

# NHS Procurement: What you need to know

Preparing your business for the Future Operating Model (FOM)

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## SEMINAR ARTICLE:

*Deloitte hired to design NHS efficiency drive*

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- NHS Improvement awards contract to Deloitte
- Consultants to propose changes to how NHS buys billions of pounds worth of goods and services
- First plans to be submitted by end of March 2019



**Deloitte has won a contract to draw up proposals with NHS trusts for a new procurement efficiency drive, which aims to make savings from a £20bn pool of non-pay spend.**

The consultancy firm will [design a model for how NHS trusts should spend billions of pounds](#) on services within non-pay categories – such as estates, facilities, and IT – after winning a contract worth up to £400,000 from NHS Improvement.

Proposals must be prepared by the end of March before a longer implementation phase starts.

The areas covered by the “targeted operating model” extend to most areas of the NHS’s non-pay spend not supplied by the NHS Supply Chain, [which is also being transformed](#).

But pharmacy and agency staffing will not fall under the new model, as these have separate workstreams in place to deliver efficiencies.

According to tender documents seen by *HSJ*, Deloitte will develop at least three options for the model together with a selected number of trusts.

The options will then be “validated” by a group of NHS and arm’s length bodies’ professionals.

This group includes NHSI’s chief procurement officer Preeya Bailie, the regulator’s four regional heads of procurement, and a selection of heads of procurement at trusts.

Deloitte’s appointment was announced by NHSI at the annual conference of the Health Care Supplies Association.

A spokesman for the regulator later told *HSJ*: “We will be engaging with trusts’ procurement experts and stakeholders soon to gain thoughts, feedback and work collaboratively on what the target operating model will look like.

“We have appointed Deloitte as they bring experience of transformational change, global procurement improvement programmes across multiple industries and best practice, ensuring our target operating model supports more efficient and effective procurement across the NHS, maximising resources and making every penny count for patients and staff.”

The new model could spell big changes for local procurement teams, which are likely to be encouraged to pursue consolidation.

The centre is also pushing for “significant technology automation” in the procurement sector.

In January, *HSJ* revealed most trusts had [failed to hit Lord Carter’s targets](#) for making their procurement more efficient.

There are around 4,000 procurement staff working in the NHS. In total, the health service’s procurement function costs around £179m annually.

The Department of Health and Social Care has [hired consultants](#) from EY to help overhaul the NHS Supply Chain model.

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