

# The Provider Selection Regime - what it will mean for you

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13 December 2023

*“Justifiably top of the tree.”*

## All change in 2024

# Procurement law is changing in 2024

## 1. Procurement Act 2023

- replacing the Public Contracts Regulations 2015 (PCR)
- expected to come into force in October 2024

## 2. Provider Selection Regime (PSR)

- Bespoke regime for the procurement of relevant health care services by relevant authorities
- Will come into force on 1 January 2024

# The Provider Selection Regime

STATUTORY INSTRUMENTS

**2023 No. 1348**

HEALTH SERVICES, ENGLAND

PUBLIC PROCUREMENT, ENGLAND

## The Health Care Services (Provider Selection Regime) Regulations 2023

*Made*

*6th December 2023*

*Coming into force*

*1st January 2024*

# Key documents

Regulations

Guidance and toolkits published in draft



## The Health Care Services (Provider Selection Regime) Regulations 2023

29 regs  
16 schedules (13 of which deal with transparency)  
Coming into force 1/1/24



## Statutory Guidance

Main body  
Annexes



## Implementation toolkit

FAQs  
Process maps  
Flowcharts  
Slides  
FTS guide

## Our involvement

- The Health Care Services (Provider Selection Regime) Regulations 2023
  - DHSC led – NHSE inputted into
- Statutory Guidance
  - NHSE led – to reflect the Regulations
- Implementation toolkit
  - NHSE led – to reflect the Regulations

# What will happen?

- Once PSR Regulations come into force:
  - the procurement of health care services, when procured by relevant authorities under the PSR, will be removed from the scope of the Public Contracts Regulations 2015 (the PCR)
  - replace the National Health Service (Procurement, Patient Choice and Competition) (No 2) Regulations 2013 (the PPCCR)

## Who does the PSR apply to?

- 'Relevant authorities' are required to follow the PSR when procuring relevant healthcare services
- Relevant authorities are:
  - NHS England
  - Integrated Care Boards
  - NHS trusts and foundation trusts
  - Local authorities or combined authorities

## When does the PSR apply?

- When procuring relevant health care services
- Means:
  - health care services (as defined in section 150 of the Health and Social Care Act 2012)
    - “Health care” means all forms of health care provided for individuals, whether relating to physical or mental health
  - which fall within one or more of the CPV codes specified in schedule 1
- No financial threshold – PSR applies irrespective of value



## When does the PSR not apply?

- Goods and services that are not health care services in scope of the regime must be arranged under the rules governing wider public procurement, unless they fall within the definition of a mixed procurement set out in the regime
- Examples of procurements not in scope of this regime are:
  - goods (e.g., medicines, medical equipment)
  - social care services
  - essential and advanced pharmaceutical services arranged under the terms of the Community Pharmacy Contract Framework
  - non-health care services or health-adjacent services (e.g., capital works, business consultancy, catering, hospital administrative services, hospital bedding services or public health marketing campaigns) that do not provide health care to an individual

# Procurement principles

Reg 4

- When procuring relevant health care services, a relevant authority must act with a view to:
  - securing the needs of the people who use the services
  - improving the quality of the services
  - improving efficiency in the provision of the services
- Relevant authorities must also act transparently, fairly, and proportionately when procuring health care services
- The relevant authority may consider the value of providing services in an integrated way

# Decision making processes

Reg 6 - 11

- Direct Award processes
  - Direct award process A
  - Direct award process B
  - Direct award process C
- Most suitable provider process
- Competitive process

HEMPSONS

# Flowchart

Toolkit

# Key criteria

Reg 5/Annex D

The key criteria are:

- quality and innovation
- value
- integration, collaboration and service sustainability
- improving access, reducing health inequalities and facilitating choice
- social value

# Challenge/ Standstill and panel

Reg 12

- Challenge for Direct Award Process A and B is via Judicial Review (no standstill/PSR review panel)
- Standstill applies to Direct Award Process C, MSP and CP (includes call offs from frameworks via mini-comp)
- Similar to the position under PCR
- Cannot award until standstill period ends
- Ends midnight at the end of the 8<sup>th</sup> working day (need to consider when period starts)
- During that time, any provider who is aggrieved and believes there has been a failure to comply with the regulations, can make a written representation to the relevant authority
- If no representation is received, can proceed to award

## Review process

Direct Award Process C

Most Suitable Provider process

Competitive Process

- Relevant Authority reviews its decision
  - Continue, rewind, abandon
  - 5 working days
- Referral to PSR review panel
  - Panel gives advice
  - Relevant authority makes new decision
  - Continue, rewind, abandon
  - 5 working days
- Judicial Review

