

NHS Procurement: What you need to know

Preparing your business for the Future Operating Model (FOM)

Wednesday 7 November 2018 | BCEC Birmingham

SEMINAR ARTICLE:

More suppliers may benefit new NHS buying model

AUTHOR: Nicholas Carding

- **New procurement model will not automatically lead to rationalisation of suppliers, says regional purchasing chief**
- **Some categories may require increased competition**
- **“Biggest challenge” will be changing trusts’ habits**

The drive to centralise how the NHS buys products will not necessarily mean reducing the number of suppliers, according to a procurement leader.



Keith Rowley, managing director of NHS North of England Commercial Procurement Collaborative, said his team would not “come in with a big boot” and “rationalise a market from 200 suppliers to five”, when the new procurement model is fully up and running.

He said efficiencies could be found by introducing more competition (ie suppliers) into certain categories of products.

Mr Rowley will oversee a team of around 30 NHS procurement specialists who will buy products within the “hotel services” category, as part of sweeping changes to the way the NHS buys equipment.

The category includes cleaning and janitorial products, laundry and linen services, catering equipment, hospital furniture, and aprons and gowns.

Mr Rowley said it is not an area where the NHS has traditionally searched for savings opportunities “beyond product price”.

He said: “People regard hotel services as fairly low and commoditised stuff, but those products prevent infection and help patients get out of hospital quicker.

“It is a highly undervalued category, but it is mission critical.”

The new NHS procurement model, which formally replaces the NHS Supply Chain contract in October, aims to double NHS expenditure through the central supply chain.

Currently, the NHS spends around £5.7bn annually on clinical products and equipment, but only 40 per cent of this is done through NHS Supply Chain.

In 2016, the Carter Review reported an “astonishing variety” of suppliers used in the NHS, and cited an example of 22 trusts using 30,000 suppliers.

But Mr Rowley told HSJ it did not follow that the new model would lead to a reduction of suppliers in the hotel services category.

“Clearly there are areas where you can make efficiencies by rationalising suppliers, but there are also ways to create opportunities by increasing competition and managing more suppliers into the market,” he said.





“There are some subcategories in our category, for example pulp, aprons and gowns, where part of what we will do is see if it’s appropriate to bring in more competition.”

Asked how he expected suppliers to react to more scrutiny being applied in the category, he said the new model created an “opportunity” to engage with suppliers.

“They [suppliers] probably haven’t had much engagement with a central NHS procurement team,” he said.

His team will talk to private finance initiative providers who already buy some of the products covered by the category on behalf of trusts, to see if the new model can “help them get better outcomes and reduce cost to the NHS”.

Mr Rowley said he hoped the new model frees up more time for NHS procurement staff to focus on the remaining £21bn of non-pay expenditure in the health service, which he said was a “bigger opportunity”.

Source: *HSJ Interview*

NHS Procurement: What you need to know

This event takes place on **7 November 2018** in Birmingham and **3 April 2019** in London.

These seminars are ideal for NHS suppliers new to the NHS or in need of a refresher. Attendees will learn about the Future Operating Model (FOM), procurement towers and what this all means for organisations doing business with the NHS.

You will hear from expert speakers from Wilmington Healthcare and HSJ as well as national and local NHS leaders responsible for procurement.

Book your place via our website today:

www.wilmingtonhealthcare.com/events/seminars/nhs-procurement/

CLICK HERE TO BOOK NOW →