

Thriving Under the Procurement Act 2023: Strategies for Risk Management and Supply Chain Resilience

White paper



Contents

Section One

Introduction

Section Two

Understanding the Act:
Provisions and Strategic
Implications

Section Three

Risk Management
in the Context of The
Procurement Act 2023

Section Four

Building Supply Chain
Resilience

Section Five

Navigating the Path Ahead



Introduction

The Procurement Act 2023 is set to bring about significant changes to procurement practices across the UK, impacting both the Private Sector and regulated utilities companies. Initially set to go live in October 2023, the UK Government announced in September 2024 that it was postponing the implementation date. This delay provides more time for organisations to prepare for the Act's new requirements, which will significantly impact public procurement processes across the UK. The act brings into force new requirements promoting transparency, fair competition and sustainability within procurement processes.

As businesses prepare for the implementation, they face the difficult challenge of ensuring business continuity and creating a competitive advantage. Adapting to the new regulatory landscape requires a proactive approach to understanding the changes. This means businesses should assess their impact, develop strategies to mitigate potential risk and position themselves to take advantage of new opportunities

Drawing on industry best practice and expert knowledge this whitepaper provides a roadmap for businesses to thrive under the new regulations. It offers practical insights to help ensure compliance and

develop resilience. This includes an in-depth look at the role of data and technology into enhancing supply chain visibility and building robust and adaptable supply chains capable of withstanding disruption.

By understanding the Procurement Act 2023 and taking steps to prepare, you will be able to navigate the period of change with confidence and position for long-term success. Achilles has an in-depth knowledge and expertise surrounding supply chain management and procurement, enabling us to offer guidance to support organisations to meet the challenges head on.

Understanding the Act: Provisions and Strategic Implications

The Procurement Act 2023 marks a significant re-examination of the procurement regulations in the UK. It aims to promote a more streamlined, transparent and competitive environment for awarding public contracts. Understanding the key provisions and the strategic implications is important to remain compliant whilst still leveraging opportunities for strategic advantage.

Key Provisions:

Centralised Framework

The structure of the act is a single, unified framework with simplified rules applying to most public procurement protocols. It consolidates previous regulations such as the Public Procurement Regulations 2016. While the changes will ultimately reduce complexity and administrative burdens, there is a need to ensure that practices and procedures reflect the new framework to create a more consistent procurement environment.

Increased Transparency

A central element of the act as per the policy paper '[Transforming Public Procurement – our transparency ambition](#)' is the requirement for enhanced transparency.

There is a requirement for the publishing of more detailed information regarding procurement processes such as notices, award decisions and contract performance metrics. This information will be published through a central digital platform known as the 'Procurement Register' with the aim of creating greater accountability and trust in public procurement. This is also part of a greater strategy to improve data quality and accessibility.

While the act mandates the disclosure of more information, this prescriptive approach could lead to less openness. [London law firm Fieldfisher highlights](#) that the strict limits and specific data points on what must be disclosed could potentially reduce the scope of voluntary discretionary disclosure by contracting authorities. This prescriptive approach could limit the flexibility of buyers managing the transparency of their procurement activities.

Robust documentation and reporting practices will be needed to meet the requirements. This enhanced transparency will undoubtedly lead to increased scrutiny, meaning that robust compliance checks and governance frameworks are in place to reduce reputational risk and legal challenges. Sitting alongside this is the awareness that there are still limitations imposed due to the prescriptive nature

of disclosure. Thought will need to be had regarding how to manage transparency within these constraints.

Value for Money and Social Value

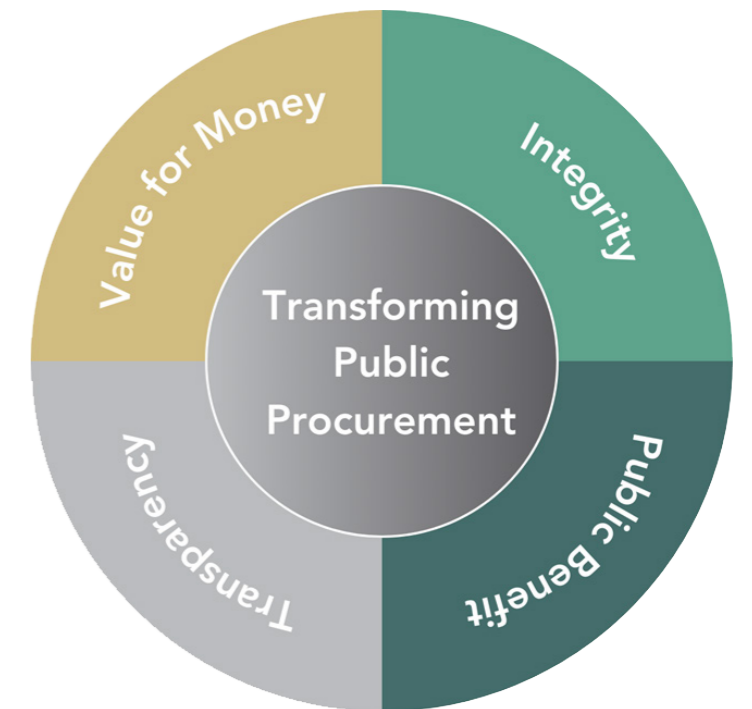
The Act creates a broader definition for 'value for money' that encompasses social and economic factors. There is a requirement to assess the broader social impact of procurement decisions rather than just the financial cost. According to the [Social Value Portal](#) The Procurement Act 2023 is likely to create social value across supply chains by embedding it into the culture of an organisations procurement processes and decision making.

