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Question 1

Question Type: MultipleChoice

Sarah is thinking of setting up a charity in the UK which will look after animals that have been abandoned. What regulations and governing bodies should Sarah be aware of when setting up her charity? (25 Points)

Options:

A- See the solution in Explanation part below

Answer:

A

Explanation:

How to approach this question

- Your essay should mention at least one regulation and one governing body particular to the charity section and I would recommend these be the Charities Act 2011 and the Charities Commission.

- If you don't know a lot about the sector you can bring up more generalised regulations and governing bodies, such as financial conduct and the Equalities Act, but make sure it's relevant to Sarah. Her charity is a small, local one, so things like Modern Slavery Act will not be appropriate to talk about.

Example Essay

When setting up a charity in the UK, particularly one focused on animal welfare, there are several regulations and governing bodies that Sarah should be aware of. These ensure that the charity operates legally, ethically, and effectively.

A charity's purpose involves raising awareness and helping someone or something, in Sarah's case this will be local animals and potentially their owners. A charity has to satisfy two aspects: The benefit aspect and The public aspect. In the UK, both aspects are regulated by the Charities Act 2011.

To satisfy a benefit aspect, a charity must: have a purpose that must be beneficial to the community it works in -- this must be in a way that is identifiable and capable of being proved by evidence. For Sarah this would be showing that her charity helps animals, potentially by taking them in off the street or removing them from dangerous homes and caring for them.

To satisfy a public aspect, a charity must benefit the public in general, or a sufficient section of the public. In Sarah's case the public benefit may be in removing stray dogs and cats from the streets where they can transport diseases and potentially attack people. Most charities strive to satisfy both aspects but in some cases this is not possible.

All charities are regulated. Because charities are funded by donations from the public, businesses and sometimes from government, their conduct is regulated closely. Key regulatory bodies that Sarah will have to engage with include:

1. Charity Commission for England and Wales:

* As the primary regulator for charities in England and Wales, the Charity Commission oversees the registration and regulation of charities. Sarah's organization must meet the legal definition of a charity and apply for registration if its income is over 5,000 per year.

* The Commission ensures compliance with the Charities Act, offering guidance on charity governance, financial management, and reporting.

2. HM Revenue and Customs (HMRC):

* Charities can apply to HMRC for recognition as a charity for tax purposes. This status allows for tax reliefs and exemptions, including Gift Aid on donations.

* HMRC ensures compliance with tax obligations and scrutinizes the use of charity funds.

3. Data Protection:

* Under the General Data Protection Regulation (GDPR) and the Data Protection Act 2018, any charity handling personal data must ensure its protection and comply with data privacy laws.

4. Health and Safety Executive (HSE):

* The HSE provides guidelines for workplace safety, which are important if the charity has employees or volunteers.

In conclusion there are many regulations and bodies that Sarah should be aware of when setting up her charity. Sarah should consider seeking legal advice or consulting with charity advisory services to ensure full compliance with all relevant laws and regulations. Additionally, staying informed about changes in charity law and animal welfare legislation would be beneficial to the smooth operation of her charity.

Tutor Notes

- With case study questions you're not expected to know anything about the specific topic, in this case Animal Charities. If it happens to be something you know about, you can bring in some of your own knowledge, but this isn't a requirement to get a good score. You're not expected to know, for example about the Animal Welfare Act 2006, but if you happen to do so, it could be a nice little thing to add in. Just don't focus your essay on it. However you can make some sensible guesses on what Sarah will be doing, for example I talked about removing stray animals from the street.

- Charities comes up in LO 4.4 p.232

Bottom of Form

Top of Form

Question 2

Question Type: MultipleChoice

Describe the key drivers for organisations who operate in the public, private and third sector (25 marks)

Options:

A- See the solution in Explanation part below

Answer:

A

Explanation:

- There's 2 main approaches to layout you could take for this question. Firstly, divide your essay into three sections for the public, private and third sectors and talk about the key drivers for each sector separately. Alternatively, you could select a couple of drivers and form paragraphs around them, explaining in each paragraph whether the driver is strong or weak or even applicable for the different sectors.
- Drivers you could talk about include attitudes towards money, survival in the industry, differentiation, need for transparency, resources available, stakeholders, regulatory compliance
- Your answer should say why these are drivers in each of the industries, whether these drivers are strong or weak and why.

