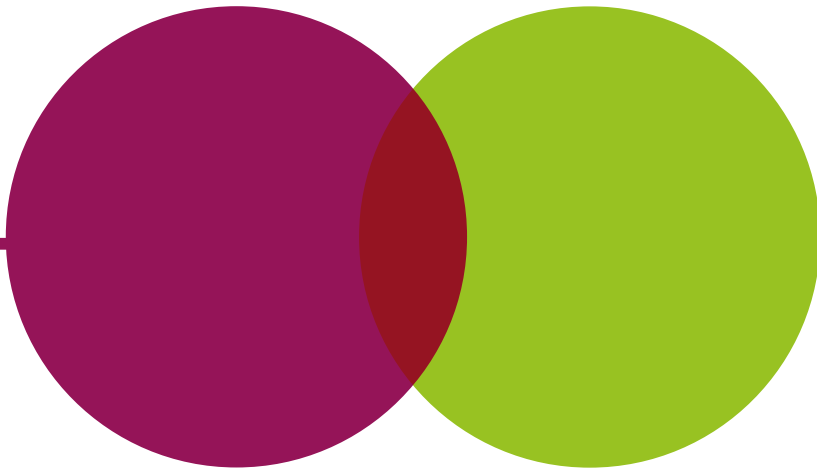




National Audit Office



INSIGHT

Lessons learned: competition in public procurement

Cabinet Office

SESSION 2022-23
19 JULY 2023
HC 1664

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National Audit Office

Lessons learned: competition in public procurement

Cabinet Office

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

12 July 2023

Lessons learned reports

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Contents

Key insights on public sector procurement best practice 4

Summary 6

Part One

The use of competition in public procurement 14

Part Two

Government's understanding and oversight of competition 22

Part Three

Maximising the benefits of competition throughout the commercial lifecycle 30

Appendix One

Our audit approach 44

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Key insights on public sector procurement best practice

To maximise the benefits of effective competition, decision makers will need to have consideration for multiple aspects of procurement throughout a contract's lifecycle, especially prior to signing a contract when the requirements and approach to engagement are still being determined.

When determining requirements, authorities should:

Use knowledge of the market to inform what they seek to achieve, to avoid unnecessarily excluding potential suppliers through overambitious approaches.

Define requirements sufficiently to be clear to suppliers, while leaving room for flexibility and innovation if appropriate to the contract.

Identify and set out the benefits and costs early enough to ensure that both buyers and suppliers make decisions based on the appropriate information.

When sourcing, authorities should:

Identify the best route to securing the requirement, whether in-house, through the market or a combination of the two.

Consider the delivery, integration and stakeholder management risks when using multiple contracts to deliver a product, process, or service.

Consider how the risk of supplier failure will be managed and acknowledge their appetite for risk when choosing an approach.

When monitoring and engaging with suppliers, authorities should:

Collect detailed information about the market whenever possible, including from existing suppliers.

Understand where collective buying arrangements can best be used to strengthen purchasing power.

Engage with suppliers in the market to understand their capabilities and circumstances.

During the contract award process, authorities should:

Make sure they select the appropriate contract model and pricing mechanisms.

Ensure there is enough time to follow the process correctly.

Provide detailed feedback to both winners and losers.

When managing a contract or market, authorities should:

Ensure that there is an appropriate mobilisation period to allow relationships and the contract processes to bed in.

Consider other enablers of the contract, such as sub-contractors in the supply chain or commitments the buyer must fulfil for suppliers to succeed.

Ensure they collect appropriate data to assess the outcomes achieved.

Before the end of the contract, authorities should:

Use available mechanisms to collect data on supplier health and the market, to use to inform future procurements.

Ensure they have visibility of costs and other information which is needed to support the transition process.

Maintain contingency plans for supplier failure and consider the options for making changes where this is likely to be beneficial.

Summary

Introduction

1 The government purchases a wide variety of goods and services through competitive procurement processes, from facilities management services to specialist services such as probation, to new IT systems or large-scale infrastructure projects. In competitive processes, buyers can select from offers made by suppliers. Government uses other procurement approaches in specific circumstances, but it is a broadly agreed principle in the UK and internationally that competition can help support efficiency, innovation and quality in public services, by allowing buyers to select the bid that can supply the optimal balance of benefits and cost. When competition is lacking or ineffective, other safeguards are required, or value for money can be reduced through higher prices, inefficiencies and poorer outcomes.

2 Government departments and other public bodies are required to use open competition in their procurements, under the Public Contracts Regulations 2015 and related statutory instruments.¹ These regulations also set out the underlying principles of equal treatment and seek to ensure that public bodies follow fair and reasonable procurement timetables and procedures. They highlight the consequences, such as artificial narrowing of competition, of failing to follow these principles, but do not actively define effective competition. As at May 2023, Parliament is considering the Procurement Bill which will replace the current regulations.² The Procurement Bill likewise reflects principles of proportionality, transparency and ensuring that suppliers are not put at an unfair advantage or disadvantage. Competition acts as a means of supporting probity, transparency and confidence in public spending, by providing greater visibility of the process to stakeholders and the public. Where the principles of competition are applied, the way that the process is designed, for example how the requirements are specified and how the bid process is run, can affect how effective any competition is at meeting the buyer's needs and maximising benefits in price and outcomes.

¹ The Public Contracts Regulations 2015, www.legislation.gov.uk/uksi/2015/102/contents/made

² The Procurement Bill, as amended in Public Bill Committee, <https://bills.parliament.uk/bills/3159>

3 Various mechanisms affect how competition is used in government.

Departments and other public bodies are responsible for carrying out their own procurement exercises and have their own approval processes in addition to some central processes operated by HM Treasury and Cabinet Office. As well as operating controls over procurement spending, the Cabinet Office and its central commercial teams within the Government Commercial Function offer further support through publishing guidance, monitoring suppliers and offering advice on some individual transactions.

4 Government has not defined effective competition but recognises that improvements in procurement could bring significant savings. Government spent £259 billion on the procurement of goods and services in 2021-22. It does not measure how much of public procurement as a whole is competitively tendered, but of the total contract value of more than £100 billion awarded by major departments during 2021-22, around two thirds was subject to competition in some form. In the impact assessment for its current Procurement Bill, government has produced illustrative scenarios that suggest it could achieve savings of £4 billion to £7.7 billion per year through increased competition.

5 This report examines whether government has mechanisms in place to understand and encourage competition in public procurement, and how government departments can make their use of competition more effective. The report draws on our insights from examining procurement processes of differing values and types, from the Superfast Broadband Programme to asylum accommodation and support services. It covers the large proportion of government procurement where there is an expectation that there should be a competitive market. This does not include the relatively narrow and specific circumstances where departments are not required to use formal competition, such as for some defence requirements or procurement in an emergency.

6 This report first introduces the scale and variety of competitions run by central government departments and agencies and the role of the centre of government in supporting departments (Part One). It then provides two complementary perspectives and related insights:

- for government as a whole, we examine how government is using data to support its understanding and oversight of competition (Part Two); and
- for government practitioners and senior decision makers, we identify lessons learned and relevant examples from our experience auditing government competitions, considering the key enablers for more effective competition throughout the commercial lifecycle (Part Three).

7 The evidence base for this report includes a review of our published reports, combined with workshops and interviews with a range of government procurement professionals, suppliers to government and other stakeholder individuals and organisations. We have also analysed government data on contracts and competition, and used interviews and document review to understand the work of the Cabinet Office in relation to competition. Our published reports include consideration of competitive procurement across a range of government departments and activities as part of our examinations of government programmes over many years.

8 In some places we include specific examples from our published work. These are illustrative examples and are not indicative of the overall performance of the department concerned. Nor do all programmes featured, or in government, exhibit all of the issues we identify.

Key findings

Ensuring competition is effective

9 The concept of competition is well embedded in central government and departments. Increasing competition for public contracts can improve value for money by allowing suppliers to demonstrate how they can improve quality, reduce costs and increase the scope for innovation. Competition also supports confidence in the probity and transparency of public spending by introducing benchmarks and alternatives, relative to the direct award of contracts. Public procurement regulations require government departments to use competition and the Government Commercial Function has established competition as the default approach to procurement. The Cabinet Office has issued guidance to departments that emphasises the importance of competition throughout the procurement process (paragraphs 1.4, 1.6 and 1.10).

10 Departments need to understand how to establish the right conditions for effective competition, varying approaches as needed across sectors and procurements. For each individual procurement, the decisions of departments and procurement staff affect aspects of the process. These could include how many suppliers bid, how well suppliers understand the requirement, and how different priorities are emphasised in assessment. These factors can in turn affect the benefits consequently achieved in price, quality and innovation. Departments therefore need to invest time and resources developing their requirements and identifying the best route to achieve them. This includes: developing markets; encouraging more suppliers to bid to increase choice; understanding their own capacity limits; and understanding the factors other than the number of bidders that influence the effectiveness of competition (paragraphs 3.2 to 3.4 and Figures 6 and 7).

11 Departments have opportunities throughout the lifecycle of the contract to improve the effectiveness of competition. Making the most of the opportunities available through competition starts from departments designing realistic requirements for goods or services and using these to inform their sourcing approach. Our past reports, and our more recent fieldwork with stakeholders, have shown government has often not done this. We have seen cases where poorly-designed requirements and sourcing have led to few bids, or to buyers appointing suppliers that proved to be unsuitable. Departments need to engage the market sufficiently, by consulting potential suppliers and providing information to the market in a way that does not favour particular suppliers. Cabinet Office guidance encourages this, but stakeholders told us that departments often take an overly cautious approach to engagement and are not always clear on what they can do. We have reported on cases where the benefits of competition have been reduced because this opportunity to prepare has been missed. Once the contract has been awarded, departments should maintain competitive pressure by using information on the contract and market, such as information on suppliers' costs and approaches. This will also help them to be ready for transition at the end of the contract (paragraphs 3.5 to 3.29 and Figure 6).

12 Departments need to consider how their actions during individual procurements can affect the long-term participation of suppliers and consequently the competitiveness of the market. Suppliers told us that high bid costs, lack of confidence in evaluation and a lack of feedback can deter suppliers from bidding, potentially causing a contraction in the public procurement market. Departments improving engagement with suppliers, including those which do not win contracts, can increase levels of competition in future procurements. Doing so would provide more scope for smaller firms to stay involved, while reducing reliance on a few large suppliers (paragraphs 3.3 and 3.21).

Understanding how competition is working

13 Government is making increased use of framework agreements to help departments get the most competitive benefit at least administrative cost, but frameworks can reduce competition when not used effectively.

Framework agreements generally involve an initial competition for suppliers to gain access to a framework, followed by a shortened call-off process for contracts to be awarded to one of those framework suppliers. This means that once a framework agreement has been put in place departments can more quickly set up contracts with suppliers, without going through a full procurement exercise each time. Government procured 72% of its large contracts through frameworks in 2021-22 compared to 43% in 2018-19. Frameworks are designed for procuring common goods and services to allow departments to access economies of scale, but they are not always the way to achieve the best competition. Guidance produced by government states that where the goods or services are not common, a full procurement process should be undertaken. Government monitors savings from individual frameworks by comparing their prices to estimations of prices charged by suppliers outside the framework. It does not assess whether, or to what extent, the number of suppliers on a framework affects competition (paragraphs 2.8 to 2.10 and Figures 3 and 5).

14 Departments are not always following central guidance to achieve the benefits of competition. While the concept of competition and how to fulfil its basic principles is broadly understood, departments are less consistent in implementing competition effectively. As well as issuing guidance to departments, the Cabinet Office applies spending controls to procurements for larger contracts, and sometimes makes recommendations on competition. Despite these arrangements there are many cases of departments choosing non-compliant extension of contracts rather than the competitive procurement process which should be the default. There is also significant variation in how departments adhere to Cabinet Office processes for procurement. For example, while departments now consistently publish their procurement pipelines of forthcoming contracts, for each of the quarters during 2022 only five of 16 departments published a complete set of the required data on these contracts (paragraphs 1.8, 1.11 to 1.13 and 2.13 and Figure 2).

