

'Exteriorise' and mutualise

THE LOGISTICS PHILOSOPHY OF LIÈGE CHU

The Liège CHU (University Hospital Centre) has recently made a move which is a first for Wallonia: it is bringing all of its support services together on a common site. This large scale logistics operation comes with a fiscal element which also represents a precedent... and may give ideas to others.



Jean Codognotto

Jean Codognotto, director of the logistics services for Liège CHU, insists on one detail: *"This is 'exteriorisation' and not externalisation. This is not an outsourcing operation but a regrouping, centralising all of our services, stocks and personnel onto a dedicated site outside of the hospital and strategically located with regard to our various installations"*.

Cramped in premises too 'prime' for this use

It is the pressure of a growing need for space which convinced the heads of the logistics services of the CHU to look for innovative external solutions: *"Over time, we had increased the number of beds, centralised at Sart-Tilman the stocks and the personnel required for 6 sites, felt the effects of the growth in activities and the increase in recourse to disposable items, all of this in the same premises as in 1987 and without being able to 'push back the walls'. We were also suffering from the pressure of other medical and pharmaceutical services*

which needed more space, which would easily have used these adjoining areas, which had become too 'prime' for storage alone.

Another decisive factor then became apparent: the strategic development plan of the CHU clearly demonstrated the need for further premises for medical activities, particularly in terms of clean rooms and of pharmaceutical robots for the individualised preparation of prescriptions. It was quite obvious – we had to move".

Unsuitable hangars while waiting for something better

Between 2005 and 2015, the logistics department made use of industrial hangars, not very suitable, for the passive storage (without on-site personnel) of non-sensitive materials such as photo-copying paper or cellulose items. This exterior space amounted to 3,000 m². Outsourcing was also investigated. *"Too expensive"*, concludes Jean Codognotto without leaving any room for doubt. A solution within the organisation therefore had to be found, but on an external site.

"The hospital has to become a technical medical installation. Anything which involves support services is out of place."

Inspired by the Gasthuisberg and by France

"The KUL (Leuven University) as is often the case, proved to be innovative with its logistics centre at Aarschot, the first of its kind in the country, serving the Gasthuisberg hospital site. This example was an inspiration for me, as was that of France, where all of the CHU's are already working according to this model. I visited the one at Dijon, a very similar city to Liège, as well as Lille, Toulouse..."

It was then necessary to find a suitable site, centrally located with regard to the six sites in the Liège perimeter. Fortune smiled on the CHU in the form of an industrial site (formerly that of Stella bandages) located at virtually the epicentre of the activities of the CHU, in the commune of Chênée. But the building is in a poor state and unsuitable. Three million Euros of refitting work are necessary. This is feasible but in July 2013 the developer proposes another solution: demolish and reconstruct. This is agreed in six months, and in January 2014 the demolition works begin. In January 2015 the department begins to transfer all of its depots, offices and personnel, including the stock of 'sensitive medical items', which required a derogation from the pharmaceutical authorities, which was granted in the form of a pilot project. Another first...

Ready to mutualise

"I also suggested to the management that we should install the call centre here, which organises the appointments for all of the sites (2,400 calls a day!)", adds Jean Codognotto. "We will soon have Enterprise Resource Planning software (ERP) which will give us the computer capacity to easily manage on behalf of third parties. Our storage capacity is three times what we need. I firmly believe in mutualising not just our purchasing, which we already do with other hospitals, but also our supply logistics. And that in very short circuits (carbon footprint requirements), from a central point at Liège". The proposition made by the CHU's logistics department is transparent...

The CHU turns 30 in 2017



- Inaugurated in 1987 with 635 beds on a single site
- Achieved in 2017, via the mergers imposed by the Dehaene law, 895 beds on three hospital sites, to which can be added three polyclinics, a growth in activities in terms of the number of admissions and of days spent in hospital.
- The Chênée logistics site: 7,000 m² of which 5,300 m² of stocks, 700 m² of leisure space and 1,000 m² of offices. A potential to service 3,000 hospital beds.



“Apart from a few square metres of offices, exoneration was virtually totally agreed, and *ad infinitum*, as long as the activity remained that of a hospital.”

Property taxation

Bernadette Bouckaert, an independent consultant in property tax laws (Immotaxconsulting.be), was originally consulted by Integrale, the owner of the site, so that she could dispute the cadastral revenues, which is her core business. “But the overall tax volume was reasonable, around 35,000 euro”, she explains. “I therefore recommended doing nothing about this. By contrast, I saw the possibility of claiming a virtually total exoneration of the real estate withholding tax, justified by the nature of the activities: health needs”.

It should be noted that according to the law, the sectors of education, health, care homes, children’s and pensioners’ holiday homes and ‘other good causes’ (this last point obviously widening the domain of possible action), benefit from such an exoneration, provided that it is established that the activity is non-profit-making.

But the tax collection authorities did not see things in the same light: ‘The logistics department is a tenant and is exercising its activities outside of the confines of the hospital, so there is no reason for exoneration’. Several months of discussions later, along with visits by the fiscal agents, of examination of the designation of the site by the cadastral department, of reference to superior bodies, the tax authorities agreed to give way in almost all areas.

“Apart from a few square metres of offices, exoneration was virtually totally agreed, and ad infinitum, as long as the activity remained that of a hospital. It was quite clear that the civil servants had to arrive at this conclusion: a hospital cannot function without syringes. In defence of the civil servants, it has to be recognised that this was very much a first, and that the law is very imprecise. Nevertheless, this could not justify a reaction of the type ‘that’s the way we’ve always done it’...”

Open doors by invitation at Chênée

The idea is likely to be emulated and cause headaches in other local branches of the tax authorities, because according to Jean Codognotto, there isn’t a hospital in Wallonia which hasn’t made its way to the site at Chênée (where they are welcomed with open doors and books...) to further investigate the organisation of their logistics centre. This affair is doubtless going to make legal case law.

Patrick BARTHOLOMÉ