

# Business Plan 2023 / 2024

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NHS Supply Chain



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# Background

## This section covers

Chair's Foreword

Chief Executive's Summary

NHS Supply Chain Strategy



## Chair's Foreword

Over the last year, colleagues from across the NHS have worked hard, in challenging circumstances, to continue to deliver exceptional patient care. I would like to thank everyone working across the NHS, from clinicians, to local procurement teams based in healthcare providers. By working with NHS Supply Chain, you have made it possible for us to continue delivering the products and equipment the NHS needs and uses everyday.

Last year, we launched our ambitious Vision, Purpose and Strategy, to better align how NHS Supply Chain both supports the NHS, and contributes to the objectives of the NHS Long Term Plan.

We have started to progress towards this, through the design and initial deployment of our Target Operating Model. In 2023/24, we will continue to evolve our model, as we focus on building the culture, capabilities and capacity needed, to deliver an outstanding supply chain.

This has become more complex due to global challenges such as raw material shortages, and disruptions to manufacturing and transport. This Business Plan is a critical step towards addressing these challenges, and delivering the next stage of our Strategy.

With soaring demand and a finite budget, the NHS faces an even bigger challenge than the COVID-19 pandemic in the years to come. Guided by our Strategy, NHS Supply Chain will play its part in responding to this by

accelerating the value we provide to frontline care, further strengthening the resilience of our supply chain, and ensuring we are fully aligned to the needs of the NHS. Our partners need that from us more than ever, as we collectively face huge challenges, both now and over the next few years.

To help us as we respond to these challenges, I am pleased to welcome two new Non Executive Directors to the Board of SCCL, Rommel Pereira and Mark Swyny who bring a wealth of financial and commercial experience and expertise to NHS Supply Chain. This year, the Board will also introduce a new Performance Committee, to ensure we are delivering the outcomes required of our Strategy and Business Plan.

The expertise of our colleagues across NHS Supply Chain, along with collaboration with all our stakeholders, is key to success. I am grateful for the opportunity to support this important work as Chair of the Board of SCCL for the next three years.

Guided by our Strategy, we are determined to maximise our contribution to the delivery of high quality and safe patient care across the NHS.



**Heather Tierney-Moore OBE**

**Chair**

Supply Chain Coordination Limited (SCCL)  
Management Function for NHS Supply Chain

## Chief Executive's Summary

Our Strategy is clear; we will use our core skills to support the NHS to deliver outstanding and safe patient care. We will be informed by data, make our organisation easy to work with for all stakeholders, and be collaborative in delivery with our NHS partners across the whole range of care settings.

We contribute to the frontline through the products and services we provide by ensuring our definition of value in procurement is broad, by designing and managing supply chains that are both resilient and trusted, and by collaborating with our partners to ensure we are focussed on delivering the needs of the NHS.

We have set out an ambitious change programme to realign the organisation to the changing needs of the NHS through structures, processes, capabilities and technology; through this change period we remain relentlessly focussed on delivering for the NHS. This year, we will open a new distribution centre in the north of England to significantly grow our network capacity, deploy new technology to manage our infrastructure, and transfer the remaining medical category management teams into the heart of the organisation. After this transfer, we will have the platform to develop our approach, and drive value delivery for the NHS across a broad range of critical topics, from sustainability to safety.

As an embedded part of the NHS in England, we are committed to being collaborative, open, and transparent with all our stakeholders. We will change our engagement model to ensure all voices influence

and shape our category strategies, to ensure the supply chain meets the needs of the NHS. This will be enhanced with a focus on the total impact of a product, from reducing clinical time for a procedure, to creating workforce capacity so healthcare professionals can spend more of their valuable time and resources providing excellent patient care.

We will also work collaboratively to both support the development of, and leverage where appropriate, the capability being established by the NHS Central Commercial Function.

