



The Procurement Act 2023

– a short guide for suppliers

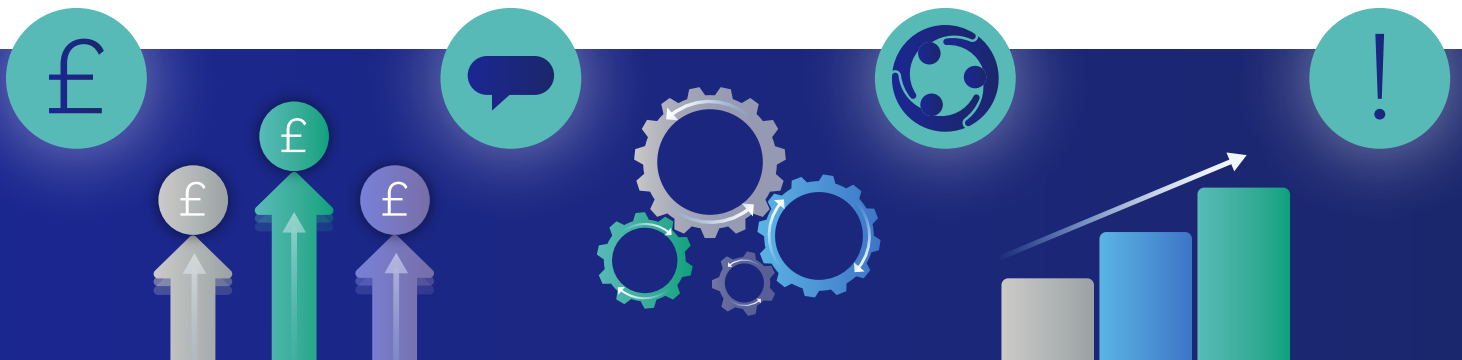
Public procurement law is changing. The reforms will shake up our outdated system and improve the way procurement is done, so that every pound goes further for our public services.

If your business supplies goods, works or services to organisations in the public and utility sectors – or hopes to do so – you need to know about the changes.

The new Procurement Act will benefit suppliers of all sizes, particularly start-ups, scale-ups and small businesses.

It will create a central digital platform for suppliers to register and store their details so that they can be used for multiple bids, and see all opportunities in one place. Simplified bidding processes will make it easier to bid, negotiate and work in partnership with the public sector. Commercial frameworks will be more flexible, so prospective suppliers are not shut out for long periods of time. The Act will remove bureaucratic barriers and level the playing field for smaller businesses so they can compete for more contracts.

There will be prompt payment for more businesses in public sector supply chains. And a stronger exclusions framework will take tougher action on underperforming suppliers.



These changes will drive innovation, deliver better outcomes and embed transparency right through the commercial lifecycle, so everyone can access procurement data and see how money is spent.

Government has worked closely with businesses on the reforms, and industry leaders are very supportive. They're pleased the new system will be simpler and will help suppliers work more collaboratively with procurers to reduce costs and deliver the services the public wants, in the way they want them.

Small and medium-sized businesses welcome the changes too. They know procurers will have to consider the barriers facing smaller businesses and that obstacles will be removed around provision of accounts and insurance at the bidding stage.

We expect the new regime to go live in October 2024, with at least 6 months' advance notice. The existing rules will continue to apply for contracts that are already in progress, so the changes won't happen overnight.

While the Procurement Act doesn't really bind suppliers directly, it will improve how you do business with the public and utility sectors, so make sure you understand what it means for your organisation. It's not just about the rule book changing – there needs to be broader cultural and behavioural change to make the biggest difference. You have an important role to play in encouraging that change.

We'll be training procurers in contracting authorities and working with leading business groups and trade associations to make guidance and support available for the supplier community.

The Transforming Public Procurement landing page provides further information about the new regime and the L&D, guidance and support that Cabinet Office is providing. We will continue to add material here, and share resources with our network of interested parties, as we move towards go-live. See gov.uk/government/collections/transforming-public-procurement



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