



The 7 mistakes that could derail your social housing procurement project - and how to avoid them

Your practical guide to smarter, compliant, and value-driven procurement in the PA23 environment.

Executive summary

Procurement in the social housing sector is undergoing its most significant transformation in decades. The **Procurement Act 2023 (PA23)** and the **National Procurement Policy Statement (NPPS)** shift the focus from compliance with the Public Contracts Regulations 2015 (PCR 2015) to a mandate centred on delivering **value for money**, driving economic growth, and embedding social value. This transition elevates the stakes, making the pre-procurement and planning stage, before going to market, even more critical.

High-stakes projects, including influencing budgets, timelines, compliance, and public trust, often fail due to avoidable mistakes made at the outset. Poor scoping can lead to budget overruns of 20–30%, and non-compliance especially under the PA23 risks significant legal and reputational damage.

This eBook is a hands-on guide to help social landlords' procurement teams navigate this complex environment and avoid the seven most common pitfalls, exploring how to move beyond transactional purchasing to strategic commissioning aligned with the statutory duties of the PA23 and national priorities set out in the NPPS.

Each section explains:

- Why the mistake happens in a social housing sector context.
- The implications under the Procurement Act.
- Practical steps to avoid it, with reference to current policy.
- Quick tips and tools you can use immediately to deliver maximum public value.

Important information

This eBook is for general information only, offering insight into public sector procurement under the Procurement Act 2023 (PA23) and related policy frameworks.

While we've taken care to ensure the content is accurate at the time of publication, legislation, guidance, and interpretation can change and will vary by organisation. This content is not a substitute for legal or professional advice, and readers should seek independent advice relevant to their specific circumstances.

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Introduction: Why planning matters more than ever

Procurement has fundamentally evolved from a cost-focused back-office function to a strategic lever for delivering public policy objectives, and social housing organisations face increasing scrutiny on transparency and social responsibility. The PA23 codifies this shift, demanding that contracting authorities act in accordance with the principles of **value for money, public good, and transparency.**

Despite this clear mandate, many projects falter at the planning, or pre-procurement, stage due to a rushed approach. Teams skip robust stakeholder engagement, fail to leverage efficient tools like Dynamic Purchasing Systems (DPS), underestimate new compliance requirements, and overlook mandatory opportunities for social value and SME engagement. These mistakes are costly, both financially and in terms of missed public benefit.

Risk area	Impact under PA23	Avoidance strategy
Poor scoping	Failure to meet the “value for money” objective, leading to challengeable outcomes.	Define clear, measurable objectives aligned with the NPPS.
Poor risk management	Failure to assess risks and future needs, resulting in a contract that cannot scale or adapt.	Define risks and mitigations early as part of procurement planning.
Non-compliance	Increased risk of legal challenge under the “implied duty of good faith” and standstill periods.	Implement a robust audit trail and mandatory compliance checks for all procedures.
Missed value	Failure to meet the mandatory social value and national priorities set out in the NPPS.	Embed social value and SME considerations into the <i>pre-procurement</i> phase.

The PA23 regime offers greater flexibility, but this comes with a greater responsibility for strategic planning. This eBook provides the practical toolkit needed to embrace this new era of public procurement, ensuring your team is equipped to reduce risk, save time, and deliver demonstrably better outcomes for the public.

Mistake 1:

Skipping clear objectives and strategic alignment

Why it happens

In the rush to address an immediate need, teams often jump straight into drafting specifications without a clear, shared understanding of the desired outcome. The focus defaults to the *what* (goods or services) rather than the *why* (strategic objective). Conflicting stakeholder priorities and a lack of formal alignment can lead to a project that lacks a clear direction and a specification that is either too narrow or too broad, too prescriptive or too generic, or one that is not aligned with the contract's commercial structure.

The implications

Under the PA23, one of the core objectives is to achieve **value for money** - the optimal combination of price, quality, and social/environmental benefits. A project without clear, measurable objectives cannot demonstrate this statutory duty.

