



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Health Service Procurement (Wales) Bill**

DATE **13 February 2023**

BY **Eluned Morgan MS, Minister for Health and Social Services**

The Health Service Procurement (Wales) Bill ('the Bill') has today been laid before Senedd Cymru.

The Bill seeks to reform the way in which certain NHS health care services are procured in Wales; bringing forward primary legislative powers and enabling Welsh Ministers to create a new procurement regime for NHS health service procurement.

The powers within the Bill support the aims and objectives of our 'A Healthier Wales' strategy and Welsh Government's commitment to provide effective, high quality and sustainable health care; supporting the NHS in Wales to deliver better health outcomes for the citizens of Wales.

The UK Government's Department of Health and Social Care are proposing to introduce a new regime for the procurement of NHS health services in England known as the Provider Selection Regime (PSR). Its aim is to improve patient outcomes by removing unnecessary bureaucracy from the process of working with independent healthcare providers and encouraging collaboration and partnerships.

The PSR will therefore give NHS England more flexibility to procure and arrange independent health services. As a consequence, these new arrangements may have an impact on NHS Wales's ability to maintain and secure health services in Wales when working with independent providers.

To ensure that health service procurement in Wales is not disadvantaged as a result of introducing the PSR in England, the Health Service Procurement (Wales) Bill and the future regulations made under the Bill will aim to provide a supportive mechanism to maintain the current procurement 'level playing field' for NHS health services between England and Wales. This approach will seek to mitigate the risk of NHS Wales being adversely affected by the operation of a different health service procurement regime in England. The provisions in the Bill will retain the ability for NHS Wales to commission independent health service providers on a co-compliant and collaborative basis; in turn supporting and optimising financial and staff resources to enable the NHS in Wales to deliver efficiently and effectively.

The Bill will also aim to mitigate any potential market distortion by ensuring that the independent health service marketplace in Wales remains attractive to small and medium sized enterprises and third sector organisations; in turn supporting the Foundational Economy of Wales.

The PSR in England is expected to commence later this year alongside wider changes being brought about as part of the UK Government's Procurement Bill reforms currently programmed for 2024. Therefore, to minimise the period of time where NHS health service procurement platforms in England and Wales operate on a different basis, the Health Service Procurement (Wales) Bill will seek to obtain Royal Assent this summer, with proposed future regulations aiming to come into force in Spring 2024.

I will be making a legislative statement at Plenary tomorrow and welcome scrutiny of the Bill over the coming months.