



## ACCELERATED ACCESS COLLABORATIVE (AAC) BOARD

**Meeting date:** 29 November 2023

**Paper Title:** Commercial Innovation: An update

**Agenda item:** 3

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**Paper type:** For discussion and noting.

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### AAC Priority Area:

Research	<input type="checkbox"/>	Building innovation capacity	<input type="checkbox"/>
Demand signalling and horizon scanning	<input type="checkbox"/>	Innovator support	<input type="checkbox"/>
Uptake of proven innovation	<input checked="" type="checkbox"/>	Cross-cutting (Health Inequalities, Net Zero, Life Sciences Vision)	<input type="checkbox"/>
Other (statutory, governance)	<input type="checkbox"/>		

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### Ask of the AAC Board:

- Discuss the progress to date and make recommendations to accelerate the work.
  - Provide feedback on the frameworks piece, and how partnership working could develop this.
  - Support with the development of a Med Tech procurement playbook.
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### Executive summary:

The NHS England Commercial Directorate is committed to making its commercial and procurement processes more streamlined and efficient to support the adoption of innovation. Last November, NHSE announced its intention to develop a commercial innovation pathway to accelerate the adoption of innovation. Over the past year, significant progress has been made in building the foundations for more consistent commercial leadership in the NHS, despite resource constraints.

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### Background:

1. In 2022, NHS England Commercial Directorate presented a paper to the AAC board about proposals to simplify the commercial landscape for innovators and develop a commercial innovation pathway.
2. Over the last year, the NHS England Commercial Directorate have continued to support this work and additionally focused on system wide change that can make the NHS easier to do business with.

### Progress made since in the last year

3. A series of roundtables were hosted at Number 10 to review actions that could be taken to simplify procurement for innovation. The following steps
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were agreed:

- a. DHSC MedTech team would provide capacity to support NHSE to develop a playbook guide to procurement for MedTech firms.
- b. NHSE would commission NHS Supply Chain to set up a MedTech Dynamic Purchasing System to enable rapid access to the market for NICE approved innovations.
- c. NHSE would simplify the framework landscape through the process of host and category accreditation, providing a clearer set of routes to market for innovators.

## Frameworks approach

4. NHS England is focused on rationalising the inefficient procurement framework landscape that exists in the NHS.
5. In August 2023, NHSE announced that we are committing to reviewing the frameworks used by NHS buyers and to categorise, consolidate and remove duplication.
6. We have launched a Framework Accreditation Programme. Framework hosts that wish to continue to work with the NHS will need to be accredited and adhere to a set of 'Host Standards.' After the Host Accreditation, we will embark on a Framework Accreditation, category by category.
7. We will publish the list of accredited hosts from January 2024. We will also publish a list of frameworks that may be used when the accreditation is completed at category level.
8. This programme will simplify the procurement landscape and will accelerate the adoption of innovation through category and framework management.
9. The Commercial Directorate is working closely with ICS and AHSN procurement directors, to ensure that this approach continues to simplify routes to market for SME and innovators ahead of NHS England making a change to the NHS Standard Contract, requiring Trusts and Foundation Trusts to only use accredited frameworks, effective April 2024.

## MedTech approach

10. DHSC & NHS England have outlined the playbook guide to procuring MedTech parameters. Work has commenced on identifying resource within the MedTech policy team to deliver the work.
11. NHS England have enhanced the route to market guidance documentation for all users to clarify how supplier innovation will be onboarded. This guidance clarifies that for MedTech, Digital Health Tech & AI there are three dynamic purchasing systems that NHSE will promote:
  - a. The NHS Supply Chain MedTech innovations DPS
  - b. The London Procurement Partnership DHT innovations DPS
  - c. The Crown Commercial Services AI solutions DPS
12. This simplifies the approach to innovation buying in comparison to the current un-controlled environment.
13. NHS England have created a draft model in collaboration with DHSC, NICE, MHRA, OLS & Health Tech Wales & Scotland to bring 'Value Based

Procurement' into main stream investment in MedTech and in the common procurement processes at the local level.

