

Reflections Outside In

**A series of articles written by John Oldham
for NHS Supplies' Staff Magazine
"Supplies Update"**

Reflections - Outside In

Number 1

The fiftieth anniversary of the NHS provides opportunities to celebrate something which is the envy of the world. It also provides the opportunity for reflection, particularly by those who have been associated with it for a major part of that time, and to assess the progress made.

I have been indulged with this column, over the next few editions, to give some reflections on the supplies service. The usual place to start is the beginning but, never being one who blindly accepted conventional wisdom, I have elected to start before the beginning, of the NHS that is.

An insight into the supplies service pre NHS is provided by what for decades was the only textbook - A. Milsom's Handbook on Kitchens and Stores and Institution Administrative Departments. The indispensable reference book for the Steward who, in those pre-NHS days, was responsible for supplies and a whole host of other things.

The book carries advertising, presumably to help with the cost (I don't think it made the best-seller list) and some of the advertisers are still supplying the NHS, although prices have changed since the early nineteen hundreds. Plenty of Empire goods and not much remotely European! The Anglo American Oil Co Ltd advertised its range of Valor Perfection Oil Cooking Stoves (two three and four burner sizes from 29/6) and Oil Heaters. A Roberts Royal Windsor Soap advertisement warned readers to beware of inferior imitations and use the real thing, "as supplied to 7 monarchs and 15 members of royal families". Nestles coined the phrase "The Health of the Nation" in its advertisement for milk; I seem to have heard that in another context. Ovaltine was "building up brain nerve and body" at 1/6, 2/6 & 4/6.

As well as giving comprehensive details on various sorts of tenders and contracts, the book was an invaluable source of information in all sorts of areas, from advice to the Laundry Department on mangling and ironing and the need for fine weather for drying blankets, to advice to the Storekeeper on the difference between the carcass of a rabbit and a cat (I understand that this is no longer in the CIPS syllabus).

There is also some useful information in the large section on Institution Accounts on comparative dietary costs for the year ended Lady Day 1908. These range from four shillings and tuppence three farthings to five shillings and ninepence farthing (try to get modern computers to cope with that in figures!) per patient per week. I can imagine the monthly performance review with the Workhouse Master!

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Number 2

My second column brings us to the birth of the NHS. The National Health Service Act 1946 established a tripartite service with hospital services provided by Regional Hospital Boards, Teaching Hospital Boards and some 400 Hospital Management Committees, community services provided by 174 local authorities and general medical and dental services etc. provided by 134 Executive Councils.

Circular HMC(48)1 referred to the responsibility of Hospital Management Committees for acquiring and maintaining equipment and went on "it will be for Management Committees to decide the future methods and sources of supply". No involvement of the Regions at that time!

Circular HMC(48)2 referred to the appointment of a Supplies Officer to each Management Committee to be responsible for the acquisition storage and distribution of supplies. Some hospital groups chose to make this a joint appointment, combining it usually with the post of Group Secretary.

By the following year there is evidence that the Minister was concerned about economy and efficiency in supplies. HMC(49)72 refers to the extension of central purchasing and contracting "wherever it appears to be economically or otherwise advantageous or necessary". What he didn't do was to draw attention to Section 64 of the NHS Act 1946 which gave power to local health authorities to "purchase and store and supply" goods to the hospital service. Very few local authorities did this and the subject of collaboration was raised at later stages in the development of the NHS.

In 1954, the Bradbeer report on the Internal Administration of Hospitals referred to the importance of organising supply services in the most economic and effective way "The fundamental question is what is the most economic unit for purchasing". This led to the establishment of the Committee on Hospital Supplies under the Chairmanship of Sir Frederick Messer. The first of a number of investigations into supplies arrangements for the NHS. More of Messer next time.

Does anyone else have their revision notes for the IHSM examinations in the mid sixties?

Additional paragraph if space permits

For those with an interest in figures, a morsel of historical financial information. In the period ending 31 March 1949 the South Western Regional Hospital Board spent £224,777 on its Capital Account; the following year it spent £491,581. On the capital equipment side, the most significant and recurring capital items in those early years were x-ray equipment; a Bath hospital had an x-ray room equipped for £9629.