15 The poor quality of much of government's published data on contracts reduces transparency and makes it harder to identify and promote best practice.

Public bodies are required to publish large amounts of information on prospective and awarded contracts. We found that basic information on which procurement route was used was missing for 6% of contracts recorded on Contracts Finder, one of two public contract databases, from 2018 to 2022. Information on other aspects of contracts is collected inconsistently between the two databases, and most departments do not consistently publish all contracts within the required time. The Cabinet Office is working on changes to the process and its standards, including consolidating to only using one database. It has significant scope to improve the quality of data and possible analysis, by better defining what information is useful and monitoring how it is collected. For example, more complete information would allow it to analyse how many contracts different departments award to small and medium-sized enterprises or strategic suppliers. The Cabinet Office has some knowledge-sharing approaches in place across the government commercial community, but does not join up published contract information with insights from its teams that provide support to departments and look at markets and suppliers (paragraphs 1.14, 2.2, 2.4, 2.12, 2.16 and 2.17).

16 The Cabinet Office has not used available contract information to understand how competition is working across government. As well as published contract databases, the Cabinet Office's central commercial teams also collect some aggregate contract information from departments' own data systems. They use this data for some analysis of overall trends, but do not use the more detailed contract information to conduct any analysis of competition or markets. We found that, of 235 large contracts recorded on the public contracts database Find a Tender between January 2021 and January 2023, 20% of contracts using open competition received only one bid. The Cabinet Office has not assessed the expected level of single bidders within government's major markets or analysed trends in numbers of bidders (paragraphs 2.11, 2.12 and 2.17).

17 Transparency and the use of data will become even more important under planned increases to the flexibility of procurement choices. The Procurement Bill currently being considered in Parliament has been developed with the aim of reducing administrative costs to businesses and the public sector, while permitting flexibility in how buyers structure competitions and use negotiation. The flexibility which the bill allows increases the importance of collecting good quality data to ensure that departments are using this flexibility properly and identifying best practices (paragraphs 1.15 and 1.16).

Concluding remarks

18 Competition is an underlying principle of public procurement, and widely acknowledged to be a key enabler of value for money. It helps the public sector to secure the goods and services it requires at the right price and quality, and is the best way of demonstrating probity in the award of public contracts. Achieving the benefits of competition requires attention throughout the commercial lifecycle. Our review of competition in public procurement has found that government cannot show how well competition is working, and that the structures to encourage and support the use of competition are not all working as intended. Departments are unclear how to engage with the market before they let a contract, and do not consistently follow central guidance. For example, they routinely extend contracts rather than retendering them. The Cabinet Office provides guidance but does not take advantage of the data it collects to understand more about competition and gain further benefits.

19 Parliament is currently considering the Procurement Bill, which will create more flexibility for departments in how they select suppliers, if it is implemented as drafted. In preparation for this, government needs to do more at the centre to understand where competition is working well and to support departments to address problems where it is not. If government tackles some of the longstanding challenges in using competition effectively it will increase its chances of securing the benefits of its planned new regime.

Recommendations

20 Improving government's use of competition requires the centre of government to understand how competition is working in practice, using this understanding to advise and support departments. We have identified actions which should be taken by those working in policy and at the centre of government. The Cabinet Office and its central commercial teams should:

- a** Building on work it has begun to update its contract database systems and standards, clearly define the information departments are required to publish, including how it should be structured.
- b** Through its procurement reform processes, act to improve the quality of information departments submit on contracts, as well as continuing to improve compliance with transparency requirements.
- c** Set out how it currently uses the information and explore how it can use the range of data collected on individual contracts to analyse competitive trends in markets and use this to support its work.
- d** Work with departments to understand the barriers to early market engagement and take steps to address them.

- e** Expand its guidance on frameworks, alongside working to ensure that where frameworks are used it is for compatible requirements and uses competitive pressure.
 - f** Consider how to make improvements in the supporting elements of the commercial lifecycle as set out in Figure 6 (capability, commercial strategy, governance and accountability, and transparency and data) to support improvements in the effectiveness of competition.
- 21** Our detailed recommendations for departments' commercial teams and the Government Commercial Function, to maximise the benefits of effective competition when they run procurements, are set out in Part Three.

Part One

The use of competition in public procurement

1.1 This part of the report sets out:

- the rationale for using competition to procure goods and services;
- the scale of government procurement;
- how the centre of government supports competition; and
- potential changes introduced by the Procurement Bill.

1.2 Government requires that all public procurement must be based on value for money, which it defines as “the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought”. It believes this should be achieved through competition.

1.3 Government departments and other public bodies procure a wide variety of goods and services competitively, from facilities management services to specialist services such as probation, to new IT systems and large-scale infrastructure projects. In competitive processes, buyers can select from offers made by suppliers. Effective competition is a key principle of public procurement. This report covers the large proportion of government procurement where there is an expectation that there should be a competitive market. The report does not cover the specific circumstances where departments may not be required to use formal competition, such as for some defence requirements or procurement in an emergency.

The rationale for using competition to procure goods and services

1.4 The case for using competition in procurement is well established in the UK and internationally, supported by organisations such as the World Trade Organization. We have previously reported on how markets present opportunities for government services to become more personalised, responsive, efficient, diverse and innovative.³ Using competitive processes also supports greater transparency, such as through publishing award notices, and makes it easier for procurement decisions to be subject to reasonable challenge. In this way, competition supports probity and the proper spending of public money. When competition is lacking or ineffective, other safeguards are required and value for money can be reduced through higher prices, inefficiencies and poorer outcomes.

³ National Audit Office, *Delivering public services through markets: principles for achieving value for money*, June 2012.

1.5 It can be challenging to quantify the benefits of using competition compared to alternative approaches. Alongside purchase price, departments are expected to consider quality and whole life benefits and costs. Additionally, departments must consider how a contract will contribute to meeting key social priorities such as fighting climate change, creating jobs and promoting innovation. Government has not defined effective competition but recognises that improvements in procurement could bring significant savings. The impact assessment for the current Procurement Bill estimates illustrative potential savings of between £4 billion and £7.7 billion per year, based on previous academic analysis of savings through increasing numbers of bidders. The Serco Institute, set up by one of government’s major suppliers, has separately estimated potential savings of up to £15 billion through increased use of competition in public procurement.

The legislative framework

1.6 To award contracts, government departments and their agencies must have published a call for competition except in specific exceptional circumstances. Central government and other public bodies must follow the regime set out in the Public Contracts Regulations 2015 and related statutory instruments. The key principle of procurement set out in the regulations is that public bodies “shall treat economic operators equally and without discrimination and shall act in a transparent and proportionate manner”. They highlight the consequences of failing to follow these principles, such as artificial narrowing of competition, but do not actively define effective competition. These regulations seek to ensure that public bodies adhere to fair and reasonable timetables and procedures, document their procurement decisions and actions fully, and ensure that risks such as conflicts of interest are managed effectively. Parliament is currently considering the Procurement Bill, which would replace the Public Contracts Regulations 2015. The Procurement Bill likewise reflects principles of proportionality, transparency and ensuring that suppliers are not put at an unfair advantage or disadvantage. The types of procedure which can be used are set out in **Figure 1** overleaf.

The scale of government procurement

1.7 Government’s accounts show that it spent £259 billion procuring goods and services in 2021-22. This is around a third of all UK government spending. Government’s major departments also collect aggregate data on the value of contracts they award. This totalled £100 billion across 16 departments in the same period. This number is lower in part because it does not include other public bodies. We would expect further differences between contract values and spending because many of the contracts procured cover multiple years.

Figure 1

Procurement procedures in the Public Contracts Regulations 2015 and upcoming Procurement Bill

The Procurement Bill consolidates competitive procedures under the Public Contracts Regulations 2015 and aims to give contracting authorities more flexibility in how they approach their procurements

Type of procedure	Description	Current procedures in Public Contracts Regulations 2015 ²	Proposed procedures in Procurement Bill ³
Competitive	Any procedure that allows for more than one supplier to bid.	Open procedure	Competitive tendering procedure/open procedure
		Restricted procedure	Competitive flexible procedure
		Competitive procedure with negotiation	
		Competitive dialogue	
		Innovation partnership	Dynamic market
Dynamic purchasing system			
Direct award	A procedure awarding a contract to a single supplier without any opportunity for other suppliers to compete.	Negotiated without prior publication	Direct award
Award through framework agreement	Framework agreements generally involve an initial competition for suppliers to gain access to a framework, followed by a shortened process for contracts to be awarded to one of those framework suppliers. Each contract award made through a framework agreement can be either competitive or a direct award, depending on the rules of that framework.	Framework	Framework
Extension	Contract extensions add on to the originally agreed period of the contract. These might be based on options agreed as part of the contract, or come through changes equivalent to a direct award.	Modification of contract	Modification of public contract

Notes

- 1 We have referred to extensions rather than modifications for consistency with Cabinet Office analysis we have used elsewhere in the report.
- 2 The details of current procedures are given in regulations 27 to 34 and 72 of the Public Contracts Regulations 2015. Available at: www.legislation.gov.uk/uksi/2015/102/made.
- 3 The details of upcoming procedures are given in sections 20, 34 to 49 and 74 of the Procurement Bill. Available at: <https://bills.parliament.uk/bills/3159>.

Source: National Audit Office analysis of Public Contracts Regulations 2015 and the draft of the Procurement Bill, version as of 24 February 2023, see Parliament website, available at: www.parliament.uk/

1.8 Government issues guidance promoting competitive procurement but has limited information on how much of public procurement is competitive. Departments are responsible for their own procurements and do not generally publish information on how many are competitive. The Cabinet Office uses quarterly aggregated data sent from major departments on their contracts to estimate the extent of competition. Of 16,000 such contracts with a total lifetime value of £100 billion that were awarded during 2021-22, 63% were competed to some extent, comprising 61% of the total value (**Figure 2** overleaf). This includes contracts awarded through open competition or through other forms of competition, such as procurement frameworks. Most of the remaining awards by value were contract extensions. Government procurement guidance states that where departments have been forced into extensions through failing to plan early enough, this is a very weak position.

How the centre of government supports competition

1.9 There are three main organisations that have a role in supporting competition in the public sector.

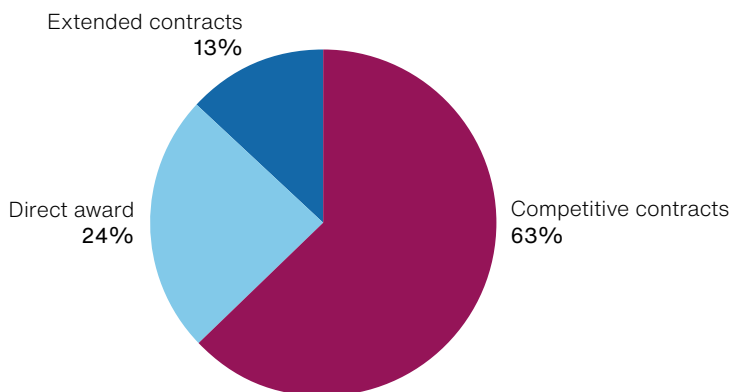
- **The Government Commercial Function (GCF)** has oversight of public sector procurement. GCF aims to improve the commercial capabilities of the Civil Service through commercial experts and a cross-government network of around 4,000 civil servants supporting procurement. GCF's support also includes central commercial teams within the Cabinet Office, whose role includes providing advice on complex transactions and intelligence on suppliers and markets, as well as running a commercial spend control process for contracts worth £20 million or more.
- **The Crown Commercial Service**, an executive agency of the Cabinet Office established in 2014, is responsible for providing some commercial services to the public sector. This includes setting up and running the procurement frameworks through which government purchases many common goods and services.
- **The Competition and Markets Authority (CMA)** oversees competition in the broader UK economy, promotes competitive markets and tackles unfair and anti-competitive behaviour. It encourages government and other regulators to use competition effectively on behalf of consumers and taxpayers. Through its advocacy and compliance work it advises public bodies and officials on how to manage markets, identify the risks of anti-competitive conduct in procurement and develop pro-competitive government policy.

