



Southern Construction  
Framework

# Is the effectiveness of the Procurement Act at risk from a lack of resource and knowledge within SMEs?

MAY 2025





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# Foreword

The Procurement Act represents a significant transformation for SMEs in the construction supply chain, creating new opportunities and a more competitive market for smaller organisations to compete for public sector contracts.

Yet, as our research shows, a lack of resources and knowledge about the Procurement Act means that many may not benefit from the advantages the Act brings. At worst, they may be exposing themselves to risks as a result of not understanding certain details of the act, such as in relation to debarment.

The research, based on a survey of 88 SME suppliers, uncovers a mixed picture. Many businesses already share the underlying principles of the Act, and see particular opportunities because of the Act, such as fairer competition, better relationships and an expanding client base. However, there is a level of cynicism regarding the Act's potential to bring about change in the short to medium term. In addition, many lack the internal resource to dedicate to a procurement role, and argue for greater accessibility adapted to the SME market.

With over half responding that they do not know enough about the Act to comment on the risks it may expose them to, key areas such as the central debarment register may slip under their radars. With debarment resulting in exclusion from all public contracts for up to five years, the potential for this to devastate SMEs reliant on public sector revenue is significant.

By acting as a bridge between public sector clients and our suppliers, we help lower the administrative burden for SMEs to access contracts. Our early engagement approach, and focus on collaborative, long-term relationships and provisions for social value and fair payment practices, all align with the Procurement Act's focus on stability for SMEs.

As SMEs grapple with the Procurement Act and begin to experience its impacts – for better or worse - it will be more important than ever for suppliers, contractors and frameworks alike to collaborate, to ensure that opportunities are not missed and unnecessary risks averted.



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Head of SCF  
South West

# Findings

Small to medium enterprises (SMEs) play a vital role in every project we deliver. This survey was created to find out the supply chain perspectives on the new Procurement Act rules and how we can help them make the most of the new rules. We received close to 100 responses: 7% micro, 52% small, 35% medium, and 6% large organisations.

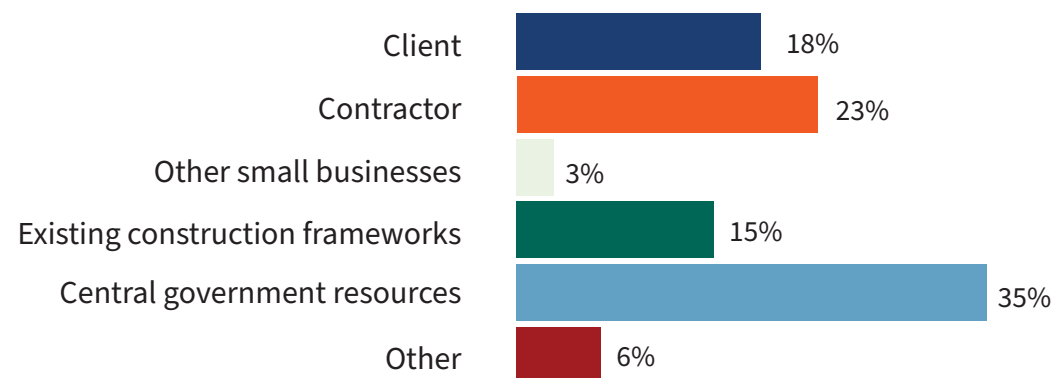
**The Procurement Act aims to make it easier for SMEs to contract with authorities. How confident do you feel in your understanding of the Act?**

