



## **Medical Category Towers now live 8 May 2018**

The six Medical Category Towers went live today as part of a new operating model for the NHS Supply Chain (previously known as the Future Operating Model). The contracts were awarded last November by the Department of Health and Social Care to DHL Supply Chain Limited (DHL), Health Solutions Team Limited (HST) and the NHS Collaborative Procurement Partnership (CPP).

The Medical Category Tower Service Providers are responsible for procuring more than £1bn of medical products and consumables for the NHS. The first of their category priorities and a savings roadmap will be published at the end of May.

NHS Trusts will begin to realise benefits as a result of specialist product knowledge that these Providers bring. Working in conjunction with NHS Supply Chain account managers, the Providers will help procurement teams in selecting products that deliver clinically evaluated, quality products at the best value.

The Category Tower Service Providers will work closely with the new management function of the NHS Supply Chain, which is on course to deliver overall savings of £2.4 billion over five years. This will be achieved by leveraging the collective buying power of the NHS to achieve best outcomes and meet the diverse needs of the NHS.

Please visit <https://www.supplychain.nhs.uk/icc/> for more information on the Medical Category Tower Providers and allocation.

### **What will be changing for NHS Supply Chain Customers from May?**

The new NHS Supply Chain operating model is being introduced in a way that minimises impact on operations. Ordering from the online catalogue, customer services and deliveries will remain the same, so please continue to use the online catalogue.

NHS Trusts will begin to hear from account managers about the priority areas for product optimisation over the coming weeks and months and where price reductions are available. You may also start to notice different products becoming available in the online catalogue. Please contact your account manager if you wish to switch to products that deliver better value and savings.



## **What are the benefits for suppliers to the NHS from May?**

You may already be communicating with the Category Tower Providers on how you can get involved in the new model. There are a number of benefits associated with operating in a new improved supply chain:

- aggregation of demand could offer suppliers larger volume opportunities than the current NHS Supply Chain;
- lowered sales and marketing costs by reducing the number of interactions with Trust procurement teams, as the NHS Supply Chain can act as a single point of contact for supplying into the NHS
- clinical assurance that products are being procured on the basis of user requirements , not simply unit price;
- sales commitment will make business and production planning easier for suppliers;
- Category Tower Service Providers are incentivised to reduce total cost in the system, not just reduce unit price; and
- a streamlined procurement landscape will reduce the burden of multiple tenders.