Example essay:

Organizations across the public, private, and third sectors operate within different paradigms, driven by distinct motivations and constraints. Understanding these key drivers is essential for comprehending how these organizations function and achieve their objectives. This essay explores the fundamental drivers of organizations in each of these sectors, focusing on attitudes towards money, survival, differentiation, need for transparency, resource allocation, and stakeholder management.

Attitudes Towards Money:

The approach to profit significantly differentiates the sectors. In the private sector, profit is a primary driver, essential for survival and rewarding shareholders. Conversely, the public sector is not profit-driven; its primary aim is to provide essential services to society, regardless of financial gain. The third sector, often termed 'not-for-profit', also requires profit generation, but uniquely, all profits are

reinvested into the organization to further its aims, rather than being distributed as shareholder dividends. The Public-Sector needs to 'balance the books' but it is not a profit-generating area of the economy. The priority around money is ensuring that taxpayer money is well spend and that procurement activities represent value for money.

Survival in the Industry:

Survival strategies vary across sectors. Private and third sector organizations must focus keenly on survival, necessitating efficiency and sound business processes. The public sector, by contrast, can continue operating even when inefficient or running at a deficit, as seen in cases like local councils operating with budget shortfalls. This difference underscores a greater urgency for efficient management in the private and third sectors.

Differentiation:

Differentiation is a key driver in the private sector due to competition. Private entities often strive to distinguish their goods or services to gain a competitive edge, either through cost competitiveness or unique offerings. However, differentiation is less of a driver in the public and third sectors, where organizations are often sole providers of certain services or focus on specific social causes without direct competition.

Need for Transparency and Regulatory Compliance:

Transparency and adherence to regulations are paramount in the public and third (not-for-profit) sectors. These sectors are highly regulated, with public organizations adhering to regulations like the Public Contract Regulations 2015 and third sector organizations following guidelines set by bodies like the Charities Commission. The public's right to information through mechanisms like Freedom of Information requests further underscores this need for transparency. In contrast, the private sector faces less pressure for transparency, though it is not entirely exempt from regulatory compliance.

Resource Availability:

The availability and management of resources are different across sectors. Public and third sector organizations often operate with limited funds, making value for money a critical driver. They must achieve their objectives within these financial constraints. In contrast, the private sector generally has greater flexibility in resource acquisition, able to raise funds through loans or share sales, providing them with a broader scope for investment and expansion.

Stakeholder Management:

Stakeholder dynamics vary significantly among sectors. Public and third sector organizations often have a wide range of stakeholders, though these stakeholders may not wield significant power. Conversely, stakeholders in private organizations, like employees, can exert considerable influence, as seen in cases where employees might strike for better working conditions. Therefore, managing and satisfying stakeholders can be a more pressing concern in the private sector compared to the public sector, where actions like strikes can be legally restricted.

Conclusion:

In summary, organizations in the public, private, and third sectors are driven by different motivations and constraints. While profit is a major driver in the private and third sectors, it serves different purposes in each. Survival strategies, the need for differentiation, transparency requirements, resource management, and stakeholder relations all vary significantly across these sectors, reflecting the distinct roles and responsibilities they hold in society. Understanding these key drivers is crucial for anyone looking to navigate or interact with these diverse organizational landscapes effectively.

Tutor Notes:

- If you're asked about different sectors of the economy it can be difficult to know what to talk about. An easy way to remember topics you can discuss in your essay is the acronym CAROLS which stands for: Competition, Activity, Responsibilities, Objectives, Legal Restrictions and Stakeholders. This acronym may generate some ideas of things you can discuss in your essay.

- This question takes some content from different Learning Outcomes throughout L4. Charities are discussed separately from Public and Private Sectors in LO 4.4 p.230.