Through our 2023/24 Business Plan, we lay the foundations to extend our reach and positive influence whilst delivering immediate benefits to the NHS frontline. This Business Plan outlines our next steps, through key activities such as national pricing, increasing our support to the non-acute market, delivering efficiencies through inventory management, and supporting the NHS to spend less through usage management. Many of these will deliver in-year benefits in 2023/24, and we will grow their impact in subsequent years.

As we evolve to become One NHS Supply Chain, we will build the capabilities and capacity needed for the future.



**Andrew New**  
**Chief Executive**

Supply Chain Coordination Limited (SCCL)  
Management Function for NHS Supply Chain

# NHS Supply Chain Strategy

## Our vision is

To make it easier for the NHS to put patients first

## Our purpose is

Our role is to support the NHS to save lives and improve health

## Our strategy is to

Buy smart

Supply right

Partner expertly

## Our seven key enablers are

Category Management

Agile Logistics

Business Simplification

eCommerce

End-to-End Visibility

Partnering

Data Strategy

## How we can each play a part

Be  
Authentic

Be  
Inclusive

Be  
Driven

Be  
Enterprising

Be the  
Difference

## By 2030:

- Saving the NHS **£1 billion**
- Strengthening **resilience**
- Working as **One** NHS Supply Chain

# Buy Smart: Embed Commercial Excellence to Drive Innovation and Savings

## This section covers

Strengthen the Voice of Healthcare Providers

Embed Excellence Across Our Ways of Working

Deliver Savings Through Standard National Pricing and Usage Management

Deliver Innovation and Quality Across Our Offering



# Embed Commercial Excellence to Drive Innovation and Savings

We will ensure the voice of healthcare providers is strengthened across all our commercial activities. This will be underpinned by a programme of standardisation, as we leverage the new operating model to drive best practice across all our categories. By broadening our definition of value, we will ensure we deliver benefits to the NHS frontline beyond just cost savings, across areas such as clinical outcomes, innovation and in-trust efficiency.

## 1. Strengthen the voice of Healthcare Providers

We remain committed to strengthening the voice of healthcare providers wherever decisions are made that affect them. In 2023/24, we will enable healthcare providers to:

- **Shape our priorities:** Ensure healthcare providers can influence and shape our work programmes through new joint working groups focusing on Integrated Care Systems (ICSs), non-acute providers, supply chain resilience and clinical outcomes; alongside healthcare provider panels on innovation, sustainability and clinical practice.
- **Inform our category strategies:** Embed consultation with healthcare providers at each stage of the approvals process for category strategies across all our frameworks. This will be implemented by October 2023 and underpinned through a newly defined Lead Reference Trust Programme.

## 2. Embed Excellence Across Our Ways of Working

### 2a. Establish a Centre of Excellence and embed best practice

In 2023/24, we will lay the foundations for developing our future commercial expertise through a newly formed Centre of Excellence. Its initial focus will be on further building our capabilities across category management, price inflation management, supplier negotiations and analytics, to drive consistency and excellence. This will be supported through a new procurement academy to upskill our colleagues through development, training and coaching, to build the capabilities needed to drive healthcare value, innovation and savings.

This year, we will embed best practice across our governance forums, category sign off processes and contract approvals to ensure we are driving value to healthcare providers at each stage of the procurement process.



# Embed Commercial Excellence to Drive Innovation and Savings

## 2b. Work differently with suppliers

We will implement supplier relationship management plans for each of our strategic, preferred and key suppliers. This structured and proactive approach will drive improvements and quality across our contract management, performance management, risk management and collaboration practices.

A more holistic cross-category approach will ensure better collaboration with our suppliers as well as opportunities to deliver innovation and Value Based Procurement that supports the needs of the NHS.

Working differently with suppliers also presents opportunities to enhance our analytical capabilities and improve the insights we provide healthcare providers. Enabled by our data strategy, we will work with suppliers to increase the amount of high quality and standardised data they share with us. This will drive improvements across areas such as risk management, clinical insights and product information.

We will also increase the number of products with a Global Trade Identification Number from 62%, to at least 80%. This is important to delivering future opportunities, such as a 'leading' inventory management and point of care solution.