The overarching long-term goal of this provision is to ensure that social value is integrated into procurement strategies and supplier evaluations considering the long-term impact of procurement decisions on communities and environments. This shift aligns with [the UK Government's goals](#) to drive sustainability, promote social equity, and leverage public spending to generate positive social outcomes. Under the new regulations there is encouragement to use procurement as a tool to address broader societal challenges, such as economic inequality, environmental sustainability, and community development.

Factors to think about going forward are what social value factors and criteria procurement professionals should integrate into supplier evaluation, as well as frameworks for assessing these criteria in tender processes.

Streamlined Process and Greater Flexibility

The Act simplifies procurement processes



by introducing three flexible procedures: the Open Procedure, Competitive Procedure with Negotiation, and Limited Tendering Procedure. These flexible procedures are designed to reduce administrative burdens and allow greater freedom to tailor procurement processes to specific needs.

The flexibility offered by the new procedures allows exploration of innovative procurement approaches, such as engaging with suppliers during the negotiation phase to refine and improve offers. Being prepared to leverage these new options to maximise value while ensuring compliance with the new rules will be of great benefit.

Innovation Through Supplier Engagement

Finally, the act encourages innovation within the market through pre-market engagement and a more dynamic dialogue with suppliers. Another effect from this, is opening the market up to a more diverse range of suppliers, including SMEs. Engaging with a diverse range of suppliers, including SMEs, can provide access to innovative solutions that might not be available through traditional procurement channels.

Risk Management in the Context of The Procurement Act 2023

The implementation of the Procurement Act 2023 introduces new requirements and changes that impact how procurement activities are conducted within public sector organisations. As these changes take effect it is important to adopt robust risk management strategies to navigate the evolving regulatory landscape effectively. Risk management will be critical in ensuring compliance with the new Act while safeguarding against potential disruptions that could impact supply chain resilience and operational continuity.

Key Area Vulnerable to Risk:

1. Compliance

With the new regulations comes the increased risk of non-compliance. The Procurement Act 2023 introduces several new requirements, such as enhanced transparency obligations, consideration of social value, and adherence to new

procurement procedures. Failure to comply with these requirements can lead to legal challenges, financial penalties, and reputational damage.

To mitigate compliance risks make sure to conduct regular audits of procurement processes to identify gaps that may lead to non-compliance. Training and development programs should be implemented to equip procurement teams with the necessary knowledge of the new regulations. The government currently offers several [e-learning modules](#) for an overview. Additionally, Achilles Academy also offers a number of in-depth courses including the [Regulated Procurement Academy: The New Regime Procurement Act 2023](#).

Robust internal controls, including automated compliance monitoring systems, should be put in place to ensure adherence to the new standards and avoid legal or reputational risks.

2. Operational

The new regulations will come hand in hand with the need to adapt and modify existing procurement processes and workflows. This could of course lead to disruptions. In order to mitigate any arising risks, it is a good idea to develop a transition plan that covers the full timeline as the act comes into force. Ensuring that key milestones and responsibilities are clearly defined will make the process much smoother.

By being as transparent as possible with suppliers throughout the process and by engaging and communicating clearly will help avoid misunderstandings and delays. Another way to lessen the operational burden of the change is to leverage technology and digital tools such as MyAchilles to improve visibility and transparency with suppliers. The [MyAchilles](#) platform enables you to find new compliant suppliers, assess suppliers, meet regulatory obligations, and drive supply chain improvement – all in one single, multilingual platform. Our [infographic](#) on ensuring business continuity throughout the transition to The Procurement Act is also a useful resource.

3. Reputational

The increased focus on transparency and social value under the Procurement Act 2023 means that organisations are under greater scrutiny, and failure to align procurement decisions with the principles of fairness, sustainability, and social responsibility could lead to reputational damage. Mitigating this risk requires promoting ethical procurement practices and ensuring all procurement activities are conducted transparently. Developing and enforcing a code of conduct for both internal teams and suppliers, as well as engaging regularly with key stakeholders—including suppliers, community groups, and regulators—will help foster trust. Actively monitoring and reporting on social value outcomes to demonstrate a commitment to responsible procurement will also have positive reputational impact. The

government provides a useful outline of their ambitions in regards to [transparency and accountability](#).

