

Ministry of Justice's Small and Medium-sized Enterprise (SME) and Voluntary, Community and Social Enterprise (VCSE) action plan

How we are backing your business

Through [Backing your business: our plan for small and medium-sized businesses](#), we are delivering the most comprehensive package of support for small and medium-sized enterprises (SMEs) in a generation.

Growth is this government's number one mission and SMEs are the engine room. Our plan is to make the UK the best place to start and grow a business, with a culture that supports entrepreneurship in every community and high street.

We're delivering:

- the most significant legislation to tackle late payments in over 25 years, giving the UK the strongest legal framework on late payments in the G7
- a new Business Growth Service to simplify finding advice and support, including a new streamlined digital offer – [Business.gov.uk](https://business.gov.uk), ending the chop and change of previous government business support programmes
- a package of support tailored to high streets to make it easier for SMEs to set up shop, ranging from a new licensing framework to targeted funding for places
- a massive £4 billion finance boost to increase access to finance for entrepreneurs – to inspire the next generation of small business owners, make the UK the best place to start and grow a business, and build a culture that celebrates and champions entrepreneurs

We also committed to making SMEs a national priority, ensuring they have a fair opportunity to win public contracts and setting ambitious SME targets for each department. Each departmental SME action plan sets the steps government departments are taking to maximise SME and start-up spend across their department and wider agencies. These plans also include departmental targets for direct spend with SMEs and the actions being taken to remove and reduce barriers to SMEs bidding for government contracts.

The Procurement Act 2023 creates a more simple and transparent procurement regime, making it easier for SMEs to do business with the government. This action plan sets out why SMEs should work with us, where to find opportunities, and the actions we are taking to reduce barriers for SMEs in bidding for work.

The plan is monitored through an annual publication (as a minimum) of our direct spend with SMEs as a percentage of our total procurement spend.

SMEs are suppliers that have fewer than 250 staff and have a turnover of an amount less than or equal to £44 million or a balance sheet total of an amount less than or equal to £38 million. For more information, see Clause 123 of the Procurement Act 2023.

Foreword

We recognise the significant contributions SMEs and VCSEs make to our economy and communities. They create innovation, growth, and employment, and are essential to provide diverse, high-quality goods and services. However, barriers often hinder these businesses from fully engaging in procurement opportunities.

Our SME/VCSE action plan underscores our intention to build a more inclusive landscape. By identifying and addressing obstacles to participation, we aim to equip these sectors with the tools and support needed to compete for contracts. Our goal is to enhance engagement and motivate a vibrant ecosystem of suppliers that showcases the creativity and capability of our business communities.

We are dedicated to making our procurement practices inclusive and accessible. This involves reviewing processes, improving communication, and prioritising engagement to unlock the potential of SMEs and VCSEs. Through these efforts, we strive to engage these sectors and enhance the value and innovation we provide to our stakeholders.

This action plan reflects our belief that the success of SMEs and VCSEs is integral to our collective success. Together, we can dismantle barriers and create meaningful opportunities for growth, contributing to a stronger, more sustainable economy.

Sarah Sackman KC MP, Minister of State for Courts and Legal Services

In an increasingly competitive environment, ensuring that SME and VCSEs have the necessary support to bid and win work with the MoJ is paramount.

This action plan represents the steps that we will undertake to create a more accessible, transparent, and effective process that benefits the SME and VCSE sectors.

By utilising our expertise and resources, we aim to reduce the barriers and introduce initiatives that will encourage SME/VCSEs to confidently navigate tendering processes, secure contracts, and ultimately thrive in their respective fields.

Our action plan sets out our roadmap for building stronger partnerships with SMEs and VCSEs, and as we move forward our focus will remain on providing tailored support, innovative solutions and strategic engagement that not only encourage success in procurement but also contributes to a more vibrant and resilient SME/VCSE community.

Tim Snow, Chief Commercial Officer, Ministry of Justice

Department Overview

The MoJ is a major government department at the heart of the justice system, working to protect and improve the principles of justice. We manage vital public services to protect the public from offenders, to improve the safety and security of our prisons, to reduce reoffending, and to provide access to justice.

Throughout England and Wales, we administer criminal, civil, and family courts, tribunals, legal aid, provide prison, probation and youth custody services and provide support for victims, children, families, and vulnerable adults. Our [Annual Report and Accounts 2024-25](#) sets out our objectives for 2023-24 and how we have performed during the year.

Our three largest agencies are His Majesty's Prison and Probation Service (HMPPS), His Majesty's Courts and Tribunals Service (HMCTS) and the Legal Aid Agency (LAA). We work in partnership with all our [Arm's Length Bodies \(ALBs\)](#), who each play a vital role in supporting the department's statutory responsibilities, priorities and services to the public.

[Read more about what we do.](#)

Why SMEs / VCSEs should work with us

The Ministry of Justice's (MoJ) joint SME and VCSE action plan 2025 to 2028 shows the collaborative approach we take to tackling the challenges that cut across both sectors. By combining efforts, the MoJ's unified plan encourages collaboration, reduces duplication, and supports consistent messaging, ultimately enabling more efficient stakeholder engagement and a holistic policy response that benefits both sectors.

The National Procurement Policy Statement (NPPS) outlines strategic priorities for the public sector and guides how contracting authorities should have due regard to these as part of procurement planning. In relation to small businesses, we support the government's priority of driving economic growth and stimulating supply chains.

