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The Procurement Act 2023

Quick guide


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Summary

The Procurement Act 2023 (the Act) launched on 24th February 2025 is an important piece of legislation that affects how public sector organisations (often referred to as Contracting Authorities) in the UK procure goods, works and services. The content for this quick guide was compiled as part of an interview with Turner & Townsend's own Contract Services team, who reflected upon some of the Act's key provisions and how they might change the public sector procurement landscape. This quick guide should be of benefit to anyone involved in the public sector whether that be directly or indirectly.

Introduction

The Act is the biggest singular procurement related regulatory change within the UK for over a decade. The launch of the Act saw the removal of around 350 articles that are in-situ within the outgoing Public Contract Regulations (PCR), upholding the initial proposal of its introduction. This included the intention to simplify and modernise practices, making them UK-centric, and bringing greater levels of transparency within the public sector to procurement.

In preparation for these ambitious plans, Turner & Townsend's Contract Services team has established a specialised Taskforce of UK-wide colleagues who hold extensive and varied with expertise across the public sector. Taskforce colleagues have charted the Act's progression closely, considering how some of its requirements may be dealt with in practice. Based on their insight, this quick guide provides some useful tips for those working within the context of the Act for the first time.

Objectives of the Procurement Act 2023

The Act significantly overhauls existing public sector procurement regulations in the UK. The key points can be summarised as:

Simplification and modernisation

- **Two main procedures:** Processes will be simplified by reducing the number of procurement routes. It is anticipated that this will make procedure and route selection more efficient and easier to navigate, while also introducing flexibility and enabling the design of procurement processes that align with unique procurement requirements.

UK-centric approach

- **Modernisation:** The overarching reason for the introduction of the Procurement Act is the UK's exit from the EU; this provided an opportunity to review the previous procurement legislation (e.g., EU-derived Public Contract Regulations) with a view to allowing greater flexibility and embracing modern, innovative approaches to public procurement activities.

Transparency

- **Increased information sharing:** Greater requirements around transparency will mean commissioners providing more detailed information throughout the procurement process. This includes an 18-month forward procurement pipeline, which allows stakeholders to prepare and plan accordingly.
- **Tracking the procurement process:** Ensuring that the entire procurement process is tracked from start to finish will help maintain accountability and allow for better oversight.
- **Central Digital Platform:** A newly introduced platform which will be used to log and store all procurement-related information, making it accessible and openly transparent. The platform will help streamline processes and ensure that all data is easily retrievable.

Practical implications

Changes to tendering

- **Advertising tenders:** Organisations will need to adopt more transparent and detailed advertising practices to comply with the new regulations and notice requirements. This includes providing more comprehensive information about tenders well in advance of their publication (18 months, as noted above) and ensuring that all relevant details are accessible to potential bidders.
- **Data storage:** The Central Digital Platform means that organisations will need to store procurement data in a standardised, open format. This platform will enhance transparency and allow for better tracking of procurement processes.
- **Assessing tenders:** The emphasis has shifted from awarding contracts based on the most economically advantageous tender (MEAT) methodology to **most advantageous tender (MAT)**. This methodology requires a more holistic assessment that includes but not exclusive to, social, economic, and environmental factors.

Opportunities for innovation

- **Framework flexibility:** The Act allows frameworks to be more flexible with the introduction of new Open Frameworks. This means that suppliers can be added or removed throughout the life of a framework when it is reopened for competition at specific points in time.
- **Local supply chains:** There is a significant opportunity to enhance local economies by prioritising local small and medium-sized enterprises (SMEs) in procurement processes. This can strengthen local supply chains and create more resilient local economies.
- **Social value:** The Act places a stronger emphasis on social value, encouraging organisations to enhance skills and employment opportunities in this area. It is anticipated that this will lead to greater social benefits provided by appointed contractors.

