

A Practical Insight into Generating Back Offices Efficiencies

NHS Shared Business Services

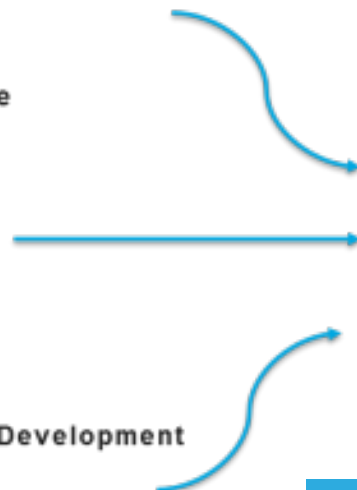
“Help the NHS to **save money and enhance quality** so that the NHS can **improve health, innovate to save lives and deliver better outcomes with care and compassion**”



- Original shared service centres
- NHS experienced people
- Financial Support
- Oracle EWA

- Unique 50:50 joint venture
- Commercial organisation
- Joint governance
- Customer focus
- Best practice
- World class

- Management & Business Development
- Service optimisation
- Best practice
- Offshore capability
- Commercial expertise



Together we have **delivered** audited savings of over **£400m** to the NHS

Our target is to deliver **£1bn savings** back to the NHS by **2020**

Finance and Accounting

- 100% of all Commissioning organisations
- Over £170 billion of payments each year
- 78 NHS Provider organisations
- One of the largest Oracle Shared Service Centre platforms in the world

Procurement

- Provider of over 300 framework contracts to the NHS and Public Sector
- 36 NHS Provider clients
- Delivered £350m in Procurement savings opportunities
- 725 associate members

Employment Services

- 128 NHS clients
- Paying over 400,000 NHS employees
- Processing 3.6 million payroll transactions each year
- Administering 250,000 pensions
- Delivering registration authority services to over 5,800 employees
- Recruitment administration for over 2000 vacancies

The NHS Landscape - Lord Carter Report

Recommendations 5 & 7

5 – “All Trusts report their procurement information monthly to NHS Improvement to create a NHS Purchasing Price Index commencing April 2016, collaborate with other trusts and NHS Supply Chain with immediate effect, and commit to the Department of Health’s NHS Procurement Transformation Programme (PTP), so that there is an increase in transparency and a reduction of at least 10% in non-pay costs is delivered across the NHS by April 2018”

- a) Develop PTP plans, nominate a Director
- b) Providing pricing information for the price purchasing index
- c) Prioritise role of procurement on ensuring effective control and compliance (includes GS1 adoption)
- d) 80% spend on catalogue, 90% on PO, 90% on contract – by Sept 17
- e) Accelerate collaboration
- f) Adoption of NHS Standard of Procurement

7 - “All Trusts should rationalise their corporate and administration functions to ensure their costs do not exceed 7% of their income by April 2018 and 6% of their income by 2020 (or have plans in place for shared service consolidation with, or outsourcing to, other providers by January 2017) so that resources are used in a cost effective manner.”

- a) Test existing services against shared services
- b) Submit plan to NHS Improvement if costs are above this for HR, Finance, IM&T and Procurement

This compounds legacy procurement challenges and creates new ones...

NHS Trusts

- Finance & Procurement systems and policies are fragmented
- No capital or revenue for investment in systems
- A complex NHS digital roadmap – single trust vs STP
- Lack of implementation resource for any system changes
- Limited spend data for single organisations and alliances/STPs etc.
- Increasing demand from NHSI to evidence how savings will be made

NHS Suppliers

- Increasing pressure for cash savings
- No single NHS marketplace
- Increasing costs of delivering services
- A complex mix of stakeholders – users, procurement, finance
- No easy way to introduce innovation into the NHS
- Poor payment record and getting worse!
- No visibility on invoices and payments
- Multiple ways for a customer to order

