

**EXPLANATORY MEMORANDUM TO**  
**THE BUYING AGENCY TRADING FUND (AMENDMENT) ORDER 2014**

**2014 No. 561**

1. This explanatory memorandum has been prepared by the Cabinet Office and is laid before the House of Commons by Command of Her Majesty.

**2. Purpose of the instrument**

The amendments to the Buying Agency Trading Fund Order 1991 are being made to change the name of the Trading Fund from the Government Procurement Service to the Crown Commercial Service.

**3. Matters of special interest to the Joint Committee on Statutory Instruments or the Select Committee on Statutory Instruments**

None.

**4. Legislative Context**

The enabling act is the Government Trading Funds Act 1973. The Buying Agency Trading Fund Order 1991 established the Buying Agency Trading Fund, which later became known as OGCbuying.solutions, followed by Buying Solutions and, most recently, the Government Procurement Service. This Order has now been amended by the Buying Agency Trading Fund (Amendment) Order 2014. The purpose of this amendment Order is to change the name of the Trading Fund to the Crown Commercial Service.

**5. Territorial Extent and Application**

This instrument applies to all of the United Kingdom.

**6. European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

**7. Policy background**

• *What is being changed and why*

7.1 The Buying Agency Trading Fund Order 1991 established a trading fund to finance the specified operations of the Buying Agency. Since 1991, successive changes to the name of the Trading Fund have been made to reflect changes to the name of the body financed by it. This Order makes a further change to the name of the Trading Fund as explained in paragraph 4 above.

- ***Policy rationale***

7.2 The Civil Service is conducting a wide-ranging programme of reforms as part of the Civil Service Reform Plan (2012). Reforming procurement and commercial activity is a key part of this.

7.3 The case for centralising procurement of common goods and services has been widely articulated, most recently in a review by the Public Administration Select Committee (2013, 6<sup>th</sup> Report, Government Procurement), which found that there were clear shortcomings in the ability of the Civil Service to run effective and efficient procurements. The Committee found that multiple contracts had been signed with the same major suppliers by different Departments at different prices, that commercial capabilities were scarce and needed to be strengthened significantly, and called for the Government to leverage its buying power as a single customer to save taxpayers' money.

7.4 The change of name to the Crown Commercial Service reflects the new agency's role delivering a complete end-to-end commercial service for Government. With both a delivery and advisory capacity, the agency will act on behalf of the Crown as a true single customer. It will buy common goods and services for the whole of government in the most efficient way possible, providing a fully managed procurement service from early market engagement, to sourcing and the ongoing management of contracts and suppliers. It will also develop a central cadre of commercial specialists, who will work with departments to help them achieve maximum value for the taxpayer from every commercial relationship.

- ***Consolidation***

7.5 There are no plans to consolidate the relevant legislation.

## **8. Consultation outcome**

There has been no consultation outside Government, given the nature of the change.

## **9. Guidance**

We will inform customers and suppliers when the Order has been laid and explain what these changes mean to them. In addition to formal written notification this will include a press release with supporting marketing activity to make both customers and suppliers aware of the change to the name.

## **10. Impact**

10.1 The impact on business, charities or voluntary bodies is minimal.

10.2 The impact on the public sector is minimal.

10.3 An Impact Assessment has not been prepared for this instrument. There will be no significant impact on the markets.

## **11. Regulating small business**

The legislation does not affect small business.

**12. Monitoring & review**

There are no plans to subject the change to monitoring or review, as the need for a further change will only arise if the name of the Fund is changed again, in which case appropriate further action will be taken.

**13. Contact**

Peter Jinks at the Cabinet Office (Tel: 07825 724 504 or email: [peter.jinks@cabinet-office.gsi.gov.uk](mailto:peter.jinks@cabinet-office.gsi.gov.uk)) can answer any queries regarding the instrument.