Figure 2

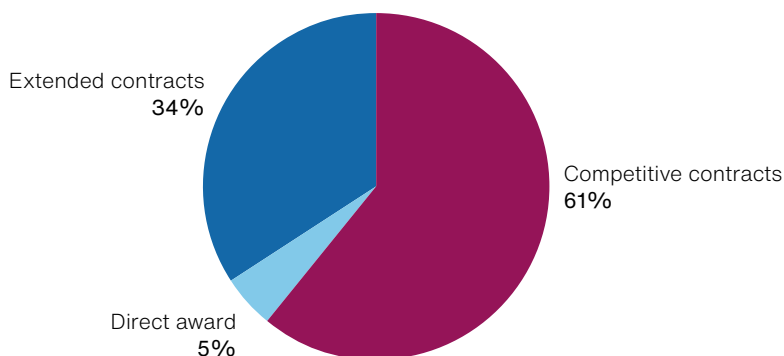
Contracts awarded by major departments, by number and value, 2021-22

Most contracts were awarded through some form of competitive process

By number of contracts



By value of contracts



- Competitive contracts
- Direct award
- Extended contracts

Notes

- 1 Cabinet Office's analysis of the aggregate data separates directly awarded contracts into two categories, direct award and single source. We have combined the two. Single source is where only one supplier exists that can provide the service. Single source procurement made up 4% of contracts procured in 2021-22 and 0.2% of the total value of contracts procured in that period.
- 2 Major departments includes the following organisations as they were at the time of the data analysed: Crown Commercial Service; Department for Business, Energy & Industrial Strategy; Cabinet Office; HM Treasury; Department for Digital, Culture, Media & Sport; Department for Environment, Food & Rural Affairs; Department for Education; Department for Transport; Department of Health & Social Care; Department for International Trade; Department for Levelling Up, Housing & Communities; Department for Work & Pensions; Foreign, Commonwealth & Development Office; HM Revenue & Customs; Home Office; Ministry of Defence; and Ministry of Justice.
- 3 This analysis includes 16,024 contracts with a combined value of £99.6 billion.

Source: National Audit Office analysis of Cabinet Office aggregate data from departments

The Cabinet Office and GCF's support for competition

1.10 Through GCF, the Cabinet Office has established competition as the default approach for government procurement. Its guidance on how to choose procurement procedures, published in 2015, starts from the policy that open competition should be used in most cases (**Figure 3** overleaf). The CMA also published guidance on how to assess the impact of policies on competition.⁴ The Cabinet Office has since published more detailed guidance including *The Sourcing Playbook*, last updated in June 2023, which provides advice on supporting competition at each stage of the procurement process.⁵ Likewise, HM Treasury's guidance *Managing Public Money* states that it is good practice to arrange some form of competition for all outsourcing.⁶

1.11 Departments have their own approval and oversight processes for procurements and levels of data published vary between departments. Sometimes departments do not meet the data publication standards the Cabinet Office expects. For example, while departments now consistently publish their procurement pipelines of forthcoming contracts, for each of the quarters during 2022 only five of 16 departments published a complete set of the required data on these contracts.

1.12 Departments are required to submit business cases for all large contracts to the Cabinet Office's spend controls process. Until February 2023, a large contract was defined as a contract valued at £10 million or more. The Cabinet Office then changed the threshold to £20 million, reviewing smaller-value contracts based on risk. It told us that it considered this more proportionate due to the small proportion of the total value (2%) of contracts excluded by the change. It applies these controls at two stages of the process (typically prior to engaging the market and once the recipient of a contract award is determined). It reviews business cases against its standards, policies and guidance.

1.13 Over 2021 and 2022, the Cabinet Office reviewed business cases relating to 489 contracts with a total value of £95 billion. It approved 413 of these cases, for contracts with a total value of £81 billion. Of those, it applied conditions to 368, with a total contract value of £78 billion. The review process does not include a standard approach to rating the effectiveness of competition, although some questions cover competition. We have also seen examples of the Cabinet Office imposing conditions related to competition, such as additional cost benchmarking, on some business cases. Where it applies conditions, departments are required to act on these to get approval for the business case. However, over the 12 months to March 2023, 12 different departments (or related arm's-length bodies) submitted at least one business case retrospectively, preventing the controls from working effectively.

4 Competition and Markets Authority, *Competition impact assessment*, September 2015.

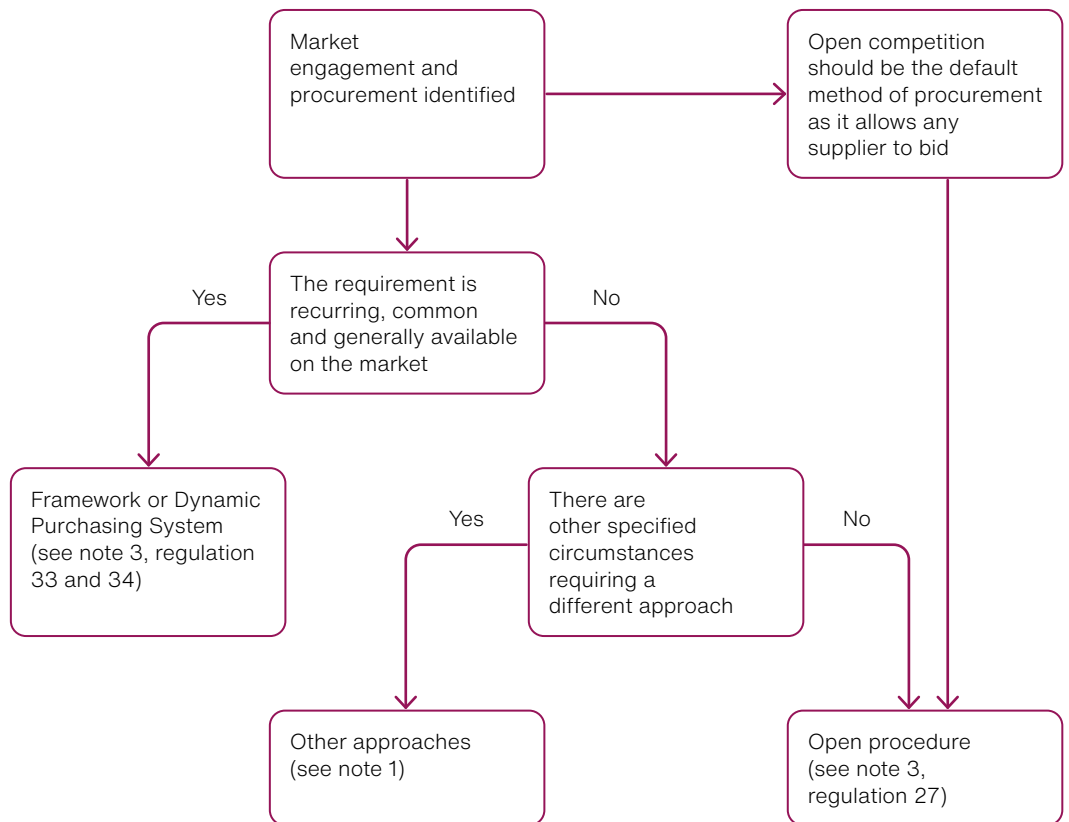
5 Cabinet Office, *The Sourcing Playbook*, June 2023.

6 HM Treasury, *Managing Public Money*, May 2023.

Figure 3

Guidance by Crown Commercial Service on choice of procurement procedure, produced 30 July 2015

Government Commercial Function guidance is that open competition should be used except in specific exceptional cases



Notes

- 1 Approaches set out for the small number of other cases comprise: restricted competitive procedure, where there is a large marketplace with a potential high number of bidders; competitive procedure with negotiation or competitive dialogue, where required by the complexity of requirements or risks; innovation partnership procedure, where a novel market needs to be developed; and light touch regime, where the procurement is in one of the limited areas where this is specified in regulations.
- 2 Dynamic Purchasing Systems are similar to frameworks, but allow suppliers to join at any time and reduce the administrative burden to potential suppliers. They can have lower requirements to qualify, but requirements are determined for each system or framework individually.
- 3 The details of current procedures are given in regulations 27 to 34 of the Public Contracts Regulations 2015. Available at: www.legislation.gov.uk/uksi/2015/102/made.

Source: National Audit Office summary of *Procurement Policy Note: Availability of Procurement Procedures*, Cabinet Office

1.14 The current process relies on the experience of staff in the central commercial teams for consistency. The spend controls team has a lead for each government department, and the Cabinet Office told us that leads use their knowledge to identify and act on any repeated department-specific issues. It does not carry out formal analysis of the trends of these controls across departments, or join insights to those from its markets and suppliers teams.

Potential changes introduced by the Procurement Bill

1.15 A new Procurement Bill is currently being considered by Parliament. This bill would:

- consolidate or replace current procurement procedures to provide new options and timescales for public bodies to use to suit individual procurement activities; and
- change assessments of bidders to a “Most Advantageous Tender” rather than “Most Economically Advantageous Tender” used in the Public Contracts Regulations 2015, which emphasised that when awarding contracts departments should always consider the price or cost. The new Procurement Bill allows departments to set their own award criteria in a way that ensures scope for qualitative factors to be given more priority in the assessment and for wider benefits to be sought from competition. For example, departments could award contracts based on their impact on communities, or how environmentally sustainable they will be.

1.16 Stakeholders told us that there is clear potential for the bill to increase the benefits from competition. However, this increased flexibility will provide some additional risks to manage. For example, individual procurement teams will have more opportunity to emphasise convenience or short-term gains even where this would not produce the best results. The Cabinet Office told us that it is working on guidance and education to support public bodies in adapting to the changes.

Part Two

Government's understanding and oversight of competition

2.1 This part of the report examines government's understanding of how competition is working in practice. It sets out:

- the requirements for authorities to publish data on competition;
- what current data shows about how well competition is working; and
- how government is using the available data to improve its oversight of competition.

Requirements to publish contract data

2.2 Publishing public service delivery data builds public trust and confidence in public services and supports the functioning of competitive, innovative, and open markets. Government has stated its ambition to make sure the widest possible population of potential suppliers can see public sector contracting opportunities, including smaller businesses and voluntary or charitable organisations. As part of this, it publishes commercial pipelines showing each contracting authority's planned contracts. Public bodies are also legally required to publish details of most calls for competition.⁷ Publishing data on contracts also enables suppliers to understand the market through information on other tenders. By analysing data on contracts, government can assess how well it is meeting its goals for procurement and competition.

⁷ Current guidance specifies that the requirement to publish contracts applies to contracts worth £12,000 (inclusive of VAT) or more for central government contracts while the threshold for sub-central, NHS Foundation Trusts and NHS Trusts is £30,000 (inclusive of VAT) or more.

2.3 The Cabinet Office operates two public databases for contract information, Contracts Finder and Find a Tender. It launched Contracts Finder in 2011 with the aim of giving small and medium-sized enterprises (SMEs) greater sight of public procurement opportunities. It expanded Contracts Finder's scope alongside the Public Contracts Regulations 2015. It introduced the Find a Tender service in 2021, to replace the Official Journal of the European Union when the UK left the EU. There are different qualifying requirements for procurements to be submitted to each of the databases, but with significant overlap between the two. We found a small number of cases where a contract award notice was published on Contracts Finder without a corresponding tender notice, but have not sought to determine whether this is a widespread issue.

