



Central Government market trends update

October 2019



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Introduction

Central government is a diverse market, both in terms of its requirements and its geographical spread. The combination of devolution and the determination to move central government departments to the regions means that work is available throughout the UK in almost every conceivable industry as central government seeks to deliver improved public services, boost efficiencies and drive better value for money. In this report, we consider only those contracts with a stated value of over £100,000 issued by buyers in the United Kingdom.

At BiP Solutions, we have spent 35 years bringing buyers and suppliers together. Over 250,000 private sector businesses in the UK alone, including 20% of companies listed on the FTSE 100 Index, rely on BiP's expertise to help them grow. We offer a number of innovative solutions to support you through all stages of your procurement journey. This includes our market intelligence solution, [Tracker](#), which offers the largest public sector tenders and awards database in Europe, including countless central government opportunities. Tracker delivers private and public sector contract opportunities and awards, market intelligence, spend analysis and market leads at the click of a button.

We also bring buyers and suppliers together at a series of high-profile events. Our programme of Procurex events covers England, Scotland, Wales and Ireland. Each event is focused on supporting the latest public procurement initiatives and objectives relevant to that country through keynote talks, training, networking, exhibition space and supplier engagement opportunities.

In our latest central government report, which follows on from the September issue and forms part of our ongoing BiP Inform series, we take a deep dive into who's spending and where. We look at which suppliers are winning contracts and the buying organisations that are providing current opportunities within this huge marketplace.

This report covers data from August, the most recent month for which full figures are available.

Key highlights for August include:

- In August, the total spend was £14.37bn
- 373 notices were published with a further 265 contracts awarded
- The top spending buyer during August, as in July, was Crown Commercial Service (CCS) with a combined awards value of £11,516,809,062
- The top supplier during August was Connect Internet Solutions Ltd, who won three lots on the G-Cloud 11 framework worth £1.95bn
- North West England awarded the most contracts (50) and was also the top region by total value of awards, largely thanks to CCS framework agreements

We hope you will find this report of interest. If you would like to find out more about how BiP Solutions can support you on your procurement journey, please do get in touch via the contact details on the last page of this report.

** All data taken from BiP's Tracker Market Intelligence tool and covers the period 1 to 31 August 2019. All details correct at time of publication.*

Central Government Market Overview

– who is spending and where?

During the month of August, 373 contract notices and 265 contract award notices were published by central government. In Figure 1, we list the top ten buyers by combined awards value. The top ten combined awards values ranged from £40m to just over £11.5bn.

As in July, Crown Commercial Service (CCS) was the biggest spender. Its £11.5bn-plus outlay was split between 11 contracts. A framework agreement with 83 suppliers for telecommunications and network services available to the whole of the UK public sector accounts for £5bn, nearly half of the total. Framework agreements for non-clinical temporary and fixed-term staff (196 suppliers and a value of £2bn) and G-Cloud 11 (three suppliers and a value of £1.95bn) account for much of the rest of the total.

The Ministry of Defence (MOD) and Highways England again awarded the most contracts – 42 and 40 respectively of the 180 awarded by the buyers in Figure 2. Each awarded more than twice as many contracts in August than the third-placed buyer, UK Shared Business Services Ltd. Only six of the contracts awarded by the MOD in August were framework agreements, and the most valuable was a framework with two suppliers for runway de-icer worth £12m. MOD contracts can be explored in more detail on BiP Solutions' [MOD Defence Contracts Online](#) (MOD DCO) service.

Top 10 Buyers by Combined Awards Value



Figure 1

Top 10 Buyers by Volume of Awards



Figure 2

Top 10 Suppliers by Combined Awards Value



Figure 3

Central Government Market Overview

Supplier opportunities

Figure 3 details the top ten suppliers by combined awards value. Heading this list is Connect Internet Solutions Ltd, which won three lots on the G-Cloud 11 framework with a total value of £1.95bn. The lots are for cloud hosting, cloud software and cloud support. These three awards are worth more than three times as much as the contracts won by second-placed EE Limited. EE won a total of £681,645,970, of which all but £245,000 came from a contract to supply mobile services as part of a new emergency services network. The second, smaller contract won by EE is to provide a mobile wireless communications service to the Information Commissioner's Office. The contracts won by these suppliers illustrate both the vast sums being spent by central government on modern telecommunications and IT infrastructure and that individual contracts vary enormously in value and scope. This in turn suggests that opportunities in the sector could potentially be accessible to a wide range of suppliers.

