



RISE

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Reporting Requirements in Procurement

Quick guide

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Contents

Contents	2
Overview	3
Reporting in procurement.....	4
Key Performance Indicators (KPIs)	5
Service Level Agreements (SLAs)	6
Useful links	7

Overview

This quick guide provides a concise resource for procurement professionals, project managers, and stakeholders involved in housing and retrofit projects in the UK. With the recent implementation of the Procurement Act 2023, it is essential to stay updated on the latest regulations and best practices.

This guide covers key aspects of procurement, including reporting, Key Performance Indicators (KPIs), and Service Level Agreements (SLAs), tailored to housing and retrofit projects. These elements are crucial for ensuring transparency, accountability, and performance management, as emphasised in the Procurement Act 2023 and various funding guidance such as Warm Homes: Social Housing Fund Wave 3 and Warm Homes: Local Grant. By focusing on these critical areas, this guide aims to enhance your procurement processes, ensuring successful and sustainable project outcomes.

The Procurement Act 2023

Reporting

- The Act emphasises the importance of transparency and accountability through comprehensive reporting requirements. Contracting authorities must publish notices throughout the procurement and contract lifecycle, increasing from four to fourteen notices
- Regular performance reports and compliance reports are mandated to ensure adherence to procurement regulations

Key Performance Indicators (KPIs)

- KPIs are defined as measures against which a supplier's performance can be assessed during the contract lifecycle
- Contracting authorities must set and publish at least three KPIs for contracts exceeding £5m and regularly assess supplier performance against these metrics
- This is the first time KPIs have been legislated for in UK public procurement, placing greater emphasis on performance management

Service Level Agreements (SLAs)

- SLAs outline the expected level of service from suppliers and are legally binding
- They include service scope, performance standards, reporting requirements, and penalties for non-compliance
- The Act requires clear and detailed SLAs to ensure accountability and service quality

Impact on government-funded retrofit projects

For government-funded retrofit projects, where housing associations and local authorities procure contractors to carry out retrofit works, these changes mean:

1. **Enhanced transparency:** Increased reporting requirements will ensure greater transparency and accountability in the procurement process, allowing stakeholders to track progress and performance more effectively
2. **Improved performance management:** The emphasis on KPIs will help ensure that contractors meet their obligations, leading to better project outcomes and value for money
3. **Clearer service expectations:** Detailed SLAs will provide a clear framework for service delivery, helping to manage expectations and reduce disputes

Reporting in procurement

Reporting is a cornerstone of effective procurement, ensuring transparency, accountability, and compliance with regulations. The Procurement Act 2023 has introduced several important changes to enhance reporting requirements for contracting authorities.

Importance of reporting

Reporting in procurement is essential for several reasons:

- **Transparency:** It provides clear and accessible information about procurement activities, allowing stakeholders to understand how decisions are made, and funds are spent
- **Accountability:** Detailed reports ensure that procurement decisions are justified and documented, holding contracting authorities and suppliers accountable for their actions
- **Compliance:** Regular reporting helps ensure adherence to procurement regulations and standards, reducing the risk of legal and financial penalties

Types of reports

The Procurement Act 2023 mandates various types of reports to be published throughout the procurement lifecycle:

- **Contract Award Notices:** These notices announce the awarding of contracts, providing details such as the winning supplier, contract value, and the criteria used for selection
- **Performance Reports:** Regular assessments of supplier performance against contract terms, including delivery times, quality of work, and adherence to KPIs
- **Compliance Reports:** Documentation of compliance with procurement regulations, including adherence to reporting requirements and ethical standards

Best practices

To maximise the effectiveness of reporting, contracting authorities should follow these best practices:

- **Regular reporting:** Consistent and timely reporting throughout the procurement lifecycle ensures that stakeholders are kept informed and potential issues are identified early
- **Clear documentation:** Maintaining detailed records of procurement activities and decisions helps ensure transparency and accountability
- **Stakeholder communication:** Keeping stakeholders informed and engaged throughout the process fosters trust and collaboration

Key Performance Indicators (KPIs)

Key Performance Indicators (KPIs) are critical tools for measuring the performance of suppliers and ensuring they meet contractual obligations. The Procurement Act 2023 has introduced specific requirements for setting and publishing KPIs.

Definition and importance

KPIs are metrics used to assess the performance of suppliers during the contract lifecycle. They help track progress, identify issues, and drive continuous improvement.

The Procurement Act 2023 defines KPIs as factors or measures against which a supplier's performance can be assessed.

Examples of KPIs relating to retrofit projects

Some common KPIs may include:

- **Delivery times:** Measuring the timeliness of goods and services delivery to ensure project schedules are met
- **Cost control:** Assessing adherence to budget and effective cost management
- **Quality of work:** Evaluating the standards of workmanship and materials used in the project
- **Customer satisfaction:** Gathering feedback from residents and stakeholders to gauge their satisfaction with the project outcomes
- **Completion of PAS 2035 Paperwork:** Ensuring that all PAS 2035 documentation is completed within the prescribed time outlined by government for specific funding requirements

Setting effective KPIs

To set effective KPIs, contracting organisations should:

- **Align with project goals:** Ensure KPIs reflect the objectives of the project and contribute to its success
- **Ensure measurability:** Define clear, quantifiable metrics that can be objectively assessed
- **Regularly review:** Periodically assess and update KPIs to ensure they remain relevant and effective

Service Level Agreements (SLAs)

Service Level Agreements (SLAs) are essential for defining the expected level of service from suppliers and ensuring accountability. The Procurement Act 2023 emphasises the importance of clear and detailed SLAs in procurement contracts.

Definition and importance

Service Level Agreements (SLAs) are legally binding contracts that define the expected level of service from suppliers. Although the Procurement Act 2023 may not explicitly mention SLAs, it emphasises the necessity for clear performance standards and reporting requirements, which are fundamental components of SLAs. This underscores the importance of having detailed SLAs to ensure accountability and service quality. SLAs include performance standards, reporting obligations, and penalties for non-compliance, ensuring that suppliers meet their contractual obligations.

Components of an SLA

An effective SLA should include the following components:

- **Service scope:** A detailed description of the services to be provided, including specific tasks and deliverables
- **Performance standards:** Clear criteria for measuring service quality, such as response times, resolution times, and performance metrics
- **Reporting requirements:** Obligations for regular performance reporting to ensure transparency and accountability
- **Penalties for non-compliance:** Consequences for failing to meet SLA terms, such as financial penalties or contract termination

Best practices for SLAs

To ensure SLAs are effective, contracting authorities can:

- **Create clear and detailed agreements:** Ensure SLAs are comprehensive and unambiguous, covering all aspects of service delivery

- **Conduct regular reviews:** Evaluate SLAs at least monthly to ensure they remain relevant and effective. If SLAs are written to align with the month, this review becomes a requirement. Adjust SLAs as necessary based on these evaluations
- **Maintain effective communication:** Keep open lines of communication with suppliers to address issues promptly and collaboratively

Useful links

[Procurement Act 2023 guidance documents](#)

[The Procurement Act - a summary guide to the provisions](#)

[Procurement Act 2023 guidance documents - Manage phase](#)