## 2c. Comply with new public contract regulations

We will ensure NHS Supply Chain delivers its ambition of driving world class category management by unlocking the opportunities introduced in the new public contract regulations, and ensuring our processes are fully compliant. This will include being able to drive value through holding negotiations with our suppliers earlier in our tendering processes, targeting specific social value and sustainability goals through a revised approach to assessments, and ensuring greater transparency in our procurement processes and operations, such as publishing information on our payment performance, so we are seen by suppliers as the client of choice.

## 3. Deliver Savings Through Standard National Pricing and Usage Management

### 3a. Explore standard national pricing

In 2023/24, we will work with NHS England and other system partners to explore standard national pricing. Currently, there remains significant variation in the amount suppliers charge for products across different parts of the NHS. If the system worked as one, with a single contract for a particular product, we would be able to leverage greater national volume with suppliers to deliver more value to healthcare providers.

# Embed Commercial Excellence to Drive Innovation and Savings

## 3b. Usage management

We will work with NHS England to drive clinical practice change to reduce NHS expenditure. Our initial focus this year will be reducing the use of single use gloves across the NHS. Compared to pre-Covid levels, demand for single use gloves has grown significantly and remains very high. We will work with NHS partners and healthcare providers to reset expectations in clinical practice via a “Gloves Off” campaign, whilst reducing waste through the use of interleaved gloves. These have a reduced failure rate whilst donning as they are packaged cuff first.

## 4. Deliver Innovation and Quality Across Our Offering

### 4a. Accelerate innovation into the NHS

Building on the novel innovations launched last year across urology, chronic woundcare and blood testing, we will work with the Department of Health and Social Care, NHS England, and suppliers via the Innovation Portal, to accelerate the introduction of innovation into the NHS, as part of our approach to Value Based Procurement.

To accelerate adoption of innovations into the NHS, we will deliver a new innovation service pathway:

- **Push:** We will introduce a formal process for healthcare professionals to flag required innovations to the attention of NHS Supply Chain, for us to facilitate the procurement of those products in alignment with NHS England, the National Institute for Health and Care Excellence and the Academic Health Science Networks. This will be

supported by dedicated commercial specialists, embedded in our pathway development programme, working across the system to enable the adoption of innovation.

- **Pull:** We will continually review all new product frameworks, and identify where any are missing existing innovations with the potential to generate system efficiencies, improved patient care, or sustainable outcomes. These will be subsequently included in our procurement activities.

### 4b. Drive value through Value Based Procurement

In 2023/24, we will continue to work with healthcare providers and suppliers to identify opportunities that reduce the cost of patient care and clinical pathways through Value Based Procurement initiatives.

We will do this through frameworks that deliver improved clinical outcomes, reduce the need for further treatment, or reduce the amount of time it takes to treat a patient.

Opportunities in 2023/24 include innovations that replace mechanical tracks with glue in hernia repairs to reduce pain, reduce complications such as nerve injuries, and reduce hospital length of stay. We will also introduce bard trays that reduce incidences of hospital linked catheter associated urinary tract infections.

# Embed Commercial Excellence to Drive Innovation and Savings

## 4c. Embed a new approach to quality assurance

In 2023/24, we will implement a more robust approach to quality assurance by:

- **Establishing standards:** Setting robust quality assurance standards across our categories. This will include defining what good looks like across framework design, product specification, supplier engagement and healthcare provider engagement. This will be applied across all our procurement activities, with training and support offered to build capabilities where required.
- **Assuring delivery:** Implementing a new process that ensures the standards are met to the required quality; whilst promoting best practice across the entire procurement lifecycle, including category strategies, sourcing strategies, product evaluation and post-market surveillance.
- **Evaluating impact:** Delivering a new approach for assessing what impact products have on care pathways and patient outcomes. Healthcare provider and end user engagement will be essential to evaluating the impact of products. The outcomes of these evaluations will be used to influence future category and sourcing strategies, whilst also identifying opportunities for innovations that can improve end user safety and patient outcomes.



