



Government
Commercial
Function

**Transforming Public Procurement
Procurement Review Unit**

Raising standards: our ambition

Improving procurement standards
across the public sector



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Purpose

This document presents the Procurement Review Unit's (PRU) ambitions and how the unit will support the Procurement Act 2023.

Vision

The **Procurement Review Unit (PRU)** aims to:

- **Improve the capability** and practices of contracting authorities for the benefit of everyone involved in public procurement by **ensuring compliance** with the new procurement rules (and trade agreements)
- **Protect** public procurement from suppliers that pose **unacceptable risk**

This will embed the changes introduced by the **Procurement Act 2023** and subsequently contribute to the realisation of the programme benefits.

The Act will transform how public procurement is carried out. The Act will reform the UK's public procurement regime, making it **quicker**, simpler, more **transparent** and better able to meet the UK's needs while remaining compliant with our international obligations. It aims to:

- Create a simpler and more flexible commercial system that better meets our country's needs, while remaining compliant with our international obligations
- Make it easier for small businesses to work with the public sector by removing unnecessary burdens and tackling late payment in the supply chain
- Greater controls regarding suppliers who pose unacceptable risks to public procurement
- Embed transparency throughout the commercial life cycle so that the spending of taxpayers' money can be properly scrutinised



Summary

To deliver its aims effectively, the PRU is comprised of three services:

- the existing **Public Procurement Review Service** (PPRS)
- a new **Procurement Compliance Service** (PCS)
- a new **Debarment Review Service** (DRS)

The PRU will ‘go-live’ when the new procurement regime goes live, in October 2024.

The services of the Procurement Review Unit (PRU) apply to **contracting authorities** that will carry out procurement in accordance with the Act, and suppliers.

The Act defines a contracting authority as “(a) a public authority, or (b) in the case of a utilities contract, a public authority, public undertaking or private utility, other than an excluded authority.”

Excluded authorities are:

- Devolved Scottish authorities
- Security and Intelligence Services, including GCHQ
- Advanced Research and Invention Agency

- An individual subject to public authority oversight only by reference to one of the above

In addition, private utilities and some NHS personal care services are **out of scope** of the PRU.

The PRU services are focused on supporting contracting authorities, with regards to meeting their **obligations** under the Act.

Anyone can refer an issue to the PCS and the DRS. The PPRS is a mechanism **exclusively** for suppliers who have concerns.

The PRU will have a single point of contact via gov.uk for anyone wishing to contact the unit.

This remainder of this document explains the benefits and nature of the PRU services in more detail.

Our ambition for raising standards

Our ambition is to raise standards in public procurement, driving accountability for contracting authorities and suppliers in the UK.

This will be achieved through:

- Overseeing compliance to the new legislation and making **recommendations** if non-compliance occurs
- Enhancing the services offered to suppliers by the PPRS, to maintain fairness within the public sector procurement landscape
- Ensuring that only **suitable** suppliers can bid for public contracts, by implementing the debarment regime. This will include maintaining a central list of suppliers that must or may be excluded from procurements
- Investigating and issuing recommendations for improvement to contracting authority practice on behalf of **Ministers**, and actively monitoring contracting authorities' action plans



Benefits of the unit

The PRU is designed to deliver the following benefits:

- Raised standards across public sector procurement through early identification and rectification of **systemic** and **institutional** breaches

The protection of public contracts and public money from suppliers who pose **unacceptable** risks by:

- Central consideration of a range of **evidence** of 'self-cleaning' by suppliers in order to assess whether the circumstances giving rise to an exclusion ground are continuing or likely to reoccur
- Greater **consistency** and **efficiency** of supplier exclusions across the public sector, informed by a central debarment list and published investigation reports



How will we work in practice?

The PRU's detailed processes are still being developed with **stakeholders**, including Welsh Government and Northern Ireland Executive. These **processes** will be available in due course.

Public Procurement Review Service

The Public Procurement Review Service (PPRS) was introduced in 2011 as one of a range of measures designed to make government easier to work with, particularly for **smaller businesses**. Both central and sub-central contracting authorities are in scope of the PPRS.

The role of PPRS is to **investigate** public sector procurement processes in response to a supplier's complaints about a specific procurement(s). It will issue (non-binding) recommendations to improve standards, which can lead to live procurements being adjusted, or reviewed. The complaint must relate to an **issue** which has taken place in the last 2 years, but can relate to any stage of the procurement life cycle.

