

Document 2

Invitation to Tender (ITT)

Specification of Requirements

Name of Contracting Authority	NHS England
Tender for	NHS Race & Health Observatory Host Provider
Health Family eCommercial Portal Reference	Atamis: C300749
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Specification of Requirements

1. Background to the requirements

- 1.1 NHS England established The NHS Race and Health Observatory (RHO¹) as an independent body and began its operations on 1 April 2021 and was hosted by the NHS Confederation.
- 1.2 The NHS RHO was established in response to a growing body of evidence, including the Covid-19 impact evidence reports², indicating persistent ethnic health inequalities across the health system.
- 1.3 The primary purpose of the RHO is to provide specialist services in an independent and objective capacity within the context of the NHS Long-Term Plan. The RHO also aims to respond to emerging health concerns, such as COVID-19 and Covid-19 recovery and impact.
- 1.4 The RHO is supported by an expert and globally renowned Board and a Core team led by its Chief Executive.
- 1.5 NHS England (NHSE) has a clear requirement for leading the NHS in England to deliver high-quality services for all, through our vision of equitable access, excellent experiences and optimal outcomes by tackling healthcare inequalities across England, as outlined in various legislative documents such as the NHS England Constitution, Health & Care Act 2022, The Government's Mandate to NHS England, and the Equalities Act 2010.
- 1.6 These requirements stem from the need to address clear and marked healthcare inequalities experienced by individuals based on their racial characteristics.

1.7 Role of NHS RHO:

- 1.7.1 The establishment of the NHS RHO underscores the commitment of NHS England to addressing and reducing ethnic health inequalities and promoting health equity.
- 1.7.2 By operating as an independent body, the RHO aims to provide impartial, evidence-based insights and recommendations to inform policy and practice in reducing health disparities.
- 1.7.3 The RHO performs three key functions/ dimensions of action:
 - It aims to address health disparities among different ethnic groups by combining available data with recent studies to ensure data analysis and data synthesis.
 - Analyses this data and provides focused and feasible recommendations for legislative changes within the NHS that can help reduce disparities in ethnic health.
 - Empower the health and care system to put these recommendations into practice and meet the objectives of the NHS, including those outlined in the NHS Long-Term Plan, by offering evidence-based contributions, translating policy actions into practical actions, leading, influencing and contributing with policy, implementation and legislative-related expertise.

¹ [NHS – Race and Health Observatory \(nhsrho.org\)](https://nhs.uk/rho)

² https://assets.publishing.service.gov.uk/media/5ee761fce90e070435f5a9dd/COVID_stakeholder_engagement_synthesis_beyond_the_data.pdf

2. Current Arrangements / Context:

- 2.1 The NHS RHO is currently housed (hosted) within the NHS Confederation.
- 2.4 The hosting arrangements with the NHS Confederation commenced in 2021 until 31st March 2024, when NHS England initiated the start of an open competitive commercial procurement exercise to identify a new Provider to host the NHS RHO.
- 2.5 The current contract was due to end on 31/3/24. However, this has been extended to allow the work of NHS RHO to continue whilst NHS England complete an FTS Open procurement process.
- 2.5 This approach is compliant with NHS England's Standing Financial Instructions, and is intended to generate genuine competition which will ultimately drive value for money.
- 2.8 In May 2024, NHS England held a market engagement event with the aim of presenting our ambition to secure a competent and capable Provider to host the NHS Race and Health Observatory (NHS RHO) and to support the delivery of an agreed programme of works.