Our commercial directorate oversees procurement for MoJ HQ, our agencies and most of our ALBs. Procurement is organised into category areas, each having a varied portfolio of contracts and a diverse mix of suppliers.

Typically, contracts that SME/VCSEs have provided to the MoJ include:

- software engineering support and technical architectural services
- temporary and community accommodation for prison leavers
- catering services
- the provision of venue booking services
- rehabilitation, offender welfare, sexual violence and resettlement services
- provision of family support services

Our contracts span the justice system for example providing goods and services for our prisons, courts and tribunal services, maintenance and operation of our courts, raw materials and equipment for the manufacturing of goods in prison workshops, offender welfare and new skills programmes, construction projects, food and retail services, court language services and other operational goods.

Local spend with SME's and VCSE's features regularly as part of our large-scale construction projects across the country, for example, our newly built all electric prison Millsike had a target of 40% local SME and VCSE spend and the cumulative spend is 63%. We recognise the role that SME/VCSEs can and do play in providing a range of goods and services, and the benefits they bring in supporting significant projects. SME/VCSEs can access a range of tendering opportunities through the MoJ and our supply chain by:

- bidding directly for MoJ contracts - participating in open tender processes and submitting competitive bids

- joining framework agreements or Dynamic Purchasing Systems - becoming part of established framework agreements that allow for simplified procurement processes.
- working in supply chains - partnering with our large suppliers or agencies to provide specialised products or services.

We use our knowledge of the market to assess different commercial tendering options that will enable us to work with the right suppliers. We conduct early engagement to increase the breadth of competition to ensure we consider innovative solutions and to improve value for money.

Third Sector Partnership Board

The HMPPS Third Sector Partnerships and Programmes team is responsible for third sector and strategic engagement and the management of HMPPS' grants programme; the team also co-ordinates and manages the Third Sector Strategic Partnership Board (TSSPB). They encourage greater consideration in HMPPS and MoJ of third sector organisations as significant partners for developing policy and making changes to the service.

The [Third Sector Partnership Approach](#) has been developed by HMPPS and MoJ and seeks to strengthen and maximise engagement with the third sector. It includes a summary of the key high-level principles which underpin our ways of working with the Third Sector. These principles are strongly aligned to HMPPS and MoJ objectives to protect the public and reduce re-offending and are underpinned by an Action Plan which is overseen by the TSSPB.

The Third Sector Partnership and Programmes team is supporting the rollout of the Small Grants Pilot Scheme, designed to simplify the grant giving process for low-value, low-risk grants of £10k and under. The Small Grants Scheme has been successfully piloted across several prisons and probation services in England and Wales, demonstrating the effectiveness of a streamlined grant management process for low-value, low-risk grants £20,000 and under. HMPPS has awarded eight voluntary, community, and social enterprise (VCSE) sector organisations a total of £3 million over three years (2026-2029). Following a highly competitive grant process, which attracted an exceptional field of applications from across England

and Wales, the organisations were selected to deliver programmes based on the Independent Sentencing Review recommendations.

The MoJ values the voluntary sector in how it supports prisoners with education, employment, health and wellbeing, through to resettlement in the community when they are released, supporting families affected by imprisonment or delivering restorative justice programmes.

The MoJ and [Clinks](#) have a collaborative relationship aimed at improving the criminal justice system. Clinks act as a bridge between the voluntary sector and the MoJ, primarily through the Reducing Reoffending Third Sector Advisory Group. Clinks is an umbrella group for voluntary sector organisations (c.800 voluntary and not-for-profit organisations) working with offenders and their families partly funded through an HMPPS grant.

[Read more](#) on how Clinks are supporting voluntary organisations working in prisons and the innovative work of their members working in prisons.

Innovation

Innovation is essential to the MoJ as we strive to find the right businesses to help us with some of the organisation's challenges. In November 2024, the MoJ partnered with the Department for Work and Pensions to provide a 'reverse pitch' event across three locations, Leeds, Manchester and London. Thirty-four small businesses were invited to help us work through problems about important issues that we face. The 'reverse pitch' event provided an opportunity for the department to talk to SMEs about the problems we need the businesses to help us solve. We aimed to identify some new innovative ideas to help answer some of our biggest challenges in different ways.

This proactive approach demonstrates our efforts to engage with external expertise and create partnerships that can create influential solutions. By working with us, SMEs and VCSEs gain a unique opportunity to contribute to significant public sector challenges, pilot their innovative solutions within a real-world context, and potentially secure valuable contracts within a large and influential government department.

Links to departmental commercial opportunities

Direct Opportunities

One of the most important things contracting authorities can do is to provide the market with information about current and future public contract opportunities by publishing a forward-looking procurement pipeline. The Procurement Act 2023 achieves this by requiring the publication of pipeline notices in certain circumstances. This is of particular benefit to SMEs, as it provides them with time to plan for future work, ensuring a competitive and diverse market.

Pipeline notices (UK1) for any intended requirement over £2 million are published on [Find a Tender Service](#). Our pipeline notices are a forward look for 18 months and are reviewed and updated every 6 months, or as necessary.

[Read about how to look at the notices, notifications and the use of data](#)

[Search and apply for contract opportunities](#)

Joining Frameworks / Dynamic Purchasing Systems

Joining a commercial agreement, such as a framework or a Dynamic Purchasing System (DPS) can put SMEs in front of buyers actively seeking their services.