Question 3

Question Type: MultipleChoice

What is meant by the 'Third Sector'? Describe the sector (10 points) and explain the main objectives of organisations who operate in this sector (15 points).

Options:

A- See the solution in Explanation part below

Answer:

A

Explanation:

How to approach this question

- Description of the 'third sector' - the part of an economy comprising non-governmental and non-profit-making organisations including charities, voluntary and community groups, and cooperatives. These organisations reinvest surplus profits back into the enterprise to further their objectives. This is worth 10 points so should be a good 2-3 paragraphs, with examples.
- Main objectives -- these could include engaging with stakeholders, social or environmental aims, education, providing a service to the community, stewardship role. There's more points for this question so you should have more content here.

Example Essay

The 'Third Sector' refers to a segment of the economy distinct from the public (government) sector and the private (for-profit) sector. It encompasses a diverse range of non-governmental organizations (NGOs), charities, foundations, social enterprises, cooperatives, and other non-profit entities. These organizations are primarily driven by social, environmental, cultural, or community objectives rather than the pursuit of profit. They often operate based on values such as democracy, equality, and social justice. The Third Sector plays a crucial role in providing services, advocating for social causes, and filling gaps left by the public and private sectors.

The third sector is often called the 'not-for profit' sector. It's distinguished from the private sector in that the main aim isn't to make money for money's sake. The main aim is to generate money to reinvest back into the organisation so that the organisation can achieve the purpose it was set up for. Whereas the private sector may exist solely to make money, the third sector has a 'higher aim'.

Organisations operate in a very narrow marketplace. They may be the only provider in that marketplace. For example the RNLI is the only operator of lifeboats and the only organisation that sets out to save lives at sea- there is no 'competitor'.

3rd Sector Organisations have multiple sources of income; e.g. subscriptions or donations, or from donated goods that they then sell on (such as Oxfam shops), fundraising activities or selling merchandise. The sector also has a wide range of stakeholders.

The third sector is subject to same regulations as private and public companies but also has its own regulations imposed by the Charities Commission. This is a statutory regulation body which checks charities are run for public benefit and not private advantage, ensures charities are independent, and sets out to remedy serious mismanagement. They can audit, offer advice and investigate complaints. Therefore the sector is highly regulated.

Organisations in this sector have a huge range of objectives depending on why they were set up. These can be very specific, for example: charities such as Cancer Research (objective- find a cure for cancer), Museums (objective- educate the public), CIPS (objective - provide professional services to a particular industry), trade unions (objective- defend the rights of workers), pressure groups (objective- change laws and practices they morally disagree with).

However organisations in this sector do have overarching objectives in common.

1. Survival -- Generating Enough Money to Continue Operations: Survival is a fundamental objective for Third Sector organizations. Unlike for-profit entities, these organizations do not aim to generate profits for shareholders but need sufficient funding to sustain their operations. This funding often comes from donations, grants, fundraising activities, and sometimes income from services provided. The challenge lies in balancing the mission with the need for financial stability, ensuring that the organization can continue to serve its community and pursue its goals over the long term. Financial sustainability is crucial, particularly in a sector where funding sources can be uncertain and competition for donations is high.
2. Creating Awareness of Their Cause: Raising awareness is vital for Third Sector organizations, as it helps to educate the public, garner support, attract volunteers, and drive fundraising efforts. Awareness campaigns are essential in highlighting the issues these organizations address, whether it's health, environmental conservation, social justice, or cultural preservation. Effective communication strategies, including the use of social media, public events, and collaborations, are employed to reach a wider audience. The more people know about a cause, the more likely they are to support it, either through donations, volunteering, or advocacy.

3. Compliance with Regulations and the Charities Commission: Compliance with legal and regulatory requirements is a critical objective. In many countries, including the UK, Third Sector organizations are regulated by bodies like the Charities Commission. These organizations must adhere to specific legal standards, including financial transparency, governance practices, and ethical guidelines. Compliance ensures credibility and trustworthiness, which are essential for maintaining public confidence and the continued support of donors and volunteers. It also ensures that the organization operates within the law, avoiding legal issues that could jeopardize its mission.

