EXPLANATORY MEMORANDUM TO

THE PROCUREMENT (AMENDMENT) REGULATIONS 2026

2026 No. [XXXX]

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Cabinet Office and is laid before Parliament by Command of His Majesty.

1.2 This Memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Chris Ward MP, Parliamentary Secretary at the Cabinet Office, confirms that this Explanatory Memorandum meets the required standard.

2.2 Lindsay Maguire, Deputy Director, Procurement Reform Implementation, at the Cabinet Office, confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Mikolaj Mojsiej at the Cabinet Office can be contacted by email at mikolaj.mojsiej@cabinetoffice.gov.uk with any queries regarding this instrument. Alternatively, the department can be contacted at procurement.reform@cabinetoffice.gov.uk

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 The instrument implements section 70 of the Procurement Act 2023 (the 2023 Act) by specifying, via an amendment to the Procurement Regulations 2024 (the 2024 Regulations), what information contracting authorities must publish about payments over £30,000 made under public contracts.

4.2 It also amends the 2024 Regulations to ensure that suppliers awarded a notifiable below-threshold contract are registered on the Central Digital Platform[1] (CDP) and obtain a unique supplier identifier[2]. A notifiable below-threshold contract[3] is a regulated below-threshold contract[4] (a below-threshold contract which is not an exempted contract, a concession contract or a utilities contract) with an estimated value of not less than £12,000 when awarded by a central government authority, or not less than £30,000 when awarded by any other contracting authority. A below-

[1] https://www.find-tender.service.gov.uk/

[2] Under the Procurement Regulations 2024, a supplier's "unique identifier" is the unique code submitted to and recognised by the Central Digital Platform (CDP) or, if none has been submitted/recognised, the unique code allocated by the CDP when the supplier registers on the platform (Procurement Regulations 2024, regulation 8).

[3] As defined in section 87(4) of the 2023 Act.

[4] As defined in section 84(1) of the 2023 Act.

threshold contract[5] is a contract that has an estimated value below the threshold amount for that type of contract (as set out in Schedule 1 to the 2023 Act).

4.3 The instrument further amends the 2024 Regulations in respect of the contents of the below-threshold tender notice so that, where a contracting authority reserves a below-threshold competition to small and medium sized enterprises (SMEs) and/or voluntary, community and social enterprises (VCSEs), this is stated in the notice.

4.4 It also makes minor amendments and corrections to the 2024 Regulations. These make provision for alternative publication of notices if the CDP is unavailable, allows after-award confirmation of supplier registration in the case of direct award to protect life, corrects an incorrect cross reference, and makes amendments to the list of central government bodies.

4.5 The instrument amends the Health Care Services (Provider Selection Regime) Regulations 2023, as a further consequential amendment in respect of the 2023 Act coming into force and the revocation of the Public Contracts Regulations 2015 (the 2015 Regulations), adding a national security safeguard with regards to termination of health contracts.

4.6 Finally, the instrument amends the Procurement Act 2023 (Commencement No. 3 and Transitional and Saving Provisions) Regulations 2024 (the 2024 Saving Regulations), removing statutory duties to publish on Contracts Finder under the 2015 Regulations and replacing them with requirements to publish certain documents on the CDP.

Where does the legislation extend to, and apply?

4.7 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the United Kingdom.

4.8 The territorial application of this instrument (that is, where the instrument produces a practical effect) varies between provisions. Regulations 1, 2 and 6 apply in England and Wales, Scotland and Northern Ireland. Regulation 3 applies in England and Northern Ireland, other than in respect of procurement carried out under a devolved Welsh procurement arrangement (an arrangement which is led by a devolved Welsh body). In Wales, regulation 3 applies to contracting authorities which are not devolved Welsh authorities, and to contracting authorities which are devolved Welsh authorities in relation to procurement under a reserved procurement arrangement (an arrangement which is led by a reserved body) or a transferred Northern Ireland procurement arrangement (an arrangement which is led by a transferred Northern Ireland body). In Scotland, regulation 3 applies to contracting authorities which are not devolved Scottish authorities, and in respect of procurement carried out by devolved Scottish authorities in accordance with section 115A[6] of the 2023 Act. Regulation 4 applies in England only. Regulation 5 applies in England, and in Wales, Scotland and Northern Ireland to contracting authorities which are not devolved Welsh, devolved Scottish or transferred Northern Ireland authorities respectively.

[5] As defined in section 5(5) of the 2023 Act.
[6] Section 115A was inserted by regulation 47 of S.I. 2024/692.