# Supply Right: Strengthen Resilience Through Connected Supply Chains

## This section covers

- Embed Resilience Across Our Supply Chain
- Increase the Capacity and Resilience of Our Network
- Put Patient Safety at the Heart of What We Do
- Deliver Our Sustainability Strategy



# Strengthen Resilience Through Connected Supply Chains

With the outlook for global supply chains remaining challenging throughout 2023/24, and the impact this can have on frontline care, we will drive forward programmes to both anticipate and address issues as they arise. We will strengthen resilience across all aspects of our supply chain, from the strategic sourcing decisions taken; through how we manage inventory; to connecting visibility of inventory across the supply chain.

## 1. Embed Resilience Across Our Supply Chain

### 1a. Work with healthcare providers to identify critical products

In 2023/2024, we will work with healthcare providers to identify an initial list of critical products that are important to safe patient care. This will inform our approach to strengthening resilience.

### 1b. Develop our UK Manufacturing Strategy

We will develop a UK Manufacturing Strategy and embed it as appropriate across our category management frameworks. This will aim to maximise resilience and reduce the total cost of ownership of categories, products and services procured by NHS Supply Chain.

### 1c. Review supplier terms and conditions

We will review the terms and conditions we enter into with suppliers to further strengthen resilience and improve supply chain transparency. In 2023/24, we will:

- **Transparency:** Incorporate a requirement that suppliers map their supply chains as a condition of contract award.

- **Quality and safety:** Introduce the ability to conduct audits on supplier premises and test products in production.
- **Continuity of supply:** Strengthen terms and conditions to ensure supply continuation during price negotiations.

### 1d. Increase visibility across our end-to-end supply chain

We will build the necessary tools and capabilities that will ultimately achieve end-to-end visibility. In 2023/24, we will:

- **Inventory visibility:** In agreement with NHS England, procure and deploy a 'leading' inventory management and point of care solution in up to 10 healthcare providers. We will define the standards required to harness the inventory data available, and leverage this at both a national and regional level to enable more informed inventory decisions.
- **Unique product identifiers:** Engage with our suppliers to increase the number of products for which we hold Global Trade Identification Numbers.
- **Map supply chains:** Continue to deliver our commitments to the Boardman Recommendations by mapping supply chains based on a prioritised approach.

### 1e. Embed a new disruption management process

This year, we will standardise how we deal with supply chain disruptions to ensure more robust management. It will be supported by an internal multi-disciplinary community, aimed at building best practice and capabilities in managing disruptions in our supply chain.

# Strengthen Resilience Through Connected Supply Chains

## 2. Increase the Capacity and Resilience of Our Network

### 2a. Increase warehousing capacity

We will grow our warehousing capacity in the north of England by opening Gorsey Point in the first half of 2023/24. With over 60,000 pallet spaces, this new distribution centre will provide enhanced supply chain resilience, as it has the ability to hold increased stock levels. This will make us more flexible in responding to changes and peaks in demand, so we can deliver on the future needs of patients, and provide the best possible service to the NHS.

In our Daventry distribution centre, we will introduce temperature management control in the first half of 2023/24, whilst working towards a new mezzanine floor which will be ready for use in 2024/25. Based in the centre of England, this will enable us to hold a larger range of stock, and improve product availability to both acute and non-acute healthcare providers. It will also enable us to distribute medical devices that require active temperature management from this site.

Increasing the capacity with the addition of Gorsey Point, and enabling greater capability at Daventry, will also provide the flexibility and capacity needed to deliver the roll out of a new warehouse management system.

### 2b. Strengthen our warehouse management technology

To ensure we can continue to store and distribute medical products to the NHS in the future, we will modernise our warehouse management system by moving to a more resilient platform, that also provides the foundations for future enhancements. We will implement this new warehouse management system in Gorsey Point, before scaling to further distribution centres in 2024/25.

