



Procurement in schools and trusts

Guidance for governing boards

Effective procurement ensures that the goods and services schools need are of the right quality, quantity and price, delivered at the right time. Procurement is conducted by school leaders and business professionals and is bound by legislation and regulation.

This guidance is intended to help governing boards ensure that every purchase secures good value for money and follows a fair and transparent process. All governors and trustees should take an interest in procurement; however, this guide will be of particular interest to finance and resources committees.

Why procurement matters

Effective procurement links to the board's wider financial oversight through:

- **Strategic decision making** – ensuring purchasing decisions align with the board's strategy for the school or trust and its educational goals.
- **Planning for financial sustainability** – ensuring procurement practice optimises the use of available resources and continues to deliver value over time.
- **Financial probity** – ensuring compliance with public procurement regulations and procedures coupled with public standards of accountability.
- **Managing risk** – to avoid issues such as non-compliance, contractual disputes and penalties.

Effective procurement does not always mean securing the lowest price; the process should also consider quality and technical requirements as well as the needs of pupils and other stakeholders. For example, considering the nutritional content of pupils' meals when procuring a catering service.

1. How procurement works in schools

Good procurement practice requires schools to work through various stages depending on the value and complexity of the purchase. This helps to ensure probity and minimises the risk of costly mistakes. The stages are not necessarily sequential and include:

Stage	Activities
Plan	<ul style="list-style-type: none"> Obtaining market knowledge Needs analysis
Define	<ul style="list-style-type: none"> Business case, options appraisal and/or rationale for purchase Specification (description of requirements) Purchase options
Procure	<ul style="list-style-type: none"> Comparing quotes and tenders (cost and delivery of requirements) Awarding a contract and payment Ordering
Manage	<ul style="list-style-type: none"> Managing supplier relationships and handling any changes Contract management Measuring the effectiveness of the purchase during its life

Reviewing procurement procedures

Procurement rules and procedures set by the school, trust or local authority as appropriate are integral to the process and the board’s oversight of it. Procedures should comply with [public procurement policy](#) and procurement law.

The Procurement Act 2023 (PA 2023) will come into force on 24 February 2025, bringing significant changes to the regulations that govern UK procurement. The Act aims to increase transparency, flexibility and provide greater oversight. Whilst schools and trusts are exempt from the more onerous reporting regimes, transparency requirements will increase (over certain thresholds). The government is also reviewing the National Procurement Policy Statement, and this will be published to coincide with the implementation date of the new Act.

Information on the changes can be found from [Cabinet Office](#) and the [CPC](#) and [YPO](#) have also produced guidance on the reform. Boards should ensure that their school or trust leaders and business professionals keep up to date with implementation of PA 2023.

All schools and trusts will need to ensure that their policies and procedures are updated in line with PA 2023 (for maintained schools, this will likely be supplied by the local authority) and set out:

- what needs to happen at each stage of procurement
- who is responsible for what at each stage, including the separation of duties between staff responsible for making purchasing decisions and making payments
- threshold values and requirements, including when to obtain written quotations and tenders
- which Notices are required

Once procurement rules and procedures have been amended, **we recommend that boards review them annually, and establish:**

- how they align with finance policies and the scheme of delegation (in a multi academy trust)
- how they support effective procurement practice
- where they were sourced from and whether they have been adapted
- how relevant staff are made aware and trained to follow them
- how they are reviewed, kept up to date and remain compliant

Managing related party transactions

Related party transactions (RPTs) are those that can be controlled or influenced by one of the parties involved in the transaction. For example, when key staff or those governing, their close family members or business partners are associated with a purchase.

While schools and trusts are permitted to carry out RPTs, it is generally best to avoid them. Regardless, they must be managed appropriately within open and transparent procedures. Local authority maintained schools must declare and record any RPT through their annual [Schools Financial Value Standard](#) response. Academy trusts are required to [declare and seek approval](#) from the DfE for certain RPTs.

2. The governing board's role in procurement

In practice, the board's role is focused on:

1. **Approving purchases over the amount delegated to their executive leader** before the purchase is made. The amount delegated will vary – for example, the headteacher of a medium-sized primary school might be able to spend £10,000 without requiring governing board approval.
2. **Ensuring requirements for a competitive tendering process are followed, or buying from suitable Framework Agreements** when the amount exceeds a [public sector threshold](#).

The board will likely delegate these responsibilities to the finance and resources committee. In a multi academy trust (MAT), academy committees (local governing bodies) may be responsible for procurement decisions below a limit set by the trust board and set out in the [scheme of delegation](#).

Significant purchases, contracts and projects are managed more formally and therefore require greater scrutiny. This primarily involves the board or committee:

- examining the business case or rationale for the purchase,
- appraising options, and
- seeking assurance that all processes, procedures and regulations have been followed.

What to look for in a business case or rationale for a purchase

A good business case/rationale should set out and prompt questions on the following:

- why procurement is necessary and a priority
- how it supports the organisation's strategic priorities and educational goals
- alignment with the values of the school or trust
- measuring impact/outcomes, social value and the cost benefit of the procurement
- other options, such as in-house delivery, joint purchasing, loaning items or sharing resources
- relevant stakeholders and how they will be involved in the procurement process
- any risks associated with the procurement and how they are going to be mitigated/managed, including how due diligence will be carried out on the businesses bidding for the contract, for example, on their commercial viability and how they govern their data
- who in the school/trust has the knowledge and skills to conduct the procurement effectively
- the need for professional support or legal advice when reviewing terms and conditions for high value and complex purchases

Use professional advice

Governors and trustees should seek the advice of those with commercial capability and an understanding of the procurement process, such as business professionals, operational leads and school or trust staff with specialist procurement roles.

