



CARE SECTOR TENDER SPECIALISTS

FREE GUIDE — 2025 EDITION

ESSENTIAL READING FOR ADULT SOCIAL CARE PROVIDERS

# Procurement Act 2023: The Care Provider's *Action Guide*

The biggest overhaul of UK public procurement law in a generation came into force on 24 February 2025. Here is everything you need to know — and everything you need to *do* — to compete and win under the new rules.

EFFECTIVE DATE

**24 February 2025**

APPLIES TO

**All care sector contracts with public bodies**

KEY LEGISLATION

**Procurement Act 2023 & Procurement Regulations 2024**

READING TIME

**Approx. 15 minutes**

If your organisation provides adult social care services to local authorities, the NHS, or other public bodies — this change affects every contract you bid for, every framework you apply to, and every tender you submit.

The Procurement Act 2023 replaces four previous sets of regulations with a single, streamlined framework. It changes how contracts are advertised, how bids are evaluated, and critically, **how value is defined**. Price alone no longer wins contracts. Social impact, local employment, sustainability, and quality evidence now matter more than ever.

This guide cuts through the legislation and tells you — in plain English — what changed, what it means for your bids, and what to do about it right now.

## £34.5bn

Total adult social care spend in England, 2024–25 — the market you're competing in

## 10%+

Minimum social value weighting now mandatory in public sector care tenders (PPN 002)

## 1/3

Target proportion of public procurement spend to be directed to SMEs under the new Act

## 1. What Changed: MEAT to MAT

The single most important change for care providers bidding for public contracts — and why lowest price no longer wins.

Under the old Public Contracts Regulations 2015, contracts were awarded to the *Most Economically Advantageous Tender* (MEAT). While this was meant to balance quality and cost, in practice it often favoured lower-priced bids, squeezing smaller providers out of the market.

The Procurement Act 2023 replaces MEAT with the **Most Advantageous Tender** (MAT). The word “economically” has been removed — and this matters. The Act no longer requires price to be a criterion at all. Contracting authorities now have the freedom to evaluate tenders entirely on non-financial criteria.

### What MAT means in practice:

Commissioners will evaluate your bid based on outcomes, quality, social impact, and evidence — not just cost. A provider offering slightly higher rates but demonstrating stronger community employment, better CQC outcomes, and measurable social value will increasingly beat a cheaper competitor with thinner evidence.

AREA	UNDER OLD RULES (MEAT)	UNDER NEW RULES (MAT)
<b>Evaluation focus</b>	Most economically advantageous — price weighted heavily	Most advantageous overall — price can be secondary
<b>Social value</b>	Consideration encouraged but not mandated in weightings	Minimum 10% weighting mandatory (PPN 002)
<b>Bid feedback</b>	Feedback given inconsistently	Bid assessments required for all final tenders
<b>Transparency</b>	Limited publication requirements	All procurement notices published on Find a Tender
<b>SME access</b>	No formal duty to reduce barriers	Contracting authorities must assess and reduce SME barriers

## 2. The New Competitive Flexible Procedure

Old procurement rules gave buyers two procedures: Open and Restricted. The new Act replaces the Restricted Procedure with something far more flexible — and far more opportunity-rich for care providers.

### Open Procedure (retained)

- Single-stage tender open to all interested suppliers
- No shortlisting — anyone can submit

### Competitive Flexible Procedure (new)

- Multi-stage, bespoke process designed by the commissioner

- Best for straightforward, well-defined contracts
- Common for domiciliary care spot contracts and smaller frameworks
- Minimum timescales apply: 25 days from contract notice to deadline

- Allows shortlisting, negotiation, dialogue, and refinement
- Designed to find *the best solution*, not just the cheapest bid
- Favours providers who engage early and demonstrate innovation
- Likely to be used for larger, complex care contracts and frameworks
- Template and guidance published by Government

**Action Point:** If you see a Competitive Flexible Procedure notice on Find a Tender, engage early. Commissioners using this procedure are actively looking for providers who can demonstrate *how* they will deliver, not just what they will deliver. Pre-market engagement is explicitly encouraged under the new Act.

### 3. Social Value: The New Battleground

Social value is no longer a nice-to-have. Under PPN 002, which came into force alongside the Procurement Act on 24 February 2025, it is a mandatory, measurable, and reported component of every public care tender.

#### What the rules now require

PPN 002 mandates that in-scope contracting authorities must apply a **minimum 10% weighting to social value** in tender evaluations. In practice, many care tenders already exceed this, with social value weightings reaching 25% in some local authority frameworks.

**Critical point:** Social value must be over and above the core care service itself. Simply describing your care delivery does not count. Commissioners want to know what your organisation does for the *wider community* — local employment, training, sustainability, and wellbeing initiatives that go beyond the contract scope.