### 2c. Work with DHSC to put in place future pandemic requirements

We will work with the Department of Health and Social Care to put in place future pandemic requirements including exploring potential options with NHS England around lateral flow device distribution, whilst continuing to provide PPE for business as usual purposes.

### 2d. International and consolidated inbound freight

In 2023/24, we will re-procure our logistics contract, basing our future logistics specification on the future capabilities required to support the organisation. Over 2023/24, we will shape the opportunity around international and consolidated inbound freight, and create the business case to support it.



# Strengthen Resilience Through Connected Supply Chains

## 3. Put Patient Safety at the Heart of What We Do

From ensuring clinicians and healthcare providers can influence our category and sourcing strategies, to strengthening our resilience so that healthcare professionals have the products they need to care for patients with minimal disruption, patient safety is core to our Business Plan.

Delivering our ongoing safety intervention processes is critical to ensuring we are responsive to patient safety concerns. There are also further improvements we will make in 2023/24 to enable healthcare professionals to log a problem quickly and easily. This year, we will publish improvements to our online complaints form that auto-populates product details when a nationally contracted products code is entered, saving healthcare providers time, and speeding up the reporting process.

## 4. Deliver Our Sustainability Strategy

The NHS has an ambitious target to become the world's first carbon net zero health system by 2040 for the emissions it controls, and 2045 for the emissions it influences. NHS Supply Chain is committed to supporting the NHS deliver this.

### 4a. Develop ambitious carbon reduction objectives to achieve net zero by 2045

To deliver our commitment to net zero, we will need to significantly upscale our sustainability delivery over the coming years. We will develop and launch stretching sustainability objectives that put us on the path to net zero by 2045.

This will involve detailed analysis of spend to understand the impacts carbon intensity and volume have, and how we can work across the system on impactful interventions. It will be underpinned by an implementation plan to cut emissions to support all healthcare providers that work with us.

Our procurement process and robust approach to supplier relationship management are both enablers for us to deliver against the requirements of Procurement Policy Notes on Social Value 06/20, Net Zero 06/21, and Modern Slavery 05/19; and ensure our suppliers are well placed to meet milestones on the NHS Supplier Roadmap.

### 4b. Build our capabilities in sustainability

We will create a network of sustainability champions. Their role will be to ensure our whole workforce is engaged in sustainability, and to ensure it is embedded across of our new operating model.

## Strengthen Resilience Through Connected Supply Chains

We will develop a curriculum for all roles in the organisation, so everyone understands the part they have in delivering our net zero ambitions.

Across the organisation, we will take a data-driven approach to identifying and implementing initiatives that have a large-scale impact on driving down emissions across our supply chain. This will create opportunities, from identifying new product innovations, and reducing our logistics emissions; to working with suppliers to reduce packaging, and exploring opportunities in the circular economy.

### 4c. Deliver social value

NHS Supply Chain remains committed to operating responsibly and delivering social value in the communities we touch. In response to the Health and Care Act (2022), in 2023/24 we will continue to develop and evolve our approach to tackling modern slavery and human trafficking. This will include:

- **Prioritisation:** A methodology for prioritisation and risk assessment (including Modern Slavery Assessment Scores, Labour Standards Assessment Scores, and country of origin)
- **Supplier grouping:** Grouping suppliers into high, medium, and low priority
- **Implementation:** Development and implementation of actions for each level of supplier grouping

We will also provide all colleagues with the option to undertake two days volunteering in their communities each year.





# Partner Expertly: Collaborate with the NHS to Create Healthcare Value

## This section covers

Improve How We Communicate With Stakeholders

Support Local Healthcare Priorities



# Collaborate with the NHS to Create Healthcare Value

Having transferred shareholding to NHS England during our last financial year, we are looking to make a step change in how we partner with the wider system to improve patient care. This is reflected in the language we use, the priorities we set, and our work to support the transition of the system to ICS working.