5. Policy Context

What is being done and why?

Implementation of section 70 of 2023 Act

5.1 Currently, there is limited access to detailed information about payments made under public contracts. The policy objective, derived from the 2023 Act, is to increase transparency and accountability in public spending. By requiring the publication of payment information, the legislation aims to enable stakeholders to monitor public expenditures, holding the public sector accountable. This change is expected to significantly enhance public scrutiny and ensure a more effective utilisation of public funds. There is a high degree of public interest in how taxpayer money is spent. The new regulation addresses the need for a consistent and comprehensive reporting system.

5.2 The threshold for reporting payments is set at £30,000 inclusive of VAT by virtue of all other thresholds in the Act being calculated inclusive of VAT, however to reflect that most financial systems report payments exclusive of VAT and to align with existing reporting obligations, the payment reporting itself is exclusive of VAT.

5.3 Section 70 will commence on 1 April 2026, other than in respect of procurement regulated by the Welsh Ministers. Welsh Ministers will legislate separately in respect of reporting requirements for section 70 (when they are ready for the section to be commenced).

Mandating of unique identifiers for below-threshold procurements

5.4 Currently, under the 2023 Act, there is no requirement that contracting authorities should obtain confirmation that suppliers awarded below-threshold contracts register on the CDP. This creates significant data gaps and limits the government's ability to track SME and VCSE participation or prevent procurement fraud. The instrument removes this blind spot by ensuring that all suppliers awarded a notifiable below-threshold contract have registered and obtained a unique identifier. This mirrors existing practice in Wales and aligns with wider transparency objectives.

5.5 The Welsh Government has already legislated for supplier registration in notifiable below-threshold contracts.

Contracts Finder decommissioning

5.6 Contracts Finder[7] is a legacy platform whose functions have been largely superseded by the CDP under the 2023 Act. Contracts Finder is being decommissioned and therefore any remaining obligations to publish notices on that platform are either being transferred to the CDP or revoked entirely. This includes, in particular, obligations under the 2015 Regulations, as they continue to apply in accordance with the saving provision in regulation 5 of the 2024 Saving Regulations. The requirement to publish notices on Contracts Finder, where those notices have already been published on the UK e-notification service, in accordance with the 2015 Regulations[8] is being removed entirely. Additional publication requirements in regulations 108 and 112 of the 2015 Regulations (as they continue to apply), are being transferred to the

[7] https://www.contractsfinder.service.gov.uk

[8] See regulation 106 of the 2015 Regulations as it continued to apply prior to being omitted by this instrument.

CDP.[9] These amendments will consolidate publication processes under a single platform. The measures are designed to streamline the collection and publication of procurement data, ensure full traceability of suppliers and payments, and support long-term efficiencies across procurement operations.

5.7 The relevant provision will commence on 1 October 2026.

SME/VCSE reservations

5.8 The instrument will also make a minor amendment to regulation 24 of the 2024 Regulations to ensure that when contracting authorities opt to reserve a competition for a below-threshold contract to either SMEs and/or VCSEs, they include that information in the below-threshold tender notice.

Publication on an alternative online system

5.9 The instrument amends regulation 5 of the 2024 Regulations that provides that notices and other information published under the 2023 Act must be published on the CDP, but provides that publication can be made on an alternative online system in certain circumstances. The instrument adds to those circumstances the unavailability of the platform.

Addition of direct award to circumstances when publication can take place post award

5.10 The instrument amends regulation 7 of the 2024 Regulations to allow confirmation of supplier registration after contract award in respect of direct awards made in accordance with regulations made under section 42 of the 2023 Act.

Corrections, amendments and consequential provision

5.11 The instrument:

- corrects an incorrect Schedule number in regulation 50 of the 2024 Regulations;
- amends a number of entries in the list of central government bodies in Schedule 2 to the 2024 Regulations - correcting a formatting error, updating out-of-date references and inserting an erroneously omitted authority;
- makes a further consequential amendment to the Health Care Services (Provider Selection Regime) Regulations 2023 to ensure that ministerial consent or notification is required when contracts procured in accordance with those regulations are terminated on national security grounds.

What was the previous policy, how is this different?

Implementation of section 70 of Procurement Act 2023

5.12 Currently, in accordance with UK Government policy[10], central government departments are required to publish notice of all expenditure above £25,000 (exclusive of VAT). Furthermore, the Local Government Transparency Code 2015[11] stipulates that all expenditure above £500 must be published (by authorities subject to the Code). Similarly, the Elected Local Policing Bodies (Specified Information)

[9] The sole remaining requirement to publish on Contracts Finder, as set out in regulation 110 of the 2015 Regulations, is no longer effective as all new below-threshold contract opportunities are now regulated by the 2023 Act.

