

White Paper

Preparing for regulatory reform

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PPN 05/21 National Procurement Policy Statement

Cabinet Office

Procurement Policy Note – National Procurement Policy Statement

Action Note PPN 05/21 June 2021

Issue

1. This Procurement Policy Note (PPN) sets out information and guidance for contracting authorities on the National Procurement Policy Statement (NPPS) which will require contracting authorities to have regard to national strategic priorities for public procurement.

Dissemination and Scope

2. The contents of this PPN apply to all contracting authorities as defined in section 39(3) and (4) of the Small Business Enterprise and Employment Act 2015 and whose functions are wholly or mainly reserved. This includes central government departments, executive agencies, non-departmental public bodies, local authorities, NHS bodies and the wider public sector. Together these are referred to in this PPN as ‘contracting authorities’.
3. Please circulate this PPN across your organisation and to other relevant organisations that you are responsible for, drawing it to the specific attention of those with a commercial or finance role.

Timing

4. This PPN is effective from the date of publication.

Action

5. All contracting authorities should familiarise themselves with the contents of the National Procurement Policy Statement.
6. All contracting authorities should consider the following national priority outcomes alongside any additional local priorities in their procurement activities:
 - creating new businesses, new jobs and new skills;
 - tackling climate change and reducing waste; and
 - improving supplier diversity, innovation and resilience.

June 2021

ANNEX TO PPN 05/21- NATIONAL PROCUREMENT POLICY STATEMENT

The Government has published the National Procurement Policy Statement (NPPS) which sets out the strategic priorities for public procurement and how contracting authorities can support their delivery.

This document links sources of additional information and tools which complement the national priorities as detailed in the NPPS.

Social Value

- [Procurement Policy Note \(PPN\) 06/20](#) sets out guidance for central government organisations on how to deliver social value through the Government's commercial activities. The model takes account of the additional social benefits that can be achieved through outcomes aligned with the Government's

June 2021

NATIONAL PROCUREMENT POLICY STATEMENT

Purpose

1. This National Procurement Policy Statement sets out the strategic priorities for public procurement and how contracting authorities can support their delivery.

Introduction

2. At around £290 billion every year, public sector procurement accounts for around a third of all public expenditure. The huge power of this expenditure must support the delivery of public sector policy priorities, including generating economic growth, helping our communities recover from the Covid-19 pandemic, and supporting the transition to net zero carbon. The importance of efficient, effective public procurement has been underlined by the Covid-19 pandemic and it can play a significant role in this country's economic recovery.
3. Using common benchmarks and standards allows the many examples of best practice in public procurement to be shared across all contracting authorities, enabling a culture of continuous improvement in procurement practice and capability, to not only save the taxpayer money but also drive sustainable economic growth.
4. Contracting authorities should act to ensure their procurement and commercial teams have the right capability and capacity to deliver the priorities in this National Procurement Policy Statement. This includes ensuring transparency in public procurement to support engagement with the market, allow proper scrutiny of procurement decisions and demonstrate good stewardship of public money. The priorities in this Statement are concerned with the core standards of procurement capability and delivery, as well as the additional social value outcomes that public procurement can support.

Scope

5. This Statement applies to contracting authorities as defined in section 39(3) and (4) of the Small Business Enterprise and Employment Act 2015¹. This includes central government departments, executive agencies, non-departmental public bodies, local authorities, NHS bodies and the wider public sector. All contracting authorities should have regard to the priorities set out in this Statement.
6. Nothing in this Statement should conflict with contracting authorities' requirements under existing public procurement regulations nor with their obligations to procure goods, works and services in an open, fair and transparent way whilst guarding against fraud and corruption.

Duration and review

7. This Statement is intended to cover the period from date of publication to the end of the current Parliament. It will remain in place until it is withdrawn, amended or replaced, and

¹ The rules set out in the definition in the Public Contracts Regulations 2015 (S.I. 2015/102) should also apply to the extent that the Government will update this statement accordingly.

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operational procedures, successes and Taskforce have developed a Social Value toolkit to communicate key messages and secure support based organisations to help create social value.

