



Procurement Policy Note: New Thresholds

Action Note 11/23

December 2023

Issue

1. This Procurement Policy Note (PPN) provides advanced notification of the new thresholds that apply for the purposes of the Public Contracts Regulations 2015, Utilities Contracts Regulations 2016, the Concession Contracts Regulations 2016 and the Defence and Security Public Contracts Regulations 2011 (“the UK regulations”).

Dissemination and Scope

2. The contents of this PPN apply to all contracting authorities, as defined by the UK regulations. This includes all central government departments, their executive agencies, non-departmental public bodies and other public sector organisations. Together these are referred to in this PPN as ‘In-Scope Organisations’. Please circulate this PPN within your organisation, drawing it to the attention of those with a commercial and procurement role.

Timing

3. The new thresholds come into effect from 1 January 2024.

Action

4. The thresholds at which public procurement opportunities are subject to the full suite of UK regulations governing public contracts are due to be updated. Annex A sets out the revised thresholds for public contracts, utilities contracts and concession contracts from 1 January 2024, as per the amendments made to the UK regulations via the Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2023¹.

5. The thresholds for small lots, light touch regime services and below threshold contracts are not subject to the two-year currency fluctuation amendment required to comply with our GPA obligations, and have not been amended.

6. For the purposes of the publication of notices under the UK regulations, the estimated contract value should continue to be provided exclusive of VAT. However, when the Procurement Act 2023 comes into effect, for the purposes of the publication

¹ Available at: <https://www.legislation.gov.uk/ukSI/2023/1117/contents/made>

of any notices under the new legislation, the estimated contract value must be provided **inclusive of VAT**. The new procurement regime is expected to come into effect in Autumn 2024. Further guidance will be provided on this matter in due course.

Background

7. The thresholds at which public procurement opportunities are subject to the full suite of UK regulations governing public contracts are revised every two years. This is to take account of currency fluctuations, and to ensure the UK complies with its obligations under the World Trade Organisation's Agreement on Government Procurement (GPA).

Contact

8. Enquiries about this PPN should be directed to the Crown Commercial Service Helpdesk on 0345 410 2222 or info@crowncommercial.gov.uk.



Annex A – Summary of Thresholds from 1 January 2024

The Public Contracts Regulations

Supplies & Services (except subsidised services contracts)

- Central Government bodies² £139,688
- Others £214,904

Subsidised services contracts

- All bodies £214,904

Works (including subsidised works contracts)

- All bodies £5,372,609

Light Touch Regime for Services

- All bodies £663,540

Small lots

- Supplies and services £70,778
- Works £884,720

The Utilities Contracts Regulations 2016

Supplies and Services

- All sectors £429,809

Works

- All sectors £5,372,609

Small lots

- Supplies and Services £70,778
- Works £884,720

The Concession Contracts Regulations 2016

- Concession contracts £5,372,609

The Defence and Security Public Contracts Regulations 2011

Supplies and Services

- All sectors £429,809

Works

- All sectors £5,372,609

Small lots

- Supplies and Services £70,778
- Works £884,720

² Defined by the Public Contracts Regulations 2015 as the Crown and all the bodies listed in Schedule 1 (see regulation 2 (definitions)).