

£44m Saved Through Collaborative Working



Our Client

A collaborative comprising three NHS Hospital Foundations Trusts and a National Cancer Research Charity.

Challenge

The four organisations sought to form a collaborative body in order to maximise non-pay efficiencies.

Requirement to develop an ethos of collaborative working across the four organisations, supported by an appropriate governance and reporting structure.

The initial project involved collectively outsourcing Soft Facilities Management service provision. Critically, the existing provision was due to expire in six months.

Solution

Develop a multi-disciplinary programme team and board comprising representatives from the four organisations.

Review all existing contracts and agreements.

Implement standardised service specifications.

Liaise with suppliers to terminate/extend contracts.

Deploy an e-procurement tool to support the procurement activity.

Review the existing service to identify efficiencies and ensure adherence to national standards.

Devise a rigorous contract and terms of tender to deliver VFM and simplify contract management.

Create a weighting/scoring process to balance VFM and quality requirements.

Results

Collaborative contract awarded to successful supplier for 7 years.

Delivered savings of **£44m** (**£38m** following reinvestment in frontline services).

Renegotiated local pay agreement saving **£2m** over life of the contract.

Negotiated a year on year contract efficiency requirement of **4%**.

Moved inflationary adjustment mechanism from **RPI** to a capped **CPI**.

Enabled elements of the contract to be VAT reclaimable.

Implemented a robust and proactive governance process to mobilise the contract and ensure ease of management.

‘The contracts are a great example of how healthcare organisations can work together, to make the best use of resources while maintaining excellent standards of care for patients.’

Chief Operating Officer