

**HEALTHCARE INDUSTRIES TASKFORCE (HITF)  
STRATEGIC IMPLEMENTATION GROUP (SIG)  
MINUTES OF THE FOURTH MEETING, HELD ON 26 FEBRUARY 2007**

**PRESENT**

**Government**

Lord Hunt	Minister of State for Quality [Co-Chair]
Sarah Haywood	Director, BioScience Unit, DTI ( <b>representing Malcolm Wicks</b> )
Dr Felicity Harvey	Head of Medicines, Pharmacy and Industry Group (MPIG), Department of Health
Professor Kent Woods	Chief Executive, Medicines and Healthcare products Regulatory Agency (MHRA)
Mike Seitz	Interim Commercial Director, Commercial Directorate, Department of Health
Jill Dhell	Innovation and Industry R&D Relations Manager, Research & Development Directorate (RDD), Department of Health ( <b>representing Professor Sally Davies</b> )
Craig Muir	Director for Older People & Disability, Social Care Directorate, Department of Health
Robert Driver	Director, High Tech Sectors, UK Trade and Investment
Paul Cryer	Programme Manager, HITF Training & Education, Department of Health ( <b>representing Professor Sue Hill</b> )
Dr Maire Smith	Director of Technology and Product Innovation, National Innovation Centre ( <b>representing Professor Bernard Crump</b> )
Wendy Harris,	Branch Head Patient Safety & Investigations, Department of Health ( <b>representing Dr Jane Moore</b> )
Richard Carter	Branch Head, Industry Sponsorship, Department of Health

**Industry**

Sir Christopher O'Donnell	Chief Executive, Smith & Nephew [Co-Chair]
Colin Morgan	Chairman, Johnson & Johnson Medical and Managing Director, Ethicon Products UK
Geoff Morris	Regional Vice President UK & Ireland, Medtronic Ltd
John Jeans	President & General Manager EMA, Life Sciences Commercial Operations, GE Healthcare
Brian Fishwick	President, British In Vitro Diagnostics Association (BIVDA)
Ray Hodgkinson	Director General, British Healthcare Trades Association (BHTA)
Oliver Wells	Association of British Healthcare Industries (ABHI)

**Secretariat**

Chris Bantock	Industry Sponsorship (Medical Devices), Department of Health
Naseem Mahtey	Industry Sponsorship (Medical Devices), Department of Health
John Wilkinson	Director General, Association of British Healthcare Industries (ABHI)
Andy Taylor	Director, Healthcare Policy, Association of British Healthcare Industries (ABHI)
Linette Irons	Facilities Manager, Association of British Healthcare Industries (ABHI)

**In attendance**

Ian Young	Bioscience Unit, Department of Trade and Industry
John Cooper	Chief Operating Officer, NHS Purchasing & Supply Agency (PASA)
John Warrington	Director, Policy and Innovation, NHS Purchasing and Supply Agency (PaSA)
Martin Glasspool	Business Planning Manager, Centre for Evidence Based Purchasing, NHS PASA
Margaret Horton	Head of Innovation, NHS Purchasing and Supply Agency (PASA)
Paul Loveland	Head of Education, Training & Development, Department of Health

**Apologies**

Malcolm Wicks	Minister of State for Science & Innovation
Professor Sir Ara Darzi	Adviser on Surgery to the Department of Health
Professor Sally Davies	Director of Research & Development, Department of Health
Professor Sue Hill	Chief Scientific Officer, Department of Health
Liz Eccles	Deputy Director, Policy and Strategy, Department of Health
Harry Cayton	National Director for Patients and the Public, Department of Health
Dr Chris Hodges	Associate Fellow, University of Oxford and Consultant, CMS Cameron McKenna
Dr Jane Moore	Director, Healthcare Quality, Department of Health

### **Item 1 - Chairman's opening remarks**

1. Lord Hunt welcomed everybody to the final meeting of the Strategic Implementation Group (SIG) and said how fitting it was for him to be chairing the proceedings, as he had been instrumental early in 2003 in establishing the Healthcare Industries Task Force (HITF). He paid tribute to Sir Chris O'Donnell's continued support and commitment to this initiative, and said that he looked forward to re-establishing his relationship with the industry. He stressed the importance of strengthening the Government/industry partnership in terms of bringing beneficial, cost-effective innovation into the NHS, meeting the changing health and social care needs of the population and promoting UK plc.
2. He went on to explain that the main purpose of the meeting was to update the Group on recent developments on procurement issues, and to discuss and approve the draft report which had been circulated to members. He stressed the importance of agreeing the report as publication was planned for 6 March. He informed the Group that it had been agreed to arrange an event later in the year to mark the achievements of Government / industry collaboration over the last two years. He gave his commitment to building on the excellence of this relationship which would be discussed under the final agenda item.

