

1 April 2019 Customer Readiness FAQs

v.2 – 08.03.2019



Contents

[Introduction to 1 April 2019 changes](#)

[Glossary](#)

[VAT change](#)

[Buy Price = Sell Price](#)

[Home Delivery Service](#)

[Core band pricing](#)

[NHS Supply Chain catalogue](#)

[eDC](#)

[Punch-out](#)

[Invoices](#)

[Credit note](#)

[Receipting](#)

[Customer Readiness team](#)



Introduction to 1 April 2019 Changes

From 1 April 2019, NHS Supply Chain is introducing Buy Price = Sell Price on products purchased by NHS Provider organisations in England. These organisations will be subject to the national tariff contribution, making them eligible to receive Buy Price = Sell Price.

Additionally, from the 1 April the entity responsible for managing the NHS Supply Chain procurement operation; Supply Chain Coordination Limited (SCCL), will be VAT registered independently of the NHS and will therefore exist outside the English NHS divisional VAT registration.

This change will require NHS Supply Chain to charge VAT on the supplies it makes into the NHS (and other third party organisations). These changes will only apply to English NHS organisations within the English NHS divisional VAT registration, as non-NHS organisations and NHS organisations outside England already receive VAT invoices where applicable.

Glossary

Term	Definition
BP=SP	Buy Price = Sell Price
eDC	Electronic Demand Capture
eDI	Electronic Data Interchange
GL	General Ledger
HDS	Home Delivery Service
PDA	Personal Digital Assistant
PO	Purchase Order
PRDB	Product Database
Punch-out	eProcurement application that enables trusts to access an external website from within the trust's own procurement application
SCCL	Supply Chain Coordination Limited
SPV	Special Purpose Vehicle



VAT change

Q

Who is impacted by the NHS Supply Chain VAT change?

A

These changes will apply to all of our customer groups listed below:

- English NHS organisations within the English NHS divisional VAT registration
- NHS organisations outside the English NHS divisional VAT structure
- Non-NHS organisations.

English NHS organisations will be impacted to a greater degree as the other customers already receive VAT invoices from NHS Supply Chain.

Q

Will VAT on NHS Supply Chain 'cost to serve' charges be recoverable?

A

Our cost to serve charge is included in our product price where appropriate.

Q

Currently NHS Supply Chain can provide a VAT Reclaim report to help identify the amount of VAT that can be reclaimed, will that still be available?

A

The VAT Reclaim report will continue to be made available until further notice. Any change in this regard will be communicated.

Q

Who do I contact if I have further VAT questions?

A

Please send all VAT related queries to VATqueries@supplychain.nhs.uk.



Buy Price = Sell Price

Q

Which organisations are covered by the proposed national tariff contribution?

A

Currently, the care provided by NHS Provider organisations in England, will be covered by the proposed national tariff contribution funding arrangement, whilst Clinical Commissioning Groups (CCGs) are not included.

Q

Are Special Purpose Vehicles subject to Buy Price = Sell Price?

A

A number of NHS Provider organisations have formed Special Purpose Vehicles (SPV). If the Special Purpose Vehicle is a subsidiary organisation wholly owned by one or more NHS Provider organisations which are making a tariff contribution, then it will be subject to Buy Price = Sell Price.

Q

If my organisation is not covered by the proposed national tariff contribution, will the pricing change?

A

Price changes will be applied in line with standard NHS Supply Chain processes.

Q

Will my current service continue from 1 April 2019?

A

All services currently provided to NHS Provider trusts will continue after 1 April 2019.

Q

Will I be charged extra for a different service level that I currently receive from 1 April 2019?

A

Supply Chain Coordination Limited (SCCL) is the Management Function of NHS Supply Chain

Registered in England No: 10881715. VAT No: 290 8858 54 Registered Office: Skipton House, 80 London Road, London, United Kingdom, SE1 6LH



NHS Supply Chain will ensure that bespoke services provided to customers are not funded by cross subsidisation by NHS tariff contributing customers.

After 1 April 2019 NHS Supply Chain will begin to evaluate the cost to the model of non-core services that are provided to a small number of customers. There will be no charge where the non-core services do not incur cost to and support efficiency of the operating model. A proposed tariff will be developed where the non-core services are being provided at the request of the customer and do incur a cost to the operating model. The intention is to provide non-core tariff proposals by July 2019 for implementation by 1 April 2020.

Home Delivery Service (HDS)

Q

What is included in the national tariff funding arrangement and what do trusts pay for?

A

HDS continence products will be priced as Buy Price = Sell Price with no margin included. NHS England and NHS Improvement finalising the level of funding they are providing. Delivery and Customer Services charges will be determined when NHS England and NHS Improvement funding is finalised.

The commercial position for customer services including Call Back, Delivery Managed Services and Patient Managed Services will continue to be charged. We will continuously review the charging mechanism to ensure a fair and equitable set of charges are applied, in addition to the national tariff contribution received to cover the operating costs of the Home Delivery Service.

Core band pricing

Q

Can you explain how core banding is decided?

A



Price band	Description	Charging mechanism
Smaller unit of issue	UOI i.e. singles that require cases to be broken, boxes to be split and singles to be picked.	BP = SP + incremental cost to serve currently charged between bands
Core band	The core band will be the UOI at which the majority of orders are placed and can reasonably be placed for a particular product (i.e. fits in a roll cage).	BP = SP
Larger unit of issue	UOI i.e. layers or pallets that are the consequence of the volume of the order, or deliberate supply chain approach of the customer.	BP = SP less £0.01 or greater depending on how many bands exist at larger unit of issue

*UOI is Unit of Issue

Q

Will core band price be identified at the point of order?

