

Open Tender or Mini-Competition: Which is Best?



Procurement and Supply Chain Management Made Simple.

Foreword

Public procurement now moves more money through the UK public sector than at any point in its history. Central government, local authorities, housing associations, the NHS, schools and emergency services together spent £434 billion on goods, works and services in 2024/25, a rise of £19 billion in a single year. Choosing the right route to market is therefore not administrative housekeeping; it is a strategic decision that shapes competition, innovation, service quality and value for every pound spent.

The Procurement Act 2023, in force since February 2025, is the biggest overhaul of UK procurement law in a generation. It replaces the old EU-derived regulations with a single regime built around simplified procedures and stronger transparency duties, while preserving the UK's commitments under the World Trade Organisation's Government Procurement Agreement. Its central ambition is to sharpen competition, not merely tidy up paperwork.

Social housing has felt these pressures acutely. Building safety remediation, damp and mould works, decarbonisation and planned maintenance have pushed investment to record levels, and every percentage point saved through sharper procurement becomes money available for homes and residents. For providers managing dozens of contracts a year, the choice between routes to market carries real financial weight.

Two routes dominate everyday procurement decisions: advertising a requirement openly through an open tender, or running a mini-competition among suppliers already appointed to a third-party framework agreement. Both are lawful. Both are used daily across the sector. Yet they create competition in fundamentally different ways, and the financial difference between them can, over the life of major public contracts and across national procurement expenditure, be measured not merely in millions, but potentially in hundreds of millions of pounds.

This article sets out how each route works, what each genuinely costs, and which is more likely to deliver value for money, innovation and compliance together. It weighs the administrative convenience frameworks offer against the wider competitive pressure that open tendering generates. It asks a direct question: which approach best serves the UK public sector, and social housing in particular?

Definition of Open Tendering

Open tendering allows any supplier meeting the published selection and award criteria to bid for a public contract. Under the Procurement Act 2023, this is the Open Procedure, the simplest and most transparent of the available routes. There is no separate pre-qualification stage screening out bidders before they compete, unlike the restricted procedure — every interested supplier goes straight to tender.

Above-threshold contracts are advertised on Find a Tender, the UK's central procurement portal that replaced the EU's Tenders Electronic Daily system after Brexit. Notices published there give every eligible supplier equal, unrestricted sight of the opportunity, subject only to meeting the published selection criteria — nothing is hidden behind a pre-existing supplier list.

From January 2026, central government must advertise goods and services contracts above £135,018, while local authorities, housing associations, the NHS and most other contracting authorities apply a £207,720 threshold; works contracts carry a substantially higher limit. These figures are reset every two years in line with currency movements to preserve reciprocal market access under the UK's trade obligations.

The UK remains a full member of the WTO Government Procurement Agreement despite leaving the EU. Membership guarantees suppliers from 48 participating countries — every EU state plus Canada, Japan, South Korea, Australia and others — equal access to above-threshold UK contracts. That single obligation keeps the addressable market for open tenders vastly larger than any framework panel could ever be.

That market is enormous. HM Treasury's Public Expenditure Statistical Analysis puts total UK public procurement spend at £434 billion in 2024/25, one of the largest procurement markets in Europe. Against numbers of that size, even a one per cent improvement in competitive pricing is worth billions nationally — which is exactly the pressure open tendering is designed to apply.

Open tendering lets suppliers of every size compete side by side — multinationals, regional contractors, specialist SMEs and social enterprises — provided they meet the published requirements. Yet SMEs still secured only 20% of central government's direct procurement spend in 2024, worth £45.4 billion, against a £1-in-£3 government target. Widening market access through open competition remains the most direct route to closing that gap.

The Procurement Act 2023 places value for money at the centre of the procurement lifecycle, not mere procedural compliance. Open tendering supports that objective directly: exposing a contract to the widest possible market maximises competitive pressure and lets buyers compare the latest technologies, pricing and delivery models available at the moment each exercise runs, rather than years earlier.

For social housing, this matters more and more. New entrants specialising in retrofit technology, digital asset management, fire safety compliance, and net-zero solutions are emerging constantly. Open tendering lets housing providers access them immediately, rather than waiting three to seven years for a framework to be re-procured before an innovative supplier becomes eligible to compete.

Open competition strengthens governance too. Evaluation panels can demonstrate that every qualifying supplier had an equal opportunity to bid, reducing any perception of market exclusion. That transparency supports audit trails and helps contracting authorities show that decisions were reached objectively, fairly, and in line with both legislation and recognised best practice.

Market Engagement Before Procurement

Successful procurement begins long before a contract notice is published. One of the key principles reinforced by the Procurement Act 2023 is that contracting authorities should engage with the market at an early stage to understand supplier capability, market capacity, emerging technologies and commercial trends before determining the most appropriate procurement strategy. Early engagement helps ensure procurement decisions are informed by current market intelligence rather than organisational assumptions.

Soft Market Testing is one of the most valuable engagement techniques available to contracting authorities. By seeking feedback from prospective suppliers before commencing procurement, organisations can assess market interest, identify potential risks, understand delivery constraints and refine specifications. Importantly, this dialogue must be conducted openly, transparently, and fairly, ensuring that no supplier gains an unfair competitive advantage in any subsequent procurement exercise.

The Procurement Act 2023 also encourages greater transparency through mechanisms such as Planned Procurement Notices, which allow contracting authorities to provide advance visibility into future

opportunities. Supplier engagement events, market sounding exercises, industry workshops and resident consultation can all improve procurement planning by identifying innovative solutions, testing proposed service models and confirming that procurement requirements remain realistic, proportionate and commercially deliverable before procurement formally begins.