4. Supply Chain

The emphasis on social value and sustainability in the Act means there may be a requirement to reassess supply chains, which could introduce the risk of disruptions if suppliers are not aligned with the new standards. To manage supply chain risks, ensure you conduct thorough assessments of suppliers, evaluating them against new social value and sustainability criteria. Diversifying the supplier base can also help mitigate risks by reducing reliance on a few key suppliers, making the supply chain more resilient to potential disruptions. In addition, develop contingency plans that identify alternative suppliers and strategies to ensure business continuity in case of supply chain breakdowns. Our [Roadmap to Readiness](#) series provides comprehensive insights on managing the transition.

5. Strategic

Balancing regulatory compliance with achieving strategic objectives such as cost savings and innovation can pose significant challenges. To mitigate this risk, procurement activities should be aligned with broader organisational strategies. Developing a strategic procurement plan that incorporates both regulatory compliance and long-term goals like cost efficiency and innovation will be extremely helpful. Additionally, fostering closer collaboration with suppliers can drive innovation, helping to stay competitive. Many of the key provisions within the act, if implemented effectively could have a real positive impact on many strategic goals surrounding innovation and promoting social value. According to the [OECD](#) if used strategically, public procurement can contribute to the 2030 Agenda for Sustainable Development by supporting a more resource-efficient economy, stimulating innovation, supporting small and medium-sized enterprises (SMEs) and promoting social values.

Building Supply Chain Resilience

Strengthening Supplier Relationships and Diversification

One of the key strategies for building resilience is ensuring strong, collaborative relationships with suppliers. The increased focus on sustainability and social value under the Procurement Act may lead procurement teams to reassess their existing suppliers, potentially engaging new ones that are better aligned with social and environmental goals. To mitigate risks, diversifying your supplier base could reduce reliance on a few key suppliers that might face challenges in meeting the new criteria. By increasing supplier diversity, it can reduce vulnerability to supply chain disruptions, while also supporting smaller, innovative suppliers—including SMEs—that can provide more agile solutions.

Additionally, pre-market engagement with suppliers—encouraged under the Act—will play a critical role in identifying potential risks and ensuring suppliers are prepared to meet the new compliance requirements. Engaging with suppliers early in the

procurement process can help create stronger partnerships, allowing buyers and suppliers to work collaboratively toward mutual goals of compliance, sustainability, and innovation.

Embedding Sustainability and Social Value in Procurement Strategies

Under the new Act, sustainability and social value are not just compliance issues—they are strategic imperatives. Proactively embed these elements into procurement strategies will not only comply with the law but also gain a competitive advantage. Sourcing from suppliers that prioritise environmental and social responsibility, can enhance reputation, meet stakeholder expectations, and contribute to broader societal goals, such as reducing carbon emissions and supporting local communities.

Building sustainability into the supply chain also involves assessing the long-term impact of procurement decisions, considering factors like lifecycle costs

and environmental impact. This shift requires working closely with suppliers to ensure that sustainability goals are clearly communicated and that both parties are committed to driving positive change. Regularly reviewing supplier performance and ensuring ongoing compliance with sustainability targets will help build resilient supply chains that can thrive under the new regulatory landscape.

Developing a Contingency Plan to Address Disruptions

The Procurement Act 2023 emphasises transparency and accountability, and being prepared for potential disruptions is essential—whether related to compliance, supply shortages, or regulatory challenges. Developing a contingency plan is essential to mitigating these risks. This can ensure that you have alternative suppliers in place, maintain buffer stock levels where appropriate, and establish flexible contracts that can adapt to changing circumstances.

Contingency planning also involves working

closely with key suppliers to ensure business continuity in case of disruptions. This may include setting up emergency response protocols, identifying critical suppliers, and ensuring that there are alternative sources of supply for essential goods and services. By developing a comprehensive risk management framework that includes contingency planning, you will enhance resilience and minimise the impact of unforeseen disruptions.

The Procurement Act 2023 presents both challenges and opportunities. By building supply chain resilience through stronger supplier relationships, technological innovation, sustainability-focused strategies, and contingency planning, organisations can not only comply with the new regulations but also enhance competitive positioning. A resilient supply chain ensures the ability to adapt to changes in the regulatory environment, maintain business continuity, and meet strategic objectives in a more sustainable and socially responsible way.

Navigating the Path Ahead

The **Procurement Act 2023** represents a significant transformation in the way public procurement is conducted across the UK. As this new regulatory framework comes into effect, there will be both challenges and opportunities in adapting practices to meet the new standards of transparency, social value, and sustainability. While the Act's implementation has been delayed beyond the initial October 2023 timeline, this provides an extended opportunity to thoroughly prepare for the upcoming changes. The delay should be seen not as a reason for complacency, but as a chance to refine processes, engage more deeply with suppliers, and align procurement strategies with the new regulatory requirements.