2.4 Public bodies are also required to publish information on contracts which they have awarded within 30 days of the award. Required information includes the award date, value of the contract, details of the winning bidder and whether that bidder is an SME⁸ or voluntary, community and social enterprise (VCSE). We have reported previously on the importance of publishing contract information and highlighted shortcomings in the timeliness and completeness of some information. Across the three quarters in 2022 for which Cabinet Office holds the relevant data, from January to September, only one of 16 departments at any point reached the standard of publishing 85% of their contract award notices within 30 days.

2.5 As well as being useful to buyers and suppliers, the published data offers an opportunity to understand competitiveness within different industries. For example, Contracts Finder and Find a Tender require contracting authorities to provide common procurement vocabulary codes to the notices they publish.⁹ These codes identify the specific business area of what is being procured and are widely used. They can be used when looking at contract data to draw on insights on the number of bidders, procurement procedures and winners of contracts across different sectors.

2.6 Public bodies publish some further competition-related information on Contracts Finder and Find a Tender. For each procurement, this can include the type of procurement procedure used, the number of bidders, and the number of those bidders which are SMEs. However, the list of information to include differs between the two services, and inconsistencies with individual procurement data mean that it cannot consistently be matched between the two (**Figure 4** overleaf). Without a more consistent approach to data, the scope for analysis of aspects affecting the effectiveness of competition in different sectors is limited. The Cabinet Office told us that it plans to move to a single database and has begun work on updating its standards. There are opportunities to use this process to clarify and improve the requirements on information.









⁸ SMEs are organisations with fewer than 250 employees and a turnover of less than €50 million or a balance sheet total less than €43 million.

⁹ The hierarchy of codes and their definitions can be found at: <https://simap.ted.europa.eu/cpv>


Figure 4

Information on contracts awarded by government can be inconsistent across public databases

Government operates two public contract databases called Contracts Finder and Find a Tender. In most cases, bodies had published different information about the procurement procedures for a contract, though most other data matched for contracts we could match between the two databases

Data/information fields	Platform information available on	Relevance to competition	Percentage of contracts that have matching data field entries (%)
Value of contract		Part of the key information to inform other suppliers and buyers about contract awards.	100
Industry CPV code		Competition can vary depending on the industry sector. Specifying the sector allows for analysis of individual sectors.	99
Is awarded supplier an SME		An indication on whether smaller organisations are being provided with opportunities.	97
Contract award date		Part of the key information to inform other suppliers and buyers about contract awards.	95
Procedure type		Makes clear whether and how competition was involved in a particular procurement.	48
Contract divided into lots		Dividing a contract into lots can provide opportunities to different suppliers that may not have been able to bid for the whole contract.	N/A
Number of bidders and SME bidders		Number of bidders is one of the simplest ways of informing assessments on the extent of competition. Number of SME bidders can further show whether the competition has included smaller suppliers.	N/A
Suitable for SMEs or VCSEs		This provides information on whether smaller organisations are able to bid for the contract. Some contracts may require specialist knowledge or a large supplier to take on the contract due to the requirements.	N/A

 Contracts Finder

 Find a Tender

Notes

- 1 Key definitions: CPV = common procurement vocabulary, SME = small and medium-sized enterprise, VCSE = voluntary, community and social enterprise.
- 2 The Cabinet Office operates two public databases for contract information, Contracts Finder and Find a Tender. Public bodies are required to publish most notices on calls for competition and award notices on these platforms.
- 3 N/A is applied where the data field is only present on one of the contract publishing platforms and so that data field could not be used to match contracts across both platforms.
- 4 The analysis on matching data fields only considers contracts that could be matched between the two platforms and does not cover all contracts analysed over £10 million.

Source: National Audit Office analysis of government contract databases

Data on approaches to procurement

2.7 As discussed in Part One, as part of its oversight role the Cabinet Office collects some aggregate data from departments on their general procurement activity and their large contracts. Its visibility is limited, however, as it does not collect data on all the individual procurements carried out by departments. We have used data on large contracts from Contracts Finder and Find a Tender to gain further understanding on the extent of competition in public procurement, and the transparency information available on it. We have set out analysis of this available data in this part. Our analysis was limited by data limitations and concerns over data quality. We included contracts worth £10 million or more, to include contracts covered by Cabinet Office oversight through its spend controls. We excluded contracts related to urgent pandemic response and contracts where legislation allows use of single source/direct awards, such as defence contracts.

2.8 In line with the aggregate departmental data, our analysis shows that most contract awards go through a process with at least an element of competition: either an open procedure (13.0% of the value of contracts in 2021-22); other competitive procedure (16.7%); or a call-off from a framework agreement (68.2%). Within this, for the last three years, government has purchased an increasingly large proportion of goods and services through frameworks (**Figure 5** on pages 26 and 27). Over this period, government has awarded less than half of its large contracts by value through competitive open procedures.

2.9 Framework agreements involve an initial competition for suppliers to gain access to the framework, followed by a shortened process for a department to select and appoint a supplier from the framework for a specific contract. Where there is a clear and well-understood requirement, they can be used to increase competition; reduce the administrative burdens of carrying out competitions for buyers and suppliers; and allow buyers to benefit from economies of scale. However, frameworks are not always the way to achieve the best competition. The consequences of inappropriately using frameworks may include:

- inflated prices from suppliers entering the framework and setting a rate, and the price in the framework over time becoming separate from the outside market rate;
- frameworks limiting competition either by not having enough suppliers for a mini-competition or too many suppliers to effectively choose between. Many suppliers on the framework may receive little or no work in return for their investment to get onto the framework; and
- less competition where the framework agreement sets out all the terms governing the provision of the goods/services and it is possible to directly award suppliers without re-opening competition.

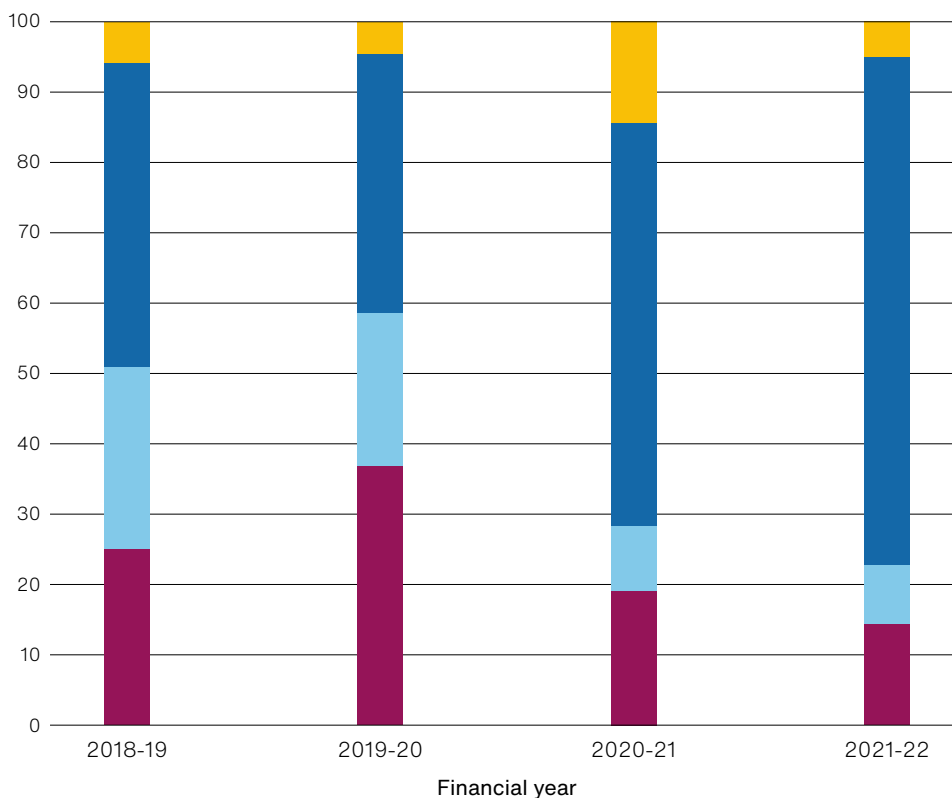
Figure 5

Method of procurement used to award contracts, by number and value of contracts, 2018–2022

The proportion of contracts and contract value being awarded through frameworks has increased since 2018

By number of contracts

Proportion of contracts (%)

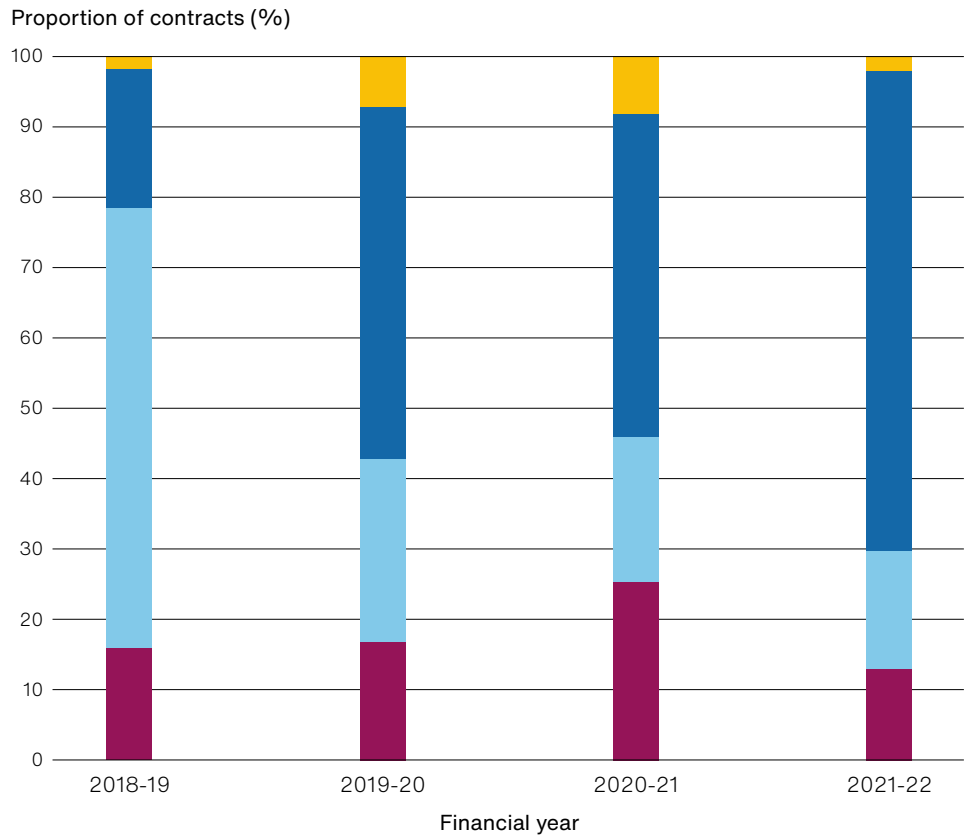


	2018-19	2019-20	2020-21	2021-22
Open procedure	25	37	19	14
Other competitive procedures	26	22	9	8
Call-off from framework/dynamic purchasing system	43	37	57	72
Direct awards	6	4	14	5

Figure 5 *continued*

Method of procurement used to award contracts, by number and value of contracts, 2018-2022

By value of contracts



	2018-19	2019-20	2020-21	2021-22
Open procedure	16	17	25	13
Other competitive procedures	63	26	21	17
Call-off from framework/dynamic purchasing system	20	50	46	68
Direct awards	2	7	8	2

Notes

- 1 This data includes central government contracts with a value of £10 million or more, published on Contracts Finder.
- 2 Other competitive procedures comprise: restricted competitive procedure, where there is a large marketplace with a potential high number of bidders; competitive procedure with negotiation or competitive dialogue, where required by the complexity of requirements or risks. Departments and other associated arm’s-length bodies are expected to use the procedures listed in the Public Contracts Regulations 2015.
- 3 Numbers may not sum due to rounding.

