



# PROVIDER SELECTION QUESTIONNAIRE (PSQ)

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## Sections 1–6: Understanding, Preparing and Meeting PSQ Requirements

*A practical, provider-facing guide to the Provider Selection Questionnaire (PSQ), the standardised pre-qualification document increasingly used by local authorities and NHS commissioners across England. It explains how the PSQ differs from a traditional PQ, what each section requires, and why standardisation works in your favour when you understand it properly.*

*If you have submitted tenders before, you will have come across the Pre-Qualification Questionnaire. The PSQ is its more recent, standardised replacement. It was developed to reduce the duplication providers faced when submitting slightly different pre-qualification documents to every commissioner they approached. The core information being requested is largely the same. What has changed is that it now follows a consistent structure, uses consistent language, and in theory means that once you have completed it thoroughly once, much of the groundwork is done for future submissions.*

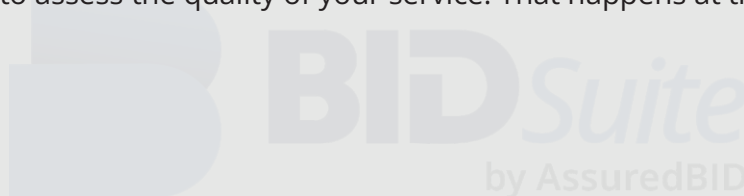
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### 1. What Is a Provider Selection Questionnaire?

The Provider Selection Questionnaire is a standardised pre-qualification document used by public sector commissioners, including local authorities and NHS bodies, to assess whether a provider meets the minimum legal, financial and operational requirements to hold a public contract.

It was introduced as part of broader efforts to streamline procurement and reduce administrative burden across the health and care sector. Unlike a bespoke PQQ, which each commissioner writes independently, the PSQ follows a consistent national template. This means that the questions, the structure, and the evidence requirements are broadly the same regardless of which commissioner is running the procurement.

The PSQ sits at the beginning of the procurement process, before the Invitation to Tender. Its purpose is not to assess the quality of your service. That happens at the ITT stage. The



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PSQ is asking whether you are a legitimate, financially stable, compliant organisation that is legally authorised to deliver the services being procured.

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## 2. How the PSQ Differs from a Traditional PQ

Understanding the differences between a PSQ and a traditional PQ matters because it changes how you prepare and how you manage your compliance documentation going forward.

<b>Element</b>	<b>Traditional PQ</b>	<b>Provider Selection Questionnaire</b>
<b>Format</b>	Varies by commissioner — each writes their own	Standardised national template, consistent across commissioners
<b>Length and complexity</b>	Varies significantly — some are very short, others extensive	Consistent length and structure
<b>Reusability</b>	Low — each PQ requires a largely fresh response	High — core responses can be reused and updated across submissions
<b>Scope of questions</b>	Varies — some commissioners ask more or fewer questions	Consistent scope covering the same core areas
<b>Supporting documents required</b>	Varies by commissioner	Consistent — same documents required regardless of who is procuring
<b>Pass/fail threshold</b>	Set individually by each commissioner	Set against a national standard baseline
<b>Where it is used</b>	Predominantly local authority procurement	Local authority and NHS procurement, increasingly aligned with NHS provider selection regulations

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The most significant practical difference is reusability. Because the PSQ follows a consistent format, you can build and maintain a PSQ response document that is kept up to date and adapted for each submission rather than rebuilt from scratch each time. Providers who do this are at a significant operational advantage over those who treat each submission as a standalone exercise.

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### **3. Why Standardisation Works in Your Favour**

Standardisation is often seen as bureaucratic. For providers, it is actually an opportunity. Because the PSQ asks the same questions in the same order every time, you can prepare thoroughly once and maintain that preparation as a live document.

The providers who struggle most with the PSQ are the ones who have not kept their compliance house in order between submissions. Expired certificates, unreviewed policies, and financial accounts that have not been checked since last year are problems that standardisation exposes reliably. The providers who move through the PSQ efficiently are the ones who treat it as an ongoing readiness discipline rather than a reactive exercise.