- Framework agreements establish terms for future contracts, providing a pool of pre-selected suppliers from which public sector buyers can call off orders.
- DPSs are an "always open" electronic list of pre-qualified suppliers that public sector buyers use to quickly and flexibly purchase goods, services, or works.

[Search the Crown Commercial Service commercial agreement pipeline for upcoming agreements](#)

Joining a Supply Chain

If as a small business, you want to look at what businesses have been awarded under the Procurement Act 2023, you can look on [Find a Tender Service](#) to refer to these contracts to identify our suppliers. You can use this information to search for opportunities to bid for. Or you can search for opportunities that have been awarded to a larger business. They will often subcontract elements of the work packages to smaller/niche suppliers.

Further information on [how to do business with our department](#).

Departmental supplier events

We engage with the market through in-person supplier events across the country and where appropriate host online engagement events. Information on events can be found on the [Find a Tender Service](#). The Government Commercial Agency also has an [events page for frameworks](#).

Our actions and milestones¹

Improvement action	Benefit to SME/VCSEs	Milestones
Improving SME/VCSEs guidance and communications		
We will produce concise step by step guidance in plain English on bidding for contracts and becoming a supplier by October 2025. Lead: Commercial Standards	SME/VCSEs will be better able to understand public procurement processes and how to find and bid for contracts. SME/VCSEs gain confidence and knowledge to navigate the contract bidding process.	Desktop review of existing guidance from external and other departments' GOV.UK pages for examples of good practice. Develop new guidance suitable for SMEs/VCSE in collaboration with relevant stakeholders.

¹ This section will be updated annually

		Share guidance on MoJ GOV.UK page and possibly through other channels identified.
What we have delivered to date: • A comprehensive SME and VCSE supplier guide is published on GOV.UK, providing clear, step-by-step support to help suppliers identify opportunities, bid for contracts, and deliver successfully for the MoJ. • Co-developed with stakeholders, the guidance is structured around the end-to-end procurement lifecycle, ensuring alignment with government best practice. • Publicly available and shared with SME and VCSE networks, the guide improves transparency and accessibility, equipping suppliers with the knowledge and confidence to engage with MoJ opportunities. Status: Completed.		
We will review and refresh existing published commercial guidance on our MoJ procurement pages to update unexplained acronyms and jargon by October 2025.	Guidance will be accessible to a wider audience and allow non-experts to engage with information more easily and avoids the risk of appearing overly technical or exclusive.	Review existing guidance within the MoJ's remit. Plan and execute updates as required. Publish updated guidance.

Lead: Commercial Standards	It also ensures that all readers, including those unfamiliar with specific terms, can understand the content, therefore reducing confusion and misinterpretation.	
What we have delivered to date: We assessed the clarity of content available on MoJ procurement webpages, identifying areas where specialist terminology and abbreviated terms could present barriers to understanding, and made targeted updates to simplify language. The webpage content has been updated to make information more accessible to a broader audience and to support SMEs and VCSEs in navigating procurement processes with greater confidence. Status: Completed		
We will improve the communications of MoJ commercial events to improve reach and accessibility by November 2025.	SME/VCSEs will benefit from enhanced visibility of a wide range of MoJ events, making it simpler to find and access the events.	Identify relevant networks that the MoJ currently uses and find additional through relevant stakeholders.

Lead: Commercial Standards & relevant commercial teams	Suppliers will be able to access information on a wider range of events on MoJ pages and links to the appropriate channel(s) where notices and events are communicated.	Seek regular feedback on effectiveness from stakeholders.
What we have delivered to date: • Communication of MoJ commercial engagement events has been strengthened through a more structured and consistent approach across departmental and cross-government channels. • In line with government requirements, all market engagement activity is published on the Central Digital Platform (Find a Tender), providing a single, transparent route for suppliers to identify opportunities and broadening reach to SMEs and VCSEs. • MoJ commercial teams have attended 'Meet the Buyer' events. These events are held to increase participation in government contracts from a more diverse supplier base. Status: This action will continue to be built upon through sustained use of the Central Digital Platform, collaboration with cross-government initiatives, and ongoing engagement with sector partners.		

We will continue to engage with Prison Education Dynamic Purchasing System (PEDPS) qualified suppliers, through multiple routes including a PEDPS newsletter and webinars. Lead: Rehabilitation Services in Custody team	SME/VCSEs will receive helpful insight and information on PEDPS contracts, developments in the sector and future planned events. Facilitates communication between PEDPS suppliers and the PEDPS team.	The newsletter will be published autumn 2025.
What we have delivered to date: • As of the start of June 2026, the PEDPS has delivered 333 call-off contracts. The estimated spend in the current FY is £6.5m, of which 89% (£5.81m) is with SMEs. It is anticipated that this figure will increase as more call-off contracts are placed. • A PEDPS supplier newsletter was produced and published in the Autumn 2025, with a further edition in development for Summer 2026 to maintain regular communication and share upcoming opportunities with suppliers. • Planning is underway for a PEDPS supplier engagement event by late 2026. This will provide a forum to connect service commissioners with suppliers. • The CFO Evolution call-off contracts have been approved for extension. VCSE suppliers are expected to benefit from the additional funding over the two-year period, subject to agreement with the terms of the contract extension.		

