



Procurement Policy Note

Procuring steel in government contracts Revised guidance

Action Note: 010

Previously issued: March 2023

Updated: February 2025

Issue

1. The government is committed to delivering on its priorities of supporting UK businesses and industry, decarbonisation and driving economic growth. The UK steel sector plays an important role in our economy, providing high quality steel products and helping to deliver our country's infrastructure. The manufacturing of basic iron and steel supports around 39,000 well-paid jobs in steel production and a further 60,000 jobs in upstream supply chains across many important parts of the UK economy (Nomis, 2021). The public sector is an important buyer of steel, procuring it to build critical infrastructure such as our railways, roads, buildings, defence equipment, schools and hospitals.
2. This Procurement Policy Note (PPN) replaces PPN 11/16. The updated guidance accompanying this PPN reflects changes to the project appraisal and commercial policy landscape since 2016 and clarifies the scope of reporting requirements on steel origin data. Dissemination and scope
3. This PPN applies to all central government departments, their executive agencies and non-departmental public bodies when awarding public contracts¹ for goods and/or services and/or works, other than special regime contracts,² where steel is being procured directly or indirectly ('relevant steel procurement'). Such bodies are referred to as 'in-scope organisations'.
4. Please circulate this PPN within your organisation, particularly to those with a commercial procurement and/or contract management role. It may also be relevant to those in finance, operational and sustainability roles.
5. Other public sector contracting authorities are encouraged to consider applying the best practice set out in the PPN and guidance, as appropriate, where they do not have

¹ See [section 3 of the Procurement Act 2023](#)

² See [section 10\(6\) of the Procurement Act 2023](#)

equivalent measures in place. They should do so, in accordance with the relevant instructions in each case and in light of any relevant legal obligations which may apply.

6. This PPN has been updated to reflect new terminology introduced by the Procurement Act 2023 and the Procurement Regulations 2024. The Procurement Act 2023 and the Procurement Regulations 2024 apply to procurements commenced on or after 24 February 2025. For more detail on the meaning of 'commenced' please refer to the Procurement Act 2023 [Guidance on Transitional and Savings Arrangements](#).
7. The Procurement Act 2023 does not apply to procurements commenced before 24 February 2025 or to contracts awarded prior to this date (including via framework agreements, dynamic purchasing systems or qualification systems established under the previous legislation). For procurements commenced and contracts awarded before this date, please refer to PPN 04/23.
8. This update does not constitute a change in policy or a new call for action but In-scope organisations should continue to apply any ongoing obligations set out in the provisions of this PPN.

Timing

9. In-scope organisations should note the provisions of this PPN from 24 February 2025.

Action

10. This PPN replaces the previously issued PPNs 04/23 and 11/16 and reflected changes to the project appraisal and commercial policy landscape since 2016, including the introduction of the Infrastructure and Projects Authority's [Project/Programme Outcome Profile](#), the [National Procurement Policy Statement](#), the [Construction Playbook](#), the Social Value Model (PPN 002), and the [Value Toolkit](#). Together these rules, policies, tools and methodologies emphasise the importance of:
 - a) developing strong business cases that are aligned with government policy objectives in relation to social value and organisational strategies and objectives
 - b) driving the key objectives from the business case (including the strategic and economic case) through all subsequent policy and procurement design
 - c) ensuring that public procurements deliver best value over the life of the asset being procured
 - d) adopting commercial best practice and a suitable delivery model
 - e) undertaking preliminary market engagement, involving the whole supply chain, to combine both an understanding of the capability and capacity of the market and to make suppliers aware of future opportunities
 - f) taking account of the wider social, economic and environmental considerations, using policy outcomes aligned with the government's priorities
 - g) ensuring a level playing field for suppliers including a duty to have regard for particular barriers facing SMEs and considering whether such barriers can be removed or reduced

- h) making it more straightforward for buyers to exclude suppliers that present unacceptable risks or may be unfit to bid for public contracts due to misconduct or other circumstances
 - i) ensuring value for money for the taxpayer
11. In-scope organisations should have consideration to the relevant policies, tools and methodologies when designing relevant steel procurements, and apply them in accordance with the instructions set out in each case. Further details relating to their application are contained within the accompanying guidance.

Monitoring and compliance

12. In-scope organisations are already required to provide an annual steel data return to the Department for Business and Trade, which is collated and published on Gov.uk. This consists of (a) pipeline data of projected steel requirements; and (b) actuals data on steel procured in the previous year – including quantity, product type, and origin data.
13. In relation to 10b above, this PPN applies the requirement to projects/programmes:
- a) with a value of £10 million or more; and
 - b) a value of less than £10 million where it is anticipated that the project will require in excess of 500 tonnes of steel
14. The data should be submitted within 10 weeks after the end of the financial year by the contractor to the relevant in-scope organisation. The steel origin data should be recorded as set out in the Inspection Certificate (EN10204 Type 3.1) and contractors should indicate whether the origin stated is also recorded in the certificate as where the steel was melted and poured. The data will then be consolidated by the in-scope organisation into their annual steel data return to the Department for Business and Trade. The guidance to this PPN sets out the full requirement, including the steel product types that fall within the scope of the requirement. An example clause, to help ensure the data requirements are pushed down to suppliers through contractual terms and conditions, is also provided.

Background

15. In March 2021, government launched the Steel Procurement Taskforce, bringing together representatives from across the UK government, the six major steel companies in the UK, as well as UK Steel, the sector's trade association, trade unions and the devolved administrations. The taskforce worked collaboratively to explore ways in which the UK steel sector could best position itself for success and the [final report](#), published in February 2022, recommended the development of new technologies, improvement of data, and promotion of greater transparency.

Contact

16. For questions relating to this PPN, please refer to the Frequently Asked Questions. Any other queries should be directed to the Crown Commercial Service Helpdesk on 0345 410 2222 or info@crownccommercial.gov.uk