Social value

- **Social value Key Performance Indicators (KPIs):** Given the mandate to include and report on a minimum of three KPIs for contracts valued at £5M or more, it is likely that KPIs aligned to social value outcomes will become more prevalent. In general, these KPI outcomes will be publicly accessible, ensuring that contractors and organisations alike remain transparent regarding the achievement of pre-agreed performance measurements.
- **Social Value Portal:** The readily available Themes, Outcomes, and Measures (TOMs) framework can be used to measure and report on social value deliverables. The TOMs framework offers a standardised approach to quantifying social value, ensuring that commitments are met and genuine community benefits are achieved throughout the duration of the contract.

Potential local benefits

These changes represent a significant shift towards a more transparent, efficient, and socially responsible procurement process. SMEs should be able to engage more effectively with public sector procurement opportunities, benefiting local economies, local businesses, and job creation.

The launch of the Act presents an exciting opportunity to explore how procurement could positively impact your organisation or community. Social housing providers should consider compliance with the Act alongside the commitment to Section 20 of the Social Housing Regulations, which ensures residents are notified of relevant procurement activities where the outcomes have a direct impact.

Top tips for working with the Act

1. Align internal governance

- **Governance framework:** Establish a governance framework that aligns with the new Act, ensuring compliance and accountability throughout the procurement process.
- **Update documents:** Revise all procurement documents to reflect the new regulations, removing any references to outdated regulations.

2. Forward planning

- **Contract requirements:** Plan your contract requirements well in advance to ensure transparency and compliance with the new regulations. This includes setting clear procurement timelines.
- **Transparency:** Implement practices that enhance transparency, such as publishing forward procurement plans and maintaining open communication with stakeholders.

3. Learn from larger frameworks

- **Crown Commercial Services (CCS):** Look at how CCS frameworks operate, including their use of the new Competitive Flexible Procedure and approaches to open frameworks and dynamic markets.
- **Procurement for Housing:** Explore how Procurement for Housing manages procurement processes and incorporates social value, as well as other key themes outlined in the new regulations.

4. Embrace the opportunity

- **Innovation:** Use this regulatory change as an opportunity to innovate and improve your procurement processes. This could involve adopting new technologies, streamlining procedures, and enhancing supplier engagement.
- **Social value:** Focus on achieving social value through procurement by setting clear KPIs. Consider using approaches such as the Social Value Portal Themes, Outcomes, and Measures (TOMs).

By taking these steps, organisations can not only comply with the new Procurement Act but also leverage it to drive efficiency, transparency, and social value within procurement processes.

Contract Services at Turner & Townsend

Approximately 75% of Turner & Townsend's client base is within the public sector. The Contract Services team has extensive experience in public sector procurement, having worked across the spectrum of public bodies:

- **Local authorities:** Worked with various local councils and municipal bodies, providing procurement services tailored to their specific needs.
- **Higher education:** Supported universities and colleges in procuring goods and services essential for their operations.

- **Defence:** Experience in the defence sector, ensuring compliance with stringent procurement regulations and security requirements.
- **Utilities:** Facilitated procurement for infrastructure projects and essential services.

The services the team offers include:

- **Diagnostic assessment:** Dialogue with individual organisations to identify areas where support is most needed. Typically, this involves:
 - **Health check:** Assessment of existing procurement documentation, processes, awareness and understanding of the Act
 - **Benchmarking:** Against existing public sector experience, providing insight into possible collaboration
 - **Maturity assessment:** Summary and positional rating of an organisation's status
 - **Summary review:** Open discussion of findings
 - **Diagnostic report:** Tailored report highlighting key areas to focus on
 - **Service offering:** Leveraging the report's findings to pinpoint a variety of tailored Act related services
 - **Work together:** Adopt a 'one team' approach to ensuring an organisation is suitably prepared for the Act pre and post launch.
- **End-to-end services:** A complete range of services from strategy development to running procurement processes, appointing suppliers and subsequent contract management.
 - **Business commercial strategy:** Alignment with an organisation's vision.
 - **Procurement strategy:** Develop procurement and contracting strategies to drive value and mitigate risk.
 - **Supply chain strategy:** Understand supply chains to improve value and performance.
 - **Market engagement:** Engage supply chains to obtain buy-in.
 - **Contract development:** To optimise contractual delivery opportunities and minimise risk throughout.
 - **Procurement execution:** Manage procurement from specification to award.