3. Scope of the Procurement

3.1 Aims & Objectives

- 3.1.1 Funding for NHS RHO for the period (Oct 24 to Mar 27) is £ 9.07m including VAT. This is likely to be reduced on a pro-rata basis to enable the work of NHS RHO to continue until a new contract is awarded to and mobilised with a Host Provider.
- 3.1.2 100% of this budget (or adjusted to reflect actual start date of new contract) will be transferred from NHS England to the host for the following 3 elements.
- Element 1 – up to a maximum of 10% of the total value of the contract to provide hosting arrangement for the NHS RHO. This element is 'In Scope' for this procurement
 - Element 2 – NHS RHO Core Team costs. This element is 'Out of Scope' for this procurement
 - Element 3 – NHS RHO Programme delivery which is mainly via 3rd party commissions. This element is 'Out of Scope' for this procurement.
- 3.1.3 The appointed Provider will host the NHS Race and Health Observatory (NHS RHO) and support the delivery of an agreed programme of works that will bridge the gap in the stark race and ethnic health inequalities across the healthcare system.
- 3.1.4 The approved budget envelope for this contract award has been capped at up to £664k (ex VAT), and contract duration will be for up to 29 months.
- 3.1.5 In addition, up to £6.8M ex VAT will be passported to the appointed Host Provider to enable Programme Delivery as described in (b) below. Please note that this is not subject to the tender evaluation process as this is part of the accountable body's role.
- (a) **Hosting** – the Host Provider will be expected to act in the capacity as an accountable body to cover employing staff, providing HR support, Organisational Development,

IT/Telephony support, providing suitable office accommodation, managing finances, procurement, and contracts management, etc.

(b) **Programme Delivery** (including the costs of the NHS RHO Core Team).

(i) The programme of work is agreed between NHS England and the NHS RHO on an annual basis, in line with NHS England's strategic objectives and priorities. This element of the award will have access to a budget (up to £6.8M ex Vat) to procure a range of 3rd party commissions, additional to the novation of existing 3rd party commissions.

(ii) The NHS RHO core team comprises of 12 FTE posts that might be TUPED across to the new Host Provider.

3.2 Provider Hosting Arrangements:

3.2.1 The appointed Provider's role of hosting is similar to that performed by an Accountable Body undertaking the following requirements (as a minimum):-

- (i) Responsible for the Employment of the Core NHS RHO Team on behalf of NHS England and will provide associated support/services.
- (ii) Ensure that funding (received from NHS England) managed on behalf of the NHS RHO.
- (iii) The appointed Provider will also be required to ensure funding is released to NHS RHO in line with the agreed payment schedules.

3.3 Constraints and Dependencies:

3.3.1 IT systems:

Historically, the enclosed IT support systems have been commissioned:

- For the main NHS RHO website [About us - NHS – Race and Health Observatory \(nhsrho.org\)](#) is a partnership with Fat Beehive costing £4k per year – see Appendix B.
- For the interactive data platform the current host partners with Pantheon which costs £4k per year - Pantheon standard terms of use attached – see Appendix C
- IT equipment - All other standard issue IT equipment is owned by the current host and would not transfer to a new host; this cost would therefore need to be factored into a Tenderers' proposal.

3.3.2 TUPE considerations:

Tenderers should note that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may potentially apply to this contract, and are therefore advised to seek their own legal advice in this regard.

4 Requirements

Requirements for support services from the Host Provider are listed below.

Table 1 – Host Provider Delivery Requirements.

