



Pwyllgor Cyllid / Finance Committee

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 June 2020
TEITL YR ADRODDIAD: TITLE OF REPORT:	Post COVID-19 Utilising the Local Supply Chain
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Alan Binks, Head of Procurement

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

The COVID-19 pandemic has necessitated a review of the goods, equipment and services supply chain and, where possible, a re-design to enable agile utilisation of local providers to meet shortfalls in provision through the conventional routes.

Cefndir / Background

One of the unexpected consequences of the COVID-19 pandemic has been the opportunities borne out of the necessity to ensure security of supply to encourage and develop local supply of key goods, equipment and services. Examples have included:

- Clinically-led development of a variant of a Continuous Positive Airway Pressure (CPAP) machine with an Ammanford-based engineering company;
- Working with the University of Swansea on the production and supply of hand sanitiser;
- Utilising an Ammanford-based engineering company to supply drip stands for Field Hospitals (see attached photo at Appendix 1);
- Utilising SWARM local supply chain digital search tool to find a company in Aberdare to produce urgently required Observation Desks for Intensive Treatment Units (ITUs). (See attached photo at borne 1);
- Utilising local suppliers to develop Personal Protective Equipment (PPE) visors to supplement bulk supply from the Royal Mint;
- Utilising local building supplies re-sellers to supplement PPE supply for goggles, etc.

This has highlighted the benefits - strategically and economically - of developing a robust local supply chain to work in a complementary way to the existing international supply chain managed through NHS Wales Shared Services Partnership (NWSSP) Procurement Sourcing Team. The purpose of this report is to set out the approaches which Hywel Dda University Health Board (HDdUHB) can follow to achieve this. A local supply chain strategy complements Welsh Government ambitions through the Well Being of Future Generations Act.

Asesiad / Assessment

The Health Board's (HB) proposed approach will be to create Category Workstreams as follows:

- Clinical engineering products and equipment
 - Complex (e.g. CPAP machine)
 - Simple (e.g. Drip stands, trollies)

- PPE and clinical consumables

- Furniture
 - Clinical settings
 - Non-clinical settings

- Estates and Facilities
 - Building and Engineering products
 - Catering
 - Food and drink
 - Catering equipment

The Category Workstreams could either operate as stand-alone groups or as part of an existing Health Board group, such as the Medical Devices Group (for the Clinical Engineering and PPE/ Medical Consumables categories) or the Furniture Group.

The supply chain element should be jointly led by a key stakeholder for each category and Procurement Services. The workstreams should develop key target products, based initially upon those products which presented both challenges and subsequent opportunities during the first phase of the COVID-19 pandemic.

In terms of the community benefit of re-directing Health Board spend to new local providers, maximum benefit will be generated where manufacture is involved, or value-added to the manufactured products being sourced (the economic multiplier effect - refer to Glossary of Terms). These local providers, rather than simple re-sellers (i.e. companies that purchase goods or services with the intention of selling them rather than using them), should be the prime target, as this maximises the effect of the multiplier (although utilising local re-sellers can be a complementary strategy).

For all products and services, a clear specification will be needed. In the case of the manufactured categories, care must be taken not to infringe any Intellectual Property (IP) rights for existing providers, and this may constitute a constraint on development.

A key under-pinning principle must be that all actions undertaken through this programme must be compliant with the Health Board's (HB) Standing Financial Instructions (SFIs) and UK procurement law. Business will need to advertise through Multiquote, Sell-2-Wales and, potentially, BRAVO e-procurement portals to drive competition and demonstrate value for money.

Key Partners

The HB already has established contacts with SWARM (<http://swarm-covid19.co.uk/>) and is continuing to work with them on a local supplier development programme, focusing upon extending the work already undertaken and further exploration of the target categories above.

In addition, the South Wales Chamber of Commerce (<https://southwaleschamber.co.uk/>), as the principal organisation representing business in South Wales, would also be a useful partner organisation to take this strategy forward.

It is proposed to consult with the above bodies on the best methods of engagement with our local market to deliver on the strategy.

Possible means of engagement will include:

- 'Meet the Buyer Days'
- 'Show & Tell' (for specific products or categories)

HDdUHB will also consider partnering with Swansea Bay UHB, either formally or on a consultative basis.

Argymhelliad / Recommendation

The Finance Committee is asked to note this initiative, which will be taken forward as an endorsed HDdUHB procurement initiative.

Progress will be periodically reviewed, with the suggested review period being every six months.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	5.5.9 Commissioning regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	3.3 Quality Improvement, Research and Innovation
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Improve efficiency and quality of services through collaboration with people, communities and partners Support people to live active, happy and healthy lives

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Code of Practice
Rhestr Termau: Glossary of Terms:	*Economic Multiplier Effect https://www.tutor2u.net/economics/reference/multiplier-effect
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Tim Cyfarwyddwyr: Parties / Committees consulted prior to Executive Team	Finance Committee

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	No adverse impact, potential positive.
Ansawdd / Gofal Claf: Quality / Patient Care:	No adverse impact
Gweithlu: Workforce:	Reinforces good practice in workforce issues
Risg: Risk:	No foreseen risk from poor practice
Cyfreithiol: Legal:	Reference IP legislation and UK procurement law
Enw Da: Reputational:	Improves reputational standing by being seen as driving Well Being of Future Generations Act (2015) objectives.
Gyfrinachedd: Privacy:	No adverse impact
Cydraddoldeb: Equality:	No adverse impact

ICU Observation Desk



Drip Stand

