

SPOTLIGHT ON PROCUREMENT



Public Procurement Policy Note 05/21 National Procurement Policy Statement – June 2021

The government have published the National Procurement Policy Statement and it represents the first of a series of reforms to public procurement. The National Procurement Policy Statement sets out the national priorities that all contracting authorities should have regard to. It takes effect in June 2021 until the end of the current parliament. This is the first key output from the government's Green Paper "Transforming Public Procurement" published for consultation in December 2020.

The National Procurement Policy Statement makes it clear that contracting authorities should now begin to take national priorities into consideration in their procurement activity, and that they should prepare for major legislative reforms by ensuring that they have the right procurement capability and capacity in place.

The National Procurement Policy Statement requires contracting authorities to have regard to national priorities when exercising their functions in relation to procurement where it is relevant to the contract and proportionate to do so. The term "exercising functions relating to procurement" is specifically defined in section 39(2) of the Small Business, Enterprise and Employment Act 2015 and includes the "exercise of functions in preparation for entering into contracts and the management of contracts".

The first of the national priorities is **social value** and covers a wide range of outputs that contracting authorities should work to deliver in the interests of the public good. The first element of the social value priority covers the creation of new businesses, new jobs and skills including increasing employment opportunities particularly for those who face high barriers to employment or who are located in disadvantaged areas and extending training opportunities, particularly for people in industries with known skills shortages or in high growth sectors. The priority includes sustainable procurement, requiring contracting authorities to use their procurement activity to contribute to the UK government's legally binding target to reduce greenhouse gas emissions to net zero by 2050, as well as the reduction of waste, improving resource efficiency and the delivery of

by CLARE TETLOW



Clare Tetlow is Senior Procurement Manager at Procure Plus. Clare joined Procure Plus in 2012 and leads the company's procurement team. Clare is responsible for delivering procurement that supports customers in the construction, maintenance and repair of their properties. Clare is passionate about using procurement as a means to create positive change for social housing and improving the experience of bidders who participate in tender processes. Clare is a strong supporter of new entrants to the public procurement profession and has a keen interest in continued professional development. With a keen interest in procurement legislation, Clare regularly advises customers on matters associated with public procurement. Clare has a background in public sector procurement management, having previously worked within central government, health and local authority sectors.



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additional environmental benefits. The priority also extends to the creating of diverse supply chains that will help support start-ups and small to medium sized businesses in securing and performing public sector contracts. Innovation is a theme carried from the Green Paper and requires contracting authorities to innovate through the use of disruptive technology and business models.

The second of the national priorities is **commercial procurement and delivery** where contracting authorities are told to consider if, in the context of their own procurement portfolio, they have the right policies and procedures in

place to manage the key stages of procurement delivery, to deliver value for money and social value outcomes as well as continuously improving their procurement practice. The National Procurement Policy Statement sets out a list of principles, first introduced in the Green Paper, that could be adopted in their own organisation. The list is comprehensive and describes a spectrum of measures to be used proportionately, from the publication of procurement pipelines to market health assessments, make versus buy decisions, to risk allocation and key performance indicators.

The third national priority is **skills**

and capability for procurement and requires contracting authorities to consider their organisational capability and capacity ensuring that they have the procurement skills and resources required to deliver value for money and social value outcomes. It encourages contracting authorities to benchmark themselves against comparable organisations and to reflect on how well commercial objectives are aligned, whether work is assigned to those staff who have the requisite capability and capacity, to have a solid understanding of market conditions and robust decision-making processes in place.

analysis

The National Procurement Policy Statement contains wise advice and priorities is the benefits of which are difficult to criticise. It encourages proportionality in the delivery of the priorities against local outcomes and a holistic view of value for money. The emphasis placed on effective contract management and the delivery of holistic value over the term of the contract is welcomed. These are views that have been expressed by many procurement practitioners across the social housing sector for some time.

The UK is comprised of a diverse range of contracting authorities so it will be interesting to see how the National Procurement Policy Statement is enacted in practice and the measurable difference that it makes. It is but one piece of the puzzle in an area of law that will soon undergo significant transformation. Its utility and helpfulness will no doubt reframe when the full extent of the legislative reforms is understood.



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It is encouraging that the National Procurement Policy Statement acknowledges the role of collaborative procurement and central purchasing organisations in providing and improving procurement skills and capacity to meet the national priorities.
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Especially as the National Procurement Policy Statement highlights with even greater clarity the complexity of public procurement and the extent of the challenges that contracting

authorities will face in the months and years ahead. The challenges for the bidder when tendering for public sector contracts are also set to grow and change.

As an organisation that specialises in procurement for the social housing sector, the team at Procure Plus already have an in depth understanding of what it takes to use procurement as an effective tool for public good and the best ways in which to balance the needs of the market, the customer, and the ultimate end user during the entire procurement cycle. The priorities in the National Procurement Policy Statement are already part of our DNA. Customers of Procure Plus can feel assured that our framework agreements, dynamic purchasing systems and services will continue to advance them in their ability to demonstrate delivery against all strands of the objectives within the National Procurement Policy Statement. We welcome the opportunity to speak with new customers about how we can support them on their journey too.

If you would like to chat about this or any other procurement issue, I am available at clare.tetlow@procure-plus.com