Requirement	Description
1. Hosting Arrangements of the NHS RHO	<p>The Host Provider will be expected to:</p> <ul style="list-style-type: none"> (a) Make contribution for hosting, which is 10% hosting fee, all charged in hosting arrangements, with additional fee for communications and engagement support – RHO conferences, RHO report launches etc (b) Not influence the content of the work programme of RHO. (c) Attend quarterly stocktake meetings with NHS England, but defer to NHS RHO for the delivery of the work. (d) Outline Human Resources policy, Standing Financial Instructions (SFI)'s etc but note that the NHS RHO work programme is independent. (e) Provide governance and structure to the NHS RHO, which enables said entity to focus on the work programme. (f) Propose sustainable networks for the benefit of NHS RHO programme delivery. (g) Recognise the potential conflict of interest (real or perceived), if bidding for the programme delivery services that NHS RHO commissions. It is understood that a fair , transparent and equitable process (e.g. equitable wall) would need to be put in place by the NHS RHO to ensure they manage/mitigate any potential conflict of interest, with the aim of securing the most competent and capable Provider to lead the commission. <p>Relevant hosting requirements may include, but not limited to:</p> <ul style="list-style-type: none"> • Build master data contract which track all contracts and train admin staff on its use. • Provide staff with an appropriate tool and scoring matrix to support evaluations. • In contracting host Provider provides templates. • Support NHS RHO to deal with contract variation and the finance team deals with payment. • Contracts are awarded via Host Provider arrangements. • Employment Contracts are with the Host Provider • Contract liabilities etc, sits with Host Provider • Underwriting of the contracts beyond the current business case. • Complete end of year financial arrangements.
2. NHS RHO Team and TUPE	<p>The appointed Host Provider will deliver the following requirements to the NHS RHO team:</p> <ul style="list-style-type: none"> • To manage the budget to pay the Core team of 12 FTE employees. This budget will be transferred to the host once the contract is awarded. • Any savings in staff costs due to vacancies etc are to be identified and used to support the programme delivery. • The current Core Team is made up of people occupying full-time roles (up to 36.5hrs per week) with the exception of one employee working 30 hours per week as part of flexible working arrangements. • 9 are full-time

	<ul style="list-style-type: none"> • 1 is working 30hrs per week (but the role is full-time on establishment) • 2 FTE are vacant (with 1 currently out to advert) • Currently there are 2 vacancies with one role currently out to recruitment <p>Please refer to Appendix D – RHO staff list.</p>
3. Financial and Budget Management, Payroll etc	<p>The appointed Host Provider will provide the NHS RHO will all the necessary financial and budget management support.</p> <p>The financial transfers of funding from NHS England to the Host Provider will be arranged through a tripartite Memorandum of Understanding (MOU) between NHS England, NHS RHO and the new Host Provider. The MOU will cover all aspects of the agreed arrangements between the three parties and will address any issues regarding the return of unspent hosting funding.</p> <p>The current arrangement sees that the Host receives money from NHSE on a quarterly basis on the provision of an invoice.</p> <ul style="list-style-type: none"> • Monthly payments are made for NHS RHO Core Team staff costs • Invoices to 3rd party contractors are paid based upon the agreed invoicing schedule • Other costs incurred such as travel/accommodation bookings etc. are paid in line with the hosts terms/conditions for paying invoices etc <p>Routine reporting is:-</p> <ol style="list-style-type: none"> (a) Monthly financial update (budget – actual v forecast) (b) Quarterly Budget Update (Income and expenditure etc) (c) Annual Forecasting and End of Year reconciliation <p>Volumes and numbers of end users:</p> <p>The current Host reported number of recorded transactions per month with averages for each year: 2022 is 28, 2023 is 75, and 2024 is 66. Note this does not include internal journal adjustment postings, such as Provider invoices, sales invoices, staff expense claims.</p>
4. Legal Services	<p>Historically, legal advice was sought for inputting into the National Covid19 Enquiry.</p> <p>The current Host reported that a total of £4,374 (ex VAT) was spent over the 3year contract period on legal advice on contract term negotiations.</p>
5. Communications and Events Management	<p>NHS RHO events will be agreed between parties as part of the programme delivery.</p> <p>Historically, a total of £823,000 (ex VAT) was spent for hosting over the 3year contract period.</p> <p>An additional £14,000 (ex VAT) spent on NHS RHO event management team to support an RHO event.</p>
6. Information Technology and Website Support	<p>Current arrangements for IT support are as follows:</p> <ul style="list-style-type: none"> • Outsources IT function to STRIPE-a third party provider for current host Provider provides 24 hours security centre and monitoring. • RHO host website - Stripe does all the technical aspects • Standard IT Equipment allowing the team to work effectively and efficiently when working in hybrid arrangements. <p>Historically, the enclosed IT support systems have been commissioned:</p> <ul style="list-style-type: none"> • For the main nhsrho.org website is a partnership with Fat Beehive which costs £4k per year. • For the interactive data platform the current host partners with Pantheon which costs £4k per year. • IT equipment - all equipment is owned by the current Host.

