

WHITEPAPER

# The UK Procurement Act: Navigating Change





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# Introduction

In October 2023, the UK government's new Procurement Act was passed in the House of Commons. Further implementing regulations are expected throughout 2024, with an anticipated effective date for the Act to come into force in February 2025.

The Act is one of the biggest pieces of legislative updates post-Brexit, and brings about sweeping changes to the procurement and contract management process for public bodies and suppliers in England, Wales, and NI. The purpose of the Act is to simplify and modernise the procurement process, while delivering enhanced levels of transparency.

A key aim of the Act is to bring SMEs, micro companies, and innovators into the fold, boosting the economy and encouraging competition. In relation to bigger suppliers, the Act is designed to eliminate cronyism and corruption, provide value for money, and put visibility of all levels of the procurement process firmly in the public domain.

As such, the public will be able to see where their money is going; contracts will no longer be kept private, and detailed supplier information will be put under public scrutiny. This should lead to greater levels of accountability, better services, and savings for the taxpayer.

A [OneAdvanced whitepaper](#) published in 2023 discussed the early stages of the Procurement Bill, and detailed how to prepare for the changes that lay ahead. Here, we look at how to prepare for the provisions of the new Act, cover the main changes, and outline a number of challenges that will need to be overcome.

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## Changes

There are currently four sets of legislation pertaining to public procurement – these will be merged into a single framework in the new Act. This will provide a pared-down legislative code that is simpler and more accessible.

The new Act means that far more information on public authority procurement will be put into the public domain, with authorities required to publish detailed supplier information at all stages of the procurement and contract management process. This data will be publicly available on a government central digital platform.

The new rules include a requirement that every public contracting authority spending over £100m annually on procurement will need to publish a pipeline notice with details of contracts over £2m spanning the following 18 months.

This is likely to mean that different departments will need to collaborate – if highways and planning departments, for example, have contracts for work covering the same area, strategic planning will be needed in order to carry out the works effectively and ensure details are listed.

For all contracts above £5m, at least three KPIs will need to form part of the contract. These KPIs will have to be declared publicly and published annually and at the end of the contract in a notice. If the KPIs are not met, or the supplier does not perform to the satisfaction of the council, the relevant notices will be forwarded to a cabinet office department who will investigate the case with the potential for disbarment. This is of particular relevance to public contracting authorities planning for digital transition, a cost typically exceeding £5m.



Public contracting authorities with smaller contracts will be under no obligation to publish supplier KPIs. However, by doing so, they will be carrying out best practice – the setting of supplier performance goals is likely to lead to an uplift in quality of service, while providing transparency for public stakeholders.

Another change requires contracting authorities to publish a Below-Threshold tender notice prior to openly advertising for a contract. This applies to contracts above £30,000 (incl. VAT) for goods and services, and £214,904 for works contracts. This does not apply to schools and academies, or if the contract is not openly advertised.

In terms of getting the best value from each contract, the new Act sees a shift away from Most Economically Advantageous Tender (MEAT) to Most Advantageous Tender (MAT). The purpose of this shift is to accommodate non-financial benefits, enabling contracting authorities to give more weight to contracts with social and environmental value where needed and appropriate.

A further change comes in the form of the standstill period between contract award and implementation.

This 'pause' period will be set at 8 working days (currently 10), and is designed to give competing bodies the opportunity to challenge the tender if deemed unfair. For 'light touch' contracts (certain social, education and healthcare provisions) the standstill period will be voluntary.

The standstill period will not be required for direct awards considered by government to be necessary in response to emergency situations which may include threat to human, plant, and animal life. In these cases, transparency contract notices must be published pre- and post-award.

The Act gives contracting authorities the power to build their procurement process as they see fit under the new competitive flexible procedure. These new freedoms include the ability to negotiate extensively with suppliers, carry out pre-market engagement, and receive presentations from multiple suppliers. This represents a marked difference from the prescriptive nature of the current legislation





## Challenges

While the advantages of the new Act may be clear, getting the right processes in place for its delivery presents significant challenges. Record inflation over recent years has seen a 70-80% increase in the price of key raw materials like timber and steel, and higher demand has put an additional strain on services – in short, public bodies are expected to do more with less.

In line with UK industry as a whole, public contracting authorities are witnessing a general skills shortage, particularly when it comes to new and emerging digital technologies. While the publishing of contract and supplier details may not appear overly complicated, data will need to be accessible, accurate and easy to manage. As such, contracting authorities may consider moving away from outdated, 'legacy' infrastructure towards a cloud-based approach – making it easier to keep up with the reporting requirements of the new Act.

For some contracting authorities, keeping up with the demands of the Act will require a cultural shift. Procurement managers will need to be at the forefront of decision making, and given the scope and authority to perform their jobs effectively. The importance of recognising this level of authority was highlighted by Mohamed Hans of CIPFA at the OneAdvanced Finance and Procurement summit 2023, who said: “A key recommendation of the new Act is that every public contracting authority has a procurement champion, someone who sits at the top table”.