Effective market engagement benefits both buyers and suppliers. Contracting authorities gain a clearer understanding of competition, pricing structures, procurement risks, and market capabilities, while suppliers gain early visibility into future opportunities and can prepare resources accordingly. In the social housing sector, involving residents, where appropriate, can also improve service specifications by ensuring that procurement requirements better reflect customer expectations and operational priorities.

Perhaps the greatest benefit of early market engagement is that it makes procurement route selection an informed commercial decision rather than an administrative assumption. Understanding the strength of competition, the maturity of the supplier market, and the pace of technological change allows contracting authorities to objectively assess whether unrestricted competition or a framework agreement is more likely to achieve the desired procurement outcomes.

Choosing the procurement route should therefore be the final stage of procurement planning rather than the first. Effective market engagement frequently determines whether unrestricted competition or a framework agreement is more likely to deliver the optimum balance of competition, innovation, procurement efficiency, governance, and long-term value for money, ensuring that procurement decisions are based on evidence rather than organisational habit.

Definition of Third-Party Framework Agreements

A framework agreement differs fundamentally from a single public contract. Instead of appointing a single supplier for a defined requirement, it establishes a pre-approved panel capable of delivering future contracts throughout the framework's life. Individual requirements are then awarded by direct award, where permitted, or by running a mini-competition among suppliers already holding a place on the relevant lot.

Frameworks are typically established by central purchasing bodies acting on behalf of many public sector clients. The Government Commercial Agency — formed on 1 April 2026 from the merger of Crown Commercial Service with the Cabinet Office's central commercial teams — remains the largest single provider, alongside specialist organisations serving local government, healthcare, education and social housing.

Within social housing, Procurement for Housing, Fusion21, LHC Procurement Group, Procure Plus and the Communities and Housing Investment Consortium manage frameworks spanning construction, repairs, maintenance, consultancy and decarbonisation. Fusion21 alone now supports over 1,070 members and reports lifetime member savings exceeding £343 million — a scale that illustrates just how much procurement activity these bodies now handle.

Their principal attraction is administrative efficiency. Framework suppliers have already passed financial assessment, technical evaluation, exclusion checks and commercial due diligence during establishment. Hence, contracting authorities avoid repeating that work for each new requirement — thereby considerably reducing procurement timescales and internal resource demands.

Frameworks also deliver consistency. Standard terms, pricing mechanisms, KPIs and governance arrangements are usually agreed once, during establishment, allowing mini-competitions to focus purely on project-specific requirements rather than rebuilding documentation from scratch — a genuine operational advantage for teams running many procurements simultaneously.

Most frameworks run for three to seven years, though individual call-off contracts may extend beyond that expiry date where permitted. Throughout the term, the supplier list generally stays fixed; new entrants cannot join until the framework is re-procured. That fixed population is what most clearly distinguishes a framework from open tendering.

Fixed membership gives certainty but limits access. A supplier that enters the market, improves its pricing, or develops new capabilities after the framework is established is excluded, regardless of merit — potentially for several years — thereby reducing the competitive pressure that would otherwise keep prices honest as markets evolve.

Appointment can matter commercially to suppliers too, opening access to substantial volumes of potential work. But it guarantees nothing: suppliers still compete for every call-off and may win no work at all, despite the time and cost already invested in securing their place on the panel.

A framework's effectiveness therefore rests on the quality of its original procurement, the breadth of suppliers appointed, the commercial terms agreed, and the stability of the market over its life. Where technology or regulation moves quickly, even a well-run framework can drift out of step with the wider marketplace long before it expires.

What is a Mini-Competition?

A mini-competition is run exclusively among suppliers already appointed to a framework lot. Rather than advertising openly, the contracting authority issues its specification only to those suppliers, who submit revised pricing and quality proposals; the contract is then awarded using the framework's pre-agreed evaluation methodology.

Mini-competitions are not a standalone procedure but the second stage of framework procurement. The original framework competition decides who is eligible to participate; the mini-competition decides who wins each call-off. A place on the framework creates an opportunity to bid, not an entitlement to win.

The Procurement Act 2023 continues to recognise frameworks precisely because they cut procurement timescales. With due diligence, financial standing, and exclusion checks already completed, buyers can often complete a mini-competition in weeks — compared with the several months an above-threshold open procurement frequently requires.

For organisations running hundreds of procurements a year, that speed matters. Procurement teams are typically small relative to the spend they manage. Hence, shortening the documentation, advertising, and clarification stages frees professionals to focus on commercial negotiation, supplier management, and strategic planning instead.

Mini-competitions suit requirements that are relatively standardised and unlikely to change significantly over time — routine vehicle servicing, office consumables, temporary agency staff, standard IT hardware and common maintenance, where products and delivery expectations stay broadly consistent throughout the framework's life.

Within social housing, mini-competitions are widely used for responsive repairs, planned maintenance, electrical testing, gas servicing, asbestos management, grounds maintenance and lift servicing. Many housing associations value the speed this brings, mobilising contracts quickly while still meeting procurement legislation and internal governance requirements.

Framework providers add value beyond the supplier panel itself: standard documentation, technical specifications, benchmarking data, market intelligence and contract management guidance. Some also monitor supplier performance across multiple clients, feeding lessons learned in one organisation into procurement decisions made by others.

Many actively support wider policy objectives too — increasing SME opportunities, promoting apprenticeships, embedding social value and supporting carbon reduction. Larger providers often carry specialist expertise that individual contracting authorities, particularly smaller ones, cannot maintain in-house.

It would be wrong to suggest frameworks offer no value beyond compliance; their administrative efficiency, technical support and aggregated buying power deliver genuine benefits, especially for smaller authorities with limited procurement capacity. The real question is not whether frameworks add value, but whether they consistently outperform unrestricted market competition.