5 Mandatory and Minimum Requirements

5.1 The appointed Host Provider will need to act as an **Accountable Body**, and have the following attributes that would benefit the NHS RHO:-

- a) access to the necessary Health & Social Care networks and links to engage, influence and demonstrate co-production with the whole healthcare system and associated structures (including national healthcare bodies; integrated care systems, NHS trusts, primary care organisations, Think Tanks, healthcare Charities, Networks, and academic institutions)
- b) national mechanisms, networks and trusted relationships to engage, influence and demonstrate co-production with the whole healthcare system and beyond.

5.2 Furthermore, the appointed Host Provider must be able to demonstrate:-

- c) reputation, credibility and track record in:
 - improving people's health and tackling inequalities.
 - providing research, evidence and analysis to improve health and care policy.
- d) supporting innovation, implementation and improvement in health and care services.
- e) promoting and evaluating new approaches to improve and transform healthcare services.
- f) generating and sharing good practice and offering independent challenge.
- g) working with stakeholders to develop meaningful relationships, long-term thinking and co-produce sustainable solutions.
- h) values and behaviours that are aligned to the NHS.
- i) commitment to tackling inequalities experienced by ethnic minority patients, communities and the healthcare workforce.
- j) be seen to be an employer and collaborative partner of choice.
- k) provide appropriate accommodation, IT, Telephony, HR and Finance support, manage website and website support, support for media, communications and events.

6 Desirable Requirements:

6.1 International connections and profile of working in the health and care sector and/or health inequalities.

7 Project Timescales & Implementation:

7.1 The proposed Contract is expected to commence early November 2024, and will be for a total duration of 29months.

7.2 The appointed Host Provider will be required to provide a project implementation plan for agreement by NHS England, and will be expected to manage this transition period as appropriate.

8: Location:

- 8.1 Ideally in London as the majority of meetings with the Board and key partners currently take place in London. However, flexible options and/or innovative approaches being proposed to meet this need would be considered.

9. Responsibilities of the Customer:

- 9.1 The NHSE Chief Strategy Officer is the Executive Sponsor of the NHS RHO Contract.
- 9.2 The NHSE Director for Healthcare Inequalities Improvement is the Senior Responsible Officer.
- 9.3 A quarterly contract review meeting is held between NHSE Director for the National Healthcare Inequalities Improvement Programme and the Chair, CEO of NHS RHO with representation from the host organisation.

10. Responsibilities of the Provider:

- 10.1 The appointed Host Provider will need to satisfy that:
- a) expenditure is in line with the relevant financial and contract standing financial instructions, procedures and rules of the Provider organisation and commitments are not made until income is secured
 - b) effective systems for procurement, contracting, auditing and monitoring expenditure and deliverables are established and maintained.
 - c) a proper audit trail is maintained with appropriate records and copy invoices for expenditure incurred and justifiable commitments to meet the needs of NHS RHO to support the release of funds
 - d) all supporting records are maintained in line with the appropriate retention schedule.
 - e) to not use the Funding for its own purposes without the consent of the NHS England.
 - f) arrange legal/insurance and Health & Safety cover in respect of its liabilities under this hosting agreement and provide to NHS England on request evidence that insurance cover or appropriate self-insuring arrangements are in place.
 - g) access to mandatory and organisational wide training and development for staff is provided.

11. Management Information & Governance:

- 11.1 The Host Provider must be proactive in keeping NHS England appraised and informed about progress and results. Checkpoints on progress in addition to workstream-based progress meetings must take place regularly. This should be as part of the quarterly contract review meetings between NHSE Director for the National Healthcare Inequalities Improvement Programme and the Chair, CEO of NHS RHO with representation from the host organisation.
- 11.2 The Host Provider will be expected to present to the NHS RHO Programme Board and serve supplementary information to other key stakeholders as appropriate.
- 11.3 The Host Provider will be expected to deliver and present progress reports regularly. There will also be a need for daily stand-ups where appropriate to ensure timescales are met.