Integrated Finance & Procurement

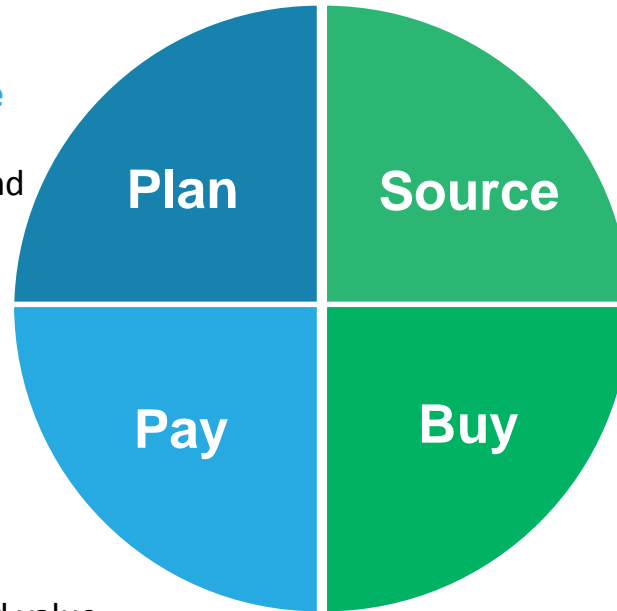
The “End to End” Model

Budgets reduced and plan future demand

Managing budgets in real time and making commercial and procurement decisions based on accurate data

Confirm Savings

Contracts that deliver savings and value that the stakeholders want to use



Create Savings & Opportunities

Contracts that deliver savings and value that the stakeholders want to use

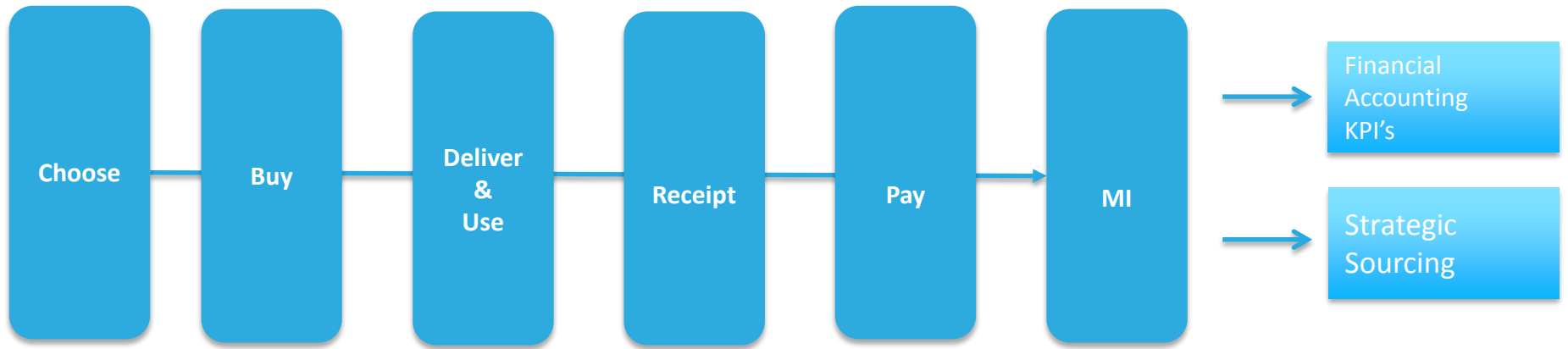


Capture Savings

Process and governance to ensure that the right products are bought from the right contract / supplier at the right price

Data, control and transparency improve incrementally leading to greater efficiencies and savings

Source to Settle Overall





Buy

Catalogue Management

Maintaining and managing catalogues on behalf a single trusts or across a collaborative



Buy

Non catalogue procurement

Delivery of the requisition to receipt service for all trust procurements



Source

Access to contracts

A full range of clinical and non-clinical framework agreements available to the NHS and wider public sector



Source

Procurement Project Delivery

Bespoke procurement project work including mini competitions, specification design, optional appraisals and implementation.



Plan

Spend Analytics

To identify savings opportunities and to inform collaborative & local work plans



Functions retained by Trust

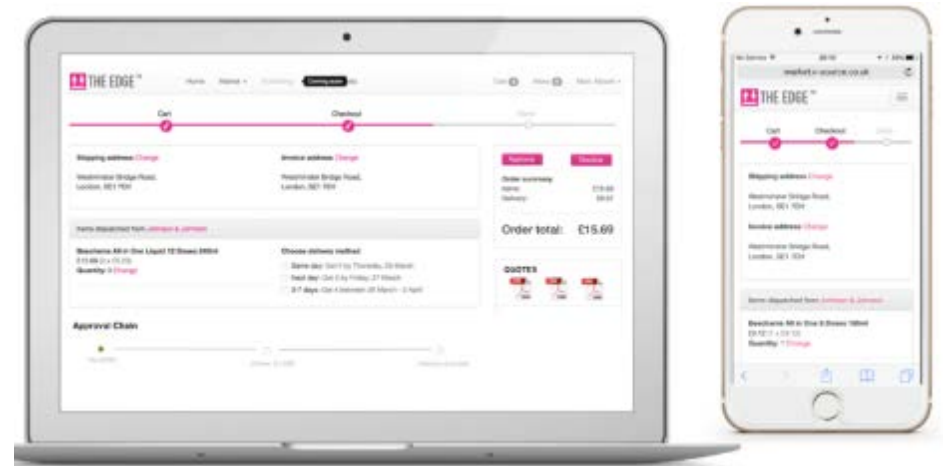
- Purchase items from the catalogues
- Complete electronic Requisitions
- Set end-user approval limits and maintain approval hierarchies
- Receiving of goods on the e-Proc system
- Action notifications for which the Trust is responsible – e.g. receipt notifications

