

ACCELERATED ACCESS COLLABORATIVE (AAC) BOARD

Paper Title: Commercial Innovation: The Opportunity

Agenda item: 5

Report by: Jacqui Rock, Chief Commercial Officer, NHS England

Paper type: For discussion

AAC Priority Area:

Demand signalling / horizon scanning	<input type="checkbox"/>	Adoption and spread	<input checked="" type="checkbox"/>
Increasing research	<input type="checkbox"/>	Working with partners	<input type="checkbox"/>
Increasing uptake	<input type="checkbox"/>	Other (statutory, governance)	<input type="checkbox"/>

Ask of the AAC Board:

1. Comment upon and support the proposed programme of work to develop the 'Commercial Innovation Pathway', overseen by the NHSE Commercial Directorate.
2. Commit to the development of a shared innovation pipeline (the Innovation Repository), building from the NHS Innovation Service, and commit to the sharing of data to support this.
3. Commit organisational support to address the challenges outlined and achieving the greatest value through a systems approach and AAC partners collective cash and in-kind investments.

Executive summary:

Approximately £35bn of the NHS England (NHSE) budget flows through commercial and procurement processes. The opportunity in front of us is to utilise this spending power to deliver the best health innovations to patients faster than ever. However, the commercial and procurement system architecture for leveraging this benefit is too often siloed, has marked variation in processes and practices, still utilises analogue and qualitative approaches and appears opaque, particularly around data.

NHSE is a partner of the AAC, which has a remit to support the adoption and spread of the most promising innovations. This paper proposes the development of a commercial strategy that supports innovation. It describes the current challenges and how these will be addressed through connecting, digitising, quantifying, and standardising processes, and improving data transparency. Understanding commercial and procurement processes from local, regional, and national levels will allow for analysis, identification, and exploitation of opportunities to deliver proven innovations to clinicians and patients faster.

Background

1. The NHS is one of the biggest commercial organisations in the country, buying on behalf of the fifth biggest employer in the world. Clinicians rely on NHS commercial teams to buy the goods and services they need, making them critical to the delivery of patient care.
2. NHS commercial teams consist of around 4,000 commercial and procurement professionals at national, regional, and local levels across England. They enable the NHS to deliver value for every pound spent whilst ensuring frontline staff get the right products and services in the right place, at the right time.
3. At the July 2022 NHS England Board a new commercial strategy for NHS England was approved. This laid out plans to support the NHS commercial community, drive collaboration across commercial teams, leverage NHS collective buying power and provide clear, consistent guideline on how to contract with the NHS. One element of this strategy was to review how NHS procurement and commercial teams could be supported to drive the uptake of innovation.
4. The AAC has done significant work to increase the uptake of innovation. To date, little of this has focused on supporting or leveraging value from our commercial and procurement teams. The AAC and the NHSE Commercial Directorate conducted a rapid piece of work with these teams to understand the challenges and set out a collective approach to addressing them¹. This paper sets out a strategy for the start of a larger piece of work.

Challenges identified

5. Engagement with over 50 local Commercial and Procurement Directors identified common problems including:
 - a. Absence of strategy and guidance on the role of commercial and procurement teams in the innovation process (with clear asks for NHSE to provide support in this area).
 - b. Ad hoc connections between commercial and procurement teams and clinicians, with little ability to learn from each other and working with them is key to good decision making.
 - c. NICE supports health economic evaluation, but often products require local assessment, through the translation of health economic data into local business cases, and there is little knowledge sharing of the outputs of these.
 - d. Multiple frameworks make the system difficult to navigate, and hard for commercial professionals to know they are buying the right thing and provide limited opportunities for innovative procurement. This is often compounded by limited capacity for commercial professionals to explore new approaches in getting innovation into the hands of clinicians.
 - e. Concern that bringing in new products through “pilots” leads to a lack of standardisation or working together to exploit economies of scale. Multiple organisations are often “piloting” the same technology without knowing where they could share commercial approaches or work together to exploit value.

¹ This work has involved over 50 one-to-one interviews with commercial and procurement directors to understand problems, and a series of group workshops to navigate the proposed solution.

Benefits of addressing these challenges

6. The proposals set out in this paper will ultimately improve the innovation pipeline by providing more support to Commercial and Procurement Directors as key enablers of innovation adoption.
7. Tracking innovations as they come through the innovation pipeline will present significant opportunities in understanding, prioritising, and preparing for incoming innovations. It provides a clearer picture of the innovation pipeline, feeding into the AAC horizon scanning capability, and allowing national identification of the innovative solutions being adopted in Trusts. This is valuable information for all AAC partners, that is currently not consistently available.
8. The data from tracking innovations can also be used to inform regulatory processes. For example, this data could inform topics for regulatory or value assessment consideration, developing new procurement frameworks or routes to market. It also allows regulators to better prioritise their pipelines by being responsive to how innovations are being used in the system.
9. Developing and standardising the approach for commercial innovations will support adoption and spread by making it easier for innovators to do business with the NHS. This will support growth in the life sciences sector and ensure the NHS is an effective partner to this growth. Clear guidance and frameworks will support innovators in navigating NHS commercial processes, ensuring a consistent approach is used across all Trusts and that commercial agreements can be replicated across multiple purchasers. This will streamline processes for purchasing innovations and reduce overall transaction costs.

Recommendations

10. It is proposed that NHSE's Commercial and Transformation Directorates work together with Commercial professionals in Integrated Care Boards (ICBs) and Trusts to develop guidance and a standardised approach that will benefit both buyers and innovators as part of NHS England's commercial strategy. This will be developed in such a way that it can be tailored by local systems, based on their commercial maturity. For example, Intellectual Property (IP) guidance and standards would be more useful to more developed organisations whereas guidelines and best practice would be more useful to smaller teams.
11. The Clinical Entrepreneurs In-sites programme is already supporting 10 NHS Trust commercial and procurement teams to co-develop this guidance. They are creating a shared 'data room' where standardised documentation on business cases, dynamic procurement frameworks for innovation, R&D processes, data sharing agreements etc. are accepted across their organisations. This sits alongside existing Trust processes allowing a fast-track innovation pathway to testing, trialling, adopting, and scaling innovation. We will continue to sponsor and look to expand this work.

12. We will work to better unlock the value contained in the innovation pipeline and share who is testing what products, where. This will require an enhanced level information sharing across the NHS and AAC Partners. This may raise questions around information governance and permissions. It should, though, be noted that many of these have already been answered through the development of the NHS Innovation Service by AAC Partners. Work is underway to both expose the AHSN pipeline and develop a pipeline from Atamis (contracting system) to support this.
13. Through improving visibility of the pipeline, we will also have a better understanding of where NHS organisations are developing their own products. AAC partners will be able to use this to set standards and support NHS organisations to commercialise these. This will include developing a “best of” list of products to export globally in partnership with Healthcare UK. It is expected this will also incentivise NHS organisations to share their product pipeline.

Board members are asked to:

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