



Department
of Health

Procurement Transformation Programme

News from the Future Operating Model (FOM) for NHS Supply Chain



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The Future Operating Model for NHS Supply Chain will flex the tremendous buying power of the NHS saving over £600m annually – a major contribution to healthcare efficiency.

By collaborating with suppliers and leveraging the NHS's purchasing power on a national scale the Future Operating Model will be able to deliver better value for money for the NHS and the taxpayer.

The Future Operating Model is organised into eleven Category Towers, covering medical, capital and non-medical areas of the procurement spend. The FOM will be supported a new performance management and customer engagement function, the Intelligent Client Coordinator (ICC), and by a new logistics and IT infrastructure.

Current news

The first of the Category Towers to go live will be the Office Solutions Category Tower, covering areas such as office equipment and stationery. The contract has been awarded to Crown Commercial Service (CCS), a publicly owned organisation that specialises in providing commercial services to the public sector and saving money for the taxpayer. The new Office Solutions service will be up and running by the autumn of 2017.

Focus on... ...the Intelligent Client Coordinator (ICC)

The ICC will be the new performance management and customer engagement function for the Future Operating Model. It will become the focal point, coordinator,

and driver of the FOM's commercial objectives, and will oversee continuous improvements within the overall service delivery.

It will achieve this by creating a much larger client function than has previously existed, incorporating some of the strategic activity currently undertaken by NHS Supply Chain, such as supplier, information, and inventory management. The ICC will offer contract and customer management services in category procurement, logistics, IT, and transactional services, and will act on behalf of all NHS Trusts and the Department of Health, enabling NHS Trust procurement teams to focus on priority commercial areas including facilities and income generating activities.

News from the Phases

Office Solutions Category Tower

Achievements and Progress

- Business Process Design – A number of key actions were identified in the process scoping workshop of 25 May. These have been assigned owners and classified as Governance, Reporting or Interim Operating Design.
- A Collaboration Phase 1 workshop took place on 7 June with DHL, CCS, and BSA/ICC. The proposed Phase 1 blueprint was presented, looking at people, processes, IT, and information.
- A Commercial workshop took place on 9 June between BSA/ICC and CCS to build the Commercial Manual. This is the first of several workshops with CCS aligned to Schedule 3 (Contract Remuneration, Payment and Invoicing) and Schedule 6 (Service Levels and Adjustments) of the contract.

Going forwards...

- A number of follow-on workshops have been arranged to ensure we remain on track to deliver the necessary changes required for Phase 1.
- The first workshop will review the Customer Engagement Process. This has been scheduled for 21 June.

Medical Category Towers

Achievements and progress

- Evaluation of the Phase 1+ (Tranche 1) bids has been completed.

Going forwards...

- The moderation of bids takes place this week.(w/c 12 June.)

Non-Medical Category Towers

Achievements and progress

- The Phase 2 plan has been developed. The next steps are to incorporate ICC build milestones.
- The procurement timelines for Phase 2 are being confirmed.

Going forwards...

- We are reviewing Phase 2 processes.

Supporting Technologies & Transactional Services

Achievements and progress

- The first market engagement session for Transactional Services took place in Leeds on 26 May 2017.
- This was attended by seven organisations.

Logistics

Going forwards...

- The focus is on finalising the Logistics procurement documentation in preparation for OJEU in early August

Intelligent Client Coordinator (ICC) Build

Achievements and progress

- The future organisational structure has been approved.

Going forwards...

- We continue with process reviews and gap analysis.
- Details of organisation structure are being developed.

Stakeholder Engagement and Communications

- The Stakeholder Engagement team are out on the road visiting all the Trusts face to face.
- We presented at the first DHL staff webinar and received very positive feedback.

- Justine goes live! We now have presence on the HCSA website – check out <https://nhsprocurement.org.uk/articles/justine-henson-our-hcsa-dh-fom-engagement-lead>

Going forwards...

- Justine Henson from the Stakeholder Engagement Team is attending NHS CONFED on 14-15 June in Liverpool

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