Source: National Audit Office analysis of published information on Contracts Finder

2.10 The number of suppliers on frameworks can vary significantly. For example, as of October 2022, we found that 11% of open frameworks have one or two suppliers on them, while 48% of frameworks have over 20 suppliers. The Crown Commercial Service (CCS) measures the financial benefits from individual frameworks by comparing the prices charged by suppliers on the framework to estimations of prices charged by suppliers outside the framework. CCS told us that most frameworks offered savings compared to market rates. The Cabinet Office told us that it needed more structured data and more effective processes to track procurements from frameworks through the commercial lifecycle in order to monitor savings effectively.

2.11 Out of 235 large contracts, worth £29 billion, that were recorded on Find a Tender between January 2021 and January 2023, 23% had only one bidder, with a value of £4 billion (14% of the total). Where a competitive procedure of any kind, including framework agreements, was used, 11% of contracts (6% by value) received only one bidder. The proportion receiving only one bid increased to 20% for those large contracts where departments used the open competition procedure.

2.12 The Cabinet Office's central commercial teams commission quarterly aggregate data from departments to produce much of its management information, in part because of weaknesses in data submitted to its databases. For each of the four years examined, some large contracts on Contracts Finder do not include usable information on the procurement procedure used. On Contracts Finder, when providing data on a contract the contracting authority can select one of 15 different procurement procedures that best describe the arrangements, but they also have the option to choose "other" procedure and not provide any further information. Some 6% of the contracts we analysed from 2018 to 2022 listed "other" as the procedure used.

2.13 There is a lack of clarity in how contract extensions are recorded on Contracts Finder. Stakeholders told us that guidance is not clear as to whether to include the length of the possible extension in the original contract notice or not. This makes it difficult to assess how often extensions are used. Improved data on contract extensions has the potential to provide insights on the proportion of government contracts being extended. Contract extensions may indicate missed opportunities for competition.

2.14 Improvements in guidance and interfaces for the databases could help to address some of these issues. There are internationally established data standards and models which could support the process of consistently defining how data is structured, for example on the industry or location a contract relates to.

Using published data to improve the oversight of competition

2.15 The poor quality of publicly available data on both contract databases limited our analyses of public procurement trends. The difficulty of analysing the data has created a market for private providers, which organise and analyse the data alongside other sources to sell insights to private and public sector organisations including the Cabinet Office.

2.16 Public bodies publish large amounts of information on contracts for transparency purposes, and this data offers many opportunities to provide insight into potential improvements and efficiencies. It is difficult to assess competition through a single measure as, for example, the number of bidders does not fully correlate to effectiveness of competition. However, there remains clear potential to gain insight and learn lessons through further analysis of data on contracts and competitions. For example, more detailed analysis split by industry sector or department could give insight into the health of different markets, and how effectively markets are open to SMEs and other companies outside of government's strategic suppliers.

2.17 The Cabinet Office does not currently make the most of the potential of the data it collects. It does not conduct systematic analysis of markets or competition within them across departments using the data on Contracts Finder and Find a Tender. The Cabinet Office has not set out an expected level of single bidders within government's major markets or analysed trends in numbers of bidders within them. It collects and analyses information for some sectors or markets and has some knowledge-sharing approaches in place across the government commercial community, but has opportunities to add to these with greater use of data. Analysing the benefits of competition across different markets can be challenging and resource-intensive, and improving government's collection and use of data would allow it to focus on where it can add most value, while also potentially reducing the data collection effort required from departments.

Part Three

Maximising the benefits of competition throughout the commercial lifecycle

3.1 This part of the report sets out:

- the framework we use for assessing procurement and how we have applied this to lessons on competition; and
- lessons, with examples from our past reports, on how to secure and maintain benefits from competition throughout the competitive process.

Our framework for assessing competition in procurement

3.2 We have organised lessons on competition to align with the commercial framework set out in our July 2021 publication *Good practice guidance: managing the commercial lifecycle*.¹⁰ This framework looks at the commercial lifecycle through two lenses.

- Six procedural sections addressing actions supporting effective public procurement. The six steps cover the whole process of procurement: identifying a requirement that may be delivered by a supplier to government; selecting a sourcing approach; monitoring the market; evaluating bids and awarding the contract; contract management; and contract termination, expiry or transition to alternative arrangements.
- Four strategic sections addressing arrangements that public bodies should have in place to support effective commercial activities at project and programme levels: commercial strategy; accountability and governance; capability; and transparency and data.

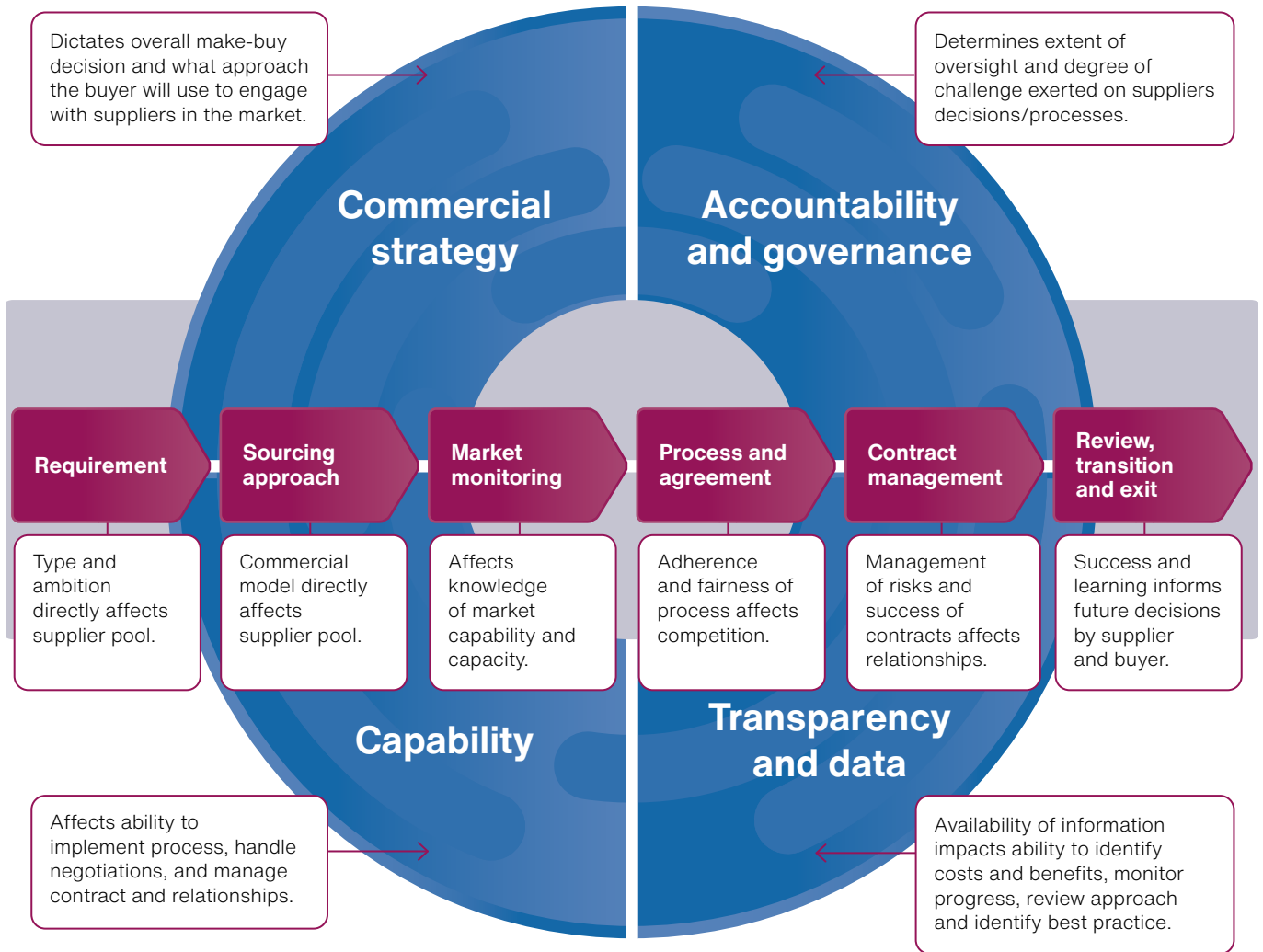
3.3 Departments' actions in each of the ten areas can affect the competition generated during procurement, and the levels of benefit consequently achieved. Examples of the impact at different stages are shown in **Figure 6**. For example, suppliers told us that high bid costs, lack of confidence in evaluation and a lack of feedback can deter suppliers from bidding. This can cause a contraction in the public procurement market size. In this section we have organised lessons by the six procedural steps in the procurement process. The four supporting elements of strategy, governance, capability and data are also included throughout.

10 National Audit Office, *Good practice guidance: Managing the commercial lifecycle*, July 2021.

Figure 6

The National Audit Office’s framework for managing the commercial lifecycle

Each element of the commercial lifecycle framework can affect the effectiveness of competition



- Link to competition
- Procedural aspects of procurement
- Strategic aspects of procurement

Notes

- 1 Four strategic sections address arrangements that public bodies should have in place to support effective commercial activities at both project and programme levels. They are presented as a supportive wrapper around the six procedural stages.
- 2 Six procedural sections address the practical and statutory requirements that support effective public procurement. The sections are presented in the order in which they are likely to be encountered during the commercial lifecycle.

Source: National Audit Office, *Good practice guidance: managing the commercial lifecycle*

3.4 Improvements to the effectiveness of competition should give buyers more choice, greater scope for innovation and lower prices. **Figure 7** sets out the conditions which support the buyer and supplier in reaching their goals from competitive procurement.

Good practice examples

3.5 Our published reports, supported by our fieldwork with stakeholders, show that there are opportunities throughout the procurement lifecycle for procuring authorities to benefit from better designing and implementing competition.

Laying the foundations for effective competition at the requirement stage of the commercial lifecycle

3.6 This is the start of the competitive/commercial process, where underlying policy objectives help establish the outcomes to be achieved, including any delivery of goods or services. Government's decisions can significantly affect levels of competition for any future tender. This includes the ambition of what it seeks to achieve, how it decides on its requirements, and its assessments of expected costs and benefits. All these decisions need to consider competition as part of balancing different goals, for example cost reduction and innovation. The Cabinet Office's *Sourcing Playbook* emphasises that pilots can be useful for departments developing their requirements, especially when outsourcing a product or service for the first time.¹¹

