

Modernising NHS purchasing and supply - national, ministerial conference

Lord Hunt announces new Leadership Programme for Supply Managers

At a conference of more than 300 NHS senior and purchasing executives today, Health Minister Lord Philip Hunt announced a new National Supply Leadership Programme for all supply managers in the NHS:

Lord Hunt said:

'The NHS Purchasing and Supply Agency and the NHS Logistics Authority have made real progress in NHS procurement since they were established in 2000 including savings to the NHS of over £370m but there is still work to be done. The Audit Commission report published last week pointed out the shortage of suitably qualified and experienced procurement managers within NHS trusts.

'Today, I am very pleased to announce the new National Supply Leadership Programme. The need to raise levels of purchasing and supply professionalism within the NHS is an absolute priority, which is why this programme is so important. It will address the needs of all supply managers and ensure they are fully trained in the valuable role they play within the NHS. I know this Leadership Programme will have a real impact on the performance of procurement staff and ultimately on the delivery of patient care.'

Every year the NHS in England spends approximately £11 billion on goods and services essential to the running of the health service. Over the past year the Audit Commission has, in conjunction with the NHS PASA, been conducting a study of NHS procurement as a follow-up to its 1996 report, Goods for your health. The report comments on the progress made in NHS procurement but also highlights the need for improvement in key area of practice including more use of e-procurement, more professional training for procurement staff and the management of procurement issues by trusts.

NHS PASA welcomes this report. Since it was formed in 2000, the Agency has been working with the NHS to improve the effectiveness and professionalism of purchasing and supply. We have made considerable progress.

The Agency has achieved purchasing savings for the NHS of over £370 million in its first two years of operation.

The approach the Agency promotes is designed to deliver a number of benefits, including:

- purchasing savings and reduced costs through economies of scale and increased leverage
- development of centres of procurement excellence
- improved career prospects for supply professionals
- Collective support and raised standards for poorer performing trusts.

As part of the government's modernisation agenda, NHS PASA is leading the development of e-commerce for the NHS and has developed an e-commerce strategy for the whole of the NHS. The provision of an effective e-procurement service is an essential part of the Agency's remit to modernise purchasing and supply.

Duncan Eaton, Chief Executive at NHS Purchasing and Supply Agency, said:

'All NHS trusts and Strategic Health Authorities have a key role to play in translating policy into practice. We in the Agency have a responsibility to facilitate the establishment of the necessary infrastructure, and to provide ongoing support, to achieve measurable improvements in NHS supply performance. I look forward to continuing to do both'

The NHS Logistics Authority has been concentrating on improving the performance of the NHS supply chain and has made significant advances in the field of e-commerce and showcased their range of e-commerce solutions, including their new electronic ordering system 'Logistics OnLine'. This completes the set of e-commerce solutions available, offering the NHS a fully electronic process from order to payment (which will be in place across the whole of England by the end of this year) through e-ordering, e-catalogue, and e-billing, along with supporting management information for every aspect of activity.

Barry Mellor, Chief Executive at NHS Logistics Authority, said:

"I believe that supply chain management has a critical role in delivering the NHS Plan. We know what needs to be done to improve it and it is now time for all involved in the NHS supply chain to work together to achieve the potential benefits."

At a series of workshops in the afternoon, delegates were able to develop further themes from the morning plenary session. Specifically:

- Measuring performance in purchasing and supply
- The benefits of engaging clinicians in best procurement practice
- Improving supply chain management
- Benefits of working in confederations

Notes for editors

National Leadership Supply Programme

The National Supply Leadership Programme will be part of the Modernisation Agency portfolio of national programmes. Development work will take place with the Leadership Centre. Responsibility for the programme will eventually transfer to the NHS University.

For further information please contact:

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NHS Purchasing and Supply Agency

The NHS Purchasing and Supply Agency was launched on 1 April 2000 and is an executive agency of the Department of Health. Its role is to act as a centre of expertise, knowledge and excellence in purchasing and supply matters for the health service. The Agency works with around 600 NHS organisations and health authorities and manages approximately 4,300 purchasing contracts, influencing around half of the £11 billion spent in the NHS on purchasing goods and services.

In April 2002 the NHS Purchasing and Supply Agency achieved accreditation for the Investors in People Award. The Agency achieved the standard on the first attempt, demonstrating its commitment to achieve maximum individual and team potential.

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NHS Logistics Authority

The NHS Logistics Authority was formed on 1 April 2000, as the main supply route for consumable products into the English NHS. With an annual turnover of £560 million, their current catalogue contains over 27,000 product lines. They serve all trusts across England, offering a 'pick and pack' customised service to over 120,000 individual requisition points. They operate out of seven Distribution Centres nationwide and have a fleet of over 200 vehicles.

They work in partnership with NHS trusts and Primary Care Trusts to help them develop efficient supply channels and maximise the use of the consolidated supply route they offer.

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