Status: Further work ongoing to maintain improved communications.

Improving SME data

We will improve our process for identifying suppliers using Data Universal Numbering System (DUNS) where the information is missing to more accurately capture and report SME data by December 2025.

Lead: Commercial Systems BI & MI team

Having a central record of information makes it simpler SME/VCSEs to get registered as a supplier.

Better tracking of spending with SME/VCSEs can lead to the Ministry of Justice recognising the importance of working with smaller businesses and potentially creating more opportunities for suppliers in the future.

Commercial systems team to work with systems lead to implement changes.

Develop a master record of suppliers DUNS information that can be added to as and when new suppliers are registered.

To have improved annual reporting on SME spend data.

What we have delivered to date:

- This action has been completed through a targeted data improvement exercise to address gaps in supplier Data Universal Numbering System (DUNS) coverage within our procurement system. We worked with data specialists to undertake a bulk data matching exercise for suppliers with missing DUNS numbers, successfully matching a significant proportion of previously unmapped suppliers.
- In parallel, data enrichment activity was undertaken to improve VCSE identification, enhancing the quality and reliability of VCSE data.
- We updated our supplier set-up guidance to support colleagues in selecting the correct SME and VCSE classifications when a supplier is registered.

Status: Completed. The exercise has reduced reliance on manual intervention, improved data completeness, and strengthened the accuracy of SME classification and reporting, supporting more robust data returns. An ongoing assurance process is now in place, with monthly identification and updates of suppliers without DUNS numbers. This is embedded into business-as-usual activity to prevent future data gaps.

Enhancing ways of working

Custodial Services team (Grants and Victim Services) will:

- use the Find a Grant platform to advertise early engagement questionnaires or expressions of interest to engage the sector

SME/VCSEs will have earlier and more direct opportunities to shape future Victims and Witnesses service contracts, making it easier for you to

To be delivered from Apr 2025 to March 2030:

- develop a 'Victims & Witnesses Service Category Strategy' that supports the Victims & VWCI Unit to fulfil their strategic objectives

at early stages of design and test market appetite at design/development stage. We will also incorporate findings were possible into subsequent commissioning strategies (particularly where any barriers to VCSE sector inclusion have been identified). consider alternative procurement methods and/or splitting contracts and grants into smaller lots where possible or encouraging consortia applications/bids to support the inclusion of smaller/region-specific organisations in future commissioned services on an ongoing basis. Lead: Grants & Victim Services, Custodial Services team	get involved and build stronger, more sustainable organisations.	- by the end of June 2025, a first draft of the Victims and Witnesses Category Strategy will be completed. This draft will align with other relevant strategies to ensure a joined-up approach across services. - the team is awaiting the outcome of the Spending Review (mid-June 2025), which will inform the finalisation of the strategy. Current and ongoing - the team is actively exploring alternative procurement methods and using the Find a Grant platform to support early market engagement. Early results Q2 2025 - Initial use of the Find a Grant platform has shown positive engagement outcomes, particularly with small and niche providers. This is expected to enhance future engagement activities and support efforts to broaden and diversify the supplier market.
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What we have delivered to date:

- The Find a Grant platform continues to be used to publicise opportunities for the VCSE sector and support early market engagement (e.g. Expressions of Interest and pre-engagement questionnaires), enabling commissioning approaches to better reflect VCSE sector needs, such as grant duration.
- Where redesigning services into smaller or geographic lots has been challenging, alternative approaches have been adopted, including encouraging consortium bids—evidenced by competitions attracting interest from new VCSE consortiums.
- The Victims and Witnesses Category Strategy was deferred due to a major review of victims spending. The reform work that the policy team are undertaking this summer will then inform our Category Strategy which we plan to have finalised by the end of this financial year.
- Alternative procurement approaches continue to be explored across commissioned services, with early engagement via Find a Grant supporting service design and market insight.

Status: Ongoing.

Create a 2-way interface with SME/VCSEs through engagement with the Third Sector Partnership Forum in relation to education and resettlement activities in a prison environment.

Maintains an additional communication channel with the third sector and enables the collation of feedback.

Ongoing monthly meetings in conjunction with the commercial probation team.

Use the Clinks Light Lunch weekly newsletter when appropriate to cascade information into

Lead: Rehabilitation Services in Custody team	It also strengthens connections and understanding of the third sector to support engagement in the services. Both suppliers and MoJ have a continued understanding of the barriers that SME/VCSEs face and ways identified to remove them.	the marketplace and attract new suppliers onto the PEDPS.
What we have delivered to date: • The Rehabilitation Services in Custody team are engaging with Clinks—the national infrastructure organisation supporting voluntary sector providers in the criminal justice system and have worked with them and the Commercial Probation team during the launch of future probation service procurements. This has established momentum for more consistent, ongoing engagement. Status: Ongoing		

New Commitments (from April 2026)		
Improvement action	Benefit to SME/VCSEs	Milestones
We will hold a range of round-table discussions with the VCSE sector and other stakeholders by Autumn 2026 to inform our reform work. The policy team will undertake reform work that will inform the Victims and Witnesses Category Strategy. Lead: Grants & Victim Services, Custodial Services team	An improved understanding of any barriers that the sector face in terms of participating in our future procurement exercises.	Events to take place by Autumn 2026 to inform reform work and our Commercial Category Strategy.
Through Clinks, the Third Sector Partnership team will provide a national database of VCSEs working within the criminal justice sector. It will be searchable by multiple functions, including	This will enable greater transparency and information sharing amongst the sector. It will help identify gaps in services and areas of duplication.	National database to be published end of July 2026 with a period of continuous improvements over the next 6 months.