The answer depends on the requirement. In stable markets, where specifications change little, restricting competition to pre-approved suppliers may have little effect on outcomes. Where markets move quickly, or new, capable suppliers enter during the framework's life, restricting competition can progressively weaken the quality and competitiveness of the bids received.

Supplier behaviour matters too. Framework participants know exactly who they are competing against because the supplier list is public, and repeated competition between the same organisations naturally produces a more predictable commercial environment than in an open marketplace, where the number and identities of bidders remain unknown until tenders land.

Suppliers who missed out on the original framework stay excluded regardless of what they achieve afterwards. A business could invest in new technology, expand its coverage or strengthen its finances and still be shut out simply because the framework was let years earlier — one of the sharpest structural differences from open tendering.

From a governance standpoint, mini-competitions give contracting authorities confidence that regulatory

compliance has already been addressed by the framework provider at the time of appointment, allowing evaluation to focus purely on the specific requirement. That reduces procurement risk and leaves a robust audit trail able to withstand external scrutiny.

But compliance is not the same as optimum commercial value. A mini-competition can follow all the rules and still deliver a less competitive outcome than an unrestricted market would have produced. Recognising that distinction is fundamental to choosing the right procurement route.

The Growth of Framework Agreements Across the Public Sector

Framework agreements have expanded rapidly across the UK over the past two decades. Originally designed to cut duplicated procurement effort, they now underpin thousands of contracts a year across central government, local authorities, the NHS, higher education, emergency services and social housing, representing tens of billions of pounds of expenditure.

The Government Commercial Agency alone channels around £33 billion of public-sector direct spend annually through its commercial agreements and reported £4.6 billion in commercial benefits in 2024/25. Dozens of further specialist providers operate alongside it, including the housing sector's own consortia, each covering construction, maintenance and professional services.

Genuine commercial pressure drove this growth. Public bodies face constant demands to deliver more with fewer resources while meeting rigorous governance standards, and frameworks promise shorter timescales, lower administrative costs, and consistent documentation — an appealing proposition for procurement teams carrying heavy workloads on thin staffing levels.

Housing associations feel this pressure especially. Record investment in fire safety, damp and mould remediation, decarbonisation and stock improvement has pushed procurement activity to new highs, and frameworks appear to offer an efficient way to deliver numerous procurements quickly while demonstrating compliance and maintaining continuity.

But this growth raises a genuine strategic question. As more public expenditure flows through pre-selected supplier panels, is the sector still benefiting from the full competitive pressure that open markets generate? That question — efficiency versus commercial value — sits at the heart of everything that follows.

The Price of Using Third-Party Framework Agreements

Frameworks are not cost-free. The organisations that build and run them incur real expenditure developing specifications, running procurement exercises, evaluating suppliers, administering contracts and providing ongoing support — and that activity has to be funded from somewhere.

Most providers recover these costs through a management fee, commonly called a framework levy, charged to suppliers as a percentage of every invoice raised under the framework. Suppliers then recover that cost through the prices they quote in mini-competitions — meaning the contracting authority ultimately funds the levy indirectly, through higher contract prices.

Levy rates vary widely between providers. Government Commercial Agency agreements have historically averaged around 0.33%, while specialist agreements such as G-Cloud have averaged closer to 0.5%. Sector-specific frameworks in construction, property maintenance, and social housing typically charge between 2% and 3%, with some arrangements exceeding that range depending on the category.

Small percentages compound quickly. A 2% levy on a £10 million contract equates to £200,000 before any operational work begins. Across an organisation's full programme of repeated call-offs, these charges add up to many millions of pounds nationally, ultimately recovered through the prices public bodies pay.

The fee itself is not unreasonable — providers do valuable work that requires funding, and suppliers gain access to opportunities they might not otherwise reach. But contracting authorities should recognise these charges as part of total procurement expenditure, even though they rarely appear as a separate line in contract documentation or invoices.

Unlike VAT, which is itemised on every invoice, framework charges are effectively invisible throughout the process. Evaluation panels compare submitted prices without knowing how much reflects the genuine cost of delivery and how much recovers framework overheads — meaning decisions are often made without full visibility of the underlying cost structure.

That matters because a levy adds nothing to the service residents or service users actually receive. It funds the administration of the procurement mechanism, not the repairs, maintenance standards or technical performance delivered on site — the process becomes more efficient, but the outcome on the

ground does not improve.

In social housing specifically, where budgets are tightly controlled, and regulatory responsibilities keep growing, even a modest percentage increase in procurement cost reduces the funds available elsewhere. Money absorbed by procurement overheads cannot then be reinvested in the housing stock, accelerated maintenance, or services delivered directly to residents.

Providers reasonably argue that efficiency gains — shorter timescales, lower internal administration — offset the levy, and for many smaller authorities without dedicated procurement teams that is likely true. Even so, efficiency should always be weighed against the total commercial cost, not treated as a measure of success in its own right.

The real commercial question is therefore more nuanced than whether frameworks charge a fee at all. It is whether the combination of efficiency, reduced internal resource and framework support genuinely delivers greater overall value than exposing the same requirement to unrestricted competition through an open procurement.

The Hidden Cost of Embedded Management Fees

One of the least-understood features of framework procurement is how levies are built into pricing. Because suppliers know they will pay a percentage on every invoice, sound commercial practice requires them to recover that cost when preparing tenders — the levy effectively becomes another line in their operating costs.

Unlike VAT, framework levies are rarely broken out separately. Suppliers instead fold them into labour rates, material prices, schedules of rates, or overhead recovery, so that by the time a procurement team evaluates submitted prices, the levy has become indistinguishable from every other component of the commercial offer.

