



Department  
of Health

## Procurement Transformation Programme

A graphic consisting of seven hexagons arranged in a honeycomb pattern. The central hexagon is solid green, while the others are outlined in green.

# News about the Future Operating Model for NHS Supply Chain

No.4: 7 July 2017

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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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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...

#### ...The Neutral Network

The FOM needs to provide access to its systems and services for all FOM service providers.

These include the sourcing and contract management system that will be used by the Category Towers.

The Neutral Network will allow any FOM service provider and the Intelligent Client Coordinator access to FOM systems from any location.

We expect this to be in place and fully tested by the end of January 2018 – In plenty of time for the ‘new’ Category Towers to go live.

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## News from the Phases

### Category Tower 9 (Office Solutions)

#### Achievements and progress

- Work continues to progress the detailed design of the Interim Operating Model, including operational design, management information, governance and IT Infrastructure functions.
- Completion of the process definition is scheduled for 14 July.

#### Going forwards

- Work is in progress on communications and business change planning, and on business readiness assurance and test planning.
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### Category Towers 1-6 (Medical)

#### Achievements and progress

- The Draft Award Phase Evaluation Report is in review.

#### Going forwards

- The update to the Business Case is being progressed.
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### Category Towers 7, 8, 10, 11 (Non-Medical)

#### Achievements and progress

- New service provider bid moderations are taking place.
- Meetings have been arranged to agree the savings methodology for the Capital, Food and Hotel Towers.

#### Going forwards

- Preparation work for Supplier Presentation days continues.

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## Supporting Technologies & Transactional Services

### Achievements and progress

- The business case for the Office Solutions interim solution has been signed off and is being progressed.

### Going forwards

- The 'neutral network' business case is due for signoff by end July. (See our 'Focus On' feature above.)

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## Logistics

### Achievements and progress

- A second contract 'page turn' was held resulting in good progress towards a final draft.
- Further design and planning for Data Room population took place this week.
- Templates for transactional data completed and requests for data.in progress.

### Going forwards

- Work continues on preparing the logistics procurement documentation in preparation for OJEU in early August.

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## Intelligent Client Co-ordinator (ICC) Build

### Achievements and progress

- The legal form of the Intelligent Client Co-ordinator has been agreed in principle. Approval is now awaited from Treasury
- Ongoing work with NHS BSA for transition.

### Going forwards

- Process Workshop set to go through the current and future state for process and identify priorities.

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## The customer view...

## Our stakeholder engagement and communications work

### Achievements and progress

- Our Trust commitment campaign continues to build momentum and gather support.
- Very positive feedback was received from the recent presentation at HCSA summer conference.
- We have presented programme updates at Peninsular Purchasing and Supply Alliance (PPSA), NHS Improvement National Procurement Forum, and regional HOP forums.

### Going forwards

- We will be providing a keynote speaker and programme representation at the Procure4Health national conference in Birmingham on 13 July.
- We will be engaging wider with key clinical/nursing stakeholders at both Trust and national level.

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### Jargon buster

BSA	NHS Business Services Authority
CCS	Crown Commercial Service
FBC	Financial Business Case
FOM	Future Operating Model
GLD	Government Legal Department
HOP	Head of Procurement
ICC	Intelligent Client Coordinator
IOM	Interim Operating Model
NHSI	NHS Improvement
OBC	Outline Business Case
OJEU	Official Journal of the European Union
PTP	Procurement Transformation Programme



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