

CEs of NHS organisations

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Dear NHS Colleague

Supply Chain Excellence Programme – Collaborative Procurement Hubs

As you are aware, the objective of the Supply Chain Excellence Programme (SCEP) is to restructure the NHS supply chain in order to deliver greater efficiencies, and to improve the effectiveness of supply management in the NHS. SCEP has a savings target of over £500 million annualised by 2007/08 and we are on target to achieve it.

A key contributor to the achievement of these objectives is the Collaborative Procurement Hub (CPH) model that is becoming well established across the NHS. I am delighted that so many trusts have recognised the value of group purchasing and to see that where a CPH has mobilised the local health economy is benefitting from significant levels of savings. I congratulate all of you who have participated in the activity to date.

However, there is still much to be done if the true value of collaborative procurement is to be realised and the greatest efficiencies secured from available budgets.

Therefore, I wanted to take this opportunity to encourage you to commit to the CPH programme and to explain the relationship between these NHS regional centres of procurement excellence and the national programme of activity being led by the National Contracts Procurement (NCP) project.

As mentioned, a number of hubs have mobilised and are in the process of developing their relationship with their member trusts. If you are a member of an existing hub, I urge you to continue to work closely with your CPH team, offering them your ongoing support. I see no justification for not supporting the excellent work that they have been doing to date.

The CPH model is expanding rapidly across the whole of the NHS. If your trust has been asked to participate I urge you to consider the proposal seriously. The long-term benefits to the local health economy cannot be ignored; we have to leverage the value of the not insignificant budgets that are available to us for procurement. We need commitment from the whole of the local health economy if we are to reap the rewards of strategic collaborative procurement.

NHS PASA and the CPHs are already working together in order to determine which programmes of activity are best conducted at national level and which at regional level. We have to avoid duplication of effort if best value for money is to be achieved.

However, the savings that have been negotiated through National Contracts Procurement can only be realised through local implementation. CPHs will ensure

that the benefits of these new national framework agreements are maximised to the benefit of their local health economies.

Therefore, it is no surprise that Sir Ian Carruthers' recent presentation at 10 Downing Street - about financial recovery in the NHS - cited two examples of procurement best practice that need to be followed at local level: adherence to national contracts and the implementation of Collaborative Procurement Hubs.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Anderson', with a small dot at the end.

Ken Anderson
Commercial Director
Commercial Directorate, DH