The result is that contracting authorities frequently have no idea what using a framework actually costs them. Procurement reports compare submitted prices, identify the most economically advantageous tender and recommend an award, without quantifying how much of the winning bid reflects genuine service cost versus recovered framework overhead.

That lack of visibility has real governance implications. Public bodies place heavy emphasis on transparency and value for money. Yet, if decision-makers cannot isolate the cost of the procurement route itself, they cannot properly judge whether the mechanism they chose was the most commercially advantageous one available.

Open tendering contrasts sharply. There is generally no intermediary charging suppliers a percentage of future invoices; procurement costs remain largely confined to the contracting authority's own internal activity, legal support, and evaluation resources, so supplier prices reflect the actual cost of delivery rather than the recovery of a third party's overheads.

That does not make open tendering free. Preparing documentation, evaluating submissions and managing the exercise all take significant staff time and expertise. The difference is that these costs are transparent, internally budgeted and organisationally controlled — unlike framework levies, which stay permanently embedded in supplier pricing for the life of the contract.

Repetition magnifies the effect. Housing associations often run numerous mini-competitions a year across repairs, specialist maintenance, compliance, consultancy and construction. Any single levy may look small, but the cumulative cost across a full annual procurement programme can become substantial over time.

Nationally, the numbers are far larger still. UK public procurement reached roughly £434 billion in 2024/25, with the Government Commercial Agency alone channelling around £33 billion of direct spend through its own commercial agreements — before accounting for the dozens of further providers operating across local government, education, healthcare and housing.

Apply even a modest average levy across procurement expenditure at that scale, and the figure runs to hundreds of millions of pounds a year. Framework providers deliver services that justify fair remuneration, but contracting authorities should still count these levies as genuine components of procurement cost when weighing overall value for money.

The wider economic implications become even more striking when relatively small improvements are considered across total public procurement expenditure. If unrestricted competition generated an average saving of only 0.5% across just one-quarter of the UK's annual procurement expenditure of £434 billion,

public bodies could theoretically release more than £540 million each year for reinvestment in frontline services. While actual savings inevitably vary across procurement categories, the calculation illustrates how seemingly modest improvements in procurement strategy can yield nationally significant financial benefits.

Restricted Competition and Its Commercial Consequences

The starkest difference between open tendering and mini-competitions is the size of the marketplace each exposes a contract to. Open tendering invites every qualified supplier; a mini-competition restricts bidding to organisations appointed to the framework, potentially years before the requirement itself was even identified.

That gap has real commercial consequences. Markets evolve constantly as businesses expand, merge, adopt new technology and enter new regions, and new suppliers are established every year. Open tendering captures all of this immediately, exposing each procurement to the current marketplace rather than to a historical snapshot frozen at the time of framework establishment.

Frameworks, by design, cannot keep pace. Once appointments are confirmed, participation generally stays fixed until expiry, so a supplier offering market-leading innovation the year after establishment may remain excluded for several more years, regardless of the advantage they could otherwise offer.

The consequence is not necessarily higher prices but reduced competitive tension. Suppliers competing repeatedly against the same limited group become familiar with each other's pricing and technical approaches, producing a more predictable marketplace than open competition, where the number and identity of bidders stay uncertain until tenders arrive.

Economic theory consistently supports this: wider competition drives prices down and pushes suppliers to differentiate through innovation, quality, and service. Restricted competition removes some of that pressure, because the pool of potential rivals has already been narrowed by the procurement mechanism rather than by genuine market capability.

For housing associations running high-value repairs, maintenance, compliance or capital programmes, these effects compound. Even a marginal reduction in competitive pricing, multiplied across contracts worth millions over several years, can exceed the administrative savings the framework route was originally chosen to deliver.

None of this means frameworks fail to deliver value — many clearly do. It means procurement efficiency and commercial competitiveness are not the same thing. A route that minimises effort does not automatically maximise competition, and both deserve to be weighed before deciding which best suits a given procurement.

The Cost of Procurement Failure

The financial consequences of selecting an inappropriate procurement route frequently extend far beyond the administrative cost of conducting the procurement exercise itself. While procurement teams naturally seek efficient and compliant procurement processes, the greatest commercial risks usually emerge after contract award. Poor supplier selection, inadequate competition, or insufficient market engagement can create operational problems that persist throughout the contract lifecycle, significantly increasing overall expenditure.

One of the most common consequences of poor procurement is contract variation. Where suppliers have been selected without sufficient competitive pressure or market testing, organisations may subsequently discover that specifications are incomplete, pricing assumptions are inaccurate, or service requirements are misunderstood. The resulting contract variations often increase costs, extend delivery timescales and consume significant management resources that could have been avoided through more effective competition during procurement.

Supplier failure represents another substantial commercial risk. Financial instability, inadequate resources or poor operational capability may not become fully apparent until mobilisation has commenced. Where suppliers fail to perform, contracting authorities may incur additional expenditure through emergency remedial works, temporary replacement arrangements, legal disputes or even complete contract termination and re-procurement. These costs frequently exceed any savings originally achieved through a shorter or simpler procurement exercise.

The impact extends well beyond financial considerations. Delays in mobilisation, poor service delivery, repeated contract disputes and declining performance directly affect residents, service users and frontline

operations. Housing associations may experience increased complaints, reduced customer satisfaction, greater regulatory scrutiny, and reputational damage. At the same time, procurement and operational teams devote considerable time to managing supplier performance rather than delivering strategic improvements elsewhere.

Poorly performing contracts also create hidden organisational costs. Increased contract management, additional performance meetings, dispute resolution, legal advice, financial audits and repeated procurement exercises all consume valuable management time and resources. These indirect costs rarely appear within procurement budgets yet can significantly increase the total cost of ownership throughout the life of the contract, reducing the overall value achieved from public expenditure.

