# Towards a framework for enhancing procurement and supply chain management practice in the NHS: lessons for managers and clinicians from a synthesis of the theoretical and empirical literature

Joe Sanderson, 1\* Chris Lonsdale, 1 Russell Mannion 2 and Tatum Matharu 1

<sup>1</sup>Birmingham Business School, University of Birmingham, Birmingham, UK <sup>2</sup>Health Services Management Centre, University of Birmingham, Birmingham, UK

Declared competing interests of authors: none

Published April 2015 DOI: 10.3310/hsdr03180

# **Plain English summary**

Enhancing NHS procurement and supply chain management practice

Health Services and Delivery Research 2015; Vol. 3: No. 18

DOI: 10.3310/hsdr03180

NIHR Journals Library www.journalslibrary.nihr.ac.uk

<sup>\*</sup>Corresponding author

# **Plain English summary**

New structures and policies are being introduced in the NHS as a result of recent legislation: the Health and Social Care Act 2012. Family doctors alongside other clinicians and managers are now organised as Clinical Commissioning Groups, which are in charge of procuring health-care services from providers for patients. Procurement of health-care-related goods and services also takes place in NHS hospitals. Those doing procurement in Clinical Commissioning Groups and NHS hospitals need to gain a greater understanding of how this activity is done in commercial settings to improve their skills in the NHS. This study reviews research that has been done in this area already, presents an overview of it and uses it to suggest ways that clinicians and managers in the NHS can carry out their procurement role better. It first looks at studies that explain how procurement should be done in theory and then looks at how this compares with what has been done in the NHS over its recent history. It then looks at how procurement is carried out in other places and other types of industry, and from this review suggests improvements. By looking at this previous research, the study concludes that NHS staff involved in procurement need to address different procurement situations in different ways using a portfolio approach. This means that there are choices about how health-care goods and services might be procured and that these should be made appropriately in line with the nature of what is being procured and with circumstances.

# **Health Services and Delivery Research**

ISSN 2050-4349 (Print)

ISSN 2050-4357 (Online)

This journal is a member of and subscribes to the principles of the Committee on Publication Ethics (COPE) (www.publicationethics.org/).

Editorial contact: nihredit@southampton.ac.uk

The full HS&DR archive is freely available to view online at www.journalslibrary.nihr.ac.uk/hsdr. Print-on-demand copies can be purchased from the report pages of the NIHR Journals Library website: www.journalslibrary.nihr.ac.uk

### Criteria for inclusion in the Health Services and Delivery Research journal

Reports are published in *Health Services and Delivery Research* (HS&DR) if (1) they have resulted from work for the HS&DR programme or programmes which preceded the HS&DR programme, and (2) they are of a sufficiently high scientific quality as assessed by the reviewers and editors.

### **HS&DR** programme

The Health Services and Delivery Research (HS&DR) programme, part of the National Institute for Health Research (NIHR), was established to fund a broad range of research. It combines the strengths and contributions of two previous NIHR research programmes: the Health Services Research (HSR) programme and the Service Delivery and Organisation (SDO) programme, which were merged in January 2012.

The HS&DR programme aims to produce rigorous and relevant evidence on the quality, access and organisation of health services including costs and outcomes, as well as research on implementation. The programme will enhance the strategic focus on research that matters to the NHS and is keen to support ambitious evaluative research to improve health services.

For more information about the HS&DR programme please visit the website: http://www.nets.nihr.ac.uk/programmes/hsdr

### This report

The research reported in this issue of the journal was funded by the HS&DR programme or one of its preceding programmes as project number 12/5004/03. The contractual start date was in July 2013. The final report began editorial review in July 2014 and was accepted for publication in November 2014. The authors have been wholly responsible for all data collection, analysis and interpretation, and for writing up their work. The HS&DR editors and production house have tried to ensure the accuracy of the authors' report and would like to thank the reviewers for their constructive comments on the final report document. However, they do not accept liability for damages or losses arising from material published in this report.

This report presents independent research funded by the National Institute for Health Research (NIHR). The views and opinions expressed by authors in this publication are those of the authors and do not necessarily reflect those of the NHS, the NIHR, NETSCC, the HS&DR programme or the Department of Health. If there are verbatim quotations included in this publication the views and opinions expressed by the interviewees are those of the interviewees and do not necessarily reflect those of the authors, those of the NHS, the NIHR, NETSCC, the HS&DR programme or the Department of Health.

© Queen's Printer and Controller of HMSO 2015. This work was produced by Sanderson *et al.* under the terms of a commissioning contract issued by the Secretary of State for Health. This issue may be freely reproduced for the purposes of private research and study and extracts (or indeed, the full report) may be included in professional journals provided that suitable acknowledgement is made and the reproduction is not associated with any form of advertising. Applications for commercial reproduction should be addressed to: NIHR Journals Library, National Institute for Health Research, Evaluation, Trials and Studies Coordinating Centre, Alpha House, University of Southampton Science Park, Southampton SO16 7NS, UK.

Published by the NIHR Journals Library (www.journalslibrary.nihr.ac.uk), produced by Prepress Projects Ltd, Perth, Scotland (www.prepress-projects.co.uk).

# Health Services and Delivery Research Editor-in-Chief

Professor Ray Fitzpatrick Professor of Public Health and Primary Care, University of Oxford, UK

# **NIHR Journals Library Editor-in-Chief**

Professor Tom Walley Director, NIHR Evaluation, Trials and Studies and Director of the HTA Programme, UK

## **NIHR Journals Library Editors**

**Professor Ken Stein** Chair of HTA Editorial Board and Professor of Public Health, University of Exeter Medical School, UK

Professor Andree Le May Chair of NIHR Journals Library Editorial Group (EME, HS&DR, PGfAR, PHR journals)

Dr Martin Ashton-Key Consultant in Public Health Medicine/Consultant Advisor, NETSCC, UK

**Professor Matthias Beck** Chair in Public Sector Management and Subject Leader (Management Group), Queen's University Management School, Queen's University Belfast, UK

**Professor Aileen Clarke** Professor of Public Health and Health Services Research, Warwick Medical School, University of Warwick, UK

Dr Tessa Crilly Director, Crystal Blue Consulting Ltd, UK

Dr Peter Davidson Director of NETSCC, HTA, UK

Ms Tara Lamont Scientific Advisor, NETSCC, UK

**Professor Elaine McColl** Director, Newcastle Clinical Trials Unit, Institute of Health and Society, Newcastle University, UK

Professor William McGuire Professor of Child Health, Hull York Medical School, University of York, UK

Professor Geoffrey Meads Professor of Health Sciences Research, Faculty of Education, University of Winchester, UK

Professor John Powell Consultant Clinical Adviser, National Institute for Health and Care Excellence (NICE), UK

**Professor James Raftery** Professor of Health Technology Assessment, Wessex Institute, Faculty of Medicine, University of Southampton, UK

Dr Rob Riemsma Reviews Manager, Kleijnen Systematic Reviews Ltd, UK

Professor Helen Roberts Professor of Child Health Research, UCL Institute of Child Health, UK

**Professor Helen Snooks** Professor of Health Services Research, Institute of Life Science, College of Medicine, Swansea University, UK

Please visit the website for a list of members of the NIHR Journals Library Board: www.journalslibrary.nihr.ac.uk/about/editors

**Editorial contact:** nihredit@southampton.ac.uk