4. Providing a Service to the Community: The core of a Third Sector organization's mission is to provide services or benefits to the community. These organizations often address needs that are unmet by the private or public sectors, focusing on improving the quality of life for certain populations or addressing specific societal issues. This objective can take many forms, from offering direct services like healthcare and education to advocating for policy changes that benefit underserved communities. The impact of these services on the community can be profound, often bringing about significant social change.

5. Fulfilling a 'Gap in the Market': Many Third Sector organizations exist to fill gaps in services not provided by the public or private sectors. A classic example is the provision of air ambulance services in the UK. While the government provides comprehensive healthcare services, there's a gap in the rapid transportation of critically ill patients, which is filled by charities operating air ambulances. These organizations identify specific needs that are not adequately addressed and work to meet them, often innovating in the process. By fulfilling these gaps, they play a crucial role in complementing existing services and enhancing the overall welfare of society.

In conclusion, Third Sector organizations operate with a unique set of objectives that distinguish them from other sectors. Their focus on survival, awareness-raising, compliance, community service, and filling market gaps is essential not only for their existence but also for the significant societal impact they make. These objectives align with the overarching mission of the Third Sector to contribute positively to society, addressing needs and issues often overlooked by other sectors.

Tutor Notes:

- A strong essay will use real life examples of organisations in the third sector and their objectives. I've mentioned a couple above such as Cancer Research UK: Our strategy to beat cancer | Cancer Research UK and North West Air Ambulance Charity: Home | North West Air Ambulance Charity (nwairambulance.org.uk) but pick charities you know well.

- LO 4.4. P.230

Question 4

Question Type: MultipleChoice

Discuss the importance and role of an organisation's branding in procurement and supply operations (25 marks)

Options:

A- See the solution in Explanation part below

Answer:

A

Explanation:

How to approach the question

- This is a very open question so your essay could discuss

o the functions of a brand; e.g. advertising, marketing, creating trust, identity

o What is effective branding? Strong image, convincing people to purchase, shared values with customers, offering a solution to a problem.

o The impact for procurement and supply chain isn't explained in the study guide so tailor this however you like. The best thing to do would be to think about some companies where branding is important, such as luxury goods, cars, or the brand is synonymous with a particular aspect such as Apple being associated with innovative technology. From there you could argue the importance of selecting the right suppliers to work with in order to keep up the brand image. Another example could be an ethical company needing to ensure their supply chain is 'clean', so as not to damage their branding. Possibilities are endless with this one.

Example Essay

In the contemporary business landscape, the significance of branding extends far beyond marketing and consumer perception. In procurement and supply operations, an organization's brand plays a pivotal role in shaping relationships with suppliers, determining the quality of goods and services that are procured, and influencing overall supply chain efficiency. This essay delves into the importance of branding in procurement and supply, exploring how a strong brand image can drive competitive advantage, foster trust and collaboration, and impact an organization's bottom line.

Building Competitive Advantage Through Brand Reputation:

The reputation of an organization's brand is a key determinant in attracting and retaining high-quality suppliers. A strong brand often correlates with financial stability, market presence, and business ethics, making such organizations more appealing to work with. This advantage is critical in procurement as it can lead to preferential treatment, such as priority access to scarce resources, better payment terms, and opportunities to collaborate on innovative products. For example, a well-regarded technology company might receive early access to cutting-edge components from suppliers eager to be associated with a market leader.

Enhancing Supplier Relationships and Negotiations:

Branding extends into the realms of trust and reliability, essential components in building long-term relationships with suppliers. A well-respected brand often implies a history of fair dealings, prompt payments, and mutual respect, which can make suppliers more willing to negotiate favourable terms. This trust can be particularly vital in times of supply chain disruptions or market volatility. Suppliers are more likely to extend credit or expedite orders for trusted partners, which can be invaluable for maintaining uninterrupted operations.