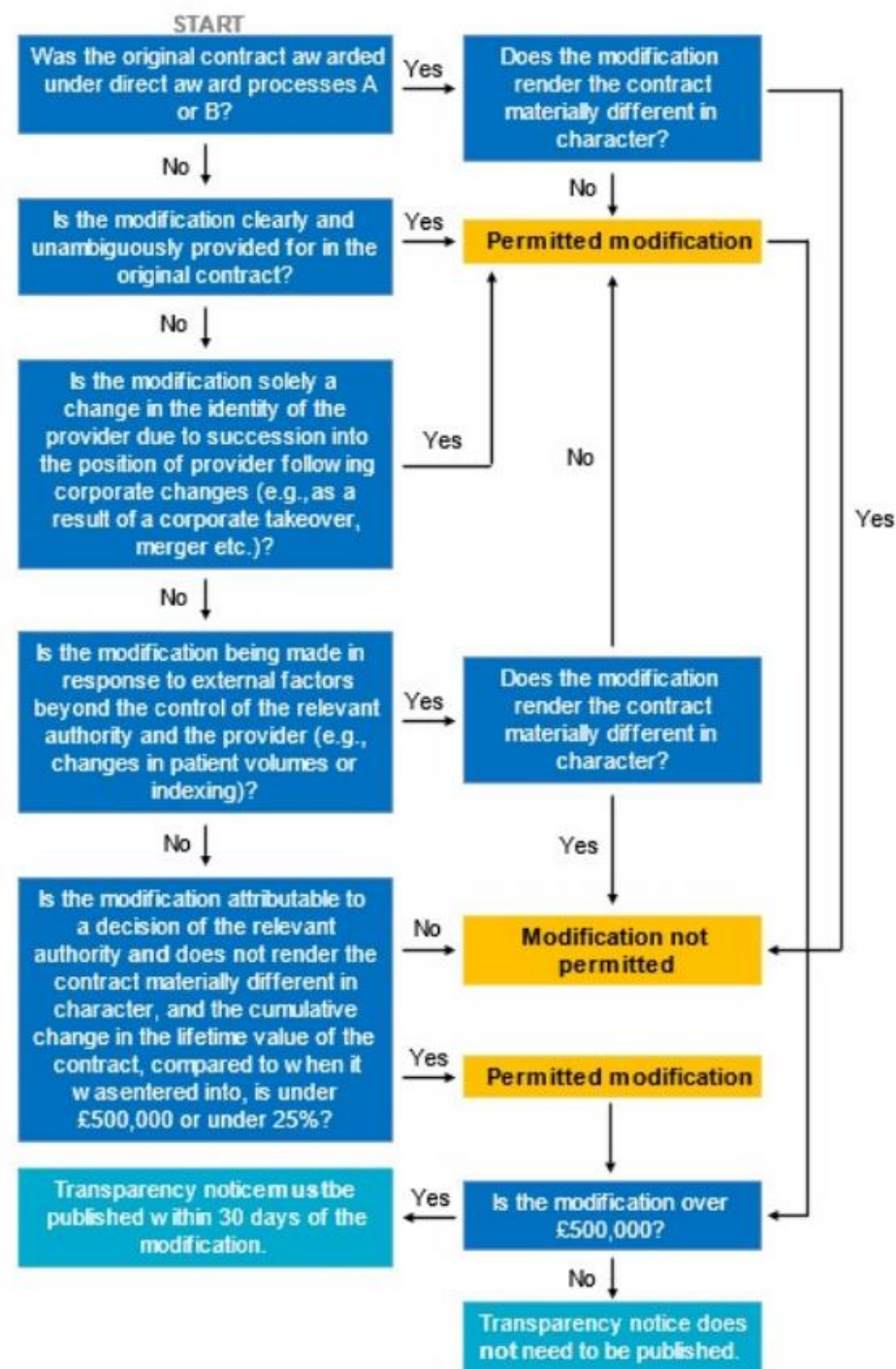
# Transitional provisions and amendments to other legislation

Reg 27 - 29

- When health care services in scope of the regime are arranged on or after 1 January 2024, then the PSR must be followed.
- The PSR does not have any retrospective effect on contracts or framework agreements that were entered into prior to the 1 January 2024
- However, from 1 January 2024 onwards any changes to these contracts or framework agreements (those awarded or established before the 1 January 2024) where the services are in scope of the regime, must be carried out in accordance with the Contract modifications section of the PSR



# Contract modifications



# The Statutory Guidance

Date published: 18 October, 2023  
Date last updated: 19 October, 2023

## The Provider Selection Regime: draft statutory guidance

[Publication \(/publication\)](#)

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This is the draft statutory guidance for the new Provider Selection Regime (PSR). The [PSR regulations \(https://www.legislation.gov.uk/ukdsi/2023/9780348252613/contents\)](https://www.legislation.gov.uk/ukdsi/2023/9780348252613/contents) have been introduced into Parliament by the Department of Health and Social Care and they are still subject to scrutiny by Parliament. Therefore, the draft statutory guidance is not final until Parliament has agreed the PSR regulations.

### Executive summary

The [NHS Long Term Plan \(https://www.england.nhs.uk/long-term-plan/\)](https://www.england.nhs.uk/long-term-plan/) set out the need to transform health and care services to meet increasing demand, deliver better care and outcomes and ensure the health and care system is financially sustainable.

To meet these goals, as well as recover service delivery following the COVID-19 pandemic, the health and care landscape in England is changing. NHS bodies, local authorities and their partner organisations are increasingly working together to plan and deliver more integrated care and improve health outcomes for local people and communities.

The Health and Care Act 2022 (the 2022 Act) amended the National Health Service Act 2006 (the 2006 Act) to put in place legislative changes that support this, including the creation of integrated care systems. The legislation sets an expectation that all those involved in planning, purchasing, and delivering health and care services work together to agree and address shared objectives, and makes it easier for them to do so.

# The Guidance

<https://www.england.nhs.uk/publication/the-provider-selection-regime-statutory-guidance/>

- Must have regard to the guidance
- Key for the PSR review panel
- Annex A – CPV codes
- Annex B - transparency
- Annex C – primary care
- Annex D – key criteria
- Annex E – contract management
- Annex F – transitional arrangements



# Toolkits

<https://www.england.nhs.uk/commissioning/how-commissioning-is-changing/nhs-provider-selection-regime/provider-selection-regime-frequently-asked-questions/>

<https://www.england.nhs.uk/publication/provider-selection-regime-toolkit-products/>

- FAQs
- Process maps
- Flowcharts
- Slides
- FTS guide

# Questions/ discussion



Disclaimer: These slides are made available on the basis that no liability is accepted for any errors of fact or opinion they may contain. The slides and presentation should not be regarded as a comprehensive statement of the law and practice in this area. Professional advice should be obtained before applying the information to particular circumstances



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