



Cabinet Office

Procurement Policy Note – Implementing the New Classifications Policy.

Information Note 9/13 21 October 2013

Issue

1. HMG is implementing a new Classifications Policy that will be effective from 2 April 2014. Government assets may be classified as 'OFFICIAL', 'SECRET' or 'TOP SECRET'.
2. By simplifying the approach to classifications, there is an opportunity for HM Government to harness cost and efficiency benefits by buying new and innovative industry standard products and services.
3. The purpose of this PPN is to provide clarification on specific procurement-related aspects of implementation and to direct you to the appropriate guidance.
4. The Cabinet Office will publish supporting materials for this change, developed in consultation with Departments and suppliers.

Timing

5. The security classification policy comes into effect April 2014. This PPN is published now to enable current and potential suppliers to prepare for the changes next year and to take the new requirements into account in future contracts.
6. The Security Classifications Policy and related guidance will be published on the Gov.UK website from October 2013 at <https://www.gov.uk/government/publications/government-security-classifications> and some specific procurement tools will be made available online in November and January to assist you with implementation (details below).

Scope

7. This PPN only applies to Central Government Departments, their Agencies and Non Departmental Public Bodies.

Dissemination

8. Please circulate this document (for information) within your organisation, Executive Agencies and Non Departmental Public Bodies and to all Contracting Authorities for which you are responsible, drawing it to the attention of those with a purchasing role.

Contact

9. Enquiries about this PPN should be directed to the Service Desk [0845 000 4999](tel:08450004999) servicedesk@cabinet-office.gsi.gov.uk. Please use this facility as we will collate the answers to the Frequently Asked Questions and publish them on Gov.UK website.

Background

10. The new Government Security Classifications will be implemented from 2 April 2014, replacing the current six-level marking scheme (Unclassified, Protect, Restricted, Confidential, Secret and Top Secret).
11. This will introduce a new simpler three-level system of OFFICIAL, SECRET and TOP SECRET across the Civil Service.
12. A key objective of introducing the new Government Security Classifications is to highlight the personal responsibility to exercise good judgment in relation to HMG information, and personal accountability for doing this.
13. Whilst it is being implemented via departmental security networks it will impact contracts where suppliers handle classified information on our behalf or deliver services on behalf of Departments.
14. Annex A sets out Recommended Actions and examples to assist you with implementation.
15. The Cross-Whitehall Procurement Policy Working Group (comprising representatives of all central Government departments) is developing tools to assist Procurement staff. It is anticipated that the toolkit will be published on Gov.uk as follows:
 - a. From November 2013:
 - i. Presentation materials to share with suppliers
 - ii. An executive summary briefing for senior stakeholders
 - b. From January 2014:
 - i. Example text for Contract Notices, Pre Qualification Questionnaires and Invitations to Tender for ITTs and contracts (to assist colleagues, they will not be mandatory)
 - ii. An example change control letter
 - iii. Answers to Frequently Asked Questions. We will collate intelligence from the ERG Service Desk and provide answers to FAQs on Gov.UK.

Annex A – Recommended Actions

1. Contracts where sensitive information will be communicated to or used by a supplier, in the course of performing a contract, need to be ready to operate under the new Classifications Policy from 2 April 2014.
2. Therefore, any tenders for contracts that will be effective from 2 April 2014 and that need to set out how sensitive information must be handled, should provide details of the new Classifications Policy in the tender documents. This information will be available on the on Gov.UK website from October 2013.
3. Departments should assess current contracts on a case by case basis and adopt a measured and pragmatic approach to aligning with the new policy in an appropriate timeframe. Risk and value for money should be taken into consideration. For example, it may be possible, for contracts that expire within six months, to use waivers if there is no significant exposure to risk.
4. Costly contract changes are NOT anticipated. Indeed, the new Policy will enable Government to reduce complexity and more readily benefit from market innovation.
5. OFFICIAL assets do not need to be explicitly marked.
6. Contracts will generally be managed at OFFICIAL level. Particularly sensitive information (e.g. detailed pricing information) should be grouped in annexes and may merit more restrictive handling, sharing arrangements and therefore marking. If it is considered absolutely necessary to enforce the need to know, the commercially sensitive annexes may be marked 'OFFICIAL-SENSITIVE'.
7. Staff that handle contracts should be briefed to understand that they usually include commercially sensitive information, and that they should provide meaningful guidance on any handling restrictions when sharing. Please see examples in Annex B which are for guidance only.

Annex B – Examples

These are for illustration purposes only; risk and appropriate action should be assessed on a case by case basis.

Type of Information	Suggested Classification	Suggested handling
<ul style="list-style-type: none"> Contract and tender information that is published under Transparency 	Official	<ul style="list-style-type: none"> Published and shared Information owners inform recipients of the parameters in which the information can be used.
<ul style="list-style-type: none"> Information covered by the Data Protection Act 	Default to Official but assess on a case by case basis. ¹	<ul style="list-style-type: none"> Information owners to provide meaningful handling to inform recipients of the parameters in which the information can be used.
<ul style="list-style-type: none"> Information that is commercially sensitive such as detailed pricing structures 	Official Sensitive	<ul style="list-style-type: none"> Handling of the information is not published outside of HMG (in line with usual FOI guidance) and controlled appropriately Information owners inform recipients of the parameters in which the information can be used.
<ul style="list-style-type: none"> Government information attached to Invitations to Tender or contracts that, if shared, presents significant risk (e.g. security-related). Please see Cabinet Office guidance. 	Consider whether Secret or Top Secret is appropriate.	<ul style="list-style-type: none"> Access to the information is strictly controlled. Information owners inform recipients of the parameters in which the information can be used.

¹ Refer to the 'Handling Personal Data' FAQ, published on the Gov.UK website.