

REF: NHS Letter

Gateway clearance ref: 17635

## **World Class Procurement for the NHS Call for evidence and ideas**

Dear Colleague,

The NHS is a national success story. It is woven into the fabric of our society and is a public expression of our social values. It touches all of us, and all of us have a stake in its future.

Throughout its history, the NHS has faced increasing demands: a growing population with an extending lifespan; an increase in its own capability, fuelled by advances in knowledge, science and technology; and ever-increasing expectations from the public it serves. The NHS has responded to these demands in part through the creativity of its staff to find or devise new tools and better ways of working. At the same time industry, often working in partnership with the NHS, has made available a constant supply of new medicines, devices and technology. But now and for the foreseeable future, we must meet these demands from within our current real terms funding, while at the same time improving quality. This means that we cannot afford to continue as we have always done. We need to radically transform how we deliver services.

We know that procurement can play a valuable role in driving quality and value and stimulating the economy. Whilst some improvements in NHS procurement are evident, the pace of change is not sufficient to meet the financial challenge facing the NHS.

With several million orders a year, from hundreds of thousands of ordering points, spending around £18 billion with thousands of suppliers in NHS acute Trusts alone, we know transforming procurement will be a challenge, and that there is no single solution. We need more innovative procurement processes and more widespread procurement of innovation. By harnessing relationships with suppliers, the NHS can adopt existing innovations and stimulate new innovation to deliver quality and value, for both NHS patients and taxpayers.

It is vital we have a procurement function that is responsive to creative ideas from suppliers and support their adoption and diffusion at scale and pace across the service.

We have published guidance on the 28th May 2012, which sets out the steps the NHS needs to take now. However, we recognise that there is much more we can do. Our ambition should be to put in place a procurement system in the NHS that is as good as any internationally. We will work in consultation with the NHS, industry, third sector organisations and a range of stakeholders and procurement specialists.

Sir David Nicholson has asked that I lead this work on his behalf and, as a first step, I wanted to write to you personally to seek your support and contribution.

With that in mind, I would like to invite you and your stakeholders to contribute views on the things we need to do to transform procurement in the NHS. This could include actions for the Department of Health, wider government, industry, the NHS Commissioning Board, other National bodies, the NHS, or other sectors. I would also welcome your support in encouraging as many staff – not just procurement professionals, but both clinical and managerial – to contribute.

I am writing to industry, other government departments, the academic, scientific and third sectors and social care to seek their views and contributions.

**The call for evidence and ideas will close on Friday 27th July 2012.** For more information on the review and how to contribute, please visit:

<http://www.dh.gov.uk/health/2012/05/procurement-review>

If you have any questions or would like to submit your views via email, please contact: [NHSProcurementstrategy@dh.gsi.gov.uk](mailto:NHSProcurementstrategy@dh.gsi.gov.uk)

Yours faithfully,



SIR IAN CARRUTHERS OBE  
Chief Executive  
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