It provides a detailed account of the NHS modelling on footprint, trajectories to net zero and the impact of the transition to net zero. It sets out the direction, scale and pace of the transition to net zero.

It provides a suite of guidance to accompany the Statement, including additional detail for how contracting public services with a particular focus on social value. This includes guidance on how to source, use in-house resources or a mix of in-house and external resources.

Support organisations produce transparent statements to support their modern slavery statements. The Statement also includes a Modern Slavery Assessment Tool to support public sector organisations to support public procurement effective modern slavery due diligence.

The Statement requires Local Authorities to openly and transparently share data and the sector has made great strides in increasing volumes of data in open and accessible formats. This is to ensure that the full value of their local public service improvements is realised.

The Government has developed the Commercial Continuity Statement (CCS) to support contracting authorities to support contracting and works, and which provides more

Coverage

CA – All Contracting Authorities

PPN 05/21 National Procurement Policy Statement



In readiness for new regime

Social value

- Creating new businesses, new jobs and new skills
- Tackling climate change and reducing waste, and
- Improving supplier diversity, innovation and resilience

Commercial and procurement delivery

- CAs to consider own policies and processes to manage key stages of procurement delivery
- Measures to identify and measure modern slavery risks
- Joint working between CAs
- Reporting requirements

Skills and capacity

- CAs to consider organisational capability and capacity
- CAs to consider benchmarking against relevant commercial and procurement operating standards



Government will bring forward legislation to mandate this, but PPN says authorities should familiarise **NOW** in advance of legislation

Coverage

CA – All Contracting Authorities

Procurement Policy Note – Taking Account of Social Value in the Award of Central Government Contracts

Action Note PPN 06/20 September 2020

Issue

1.



The Social Value Model



Guide to using the Social Value Model



Procurement Policy Note – Taking Account of Carbon Reduction Plans in the procurement of major government contracts

Action Note PPN 06/21 05/06/2021

Issue



Guidance on adopting and applying the PPN 06/21 – Selection Criteria

Introduction

- 1. In 2019 the UK Government amended the Climate Change Act 2008¹ by introducing a target of at least a 100% reduction of greenhouse gas emissions² (compared to 1990 levels) in the UK by 2050. This is otherwise known as the 'Net Zero' target.
2. This guidance supports Procurement Policy Note (PPN) 06/21 and sets out how suppliers' carbon reduction plans and commitment to Net Zero can be taken into account in the procurement of relevant contracts (i.e. those subject to the Public Contracts Regulations 2015, with a value of £3 million per annum or above and where the measure is related and proportionate) by In-Scope Organisations. Assessment is by using the standard selection questions set out in Annex A.

Assessment Methodology:

- 3. The key issue to be assessed is whether a bidder has taken steps to understand their environmental impact and carbon footprint relevant to the delivery of the contract.
4. A supplier should only be excluded if they:
a. fail to make an organisational commitment to reduce their emissions over time to achieve Net Zero by 2050
b. fail to declare their organisational Greenhouse Gas emissions in accordance with the required reporting standard
c. fail to provide a Carbon Reduction Plan which has been appropriately signed off
d. fail to provide details within the Carbon Reduction Plan of the environmental management measures that will be applied in the performance of the contract
e. fail to provide a Carbon Reduction Plan which meets the Technical Standard for completing a Carbon Reduction Plan.

¹ Climate Change Act 2008 www.legislation.gov.uk/ukpga/2008/27/section/1
² When the reporting of GHG emissions is measured in CO2e (tons) or in carbon dioxide equivalent units (CO2e). The use of CO2e allows for more accurate reporting and management tracking and reporting of emissions over time. CO2e includes all of the greenhouse gases subject under the Kyoto protocol carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3). Each of these greenhouse gases have a conversion factor as published by DEFRA (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/369496/ghg-reporting-conversion-factors-2019-when-the-units-are-not-given). It is noted that referring to both CO2 and CO2e emissions and means net zero (NZ) rather than net zero CO2.