Influencing Quality and Sustainability Standards:

An organization's brand also communicates its commitment to quality and sustainability, which are increasingly crucial in procurement decisions. Suppliers aligning with brands that emphasize high-quality standards are often more diligent in maintaining these standards in their products and services. Additionally, a strong brand committed to sustainability can drive supply chain practices that align with environmental and social governance (ESG) principles. This commitment can lead to long-term cost savings, risk mitigation, and enhanced brand loyalty among environmentally conscious consumers.

Brand Image and Consumer Perception:

The procurement function directly impacts the final product quality, which in turn affects consumer perception of the brand. An organization's ability to procure high-quality, ethically sourced materials can significantly enhance its brand image and appeal to a broader customer base. For instance, a fashion brand's commitment to ethical sourcing and procurement of sustainable materials can bolster its image as an environmentally responsible brand, appealing to a growing demographic of eco-conscious consumers. The

reverse is also true, brands associated with child or forced labour where this is found to be in their supply chains can suffer from loss of customers, revenue and reputation as well as potentially even legal consequences.

Internal Branding and Employee Engagement in Procurement:

Internal branding, the way an organization's values and culture are perceived by its employees, plays a crucial role in procurement. Employees who are proud of their organization's brand are more likely to engage deeply with their work, leading to better performance in procurement roles. This engagement can result in more innovative procurement strategies, improved vendor management, and a greater focus on aligning procurement practices with the organization's overall strategic goals.

Conclusion:

The role of an organization's branding in procurement and supply operations is deeply impactful. A strong brand can create competitive advantages, foster better supplier relationships, influence quality and sustainability standards, enhance consumer perception, and drive employee engagement. In the modern business world, where supply chains are complex and consumer expectations are high, branding is not just a marketing tool but a strategic asset in procurement and supply operations. Organizations that recognize and leverage the power of their brand within these operations are poised to achieve greater efficiency, sustainability, and overall success.

Tutor Notes

- This is a really random section of the study guide and doesn't really relate to the rest of the content. Branding comes up on p.226 -- 228. It therefore can come up as a question, but because it's such a small part of the syllabus, don't focus too much effort on this subject.
- If you remember one line from this topic it's this: "branding is not just a marketing tool but a strategic asset in procurement and supply operations"

- This type of question could come up as a scenario / case study. E.g. How does the branding of X Company impact upon their supply chain.

Question 5

Question Type: MultipleChoice

Describe the four main ways that a Public Sector organisation can procure goods or services (25 points)

Options:

A- See the solution in Explanation part below

Answer:

A

Explanation:

How to approach this question

- This question is testing to see if you know the 4 procurement procedures allowed in the Public Sector which are: open, restricted, competitive dialogue, competitive dialogue with negotiation. The Public Sector is limited in how it can procure due to the Public Contract Regulations, so things like Early Supplier Involvement isn't an option.
- The question doesn't specifically say it has to be these four, but these are the ones in the book. Because of the vagueness you could say something like running a competition and awarding via a Framework instead. Talking about Public Private Partnerships could also be appropriate but that is outside of the scope of this module (and Level! It comes up in Level 5). These answers would be accepted.
- Also note that it doesn't say the UK in the question, so if you answered this about your own country, that would be fine.

Example Essay

Each country's government has its own regulations relating to how goods, services and works can be procured. The UK's procurement rules is currently dictated by the Public Procurement Regulations 2015 which is based off EU Procurement Directives. This piece of legislation will likely be superseded in Autumn 2023 due to the UK leaving the EU. Until this point, the PCR allows UK public sector organisations to procure in the following ways: open, restricted, competitive dialogue, competitive dialogue with negotiation

Open Procedure: This is the most straightforward and transparent method. A local government issues an open tender for office supplies. Any company that provides these supplies can submit a bid. The government then evaluates all bids based on price, quality, and delivery terms to select the supplier. Any interested supplier can submit a tender. The process is open from the outset, and all submissions are evaluated against pre-defined criteri

a. This procedure is used when you wish to attract a large number of bidders for the opportunity and is often posted online on a platform such as Find A Tender.com so that suppliers can find the opportunity. If it is a large contract it is a requirement for details to be published on OJEU. The disadvantage of using this approach is that you may receive many bids which can be time-consuming.