area, type of service provided, cohort of people they support. It will be publicly available on the Clinks website as a directory of services. Lead: Third Sector Partnership team		
Strengthen and protect SME/VCSE participation in community support services supply chains. Key activities: • embed collaboration and partnership behaviours within contracts • strengthen protections and ensure named partners are genuinely involved in delivery • improve visibility and direct engagement opportunities between MoJ/HMPPS and supply chain organisations Lead: Probation Sourcing team	Increased sustainable SME and VCSE involvement in community support delivery by creating a transparent, fair and collaborative supply chain environment.	Launch collaborative partnership assessment process and governance discussions with suppliers by January 2027. First annual Best Practice Forum involving primes and supply chain partners by July 2027. Review SME/VCSE participation levels, supply chain health and partnership scores and identify further improvements by July 2028.

Improve market readiness and accessibility for SME/VCSE organisations. Key activities: • simplify procurement documentation and reduce unnecessary complexity • provide sufficient bidding timescales and advance notice of opportunities • support organisations to meet cyber security, information governance, and other service enabler requirements Lead: Probation Sourcing team	Reduce barriers to entry and improve the capability and confidence of SMEs and VCSEs to bid for and deliver community support services.	Evaluate participation rates and bidder feedback in July 2026 to refine support offer. Implement simplified procurement documents and guidance from July 2026 – January 2027.
Embed fair payment commercial practices. Key activities: • mandate 30-day payment terms throughout supply chains • require quarterly prompt payment reporting.	Improve the financial sustainability of SMEs and VCSEs by ensuring fair payment terms, transparency and responsible commercial behaviours throughout the supply chain.	Introduce payment and reporting requirements into contracts by January 2027. Establish monitoring and reporting framework by July 2027.

• monitor payment performance and require improvement plans where standards are not met • increase transparency around pricing, profit and delivery costs • use evaluation approaches that focus on value, quality and social impact rather than lowest price Lead: Probation Sourcing team		First quarter supply chain payment performance report by October 2027. Ongoing review of compliance and agree improvement plans where required.
Promote social value and collaborative partnership working. Key activities: • use collaborative partnership assessments to drive behaviours and continuous improvement • hold annual Best Practice Forums. • share good practice and lessons learnt across providers.	Create a commissioning environment that recognises the unique strengths of SMEs and VCSEs and rewards collaboration, innovation and social value.	First collaborative partnership assessments by October 2027. First annual 'Best Practice' forum held by July 2028. Continuous improvement actions agreed and tracked by July 2028.

• encourage innovation and local specialist delivery. Lead: Probation Sourcing team		
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Case studies

Supporting SMEs and VCSEs to Supply the Ministry of Justice

The MoJ has developed and published new supplier guidance to improve access to public procurement opportunities for small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs).

The guidance provides clear, practical support to help organisations understand the procurement process, identify opportunities, and submit competitive bids, supporting the department's commitment to a more accessible and transparent commercial system.

SMEs and VCSEs play a critical role in delivering public services but often face barriers to entering public procurement markets, including complex processes, limited visibility of opportunities, and lack of familiarity with government systems.

The introduction of the Procurement Act 2023 further highlighted the need for clear, accessible guidance to help suppliers understand evolving processes and requirements.

Action Taken

The MoJ designed and published a comprehensive supplier guide tailored specifically to SMEs and VCSEs.

The key features of Supplying the Ministry of Justice, a SME VCSE Guide include:

- **End-to-end guidance** covering the full procurement lifecycle (Plan, Define, Procure, Manage, Support)
- **Practical, step-by-step advice** on sourcing opportunities, bidding, and contract delivery

- **Clear signposting** to key platforms such as Find a Tender Service and the MoJ eSourcing system
- **Accessible, plain English content** supported by examples, tips, and frequently asked questions

The guidance also reflects policy priorities by:

- Aligning with the **Procurement Act 2023**
- Promoting **early market engagement and lotting** to widen access
- Supporting suppliers to demonstrate **social value** in bids

Impact

This guidance strengthens the MoJ's ability to engage a diverse supplier base and supports SMEs and VCSEs to compete more effectively for government contracts. It contributes to:

- Improved understanding of procurement processes
- Increased confidence among smaller suppliers to bid
- Greater visibility of both direct and supply chain opportunities

The MoJ already spends over **£1.5 billion annually with SMEs and VCSEs**, demonstrating the scale of opportunity available.

Wider Benefits

- Supports delivery of SME and VCSE spend targets
- Contributes to a more competitive and resilient supplier market
- Enhances transparency and accessibility of MoJ procurement
- Reinforces the role of procurement in delivering wider social and economic value

We will continue to promote the guidance through supplier engagement channels.

Swift Maintenance and Corsair Engineering Limited Delivering Heavy Catering Contracts

With the aim of improving quality and cost against a long-standing contract, a novel lot structure was adopted for the supply of heavy catering equipment to HMPPS. The contracts were awarded through three separate call-off competitions via the ESPO 98/22 framework, which was won by two SMEs, Swift and Corsair.

