



Department  
of Health

## Procurement Transformation Programme



# News about the Future Operating Model 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.

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### 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.

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### Focus on...

#### ... our supplier engagement work

We are keen to ensure that suppliers to the NHS are aware of the implications the Future Operating Model has for them. The Supplier Relationship Management team

has held more than 100 supplier interactions over the last year, including multiple meetings with the most significant suppliers, in terms of level of spend and importance of products, and a number of SMEs. We are working with these key suppliers to build relationships within the context of the FOM, as well as part of a wider programme of Supplier Relationship Management.

The team also meets regularly with all of the major Trade Associations, including the Association of British Healthcare Industries (ABHI), Barema (the association for anaesthetic and respiratory device suppliers), the British In Vitro Diagnostics Association (BIVDA) and the Surgical Dressings Manufacturers Association (SDMA) to ensure that they are fully aware of our plans and are able to cascade details to their membership.

In order to engage as widely as possible with the supplier base, we are suggesting that suppliers who have further questions about the FOM, in the first instance, contact their Trade Association.

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## News from the Phases

### Category Tower 9 (Office Solutions)

#### Achievements and Progress

- Phase 1 'as-is' Customer Engagement Process workshop took place on 21 June with DHL, CCS, BSA/ICC and PTP.
- Work continues to progress on the Phase 1 Interim Operating Model (IOM) detailed design.

#### Going forward...

- There are a number of follow up actions as a result of our key process workshops

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### Category Towers 1-6 (Medical)

#### Achievements and Progress

- The draft Procurement Evaluation Report has been issued.
- A joint NHS Supply Chain, BSA/ICC Clinical Evaluation workshop has been held to support detailed processes production.

#### Going forward...

- An update to the Business Case is in progress.
  - Phase planning continues to build more detail and dependencies into the transition plans.
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## Category Towers 7, 8, 10, 11 (Non-Medical)

### Achievements and progress

- New service provider bid evaluations took place this week (w/c 26 June).

### Going forward...

- New service provider bid moderations meetings take place next week.(w/c 3 July)

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## Supporting Technologies & Transactional Services

### Achievements and progress

- OBC signoff completed – OJEU and the Selection Questionnaire (SQ) were published 13 June.
- Work continues to progress on putting in place interim IT arrangements.

### Going forwards:

- The ICT Neutral Network & Savings reporting business case is expected to be available in the first week of July.
- The next market engagement event for Transactional Services will be in Leeds on 30 June.

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## Logistics

### Achievements and progress

- OBC Approval report drafted on schedule

### Going forwards:

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

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## Intelligent Client Co-ordinator (ICC) Build

### Achievements and progress

- Planning work continued with the establishment of the critical path for the roll out of the ICC, to which all workstream leads contributed.
- An engagement session was held with the BSA on 20 June to update them as to progress.

## Going Forwards

- A further engagement session with BSA is planned for 13 July
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## The customer view...

### Our stakeholder engagement and communications work

Justine Henson from our Stakeholder Engagement team attended [Confed17](#) in Liverpool on 14-15 June.

Confed17 brought the health and social care sector together just days after the general election. More than 1,000 senior leaders came together to discuss what the outcome means for the NHS, its workforce, the transformation agenda and the health and care sector's next steps.

Amongst the keynote speakers was Simon Stevens, Chief Executive of NHS England, who took the opportunity to give specific examples of the bravery and commitment of NHS staff during major incidents. He then set the context for the difficult and challenging times that the NHS faces, describing the 5 paradoxes of the NHS in 2017 which are:

- We are getting healthier but are using the NHS more
- The quality of the NHS is improving there is still a need for transparency in care gaps and mistakes
- Staff numbers are up but they are under greater pressure
- The public are highly satisfied with the NHS but are concerned for its future
- There needs to be consensus on how the NHS can change in order to make it 'future proof' instead what the CQC refers to currently as the 'burning platform'.

"In terms of feedback from the delegates that I spoke to (who were, in the main, from the CCGs and GP Commissioners) they were positive about the event and were very interested to hear about the PTP and FOM and the link to the 'financial balance' as an enabler for the quality priorities," commented Justine.

*Below: Simon Stevens addresses the event*



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