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**Ein cyf/Our Ref:**

**Ebost Email:** 12.04.23

**Dyddiad/Date:**

**Sent via email**

To whom it may concern

**Re: HSC Committee - request for information on Health Service Procurement (Wales) Bill**

The NHS England Provider Selection Regime (PSR) will be a new set of rules for arranging healthcare services in England, expected to be applied from July 2023.

The stated aim of the NHSE Provider Selection Regime is to give decision makers a more flexible process for deciding who should provide healthcare services, to make it easier to integrate services and enhance collaboration, and to remove the bureaucracy and cost associated with the current rules. It is intended to fit with the integrated, collaborative approach to healthcare commissioning by providing a decision-making process that makes space for collaboration to happen and that ensures all decisions about how healthcare is arranged are made transparently and fairly, and in the best interests of patients, taxpayers, and the population.

Therefore, if Wales was not to adopt a similar approach, providers could face a higher burden of bureaucracy and cost due to the application of compulsory competitive tendering; this might discourage providers from providing services to the Wales NHS. For example, UK wide third sector organisation could face higher costs in Wales as the healthcare services that they provide would be subject to periodic compulsory market testing. Health Boards could also incur unnecessary management costs in carrying out procurement exercises. It is difficult to estimate the potential extent of the risk of providers choosing to opt out of providing services to Wales, but the additional costs and bureaucracy may present an additional barrier.

**Cadeirydd/Chair:** Jonathan Morgan **Prif Weithredwr/Chief Executive:** Paul Mears

*Croeso i chi gyfathrebu â'r bwrdd iechyd yn y Gymraeg neu'r Saesneg. Byddwn yn ymateb yn yr un iaith a ni fydd hyn yn arwain at oedi. You are welcome to correspond with the Health Board in Welsh or English. We will respond accordingly and this will not delay the response.*

Example – UK wide not-for-profit provider is commissioned to provide mental health services under an initial 12 month contract award. Under the UK Government Procurement Bill, at the end of this period, this health service must be offered to the market and the existing provider must respond via a formal tender process. In England, the Provider Selection Regime will allow flexibility for Integrated Care Systems to continue with existing service provision, where the arrangements are working well and there would be no value for patients, taxpayers and population in seeking an alternative provider. The application of a similar regime in Wales would support the development of longer term partnerships and collaborations to deliver services for the population. In this example, it could enable the non-for-profit provider to co-produce its service offer in partnership with a Health Board with greater certainty about the continuity of the service contract.

**Yours sincerely**

A handwritten signature in black ink, appearing to read 'Sally May', followed by a long horizontal line extending to the right.

**Sally May**  
**Cyfarwyddwr Gweithredol Cyllid/Executive Director of Finance**