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Number 3

One of the things you could buy for ninepence (3.75p) in 1957 was a copy of the Interim Report of the Committee on Hospital Supplies chaired by Sir Frederick Messer and issued under cover of HM(57)25. The Final Report, issued the following year under cover of HM(58)94, would have cost you more; three shillings and sixpence (17.5p). These were the first major Reports dealing specifically, and solely, with the supplies function in the NHS.

The Committee was appointed in December 1954:

"To investigate and report on the organisation of all forms of hospital supplies, including their purchase, storage and issue throughout the National Health Service."

It addressed three main questions

- at what level should supplies be bought?
- where should the primary responsibility for buying rest?
- at what point should delivery of supplies be taken and what arrangements made for their storage and issue?

The Committee felt it necessary to issue an Interim Report dealing mainly with the first question because there had been only a "limited response" since the Minister in Circulars RHB(53)13 and HMC(53)12 had "enjoined hospital authorities to extend joint contracting".

In its Interim Report, the Committee recorded the various arguments about economies of scale versus loss of autonomy, restriction of choice, higher stock holdings and administrative costs. Reflecting back on these, I must say they do not stand the test of time, but forty years ago Inevitably, the Committee concluded "joint contracting among management committees and teaching hospital groups provides the only practical method of combining the advantages of large scale buying with the existing autonomy of hospital groups..." and that schemes should be drawn up in each region.

In its Final Report, the Committee stated three general principles to be applied to any form of supplies organisation:

- *flexibility*. To take account of the differing character of hospital groups
- *responsibility*. Local management must retain the right to control what is being done in its name
- *co-operation*. The need for co-operation and full consultation with professional staff

It covered in detail the Joint Contracting issue and went on to address the other two questions posed in its Terms of Reference. It concluded that:

- decisions involved in hospital supplies arrangements cannot be assigned solely to departmental heads
- the cost of stock, storage and distribution should be taken into account to assess whether they outweigh price advantages

One of its more telling comments was "the time has now come for both Regional Hospital Boards and the Ministry to take a more active part....".

Additional Paragraph if space permits

For those with an interest in figures, the non-pay spend for hospital authorities in England and Wales in 1957/58 was just under £110M. By 1958/59 it was just over £148M and the total spend against Central (National) Contracts was a little over £14M.

The Messer Report showed that at 31 March 1957, of 423 Hospital Management Committees and Boards of Governors in England and Wales only 188 had a full-time Supplies Officer.

In the post Messer era of the early sixties, life in Hospital Supplies was very different from NHS Supplies today, although the commitment to providing service to the end user remains the same.

All supplies work, with the exception of a very small involvement at the Ministry, was directly linked to the daily drama of hospital life. Most supplies staff were on hospital sites and in daily contact with users; a situation we have struggled to return to with our customer services staff in recent years.

With the exception of what is now the NAHCSM Summer School, there was no specialist training for supplies staff. It is fair to say, however, that many regions ran training centres with courses for administrative staff generally, and many senior administrators encouraged and supported study for professional qualifications. Most knowledge was gained by experience; a hard school it can be, but the lessons stick.

Like many of my contemporaries, my "training" consisted of spending time in various parts of the organisation (these "training periods" always had a direct correlation with someone's annual leave). In those days there were very few contracted out services; butcheries (dealing with whole carcasses), bakeries, laundries, upholsterers shops etc were quite common and fell within the remit of the supplies officer; I tried my hand at pretty well all of these and tested the patience of those doing the job on a regular basis.

There was very little electronic support. Stores ledgers were maintained on a central accounting machine at Region and were usually produced monthly; about six weeks after some of the transactions had taken place. A lot of time was spent reconciling bin cards, ledger and actual stock. How I longed for a fully computerised system! In those days stock replenishment was by "eyeballing" the shelves and experience; we had yet to develop the formulae later produced by the National Coal Board.

Typewriters were manual, reproducing multiple copies was by stencil and duplicator, photocopying was one of the messiest processes imaginable with liquid chemicals, there were no electronic calculators (I still have my Logarithmic Tables), no fax machines and materials handling equipment meant a sack truck. Measures were Imperial rather than metric and money had yet to be decimalised. I would not have been surprised to find quill pens in stock!