Hans went on to stress that in its current form, the Procurement Act is ‘...just a skeleton form...we have to wait for lots of new regulations and statutory guidance which will be issued by ministers and the Cabinet Office in stages’. With ongoing updates expected throughout 2024, procurement leaders will need to keep a keen eye on significant changes to the current rules (for the latest training and information guides, see our [Resources](#) section).





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**Mohamed Hans, Solicitor, Principal Procurement Advisor at  
The Chartered Institute of Public Finance and Accountancy (CIPFA)**

# Preparation



## Processes and policies

As outlined in OneAdvanced's 2023 [whitepaper on procurement](#), it is important to ensure that existing policies are in place related to the assessment of suppliers. A robust policy should form the framework of procurement, with value for money, sustainability, and legal compliance at its core. Similarly, contracting authorities should pay careful consideration to their existing processes – is there a system in place for the review of supplier performance, and what is the process for identifying new and existing markets? In answering these questions, public contracting authorities can produce a useful 'self-audit' of current processes in preparation for the new Act.



## Systems

The government will introduce a single digital platform for the publication of contracts and notices by contracting authorities. This platform will also contain information published by suppliers, who can register and store their details in order to receive multiple bids; all opportunities will be visible in one place, and bidding processes will be simplified. As such, it will be advantageous for contracting authorities (and suppliers) to ensure their current information is up to date and easily accessible – where does this data currently sit in your e-procurement platform, and can this data be accessed by different employees in case of absence?



## Online Learning

The government has begun to release a series of knowledge drops', the first of which became available in December 2023. These are designed for employees who require a material understanding of the Act, and may be of interest to senior leaders and nonprocurement professionals who regularly interact with the tender process. The [Knowledge Drops service](#) provides an overview of the Act, pipeline publishing guidance, information on contract modification, and other practical information on preparing for the new procurement rules.

For procurement professionals requiring a detailed look at the new Act, the government will release an e-learning training programme via the [Government Commercial College](#). The programme is certified, and will consist of 10 modules, each taking approximately one hour to complete. The programme will give practitioners a detailed understanding of key provisions and procedures, with modules on transparency compliance, best routes to market, frameworks, award of contracts, contract governance, and procurement oversight. An advanced course of learning is available upon successful completion of the e-learning course. The course is designed for procurement professionals who require in-depth knowledge of the new regulations, and may be suitable for procurement leaders, inhouse contract lawyers, and strategic or commercial procurement practitioners. The course will be available on the [Government Commercial College](#) website.





## CIPFA Procurement Network

A leading public sector practitioner forum will be supporting members with Procurement Act 2023 implementation.



## Communities of practice

A series of collaborative events will be scheduled for groups to share best practice, innovative approaches, and challenges. Community meet-ups will be arranged on MS Teams, and face-to-face events will be planned and managed locally according to need. Online materials are hosted on the [Government Commercial College website](#).



## Transition

If not already underway, public contracting authorities should prioritise strategic planning in preparation for the new rules. The government suggests that procurement professionals should look at their procurement pipeline for the next 18 months in order to fulfil current obligations and foster a smooth transition period. Key suppliers should be notified of the forthcoming changes, and can find relevant information on the [government webpage for suppliers](#).





## Summary



The Procurement Act is expected to go live in February 2025



A single digital platform will be put in place for the publication of contracts and notices



Public contracting authorities spending over £100m annually on procurement will need to publish pipeline notices for contracts above £2 Million over the next 18 months



For contracts above £5m, at least 3 supplier KPI's will need to be published on public notices



When contracts for goods and services above £30,000 are openly advertised, local authorities will need to publish Below-Threshold notices for public visibility



Direct awards related to urgent health matters will not be subject to a standstill period from award of contract



Public contracting authorities should analyse their current procurement processes, ensuring they are well prepared for the changes that lie ahead



Government 'knowledge drops' are now available, with further e-learning and advanced courses to be published in the near future



## Resources

- The Procurement Act 2023: [Procurement Act 2023 \(legislation.gov.uk\)](https://legislation.gov.uk)
- [Procurement and Commissioning Network](#), CIPFA
- For senior leaders: [The Procurement Act 2023: A short guide for senior leaders \(HTML\) - GOV.UK \(www.gov.uk\)](#)
- For suppliers: [The Procurement Act 2023: A short guide for suppliers \(HTML\) - GOV.UK \(www.gov.uk\)](#)
- Learning and development overview: [Transforming Public Procurement: the official learning and development offer - GOV.UK \(www.gov.uk\)](#)
- High-level learning resources for contracting authorities and suppliers: [The Official Transforming Public Procurement Knowledge Drops - GOV.UK \(www.gov.uk\)](#)
- TBA: E-learning course for procurement professionals: [Government Commercial College: Log in to the site \(govcommercialcollege.co.uk\)](#)
- TBA: Advanced course for contract experts and procurement practitioners: [Government Commercial College: Log in to the site \(govcommercialcollege.co.uk\)](#)
- Sign-up form for stakeholder updates: [Transforming Public Procurement \(google.com\)](#)
- OneAdvanced's whitepaper, How to Prepare for the New Procurement Bill 2023: [how-to-prepare-for-the-new-uk-procurement-bill-2023-whitepaper-1.pdf \(oneadvanced.com\)](#)





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