

Ref: Inflation – combat and challenge – 2021 Zero Inflation to Suppliers

Ashford Hospital

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Date: 12 October 2020

To all Suppliers

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Tel 01784 884488

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Text Relay prefix numbers with 18001

Dear Supplier

IMPORTANT NOTICE - ZERO INFLATION POLICY CONTINUES

As a valued supplier to the NHS you will be aware that the NHS is facing unprecedented financial challenges. The measures required to be introduced in 2020 to counter the pandemic this year have increased the need to resist blanket price increases from suppliers.

At a local level we must continue to address our own significant financial pressures as a matter of urgency; and, as a consequence, we continue to be unable to accept annual price increases from our suppliers. You will recall that the Trust introduced a zero inflation policy, which continues in place, and means that the Trust will not be accepting any non-contracted price increase whatsoever from suppliers.

It is acknowledged that the private sector also has its own pressures and that the zero inflation policy will potentially have an impact on your business. We would like to take this opportunity to emphasise that we are keen to explore ways we can work together to reduce our mutual costs (of course, if we are already in contract with your organization, or our purchases are under any Framework, Contract or local pricing agreement, then we would not expect any price increases in line with those agreements). We are open to receiving any suggestions you may have for facilitating better cost management, such as reducing the number of deliveries that you make to us, consolidating invoices, and early payment discounts.

Please confirm in writing your agreement to hold prices; any replies to this communication should be headed please with your organisation name (or recognizable abbreviation thereof) followed by the words Zero Inflation; and thank you for your co-operation and support in this matter. In the absence of a reply by 12.00 Noon on Thursday 12 November 2020 your agreement is assumed.

Yours faithfully

Alex Williams

Associate Director of Procurement