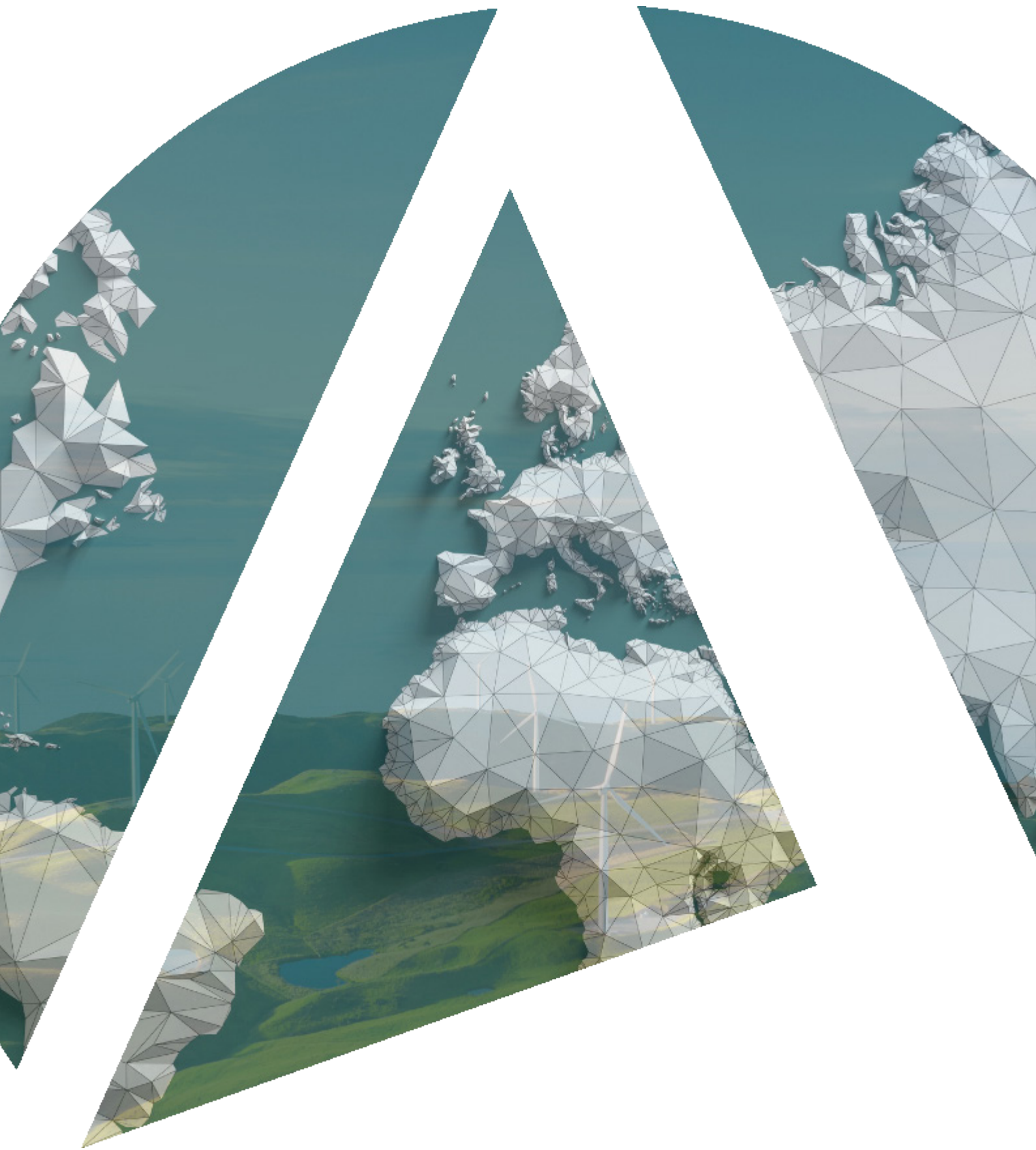
As the extended timeline offers more

breathing room, now is the time to build resilient, adaptable procurement frameworks that will not only meet the legal requirements but also drive innovation, efficiency, and value creation across organisations.

The new regulations provide an opportunity for a strategic lever for driving positive social, economic, and environmental outcomes. By seizing this moment to align operations with the goals of the Procurement Act 2023, it will ensure that compliance is built into every aspect of procurement processes, while also enhancing supplier collaboration, leveraging technology for better visibility, and driving long-term value.

Contact Achilles today to ensure you thrive under the upcoming changes surrounding The Procurement Act 2023.





www.achilles.com

 **Achilles**
Supply Chain Sustainability