

Procurement Act 2023 – Amendments 24th February 2025

Below you will find the key changes to the Procurement Act 2023 for SME's. The reforms are designed to make procurement accessible and beneficial for SME's.

The key changes include:

1. **Duty to consider SME participation:** Contacting authorities must now actively consider how to remove barriers for SME's, including setting proportionate requirements and realistic bidding timelines.
2. **Transparency and early engagement:** A new central digital platform provides full visibility of procurement opportunities, enabling SMEs to prepare and engage earlier in the process.
3. **Prompt payment requirements:** Authorities are required to pay suppliers within 30 days, with this obligation extending down the supply chain to subcontractors.
4. **Support for Below threshold contracts:** Authorities must assess and address barriers for SMEs in lower value contracts, with the option to reserve contracts for local or regional SMEs and VCSEs (Voluntary, Community and Social Enterprise Sectors).
5. **SME targets spend targets:** Government departments and public bodies must set and report on three-year targets for direct SME spending, increasing accountability and opportunity.

More details can be found on the Governments website [Procurement Act 2023: short guides - GOV.UK](#)