1 = no confidence

4 = very confident

2.38/4

**Where would you go for information and support on the Procurement Act?**



**How ready is your business for the changes being enforced by the Procurement Act?**

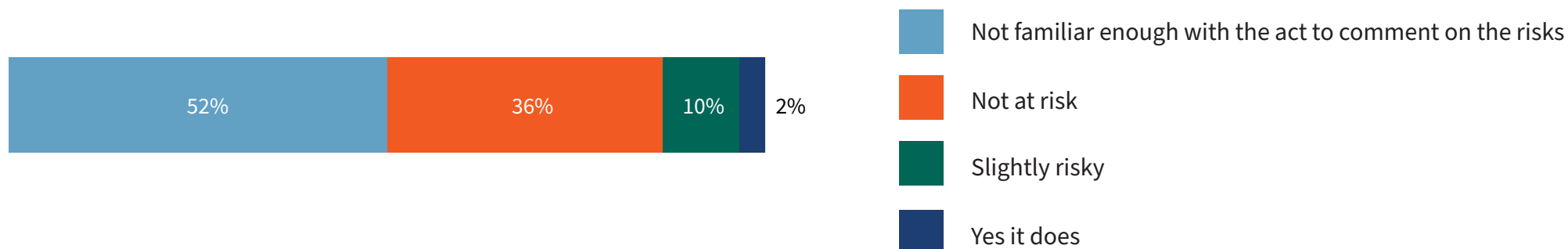


My business is aware of the upcoming new Act but unsure about the requirements

My business is ready

My business is not aware of any changes

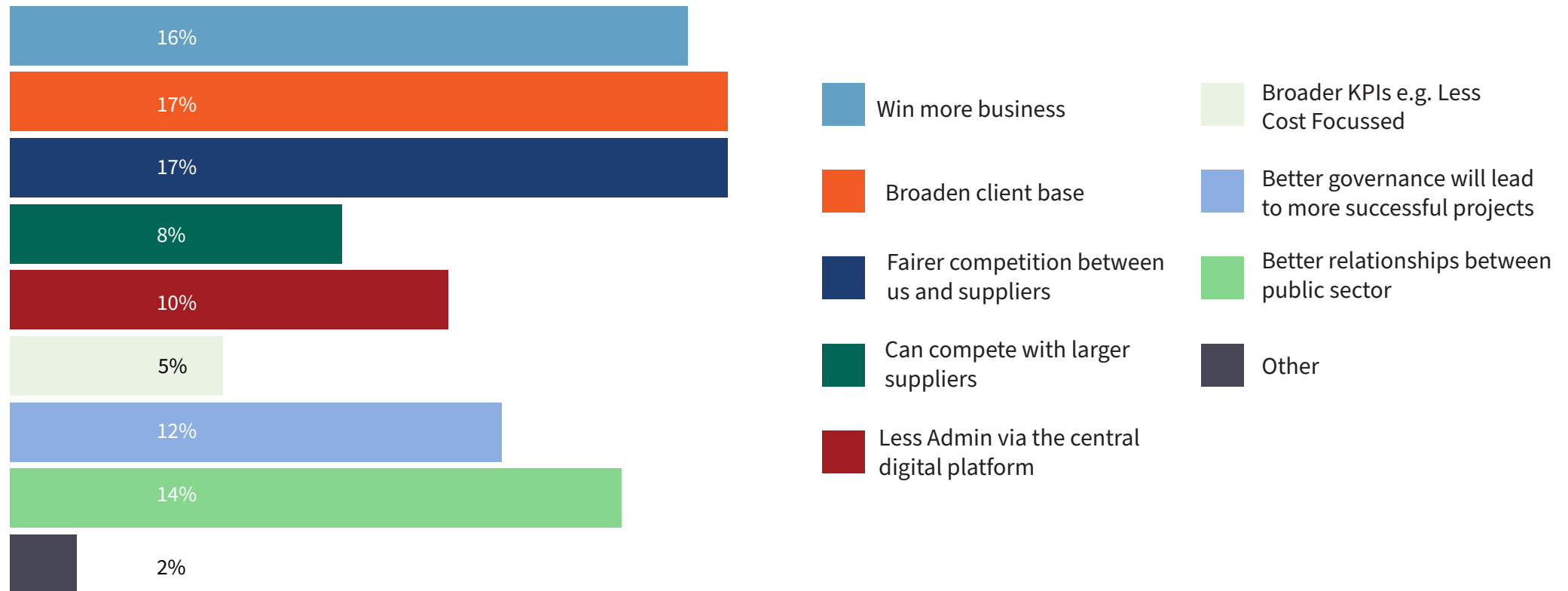
## Do you think that the Procurement Act legislation exposes your business to more or less risk, both operationally and financially?