However, specialisation was beginning to develop as hospital groups got their act together on joint contracting, much of it on a regionwide basis. With this came the development of specifications, contact conditions and the need to consult users on a wider canvas than the hospital group.

Change was in the air!

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Number 5

Part of my job in my early career was archiving old records for the prescribed period and eventually weeding them out for disposal. Although I suspect I got this task because no one else wanted it, it gave me an opportunity to look at records from the beginning of the NHS and, in some cases, earlier than that. You can learn a lot about an organisation from its history.

There were records from the wartime and post-war rationing (the days of broken biscuits, ounces per month of many foods and a huge deficit between ration points consumed and ration points available etc.), Utility Standards, House Committee papers, old hand-written orders and purchasing and contract documents.

It is a sobering thought that most of this, and a considerable amount of documentation of my early work, has by now been weeded out and destroyed.

What I think that record would have shown is the transition from the typical stewardship, authoritarian role of the supplies officer, with a primary role of holding tight to the purse strings, to a more commercial role involving the users of products and services. The days of sending a speech therapist away with an empty shoe box in which to keep patients' records, when she wanted a card filing cabinet, were gone. We were involving users more and more in the decision making process, trying new products and confronting and questioning some of the "conventional wisdom".

For instance, single use disposable items were not common and I remember persuading the supplies officer that we should run a trial of disposable incontinence pads. He agreed that I could order a few cases; there was concern about the expense and I was warned that they "would not catch on". They were well received by nursing staff and patients and today we spend several million pounds a year on them.

There has always been a need for supplies staff to be resourceful and cope with difficult (and new) situations. The financial situation in the sixties was, as always, very tight and I remember having to spend most of the annual building maintenance budget on one room, in a listed building, by replacing the gold leaf. Exchange controls were in place and special procedures existed for the purchase of gold. I had to find out about the process and struggle through it. I admit to some disappointment when the result was a very small box (smaller than the speech therapist's shoe box) delivered by Securicor!

As a grappled with learning my profession, there was much talk (and not a few whispered discussions) about change, and something called the "Hunt Report"

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Hunt Reports!

This could well have been a headline from 1966.

Despite the exhortations to engage in joint purchasing arrangements, and the demonstrable advantages they offered, many hospital authorities did not participate. In 1963 the Public Accounts Committee criticised the wide variety of specifications, used and prices paid, for goods and equipment broadly serving the same function in the NHS. To meet these criticisms the Ministry of Health set up Specification Working Groups for particular commodities. Their recommendations were issued to the NHS for use in purchasing; some led to the negotiation of National contracts and some of the specifications are still in use.

An even more important consequence of the PAC Report however was the setting up in 1964 of the Committee on Hospital Supplies Organisation (the Hunt Committee) to consider whether the existing supplies organisation fully met the needs both for the initial equipping of new hospitals and for providing their day to day requirements.

The Hunt Committee published its report in 1966 and recommended that the bulk of purchasing should be undertaken at national level or by new "area" supplies units rather than hospital management committees. It proposed:

- strengthening the central supplies authority
- greater involvement of Regional Hospital Boards in supplies matters by giving them ultimate responsibility for organising supplies services in their regions
- more effective deployment and training of supplies staff
- the establishing of area supplies units
- the establishing of Area Supplies Committees with executive authority
- the eventual setting up of a Supply Board as a corporate body with full executive powers

It also advocated greater use of modern techniques including:

- use of computers
- rationalisation of storage and stock control
- the introduction of a national vocabulary
- a more comprehensive exchange of information

With the exception of the recommendations on the Supply Board and Area Supplies Committees, the Hunt Report was accepted by Ministers. In 1968 a Hospital Supply Branch was established within the Ministry of Health's Supply Division, Regional Supplies Officers were appointed and Regional Supplies Committees set up.

