

Written Ministerial Statement

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Department of Finance

Public Procurement Policy Statement

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Mr O'Dowd (The Minister of Finance): The purpose of this Statement is to inform the Assembly of the Executive's approval of a Public Procurement Policy Statement which replaces the existing Public Procurement Policy document established in 2002.

Public procurement plays an integral role in the delivery of the Executive's Programme for Government ambitions of improved wellbeing, long-term sustainability, and a thriving economy.

We must maximise public spending to promote economic growth for all businesses, the third sector; and ensure spending decisions support the three pillars of Green Growth (climate, environment and the green economy).

To achieve this ambition, the public sector must:

- have an efficient and effective procurement function with appropriately skilled teams;
- ensure government contracts are accessible to all businesses and third sector partners;
- embed social, economic and environment considerations into specifications and tender evaluation models; and
- be transparent about how we are spending public money.

From 2010 to 2024, there have been at least 16 reports relating to public procurement, with over 220 recommendations on how procurement could be improved.

The analysis of the recommendations identified four key principles:

- Accessibility - making public contracts open and proportionate to ensure local businesses can compete for these;
- Efficiency and Effectiveness - demonstrating the procurement function is achieving best value for money and has the appropriate capacity and capability;
- Social Value - ensuring social value is embedded within the culture of the procurement function and can demonstrate social, economic and environmental considerations are being maximised through procurement spend; and
- Transparency - ensuring citizens know how public money is being spent.

The Public Procurement Policy Statement takes account of policy gaps identified in these legacy reports and compliments the new procurement legislation, The Procurement Act 2023 which came into effect on 24 February 2025.

It details the key principles underpinning procurement decisions and outlines the strategic objectives, ambitions and targets which will drive significant change in how public procurement operates here.

In developing the Policy Statement my officials worked closely with Centres of Procurement Expertise (CoPEs) and Departments and carried out significant engagement with key external stakeholders including the Federation of Small Businesses, Social Enterprise NI, NICVA, Business in the Community and the NI Construction Group.

The Policy Statement includes the 4 key principles identified during the analysis of the previous reports and 21 strategic objectives which set the strategic priorities for public procurement to ensure public spending is used to:

- create sustainable jobs, skills and businesses;
- tackle climate change and minimise waste;
- stimulate innovation; and
- ensure supply chains are resilient and ethical.

Our economy is built on small and micro businesses. This Policy Statement empowers the public sector to be innovative and engage with suppliers and industry representatives to make sure procurement practices are proportionate, open and fair.

It sets out the Executive's priorities for a more streamlined, simplified and accessible procurement environment which will benefit all suppliers, and, in particular, should attract more Small and Medium Enterprises and Voluntary, Community and Social Enterprises to bid for, and win, government contracts.

These commitments will require continued collaborative working and a coordinated approach across Centres of Procurement Expertise, departments and the wider public sector.

I am confident by working together we will deliver positive change and maximise the best possible outcomes for all citizens.