### **Minutes of last meeting**

3. The minutes of the meeting held on 14 November 2006 were agreed.

### **Procurement – Framework for Collaborative Procurement Organisations**

4. John Warrington and Colin Morgan jointly presented the new framework for Collaborative Procurement Organisations, which had been endorsed by the Steering Group. They outlined the scope of the framework and gave examples of the tools available to support its implementation. The development of the Collaborative Procurement Hubs, with clinician and stakeholder involvement, had informed the development of the framework and future strategic direction of procurement. It was recognised that whilst adoption of the framework would effectively deliver the HITF output on procurement processes, there was still a number of issues to be addressed. Integrating the framework into CPH practice would be challenging and it would also be important to work towards spreading its adoption to NHS Supply Chain to achieve a sustainable, consistent approach to procurement across the NHS. The Hubs were still maturing and there was therefore scope for them to embrace the principles set out in the framework. In recognition of the need to continue to develop this work, a recommendation for further joint working had been included in the draft report (see recommendation 1) for SIG consideration and approval.
5. The Chairman thanked the presenters for a very clear exposition of the issues. He asked about the governance arrangements of the Hubs and what incentives there were for trusts to use them. Mike Seitz explained that the level of engagement between the Hubs and individual trusts was variable at this stage, and confirmed that there was a need to increase awareness of the benefits and give high profile to the successes. Sir Chris O'Donnell agreed that industry regarded the procurement framework as a welcome development, but that it was still at an early stage -

more needed to be done to *embed* the process in the various procurement agencies to deliver the HITF output. In response to a question from Oliver Wells, John Warrington confirmed that the intention was for this model to be used across the care pathway, from PCT to care in the community. Craig Muir confirmed that this was so and that Strategic Health Authorities would help drive adoption across boundaries.

6. The Chairman concurred that it was important to convey to the NHS the broad range of benefits that could accrue from adoption of the framework for procurement. He recognised the need for further work and confirmed that this would form a critical part of future Government / industry discussions.

### **Draft report**

7. Lord Hunt invited the Group to consider the draft report which had been produced and circulated by the Joint Secretariat. He drew the Group's attention to the executive summary which detailed the key achievements and captured some of the challenges that had occupied SIG over the past two years. He also highlighted the six recommendations that, if agreed, would shape the agenda between Government and industry for the immediate future. He emphasised the need to agree the report to ensure publication on 6 March. He reminded the Group that due to conflicting engagements and in view of the little time available to organise a launch event, he and Sir Chris had agreed to delay this and mark SIG's achievements at an event to be organised later in the year.
8. Lord Hunt invited Chris Bantock and John Wilkinson to present the key features of the report. Their presentation covered, in brief, the changes and additions made since it was last circulated. The six draft recommendations were highlighted individually.

- i. ***Recommendation 1 - Procurement of technology and innovation within the NHS***

The recommendation built on the procurement framework already discussed and set the future strategic engagement on this subject. It encompassed the need to work towards implementation of this model across the NHS, with the involvement of key stakeholders, including patients and industry. John Wilkinson confirmed industry's support and eagerness to help to take this forward. CEP's role in supporting delivery of this recommendation was also regarded as important.

- ii. ***Recommendation 2 - SME support***

This recommendation acknowledged the crucial part played by SMEs in driving forward innovation in the medical technology industry and in the wider economy. A review of existing support mechanisms and funding sources would help ensure these were appropriate and supported linkages across Government, such as alignment of Regional Development Agencies activities with national policy.