Examples

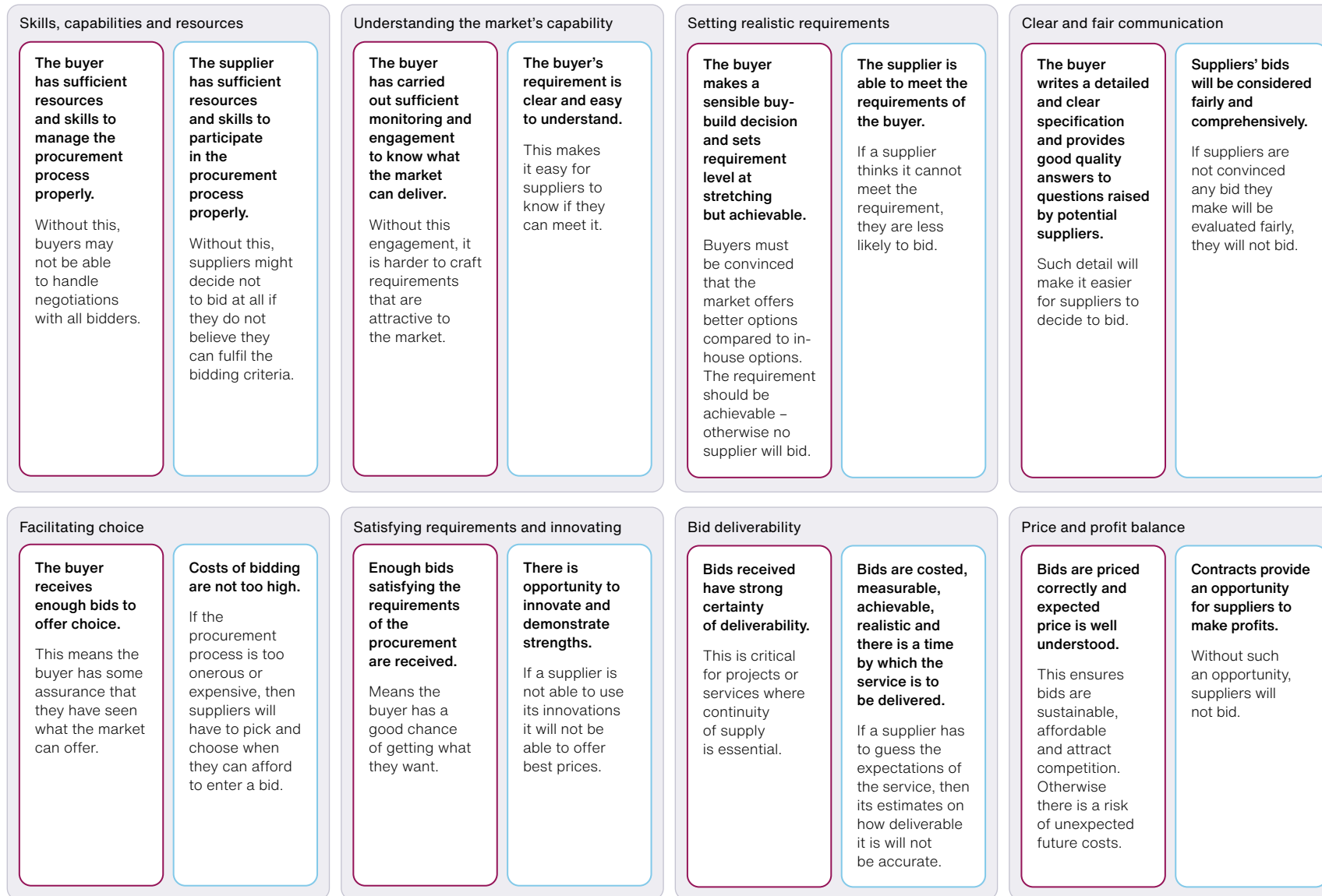
3.7 Overambitious requirements can reduce competition by limiting the potential supplier pool. Our 2017 report *The new generation electronic monitoring programme* found that the Ministry of Justice (MOJ) decided to procure bespoke world-leading monitoring tags for offenders, with its proposed tags having 900 requirements for suppliers to meet.¹² MOJ wanted these tags to store and send much more location data than existing tags in the market, meet higher data security standards, prove reliable and robust, be compact enough to wear comfortably and not require continual recharging. Between 2012 and 2015, MOJ contracted with, lost confidence in, and parted company with, two successive small and medium-sized enterprises (SMEs) that it had selected to supply the tags. MOJ subsequently worked to reduce and simplify its requirements, making them less prescriptive and determined more by intended outcomes.

¹¹ Cabinet Office, *The Sourcing Playbook*, June 2023.

¹² Comptroller and Auditor General, *The new generation electronic monitoring programme*, Session 2017–2019, HC 242, National Audit Office, July 2017.

Figure 7
Enablers of effective competition

Enablers across many aspects of the procurement can help competition to work better for buyers and suppliers



○ Buyer perspective □ Supplier perspective

Source: National Audit Office analysis of stakeholder engagement, case studies and Cabinet Office guidance on public procurement

3.8 Buyers need to be mindful that a mismatch between the procurement and the level of detail in the requirement can undermine the benefits of the competitive process. We saw in our 2015 report *E-borders and successor programmes* that the Home Office's plans to develop a new E-borders system to collect advance information on people travelling to the UK were too ambitious to be achievable.¹³ E-borders used a high-level specification that allowed the contractor to put forward detailed, innovative solutions after the contract was awarded. However, the criticality of the infrastructure being developed, and the need for stakeholder co-operation, meant that the department was always going to require more control over the solution than a commercial arrangement involving a fixed price and deadline was able to bear. The resulting pressure eventually led to government cancelling the contract with its supplier, at a cost of £150 million.

3.9 Authorities need accurate analysis of costs and benefits to both inform their decisions and provide potential suppliers enough information to price bids accurately. In our 2021 report *Investigation into supply chain finance in the NHS* we saw that the Department of Health & Social Care's decision to introduce supply chain finance into pharmacy reimbursement processes was based on suggestions the NHS could save £100 million per year.¹⁴ However, the department could not provide evidence to support that estimate. The department had estimated that 60% to 80% of pharmacies would enrol in the scheme by 2022-23, but only 14% of pharmacies did. The lack of participation meant that after the collapse of Greensill Capital in 2021, no other finance provider was willing to enter the market.

Learning points

When determining requirements, authorities should:

- use knowledge of the market to inform what they seek to achieve, to avoid unnecessarily excluding potential suppliers through overambitious approaches;
- define requirements sufficiently to be clear to suppliers, while leaving room for flexibility and innovation if appropriate to the contract; and
- identify and set out the benefits and costs early enough to ensure that both buyers and suppliers make decisions based on the appropriate information.

13 Comptroller and Auditor General, *E-borders and successor programmes*, Session 2015-16, HC 608, National Audit Office, December 2015.

14 Comptroller and Auditor General, *Investigation into supply chain finance in the NHS*, Session 2021-22, HC 734, National Audit Office, October 2021.

Evaluating the appropriate sourcing approach as to best make use of competition and satisfy the requirement

3.10 Once a procuring authority has identified its requirement, it will need to determine the best way to satisfy it. The first decision to make is whether the requirements can be fulfilled in-house, or if they will need to be sourced from the market. If using the market, then the buyer will have to determine the method and intensity of market engagement that will produce the best result. The Cabinet Office's *Sourcing Playbook* recommends that a delivery model assessment be carried out to inform recommendations on whether a department should deliver a service in-house, procure from the market or adopt a hybrid solution. From the supplier perspective, a supplier will choose to bid or not based on whether they believe the opportunities presented represent value for them.

Examples

3.11 When choosing a competitive sourcing approach, authorities need to consider their appetite for its impacts on the market including potential failure. In our *Principles Paper: Managing provider failure*, we highlighted that it can be difficult to decide how much risk to transfer to providers, given that the department retains ultimate responsibility for providing a service and continuity may be essential.¹⁵ For example, using more competitive approaches where users choose between suppliers can offer potential for lower costs and improved outcomes through greater competition but may result in providers leaving the market. It is important to understand the appetite for supplier exits and failures. While we had seen failure regimes which would place risk on suppliers, we had observed very few occasions when government allowed providers to fail.

3.12 How departments structure their sourcing approach can affect the scope for competition and the risks they need to manage. Our 2020 report *High Speed Two: A progress update*, examined the programme to construct a new high speed railway between London, the West Midlands and the north of England.¹⁶ We reported that High Speed 2 (HS2) Ltd's commercial approach had unintended consequences on forecast costs. HS2 Ltd let seven contracts to four joint venture companies to construct the railway. These contracts were two-stage design and build contracts used to involve industry early in the technical design of the railway and to incentivise contractors to deliver for less than the target price. HS2 Ltd thought fewer, larger contracts would create economies of scale and reduce the risks from, and costs of, integrating the work of many different contractors. It later considered that once the cost of building the railway became clear, the terms of the contract, combined with worsening conditions in the construction industry, resulted in designs which were less efficient and contractors increasing their forecast prices further.

¹⁵ Comptroller and Auditor General, *Principles Paper: Managing provider failure*, Session 2015-16, HC 89, National Audit Office, July 2015.

¹⁶ Comptroller and Auditor General, *High Speed Two: A progress update*, Session 2019-20, HC 40, National Audit Office, January 2020.

3.13 Using frameworks to simplify the competitive process can affect how wide the potential supplier base involved in a competition will be. In our report *Departments' use of consultants to support preparations for EU Exit*, we found that the Cabinet Office ran a competition using a framework for consultancy companies that provided health and community services rather than general consultancy services.¹⁷ This approach could have excluded consultancy firms that could have provided EU Exit services but had either not bid for, or were not selected to provide, health and community services.

Learning points

When sourcing, authorities should:

- identify the best route to securing the requirement, whether in-house, through the market or a combination of the two;
- consider the delivery, integration and stakeholder management risks when using multiple contracts to deliver a product, process or service; and
- consider how the risk of supplier failure will be managed and acknowledge their appetite for risk when choosing an approach.

Understanding the appetite and capabilities of suppliers through market monitoring

3.14 One aim of formal procurement processes is to ensure that departments do not give any supplier an unfair advantage, and they can accordingly be wary of interacting with suppliers outside these processes. However, it is important that departments collect intelligence on the markets they plan to work in. The Cabinet Office's *Sourcing Playbook* states that all potential outsourcing projects should include an assessment of the market early on during the preparation and planning stage.¹⁸ Engaging with potential suppliers throughout the commercial lifecycle can help departments understand what the market can provide, while providing suppliers with an opportunity to highlight potential innovations and efficiencies they can bring. Our stakeholders told us that departments often take an overly cautious approach to engagement and are not always clear on what they can do.

¹⁷ Comptroller and Auditor General, *Departments' use of consultants to support preparations for EU Exit*, Session 2017-18, HC 2105, National Audit Office, June 2019.

¹⁸ See footnote 11.

Examples

3.15 Sharing more information and feedback with stakeholders and suppliers helps to support a more competitive market. This was a point emphasised by suppliers we spoke to for our report, and also shown in our 2010 report *Reducing the cost of procuring Fire and Rescue Service vehicles and specialist equipment*. The report examined the Department for Communities and Local Government's (the department's) attempts to establish an arm's-length body – Firebuy Ltd. – to save money through acting as a single specialist procurement agency for the 46 Fire and Rescue Services in England.¹⁹ However, the department's slow response providing feedback from consultative exercises created uncertainty in the marketplace and increased the mistrust of Fire and Rescue Services. The absence of a marketing strategy and stakeholder engagement policy further strained Firebuy's difficult relationship with stakeholders, as there was insufficient clarity about the benefits of participation.

3.16 It is critical that departments gather sufficient data from buyers and suppliers to understand the market and adapt its approach to competition accordingly.

We saw an example of the importance of data on procurement within a market in our 2013 report *Police procurement*, which reviewed the oversight the Home Office had of the procurement of goods and services by the 43 police services in England and Wales.²⁰ The department adopted a light-touch regime whereby each police force could carry out its own procurement activity, which reduced the scope to make savings through collective purchasing. Robust data would allow the department to monitor forces spending and identify efficiencies, but we found that despite its attempts it did not have comprehensive data on forces procurement activities. We found that data were available too late, had limited information on unit costs and were difficult to compare. We concluded that the department consider carefully how to manage the risks implicit in operating a light-touch oversight regime; in particular the consequences on its own ability to identify whether forces are complying with central requirements designed to drive savings at national level and whether it had the levers needed to enforce its directives. In April 2020, the Home Office put in place BlueLight Commercial, an organisation for police procurement, which it told us has improved data collection.

¹⁹ Comptroller and Auditor General, *Reducing the cost of procuring Fire and Rescue Service vehicles and specialist equipment*, Session 2010-11, HC 285, National Audit Office, July 2010.

²⁰ Comptroller and Auditor General, *Police Procurement*, Session 2012-13, HC 1046, National Audit Office, March 2013.

