Consultancy spending approval criteria: Updated guidance to providers

Summary

1. NHS providers wishing to commission consultancy services should use the updated template and guidance information.

2. Consultancy contracts over £50,000 proposed by all NHS foundation trusts in receipt of interim support from the Department of Health or in breach of their licence for financial reasons and all NHS trusts require our prior approval (the £50,000 threshold includes irrecoverable VAT and other costs eg expenses); this also applies where the threshold is reached due to a contract extension or variation.

3. The approval process applies to contracts that are accounted for as revenue expenditure. It does not currently apply to contracts accounted for as capital expenditure.

4. The criteria below will be used to assess business cases.

Having a business case approved

5. Please send business case approval forms to nhsi.businesscases@nhs.net

6. The panel will review each business case against a number of assessment criteria outlined below:

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>What we are looking for</th>
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| Ambition to deliver something of value, importance and relevance | • Evidence that the trust’s strategic and operational objectives are supported by this proposed work. We are looking for relevance to your organisation’s business plans and any recovery plans  
• Evidence on how this work aligns with the local health economy strategy, the 5YFV and the Carter Review  
• Specific deliverables that clearly support the overall objectives of the work and the organisation’s business plans  
• Details of the clinical case where the proposed work directly affects the provision of services for patients  
• An explanation as to why the proposed service cannot be resourced internally or sourced from peer organisations. We are also looking for efforts to ensure skills will be transferred to permanent staff, where appropriate  
• An outline of what the impact will be on the trust objectives and |

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| Clear scope | Evidence that the scope is clear, defined and well thought through  
|            | Detail on how the scope has been developed including any engagement with patients, clinicians, commissioners or suppliers  
|            | You should explain the boundaries to the project and mention any key elements that are out of scope. Will this potentially lead to a future phase project? |
| Robust contract management | Evidence that the trust can manage the supplier, control spend and hold the supplier account for delivering value for money  
|            | Assurance that the trust can deliver the scope as planned  
|            | Details of payment structure, particularly details of approaches to link payment to deliverables, eg arrangements to ensure effective communication between staff approving and processing payments and the project team receiving and evaluating the work |
| Capacity to implement findings/recommendations | Evidence that the trust has the capacity to act on or implement findings/recommendations of the procured work  
|            | Examples of previous success in realising benefits |
| Timeline of work | Evidence of a well-thought-through and realistic timeline, with details on when expected outcome will be delivered  
|            | Why does the project need to start now and not in say 6 months’ time? |
| Robust implementation review proposal | An outline of how the effectiveness of the consultancy support procured will be reviewed, with particular focus on benefits and value add |
| Finance case | Evidence of the proposed procurement/resourcing method, including how you reached or propose to reach the decision that this is the best way to meet your business requirements (some evidence of options appraisal)  
|            | Evidence of sourcing the best value supplier and evidence of negotiation over rates  
|            | Details of the basis of payment and why this will achieve best value, eg does the contract propose a fixed fee, contingent fee, etc and how will any risks within the payment structure be managed?  
|            | Details of agreed benchmarking rates, referencing where possible agreed framework rates.  
|            | Please confirm where funding is coming from, affordability to the trust and the status of the funding approval (eg Board approved/Director of Finance approved)  
|            | Please highlight any in-year benefits and overall business case benefits. Does the benefits realisation of this project depend on capital approval, public consultation or other providers or Local Health Economy programmes? |
| Wider use of findings | Whether or not there are any contractual restrictions to sharing the outcomes of this work with the wider sector. Where the outcomes are not commercially sensitive, we will expect all future work to be made available for the wider benefit of the NHS, particularly where the advice is technical and likely to be generic to similar situations  
|            | We expect this right of access to be written into contracts. You should check that a contract clause is in place allowing for the wider use of any generic technical findings, and also that the deliverables have been scoped so that such technical work is as far as possible separated from any commercially sensitive elements of the scope |