

Reimagining Procurement in the NHS

by the Good Governance Institute

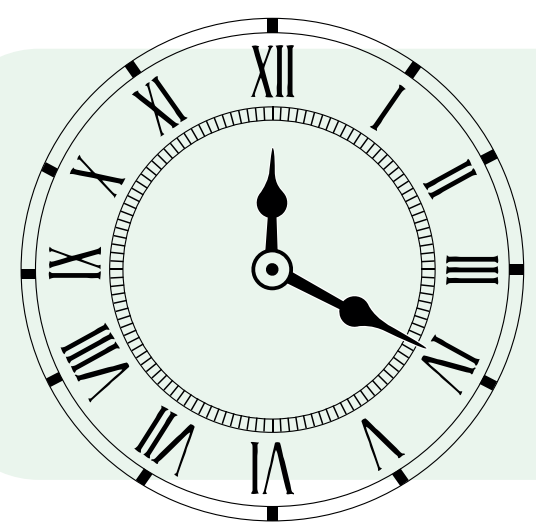
CONTEXT

NHS in England facing financial and operational pressures.



Factors include mounting demand, funding constraints, and workforce shortages.

NHS needs to maximise the use of resources, ensuring it derives the maximum value.



Current approaches to procurement are often disproportionately time and resource-intensive.

Incompatible with the vision of collaboration and partnership envisaged by the Five Year Forward View.



The NHS Long Term Plan (LTP), in part, seeks to resolve this, setting out a clear vision for the NHS over the next 10 years.

One proposal put forward by LTP is to introduce a new procurement regime, **"free[ing] up NHS commissioners to decide the circumstance in which they should use procurement, subject to a 'best value' test to secure the best outcomes for patients and the taxpayer."**

METHODOLOGY

To inform ongoing work in this area, GGI has been working with Connect Health to explore some of the practicalities of implementing a new procurement regime for the NHS.

In March 2020, we published our report Reimagining Procurement in the NHS which set out what we see as the key learnings for the NHS on the implementation of a new procurement approach, drawing on the experiences of other sectors.

To produce the report, GGI worked with Connect Health to undertake desk-based research as well as interviews with senior staff from across a range of organisations with practical experience of NHS procurement.

The learnings from the review were then further tested through a series of events and focus groups facilitated by GGI and Connect Health in late 2019 and early 2020. These, again, consisted of senior staff and policy influencers from a range of relevant organisations working in healthcare.

OUTCOMES

What is evident, is that there is a real appetite amongst NHS leaders for a more permissive 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 any services that have been procured.



1. HOW SHOULD VALUE BE DEFINED?



2. DEFINITIONS OF BEST VALUE SHOULD BE LOCALLY-LED



3. ENSURE THAT FOCUS IS PLACED ON OUTCOMES, NOT PROCESS



4. PROCUREMENT IN PARTNERSHIP



5. THE IMPORTANCE OF ROBUST CONSULTATION



6. SPACE FOR COMPETITION AND CHOICE



7. CONTINUOUS IMPROVEMENT



8. PRACTICAL APPLICATION AND WEIGHTING