3.17 Having information on suppliers in place can help authorities decide how to approach the market when needing to act quickly. Our 2020 report *Investigation into the free school meals voucher scheme* was an example where further information would have been valuable to help the Department for Education (DfE) manage the risks of setting up this scheme to the scale and pace required.²¹ DfE's approach to providing free meal vouchers to children during the COVID-19 pandemic placed substantial reliance on a single supplier, Edenred. In order to get the scheme running quickly, DfE asked the Crown Commercial Service if there was an existing contractual framework and suppliers that used voucher schemes that they could use. It awarded a contract through a Crown Commercial Service framework on which Edenred was the sole supplier. However, it had limited evidence on Edenred's capacity to deliver the voucher scheme to the pace and scale required. DfE judged that obtaining a guarantee would not be possible in the time available and that other mitigations would be sufficient. Early on in the scheme, problems arose due to Edenred having insufficient capacity to meet demand and DfE and Edenred took action to improve the scheme's capacity and performance.

Learning points

When monitoring and engaging with suppliers, authorities should:

- collect detailed information about the market whenever possible, including from existing suppliers;
- understand where collective buying arrangements can best be used to strengthen purchasing power; and
- engage with suppliers in the market to understand their capabilities and circumstances.

Adherence to process and agreement throughout the procurement to ensure fair and effective competition

3.18 Once the decisions have been made that the requirement needs to be sourced externally and that the market can potentially satisfy that requirement, the procurement process itself begins. This is an end-to-end process that starts with the department issuing documentation, handling supplier engagement, and evaluating any bids received before making and communicating the decision. The process requires both buyers and suppliers invest the time and resources needed to complete the process properly, but doing so reduces the risk of legal challenge and provides greater scope to generate benefits from the competition.

²¹ Comptroller and Auditor General, *Investigation into the free school meals voucher scheme*, Session 2019–2021, HC 1036, National Audit Office, December 2020.

Examples

3.19 It is important that departments tailor their contractual approaches to reflect the contract's purpose and maximise any potential gains from competition.

Previous market engagement and intelligence gathering should be used to define the details of how the contract works. Our 2021 report *Improving the performance of major equipment contracts* showed how the Ministry of Defence (MOD) uses a range of contracting approaches in its portfolio of major equipment programmes.²² It tailors its commercial approach according to programme requirements, sectors and suppliers. This includes adapting its contracts flexibly. In some cases, MOD will pay the allowable costs incurred by the supplier plus a profit percentage ('cost plus'), while in other contracts it will set a target cost or make an agreement with a supplier to meet a requirement for a firm or fixed price.

3.20 Pricing should form part of the incentives that keep suppliers in play while maintaining competitive pressure. Our 2022 report *The decommissioning of the AGR nuclear power stations* highlighted the importance of pricing mechanisms to incentivise suppliers.²³ A 2015 review carried out on behalf of the then-Department for Business, Energy & Industrial Strategy, identified that the existing agreements did not incentivise the supplier EDFE to look at more innovative or cost-efficient ways to minimise decommissioning costs. Costs were to be reimbursed under a cost pass-through model. The review also noted that officials assessing claims made could only assess whether the costs qualified for reimbursement and could not consider the efficacy of plans. The department subsequently improved its incentive arrangements, introducing the scope for EDFE to earn £100 million for meeting milestones, or lose £100 million in the case of poor performance.

3.21 The fair and transparent evaluation of bids and the provision of detailed feedback are both critical for improving the confidence of suppliers in competition.

Our 2017 report *The Nuclear Decommissioning Authority's Magnox contract* found that the Nuclear Decommissioning Authority (NDA) had wrongly decided the outcome of the procurement process it held to provide services to decommission two nuclear research sites and 10 Magnox sites.²⁴ Energy Solutions, one of the incumbent contractors for the Magnox sites until 2014, unsuccessfully bid for the contract, and subsequently issued legal claims against the NDA for damages. The High Court found that, had the NDA applied its evaluation criteria correctly, the winning bidder, Cavendish Fluor Partnership, would have been excluded from the competition. It also found that, with respect to record-keeping, the NDA had breached its obligation under public contracting regulations to act in a transparent way. The NDA agreed settlements totalling £97.3 million in 2017.

22 Comptroller and Auditor General, *Improving the performance of major equipment contracts*, Session 2021-22, HC 298, National Audit Office, June 2021.

23 Comptroller and Auditor General, *The decommissioning of the AGR nuclear power stations*, Session 2021-22, HC 1017, National Audit Office, January 2022.

24 Comptroller and Auditor General, *The Nuclear Decommissioning Authority's Magnox contract*, Session 2017-2019, HC 408, National Audit Office, October 2017.

Learning points

During the contract award process, authorities should:

- make sure they select the appropriate contract model and pricing mechanisms;
- ensure there is enough time to follow the process correctly; and
- provide detailed feedback to both winners and losers.

Using contract management to maintain benefits from effective competition

3.22 Once a contract has been signed, the contract management phase begins. This encompasses all the formal and informal activities relating to the performance and monitoring of a contract. The Cabinet Office's *Sourcing Playbook* emphasises that the relationship between supplier and buyer can vary and that therefore it is important to set aside time to mobilise each contract and tailor the contract management processes effectively for that contract.²⁵

Examples

3.23 In-life controls such as open book and benchmarking are a valuable addition to information gained through competitions. To further understand the position of a contract, and maintain competitive pressure, it is useful to continue to understand costs and the market. We saw an example of this being effectively used in our 2013 report *The rural broadband programme*.²⁶ The Department for Culture, Media & Sport (DCMS) used in-life controls such as using milestones and checking actual costs in invoices, to better understand and challenge its supplier's costs. However, we also noted that no open book procedure is perfect and some risks remained. For example, labour and project management costs, which were likely to comprise around 40% of total costs of the project, were more difficult to assure.

²⁵ See footnote 11.

²⁶ Comptroller and Auditor General, *The rural broadband programme*, Session 2013-14, HC 535, National Audit Office, July 2013.

3.24 Good oversight and governance arrangements are important to managing contracts to maintain benefits from competition.

Our 2021 report *Crossrail – a progress update* examined the Department for Transport and Transport for London’s major programme to create a new railway across London – Crossrail.²⁷ Early in the programme, Crossrail Ltd, the body responsible for delivering the programme, opted to source work through letting 36 different works contracts. However, one of the issues we found in our progress update was that Crossrail Ltd did not fully understand the work required to complete the railway and as it added more work to its plans, costs and schedule delays increased. Delays were compounded by contractor productivity problems, along with the interdependent nature of the work which meant that new work assigned to one contractor could impact on the work of another. We considered it was likely that new senior team appointments in 2020, as part of the programme’s 2019 reset, and new sign-offs for new work, had resulted in greater challenge and scrutiny over new proposed changes and remaining work required to complete the programme.

3.25 High quality data is crucial to managing markets in a way which maximises the desired outcomes.

As well as having competitive processes in place, it is important to have the right arrangements in place to collect data on those markets and to intervene as needed. In our 2021 report *The adult social care market in England*, we found that in a vast and diverse social care market, the accountability and oversight arrangements did not work.²⁸ Despite its accountability for the performance of the care system as a whole, the Department of Health & Social Care lacked visibility of the effectiveness of care commissioned and there were significant data gaps. As such, it could not assess the outcomes achieved across the system.

Learning points

When managing a contract or market, authorities should:

- ensure that there is an appropriate mobilisation period to allow relationships and the contract processes to bed in;
- consider other enablers of the contract, such as sub-contractors in the supply chain or commitments the buyer must fulfil for suppliers to succeed; and
- ensure they collect appropriate data to assess the outcomes achieved.

27 Comptroller and Auditor General, *Crossrail – a progress update*, Session 2021-22, HC 299, National Audit Office, July 2021.

28 Comptroller and Auditor General, *The adult social care market in England*, Session 2019-2021, HC 1244, National Audit Office, March 2021.

Learning lessons on competition at the contract review, transition and exit stage

3.26 The review, transition and exit stage encompasses the factors that inform a decision on the extension or re-procurement of a requirement. As well as making sure that the requirements of that procurement are fulfilled as well as possible, it is an opportunity to learn lessons and apply information. Relevant information to take forward can include suppliers' costs and approaches, and the capacity of the market. The Cabinet Office's *Sourcing Playbook* notes that when, writing a contract, departments should already be considering their expectations for exiting the contract, as well as any transitional arrangements.²⁹

Examples

3.27 Licensing and competition processes produce useful information, which government can use to improve its understanding of markets. We saw this in our 2012 report *Offshore electricity transmission: a new model for delivering infrastructure*. The report reviewed a new licensing model, containing aspects of both competition and regulation, to deliver offshore electricity transmission infrastructure.³⁰ We found that licence conditions required licensees to submit annual returns detailing the actual levels of income and costs at a reasonably granular level of detail. This would allow the Gas and Electricity Markets Authority to develop a database over time of useful cost information which it could use to inform setting prices for onshore electricity transmission.

3.28 Departments should ensure that existing suppliers can be supportive through building in transition arrangements. It can take time to design competitions and contracts in order to generate the most value for money. Our 2020 report *Asylum accommodation and support* found that the Home Office only began its project to replace its COMPASS contracts to provide asylum accommodation and support in 2016, despite the contracts ending in 2017.³¹ The department was able to extend its contracts with existing suppliers to September 2019, but had no scope to extend them further and it therefore decided that it did not have the time to consider more radical options for providing the services. After signing the new contracts in January 2019, new accommodation providers worked with the existing COMPASS providers on an eight-month process of 'mobilisation and transition', to prepare for services to start in September 2019.

²⁹ See footnote 11.

³⁰ Comptroller and Auditor General, *Offshore electricity transmission: a new model for delivering infrastructure*, Session 2012-13, HC 22, National Audit Office, June 2012.

³¹ Comptroller and Auditor General, *Asylum accommodation and support*, Session 2019-2021, HC 375, National Audit Office, July 2020.

3.29 Shorter contracts can create greater opportunities for competition but can limit benefits through more frequent mobilisations and increasing the impact of delays. Shorter contracts can help maintain competitive pressure on incumbent suppliers, but short-term contracts can also create challenges by continually having to onboard new suppliers, or by limiting time to design new arrangements or overcome problems. An example of the latter is seen in our 2023 report *Progress with delivering the Emergency Services Network*, which examined the Home Office programme to develop a new communication system for the UK's emergency services. The Home Office originally let the main network infrastructure contract to EE for six years, to December 2021, with a potential year's extension.³² It intended for this contract to be subject to future competition, with short-term contracts to avoid being locked into a single supplier and help take advantage of innovation. As part of the 2018 programme reset, the Home Office extended the contract to December 2024. At the time of the report it considered that, to avoid delaying the programme, it must award EE a new contract, without competition. The Home Office intends to re-compete this new contract when it ends.

Learning points

Before the end of the contract, authorities should:

- use available mechanisms to collect data on supplier health and the market, to use to inform future procurements;
- ensure they have visibility of costs and other information which is needed to support the transition process; and
- maintain contingency plans for supplier failure, and consider the options for making changes where this is likely to be beneficial.

³² Comptroller and Auditor General, *Progress with delivering the Emergency Services Network*, Session 2022-23, HC 1170, National Audit Office, March 2023.

Appendix One

Our audit approach

Scope

1 This lessons learned report provides consolidated insights from our back catalogue of past reports, analysis of publicly available contract award data and perspectives from stakeholders from both the public and private sector.

2 This report is not designed as a guide on how to undertake procurement exercises, but instead is intended to encourage procurement officials and those involved in supporting departments in securing value for money through procurement, to have consideration for all aspects of procurement. This includes consideration for the entire commercial lifecycle and how better to improve transparency and efficiency using data. The list of insights is not an exhaustive list as it draws from a mixture of data and National Audit Office reports, which normally cover the largest projects and procurements.

Our evidence base

3 We conducted our fieldwork between September 2022 to April 2023. We drew on a variety of evidence sources.

Review of NAO reports

4 We used an internal analysis tool to identify NAO reports from July 2010 to July 2022 that had terms relating to “competition” and other variations of the word. We reviewed these alongside other reports related to competition in public procurement that we identified through our existing knowledge and consultation with experts within the NAO. These 30 reports all had a wider scope than just competition with the amount of information relating to competition varying across the different reports. **Figure 8** on page 46 lists the 30 reports we reviewed.