[10] https://www.gov.uk/government/publications/guidance-for-publishing-spend-over-25000.

[11] https://www.gov.uk/government/publications/local-government-transparency-code-2015.

(Amendment) Order 2012 currently requires notice to be published of all expenditure above £500 by local policing bodies.

5.13 In developing the Green Paper preceding the 2023 Act, a decision was made to consolidate the rules on the publication of this payment data, given that the data currently published is patchy and inconsistent. Following consultation and the parliamentary process, section 70 of the 2023 Act was introduced which requires payment information to be published in a central location.

Mandating of unique identifiers for below threshold procurements

5.14 Previously, contracting authorities were not required to ensure suppliers awarded a notifiable below-threshold contract were registered on the CDP (unlike public contracts). This led to significant gaps in data on supplier identity and engagement. The amendment made via this instrument now ensures such suppliers are registered, providing the government with, amongst other information, visibility as to the types of suppliers awarded these contracts, including whether they are SMEs or VCSEs.

Contracts Finder decommissioning

5.15 Legacy obligations to publish on Contracts Finder were retained in the now revoked 2015 Regulations (as they continue to apply via the 2024 Saving Regulations), creating duplication and confusion. The instrument removes those outdated provisions and clarifies the primary use of the CDP.

SME and/or VCSE reservation disclosure

5.16 Although reservation of below-threshold contracts to SMEs or VCSEs was already possible, below-threshold tender notices did not require disclosure, where a competition was reserved to SMEs and/or VCSEs. This instrument adds that disclosure.

6. Legislative and Legal Context

How has the law changed?

6.1 The instrument amends the 2024 Regulations in anticipation of section 70 of the 2023 Act being brought into force on 1 April 2026, specifying the information to be published in respect of payments made under public contracts. Payment information must be published if a contracting authority makes any payment of more than £30,000 under a public contract, as per section 70(1) of the 2023 Act unless exempt by section 70(4).

6.2 The instrument amends regulation 36 of the 2024 Regulations and inserts new regulation 36A to ensure suppliers awarded a notifiable below-threshold contract have registered on the CDP.

6.3 The instrument amends regulation 24 of the 2024 Regulations in respect of information to be published in a below-threshold tender notice so that, where an authority reserves a below-threshold procurement to SMEs and/or VCSEs, that reservation is stated in the notice.

6.4 The instrument amends the circumstances, set out in regulation 5 of the 2024 Regulations, when a contracting authority may publish on an alternative online system to now include when the CPD is unavailable. The authority must publish on the CDP once service is restored.

6.5 The instrument amends the exception in regulation 7 of the 2024 Regulations which allows a contracting authority to obtain confirmation that a supplier has provided specified information to, and shared it with the contracting authority via, the CDP after the direct award of a contract made in reliance on the urgency ground (in Schedule 5 to the 2023 Act) – this information usually having to be provided before the award of public contracts. The exception is now extended to the direct award of a contract in accordance with regulations made under section 42 of the 2023 Act. Regulations under section 42 can be made to allow direct award of contracts when necessary to protect human, animal or plant life or health, or protect public order or safety. In those cases, the authority may confirm the supplier's platform registration and receipt of core data as soon as practicable after award.

6.6 The instrument amends the Health Care Services (Provider Selection Regime) Regulations 2023 to require a minister to consent to, or be notified of, a decision to terminate a contract under those regulations on national security grounds. This mirrors safeguards in section 79 of the 2023 Act in respect of contracts awarded under the 2023 Act.

6.7 The instrument amends the Procurement Act 2023 (Commencement No. 3 and Transitional and Saving Provisions) Regulations 2024 to alter the continued application of the now revoked 2015 Regulations in the limited circumstances those regulations continue to apply. The amendments, required as a result of the decommissioning of Contracts Finder, omit the obligation to publish on Contracts Finder those notices that have already been published on the UK e-notification service and transfer the remaining extant publication requirements in the 2015 Regulations to the CDP.

Why was this approach taken to change the law?

6.8 The 2023 Act sets out a clear structure and framework for public procurement. This includes, at section 70, an obligation to publish specified information about payments under public contracts. Section 95 of the 2023 Act contains delegated powers in order to make detailed provision as to the form and content of notices and information to be published under the 2023 Act, as well as how notices and information is to be published. This instrument provides the necessary detail in a number of areas, in particular in respect of SME/VCSE contract reservation, supplier registration in respect of notifiable below-threshold contracts and contract payment information, to ensure that the procurement regime can act as a cohesive regulatory system.