The other advantage of standardisation is predictability. You will not be surprised by an unusual question or a requirement you have not encountered before. Every section of a PSQ is knowable in advance. This guide covers all of them.

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### **4. What Commissioners Are Looking For at PSQ Stage**

Commissioners using the PSQ are making three assessments.

They want to know that your organisation is legally constituted, active, and authorised to deliver the regulated activities covered by the contract. They want to know that you are financially stable enough to sustain a contract for its full duration without posing a risk of service failure. They want to know that you have the minimum compliance infrastructure in place — the registrations, insurance, and policies that any responsible provider operating in this sector should hold as a matter of course.

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The PSQ does not ask about care quality, staffing models, or service delivery approaches. Those questions belong to the ITT. At PSQ stage, commissioners are filtering out organisations that should not be holding public contracts before moving to the substantive evaluation.

## 5. The PSQ Requirements at a Glance

PSQ Section	What Commissioners Are Checking	Common Documents Required
<b>Organisation details and legal standing</b>	That your organisation is legitimately registered and constituted	Companies House registration; certificate of incorporation; registered address
<b>Financial standing</b>	That your organisation is financially viable and can sustain a contract	Two to three years of audited accounts; turnover declaration; management accounts if recent accounts unavailable
<b>Insurance</b>	That you hold the minimum required levels of cover	Public liability; employers liability; professional indemnity certificates of currency
<b>CQC registration and regulatory standing</b>	That you hold the correct regulated activity registrations and a current rating	CQC registration certificate; current rating evidence; confirmation of regulated activities
<b>Policies and procedures</b>	That you have up-to-date policies covering minimum required standards	Safeguarding; health and safety; complaints; whistleblowing; equalities; GDPR policies
<b>Equalities and human rights</b>	That you comply with the Equality Act 2010 and have equality monitoring in place	Equality and diversity policy; equality monitoring evidence; PSED statement if applicable

<b>Modern slavery and supply chain</b>	That you comply with the Modern Slavery Act 2015	Modern slavery policy or transparency statement signed by a director
<b>Data protection and information governance</b>	That you handle personal data lawfully and securely	Data protection policy; ICO registration number; data breach procedure
<b>Health and safety</b>	That you have a functioning health and safety management system	Health and safety policy; risk assessment examples; training records
<b>Social value</b>	That you have considered and can evidence your commitment to social value outcomes	Social value policy or statement; community benefit examples
<b>Environmental sustainability</b>	That you have considered your environmental responsibilities	Environmental or sustainability policy; net zero commitment or carbon reduction plan
<b>References and contract performance</b>	That you have relevant experience delivering similar services	Two to three commissioner or contract references

## 6. Section by Section: What You Need and Why

**Organisation Details and Legal Standing** This section confirms that your organisation exists as a legal entity, is actively trading, and is the correct entity to be applying for this contract. Commissioners cross-reference your submission against Companies House records. The most common issue is a mismatch between the trading name used in day-to-day operations and the legal registered name. If your organisation trades under a different name to its registered company name, both must be clearly declared. If you have recently changed your company name, restructured, or transferred contracts between entities, check carefully that every registration — Companies House, CQC, ICO — reflects the entity that is applying. A single mismatch can hold up or fail a submission.

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**Financial Standing** The PSQ assesses financial viability through your filed accounts, net asset position, and in some cases automated credit and solvency checks. Most commissioners set a minimum annual turnover requirement, typically linked to the estimated annual contract value. Your net assets must be positive — that is, your total assets must exceed your total liabilities on the most recent balance sheet. If your organisation is newer and does not yet have two years of filed accounts, prepare signed management accounts covering the most recent period. If your net asset position is negative, prepare a written explanation and, where possible, supporting evidence such as a parent company guarantee. Run a credit check on your organisation before submitting. County court judgements, winding-up notices, or director disqualifications must be declared even if you are challenging them.