Swift Maintenance will be supplying heavy catering equipment to HMPPS for the first time in the supplier's history and the first new supplier since 2005. Corsair Engineering has a history of providing trolleys and food transport for HMPPS, won the competition for food transport. This is the first time this company has been awarded this specific contract.

The procurement approach taken tested whether an SME or different supplier could provide these services, given the low financial risk and comparatively low value. It also sought to prevent a sole supplier situation from emerging due to decades of consistent awards to one supplier.

The expected benefits are:

- this is the first time in 20 years that the contract will be delivered by another supplier, driving future competition in the market and preventing future procurements from being uncompetitive
- the two SMEs awarded contracts will further develop the market for these specific prison-related items
- significant savings across lots with materially less per removal of items
- a range of new products that fulfil specifications, driving 15-20% savings across a basket of goods
- as the incumbent production is in the US, the new suppliers will provide reduced lead times alongside further business for UK manufacturers

- negotiations are taking place with Corsair about refurbishment options for trolleys. It is highly likely this is achievable
- Swift Maintenance intends to use subcontractors in regions, along with existing relationships with manufacturers to provide the scale needed for end of year provisions
- following the first year of the contract Swift Maintenance will likely be in a more secure financial footing, with a mature set of supply chains enabling it to compete effectively in future with other large suppliers

During the mobilisation phase there will be weekly contract management meetings, and the SMEs will be supported. The contract heavy catering contract is valued at circa £3 million and will run till 2027 with an option of a 1-year extension.

HMPPS Light Catering Equipment Contracts

In 2022 MoJ commercial ran a procurement for light catering equipment for use in HMPPS. The contract was won by a family-run SME, W V Howe Limited, the second time they have won this contract from an open tender. When engaging with the market, it was found that a good majority of the interested suppliers were SMEs. Out of the 7 that expressed an interest in the initial Prior Information Notice, 4 were SMEs. The approach was then tailored to further supplier engagement that provided support, clarity and guidance to small companies who were not used to bidding for large government contracts. A market engagement event was held over MS Teams to help SMEs understand what was needed if they wanted to bid. The topics covered included:

- the nature of the prison service, including geographical spread, delivery restrictions and security requirements
- information on how the tender will be evaluated
- the importance of social value, what the themes are, and how it will be assessed
- how to complete a Modern Slavery Assessment
- setting up an account on Jaggaer (e-procurement system)

- the bidding process, including how to communicate with MoJ commercial via clarifications
- best practice when writing a bid

After the market engagement event 1-2-1 sessions were offered, and the possibilities of suppliers 'partnering' with each other if they could only supply a certain product range or didn't have the logistics for national supply were recommended.

5 bids were received following the launch of the tender, 3 of which were from SMEs (2 small and 1 micro company) and all bids were compliant. After completing the evaluations, the top 3 scoring suppliers were all SMEs, showing that the engagement we did with them helped them produce better bids than some very large national companies. The contract was awarded to the supplier W V Howe, and they have consistently gone over and above to serve the contract and assist prison catering staff with their requirements. W V Howe, has said the MoJ contract has increased their buying power on products due to the quantities that the MoJ purchases. It has also provided greater company stability and increased their standing with major manufacturers due to winning the contract.

The Legal Aid Agency's Standard Civil and Standard Crime Contracts

SME law firms make up about 80% of the legal services market in England and Wales. The legal aid sector includes around 2,000 law firms and not-for-profit organisations, ranging from sole traders to multi-office firms. They provide crucial legal assistance, such as advice for those at risk of losing their homes or during police interviews.

The LAA's 2024 Civil Contract and 2025 Crime Contract aims to support market sustainability by reducing administration and barriers to entry. Legal aid providers often lack experience in bidding for non-legal aid contracts, making simplicity crucial in the procurement approach.

The LAA aim to balance proportionate controls with less prescriptive operations, placing the onus on providers to implement their own business and professional controls. To achieve these aims they have introduced the following measures into Crime and Civil contracts:

- increasing the Crime Contract term from 3 years to 10 years to reduce administration for providers and the LAA attached to tenders, and to provide greater certainty to providers for business planning. They also plan to introduce similar changes to the next Civil Contract, due for renewal on 30 June 2027
- adopting an 'always on' procurement approach to allow suitable Civil and Crime new entrants to join whenever they wish during the contract period. Previously firms could bid for a contract only at the initial tender
- allowing existing providers to expand their office and duty scheme network at any time during the life of the contract

The LAA have introduced further changes in the 2025 Crime Contract to reduce administration for providers and increase flexibility, and will also roll them out in our other contracts as they come up for re-tender:

- based on provider feedback, the LAA has revised its supervisory requirements to balance appropriate supervision with greater flexibility for providers in how they demonstrate the effectiveness in their supervisory measures
- relaxing office opening hours requirements for certain areas like Prison Law allowing providers to operate in line with local factors, including demand
- reducing Specialist Quality Mark audit frequency from 3 to 5 years
- simplifying contract and procurement documents by about a third has reduced duplication, leading to earlier and more effective provider engagement

The LAA are talking to stakeholders about the requirement for legal aid providers to maintain physical offices. This is a significant overhead, and they plan to discuss the benefits and disbenefits of this requirement, balancing the need for local face-to-face

advice with greater flexibility for providers to make business decisions based on local factors as well as professional obligations.

