

Reimagining procurement for the NHS.

We all know that the NHS is facing significant challenges - mounting demand, funding constraints, and workforce shortages to name but a few. Despite this pressure, NHS processes are not always as efficient as they could be.

One obvious example is the current procurement regime, which is often criticised for increasing cost as well as being disproportionately time and resource intensive. It is also arguably incompatible with the vision of collaboration and partnership envisaged by the Five Year Forward View and subsequent planning documents.

The challenges faced by the NHS means that there is a clear need for procurement exercises to maximise the value that can be derived from scant resources. As such, the NHS Long Term Plan proposed a new approach to NHS procurement, advocating that commissioners utilise a 'best value' test to ensure that the best outcomes for patients and the taxpayer are achieved.

The exact details of what this new procurement regime will constitute are elusive. NHS England have recently published the results of a consultation exercise which sets out some of their thinking. However, it is likely that with the recent announcement of a general election on 6 December, this will be subject to change.

To inform ongoing work in this area, GGI have been working with Connect Health to explore some of the practicalities of implementing a new procurement regime for the NHS. We will be publishing the first iteration of our report, Reimagining procurement in the NHS, which reflects on a series of engagement activities, on 21 November - with subsequent versions being released as the political picture becomes clearer.

What is evident, is that there is a real appetite amongst NHS leaders for a more permissive

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procurement regime. Our report describes eight challenges that will need to be addressed to ensure the success of any new procurement regime, and provides a set of tools to support organisations take decisions with regards to the 'value' of services that have been procured.

Here are a selection of new procurement regime challenges identified and included in our upcoming report:

- Ensure that focus is placed on outcomes not process. *Procedural indicators of performance are often emphasised in procurement as they are more easily measurable and definable. As we shift to more strategic and longer-term commissioning, an outcomes focus is increasingly important.*

- Space for competition and choice. *Any new procurement regime should be used to help commissioners secure the services that local patients and people need whilst improving quality and performance. This may mean challenging monopolies where they exist irrespective of whether the provider is from the NHS, or the independent and third sectors.*

- Practical application and weighting. *Commissioners will need to carefully consider how value will be assessed within any procurement exercise, and how it may be weighted alongside other elements. A key challenge will be in comparing the 'worth' of different kinds of value.*

It will also be crucial that any proposed initiatives build on existing frameworks from local government and elsewhere.