Procurement route selection should therefore never be assessed solely by the cost or duration of the procurement exercise itself. The true commercial measure is the total lifecycle cost of the resulting contract. A procurement requiring an additional £20,000 of procurement resource but preventing a £2 million contract failure represents exceptional value for money. Effective procurement is ultimately measured not by the efficiency of the procurement process, but by the long-term success of the contract it delivers.

The Competitive Advantage of Open Tendering

Open tendering exposes every procurement to the widest competitive marketplace available at the moment the contract is advertised, rather than to a panel appointed years earlier. Every qualified organisation gets an equal opportunity to bid, so decisions reflect current market capability rather than historical supplier selection.

Competition remains one of the strongest levers for value for money in public procurement. When suppliers know an unlimited number of rivals could bid, they have a real commercial incentive to sharpen pricing, improve technical solutions and differentiate through service and innovation — and the buyer benefits from both lower prices and stronger submissions.

Unlike mini-competition suppliers, open-tender bidders cannot assume who else will apply. New entrants, regional specialists, national contractors, overseas organisations bidding under the WTO Government Procurement Agreement, and innovative SMEs all remain eligible — that uncertainty pushes suppliers to submit their strongest offer rather than price against a known set of rivals.

Open tendering also removes barriers to growth. Businesses that have invested in capabilities, geographic reach, or new products can compete immediately, rather than waiting years for a framework refresh — rewarding investment and allowing contracting authorities to benefit continuously from improvements across the supplier market.

For public bodies pursuing social value, unrestricted competition specifically widens SME access. Local government already channels 35% of its procurement spend — £28.1 billion — directly to SMEs, well ahead of central government's 20%, largely because more of that spend runs through open, contestable routes rather than closed panels.

The benefits reach beyond price. Open procurement encourages suppliers to challenge specifications, propose alternative methodologies and introduce technologies a contracting authority may never have considered, turning the exercise into genuine market engagement rather than a choice from options already fixed within a pre-selected panel.

Housing associations increasingly need this flexibility. Building safety legislation, decarbonisation, digital asset management, predictive maintenance, and modern construction methods are all developing rapidly, and open competition enables organisations to adopt these innovations as soon as they reach the market, rather than waiting for a framework refresh.

The Procurement Act 2023 reinforces this by encouraging earlier market engagement and richer supplier dialogue. Compliance still matters, but the legislation increasingly treats procurement as a commercial discipline rather than an administrative process — and open tendering aligns naturally with that shift.

Perhaps the greatest advantage is that every open procurement resets the competitive marketplace. Suppliers compete on current capability, financial strength and price rather than a historical framework appointment, so contract awards go to whoever offers the greatest value today, not whoever secured a panel place years before.

Innovation and Market Development

Innovation now defines successful procurement. Public bodies are expected not just to buy efficiently but

to stimulate market development that improves services, raises productivity and delivers better long-term value — procurement is increasingly a lever for shaping the market, not just responding to it.

Frameworks can inadvertently hold innovation back because their specifications are largely fixed at the time of establishment. Individual call-offs may vary in scope, but suppliers still operate within categories and structures defined years ago, which can drift out of step with contemporary best practice as markets evolve.

Housing technology illustrates the point clearly. Digital building information models, IoT sensors, predictive maintenance software, AI, drone inspection and advanced energy management have all matured rapidly. Frameworks agreed before these technologies existed may not accommodate the specialist suppliers now leading in them.

Policy moves just as fast. New building safety requirements, tightening sustainability expectations, growing emphasis on social value, and shifting carbon targets all continually reshape specifications. Open tendering lets these developments feed into every procurement exercise immediately, rather than waiting for the next framework cycle.

Innovation matters equally in service delivery. Suppliers continually refine processes, invest in workforce development, adopt digital tools and improve customer engagement. Open procurement encourages them to demonstrate these gains directly, where an older framework panel may not fully reflect how sophisticated the wider market has since become.

Social housing already shows what this can deliver — mobile workforce management, photographic job verification, resident communication portals, AI scheduling, and automated compliance reporting have all substantially improved productivity in recent years. Organisations running open procurements are simply more likely to meet suppliers offering these innovations first.

Innovation drives competition between suppliers too. Businesses operating in an unrestricted marketplace know that investing in technology, skills, and service quality creates a genuine competitive advantage, encouraging continual improvement across the market and delivering higher standards, greater efficiency, and greater value for the buyer.

Innovation should therefore be treated as a core component of procurement strategy, not a pleasant side effect. Routes that maximise exposure to innovative suppliers are increasingly likely to outperform those that restrict competition to a supplier population fixed by market conditions that have since moved on.

Governance, Compliance and Value for Money

Governance is one of the main reasons contracting authorities favour frameworks. Compliance failures bring procurement challenges, reputational damage, financial penalty and project delay, and frameworks offer reassurance because the provider has already completed much of that compliance work before suppliers are appointed.

That reassurance is understandable. Procurement legislation grows more complex, governance standards keep rising, and public accountability has never been higher. Hence, procurement professionals naturally gravitate toward routes that reduce regulatory risk while still leaving a robust audit trail.

But governance is more than legislative compliance. Public bodies also have statutory and fiduciary duties to demonstrate economy, efficiency and effectiveness in the use of public funds — procedural compliance is only one element of good governance; demonstrating that a decision delivered optimum value for money matters just as much.

This distinction is easy to overlook during planning. A framework offers an efficient route to compliance, but compliance alone does not prove it was the best commercial option. Procurement professionals should separate the question of what is legally compliant from the question of what maximises commercial value.

