

## Department of Health Joins CEN BII

As part of its bid to achieve significant cost savings through expanded use of electronic procurement, the Department of Health in England has joined the CEN BII (Business Interoperability Interfaces for public procurement in Europe) Workshop. European Commission Directives on e-procurement and e-invoicing make these processes between governments and suppliers progressively mandatory beginning in 2016.

The CEN BII initiative brings together interested parties to develop an interoperability framework for electronic public procurement transactions.

The NHS joins representatives from the European Commission, the Publications Office of the European Union and government institutions in Denmark, France, Germany, Greece, Iceland, Italy, Netherlands, Norway, Spain and Sweden in forging agreements on the documents and processes used in e-procurement.

*“The English NHS spends over £20bn each year with its supplier community, making it one of the largest procurers in Europe. We have a responsibility to lead the development and implementation of procurement standards across our hospitals and our suppliers”, said Steve Graham, eProcurement Lead at the Department of Health. “Through adoption of GS1 coding and PEPPOL messaging standards, the NHS will create a more productive environment to provide safer care to our patients. CENBII helps us to achieve these goals”.*

CEN BII produces CEN Workshop Agreements (CWAs) that form the basis for the eventual standards. They support EU-wide interoperability while removing the need for bilateral agreements between trading partners. In order to develop a European standard (EN) that may be referenced in EU directives and public procurement contracts, a CEN Technical or Project Committee (PC) must be formed. With the establishment of an EN, the use of parallel standards is not allowed and conflicting national standards must be withdrawn.

PEPPOL (Pan-European Public Procurement Online) messaging standards are based on CEN BII deliverables. The CEN BII initiative was established in 2007 to lead the European standardisation effort on electronic public procurement.

By standardising the complete public procurement cycle, the European Commission is driving a digital transformation that will remove market barriers and produce greater efficiencies for governments and businesses.

In 2015, the CEN/TC 440 "Project Committee: Electronic public procurement" was established as a permanent body within CEN to develop electronic procurement standards that facilitate end-to-end e-procurement and thus support European policy objectives. CEN/TC 440 will further develop the CEN BII deliverables and complement existing committees such as CEN/TC 434 (Project Committee: Electronic invoicing), which is developing the European e-invoicing standard.

*“We are keen to contribute to the work of TC 440 as it builds upon and refines the work of CEN BII,” said Graham“.*

## **eProcurement in the NHS**

NHS Trusts are individually responsible for the implementation and operation of information exchange facilities with suppliers. Take-up of electronic transfer of purchase orders and invoices has been variable, dependent upon commodity, the supplier community and buying organisation.

It is estimated that more than 50% of NHS purchase orders are sent to suppliers as PDFs, which may then require keying into a supplier's sales order processing system. At present, there is no standard purchase order document that the broader NHS will send to its suppliers, meaning that automating this process is almost impossible. In essence, a single supplier attempting to trade with the NHS (243 secondary care organisations) may have to accept 243 different formats of purchase orders.

Additionally, it is estimated that only 10% of invoices are received in a structured format (meaning they can be processed with no manual intervention) from NHS suppliers, with the largest proportion of the remainder being PDFs. The majority of these invoices require some degree of manual processing, whether by the NHS or by an outsourced provider. These inefficient processes generate excess costs in the supply chain that are ultimately borne by the NHS in the form of higher prices and inventory levels.

In May 2014, the Department of Health published the NHS eProcurement Strategy<sup>1</sup>, a policy document supporting the NHS Procurement Development Programme. A key element of the strategy is the shift towards the use of standards to simplify processes and trade, and to enhance patient care. The eProcurement mandate applies equally to the NHS and its suppliers, requiring the use of GS1 coding and PEPPOL messaging standards, and is implemented for suppliers through the NHS Standard Terms and Conditions of Supply, and for hospitals through the NHS Standard Contract.

In September 2015, the Department of Health finalised the legal agreements to establish a PEPPOL Authority, taking responsibility for the governance of the PEPPOL network for NHS Trusts in England. Six NHS trusts have been selected as demonstrator sites, and they will receive funding to commence accelerated implementation of GS1 and PEPPOL standards in early 2016. Other NHS trusts will continue with their own plans for adoption of their standards and will draw upon the experience of the demonstrator sites as they progress through their implementation plans.

Suppliers<sup>2</sup> to NHS Acute Trusts are required to implement GS1 and PEPPOL standards and will have to select a PEPPOL access point by 30 September 2016. By 31 March 2017, they will be expected to receive orders from NHS buyer access points, and by 30 September 2017, send invoices to NHS Trusts access points.

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<sup>1</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/344574/NHS\\_eProcurement\\_Strategy.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/344574/NHS_eProcurement_Strategy.pdf)

<sup>2</sup>[https://www.gs1uk.org/~media/documents/marketing-documents/gs1\\_uk\\_epro\\_mdd\\_ivd\\_compliance\\_timeline.pdf?la=en](https://www.gs1uk.org/~media/documents/marketing-documents/gs1_uk_epro_mdd_ivd_compliance_timeline.pdf?la=en)