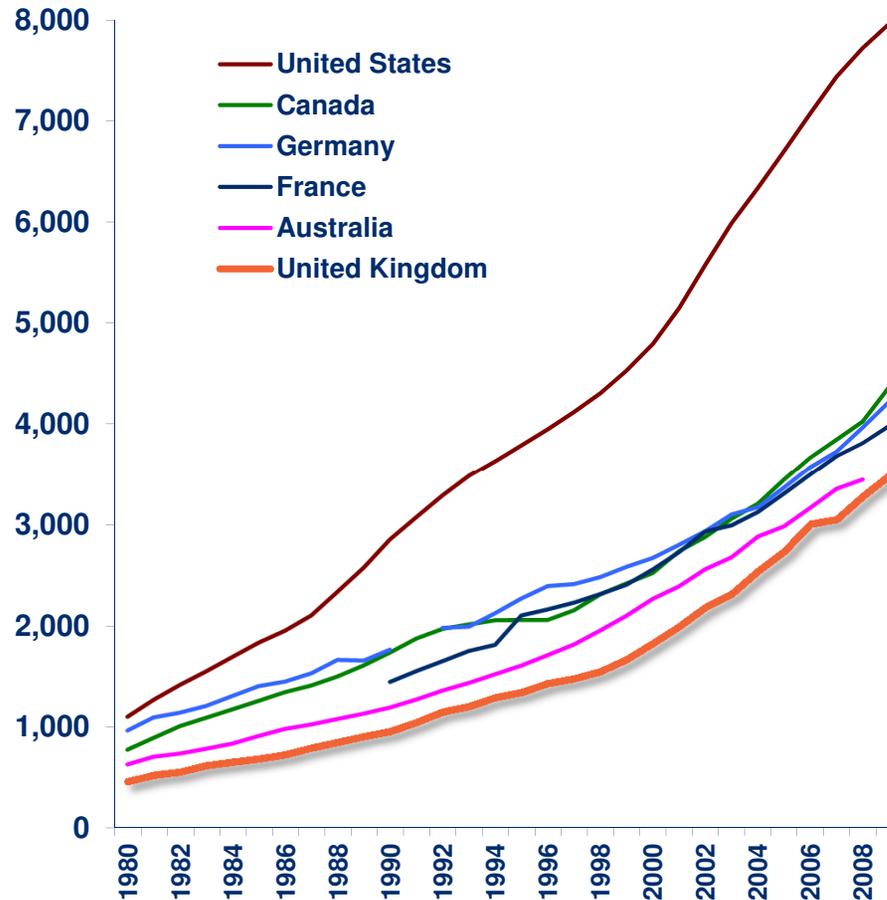
- Act as a voice for the NHS procurement profession
- Input to the development of strategy
- Support the development of future talent
- Engage with industry bodies, suppliers and other bodies. eg GS1
- Champion the good work of NHS procurement
- Maintain an effective professional procurement network
- Arrange high profile Conferences and other events
 - Annual Conference and Exhibition 19-20 November 2014
 - Hilton, Deansgate, Manchester <http://www.hcsaconference.co.uk/>
- ***HCSA – promoting and supporting NHS procurement across the UK***
<http://www.healthcaresupply.org.uk/>



International Comparison of Spending on Health, 1980–2009



Average spending on health per capita (\$US PPP*)



* PPP=Purchasing Power Parity.

Data: OECD Health Data 2011 (database), Version 6/2011.

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2011.

