

Thresholds – The Public Contracts Regulations 2015

When procuring goods or services over the set financial thresholds a Contracting Authority must consider their obligations under the Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2021 (SI 2021/1221).

Health / NHS organisations are also required to comply with the Procurement, Patient Choice and Competition (No 2) Regulations 2013 when advertising for services.

The Cabinet Office announced revised threshold limits for public procurements on 01 November 2021. The revised limits apply to all contract opportunities arising from 01 January 2022.

On the face of it the threshold amounts will be increased, but the estimated value of procurements will now be inclusive of VAT instead of net of VAT. This means that contracting authorities will need to consider if the requirement is subject to VAT, and if so, at what level, before knowing what the threshold is.

The Light Touch Regime threshold will not of itself be amended. However, the Light Touch regime threshold will now also become inclusive of VAT.

A services contract will fall within the scope of the Light Touch regime if it is for the certain types of health, social and other services listed at Schedule 3 of the PCR 2015. If a service is not listed at Schedule 3 of the PCR 2015 it will be subject to the full regime rather than the Light Touch regime.

Schedule 3 can be found at

http://www.legislation.gov.uk/ukxi/2015/102/pdfs/ukxi_20150102_en.pdf

Contracting Authority	Supply / Service	Threshold for Advertising (inclusive of VAT)	Estimate if VAT were to apply at 20%	Advertising Route
<ul style="list-style-type: none"> NHS Foundation Trusts NHS England CCGs Local Authorities Academy Trusts 	<ul style="list-style-type: none"> Services Contracts Supply of goods contracts 	<ul style="list-style-type: none"> £138,760 	<ul style="list-style-type: none"> £115,633.33 	Publish Find A Tender Notice and Contract Award Notice
<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Works Contracts 	<ul style="list-style-type: none"> £5,336,937 	<ul style="list-style-type: none"> £4,447,447.50 	Publish Find A Tender Notice and Contract Award Notice
<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Light Touch Regime Contracts (LTR) 	<ul style="list-style-type: none"> £663,540 	<ul style="list-style-type: none"> £552,950 	Publish Find A Tender Notice and Contract Award Notice

In addition, all contracts in excess of £25,000 must have an advert and contract award notice published on Contracts Finder.

Relevant links

<https://www.contractsfinder.service.gov.uk/Search>

<https://www.find-tender.service.gov.uk/>