Restricted Procedure: In this method, the public sector organization invites suppliers to express their interest. After a preliminary selection process, only those who meet the criteria are invited to submit tenders. This is used when the opportunity is more technical, for example a healthcare authority needs specialized medical equipment. The authority would request expressions of interest from suppliers. After reviewing these, it invites a shortlist of qualified suppliers to submit detailed bids for further evaluation. The benefit of this approach is that unsuitable suppliers are weeded out early, this saving time.

Competitive Dialogue: This is used for complex contracts where the organization cannot define the technical means or legal or financial make-up of a project in advance. A dialogue with selected bidders is conducted to develop one or more suitable solutions, which are then put out to tender. For example, a local council is planning a new public transport system but is unsure of the best solution. It enters into a dialogue with several firms specializing in transport systems to explore various options before requesting final bids based on the developed solutions. Suppliers can be eliminated through the dialogue process based on pre-determined criteria.

Competitive Dialogue with Negotiation: Similar to competitive dialogue, but with an added phase of negotiation. It's used for particularly complex projects where the needs cannot be met without adaptation of readily available solutions. For example: a government department requires a complex IT system that integrates various existing systems. It engages in a competitive dialogue to develop potential solutions and then negotiates with bidders to refine these solutions before finalizing the contract. This procedure allows for negotiations with the winning bidder to readjust requirements if needed.

The approach taken by a public sector organisation will depend on a number of factors, but in particular the complexity of the project and whether there is a pre-determined scope. Other factors to consider include; the time-sensitiveness of the project and how quickly the procurement exercise needs to be completed, the amount of suppliers in the marketplace, and whether suppliers need to be consulted on to create the specification.

Tutor Notes

- These four procedures are outlined on p.212. Post PCR 2015, these procedures may change, or be renamed, depending on what the UK government decide to do. So if you're taking this exam in November 2024 or later, note that the study guide is now out of date and you should conduct a bit of your own research.

- You could also mention that the value of spend is a factor when public sector organisations are deciding on a procurement route. For really low value stuff, like they need a new sofa for the office, most organisation's requirements are to get three quotes and compare them. That isn't in the study guide, it's just real life (I've worked in this sector so know this stuff). Each organisation will have it's own thresholds for what procurement route needs to be taken, so I wouldn't comment on that but generally if it's under 10k there's quite a bit of flexibility. Where you reach 'threshold' then things become very serious and there's much more scrutiny.

- Thresholds are not part of the syllabus so don't worry about learning this. But if you're interested have a read here: [New public procurement thresholds from 1 January 2024 - BM Insights - Blake Morgan](#)

Question 6

Question Type: MultipleChoice

Explain the main differences between the Public Sector and the Private Sector (25 marks)

Options:

A- See the solution in Explanation part below

Answer:

A

Explanation:

Bottom of Form

Top of Form

- This is an open question. You could really talk about anything. Here's some ideas of content:

Public Sector	Private Sector
Driver - achieve defined service levels	Driver - profitability
Diverse Stakeholders	Less Stakeholders
Strict Regulation and Public Accountability	Less regulation and public accountability
Procurement is driven by achieving value for money - three EEs	Procurement is driven by Brand Values (e.g., quality, CSR, innovation)
Suppliers kept at arm's length	Suppliers seen as essential collaborators
Strategy is always open competition	Strategy can include ESI, partnerships

Example Essay

The public and private sectors, while both essential to a nation's economy, operate under different paradigms, primarily due to their distinct drivers, stakeholders, regulations, procurement aims, and supplier relationships.

Drivers

The most fundamental difference lies in their drivers. Private sector organizations are primarily profit-driven; their existence hinges on their ability to generate profits. This profit influences their strategies, operations, and overall objectives. Conversely, public sector organizations are not driven by profit. Funded by taxpayer money, their primary objective is to deliver services effectively and efficiently to the public. Their success is measured not in financial terms, but in how well they meet the service levels required by the citizens who finance them through taxes.