Circular HM(67)95 instructed Regional Hospital Boards to draw up regional supply schemes based on the grouping of Hospital Management Committees into area supplies units. The Hunt Committee had envisaged a common pattern of organisation and operation throughout England and Wales, the Circular however permitted flexibility. True to form, and despite the detailed and personal involvement of Ministers, the resultant arrangements varied widely from region to region with no standard pattern. In fairness, it was expected that a review of the experience gained over the first few years would make it possible to reach firmer conclusions as to the most suitable form of organisation. This intended review of supplies organisations was overtaken by the planning for yet further change in the shape of the 1974 reorganisation of the whole NHS, but that's another story.....

Between 1968 and 1974 a pattern of joint working between hospital authorities and the Department of Health's Supply Division was established. Regional Supplies Officers met together and with the Director of Supply. Purchasing Advisory Groups with representatives from hospital authorities and the Department advised on the best level for purchasing a variety of commodities. A Stores Organisation and Management Advisory Group, working with the National Coal Board pursued initiatives in the area of storage and distribution and a more scientific approach to stock control. A Group was established on the Codification of Hospital Supplies and reported in 1972, recommending the establishment of a National Health Service Supply Vocabulary which the Department of Health saw as the first step towards a National Catalogue.

In 1971, Lord Hayter chaired a Conference on the Supply of Medical Equipment. Participants came from the Department, hospital authorities, representatives of the professions and users, the supplying industries and trade associations. It attempted to develop a national medical equipment policy and bring some rationalisation into the purchase of medical equipment which would be mutually advantageous. It did bring greater understanding of the problems but, despite the attempts of the Department to purchase selected items of equipment on fixed quantity, fixed price contracts, it failed to deliver. This failure was due to the inability of hospital authorities to commit to buy.

In 1972, a report by the National Staff Committee concentrating specifically on the recruitment and management development of supplies staff in the administrative grades was issued under cover of HM(72)12. The Report revealed some startling statistics about the age profile and qualifications of supplies staff. Over half the staff involved in managing hospital supplies had no professional qualifications, 90% were over 35 years of age and over 50% were over 50. At the top, 95% of Regional and Area Supplies Officers were over 45. The report confirmed what many of us involved at the time knew, supplies was the Cinderella amongst the administrative functions. As a result, we were promised tickets to the Ball.

Although progress was being made, and recognition received in a number of areas, those areas such as centralisation of stores and the development of effective information systems, which required significant investment, showed little progress at all.

During this period major changes were being planned for the whole of the National Health Service. Two Green Papers, a Consultative Document, a White Paper and the National Health Service Reorganisation Act 1973, which received the Royal Assent on the 25th anniversary of the NHS, led to a major reorganisation. The preparation for these changes required a lot of information gathering and co-operation between local authority and hospital authority staff against a background of uncertainty.

Following the reorganisation of the National Health Service in 1974, the new Regional and Area Health Authorities assumed responsibility for the supplies service to the NHS. The previous area supplies units were disbanded as were regional supplies committees. Guidance on the organisation of supplies services, HRC(73)3, HRC(73)5, HSC(IS)3 and various other circulars issued by the Department of Health and Social Security, defined the supplies responsibilities of the Department and those of the new regional and area authorities as a basis for the preparation of schemes of management. The guidance was ambiguous and allowed the development of independent district supplies organisations in multi-district areas in addition to the area and regional organisations.

As would be expected, and given the record of the NHS in circumstances such as this, a wide variety of supplies organisations emerged. The outcome was fragmentation and a diminution of co-ordinated activity. Much of the progress that was beginning to emerge as a result of the implementation of the Hunt Report was reduced or even reversed.

In 1976, a report "Buying for the National Health Service" (the Collier Report), prepared by a joint NHS/DHSS committee, pursued the themes of co-ordinated purchasing of medical equipment and the value of rationalisation and forward planning (those around at the time could be forgiven for feelings of "deja vu"). It did however highlight the need to guard against the fragmentation inevitable upon the development of district supplies organisations not accountable to the Area Supplies Officer.

Later in 1976, a group of Regional Chairmen, invited by the Secretary of State to examine the functions of the Department in relation to Regional Health Authorities, reported. This Group recommended that the Department should enter into discussions with field authorities to determine whether functions provided by the Department's Supply Division could be managed on an agency basis. A joint NHS/DHSS Steering Committee chaired by the Permanent Secretary, Sir Patrick Nairne, referred the supplies recommendations to a Working Group which looked at three possible changes in the supplies arrangements:

- the division of the central supplies functions among Regions
- the creation of a statutory agency to take over central functions and the NHS supplies organisation
- the creation of a Supply Board to determine supplies policies for the NHS and ensure that they were carried out at the most appropriate level

The Working Group came to the conclusion that the option of a Supply Board offered advantages to the NHS and recommended that this option be studied further.