7. Consultation

Summary of consultation outcome and methodology

7.1 Targeted engagement with contracting authorities and supplier representatives has informed the practical design of payment publication and registration requirements.

7.2 Regular discussions on the content of this instrument have been held with the devolved governments throughout the drafting.

8. Applicable Guidance

8.1 New guidance will be made available when each measure commences on gov.uk.[12]

[12] https://www.gov.uk/government/collections/procurement-act-2023-guidance-documents

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 An Impact Assessment has not been prepared. The level of impact for a contracting authority is expected to be medium and engagement with contracting authorities has been carried out to enable them to prepare. The main costs are administrative (system adjustments and training). The 2023 Act reforms as a whole were assessed in the 2022 Impact Assessment which is available at https://bills.parliament.uk/publications/46429/documents/1767.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, direct impact on businesses, charities, or voluntary bodies arising from the instrument, as legal obligations fall on contracting authorities. However, there are indirect impacts, particularly for suppliers awarded notifiable below-threshold contracts.

9.3 This change is necessary to improve transparency, enable supplier tracking across contracts and authorities, and enhance policy oversight of SME and VCSE participation.

9.4 The publication of payment data in respect of payments over £30,000, and the removal of the requirement to publish on Contracts Finder, will streamline the notice landscape and reduce confusion. These reforms support fairer competition, better access to procurement opportunities, and increased confidence in public procurement processes.

Impact on the Public Sector

9.5 The impact on the public sector involves administrative tasks related to the new reporting requirements. Public authorities will need to gather, and publish, payment data on payments exceeding £30,000. Initial costs may include system updates and staff training, with ongoing costs for data management. However, these costs are justified by the benefits of increased transparency and accountability in public spending.

9.6 The instrument mandates supplier registration and unique identifiers in respect of notifiable below-threshold contracts. This introduces a new obligation on contracting authorities to ensure suppliers awarded such contracts are registered on the CDP. This change aims to improve transparency and traceability in low-value procurement but may result in additional effort in supplier onboarding and data management.

9.7 The removal of the requirement to publish procurement notices on Contracts Finder reduces duplication for authorities currently publishing to both Contracts Finder and the CDP. This streamlining is expected to reduce administrative overhead in the long term, especially once authorities fully transition to publishing on the CDP under the 2023 Act regime.

9.8 While there may be a short-term increase in workload as authorities adapt to these changes, the improvements to data quality and public transparency provide a strong policy rationale and justify the transitional costs.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring of this instrument is through feedback from contracting authorities, suppliers, industry representatives and professionals using the new procurement regime under the 2023 Act, which will help inform any updates.

10.2 As this instrument is amending provisions in connection with procurement only, the duty to review in section 28 of the Small Business, Enterprise and Employment Act 2015 does not apply and no review clause is required.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 This instrument was laid on 26 January. A separate instrument, the Procurement Act 2023 (Specified International Agreements) (Amendment) Regulations 2026, was laid on 19 January 2026. While it was legally possible to combine the two, a decision has been made not to do so. There were two reasons for this, firstly, the timing of the Specified International Agreements SI was contingent on the implementation requirements of the India Comprehensive Economic and Trade Agreement, and secondly it amends primary legislation, while this instrument is amending secondary legislation.

11.2 This instrument contains both new and correcting provisions. The Cabinet Office has consulted with the Statutory Instrument Registrar as to whether or not to provide free replacement copies and has taken the decision to apply the procedure for free issue to all known recipients of the 2024 Regulations.

11.3 Some provisions of this instrument come into force on the day after the day on which the instrument is made. The provision concerning SME/VCSE reservations is not considered an onerous duty and contracting authorities are able to comply with it immediately. The provisions concerning publication on an alternative online system and addition of direct award to circumstances when publication can take place post award do not impose duties, instead provide more flexibility to contracting authorities. The provisions concerning corrections and amendments do not impose duties. The provision making a consequential amendment to the Health Care Services (Provider Selection Regime) Regulations 2023, while an obligation, is limited to the termination of contracts on national security grounds and compliance is not considered onerous.

12. European Convention on Human Rights

12.1 Minister Ward has made the following statement regarding Human Rights:

"In my view the provisions of the Procurement (Amendment) Regulations 2026 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").