## 1. Improve How We Communicate With Stakeholders

We will improve how we partner with the NHS through clearer communication, which reduces ambiguity, and makes it easier for stakeholders to engage with us. In 2023/24, we will:

- **Tone of voice:** Review the language we use in our communications, to develop a consistent tone of voice across the organisation, that resonates with our audiences.
- **Value proposition:** Clearly set out our service offering, and the value that each of those services provides to healthcare providers. This will help our stakeholders understand what we offer, drive simplicity across the organisation in how we communicate with healthcare providers, and reduce ambiguity.
- **Clear positioning:** Create a play book for our colleagues that outlines our priorities and stance on a range of issues important to the NHS. This will enable our colleagues to work more efficiently, respond to queries quicker, and spend more time on activities that add value to healthcare providers.

- **Operational working group:** A new working group will be set up with colleagues in healthcare provider organisations who are responsible for placing orders. The aim of the working group will be to look at how we can resolve their pain points.
- **Communications working group:** Underpinning all of this will be a new communications working group, made up of healthcare providers, who help shape our communications content and style to ensure it adds maximum value.



# Collaborate with the NHS to Create Healthcare Value

## 2. Support Local Healthcare Priorities

### 2a. Whole system approach

As local NHS system working continues to gather pace in 2023/24, we will collaborate with Integrated Care Boards (ICBs) to shape the delivery of our ICS Strategy. One area of opportunity is in working with ICBs to move woundcare prescriptions to direct deliveries. We will also run a pilot to link our transactional data to their prescription data, so we can work with them to increase compliance and maximise their savings.

### 2b. Joined up working

Digital treatment technologies are transforming the way patients are cared for in the NHS. This year, we will work with an ICB to establish a proof of concept, focusing on connecting our catalogue with a treatment technology used in a woundcare setting, to automate the ordering process. This will free up clinical time to care for patients, provide valuable insights into measures such as wound healing rates, whilst also helping ICBs unlock the savings offered by NHS Supply Chain.

Having undertaken a study on behalf of NHS England during 2022/23 into the roles and capabilities of ICS supply chains, we hope to continue supporting this agenda during 2023/24, recognising that effective supply chains require an integrated approach and base level of data flow.

### 2c. Development of a Customer Academy

To underpin our approach, we will establish a new Customer Academy. This will focus on upskilling our customer facing teams to drive consistent ways of working, and help ensure healthcare providers can access more opportunities that drive value to the system.



# Partner Expertly: Make it Easier for the NHS to Partner with us

## This section covers

Further Develop our Catalogue Solution

Inventory Management and Point of Care Solution

Improve Our Ways of Working Through Business Simplification



# Make it Easier for the NHS to Partner with us

By making it easier for healthcare providers to work with us, we can drive more efficiencies through our interactions with them. This will give them more of their valuable time back to spend caring for patients. We will progress the design and development of our catalogue solution, and commence the deployment of a 'leading' inventory management and point of care solution.

## 1. Further Develop our Catalogue Solution

We will continue to invest in our existing online catalogue to keep it stable and to improve the online experience for healthcare providers.

In parallel, we will progress with the design and implementation of a new eCommerce platform. Once landed, it will make it much easier for users, including healthcare professionals such as theatre nurses, to place orders. This will free up time that can otherwise be used supporting direct patient care.

## 2. Inventory Management and Point of Care Solution

In 2023/24, we will deploy a new 'leading' in-trust inventory management and point of care solution to 10 healthcare providers. This will help reduce waste in healthcare provider inventories, enabling them to operate with lower levels of stock, and have a more streamlined operational process. The initial deployment will provide a scalable and cost effective solution that enables greater inventory visibility at regional and national levels.

## 3. Improve Our Ways of Working Through Business Simplification

### 3a. Important Customer Notices

As the volume of supply chain issues has increased, it has become apparent our current process for important customer notices is not fit for purpose. Being able to provide accurate and timely insight to healthcare providers to enable them to make informed decisions is paramount. Last year, we undertook a lean six sigma programme to improve the process and radically reduce the time for information to be shared with healthcare providers. In 2023/24, we will extend this work to consider wider forms of advanced communication and technology solutions, that enable important communications to be more effective.