In 1977, the Secretary of State appointed a Supply Board Working Group under the chairmanship of Brian Salmon.

"To examine the present arrangements for procuring NHS supplies (excluding drugs and other items prescribed under the Family Practitioner Services) and to make recommendations on how to make better use of resources by improving these arrangements, with particular regard to the proposal to set up a Supply Board". With these Terms of Reference, the Secretary of State established the Supply Board Working Group, under the Chairmanship of Brian Salmon, in 1977. He injected some urgency into the Group's task by asking it to complete its work within six months of starting.

The Working Group amassed a considerable amount of evidence from health authorities, professional associations and organisations having direct interest in supplies activities in the NHS. Although asked to pay particular regard to the proposal to establish a Supply Board, the Group considered various options and did not restrict itself to the possibility of a Supply Board. The Group reported in May 1978.

This sixth inquiry into supplies in the NHS analysed the then current situation and identified the principal shortcomings:

- Organisation

this included management arrangements, lack of progress on stores centralisation and recruitment training and career development

- Information

no comprehensive information system providing information for users and supplies managers

- Purchasing

lack of commitment to quantities, variety of specifications, insufficient application of economic criteria to decisions, proliferation of small orders and no programme for buying large items of equipment

The Groups recommendations included proposals for the optimum size of area supplies organisations and the centralisation of stores; it stated emphatically that there should be no independent district supplies organisations. With regard to purchasing it proposed that "an examination should be made of each item of supplies used in the NHS, in order to determine the level and method of purchase" and that authorities should then be required to buy in those ways. A comprehensive supplies information system was proposed to support users and supplies managers. The Group stated that the changes recommended "will result in better value for money, savings in expenditure a better service to users and improved morale among supplies staff".

The Group was particularly conscious of the failure of past proposals to achieve lasting improvement because of the "generally cautious terms in which the Department has issued its advice in the past". Its report discussed a number of possible ways of implementing the changes and concluded that there were two choices. The preferred choice was a Supply Council, a special health authority with members drawn largely from the NHS. The alternative was direction by the Department of Health.

The Department of Health issued the Report of the Supply Board Working Group for comment under cover of HC(78)21. Regional health authorities were tasked with co-ordinating comments from within their regions and the South Western RHA was tasked with collating all replies and sending them to the Department. Having been appointed Regional Supplies Officer to the South Western RHA a few months earlier, I was now in the thick of a process which was not going to be without some controversy!

As would be expected, consultation on the Supply Board Working Group Report was not a swift process. In 1980, the eleventh Report of the Committee of Public Accounts was critical of the lack of progress towards the aim of increasing the proportion of expenditure incurred under co-ordinated purchasing arrangements. It concluded by saying, "If economies cannot be secured without restricting the freedom of authorities to proceed independently, the departments should regard the need to conserve NHS funds as paramount and take the steps necessary to achieve proper co-ordination". Against this backdrop, the Secretary of State established the Health Service Supply Council to be the agent of change to enable the NHS to bring about the reforms needed.

Meanwhile, there had been some action on the identified need for "a national, computer based, information system". In 1978 the Supplies Information Working Party was established with the task of specifying the requirements of a comprehensive system. I was one of the supplies officer members of that Working Party along with an administrator, a treasurer and a Deputy Director of Supply from the Department of Health's Supply Branch. I was pleased to be involved in a group with the potential to have real impact in improving information for supplies staff and users. A lot of effort, a great deal of discussion with a whole range of NHS staff and suppliers and a lot of enthusiasm from the Working Party members, resulted in a comprehensive report being produced in 1980. Twenty years later it stands the test of time, provided you make allowances for technical advances in terms of the processing of data.