The LAA engaged with various stakeholders, including practitioner bodies and legal aid contract holders, for the 2025 Crime Contract. This contract, effective from 1 October 2025, was the subject of a formal engagement exercise with the Law Society and Bar Council. A Headline Intentions document was published in May 2024, followed by draft contract copies in September 2024 to allow the market time to prepare.

The profession has broadly welcomed the 10-year contract duration and 'always on' procurement approach as steps to reduce administration and increase flexibility. The LAA will monitor the model throughout the contract's duration.

Market Engagement Event 2024: Connecting with Suppliers for Future Service Contracts

In 2024, the MoJ Residential Accommodation team hosted an in-person market engagement event to gather insights and ideas from suppliers on the next generation of Community Accommodation Service Tier 3 contracts. The event aimed to connect with a diverse range of suppliers, including SMEs and VCSEs across the country, encouraging networking, collaboration, and knowledge-sharing while deepening the team's understanding of suppliers' needs.

Pre-event online launch

To ensure the in-person event was as relevant and influential as possible, a short online launch was held. This session introduced the event's objectives, outlined important commercial requirements, and captured real-time supplier feedback through live polls and QR codes. Suppliers expressed interest in learning more about people on probation and accessing important services, which helped tailor the in-person event to better meet their needs.

In-person market engagement event

The event used a World Café format, enabling suppliers to engage directly with the team in a more informal and interactive setting. Subject matter experts were also present to provide broader context on rehabilitation and reducing reoffending, enriching the discussions. This dynamic approach enabled open and productive conversations, creating a positive and engaging atmosphere among attendees.

Outcomes and effects

Suppliers found the event highly informative, valued the new connections made, and expressed enthusiasm for continued collaboration. The event successfully demonstrated the importance of engaging with suppliers, understanding their needs, and encouraging strong industry relationships.

By adopting an innovative and well-structured approach, the team not only had meaningful discussions but also laid the groundwork for ongoing collaboration and market development.

Prison Education Dynamic Purchasing System (PEDPS)

Launched in late 2018, the Prison Education Dynamic Purchasing System (PEDPS) enables prison governors to commission local education services tailored to the needs of their prison populations. The PEDPS comprises 17 service categories across 5 geographical regions. Suppliers apply to qualify for a category within a specific region.

This regional approach supports SMEs and VCSEs by allowing them to focus on prisons in their local areas. The geographical regions are the Northwest, Northeast, Midlands, Southwest and London and the South. There are currently 104 prisons within these regions that can use the PEDPS to commission education and resettlement services. The 17 service categories in PEDPS are:

- Catering and Hospitality
- Construction, Planning and the Built Environment
- Cleaning and Facilities Management

- Engineering and Manufacturing Technologies
- Retail and Commercial Enterprise
- Health, Public Services and Care
- Business, Leadership, Administration and Law
- Arts, Media and Publishing
- Agriculture, Horticulture and Animal Care
- Sport, Leisure, Travel and Tourism
- Science, Humanities and Languages
- Information and Communications Technology
- Life Skills
- Services to Support Individuals with Additional Learning Needs
- Other Educational Services
- Resettlement Services
- Preparation for Work

As of May 2025, 514 suppliers are qualified on the system, with 80% being SMEs and at least 30% VCSEs. Between 2018 and the end of March 2025, 1,592 contracts have been awarded to 211 suppliers, committing £111 million. 70% of these contracts were awarded to SMEs and 38.9% were awarded to VCSEs.

These contracts have delivered bespoke education and resettlement services in over 100 prisons across England, helping prisoners gain qualifications and improve their employment prospects post-release.

HMP Fosse Way – Working with SMEs and Social Enterprises

Lendlease is a main contractor for one of MoJ's design and build contracts. The contract from 2019 to 2025, provides bed spaces, house blocks and ancillary buildings at HMP Fosse Way. The contract, valued at £380m+ has delivered an SME spend above £130m and has seen 71 people who were released on temporary licence involved in the construction project.

Wilson James, a Lendlease supply chain partner worked with the social enterprise Community Wood Recycling to enable the recycling of waste wood pallets that created jobs and training for disadvantaged people, and which has greatly benefitted the environment.

With nearly a fifth of all SMEs operating within the built environment, Lendlease considers these businesses a vital part of the construction industry and an important area for any project with the capacity to help them grow.

SME spend has largely been for purchasing construction material and other construction related activities, such as haulage, drugs and alcohol testing, catering and other items.

The project also created spend at HMP Fosse Way with VCSEs on community projects, volunteering and providing charitable donations. VCSEs have provided office supplies, delivered community projects, volunteering, and recruitment and training services.

One social enterprise has reinvested the profits from HMP Fosse Way into further upskilling and training candidates who are on release on temporary licence or are prison leavers. For candidates who have completed their 'Step into Construction' course, the training allows them the opportunity to make progress into direct employment opportunities with other contractors. Other qualifications also provided included 'dumper', 'roller' and 'Site Management and Supervision Safety Training Scheme' training.

HMPPS Prison Food Contract

The prison food contract presents excellent opportunities to increase SME spend within the contract supply chain. It has a large volume of spend per annum, and over 1000 catalogue items.