- iii. ***Recommendation 3 – Inward investment and trade development***  
This recommendation built on the ongoing work to implement a focused export strategy, linked to SIG’s conclusion on the need to develop inward investment opportunities. It reflected UKTI’s new strategy which encompassed both activities on a sector specific basis.
- iv. ***Recommendation 4 – Measurement and analysis of the UK healthcare industry environment***  
Since industry data were first published in the HITF report, trends had become clearer. However, there was an increasing need to tie these in with competitiveness and performance indicators. A group led by DTI and comprising DH and industry representatives had already developed and improved the HITF data set (see Annex B to the draft report), but a more radical review of statistics and systematic analysis was required to enable the competitiveness of the industry to be assessed, in particular its R&D activity. This recommendation was designed to commission a new exercise, leading to the development of more meaningful indicators. Sarah Haywood confirmed that due account would be taken of the high proportion of SMEs in the sector. This exercise would help define the conditions necessary for business success and would inform the output of the review of SME support mechanisms envisaged under draft recommendation 2.
- v. ***Recommendation 5 – Europe***  
This recommendation was focused on the inquiry currently being conducted by the European Commission into the competitiveness of the European medical devices industry. It followed Professor Pamolli’s earlier report to the Commission on similar issues and reflected the increasing interest in this sector at European level. The Commission had expressed an interest in learning from the UK’s experience in setting up HITF and this recommendation would help facilitate a role for the UK in shaping the eventual outputs of the EU initiative. In response to a question from the Chairman, John Wilkinson confirmed that the European trade bodies were working collaboratively together to input into the study. Ray Hodgkinson added that the industry supplied products throughout the care pathway and working coherently across the range of national health services was proving very challenging. Kent Woods said that MHRA recognised this difficulty, especially with the recent enlargement of the EU.
- vi. ***Recommendation 6 – Future mechanism for Government and industry engagement***  
The intention of this recommendation was to create a new mechanism for continuing the engagement between Government and industry at a more strategic level. A small Ministerial-industry group was needed to progress the other recommendations, once considered by SIG, and other strategic issues that might arise. John Jeans welcomed the recommendation and commented that strategic engagement was important to the stimulation of

innovation within industry to meet the needs of the NHS. Sarah Haywood expressed DTI support and interest in participating in such a group.

9. Sir Chris O'Donnell congratulated all those involved in producing the report. He agreed that in particular, the current metrics had been significantly improved and he welcomed the recommendation to collaborate on a new statistical exercise. However, he considered that this was likely to raise more issues, especially in connection with SMEs, about improving innovation uptake, SME performance and our understanding of the industry structure. Looking back to the beginning of SIG's work, he observed that HITF outputs had focused on *enabling* mechanisms to help deliver more medical innovation into the NHS. Procurement issues had, however, distracted efforts from this central objective. Whilst a great deal had been achieved over the last two years, as reflected in the report, there was a need to return to a high level agenda and Sir Chris therefore strongly supported recommendation 6 to create a new strategic forum for future Government / industry engagement. On behalf of industry, he endorsed the report and the six recommendations.
10. In reply, Lord Hunt referred to the considerable progress made under SIG. During the past three to four years when discussions about HITF had just begun, it had become clear that NHS procurement must be strengthened and made more professional. The Hubs were developing under the guidance of CD and PASA and it was essential that they operated within the right framework. As had been shown during the presentation on procurement, raising awareness of the broader benefits was the key to incentivising the NHS. He agreed that innovation was essential to the delivery of effective and efficient care and that this issue would be fundamental to future engagement. He added that SIG had clearly moved the agenda on. He confirmed that the report would be published as drafted on 6 March and that the recommendations would be progressed under a new joint group.

#### **Forward look**

11. Lord Hunt said that SIG had identified important issues on procurement, SMEs, metrics for future work, in particular effective communication between NHS and industry. He believed that the development of new metrics for the industry and the market was essential for setting the scene for the future dialogue. He said the new group needed to be compact and high level decision-makers. He looked forward to taking a leadership role and working in partnership with industry, who would focus on a strategic agenda. Further thoughts and discussions through the Secretariat would be developed over its scope and membership.
12. Sir Chris O'Donnell agreed with Lord Hunt's remarks. He added that it was important to keep up the momentum on procurement and although this was operational rather than strategic, an effective mechanism, accountable to the new group, should be established to keep this moving forward. Colin Morgan suggested that the current Steering Group should be retained to fulfill this aim and this was agreed.

13. Felicity Harvey explained that in the next few months the Joint Secretariat would be working on the membership, terms of reference and structure of the new group with a view to holding the first meeting in autumn 2007.
14. Colin Morgan asked about communicating with the Devolved Administrations. Richard Carter confirmed that colleagues in the Devolved Administrations would be kept informed of strategic developments, as had happened throughout the HITF and SIG processes. John Wilkinson added that there was a regular dialogue with the Devolved Administrations at various other levels. Lord Hunt confirmed that he would write to his counterparts in the Devolved Administrations enclosing a copy of the report.

**Conclusion**

15. Lord Hunt and Sir Chris O'Donnell thanked all involved for their commitment and the results they had achieved. Both agreed that it was essential to maintain the momentum of ongoing workstreams and to move forward in partnership. They reminded the Group of the publication of the report on 6 March and that an event to mark the achievements of this collaboration and enhance communications with the NHS would be held later in the year.

**Joint Secretariat**