

The best remedy

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Geraint John, Editor-in-Chief, Supply Management magazine finds out how local NHS trusts in north-west England joined forces to maximise their buying power.

CATEGORY - Most improved purchasing operation - start-up

WINNER - North West Collaborative Procurement Hub

Doctors are a notoriously difficult group of stakeholders to work with when it comes to professionalising procurement. And at a time when the political agenda has been about giving local NHS trusts greater independence, the notion of trusts joining forces to buy better goes somewhat against the grain. So says Peter Akid, chief executive of the North West Collaborative Procurement Hub (CPH), winner of this year's "most improved purchasing operation - start-up" award.

Yet, he adds, financial pressures on trusts are acute and "they need our help". Founded in June 2005 following the Gershon efficiency review, the North West CPH is one of several regional procurement hubs that sit between the nationally focused NHS Purchasing and Supply Agency and NHS Supply Chain at one end, and local hospital purchasers at the other. Its aims include improving procurement practices and skills, maximising buying power by pooling volumes, and developing supplier relationships.

Trusts pay a fee to join the hub, which analyses buying patterns and negotiates contracts on their behalf. The trusts use these to order goods and services directly from suppliers. Initially the hub covered 28 trusts in the Greater Manchester area, but within a year it had expanded to 42 trusts and £1.2 billion of spend.

The 49-strong team includes two clinical advisers who work alongside purchasers, and the hub runs 27 clinical networks that bring together different trusts to look at particular spend categories, such as cardiology and tissue viability nurses. But it isn't only doctors who need to change: Akid admits there has been some resistance from local buyers who "have been working there for 20 years and think they are bulletproof".

The Salford-based hub also had to deal with early scepticism among suppliers, which either resented its involvement in longstanding customer relationships, or doubted - as the contracts were not mandatory - that they would see the volume of business quoted during the tender process. But as the hub is owned by, and close to its members, it can get solid spending commitments and make contracts stick, Akid argues.

To date, the North West CPH has signed off annual savings of £34 million - almost 50 per cent more than planned. By the end of next March it expects that figure to rise to £48 million. Akid cites IT hardware - where an e-auction reduced the cost by 28 per cent, heart valves and stents, agency staff and print management as examples of areas where big savings have been achieved. By the end of this year, it is hoped the North West CPH's footprint will grow again to include 18 trusts in Cheshire and Merseyside, giving it a total influenceable spend of around £2.1 billion.

ALSO ON THE SHORT LIST: Classic Hospitals, NHS Resource Procurement Hub, Essex Procurement Hub, Devon County Council