- **Scope creep and budget overruns:** Lack of defined scope and success metrics allows stakeholders to introduce new requirements mid-project, leading to costly variations and delays.
- **Misaligned supplier performance:** Misaligned or conflicting contract conditions, commercial terms and the specification together with poorly defined areas bearing the most material impact on the performance of the contract obligations result in vague evaluation criteria and contracts lacking the necessary Key Performance Indicators (KPIs) for effective supplier management, leading to poor service delivery or disputes.
- **Failure to meet NPPS priorities:** The NPPS requires considering national priorities like climate change and economic growth. Objectives not explicitly linked to these priorities risk failing to meet statutory obligations.

How to avoid it: The strategic alignment mandate

The solution is to formalise the pre-procurement planning phase, ensuring objectives are **strategic**, not just functional.

- 1 **Define SMART objectives:** Ensure all objectives are **S**pecific, **M**easurable, **A**chievable, **R**elevant (to the NPPS and local strategy), and **T**ime-bound.
- 2 **Align with organisational and national strategy:** Explicitly document how the procurement contributes to the authority's corporate plan and the three core priorities of the NPPS: driving economic growth, delivering social and environmental value, and building commercial capability.
- 3 **Document success criteria:** Success criteria must be documented and validated by all key stakeholders *before* market engagement. This includes defining minimum acceptable standards for quality, cost, and value-add.

Practical step	Description	Tool/technique
Kick-off workshop	Mandatory session with all key stakeholders to agree on the problem, scope, and success definition.	Project charter or one-page brief.
Value mapping	Identify the non-cost benefits (social, environmental, economic) that the procurement can deliver.	Social value model, using PPN 002 and PPN003, both of them mandatory since 1 October 2025.
Pre-market brief	Create a validated internal document outlining objectives, scope, and evaluation weighting before engaging the market.	Stakeholder sign-off register.

Mistake 2:

Ignoring frameworks and dynamic purchasing systems (DPS)

Why it happens

Many teams often default to a full, bespoke tender process, believing it offers greater control or is necessary for complex requirements. This may stem from a lack of awareness regarding the breadth and flexibility of existing national and regional frameworks, or a misunderstanding of the rules governing DPS under the PA23.

The implications

Failing to utilise existing compliant routes contradicts the value for money principle by unnecessarily increasing administrative burden and extending timelines.

- **Increased time and cost:** A full tender can take 6-12 months; a compliant framework or DPS can reduce this to weeks, saving significant internal resource costs.
- **Unnecessary use of resources:** Frameworks provide an efficient way to procure common goods and services used across the public sector, saving time and cost for both buyers and suppliers.
- **Increased risk of challenge:** Bespoke tenders carry a higher risk of procedural error and legal challenge compared to using a pre-vetted, compliant framework.
- **Missed innovation:** DPS is flexible, allowing new, innovative suppliers to join at any time, enabling buyers to meet the NPPS objective of supporting innovative UK companies. Ignoring this route could mean missing out on the latest market solutions.

How to avoid it: Leveraging the flexible tools

The PA23 makes frameworks and DPS more attractive and flexible.

- 1 **Explore Frameworks (the “open framework”)**: The Act introduces the “Open Framework,” which can last up to 8 years (up from 4) and allows new suppliers to join after the initial award. Buyers should check for a suitable Open Framework before initiating a new tender.
- 2 **Explore Dynamic Purchasing Systems (DPS) and Dynamic Markets**: DPS (or ‘Dynamic Market’ under PA23) remains the most flexible tool - an electronic system allowing suppliers to join at any point. It is ideal for common goods and services where the market is continuously evolving and innovating (e.g., IT, consultancy).
- 3 **Mandatory framework check**: Implement a mandatory internal step: a documented check of all relevant national and regional frameworks. The decision to proceed with a bespoke tender must be justified by a clear, documented rationale demonstrating why existing compliant routes are unsuitable.