Housing association boards face particularly demanding expectations here — prudent financial management, effective stewardship of assets, regulatory compliance and value for money across increasingly complex investment programmes, all set against resident outcomes, long-term asset performance, sustainability and financial resilience.

Audit committees, boards and external regulators increasingly expect procurement decisions to rest on robust commercial evidence. Simply noting that a framework was available rarely demonstrates why that route offered better value than an open procurement — the commercial rationale needs to be documented alongside the compliance case.

A mature procurement function treats governance and commercial strategy as complementary rather than competing. Compliance protects the organisation from legal challenge; effective competition protects it from unnecessary expenditure. Both are essential parts of responsible procurement and should shape planning equally.

The Procurement Act 2023 encourages exactly this balance, placing greater weight on transparency, integrity, fair competition and value for money throughout the lifecycle. Rather than automatically defaulting to one route, the legislation supports procurement professionals in exercising informed commercial judgement on a case-by-case basis.

Ultimately, governance should never discourage competition. Effective governance ensures that professionals consciously select the route that offers the best balance of compliance, commercial value, efficiency, and operational outcomes — turning route selection into a genuine strategic decision rather than a default administrative habit.

Procurement professionals should therefore carefully distinguish between selecting the easiest compliant procurement route and selecting the route most likely to maximise commercial value. Compliance should always represent the minimum standard expected of every procurement exercise; commercial excellence is achieved by combining compliance with effective competition, informed market engagement and sound commercial judgement throughout the procurement lifecycle.

When Mini-Competitions Deliver the Best Outcome

Frameworks still earn their place in many procurement strategies. They were created to improve efficiency, cut duplicated effort, and provide compliant routes for commonly purchased goods, services, and works — and, when used appropriately, they deliver real operational benefit without materially harming value for money.

Mini-competitions work best in mature, stable markets, where products or services change little over time, suppliers are well established, and specifications are clearly defined. In these conditions, restricting competition to pre-approved suppliers is unlikely to exclude significant innovation or meaningfully reduce competitive pricing.

Routine maintenance is the clearest example — servicing fire extinguishers, lifts, automatic doors, fixed electrical installations, water hygiene systems or vehicle fleets involves established technology and well-understood delivery methods. Provided the framework was let recently with a strong supplier range, mini-competitions can achieve satisfactory outcomes while considerably shortening timescales.

Unexpected requirements also justify frameworks when operational urgency outweighs the benefits of a fully open procurement. Emergency building works, specialist consultancy, temporary accommodation, and urgent compliance activity often require rapid mobilisation, and a framework enables contracting authorities to move quickly while remaining fully compliant.

Frameworks particularly help smaller contracting authorities with limited procurement capability. Many district councils, parish councils, charities and smaller registered providers run purchasing with only a handful of procurement professionals, so ready-made documentation, standard terms and framework expertise represent a genuine organisational benefit.

Providers frequently offer support well beyond the supplier appointment — including market intelligence, benchmarking, template documentation, legal advice, contract management tools, and supplier performance data — all of which reduce risk and improve consistency across participating organisations.

Aggregated demand can also generate real economies of scale. Providers negotiate on behalf of hundreds of clients at once, giving suppliers access to far larger volumes than any single procurement could offer — an incentive to invest more heavily in mobilisation, digital capability and service improvement in return.

For organisations running numerous procurements each year, the administrative saving is genuine. Preparing documentation, advertising, evaluating submissions and completing governance approvals all consume significant staff time, and reducing those steps frees procurement teams to focus on strategic sourcing and supplier relationships instead.

The real question is therefore not whether frameworks should be used, but whether they are used selectively. Where requirements are standardised, markets are stable and speed matters, mini-competitions frequently represent an entirely appropriate route that delivers both compliant and commercially satisfactory outcomes.

When Open Tendering Should Be the Preferred Procurement Route

Open tendering becomes increasingly valuable where requirements are complex, strategically important, or exposed to fast-moving markets. Unrestricted competition allows contracting authorities to benefit from the latest developments, rather than relying on supplier capabilities assessed years earlier, when the framework was let.

High-value contracts benefit most from unrestricted competition. Even small percentage gains in pricing can translate into substantial savings over a long contract term. Where values run into millions, the extra procurement effort open tendering requires is usually far outweighed by the commercial benefit of stronger competition.

Construction and asset investment illustrate this well. Housing associations regularly procure major planned maintenance, retrofitting, decarbonisation, fire safety, and mechanical and electrical upgrades — markets that continue to evolve as suppliers introduce new products, methods, and digital tools. A fixed panel risks excluding organisations capable of delivering far greater value.

Open procurement suits any objective beyond price alone. Projects needing innovation, collaborative working, digital transformation, or specialist expertise benefit from engaging the widest possible marketplace, since fresh competition often surfaces delivery models and technical solutions that would never emerge within a closed-framework competition.

Supplier markets can shift dramatically over a framework's lifetime — businesses merge, expand, diversify, or exit altogether, while new organisations continuously enter. Open tendering captures these changes immediately, so procurement decisions reflect current market capability rather than conditions frozen at the point the framework was established.

Housing providers increasingly operate in exactly this environment. The Building Safety Act, tighter consumer regulation, net-zero commitments, damp and mould remediation, and digital transformation are all continuously reshaping supplier capability — open procurement lets organisations respond through every exercise, rather than waiting for framework renewal.

Market accessibility is another advantage. Newly established businesses, specialist SMEs and innovative regional contractors often struggle to secure national framework places, since appointments happen only periodically. Open procurement removes that barrier entirely, letting the most capable supplier compete regardless of when it entered the market.

Open tendering also provides the strongest evidence that genuine market competition took place. Audit committees, regulators and boards can readily show that every qualified supplier had a chance to bid, strengthening confidence that decisions rested on objective evaluation rather than restricted participation.