#### **Additional Areas of Progress to note**

14. The Central Commercial Function has developed the Strategic Framework for NHS Commercial which covers our ambition and objectives for NHS procurement over the next 5 years. This is the first Strategic Framework for the NHS for over 10 years which represents a step change in the way NHS Commercial will work.
15. The Commercial Strategic Framework sets out the challenge around innovation and proposed plans to deliver improvement:

#### **Challenges:**

- The approach to orchestrating and managing key relationships with suppliers to the NHS has been fragmented and variable, making it difficult for industry to work with us and deliver relevant innovative solutions to meet NHS priorities. There is further challenge that innovative solutions are not adopted universally across the NHS.
- Major policy initiatives such as Net Zero, social value, modern slavery, sustainability, and innovation have yet to be hard-wired in a consistent way into the commercial process. Despite the notion that this will be a necessity in the release of the new UK Procurement Regulations, it is unclear how this will happen in everyday practice.

#### **Solutions:**

- Utilise data as a strategic asset, allowing information to flow through to where it can be used to deliver most value and build public trust through greater transparency.
  - a. Aligned to the DHSC Medical Technology Strategy, surfacing clinical, cost, activity and outcome data from key repositories and registries to enable a strategic focus on value, innovation and total cost in patient pathways.
- Simplifying and speeding up procurement processes, removing unnecessary bureaucracy and embedding consistent application of commercial standards and best commercial practice.
  - b. Developing and embedding NHS Commercial Playbooks across all NHS organisations to deliver consistency in practice and process, and to persistently address specific, cross-category requirements such as innovation, value-based procurement, social value, sustainability and resilience.
  - c. These playbooks will support the adoption of the new UK Procurement Regulations and promote a single, standard, 'One NHS Category Management' process while aligning to best practices as defined in the Commercial Continuous Improvement Assessment Framework (CCIAF).
  - d. The NHS will influence and align to wider, applicable Government Commercial Function playbooks to maintain access to the latest techniques and ensure that relevant best practice is shared across the NHS.
- Optimise the number of frameworks [See frameworks approach section]

- Leveraging our unique influence and scale to strengthen partnerships, foster healthy supply markets, develop and shape new markets where they do not exist, unlock benefits from innovation and deliver wider social value and economic benefits through public procurement.
  - e. NHSE Commercial Directorate has launched a Supplier Management programme and a series of events and round tables has taken place with SMEs, industry bodies and strategic suppliers to enable collaborative working in partnership to improve how we work together, inform better pathways to improvement in the Commercial landscape and seek specialist advice on innovation to deliver positive change.
  - f. Terms & Conditions are currently under development in partnership with the Cabinet Office for low value, low risk procurements. This will facilitate SMEs to bid for work in an equal environment with large suppliers to deliver innovation.
- A pipeline of Commercial Interventions is being established as part of the Commercial Efficiencies Programme. In the transition to full delivery we will evaluate how the interventions designed by the programme (Framework Consolidation, Strategic Supplier management and National Buying) release best value and drive innovation using the principles outlined in Figure 1.
- The new Procurement Act introduces additional mechanisms to enable innovation in the future. This includes a new competitive flexible procedure, to drive more innovative solutions, a greater focus on wider strategic priorities through the evaluation process, and clearer rules to pre-market engagement to encourage innovation early in the process.

### Next steps

1. Collaborative work to be undertaken to establish technical /software solutions available or those that could be adapted to deliver a repository for the innovation pipeline. Finance and resource constraints have prevented progress in this area to date.
2. Conclude development and roll out of Commercial Playbooks.
3. Framework Programme to commence category by category accreditation
4. Promote and communicate the Dynamic Purchasing System routes for MedTech
5. Launch NHS Commercial Strategic Framework in November
6. We will support training procurement professionals to drive innovation through the new PCRs to reduce procurement barriers that currently exist.

### Board members are asked to:

1. Discuss the progress to date and make recommendations to accelerate the work.
2. Provide feedback on the frameworks piece, and how partnership working could develop this.
3. Support with the development of a Med Tech procurement playbook.

## Annex

Figure 1:

