

The Procurement Act 2023: What's changing and getting prepared

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The [Procurement Act 2023](#), which received royal assent on 26 October 2023, heralds a new era in UK [public procurement](#).

Set to take full effect from 24 February 2025, following a four-month delay, this landmark legislation aims to streamline and modernise how the public sector purchases goods and services, marking a significant departure from previous EU-derived regulations.

Procurement Act 2023: An overview

At its core, the Act unifies various procurement regimes under a single framework, encompassing [public contracts](#), utilities, concessions, and defence and security procurement.

While this consolidation simplifies the overall structure, it's worth noting that some sector-specific rules will remain in place to address unique requirements.

The Act introduces a shift in procurement objectives, moving beyond the traditional focus on equal treatment and non-discrimination. Now, contracting authorities are mandated to deliver value for money, maximise public benefit and act with integrity throughout the procurement process.

This change reflects a more UK-centric approach, with certain authorities required to consider national procurement policy statements in their decision-making.

Key changes for procuring authorities

Flexibility is a key theme running throughout the new legislation. Contracting authorities now have greater freedom in designing their procurement procedures. They can opt for an open procedure or craft a bespoke competitive process that best suits their needs.

This flexibility extends to the ability to modify procurement terms even after the process has begun, provided certain conditions are met.

The Act also introduces a significant change in how contracts are awarded. The "most advantageous tender" (MAT) criterion replaces the previous "most economically advantageous tender" (MEAT) approach.

This shift allows for a broader consideration of factors beyond price, including quality, innovation and environmental impact. In some cases, non-financial criteria can be the deciding factor in contract awards.

Transparency gets a boost under the new Act, with expanded requirements for publishing notices throughout the procurement lifecycle. From planning to contract expiry, authorities must provide more information to the public.

For contracts exceeding £5m, there's a new obligation to publish at least three key performance indicators (KPIs) and regularly assess supplier performance against these metrics.

Managing contracts under the new Procurement Act

The Act also revamps the approach to supplier management. It updates the grounds for mandatory and discretionary exclusion of suppliers, introducing new offences such as corporate manslaughter and competition law infringement.

A central debarment list will be established, allowing for the exclusion of suppliers based not just on their own performance, but also that of associated suppliers and subcontractors.

Social value and sustainability are given greater prominence in the new procurement landscape. The Act encourages authorities to consider broader community benefits, such as local job creation and reduced carbon emissions, when making procurement decisions.

This aligns with the requirement to consider "national priority outcomes" as defined in policy statements.

Several procedural changes are introduced to streamline the procurement process:

- The standstill period is reduced to eight working days from the publication of a contract award notice
- New provisions allow for direct contract awards in certain circumstances, including emergencies
- Contracting authorities have extended rights to terminate contracts under specific conditions.

How procurement reform impacts public and private sector

The impact of these changes will be felt across various stakeholders.

Government agencies will need to adapt their procedures, potentially adopting new technologies and training staff to comply with the Act.

Private sector suppliers face both challenges in adapting to new procedures and opportunities for increased access to procurement markets.

Procurement professionals will see their roles evolve, with a greater emphasis on strategic procurement, sustainability and the use of digital tools.

As the implementation date approaches, both public sector bodies and suppliers should start preparing for this new procurement landscape.

This includes familiarising themselves with the Act's provisions, reviewing and updating internal processes, and investing in training and development for procurement staff.

Suppliers, in particular, should consider how to align their offerings with the new emphasis on social value and sustainability.

The [Procurement Act 2023](#) represents a significant shift in UK [public procurement](#), aiming to create a more efficient, transparent and value-driven system. As the country moves towards implementation, all stakeholders must stay informed and prepare for this new chapter in public sector purchasing.

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