PPRS also handles cases concerning the late payment of **valid** and **undisputed** invoices.

To carry out its role, PPRS currently utilises powers provided by the Small Business, Enterprise and Employment Act (SBEE) 2015 and the contracting authorities that it can investigate is **determined** by that legislation.

When the new procurement regime goes live, the PPRS will officially join the PRU, and operate under the powers provided by the Procurement Act 2023, bringing its scope in line with the PCS.

It will then start to deliver an **enhanced** role, acting as the central hub for all three services, by managing the **triage** of cases to help determine which are taken forward to investigation. It will also monitor and collate data from complaints, to ensure any systemic and institutional non-compliances are passed to the PCS.

Procurement Compliance Service

The PCS covers both central and sub-central contracting authorities (such as local government and universities). The PRU will utilise expanded **statutory** powers as well as **non statutory** powers to do so.

The expanded **statutory** powers provided for in the Act, allow the Minister to investigate sub-central contracting authorities, make statutory recommendations and monitor their progress on **implementing** any recommendations. It also allows the Minister to issue statutory guidance to all contracting authorities.

The Minister will continue to require action by central government departments (central contracting authorities) **without** statutory powers.

The PCS will focus on investigating systemic and institutional non-compliance issues. There are some **legislative** limitations on the types of statutory recommendations PRU can make to ensure they are focused on clear and objective compliance issues against the Act.

An **investigation** may involve reviewing information and/or speaking with individuals involved in procurement, to understand the cause of compliance issues. Subject matter experts from outside PRU may also be **consulted**, to ensure appropriate recommendations are provided.

Findings and recommendations will then be captured in a **report** which may be published. A contracting authority may be requested to provide an action plan and progress reports, to demonstrate that recommendations are being implemented. These may also be **published**.

PRU will also consider if the provision of statutory guidance that all contracting authorities will need to have regard to, is appropriate, to ensure all relevant contracting authorities can benefit from the **lessons** learnt from an investigation.



Debarment Review Service

Debarment will actually be carried out by two teams. The PRU will own and maintain the **debarment list** and will carry out debarment investigations against the majority of exclusion grounds.

The **National Security Unit for Procurement** (NSUP) has been created specifically to manage debarment and exclusions related to **national security grounds**.

PRU will work closely with teams from across the public sector to ensure effective and comprehensive debarment investigations are carried out and appropriate **recommendations** are made to the Minister in relation to the findings of an investigation.

An investigation will include a review of any **self-cleaning evidence**. This is evidence that the circumstances leading to the exclusion ground are not **continuing and are not likely to reoccur**.

The findings of an investigation will be captured in a report, which will be published unless it is necessary to withhold publication to safeguard **national security** and/or prevent the publication of **sensitive commercial information**.

Debarment differs from exclusions: the exclusion regime relies wholly on **assessments** undertaken by contracting authorities, whilst debarments will be managed centrally.

However, debarment is closely linked to **exclusions** in that a supplier can only be considered for debarment if any of the **mandatory or discretionary exclusion grounds** outlined in Schedule 6 and 7 of the Act apply, and the circumstances giving rise to the relevant exclusion ground are continuing or are likely to occur again.

The main distinction is that only a **Minister of the Crown** can make the decision to put a supplier on the debarment list.

If a supplier is added to the debarment list on a **discretionary basis** (determined by the exclusion ground it relates to), Contracting authorities will decide whether the supplier should be allowed to participate in the procurement.

If a supplier is on the debarment list on a **mandatory basis**, it **must not** be allowed to participate in any public procurement (or in the case of threat to national security, the type of procurement identified on the debarment list).

What next for the PRU

The PRU is continuing to work on the standard operating procedures, governance arrangements and **operating** principles, that will support the implementation of both the compliance and the debarment processes.

The PRU will be increasing engagement activities with **stakeholders** to continue to build our **operating model** and ensure they have a clear understanding of the role of PRU versus the role of contracting authorities and supporting teams.

We will continue to communicate via gov.uk, the Transforming Public Procurement (TPP) stakeholder updates and the [TPP landing page](#)

We would urge contracting authorities to ensure staff who have procurement responsibilities undertake the appropriate **training**, offered by the Cabinet Office ([see details on the Learning & Development Offer](#)) to ensure they understand the aims of the oversight and debarment including their obligations in relation to it.