Stakeholders

The range and influence of stakeholders in the two sectors also differ markedly. In the public sector, the stakeholder base is much broader, encompassing every member of society who interacts with or benefits from public services like healthcare, policing, and road maintenance. However, these stakeholders typically have less power to influence policy or practices. In contrast, stakeholders in the private sector, such as shareholders and customers, often have a more significant influence on company policies and practices. The private sector's narrower stakeholder base allows for more direct impact and influence from these groups.

Regulations

Regulations in the public sector are generally more stringent than in the private sector. Public sector entities, governed by regulations like PCR 2015, must demonstrate sound procurement practices and are accountable to society at large. This contrasts with the private sector, where companies have more latitude in choosing suppliers and are not obliged to justify their decisions publicly. The private sector faces fewer regulatory constraints, allowing for more flexibility in business decisions.

Procurement Aims

Procurement in the public sector is guided by the principles of efficiency, economy, and effectiveness, often summarized as the '3 Es'. The focus is on achieving value for money, considering both quality and price. In contrast, private sector procurement is more diverse in

its aims, reflecting the organization's specific goals, which could range from profit maximization to innovation or sustainability. The private sector's procurement decisions are more closely aligned with the organization's unique values and objectives.

Supplier Relationships

Finally, the nature of supplier relationships differs significantly between the two sectors. The public sector is mandated to maintain a certain distance from its suppliers, ensuring equal treatment and open competition, as dictated by regulations like the PCR. This contrasts with the private sector, where companies are free to develop closer, more strategic relationships with preferred suppliers. The private sector can engage in practices like partnerships and Early Supplier Involvement, which are typically not permissible in the public sector due to the need for impartiality and fairness.

In summary, while both sectors aim to deliver services or products effectively, the public sector's focus on service delivery for the public good, stringent regulations, broad stakeholder base, and specific procurement principles, sets it apart from the private sector's profit-driven, flexible, and more narrowly focused approach.

Tutor Notes

- At Level 4 the questions are usually explain or describe, so don't worry too much about doing an in depth 'compare and contrast' style of answer. They don't expect that level of detail here. Simply saying Public Sector does X and Private Sector does Y is all you need.
- I have mentioned PCR 2015 -- if you're taking this exam in 2025 you may need to update this reference with the new regulations.
- LO 4.3 p.220 / p. 226

Question 7

Question Type: MultipleChoice

Describe regulation that govern the Public Sectors and explain how this may impact upon procurement activities (25 marks).

Options:

A- See the solution in Explanation part below

Answer:

A

Explanation:

How to approach this question

- You do need to know some legislation for public sector here. This may be difficult if you don't work in the Public Sector. If you're struggling with this, you could also talk about general legislation that governs all types of organisations such as the Equalities Act and Modern Slavery Act.
- This is also a tough question if you're not British. CIPS is a UK based organisation and the syllabus therefore only talks about British legislation. If you're in a different country you could talk about the legislation in your own country, providing the question doesn't specifically mention UK Law.

- Either way I would recommend knowing a couple of pieces of British Legislation. You don't need to be an expert but just state what they are and what the purpose is should be enough to get you a pass.

Example essay

The public sector, which encompasses various governmental and state-owned enterprises, plays a pivotal role in the governance and provision of essential services. This sector operates under a strict framework of regulations and policies, ensuring that its operations are fair, transparent, and accountable. Among the most critical aspects of these operations is procurement, the process through which the public sector acquires goods, services, and works. This essay will explain key regulations governing the public sector, focusing on the Public Contracts Regulations (PCR) 2015, Late Payment Regulations 2016, Equalities Act 2010, and Public Services (Social Value) Act 2012, and explores how these regulations impact procurement activities.

The Public Contracts Regulations (PCR) 2015

The PCR 2015 plays a foundational role in public sector procurement in the UK. It sets out the procedures for procuring contracts, aiming to ensure fairness and transparency in the process. The regulations mandate that all procurement processes must be conducted in a manner that prevents discrimination and allows equal access to potential contractors, regardless of their size or location. For example, the open tendering process under PCR 2015 has enabled a more diverse range of companies, including small and medium-sized enterprises, to participate in government contracts, enhancing competition and innovation. The four 'pillars' of the PCR are derived from EU Procurement Directives and are: non-discrimination, free movement of goods, equality of treatment and transparency.