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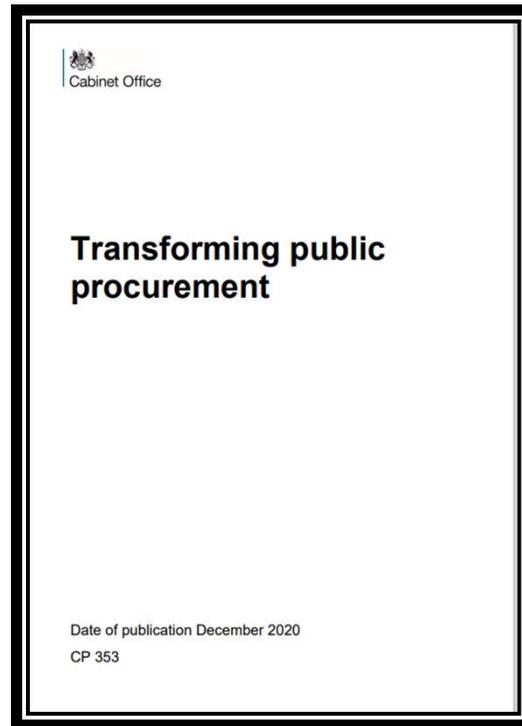
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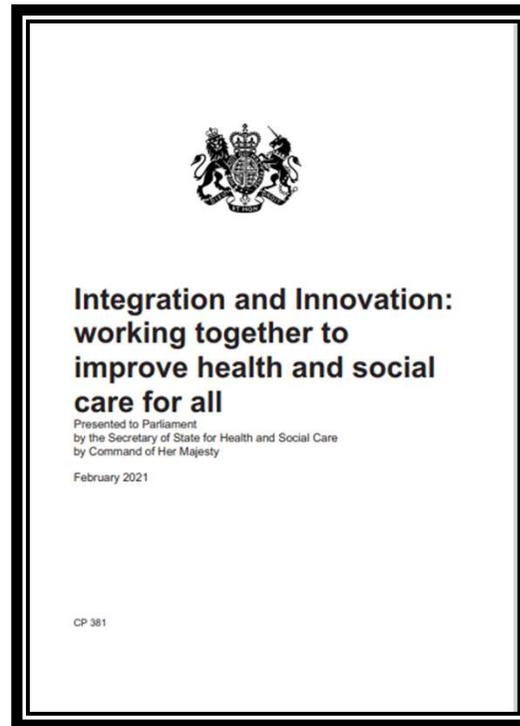
In (CO2e). The use of ne. CO2e includes all nitrous oxide (N2O), (NF3). Each of these https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/369496/ghg-reporting-conversion-factors-2019-when-the-units-are-not-given

National TOMs - Social Value Portal

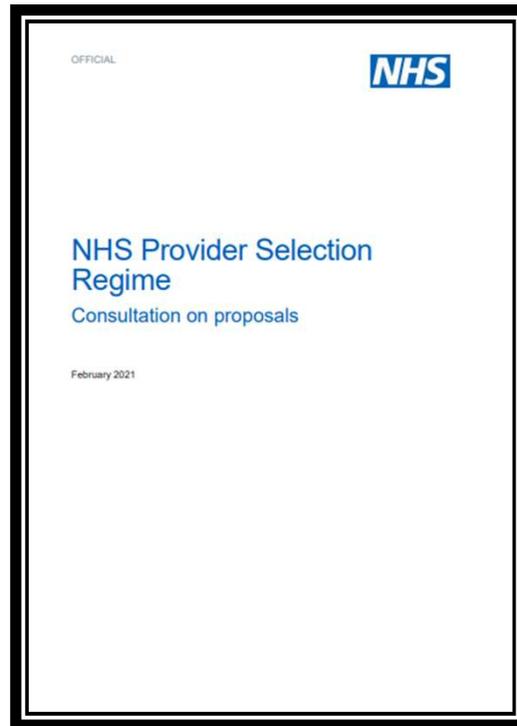
The Green Paper



Legislative proposals for Health and Care Bill



Provider Selection Regime



Thank you

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The information in this presentation is general in nature and is not intended to apply to specific circumstances.
It should not therefore be regarded as constituting legal advice.