Back at the Supply Council, one of its first tasks was to issue Circular SCC(81)2 on the Future Organisation of the Supply Function of the NHS in England. regional health authorities were asked to prepare plans in the light of the guidance in the Circular. This process brought further delay. Shadow district health authorities were being established as part of a wider NHS re-organisation and had to be consulted. Finally, and with a degree of compromise, regional structures were agreed and implemented in 1983.

Another early action of the Supply Council was to support the implementation of the Supplies Information Working Party Report. An Implementation Steering Group was established and the recommendations of the Working Party started to become a reality as two versions of the Supplies Information System were developed. The System went on to win the Health Service Journal's Health Management Award, which I was privileged to collect from the Health Minister with Jim Waits who, as an area Treasurer and General Manager, had played a leading role in the design and implementation of the System.

Meanwhile, during 1982, following discussions between regional supplies officers and the Health Service Supply Branch of the Department of Health, national contracting functions, previously managed by the Department were transferred to regional health authorities by Direction. Some funding was transferred and the arrangements operated on a commodity group basis.

This role was developed by regional supplies officers and, in 1984, regional health authorities became Centres of Responsibility for particular commodity groups under agreements between individual regional health authorities and the Supply Council. This was a natural development of a purely contract based role into a broader role as product specialist. It also led to the creation of new Centres of Responsibility for areas not previously covered. My Region, for instance, took responsibility for IT procurement, a huge and rapidly developing area. This expansion of the role, both in terms of scope and coverage, brought with it the need for funding to support it; the answer was to make it self-financing. We were in a new era.

The 1980s saw major and significant changes in the NHS generally, area health authorities were abolished and general management introduced. In 1988 the Prime Minister announced a “fundamental review” that culminated in the publication of *Working for Patients* and Sir Roy Griffiths produced his report *Community Care: Agenda for Action*. The NHS Management Executive was established and the NHS and Community Care Bill received the Royal Assent in 1990. Regional and district health authorities were reconstituted. The internal market was established in 1991 and first wave NHS trusts and GP fundholders began to operate.

Alongside these changes, the supplies service also changed. The Griffiths Report recommended that the NHS Management Board should control the Supply Council to clarify the executive management line. The Supply Council had no executive powers and, although it carried out project work including establishing a Conditions of Contract Group, regional health authorities managed operational supplies services. A PAC Report in 1983 stressed that organisational weaknesses must be overcome and stores rationalised.

In 1986, the Department of Health established a Procurement Directorate to replace the Supply Council. The Procurement Directorate produced a 15 point Action Plan, which was expanded in 1988 to a 38 point Plan. The NHS Management Executive backed these Plans but progress was hampered due, to some extent, to lack of executive control.

In 1987, Regional Chairmen established a Procurement Group (subsequently renamed Commercial Group) of two Chairmen, two regional general managers, one regional supplies director and one finance representative. The remit of the Group was to concentrate on a limited agenda of major policy issues including standards, output measures, distribution and warehousing, support for British Industry, Centres of Responsibility and staff recruitment, retention and development. The remit was extended to include income generation. I was appointed as the supplies representative and Terry Hunt as one of the RGMs. Sir Robin Buchanan joined the Group in 1988 and became its Chairman in 1989. This Group provided a focus for major supplies issues at the highest levels of NHS management.

Supplies organisations within regions were changing and adopting a wider commercial role. They were heavily involved in the competitive tendering of support services and looking at other commercial opportunities, including income generation.

As the NHS moved towards the internal market, some regional supplies organisations developed business plans and established supplies agencies as a region wide trading arm of the regional health authority. The possibility of NHS trust status for supplies organisations was considered by some regions.

The Management Executive and Policy Board were concerned about the problems of the supplies function adapting to the new circumstances created by NHS Reorganisation and the danger that it might fragment.

A National Audit Office Report in early 1991 concluded that the inability over 40 years to establish a fully efficient supplies organisation reflected its diffuse management arrangements. It was against this background that, on 1st October 1991, following a Public Accounts Committee hearing and some work by the Audit Commission, the Government established the National Health Service Supplies Authority, as a special health authority, to ensure an efficient, effective and economic purchasing and supplies logistics service for the NHS in England. For the first time there was executive authority for the whole of the supplies service.