Ultimately, open procurement suits situations where commercial outcome matters more than procurement convenience. When the potential financial benefit of unrestricted competition clearly exceeds the extra effort involved, running a full open procurement is simply the stronger commercial decision.

As the UK's largest housing association, Clarion Housing Group procures hundreds of millions of pounds' worth of construction, repairs, compliance, and maintenance services each year. Procurement decisions therefore have a significant influence on long-term financial performance, operational efficiency and the quality of services delivered to residents across its extensive housing portfolio.

For major investment programmes involving substantial contract values, unrestricted market competition can maximise supplier participation, encourage innovative construction techniques and strengthen commercial leverage. Conversely, routine and lower-risk requirements may derive greater benefit from framework mini-competitions where procurement speed, consistency, governance and administrative efficiency become the primary commercial considerations.

L&Q manages one of England's largest housing portfolios, delivering extensive programmes covering planned maintenance, building safety, decarbonisation, compliance and new development. Its procurement activity spans a diverse range of services, requiring procurement strategies that balance commercial value, regulatory compliance, operational resilience and efficient contract mobilisation.

Projects involving emerging technologies, evolving legislation or specialist expertise are often better suited to open procurement because unrestricted competition provides immediate access to innovative suppliers and new delivery models. More standardised maintenance activities, however, may continue to benefit from carefully selected framework agreements where market conditions remain relatively stable.

B3Living demonstrates that procurement route selection should always reflect the characteristics of the

individual requirement rather than established organisational practice. Different procurement categories entail distinct commercial risks, market conditions, and operational priorities, meaning no single procurement route will consistently deliver the greatest value for every contract.

Routine compliance services and standard maintenance activities may justify framework mini-competitions where procurement efficiency and mobilisation speed are important. However, strategically significant procurements involving innovation, evolving supplier markets or substantial expenditure may achieve greater long-term value by exposing the requirement to unrestricted competition through an open tender.

Choosing the Right Procurement Route

Choosing between an open tender and a mini-competition should never be automatic. Procurement strategy is sometimes shaped by habit rather than objective assessment — frameworks become familiar, teams build confidence in particular providers, and stakeholders request the same route simply because previous exercises followed it.

That tendency is understandable but risky. Procurement should start with the requirement itself, not the quickest available route. Market characteristics, expected contract value, complexity, pace of change, available timescale, internal resource and organisational objectives should all shape the decision before any procedure is chosen.

Four questions help frame that decision. Is the supplier market changing rapidly? Is the contract value high enough that even a small pricing improvement justifies extra effort? Does the requirement need innovation or specialist expertise? And is there enough time to run an open procurement without harming operational delivery?

Where most answers are yes, open tendering is likely to deliver stronger commercial outcomes. Where the market is stable, specifications are standardised, urgency is high and administrative efficiency matters most, a framework mini-competition may be the more proportionate solution.

The Procurement Act 2023 deliberately gives contracting authorities more flexibility than previous legislation, expecting professionals to exercise informed commercial judgement rather than follow prescriptive procedure. That flexibility places greater responsibility on teams to justify their route selection through documented commercial reasoning rather than organisational custom.

Housing associations are well placed to apply this thinking, given how diverse their procurement activity is — a single organisation might simultaneously procure repairs, consultancy, software, construction, professional advisers, compliance contracts and grounds maintenance, each potentially suited to a different route depending on its characteristics.

The most effective procurement functions avoid becoming advocates for any single route. Instead, they balance competition, compliance, efficiency, innovation, risk, and long-term value according to the circumstances of each exercise — a strategic approach far more likely to deliver sustainable value than consistently defaulting to either extreme.

Perhaps the simplest question every procurement professional should ask is not, “Can this requirement be procured through an existing framework?”, but “Should it be?” The existence of a compliant procurement route does not automatically make it the optimum commercial solution. Procurement legislation provides flexibility precisely because different procurement objectives require different procurement strategies.

Procurement Route Decision Matrix

The table below summarises where each procurement route generally performs best. Every exercise still deserves individual assessment, but the pattern is consistent across sector data and practitioner experience alike.

Evaluation Criteria	Open Tender	Framework Mini-Competition
Market Competition	Excellent – unrestricted market access	Good – limited to framework suppliers
Supplier Innovation	Excellent	Moderate

Evaluation Criteria	Open Tender	Framework Mini-Competition
Access for SMEs and New Entrants	Excellent	Limited during framework term
Procurement Timescale	Longer	Shorter
Administrative Effort	Higher	Lower
Procurement Compliance	Excellent	Excellent
Procurement Transparency	Excellent	Excellent
Opportunity for Commercial Negotiation	High	Moderate
Pricing Competitive Pressure	Very High	Moderate to High
Exposure to Current Market Conditions	Excellent	Limited by framework age
Technical Innovation	Excellent	Moderate
Suitable for Urgent Requirements	Moderate	Excellent
Suitable for High-Value Contracts	Excellent	Good
Suitable for Standard Commodities	Good	Excellent
Governance Assurance	Excellent	Excellent
Whole-Life Value Potential	Excellent	Good

Neither route is universally superior. Mini-competitions perform well where efficiency, speed and standardisation matter most; open tendering consistently performs better where innovation, unrestricted competition, market development and long-term commercial value are the primary objectives.

Key Questions Before Selecting a Procurement Route

Before selecting a route, contracting authorities should weigh several strategic factors beyond legislative compliance. Both open tendering and mini-competitions satisfy procurement law, but the right choice depends on the requirement's characteristics, prevailing market conditions and the organisation's commercial objectives — careful planning up front makes genuine value for money far more likely.