5 We reviewed each of the 30 reports identified, looking for specific statements related to competition in public sector procurement. We identified 810 separate references, which we categorised and assigned tags to based on our key questions and sub-questions, good and bad practice, themes, relation to competition, and the stage in the commercial lifecycle that the statements were relevant to. We conducted checks and reviews to ensure that we had interpreted and applied tags consistently across the qualitative database.

6 We then analysed this database to identify, based on the frequency and strength of the findings on competition in procurement, key themes, findings and learning points for each of the lifecycle stages, alongside material from workshops described below. We also used this database to identify suitable examples from across 18 of the reports as seen in Part Three based on fit with the findings, strength of the examples, and ensuring that we covered a range of government's activities

7 Given our role in evaluating value for money of government spending, we focused on reports with the strongest examples relating to competition. As such while the case studies are not representative of all of government procurement and use of competition, the insights gathered are valuable for decision makers.

Workshops

8 In total we held four workshops during October 2022 and November 2022, including a pilot which provided the opportunity to hear from those within the NAO and three in groups that had a balance between both private and public sector procurement professionals including from government departments, suppliers, industry associations and other experts.

9 The pilot workshop and first external workshop were carried out in person at the National Audit Office in London. The remaining two workshops were held online. All workshops lasted for two hours. The workshops supplemented our other methods as the stakeholders provided additional perspectives and provided an indication of recurring themes within public procurement which all helped refine our findings.

10 We categorised the comments made during the workshops using the same set of tags as developed for the report review. We reviewed the material from workshops and reports together in determining key themes and learning points to include.

11 We used these questions as starting points in the workshops.

- How should we define competition? How can we measure competition and the benefits of it?
- What can government do, or not do, to improve competition before tender begins?
- What can government do, or not do, to improve competition during tender?
- What can government do, or not do, to maintain the benefits of competition once contract is signed?
- What else can government and suppliers do to improve levels of competition or maintain competitive pressure?

Figure 8

National Audit Office publications supporting this report

18 case studies spanning 2010–2023, were used to support our analysis of government procurement activities

Department	Report	Publication date
Department for Communities & Local Government	<i>Reducing the cost of procuring Fire and Rescue Service vehicles and specialist equipment</i> , Session 2010-11, HC 285	23 July 2010
Department of Energy and Climate Change and Gas and Electricity Markets Authority	<i>Offshore electricity transmission: a new model for delivering infrastructure</i> , Session 2012-13, HC 22	22 June 2012
Home Office	<i>Police procurement</i> , Session 2012-13, HC 1046	26 March 2013
Department for Culture, Media & Sport	<i>The rural broadband programme</i> , Session 2013-14, HC 535	5 July 2013
Cross-government	<i>Principles Paper: Managing provider failure</i> , Session 2015-16, HC 89	21 July 2015
Home Office	<i>E-borders and successor programmes</i> , Session 2015-16, HC 608	7 December 2015
Ministry of Justice	<i>The new generation electronic monitoring programme</i> , Session 2017-2019, HC 242	12 July 2017
Department for Business, Energy & Industrial Strategy	<i>The Nuclear Decommissioning Authority's Magnox contract</i> , Session 2017-2019, HC 408	11 October 2017
Cross-government	<i>Departments' use of consultants to support preparations for EU Exit</i> , Session 2017-18, HC 2105	7 June 2019
Department for Transport and High Speed Two Ltd	<i>High Speed Two: A progress update</i> , Session 2019-20, HC 40	24 January 2020
Home Office	<i>Asylum accommodation and support</i> , Session 2019-2021, HC 375	3 July 2020
Department for Education	<i>Investigation into the free school meals voucher scheme</i> , Session 2019-2021, HC 1036	2 December 2020
Department of Health & Social Care	<i>The adult social care market in England</i> , Session 2019-2021, HC 1244	25 March 2021
Ministry of Defence	<i>Improving the performance of major equipment contracts</i> , Session 2021-22, HC 298	24 June 2021
Department for Transport, Transport for London and Crossrail Limited	<i>Crossrail – a progress update</i> , Session 2021-22, HC 299	9 July 2021
Department of Health & Social Care and Crown Commercial Service	<i>Investigation into supply chain finance in the NHS</i> , Session 2021-22, HC 734	29 October 2021
Department for Business, Energy & Industrial Strategy	<i>The decommissioning of the AGR nuclear power stations</i> , Session 2021-22, HC 1017	28 January 2022
Home Office	<i>Progress with delivering the Emergency Services Network</i> , Session 2022-23, HC 1170	8 March 2023

Note1 Reports can be found at: www.nao.org.uk.

Source: National Audit Office

Meetings with Cabinet Office and other stakeholders

12 We had extensive meetings with Cabinet Office and other public and private sector stakeholders throughout the period of the fieldwork, especially those within the central commercial teams to find out what work they do in supporting other government departments in their procurement and overall securing value for money.

13 Meetings with other public and private organisations were typically done in a similar fashion to the workshops with the same key questions asked as well as obtaining more general views on competition in public procurement.

Analysis of contract data

14 We analysed publicly available data to see what insights could be drawn from them and the overall quality of the data. Databases included:

- a** Contracts Finder;
- b** Find a Tender service; and
- c** Crown Commercial Service's published framework agreements.

15 The Contracts Finder platform is supported by Cabinet Office and can be found on www.gov.uk/contracts-finder. Contracts Finder holds data on contracts worth £12,000 for central government and contracts worth £30,000 for any other contracting authority. We exported data from Contracts Finder, covering contract award notices from 1 April 2018 to 31 March 2022 after filtering for contracts above £10 million to be in line with the threshold used by the Cabinet Office for its spend controls and oversight of central government contracts. We did not include recent notices due to the timing of fieldwork and to increase completeness based on indications from previous reports of the long time taken for some notices to be published.

16 We also analysed contract award notices from Find a Tender (www.gov.uk/find-tender) for contracts worth £10 million or more, from 1 January 2021 to 18 January 2023.

17 We then sorted and categorised the Contracts Finder and Find a Tender data according to whether the contracts were central government, Ministry of Defence or Health Education England contracts (these are subject to single source procurement rules and the Health and Social Care Act 2012 mandate and so would be excluded from analysis), if they were related to pandemic procurement for essentials such as personal protective equipment (these contracts would be excluded as well) or other non-essential pandemic procurement. Contracts were also categorised based on whether they were awarding suppliers onto frameworks or not, while there was no direct means of identifying if a contract award notice was for awarding suppliers onto frameworks, contract descriptions were used to identify those award notices relating to getting onto frameworks. These contracts were excluded from the analysis as well as there is no actual award for works or goods. For Find a Tender we also identified contracts that were UK or England contracts to match the analysis done on Contracts Finder as the devolved nations Wales, Scotland and Northern Ireland, publish their contract award notices on their own platforms while Find a Tender has data from all devolved nations.

18 Our analysis included the following central government departments and arm's-length as they were at the time of the data analysed (this is not an exhaustive list but includes mainly organisations that had contract data published on either contract publishing platform):

- the Cabinet Office including Government Digital Service and Crown Commercial Service;
- the Department for Business, Energy & Industrial Strategy, including the Advisory Conciliation and Arbitration Service, the Coal Authority, the Civil Nuclear Constabulary, the Competition and Markets Authority, Companies House, the Insolvency Service, the Intellectual Property Office, the Meteorological Office, the Nuclear Decommissioning Authority including Magnox Ltd, Ofgem, UK Atomic Energy Authority and UK Research & Innovation, British Business Bank, British Business Financial Services Ltd, Met Office, UK Shared Business Services Ltd;

- the Department for Digital, Culture, Media & Sport, including Arts Council England, the British Film Institute, the British Library, the British Museum, the British Tourist Authority, the Charity Commission, the Commonwealth Games Organising Committee, the Churches Conservation Trust, the Gambling Commission, Historic England, Historic Royal Palaces, the Horniman Museum, the Horserace Betting Levy Board, the Information Commissioner's Office, the Imperial War Museums, the Museum of the Home, the National Archives, the National Citizen Service Trust, the National Gallery, the National Lottery Community Fund, the National Lottery Heritage Fund, the National Maritime Museum, the National Museums Liverpool, the National Portrait Gallery, the Natural History Museum, Ofcom, the Phone-paid Services Authority, the Royal Armouries, the Royal Parks, S4C, The Science Museum Group, Sir John Soane's Museum, Sport England, the Tate Galleries, UK Anti-Doping, UK Sport, the Victoria and Albert Museum and the Wallace Collection, BBC, Visit Britain/England;
- the Department for Education, including the Children's Commissioner, the Construction Industry Training Board, the Engineering Construction Industry Training Board, the Institute for Apprenticeships and Technical Education, the Institute for Arts in Therapy and Education, LocatED, the Office for Students, Ofsted, Social Work England and the Student Loans Company;
- the Department for Environment, Food & Rural Affairs, including the Agriculture and Horticulture Development Board, the Environment Agency, the Joint Nature Conservation Committee and the Royal Botanic Gardens, Kew, Food Standards Agency;
- the Department for International Development;
- the Department for International Trade;
- the Department for Transport, including the British Transport Police, the Driver and Vehicle Standards Agency and Network Rail, Driver & Vehicle Licensing Agency, DVLA Commercial Directorate, Highways England, HS2, Maritime & Coastguard Agency, Secretary of State for Transport, National Highways, East West Railway Company Limited;
- the Department for Work & Pensions;
- the Department of Health & Social Care, including the Care Quality Commission, Health Education England, the Health Research Agency, the Medicines and Healthcare Products Regulatory Agency, the National Institute for Health and Care Excellence, Ambulance Radio Programme, NHS Blood and Transplant, NHS Business Services Authority, NHS England/ commissioning board and NHS Improvement, NHS Digital, NHSX and Public Health England, UK Health Security Agency, Health and Social Care Information Centre, MHRA Buyer Organisation, National Institute for Health and Care Excellence, all NHS foundation trusts and NHS trusts;

- the Foreign, Commonwealth and Development Office;
- the Home Office;
- HM Revenue & Customs including Valuation Office Agency;
- HM Treasury, including the UK Debt Management Office and UK Government Investments, Financial Services Compensation Scheme;
- the Ministry of Defence including Defence Equipment & Support, Defence Infrastructure Organisation, Royal Air Force;
- the Ministry of Justice including Boundary Commission for England, Combined Tax Tribunal, Council on Tribunals, Court of Appeal – Criminal, Employment Appeals Tribunal, Employment Tribunals, HMCS Regions, Crown, County and Combined Courts (England and Wales), Immigration Appellate Authorities, Immigration Adjudicators, Immigration Appeals Tribunal, Lands Tribunal, Law Commission, Legal Aid Agency (England and Wales), Office of the Social Security Commissioners, Parole Board and Local Review Committees, Pensions Appeal Tribunals, Public Trust Office, Supreme Court Group (England and Wales), Transport Tribunal;
- the Ministry of Housing, Communities & Local Government, including Homes England, Homes and Communities Agency;
- the Department for Levelling Up, Housing & Communities; and
- non-ministerial government departments/other including Forestry Commission, Forestry England, Office for National Statistics, National Audit Office, UK Parliament.

19 The exception to these exclusions is in analysis figures relating to the consistency of contract data across both platforms as seen in Figure 4 where all central government procurement contract data was used in matching up the contracts and comparing data fields.

20 We conducted some targeted analysis of whether tender opportunities were published, as a result of comments made in an interview of a particular area where this was a problem. However, because of the resource that would be required for more of a full search and because it was not within our main scope, we did not extend this analysis further.

21 The Cabinet Office provided us with its quarterly commercial dashboards covering each quarter of the three financial years 2020-21, 2021-22, and 2022-23, based on aggregate data provided from departments. We drew on the analysis within these dashboards.

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