#### The Three Pillars — and what they mean for care providers

##### SOCIAL

- Local and inclusive recruitment (long-term unemployed, care leavers, ex-offenders)
- Staff wellbeing programmes — mental health support, flexible working
- Volunteer schemes and community befriending
- Supporting carers and family members with information and training

##### ECONOMIC

- Paying at least the Real Living Wage (£12.60/hr, £13.85/hr London, 2024–25)
- Apprenticeships and vocational qualifications for care staff
- Spending with local suppliers and businesses
- Employing people from the local area
- Prompt payment to subcontractors (30-day requirement under the Act)

##### ENVIRONMENTAL

- Fleet electrification or low-emission vehicles for care workers
- Carbon footprint tracking and reduction targets
- Reduce, reuse, recycle policies for equipment and consumables
- Digital-first communications to reduce paper waste
- Working towards a published net zero target date

- Partnerships with local VCSEs and charities

## How social value is measured and reported

Commissioners now require suppliers to measure social value outcomes using a recognised framework. The most widely used is the **TOMs (Themes, Outcomes and Measures) framework**, developed by the Social Value Portal. It provides 5 themes, 20 outcomes, and 48 measures.

### Practical example — what a care tender social value question looks like:

*“Describe how you will deliver social value through the employment of local people, including those from disadvantaged backgrounds. Provide specific, measurable commitments and explain how you will monitor and report on these during the contract. (10% of total evaluation score)”*

Vague answers score 0–3/10. Specific, evidenced, measurable commitments score 7–10/10.

## What good looks like — scoring 8–10/10

Providers scoring top marks commit to *specific, quantified outcomes*, they evidence previous delivery, and they explain exactly how they will measure and report results. For example: “We will employ a minimum of 3 local long-term unemployed individuals within the first 6 months of this contract, providing Level 2 Health & Social Care qualifications funded by the contract workforce training budget.”

## 4. The Provider Selection Regime (PSR)

A separate procurement framework for NHS and healthcare services — introduced alongside the Procurement Act — which gives commissioners new flexibility in how they select care providers.

The **Provider Selection Regime (PSR)** applies specifically to the procurement of healthcare services by NHS commissioners and some local authority health-related contracts. It gives commissioners three routes:

**Route 1 — Direct Award (Provider A):** The incumbent provider is awarded the contract without competition, where the commissioner is satisfied with performance.

**Route 2 — Direct Award (Provider B):** Where there is only one provider capable of delivering the service, a new provider can be directly awarded without competition.

**Route 3 — Competitive Process:** An open or selective competitive process where multiple providers can bid.

For care providers, the key implication is that **incumbent providers** have a significant advantage — commissioners may simply continue with you without competition if you are performing well.

**Action Point:** If you hold an NHS or health-related local authority contract, treat your monthly performance data as marketing material. Keep your KPI reports clean, your complaint log documented, and your CQC rating current. A well-performing incumbent is extremely difficult to displace under PSR Route 1.

## 5. KPI Requirements for £5M+ Contracts

The Procurement Act introduces mandatory KPI reporting for all contracts above £5 million. For larger care contracts and frameworks, this changes how you evidence performance throughout the contract lifetime.

Under the new Act, contracting authorities must set, publish, and assess **Key Performance Indicators (KPIs)** for contracts valued at £5 million or more. KPI scores are published on Find a Tender and form part of a supplier's **public track record**.

KPI CATEGORY	TYPICAL MEASURES IN CARE CONTRACTS	WHY IT MATTERS
<b>Quality of Care</b> Published	CQC rating maintained at 'Good' or above; safeguarding incidents per 100 service users; complaint resolution within 28 days	Poor KPI scores become public record — affecting all future bids
<b>Workforce</b> Published	Staff turnover rate; mandatory training completion %; agency usage rate; Real Living Wage compliance	High turnover signals instability — commissioners weight this heavily
<b>Social Value</b> Published	Local employment numbers; apprenticeships delivered; community hours contributed; carbon reduction against baseline	Reported via Find a Tender — visible to all future commissioners
<b>Financial Health</b> Monitored	Prompt payment to subcontractors; financial covenant compliance; insurance currency	Required under the Act's prompt payment provisions (30-day terms)
<b>Outcome Delivery</b> Published	Hospital admission avoidance rates; service user independence scores (ASCOF measures); unplanned care incidents	Commissioners increasingly link payment to outcomes, not just activity

**Key implication:** Your KPI performance on current contracts will now follow you into future bids. A standardised five-point rating scale is used across all assessments. Building robust internal reporting systems is no longer optional — it is a competitive requirement.

## 6. SME Opportunities & The Level Playing Field

For the first time, the Act places a formal duty on contracting authorities to assess and remove barriers for small and medium-sized enterprises. This is the most significant structural opportunity for independent care providers in a generation.

### What the Act requires commissioners to do for SMEs



### Assess Barriers

Commissioners must actively assess what barriers SMEs face throughout the procurement lifecycle — and consider how to remove or reduce them.



### One-Third Spend Target

The Government has set a target to direct one-third of procurement spending to SMEs. Central departments must appoint SME Champions and publish SME Action Plans.



### 30-Day Payment

All public contracts must include 30-day payment terms for the full supply chain — including subcontractors.



### Early Engagement

Commissioners must publish procurement notices and pipeline plans earlier, giving SMEs more time to prepare bids.



### Proportionate Requirements

The Competitive Flexible Procedure allows SME-friendly formats — shorter applications, staged qualification, and reduced documentation burdens.