Under the previous iteration of the contract, our supplier Bidfood, along with the MoJ Commercial department, sought opportunities with SMEs through the contracted

'Meet the Buyer' event which happens annually. There was a tailored approach for subcontracting with SMEs to help remove the barriers that would usually disadvantage smaller businesses. The approach included using shorter payment terms, flexibility around minimum order quantities, assisting with deliveries into the main supplier depots, and accepting alternative food accreditations that were more attainable to small suppliers.

Through the 'Meet the Buyer' event, Kirtons Bakery were awarded volume through the MoJ contract, and this has greatly boosted their business. Their supply on the contract went from £6,000 to £500,000 within 3 years, and they now supply to major retailers and food service providers.

MoJ commercial monitor the SME spend monthly as part of the contract and take the size of subcontractor into account when making decisions whether to switch supply of a catalogue product or add something new and will always support an SME supplier where possible.

Our spend with SMEs

Our target of 22% direct spend with SMEs over the next three years is both ambitious and achievable and builds on a strong foundation of our past performance. Historical procurement data demonstrates that we have a robust SME supplier base, and it provides clear evidence of the progress we've already made in this area.

The target was established following detailed analysis of our spending trends, our forward project pipeline, the future direction of our contracts and services and factors influencing them. We also considered the complexity of some services (particularly specialist services), areas where spend will be consolidated and the overall management requirements of our supplier landscape. Our procurement strategies that balance multiple priorities i.e., leverages scale and speed to market, that fulfils sustainability commitments etc., also support SME engagement.

Approximately 60% of our commercial activity is conducted through established frameworks, primarily via Crown Commercial Services. This reflects the MoJ's procurement profile, which includes significant contracts with large prime contractors. These primes, in turn, support a wide ecosystem of SMEs, contributing to broader economic growth.

Recent analysis of main SME suppliers from 2024/25 revealed that two have grown beyond the SME threshold. While this reclassification affects our SME data, it also highlights the positive economic impact and growth potential of our supplier base.

Our 22% direct spend trajectory reaffirms our commitment to support the government's broader mission to drive economic growth through inclusive and strategic procurement.

The following table shows MoJ total procurement spend and spend with SMEs:

Financial year	Direct spend with SMEs % Target	Total procurement spend (£ million) ²	Direct spend with SMEs (£ million) ³	Direct spend with SMEs %
2021/22	n/a	5703	1409	24.70
2022/23	n/a	6031	1418	23.52
2023/24	n/a	6731	1552	23.06
2024/25	n/a	6946	1549	22.30
2025/26	22% target to be achieved by 2028	7571	1625	21.46

The increase in overall procurement spend to £7.6bn has enabled a corresponding growth in SME participation in absolute terms, with SME spend rising to a record £1.625bn. This demonstrates that SMEs continue to benefit from increased departmental spending and remain a significant delivery partner.

Executive agencies and non-departmental public bodies (NDPBs)

Total of parent department's Executive agencies and non-departmental public bodies (NDPBs) (where total procurement spend is in excess of £100m per annum).			
Financial year	Total procurement spend (£ million)	Direct spend with SMEs (£ million)	Direct spend with SMEs %
2025/26	6555	1562	23.83

Individual Executive agency and non-departmental public body (NDPBs) where total procurement spend is in excess of £100m per annum				
Financial year	Executive agencies	Total procurement spend (£ million)	Direct spend with SMEs (£ million)	Direct spend with SMEs %
2025/26	LAA (Civil)	2145	1308	61
	HMCTS	837	76	9
	HMPPS	3573	178	5

[View historical MoJ and central government spend with SMEs](#)

² Total procurement for the FYs shown has been amended since the initial publication of the Action Plan following data enhancements and to exclude grants expenditure.

³ SME spend for the FYs shown has been amended since the initial publication of the Action Plan following data enhancements and to exclude grants expenditure.

Our spend with VCSEs

We work closely with VCSE organisations across a range of commissioned services and expect this partnership approach to continue through forthcoming re-procurements.

A significant proportion of MoJ services delivered by VCSEs is funded through grants. While this is an effective funding route, grant expenditure is not in scope of the direct VCSE spend target.

The following table shows MoJ total procurement spend and spend with VCSEs:

Financial year	Direct spend with VCSEs % Target	Total procurement spend (£ million)	Direct spend with VCSEs (£ million)	Direct spend with VCSEs %
2021/22	n/a	5703	86	1.50
2022/23	n/a	6031	103	1.71
2023/24	n/a	6731	187	2.77
2024/25	n/a	6946	159	2.28
2025/26	n/a	7571	145	1.92

Our payment performance

Government is leading by example and paying our suppliers promptly. Late payment is an issue for businesses, especially smaller businesses, as it can adversely affect their cash flow and jeopardise their ability to trade. The government recognises that the public sector should set a strong example by paying promptly. The public sector is required to pay their suppliers in 30 days and report on their performance on an annual basis. 30-day terms also apply in public sector supply chains. Our department's latest payment performance is set out below.

Latest report covering fourth quarter 2025-26:

- 88.75 Percent of invoices were paid within 5 days
- 98.09 Percent of invoices were paid within 30 days

[View our payment statistics](#)

[View further information on government's payment policy and legislation](#)

SME Hub

The [small and medium business hub](#) is a dedicated space for SMEs looking to work with the government. Here you will find links to other departmental Action Plans and centralised guidance on bidding for government work.

Contact us

Commercial Standards - SME-Enquiries@justice.gov.uk

[Find out about our department](#)