Procurement route	Key feature under PA23	Best use case
Framework	Up to 8-year term; new suppliers can join (Open Framework).	High-volume, standardised goods/services with predictable requirements.
DPS/Dynamic Market	Suppliers can join at any time; highly flexible and dynamic.	Services where the market is constantly evolving (e.g., technology, professional services).
Competitive flexible procedure	Replaces the old procedures; used when no suitable framework exists.	Complex, bespoke requirements that need tailored negotiation and evaluation.

Mistake 3:

Underestimating compliance in the new regulatory era

Why it happens

The transition from the PCR 2015 to the PA23 is complex. Regulations are detailed, and without continuous training and robust internal processes, compliance can easily be compromised. Teams may rely on outdated procedures or fail to fully grasp the implications of the PA23 statutory duties and therefore miss their compliance requirements.

The implications

Compliance failure is a legal and reputational crisis.

- **Legal challenges and financial penalties:** The Act retains the right for suppliers to challenge decisions. The flexibilities introduced place an even greater burden on the purchasing authority to document its process and rationale, especially regarding the PA23 statutory duty of **acting in good faith**.
- **Audit failures:** Public sector bodies are subject to audits. A lack of a clear, documented audit trail for key decisions (e.g., procedure choice, contract award rationale) will result in an audit failure.
- **Reputational damage:** Repeated non-compliance, incorrectly advertising a contract or demonstrating bias within the process can lead to public scrutiny, loss of trust, and negative media coverage.

How to avoid it: Mastering the PA23

The Act's flexibility requires a heightened commitment to internal governance and documentation.

- ① **Mandatory training and policy updates:** All procurement staff should undergo training on the PA23, focusing on the procedures (Open and Competitive Flexible), the evaluation criteria (Most Advantageous Tender - MAT), and transparency requirements (e.g. the raft of Notices).
- ② **Build compliance into the process:** Compliance must be proactive.
 - **Transparency notices:** Procurement teams must be familiar with the suite of mandatory transparency notices (e.g. Tender Notice, Contract Details Notice (including for the below-threshold contracts), Contract Change Notice, Contract Termination Notice and other notices) and their strict publication deadlines.
 - **Audit trail automation:** Leverage e-procurement tools to automatically log every decision and document, creating an unassailable audit trail essential for demonstrating the "good faith" duty.
- ③ **Evaluation standard (MAT):** Remember that PA23 replaces the Most Economically Advantageous Tender (MEAT) with the **Most Advantageous Tender (MAT)**. MAT requires authorities to consider non-price factors such as social value, environmental impact, and innovation. Compliance means clearly showing how MAT has been applied to determine value for money.

Mistake 4:

Neglecting social value as a mandatory requirement

Why it happens

Before PPN 002 and PPN003 became mandatory, many teams still treated social value as a 'nice-to-have' or secondary consideration, focusing primarily on core service delivery and cost. This was often due to a perceived difficulty in quantifying and evaluating social outcomes, or a lack of clarity on how to embed it into the specification or contract schedules.

The implications

For central government and many wider public sector bodies, PPN 002 and PPN003 made social value mandatory, requiring a minimum of 10% weighting in tender evaluation. Neglecting this is a critical mistake:

- **Evaluation criteria:** If social value criteria are not clearly defined, evaluation scores may be less accurate, which could make it harder to identify the supplier offering the best overall community benefit. It's also worth considering that social value commitments should be proportionate, relevant, and provide genuine additional benefits beyond the core contract requirements.
- **Missed community benefits:** The primary impact is the failure to leverage public spending to address local priorities, such as creating local jobs, improving skills, or tackling climate change.
- **Regulatory non-alignment:** The NPPS and the PA23 reinforce social value as a core component of the "value for money" assessment, signalling future stricter requirements for measurable outcomes.

How to avoid it: Embedding social value from day one

Social value must be embedded at the **specification stage**.