Get help buying for schools

Governing boards should encourage their school or trust to use '[Get help buying for schools](#)' – a free service delivered by the Department for Education (DfE).

This impartial service provides [general guidance on procurement](#) and [specific advice on buying certain goods and services](#). Their team of experts will help your school or trust to:

- use [DfE approved frameworks](#) which cover a range of goods and services – schools and trusts can be assured of compliance with the new Act when buying through here
- enter better value commercial deals and save money
- build commercial capability to deliver future procurement

Scrutinising the business case/rationale

The principles of best value, known as the four Cs, provide a useful point of reference.

- **Challenge** whether the school/trust needs the goods or services they want to procure.
- **Compare** with how a similar school/trust procures goods or services.
- **Consult:** what do relevant stakeholders want?
- **Compete:** has the marketplace been explored?

Exploring sustainable options and social value

Governing boards are increasingly making [environmental sustainability](#) an organisational priority. Including an environmental impact assessment in the business case promotes purchasing decisions that save money and reduce the carbon footprint. Opportunities may include:

- energy efficient heating and lighting
- sustainable waste management systems
- a reduction or phasing out of single-use plastic
- reducing emissions caused by the supply chain

Ask if sustainable procurement options are the first choice, then explore:

- the environmental impact of specification, supply and delivery
- how specification, supply and delivery might be adapted to reduce environmental impact
- alignment with organisational priorities and the [climate change strategy](#) for schools

PA 2023 includes increased emphasis on achieving social value outcomes when purchasing. This means prioritising procurement that benefits the community, environment, and social wellbeing. The board is responsible for monitoring and assessing the achievement of these wider societal objectives, and can consider asking questions such as:

- Have we engaged our wider community when planning strategic purchases?
- Are we incorporating relevant social value objectives into our evaluation criteria where appropriate?
- How do we ensure we work with suppliers who adopt high ethical standards, for example, fair working practices?
- Do our procurement outcomes support our local communities, such as creating jobs, or supporting small local businesses?

Refer to the government's [social value model and accompanying guidance](#) for further information.

3. How to influence effective procurement

Governing boards can significantly influence knowledge and understanding of procurement and support their schools and trusts to deliver their objectives.

Promoting procurement skills and understanding

Governing boards should receive assurance that everyone involved in procurement understands their role, responsibilities and level of delegated authority. The board should consider staff capacity and capability when identifying strategic goals for building skills and expertise and ensure that it receives sufficient investment to deliver the best value for the organisation. Relevant CPD might include accredited training courses, coaching and peer support networks.

Investing in procurement capability can drive financial efficiency and revenue generation. The investment needed will vary – for example:

- **Standalone schools** may create a business professional role at senior leadership level, with significant responsibility for procurement (which exceeds the financial investment in the role).
- **MATs may invest in the trust's central team**, creating a head of procurement role to deliver efficiencies and implement policies across the trust, as well as supervising day-to-day commercial activity.

The need for particular procurement expertise should always be proportionate to the complexity and risk profile of what you are buying.

We recommend that boards explore options with their executive leader, including whether additional procurement expertise can be used to support other schools and generate income.

When recruiting new governors or trustees, consider looking for someone who has commercial and/or procurement knowledge and expertise if the board has identified skills gaps in this area. You could also consider appointing a specialist to a relevant committee, either as an associate member in a maintained school or a non-trustee committee member in an academy trust.

Focusing on contract management

Effective contract management ensures that an organisation receives the agreed level of service and can also ensure achievement of the expected value for money and social value outcomes. The approach will vary depending on the nature of the contract – we recommend that boards gain insight into the way contracts are managed in their school or trust. In particular, communication with the supplier to monitor performance and resolve any issues.

It is good practice for schools and trusts to maintain a contract register and for the board to routinely review this in order to challenge future plans for contract review. This should focus on the objective of the contract, whether it is meeting the needs of the school/trust, value for money and ensuring compliance.

You may wish to consider who manages contracts across your organisation (this could be one or multiple people), and whether they have had the training they need to be able to carry out their role effectively.

Encouraging collaboration

Collaboration supports effective procurement in terms of achieving advantages of scale and learning what works well and represents good value. You may wish to explore the following with your school or trust:

- opportunities such as sharing teaching resources or bulk-buying equipment
- the potential benefits of amalgamating contract requirements across a number of schools to make it more desirable to the market
- potential challenges and risk management
- who leads this work and the support they need in terms of training and specialist knowledge

Ask your school business professional or chief finance officer (CFO) about how they engage with collaborative purchasing arrangements in their region and with their [professional networks](#).

Key actions for the board to take

- Confirm who leads on procurement decisions in your school or trust
- Review any procurement skills gaps on your governing board
- Make sure you know where approval responsibility for different thresholds lies
- In a MAT, check to see what is delegated to local level
- Ensure procurement policies and procedures are up to date and compliant
- Check if you have a contract register

Advice and resources

In addition to [Get help buying for schools](#), boards should both highlight and encourage their school or trust to make best use of a range of resources, including:

- [advice on buying procedures and procurement law](#)
- [guides to purchasing different goods and services](#)
- [purchasing frameworks to find quality checked suppliers](#)
- [tools for financial benchmarking](#)
- [school resource management advisers](#)
- [Schools Financial Value Standard](#) (for maintained schools) and [schools resource management self-assessment checklist](#) (for academy trusts)
- [Government Contract Management Professional Standards](#)
- training, such as Contract Management Foundation Training