Start by asking whether the supplier market has changed since the relevant framework was established. Markets evolve constantly as new entrants appear, existing businesses expand, technologies mature, and new delivery models emerge. Where change has been significant, a fixed panel may be blocking access to better prices, services or innovation now available in the wider market.

Contract value should also influence the decision. Open procurements require more planning and evaluation effort, but that cost is often trivial compared to the financial benefit of unrestricted competition. On a high-value, multi-year contract, even a modest improvement in price or service quality can far outweigh the additional resources required by an open tender.

Innovation deserves separate consideration. Where an organisation wants improvements in customer service, digital transformation, sustainability or compliance, unrestricted competition is more likely to surface suppliers offering the latest products and delivery models, rather than relying solely on a panel appointed to a framework years earlier.

Timescale matters equally. Where genuine urgency exists — emergency works, essential service continuity, critical regulatory deadlines — mini-competitions typically offer the fastest compliant route to market, drawing on pre-approved suppliers and completed due diligence to cut procurement duration

without compromising governance.

Internal capability should be assessed honestly too. Larger organisations with experienced procurement teams may manage complex open procurements efficiently while maximising competition. Smaller authorities or housing associations with limited capacity may derive greater overall value from frameworks that offer ready expertise, template documentation, and established commercial arrangements.

Finally, organisations should test whether a proposed route genuinely represents the best commercial solution, or reflects established practice. Decisions should never rest on familiarity alone — reviewing strategy against current market conditions and organisational priorities produces better decisions, stronger competition and better stewardship of public funds.

The Future of Public Procurement

Public procurement keeps evolving alongside legislation, technology and public expectation. Professionals are no longer judged solely on running compliant exercises; they are increasingly expected to deliver measurable commercial value, encourage innovation, support economic growth, improve sustainability and strengthen supply chain resilience.

The Procurement Act 2023 reflects this shift, placing greater weight on transparency, integrity, fair competition and value for money across the lifecycle. Procurement has become a strategic commercial function contributing directly to organisational performance, rather than a back-office process for purchasing goods and services.

Social housing shows this evolution clearly. Registered providers invest billions annually in maintaining homes, improving building safety, delivering decarbonisation and building new affordable stock. Every procurement decision now shapes organisational finances, resident satisfaction, regulatory compliance, and long-term asset management.

Rapid technological change is likely to reinforce this trend. AI, predictive asset management, digital twins, robotics, modern construction methods, and intelligent supply chains will continue to transform supplier capabilities over the coming decade — strategies that preserve unrestricted access to these developing markets are likely to become increasingly valuable.

Frameworks will continue to play an important role, offering efficient mechanisms, supporting smaller organisations without specialist procurement expertise, and reducing duplicated effort across the public sector. Their continued success will depend on remaining flexible enough to respond to rapidly changing supplier markets while still demonstrating measurable value for money.

The most successful procurement organisations will avoid treating routes as competing alternatives. Instead, they will treat them as complementary tools, selecting whichever approach best matches the commercial objectives, complexity and strategic importance of each exercise.

Summary – Open Tender or Mini-Competition: Which is Best?

Both open tendering and framework mini-competitions are fully compliant routes that can deliver successful outcomes. Each has an important place in public procurement, offering distinct advantages depending on the requirement, the supplier market and the contracting authority's objectives — the real debate is not about compliance but commercial effectiveness.

Frameworks have genuinely transformed public procurement — shorter timescales, greater consistency, aggregated buying power and simplified processes. For routine or lower-risk procurements, particularly where specifications stay stable and urgency is high, mini-competitions frequently deliver satisfactory commercial outcomes while significantly reducing administrative effort.

But those efficiencies should never be assumed to represent the greatest overall value for money. Frameworks inevitably restrict competition to suppliers appointed at a fixed point in time and typically carry management costs — often 0.33% to over 3% depending on the sector — recovered through supplier pricing. As markets and technology move on, these structural limits erode the original commercial advantage.

Open tendering offers a genuinely different proposition. Exposing every procurement to the widest possible marketplace generates stronger competitive pressure, broader participation, greater innovation, and immediate access to current market capabilities — benefits that, for higher-value or fast-evolving requirements, routinely outweigh the extra effort a fully open competition demands.

For the UK public sector, where procurement expenditure now exceeds £434 billion annually, even

marginal gains in competitiveness free up substantial resources for frontline services. Within social housing, where spending on repairs, maintenance, compliance, and capital investment continues to rise, procurement strategy has become a genuine determinant of financial resilience and resident outcomes.

The most effective procurement professionals start with one simple question: which route is most likely to maximise value for money for this specific requirement? If the answer is a mini-competition, pursue it with confidence. If the answer is an open tender, embrace unrestricted competition just as readily — the legislation provides the flexibility; commercial judgement decides how to use it.

Procurement should never be driven by familiarity, convenience or established habit. It should be guided by evidence, commercial judgement and a clear understanding of market dynamics. Open tendering and mini-competitions are not competing ideologies but complementary tools — and the strongest contracting authorities are those that understand exactly when each delivers not just compliance, but the greatest possible value for every pound of public money spent.

The most successful procurement organisations do not regard open tendering and framework agreements as competing procurement philosophies. Instead, they recognise both as valuable commercial tools within a wider procurement strategy. Mature procurement functions assess each requirement objectively, evaluate prevailing market conditions and select the route that offers the strongest combination of competition, innovation, governance, efficiency and long-term value for money.

Experienced procurement professionals rarely become advocates of a single procurement route. They recognise that both open tendering and framework agreements have an important role within public procurement. Their expertise lies not in consistently selecting one approach over another, but in understanding when each is most likely to deliver the optimum balance of competition, compliance, innovation, efficiency and long-term value for money.