NHS Supplies inherited the supplies organisations of the 14 regional health authorities and organised its business into a headquarters and six operating divisions, one of which I was privileged to lead.

The Supplies Service in the NHS

Key Dates

- 1946** - 6 November “An Act to provide for the establishment of a comprehensive health service for England and Wales, and for purposes connected therewith”.
- 1948** - 5 July the National Health Service is launched.
- HMC(48)2 referred to the appointment of a Supplies Officer to each hospital management committee.
- 1949** - HMC(49)72 referred to the extension of central purchasing and contracting “wherever it appears to be economically or otherwise advantageous or necessary”.
- 1954** - Bradbeer Report on Internal Administration of Hospitals. “The fundamental question is what is the most economic unit for purchasing”.
- Committee on Hospital Supplies established (Messer).
- 1957** - Interim Report of the Committee on Hospital Supplies chaired by Sir Frederick Messer (HM(57)25). “joint contracting among management committees and teaching groups provides the only practical method.....”.
- 1958** - Final Report of the Committee on Hospital Supplies (HM58)94). “the time has come for both regional hospital boards and the Ministry to take a more active part.....”.
- 1963** - Public Accounts Committee criticises wide variety of specifications and prices paid for goods and equipment serving the same function.
- 1964** - Committee on Hospital Supplies Organisation (Hunt Committee) established.
- 1966** - Hunt Report recommends that the bulk of purchasing should be undertaken at national level or by new “area” supplies units with greater involvement of regional hospital boards and greater use of modern techniques.
- 1968** - Hospital Supply Branch established within the Ministry of Health’s Supply Division.
- Regional Supplies Officers appointed.
- Regional Supplies Committees established.
- Supplies Areas established.
- 1971** - Conference on the Supply of Medical Equipment, chaired by Lord Hayter, attempted to develop national medical equipment policy.

- 1972** - Group established on the Codification of Hospital Supplies, leading to the establishment of the National Supplies Vocabulary.
- report by National Staff Committee concentrates specifically on the recruitment and management development of supplies staff(HM(72)12).
- 1973** - on the 25th Anniversary of the NHS, the National Health Service Reorganisation Act 1973 receives the Royal Assent.
- reorganisation of the NHS into regional and area health authorities.
- 1976** - “Buying for the NHS”, the Collier Report, prepared by a joint DHSS/NHS Committee pursued the theme of co-ordinated purchasing of medical equipment. The report led to a programme of evaluation of medical equipment.
- the “Three Chairmen’s Report” into relationships between the NHS and DHSS recommended further examination of supplies issues, in particular, whether the function could be managed on an agency basis.
- 1977** - Supply Board Working Group established to examine arrangements for procuring NHS supplies and make recommendations for improvements, with particular reference to the proposal to set up a Supply Board.
- 1978** - Supply Board Working Group reports and recommends the establishment of a Supply Council as a special health authority.
- 1980** - Public Accounts Committee critical of lack of progress. “If economies cannot be secured without restricting the freedom of authorities to proceed independently, the departments should regard the need to conserve NHS funds as paramount and take the steps necessary to achieve proper co-ordination”.
- Supply Council established.
- 1983** - Public Accounts Committee referred to the need to overcome organisational weaknesses to achieve the benefits of greater co-ordinated purchasing and stores arrangements must be rationalised.
- 1984** - Supply Council enters into agreements with RHAs as National Centres of Responsibility.
- 1985** - Supply Council replaced by Procurement Directorate
- 1987** - Regional Chairmen’s Procurement Group established (later to become Regional Chairmen’s Commercial Group).
- 1991** – NAO Report and PAC Hearing.
- National Purchasing Unit established within the Procurement Directorate

- 1991** - Audit Commission Report “Improving the Supplies Service in the NHS” is produced for the NHS Management Executive. It proposed a new National Board and 6-8 supra regional organisations with full responsibility for their operational performance.
- NHS Supplies Authority established with six operating divisions.
 - Regional Chairmen’s Commercial Group disbanded.
- 1996** - NHS Supplies abolishes geographical divisions and establishes three functional divisions; Wholesaling, Purchasing and Customer Service.
- NAO Report and PAC Hearing.