Operational Procurement – Key features and benefits

	<p>Management of non-pay expenditure on goods and services to drive uptake to contracts and purchase order compliance and touch less end to end purchase to pay process</p>
	<ul style="list-style-type: none"> • Help to drive efficiency and savings through all procurement activity
	<ul style="list-style-type: none"> • Provision of a fully bespoke catalogue based on local purchase requirements
	<ul style="list-style-type: none"> • Link all purchasing requirements to national, regional and local contracts all available through OJEU compliant frameworks
	<ul style="list-style-type: none"> • Support the Trust in driving uptake to contracts and purchase order compliance
	<ul style="list-style-type: none"> • Ensure any non-catalogue items are sourced in line with procurement regulations and the Trust's Standard Financial Instructions (SFIs)
	<ul style="list-style-type: none"> • Support in drafting specifications and obtaining quotations and mini competitions against NHS SBS frameworks
	<ul style="list-style-type: none"> • Efficient requisitioning and a speedy response to all end users queries and offer procurement advice as needed

Delivering an Online Marketplace

- A new modern e-commerce marketplace that will change the way procurement teams buy NHS products to help transform relevant back office functions to deliver cost savings and efficiencies.



Key Features

End to End (PIM to Pay)

Enterprise PIM

Catalogue Management

Amazon style procurement

Order Management

E-Invoicing

Track and Trace

Real Time Reporting

Access to Contracts – examples of our Contract Portfolio

Contract Title	Notes
Modular Buildings	The NHS SBS Modular Buildings Framework is the only national agreement of its type, covering offsite building solutions for purchase, hire and lease. The Framework offers on average 5% savings when compared to purchasing solutions direct.
Construction Consultancy Services	Architectural, quantity surveying, project management, MEP, civil and structural engineering, environmental and CDM Co-ordinator services. Includes ancillary services such as BIM management, fire, acoustics, medical planning and multi -disciplinary “one-stop-shop”.
Hard Facilities Management (Hard FM)	This agreement includes 85 suppliers across 45 different lots, covering everything from building management systems and removal services; to fire safety equipment and training; electrical sundries and components, to catering equipment maintenance, measured term contracts and a fully managed service element
Facilities Management (Soft FM)	This agreement includes cleaning, catering, laundry, security services, asbestos removal, grounds & garden work, lift maintenance, PAT testing, window cleaning, health & safety compliance, portering, water treatment, pest control and a fully managed service element
Waste Management and Minimisation Services	Clinical waste (pharmaceutical, anatomical, sharps) domestic waste (hazardous, non-medical, metals) and managed service offering “Total Waste Management”
Domestic, Commercial Products and Appliances	White goods / TV and AV/Soft Furnishing and Office Furniture under this agreement
Ward, Bedside and Non-Medical Theatre Equipment	Ward Equipment, Bedside Furniture and Equipment, Non-Medical Theatre Equipment, Shelving and Racking