### 3b. Improvements to eDirect

We are committed to improving our eDirect channel to make it easier to use, and to support NHS procurement processes. We are currently undertaking a review of our eDirect Channel, and in 2023/24, we will implement a road map of incremental improvements that directly address the top customer pain points. We will also develop our strategy for this supply channel, to make it much easier for healthcare providers to transact with us.

This will be underpinned through a clearly documented proposition regarding the direct supply route to healthcare providers.

# Partner Expertly: Drive Better Decision Making through our Data Strategy

## This section covers

Leverage Our Data To Improve Decision Making

Build Our Data Science Capabilities

Strengthen Our Approach to Data Management



# Drive Better Decision Making through our Data Strategy

NHS Supply Chain holds a significant amount of data across our logistics and procurement services. Using this data to drive effective decision making on behalf of the NHS system is a key priority. Through our data strategy, we will drive improvements that have an immediate in-year impact on our stakeholders, whilst establishing the foundations for advanced analytics.

## 1. Leverage Our Data To Improve Decision Making

In 2023/24, we will use the data we have to drive better insights to healthcare providers to release value. In addition to offering standard price comparisons to identify savings opportunities, we will begin using product utilisation data alongside peer-benchmarking, to enable healthcare providers to make informed decisions on the volume of products they buy and consume when treating patients.

Addressing healthcare provider pain points is a key focus of our data strategy this year. We will leverage our product and transactional data to simplify our product catalogue, by removing those products with very low usage, and simplifying our cost structure by standardising the margin we charge for non-centrally funded healthcare providers.

## 2. Build Our Data Science Capabilities

There is an opportunity to use advances in predictive analytics to strengthen the resilience and performance of NHS Supply Chain. This year, we will work with university based data science experts to establish use cases for leveraging external data and insights to inform our own procurement and supply activities. This will enable us to better respond to upstream challenges, that could result in supply chain disruption or price increases.

## 3. Strengthen Our Approach to Data Management

Delivering the benefits of our data strategy relies on strong and effective data management. This year, we will establish a new data hub to provide one point of access for priority datasets. This will improve version control of our core data assets, whilst providing access to a single, accurate, version of the truth across our key datasets.

To build standards and capabilities in effective data management, as well as ensuring compliance with General Data Protection Regulation requirements, we will implement data governance partnering across NHS Supply Chain through our newly formed data services team.

# Enabling the Strategy Objective: Build the Future by Evolving our Supply Chain

## This section covers

- Enable Operating Model Change
- Build Our Capabilities To Enable Our Strategic Ambition
- Embed Efficiency Across Our Supply Chain
- Deploy Modern IT
- Ensure Good Governance





# Build the Future by Evolving our Supply Chain

Early in 2022, we launched our new Vision, Purpose and Strategy to better align to what the NHS needs from NHS Supply Chain, and to help deliver the objectives of the NHS Long Term Plan. This included simple, clear goals. To enable us to move towards that, we have been designing and deploying our Target Operating Model, and developing the capabilities and ways of working needed to underpin it. Investing in our people, capabilities and organisation is critical to enabling our Strategy, and is a key focus in this Corporate Objective.

## 1. Enable Operating Model Change

Last year, we transferred 180 colleagues from category management service providers into our organisation. A further 350 FTEs will transfer in 2023 / 2024, creating a combined organisation of 1,082 FTEs. This will bring both strengths and diversity of skills and capabilities, as well as a number of different ways of working, cultures and expectations.

The cultural integration of these groups is critical to realising our goals, as is resetting partnership working through the re-procurement of category management service providers, and our logistics and technology partners.

Our operating model change will be delivered through five key programmes of activity in 2023/24:

- **Internally managed categories:** Complete the process started last year of transferring internally managed categories. Towers 4 and 7

and the PPE elements of Towers 2 and 11, transferred in 2022/23; Towers 1, 2, 3, 5, 6 and 8 will transfer by May 2023.