**Insurance** Insurance requirements in the PSQ are specific and non-negotiable. The three types most commonly required are public liability (minimum usually £5 million, some commissioners require £10 million), employers liability (£10 million, a legal requirement for any organisation with employees), and professional indemnity (£2 million to £5 million, more commonly required in frameworks with clinical or therapeutic elements). Check three things before submitting: that each certificate meets the minimum level required; that each certificate is issued in the name of the legal entity applying; and that no certificate expires before the framework end date. If a certificate expires during the framework period, obtain a broker confirmation letter confirming renewal intentions.

**CQC Registration and Regulatory Standing** For care providers, CQC registration is a fundamental PSQ requirement. You must be registered for the specific regulated activities covered by the contract. Most supported living and care framework procurements require a minimum rating of Good. A Requires Improvement rating will result in exclusion in most frameworks. An Inadequate rating results in automatic exclusion. If your organisation is not yet rated because it is newly registered, check whether the framework is open to unrated providers before proceeding. Some commissioners will consider unrated providers with strong supporting governance evidence. Most will not.

**Policies and Procedures** The PSQ requires evidence of up-to-date policies covering the minimum standards expected of a regulated provider. Out-of-date policies are one of the most common causes of PSQ failure. Every policy must carry a review date within the last 12 months, must be signed by a named senior leader, and must reference the current legislative framework. A safeguarding policy that does not reference the Care Act 2014 or the most recent version of Working Together will raise concerns even if your practice is sound.

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**Equalities and Human Rights** Your equality and diversity policy must reference all nine protected characteristics under the Equality Act 2010. The PSQ increasingly asks providers to demonstrate that equality is actively monitored, not just referenced in a policy. Be prepared to describe briefly how you monitor equality in both employment and service delivery.

**Modern Slavery** A transparency statement is a legal requirement for organisations with annual turnover over £36 million. For smaller providers, a modern slavery policy signed by a director is the standard expectation. The PSQ treats this as a pass/fail declaration in most frameworks.

**Data Protection and Information Governance** Your data protection policy must specifically reference UK GDPR and the Data Protection Act 2018, state your ICO registration number, confirm your lawful basis for processing personal data, and contain a breach response procedure. Pre-2018 data protection policies that reference the old Data Protection Act 1998 are not compliant and will fail this section.

**Health and Safety** Any organisation with five or more employees is legally required to have a written health and safety policy. It must be signed, dated, and reviewed within the last 12 months. Some PSQ formats also ask for examples of risk assessments and evidence that health and safety responsibilities are clearly assigned.

**Social Value** Social value is a section that does not appear in traditional PQ formats but is standard in the PSQ. It reflects the Public Services (Social Value) Act 2012, which requires commissioners to consider the wider social, economic and environmental benefits of public contracts. At PSQ stage this is usually a relatively light-touch declaration rather than a scored question. You should be able to describe briefly what social value your organisation delivers — local employment, community engagement, training opportunities, support for disadvantaged groups — and confirm that you have a social value policy or statement in place.

**Environmental Sustainability** Environmental sustainability is also a PSQ-specific addition. At the pre-qualification stage most commissioners are not expecting detailed carbon reporting. They want to see that you have considered your environmental responsibilities and that you have a policy or statement in place. A basic sustainability or environmental policy signed by a director, covering waste management, energy use, and any commitments toward net zero, is sufficient for most PSQ purposes at this stage.

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**References and Contract Performance** The PSQ asks for references from previous or current commissioners or contract holders. References should be from services that are as close as possible in type, client group, and contract value to the one being procured. Contact referees before you submit to confirm they are willing and available to respond within the given timeframe. A reference that is not returned can invalidate your application.

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*Continues in Part 2 — Common Reasons Providers Fail, Your PSQ Submission Form, and Next Steps. To access Part 2, click the link below to get it*

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