### Simpler Framework Access

Dynamic Purchasing Systems must remain open throughout their lifetime — meaning you can join a DPS at any point, not just at the initial setup stage.

## How to use these changes to your advantage

**1. Get on Find a Tender and set your alerts now.** All procurement opportunities above threshold must be published there. Register at [find-tender.service.gov.uk](https://find-tender.service.gov.uk) and set up keyword alerts for your region and care type.

**2. Engage before the tender is published.** When you see a Prior Information Notice (PIN), contact the commissioner's procurement team. Your name on their radar before the ITT is a genuine competitive advantage.

**3. Challenge disproportionate requirements.** If a tender requires turnover of 5× the contract value, or demands accreditations irrelevant to care delivery — challenge it. The Act gives commissioners a duty to be proportionate.

**4. Join Dynamic Purchasing Systems now.** DPS frameworks can generate steady contract volume. Search Find a Tender for 'domiciliary care DPS' or 'residential care DPS' in your local authority area.

**Bottom line:** The Procurement Act 2023 is the most favourable legislative environment for smaller care providers in over a decade. But it only works if you are *prepared* — with strong evidence, clear social value commitments, and an active presence on the right frameworks.

## PROCUREMENT ACT 2023 — COMPLIANCE CHECKLIST

# Your 10-Point *Action Plan*

Work through these actions in order. Tick each box when complete.

## IMMEDIATE ACTIONS — DO THESE FIRST

PRIORITY

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|---|---|
| <p><input type="checkbox"/> <b>1. Register on Find a Tender Service</b><br/>Visit <a href="https://find-tender.service.gov.uk">find-tender.service.gov.uk</a> and create a supplier account. Set up saved searches for your care specialism, region, and the word 'framework'.<br/><b>Do this today</b></p> | <p><input type="checkbox"/> <b>2. Understand Your Current CQC Position</b><br/>Pull your most recent CQC inspection report. Identify any Key Questions rated 'Requires Improvement'. Draft a one-page action plan. <b>This week</b></p> |
| <p><input type="checkbox"/> <b>3. Review Your Insurance Coverage</b><br/>Check: Public Liability (£5m min), Employer's Liability (£10m min), Professional Indemnity. Keep certificates in one digital folder. <b>This week</b></p>  | <p><input type="checkbox"/> <b>4. Start or Audit Your Evidence Library</b><br/>Create sections: (a) Case studies (3 min), (b) Policies, (c) Staff records, (d) Financial pack, (e) Social value evidence. <b>This month</b></p>         |

## SOCIAL VALUE ACTIONS

MANDATORY FROM FEB 2025

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| <p><input type="checkbox"/> <b>5. Document Your Current Social Value Activity</b><br/>Write down everything that qualifies: local employment, Real Living Wage, apprenticeships, community projects, environmental measures. Quantify where possible.<br/><b>This month</b></p> | <p><input type="checkbox"/> <b>6. Adopt a Social Value Measurement Framework</b><br/>Register at the Social Value Portal (<a href="https://socialvalueportal.com">socialvalueportal.com</a>) and use the TOMs framework to calculate the monetary proxy value of your activities.<br/><b>Month 1</b></p> |
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## FRAMEWORK & PROCESS ACTIONS

3–6 MONTH HORIZON

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| <p><input type="checkbox"/> <b>7. Join Relevant Dynamic Purchasing Systems</b><br/>Search Find a Tender for DPS frameworks in your area and specialism. DPS must stay open — you can join at any point. Target: at least one active DPS within 90 days. <b>Month 1–2</b></p>     | <p><input type="checkbox"/> <b>8. Engage with Commissioners Before Tenders</b><br/>Monitor Prior Information Notices (PINs) on Find a Tender. Contact procurement teams and attend market engagement events. Pre-market engagement is explicitly supported. <b>Ongoing</b></p>  |
| <p><input type="checkbox"/> <b>9. Build a Bid/No-Bid Decision Process</b><br/>Develop a scoring system that assesses every opportunity before you commit. Key factors: contract value vs. capacity, experience match, competition, strategic fit, timeline. <b>Month 1–2</b></p> | <p><input type="checkbox"/> <b>10. Request Debriefs and Learn From Every Bid</b><br/>Under the new Act, contracting authorities must provide bid assessments for all final tenders. Formally request a debrief after every unsuccessful bid. Each debrief is worth more than any bid writing course. <b>After every bid</b></p> |

## ONGOING MONITORING

MONTHLY

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| <p><input type="checkbox"/> <b>Check Find a Tender weekly</b><br/>Review saved searches and new notices. Care tender deadlines are typically 4–6 weeks from publication.</p> | <p><input type="checkbox"/> <b>Track your KPIs monthly</b><br/>If you hold contracts above £5M, your performance is now public. For smaller contracts, treat monthly data as bid evidence.</p> |
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**Keep your evidence library current**

Update case studies as outcomes emerge. Renew insurance before expiry. Refresh social value data quarterly.

**Monitor CQC guidance updates**

The CQC is proposing changes to its rating methodology. Stay current with [cqc.org.uk](https://www.cqc.org.uk) and update your improvement plans accordingly.

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