Figure 4 shows the top ten suppliers by volume of awards won. Materials and contracting firm Hanson won 12 contracts in August, all of which were from Highways England for pavement works. Although Hanson won 12 contracts, their total value was only £6.175m, with only two contracts valued over £1m. In contrast, second-placed IT infrastructure and services company Softcat plc won just six contracts but they were worth a total of £62m – almost exactly ten times as much as Hanson. This was largely due to Softcat plc winning a place on the Crown Commercial Service's £5bn Network Services 2 framework for telecommunications and network services. None of Softcat plc's other wins were worth more than £750,000.

Suppliers by Number and Combined Value of Awards

Number of Awards	Supplier	Value of Awards Won (£)
12	Hanson	£6,175,121
6	Softcat plc	£62,044,072
6	Anderson Strathern LLP	£2,500,002
6	Harper Macleod LLP	£2,500,002
6	MacRoberts LLP	£2,500,002
6	Shepherd and Wedderburn LLP	£2,500,002
5	Deloitte LLP	£10,989,957
5	Cemex	£959,964
5	WSP UK Limited	£909,873
4	Perfect Circle JV	£23,803,187

Figure 4

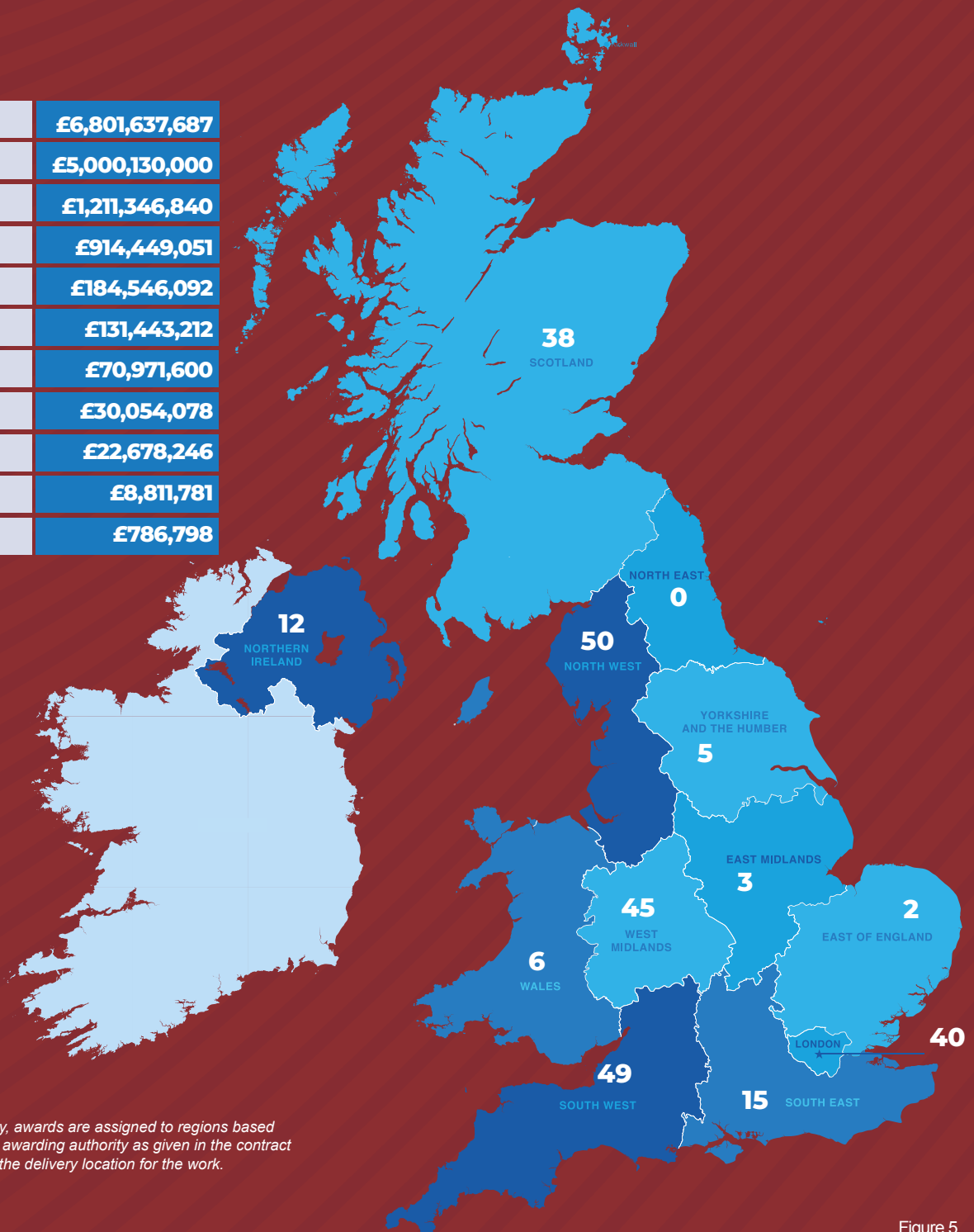
Regional overview

Figure 5 shows that central government contracts are awarded by buyers throughout the United Kingdom. London – the traditional heart of central government in the UK – was in fourth place in terms of the number of contracts awarded and third in the list of regions by value of awards. The North West awarded the most contracts – 50 – but was closely followed by the next three regions on the list – South West (49), West Midlands (45) and London (40). The regional spread shows again how much of central government has moved out of Whitehall and London to the regions.

The figures showing the value of contracts awarded by region are skewed for August by the handful of very valuable contracts

awarded by the Crown Commercial Service. Of the £6.8bn awarded by buyers based in the North West, £6.4bn came from just four CCS frameworks, while total CCS spend was over £6.5bn from nine awards. The influence of a high-value award is seen even more starkly in the East of England. While the region was placed second by value of spend, this came from just two awards. One was a £130,000 property consultancy contract awarded by the Broads Authority. The other was the £5bn Network Services 2 framework, awarded by the Crown Commercial Service’s Norwich office.

