



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.

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 NHS Clinical Evaluation Team

"Quality, safety and value are at the heart of our work and it's important that we use our clinical experience to deliver high standards of care while reducing cost and waste in the NHS."

- Mandie Sutherland, Chair, Clinical Reference Board (governing body of the NHS Clinical Evaluation Team)

The NHS Clinical Evaluation Team (CET) is a national team working to support the delivery of quality clinical products to frontline staff. Their goal is to make it as easy as possible for NHS staff to select the right product for safe, effective patient care every time it is needed.

The CET is focused purely on clinical quality, safety and value. Their Clinical Evaluation Reports provide authoritative, unbiased and trusted product comparisons, created purely on the basis of the evaluation of products against NHS user requirements. These reports are used by product users as an aid to selecting the most appropriate product for high quality patient outcomes, to help inform product selection decisions, and to understand which products are, and are not, comparable.

The Clinical Evaluation Team has been a great success, but it is currently very small scale when compared to the breadth of NHS Supply Chain products that would benefit from evaluation. The goal is to substantially increase the scale of clinical evaluation in the Future Operating Model without compromising the quality of the CET's work. So we have placed clinical capability, credibility and clinical evaluation work as a core component of our future Category Towers requirements. By making this part of our core expectation we will be able produce more reports, more quickly, than before while maintaining the focus on the benefits to patients and the clinicians.

We will be retaining a highly skilled oversight and assurance function to ensure that appropriate evaluation processes are followed. As with the current CET members, they will be independent of the procurement process and focused solely on how products meet NHS user requirements.

News from the Phases

Category Tower 9 (Office Solutions)

Achievements and progress

- The Interim Operating Model has been completed

Category Towers 1-6 (Medical)

Achievements and progress

- The Procurement Award Phase Evaluation Report has been approved.
- The Financial Business Case approval period has started.
- We are working towards the Contract Award in September.

Category Towers 7, 8, 10, 11 (Non-Medical)

Achievements and progress

- The Supplier presentation days have been successfully completed.
 - The clarification questions are being addressed.
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Supporting Technologies & Transactional Services

Achievements and progress

- A third Market Engagement was held on 27 July with 11 potential providers in attendance.
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Intelligent Client Co-ordinator (ICC) Build

Achievements and progress

- Strategy Review work progresses with input from workstream leads
 - An ICC/BSA Transition workshop is being planned.
 - Work on creating the Legal Entity continues, with positive indication that it will be formally approved.
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Logistics

Achievements and progress

- Following feedback from the market, the lotting structure has been changed. There will be one lot covering both core logistics and Home Delivery Service.
 - Ministerial approval has been gained for our OBC. We now await Cabinet and HMT Approval.
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Communications and Stakeholder Engagement

Achievements and progress

- The communications team responded to a request from colleagues working on Tranche 2 of the Category Towers to help recruit volunteer evaluations. Four new evaluators have been recruited as a result.
 - We have now met over 190 Trusts.
 - We remain on target to meet with all Trusts by the end of August.
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Jargon buster

BSA	NHS Business Services Authority
CCS	Crown Commercial Service
CET	NHS Clinical Evaluation Team
FBC	Full Business Case
FOM	Future Operating Model
GLD	Government Legal Department
HOP	Head of Procurement
ICC	Intelligent Client Coordinator
IOM	Interim Operating Model
IPA	Infrastructure & Projects Authority
NCP	Nationally Contracted Products
NHSI	NHS Improvement
NHSSC	NHS Supply Chain
OBC	Outline Business Case
OJEU	Official Journal of the European Union
PPIB	Purchase Price Index and Benchmark
PTP	Procurement Transformation Programme
ZCIT	Zero Cost Innovation Tariff

The Future Operating Model...



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