**Procurement Act 2023   
Financial Thresholds**

This document sets out the applicable thresholds for procurements under the Procurement Act 2023, which comes into force on **24 February 2025**.

Where a procurement is commenced **before 24 February 2025**, the Public Contracts Regulations 2015 will instead apply.

[Schedule 3](https://www.legislation.gov.uk/ukpga/2023/54/schedule/3/enacted) to the Procurement Act 2023 sets out detailed rules around how the value of a contract should be assessed. This document is intended for information only and is not a substitute for legal advice in relation to the valuation of contracts in relation to a specific procurement.

The Cabinet Office has provided guidance on valuation of public contracts under the Procurement Act 2023 [here](https://assets.publishing.service.gov.uk/media/664dc00f993111924d9d3979/Guidance_-_Valuation_of_Contracts.pdf).

A ship with a globe and a plane flying above it

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**The financial thresholds applicable under the Procurement Act 2023 are follows:**

|  |  |
| --- | --- |
| **Contract Type** | **Threshold (inclusive of VAT)** |
| **Public supplies and public services contracts**  (central government authorities listed at [schedule 2](https://www.legislation.gov.uk/uksi/2024/692/schedule/2/made) to the Procurement Regulations 2024, including NHS Trusts and NHS Foundation Trusts) | **£139,688** |
| **Public supplies and public services contracts**  (contracting authorities **not** listed at [schedule 2](https://www.legislation.gov.uk/uksi/2024/692/schedule/2/made) to the Procurement Regulations 2024) | **£214,904** |
| **Light touch regime contracts** for services listed at [schedule 1](https://www.legislation.gov.uk/uksi/2024/692/schedule/1/made) to the Procurement Regulations 2024 | **£663,540** |
| **Works contracts** | **£5,372,609** |
| **Utilities supplies and services contracts** | **£429,809** |
| **Utilities light touch regime contracts** for services listed at [schedule 1](https://www.legislation.gov.uk/uksi/2024/692/schedule/1/made) to the Procurement Regulations 2024 | **£884,720** |
| **Utilities works contracts** | **£5,372,609** |
| **Concession contracts** | **£5,372,609** |

A reminder that, while contract values are to be calculated inclusive of VAT for the purposes of assessing whether thresholds are exceeded, guidance in [PPN 10/21](https://assets.publishing.service.gov.uk/media/61bc7451d3bf7f05570654ba/Procurement_Policy_Note_10_21_-_New_Thresholds_Values_and_Inclusion_of_VAT_in_Contract_Estimates.pdf) states that contract values inputted into Contract Notices and Contract Award Notices should continue to be stated exclusive of VAT.