North West (England)	£6,801,637,687
East of England	£5,000,130,000
London	£1,211,346,840
South East (England)	£914,449,051
Scotland	£184,546,092
West Midlands (England)	£131,443,212
South West (England)	£70,971,600
Northern Ireland	£30,054,078
Yorkshire and the Humber	£22,678,246
Wales	£8,811,781
East Midlands (England)	£786,798



*On Figure 5, for consistency, awards are assigned to regions based on the postal address of the awarding authority as given in the contract award notice rather than by the delivery location for the work.

Figure 5

DISCOVER MORE

UK Central Government contacts, contracts, events & project leads with BiP Solutions

Ingenium

The UK's largest and most accurate public sector contact database, containing every decision maker and influencer in granular detail. At a moment's notice, Ingenium can provide a detailed cross-section of any public sector audience. Powered by this database, we can provide you with managed push-based marketing solutions that drive early engagement from your ideal audience.



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Procurex

Procurex brings together public procurement professionals and industry-leading suppliers. Officially supported by organisations such as the Scottish Government and Crown Commercial Service, these one-day events provide exhibitors and attendees from the public and private sector with an opportunity to engage across a range of interactive and educational keynote talks, training sessions, supplier engagement opportunities and more. Each event is focused around supporting the latest public procurement initiatives and objectives relevant to that country. The programme of Procurex events covers Scotland, England, Wales and Ireland. The next Procurex event is Procurex Scotland, which will take place at the SEC, Glasgow on 29 October.



www.procurexnational.co.uk

Tracker Intelligence

Tracker Intelligence helps you find, bid for and win more public & private sector contracts. Tracker offers the largest public sector tenders and awards database in Europe. It delivers private and public sector contract opportunities and awards, market intelligence, spend analysis and market leads at the click of a button. Stay one step ahead of your competitors and get personalised support to grow your business with Tracker.



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