- 1 **Identify relevant outcomes:** Consider using the Social Value Model, along with the new PPN 002 and the PPN 06/21 Carbon Reduction guidance, to explore which policy outcomes are most relevant to your project, such as economic recovery or climate considerations. The Social Value Model is built around the government's five missions, each offering a range of potential outcomes including fair work, skills for growth, resilient supply chains, sustainable procurement, crime reduction, employment opportunities for disadvantaged groups, and wellbeing improvements.
- 2 **Draft measurable requirements:** Ask for specific, measurable commitments which could contribute to any of the government's five missions stated in the Social Value Model and each with specific outcomes such as fair work, skills for growth, resilient supply chains, sustainable procurement, crime reduction, employment opportunities for disadvantaged groups, and wellbeing improvements.
- 3 **Weighting and evaluation:** Ensure the social value component is weighted appropriately and that evaluation criteria allow for objective scoring of the supplier's proposed social outcomes. Social Value Model under PPN002 requires a minimum 10% weighting for social value in the evaluation of bids, with flexibility for higher weightings depending on the contract's scope and strategic priorities.

Mistake 5:

Overlooking local small and medium-sized enterprises (SMEs)

Why it happens

There is a common, often unconscious, bias towards large, established suppliers who can be perceived as "safer" Furthermore, the complexity of tendering documentation and the size of contracts often unintentionally create barriers that may indirectly exclude smaller, local businesses.

The implications

Excluding SMEs is detrimental to strategic goals:

- **Missed innovation and agility:** SMEs are often the source of innovative and agile solutions, offering specialist expertise that larger firms may lack.
- **Reduced competition and higher costs:** Limiting the supplier pool reduces competition, potentially leading to higher prices and less favourable contract terms.
- **Negative local economic impact:** The NPPS prioritises driving economic growth and supporting local economies. Failing to engage local SMEs means missing the opportunity to recycle public funds back into the community through job creation and business growth. Contracting authorities also have a legal duty under PA23 to consider SMEs during pre-procurement planning. Failure to do so, and record the considerations made, will result in compliance issues and lost opportunity cost.

How to avoid it: Proactive SME engagement

The PA23 and the NPPS are designed to make it easier for SMEs to win public contracts. Procurement teams must seek to proactively remove barriers wherever possible.

- 1 **Break contracts into smaller lots:** Where feasible, break large contracts into smaller, manageable lots, allowing SMEs to bid on aligned capabilities.
- 2 **Simplify documentation:** Review and simplify pre-qualification and tender documentation, removing unnecessary requirements disproportionate to the contract value. Focus on capability and capacity.
- 3 **Host market engagement sessions:** Conduct pre-market engagement sessions targeted at local SMEs to explain the process and gather feedback.
- 4 **Use market notices:** Utilising Planned Procurement Notice ensures that all suppliers – including SMEs – are made aware of upcoming opportunities, allowing them to prepare resource in order to respond.

Mistake 6:

Failing to engage stakeholders early and continuously

Why it happens

Procurement is often viewed as a siloed function, responsible only for sourcing and contracting. This leads to teams developing specifications in isolation, only engaging internal stakeholders (end-users, finance, legal) late in the process for sign-off.

The implications

Lack of early and continuous stakeholder engagement and communication between the procurement and the operational teams is the biggest cause of mid-project failure, internal resistance and misaligned procurement processes and resulting contracts.

- **Scope misalignment:** Failure to consult end-users on functional requirements can lead to a specification that fails to meet operational needs, resulting in poor supplier fit, costly contract variations and/or solutions that aren't fit for purpose.
- **Internal resistance:** Excluded stakeholders are more likely to resist the new contract's implementation, undermining its success.
- **Legal and financial oversights:** Legal and finance teams must be involved early to align contract terms with the authority's risk appetite and budget. Late involvement causes significant delays for necessary reviews.

How to avoid it: The stakeholder engagement mandate

Effective stakeholder management is a continuous process.