## The Procurement Act will install KPIs as a key part of every procurement - What KPIs would you favour from procurers to meet local goals?



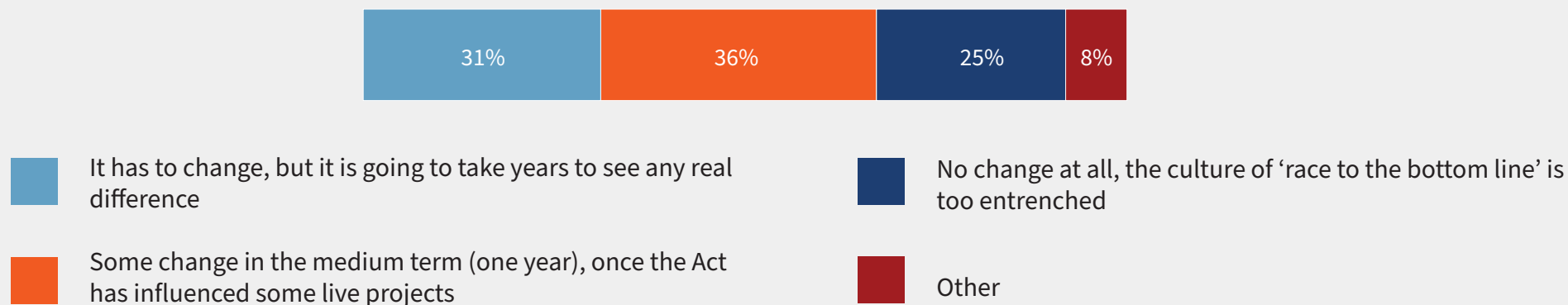
## What do you think are the biggest opportunities to your business from the Procurement Act legislation being introduced?






**The Procurement Act is designed to open up opportunities for SMEs, so that they can more easily compete with larger enterprises. But, how concerned are you about the increased competition?**

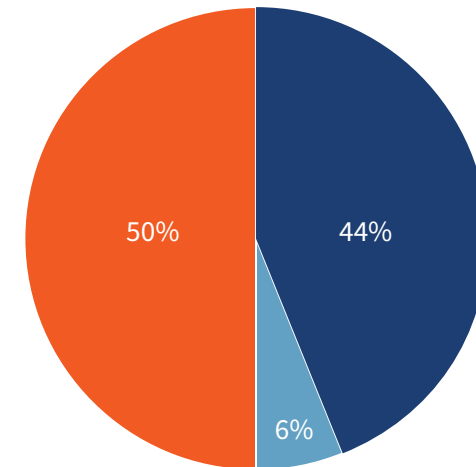


**The Procurement Act removes the focus on 'cost' as a basis for decisions, allowing for more weight on other criteria (such as social value). How significant a shift do you think there will be away from procurers favouring cost based decision making with the implementation of the Act?**



**The new debarment rules are intended to maintain good practice but for suppliers found in violation of certain regulations, the impact could be devastating for their business. Will the debarment list make you more selective about the projects you bid for?**

-  Yes, the debarment list will heavily influence our bidding strategy
-  The debarment list will be one of the contributing factors in our bidding strategy
-  No, the debarment list will not influence our bidding strategy at all



**The Procurement Act is a significant step towards enhancing transparency and accountability between procurers and suppliers. As such, do you think the Procurement Act will improve your relationship with contractors/clients?**

**1** = Negative impact

**3** = No change

**5** = Positive impact

**3.45/5**





## Southern Construction Framework

The conversation doesn't end here and these findings are just the beginning.

As a framework, we are committed to supporting our clients, contractors and supply chain navigate these changes.

Reach out to the team today so we can support your organisation.

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