11.4 The cost of the hosting element is capped at 10% of the overall budget. The expectation is that implementation of robust contract management will support effective spend analysis and cost control.

12.Reporting and Key Performance Indicators:

Governance Type	Requirement	Deliverable
Project Governance	Quarterly contract review meetings between NHSE Director for the National Healthcare Inequalities Improvement Programme and the Chair, CEO of NHS RHO with representation from the host organisation.	<ul style="list-style-type: none"> Quarterly meetings/reports
	Annual joint report to the Public Board of NHSE by the NHSE National Director for Healthcare Inequalities Improvement and NHS RHO CEO.	<ul style="list-style-type: none"> Annual Reports
	Timely and accurate highlight reports detailing status, progress against timeline, dependencies, risks, issues and tracking against budget.	<ul style="list-style-type: none"> Quarterly reports
	Maintenance of roadmap and detailed workplan	<ul style="list-style-type: none"> Weekly / fortnightly updated workplan
	Participation at regular stand ups and update meetings with senior leadership teams and key stakeholders.	<ul style="list-style-type: none"> Weekly / monthly attendance Preparedness for meeting Good input in update/discussions
	Attendance and presenting at regular governance meetings, including preparing papers in advance.	<ul style="list-style-type: none"> Attendance, as required Preparedness for meeting Quality of presentation materials
Stakeholder management	Providing materials to aid senior leadership team decision-making.	<ul style="list-style-type: none"> Availability for ad hoc requests Quality of material
	Attendance and presenting at key stakeholder meetings, including preparing papers in advance. NHS stakeholders include: NHSE, BSA, DHSC.	<ul style="list-style-type: none"> Weekly / monthly attendance Preparedness for meeting Good input in update/discussions Quality of materials
	Developing and maintaining relationships with key Providers and stakeholders.	<ul style="list-style-type: none"> Feedback from key Providers and stakeholders on the good relationship.
	Collaborative approach with Providers and stakeholders to ensure co-design and sharing of expertise and knowledge.	<ul style="list-style-type: none"> Evidence of participation in the network, supported by relevant input and feedback.
Effectiveness	Successful governance and management of project implementations.	<ul style="list-style-type: none"> Number of successful implementations Number of case studies Collated user feedbacks Documented lessons learned and other necessary artefacts. Evidence based recommendations. Timely escalations of issues.

13.Contract Term:

- 13.1 This proposed contract is for a total duration of 29months, across 2 terms identified as **Period 1 and Period 2** with a break clause (unilateral termination for convenience clause for the contracting authority and to confirm approved budgets) on conclusion of **Period 1**.
- 13.2 **Period 1** will be for 17months from November 2024 - March 2026.
- 13.3 **Period 2** will be for 12 months from April 2026 – March 2027.
- 13.4 The decision to progress to **Period 2** will be subject to NHSE approval and formal notification.
- 13.5 The Contract is for and on behalf of NHS England.

14.Budget:

- 14.1 The approved total budget envelope for this contract has been capped at £664K (incl. Expenses and excl. VAT)
- 14.2 Payment will be made Quarterly on successful completion of deliverables accepted as satisfactory by the Authority's representative.

15.Sustainable Development Requirements:

- 15.1 The programme is required to adhere to the social value and the Public Services (Social Value) Act 2012 and include social value commitments.
- 15.2 The Social Value Model requires additional social value benefits to be delivered over the life of a contract. Although it is interesting to understand a Provider's social value credentials at organisational level, this is not relevant within the evaluation of a Provider's proposal for this contract.
- 15.3 Therefore, it is important to ensure the social value responses are not activities already being undertaken by the Provider and must be a stand-alone commitment as part of project delivery.

16.Flexibility and additional services or transformation:

- 16.1 The Provider should make clear its approach to continuous improvement and knowledge transfer during contract delivery, additional to its plans for exit arrangements on conclusion of this contract.

17.Appendices

- 17.1 Please refer to **Document 9** List of Appendices.

END.