- 1 **Create a stakeholder map:** Identify all impacted individuals and groups, categorising them by interest and influence (e.g., High Influence/High Interest = Manage Closely).
- 2 **Develop an engagement plan:** Define the frequency and method of communication, including a mandatory kick-off meeting, regular updates, and a formal sign-off process.
- 3 **Formalise the requirements gathering:** Use structured techniques (e.g., workshops) to gather requirements from end-users, ensuring the specification is grounded in operational reality and has internal buy-in.
- 4 **Communicate the value proposition:** Clearly articulate how the procurement will benefit each stakeholder group, linking the project back to the strategic objectives.

Mistake 7:

Not leveraging technology for compliance and efficiency

Why it happens

Many social housing organisations rely on legacy systems, spreadsheets, and paper-based processes. Fear of change, perceived high cost, and a lack of internal digital skills keep teams stuck in manual, inefficient workflows.

The implications

Manual processes are incompatible with the demands of the Procurement Act and data-driven decision-making.

- **Inefficiency and slow cycle times:** Manual processes for drafting and contract management are slow, leading to missed deadlines and increased administrative costs.
- **Poor data visibility:** Without a centralised e-procurement platform, teams lack a single source of truth for spend data, supplier performance, and contract expiry dates, preventing effective spend analysis and strategic sourcing.
- **Compliance risk:** Without the right tools, maintaining the audit trail required for PA23's transparency and good faith duties becomes far more challenging.

How to avoid it: Embracing the digital transformation

Technology is the enabler for strategic, compliant public procurement.

- 1 **Start with spend analysis:** Utilise spend analysis to build a business case for a full e-procurement platform.
- 2 **Implement e-procurement platforms:** Consider investing in platforms that automate key processes:
 - **E-sourcing:** Automates the tender process, ensuring compliance and providing structured evaluation templates.
 - **Contract management:** Centralises contracts, tracks key dates, and monitors supplier performance against KPIs.
 - **Supplier relationship management (SRM):** Provides a single view of supplier risk, performance, and compliance status.
- 3 **Explore automation and AI:** Future-proof by exploring how automation and AI can be used for:
 - **Compliance checks:** Automated flagging of non-compliant clauses.
 - **Risk monitoring:** Real-time monitoring of supplier financial health.
 - **Data-driven decisions:** Using historical data to inform optimal sourcing strategies.

Practical checklist: Starting your next project strong

Before you start your next social housing procurement project, use this checklist to ensure you have addressed the seven critical pitfalls and aligned your approach with the regulatory landscape of PA23:

Considerations	Y / N
Objectives: Have we defined SMART objectives that align with the NPPS and local strategy (Value for Money, Strategic Alignment)?	
Route to market: Have we formally checked all suitable Frameworks and DPS/Dynamic Market options before considering a bespoke tender (Efficiency, Reduced Administrative Burden)?	
Compliance: Is our process fully aligned with the PA23, including the MAT criteria and transparency notices (Statutory Duty, Audit Trail)?	
Social value: Have we embedded measurable social value outcomes into the specification with a minimum 10% weighting (Public Good, NPPS Priority)?	
SME engagement: Have we considered breaking the contract into smaller lots and conducted targeted market engagement with local SMEs (Economic Growth, Competition)?	
Stakeholders: Is there a signed-off Stakeholder Engagement Plan, and have all key users validated the final specification (Risk Mitigation, Internal Buy-in)?	
Technology: Are we leveraging e-procurement tools to automate the audit trail and provide real-time spend visibility (Efficiency, Transparency)?	



How we can help

The transition to the PA23 is an opportunity to redefine public procurement as a strategic function that delivers tangible public value. By avoiding the seven common mistakes outlined, from failing to set clear, strategic objectives to neglecting technology, your team can move beyond compliance to become a true driver of economic growth, social benefit, and efficiency.

The key to success in this new era lies in proactive planning and strategic alignment. Embrace the flexibility of this regime but pair it with rigorous internal governance and a commitment to transparency.

Ready to avoid these mistakes and deliver smarter, more impactful social housing procurement?

Get in touch!



[01925 282 398](tel:01925282398)



info@pfh.co.uk



www.pfh.co.uk