A

No. Core band price will cover the unit of issue at which most orders are placed. Customers are advised to review the units of issue they order and ensure that they are achieving optimal pricing by ordering at the largest unit of issue that works for their internal supply chain. Trust Materials Management teams may be able to identify savings opportunities for their trusts through undertaking banding analysis, with the support of their NHS Supply Chain Account Manager.

NHS Supply Chain catalogue

Q

Will the way in which I order from NHS Supply Chain change from 1 April 2019?

A

No. The way in which customers place an order from NHS Supply Chain (Direct or Punch-out, Online Catalogue; eDC; eDC Gold; electronic file transfer via NHS.net or eDI) will remain the same.

Q

How will the NHS Supply Chain Online Catalogue change?

A

The NHS Supply Chain Online Catalogue will be updated and new pricing will be available from 10am Saturday 30 March 2019.

Supply Chain Coordination Limited (SCCL) is the Management Function of NHS Supply Chain

Registered in England No: 10881715. VAT No: 290 8858 54 Registered Office: Skipton House, 80 London Road, London, United Kingdom, SE1 6LH



Q

Will the NHS Supply Chain Online Catalogue identify the VAT amount?

A

The NHS Supply Chain Online Catalogue will continue to represent gross pricing post 31 March 2019. Development on showing the VAT rate separately at a product level is being investigated and is dependent upon completion of this development work.

Q

Will zero-VAT products be shown on the NHS Supply Chain Catalogue as gross prices?

A

Yes.

Q

Will the national catalogues change on 1 April 2019?

A

Yes. The national catalogues will be updated to include the new Buy Price = Sell Price inclusive prices.

Q

Will the bespoke catalogues change on 1 April 2019?

A

The existing NHS Supply Chains catalogue file format and columns will remain as they currently do today. The only changes that will be applied will be to the data within the file.

Q

I hold the NHS Supply Chain catalogue locally within our internal procurement system, what do I need to do?

A

Customers using the catalogue in their local systems should aim to update their systems as soon as possible on 1 April 2019 to limit any impact on matching.

Supply Chain Coordination Limited (SCCL) is the Management Function of NHS Supply Chain
Registered in England No. 10681715. VAT No. 290 8858 54 Registered Office: Skipton House, 80 London Road, London, United Kingdom, SE1 6LH



Q

Will the NHS Supply Chain 'download' file change (XML, UTF-8, Tab-delimited, CSV, ASCII)?

A

The existing NHS Supply Chains catalogue file format and columns will remain as they currently do today. The only changes that will be applied will be to the data within the file.

eDC**Q**

What is the impact on eDC?

A

It is important that your PDAs are docked and a catalogue download is triggered as soon as possible on 1 April 2019. This will ensure the PDAs have the latest catalogue information. This is no different to your current process of updating information on the catalogue.

Punch-out**Q**

What changes are required to be made to the 'punch-out' function on the NHS Supply Chain catalogue?

A

There will be no changes to the punch-out function.

Invoices**Q**

Will the NHS Supply Chain invoice content change post 1 April 2019?

A

Yes. The invoices will contain our new company registration number, new VAT number, new bank account and the prices will be listed as net value + VAT.



Q

We currently receive a consolidated invoice from NHS Supply Chain, will this continue?

A

Yes. NHS Supply Chain will continue to provide invoices to your trust as per existing format and frequency agreement.

Q

Is the VAT amount visible on the consolidated invoice?

A

Yes. The VAT rate and VAT amount will be visible on the consolidated invoice.

Q

Will I still receive the supporting line level general ledger file, and will it split out VAT?

A

You will still receive the supporting line level GL file. There are no planned changes to the general ledger file format or content.

Credit notes

Q

Will the NHS Supply Chain credit note content and layout change post 1 April 2019?

A

Any new templates produced as part of the NHS Supply Chain status change, will be shared with you as soon as they are available. We do not expect any changes to the format of our credit notes/ The changes you will see are new VAT registration number, company registration number and registered address.



Q

Do I need to pay all outstanding NHS Supply Chain debt before 31 March 2019?

A

Customers should continue to pay any NHS Supply Chain debt as and when it becomes due.

Q

Do I need to match all NHS Supply Chain credit notes before 31 March 2019?

A

Customers should continue to match NHS Supply Chain credit notes as per your trust existing procedure.

Receipting

Q

Post 1 April 2019, do I need to receipt NHS Supply Chain purchase orders differently?

A

We are not anticipating a change to how you currently receipt orders fulfilled by NHS Supply Chain. However, please refer to your internal trust receipting process to ensure that this has not changed internally.

Q

Will I still receive the supporting line level receipt file where I am a Patech customer and will it split out VAT?

A

Patech customers will still receive the supporting line level receipt file. There are no planned changes to the receipt file format or content.



Customer Readiness team

Q

Will support be provided to trusts to prepare for 1 April 2019 changes?

A

Yes. We have employed a Customer Readiness team who will reach out our trusts to help enable them to be ready for 1 April 2019.

Q

How can I contact the Customer Readiness team?

A

By email: NHSSC_Customer_Readiness@DHSC.gov.uk