Late Payment Regulations 2013

The Late Payment Regulations 2013 address a critical aspect of procurement: the timely payment for goods and services. This regulation ensures that public sector organizations pay their suppliers within a stipulated time frame, significantly impacting the financial stability of these suppliers. For instance, the regulation has been particularly beneficial for small businesses that rely on prompt payments to maintain cash flow. The introduction of these regulations has improved the trust between public sector entities and their

suppliers, leading to more efficient procurement processes.

Equalities Act 2010

The Equalities Act 2010 is another crucial piece of legislation impacting public sector procurement. This Act prohibits discrimination in the workplace and in the provision of services, extending its influence to the procurement process. Public sector entities must ensure that their procurement decisions do not discriminate against any group and that they promote equality. For instance, when a public sector organization issues a tender, it must ensure that the selection criteria do not unfairly disadvantage any potential supplier based on irrelevant characteristics. This approach not only fosters a more inclusive procurement environment but also helps to tap into a wider talent and supplier pool, enhancing the quality and effectiveness of public services.

Public Services (Social Value) Act 2012

The Public Services (Social Value) Act 2012 marks a significant shift in how procurement is approached in the public sector. This Act requires public sector organizations to consider how the services they procure can improve the economic, social, and environmental well-being of their area.

a. This means that when a public sector entity procures goods or services, it must consider factors beyond just the price and quality. For example, a local government might prioritize suppliers who can demonstrate a commitment to environmental sustainability or who offer employment opportunities to local residents. This approach to procurement encourages a more holistic view of value for money, factoring in the wider impact of procurement decisions on society.

Public Accountability and Freedom of Information Requests

In addition to these specific regulations, the concept of public accountability and the mechanism of Freedom of Information requests play a crucial role in the public sector, especially in procurement activities. Public accountability ensures that entities are answerable to the public and their actions are transparent. Freedom of Information requests enable individuals and organizations to access information

held by public authorities, which includes details of procurement decisions and contracts. This transparency is critical in ensuring that procurement activities are conducted ethically and responsibly, deterring corruption and mismanagement.

In conclusion, the regulation of the public sector, particularly in the realm of procurement, are complex. Regulations such as the PCR 2015, Late Payment Regulations 2016, Equalities Act 2010, and the Public Services (Social Value) Act 2012, along with the principles of public accountability and transparency, ensure that procurement activities are conducted in a fair, transparent, and socially responsible manner. These regulations not only safeguard the interests of suppliers, especially smaller businesses, but also ensure that the public sector remains a model of integrity and efficiency and that taxpayers' money is well spent.

Tutor Notes

- Okay this is important: The PCR 2015 regulations are being rescinded in 2024. They're based on EU Law and the UK has left the EU. I know we left a while ago now but it's taken us a long time to address the issue and figure out what we want to do about it. There was also a pandemic that got in the way of people making any decisions in parliament that weren't to do with Covid. The PCR 2015 will be replaced in late 2024 with new 'British' rather than European rules.
- At the time of writing this (December 2023) we don't 100% know what the new rules are going to look like and if you're taking this exam from November 2024 onwards, I recommend doing a bit of research into the new regulations.
- Now the complicated bit- the CIPS syllabus is valid from 2024-2028 and doesn't address that legislation is changing. I therefore don't really know what they're going to expect when students are taking this exam and the study guide information is out of date. If you're not working in the Public Sector, how are you to know the legislation has changed?
- My advice is this- briefly learn PCR 2015- the four pillars in particular, and when the new legislation comes out, have a quick google and see if these pillars are still the same. The regs aren't going to change THAT much -- things like transparency and equal treatment are still going to be really important, but there may be some slight language changes. Plus, if you're able to mention in an essay that there's new legislation, it's going to make you sound super clever.

- LO 4.2 p.211

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