- **External service providers:** Complete re-procurement of non-medical external service providers (Towers 9, 10 and 11) which were awarded in March 2023 and will go live in July 2023.
- **Logistics provider:** Complete the procurement and transition process of our re-procured logistics contract. This new contract will increase our capabilities in areas such as international inbound logistics.
- **IT provider:** Complete the procurement process and award contracts for our re-procured IT services. We expect to move to a supplier landscape of multiple core technology partners, each focusing on different elements of IT provision. The new IT model will enable the faster pace of change needed to serve the NHS.
- **Changing the way NHS Supply Chain operates:** Change ways of working, change organisational structures, and re-define accountabilities across the breadth of NHS Supply Chain.

# Build the Future by Evolving our Supply Chain

## 2. Build Our Capabilities To Enable Our Strategic Ambition

The role of our people in delivering our Strategy and Business Plan is critical to success. In 2023/24, we will focus on developing a One Supply Chain culture that underpins the evolution of our Strategy. We will support all our colleagues through this period of change whether they are being insourced into the organisation, or impacted through the changes to the operating model. Specifically, there are a number of areas we will focus on:

- **One Supply Chain:** Establish a One NHS Supply Chain culture. This will be implemented through a roadmap of activities that will establish new ways of working across our entire supply chain.
- **Capability development:** To ensure we are developing the skills, knowledge, behaviours and capacity needed to evolve our supply chain to meet NHS need, we will develop a clear view of our future capability requirements, and implement a roadmap through recruitment, training and development, to fill these gaps.
- **Our leaders:** Develop the capabilities of our leaders, including in cross-cutting areas such as business partnering. This will be supported through our first formal assessment of leadership capability, through processes including mid-year reviews and our colleague engagement survey.
- **Our talent:** Establish talent definitions, and have a clear view of our talent population, so we can build their capabilities to better serve the NHS. This will include a view of our talent population, including future talent needs, along with the development of a new early

careers programme, with an initial intake of graduates recruited by September 2023.

- **Success profile framework:** Implement a new success profile framework for NHS Supply Chain, which will be embedded as part of our new business performance management cycle.
- **Colleague engagement:** Drive improvements in our externally benchmarked colleague engagement scores, with a specific focus on reward practices.
- **Equality, Diversity, and Inclusion:** Implement year two of our three year Equality, Diversity and Inclusion Strategy.
- **Ways of working and values:** Re-define the cultural ambition, organisational capabilities and behaviours needed to deliver our Strategy. This will be underpinned by moving to a model where we recruit and assess performance based on skills, knowledge, experience and behaviours.

# Build the Future by Evolving our Supply Chain

## 3. Embed Efficiency Across Our Supply Chain

Whilst we enable future ways of working, we will look to drive further efficiency across the organisation, enabling us to scale more quickly than the funding growth required to underpin it.

We will identify new ways of working, and embed new efficiencies from the Target Operating Model as we transfer a number of category management service providers into the organisation.

Through the re-procurement of outsourced service provider contracts, we will build in contractual levers that enable us to drive further savings in the future. In addition, the move to modern cloud based solutions will help us streamline and automate processes across financial planning, budget setting and forecasting.

## 4. Deploy Modern IT

Our technology modernisation roadmap will drive a shift from legacy 'on premises' solutions, to ready-to-use cloud hosted platforms and software. As core applications and services transition to the cloud, we will develop, and take commercial accountability for direct relationships with vendors for these applications. This is taking place during a multi-year core technology transformation programme, which includes a number of key milestones planned for 2023/24, which are reflected throughout this Business Plan.

As a critical part of the UK national infrastructure, NHS Supply Chain remains an attractive target for cyber-attacks. In 2023/24, a new cyber and information security team will be embedded to set our overarching Security Strategy, and oversee day-to-day security operations.

## 5. Ensure Good Governance

We will continue to proactively demonstrate we are well managed so that our stakeholders have confidence we spend public money wisely.