Procurement Project Delivery - Capital Equipment Services



Scope of Services

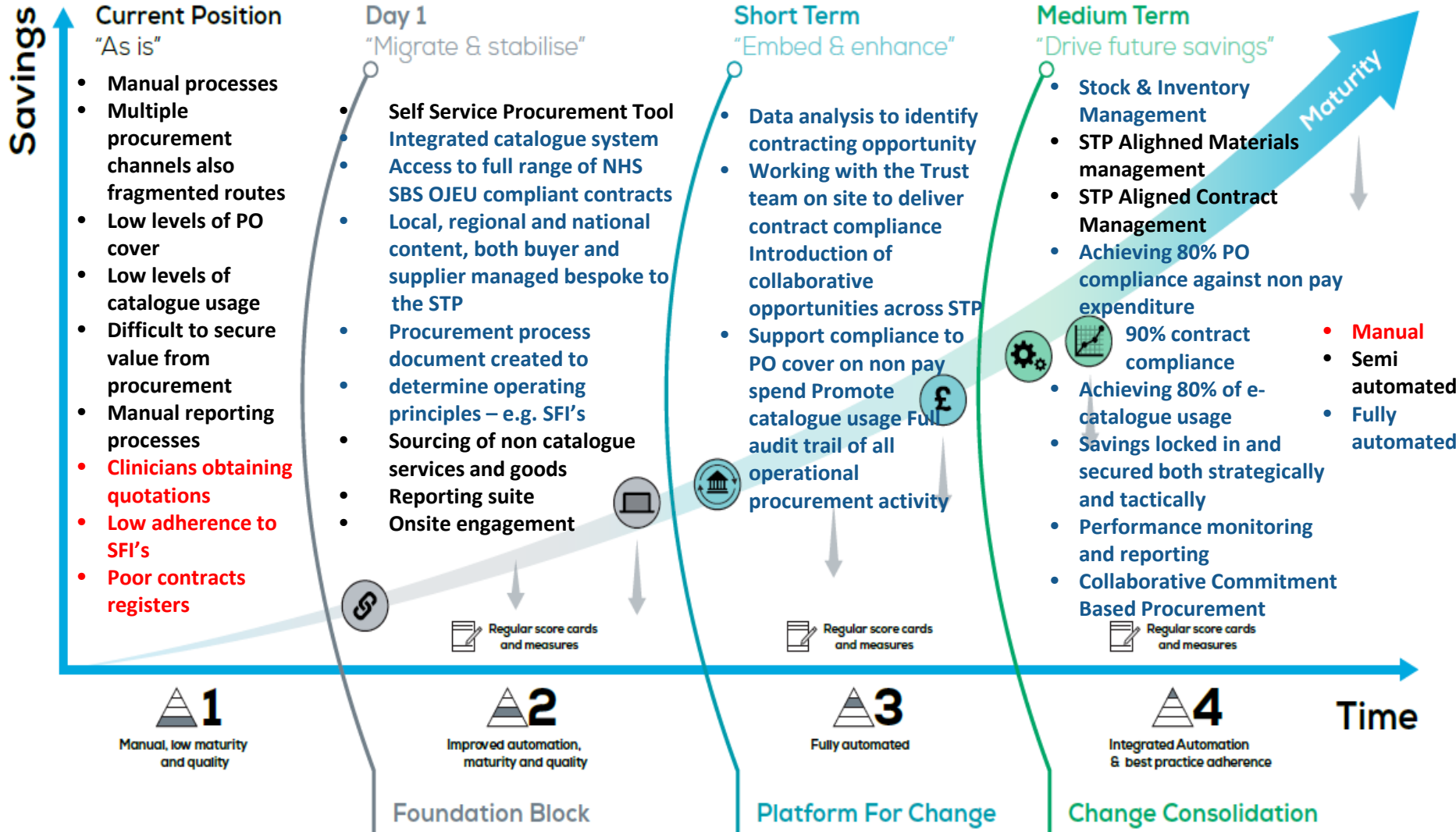
- Project initiation
- Sourcing strategy support
- Equipment consolidation
- Budgetary control
- Equipment transfer
- Source equipment
- Determine procurement route
- Evaluate equipment
- Order equipment
- Delivery & installation management
- Removals

Capital Equipment Services – Our Skills

- **Expertise** – Managing and delivering equipment projects on time and to budget.
- **Experience** – We have managed PFI projects, P21+, traditional build from complete new hospitals with 250 beds , to single ward refurbishments. Our experience in a range of projects in acute, primary and mental health environments of varying complexity gives us a thorough understanding of the challenges posed by different customers.
- **Savings** – Utilising SBS frameworks, we offer savings on capital purchases against the project budget.
- **Compliance** – Our procurement routes are compliant and designed to best suit the project.
- **Value for money** –We can organise exhibitions, trials and mini competitions against the frameworks to better inform decisions and leverage better value.
- **End to end service** – The Capital team can support a project from inception to completion, advising on initial budgets to delivery and installation logistics. We schedule the full delivery programme, liaising with suppliers to avoid congestions and manage the delivery process.

STP Procurement Transformation Journey

Procurement Service



Any Questions?



Find out more

0161 212 3940

Link to our framework agreements webpage: <https://www.sbs.nhs.uk/proc-framework-agreements-support>

E: NSBS.contractenquiries@nhs.net

For more contracts see [NHS SBS Contract Portfolio](#)