



Central Government market trends update

November 2019



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Introduction

Central government is a diverse market, both in terms of its requirements and its geographical spread. 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 October 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 September*, the most recent month for which full figures are available.

Key highlights for September include:

- In September, the total spend was £5.35bn
- 303 notices were published with a further 312 contracts awarded
- The top spending buyer during September, as in July and August, was Crown Commercial Service (CCS) with a combined awards value of £2.93bn
- The top supplier during September was Edenred (UK Group), who won a single contract with CCS to provide employee benefits worth £380m
- London awarded the most contracts (65) while the North West was again the top region by total value of awards, largely thanks to CCS awards

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 30 September 2019. All details correct at time of publication.*

Central Government Market Overview

– who is spending and where?

During the month of September, 303 contract notices and 312 contract award notices were published by central government. There was a significant fall in the volume of contract notices published, down from 373 in August, a fall of 23%. In contrast, the volume of awards rose to 312 from 265 in August, an increase of 17.7%. Total spend fell markedly from August's £14.37bn to £5.35bn, partly because the Crown Commercial Service did not award such high-value contracts. In August, the CCS awarded contracts worth over £11.5bn; in September CCS awards were worth £2.93bn.

In Figure 1, we list the top ten buyers by combined awards value. The top ten combined awards values ranged from just under £52.5m to £2.93bn. For the third month running, Crown Commercial Service (CCS) was the biggest spender, although September's awards totalled only a fraction of August's £11.5bn.

Crown Commercial Service's £2.93bn spend in September was split between five awards. The bulk of the spend – £2bn – came from a framework agreement for non-clinical and temporary fixed term staff, available to the whole UK public sector, on which 204 suppliers won places. A multiple supplier framework agreement for education technology, worth £550m, accounts for much of the rest of CCS's spend in September, with the rest coming from three single supplier awards.

For the third month running, the Ministry of Defence (MOD) and Highways England again awarded the most contracts – 46 and 42 respectively. These two buyers each made approx twice as many awards as the third-placed buyer, Department for International Development. The most valuable contract awarded by the MOD was to deliver platform support to maintain the capability of MOD boats. Worth £167.6m, it was awarded to 11 suppliers. 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

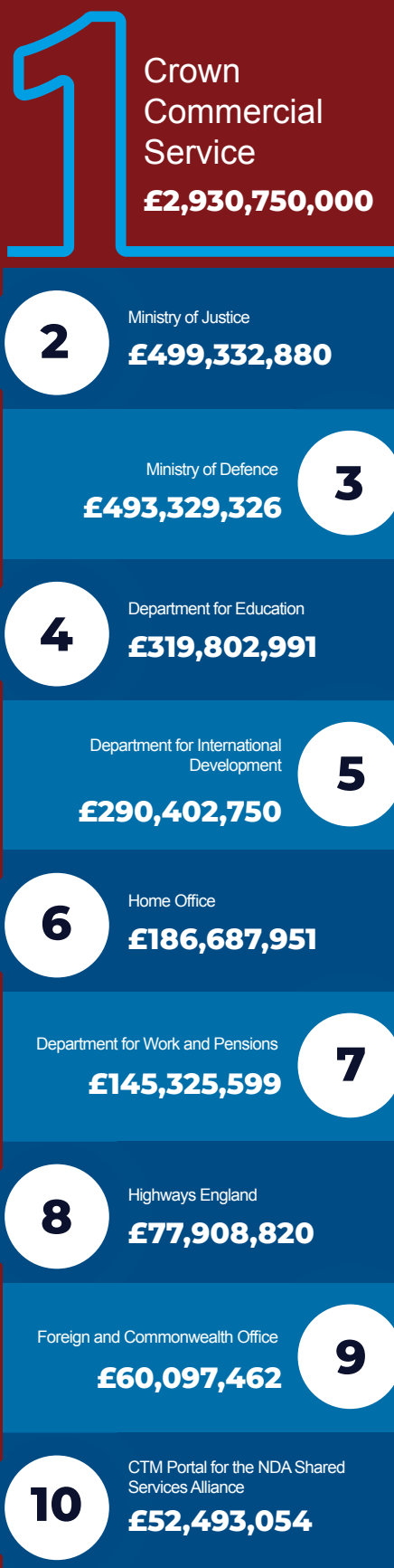


Figure 1

Top 10 Buyers by Volume of Awards



Figure 2

Top Named Suppliers by Combined Awards Value

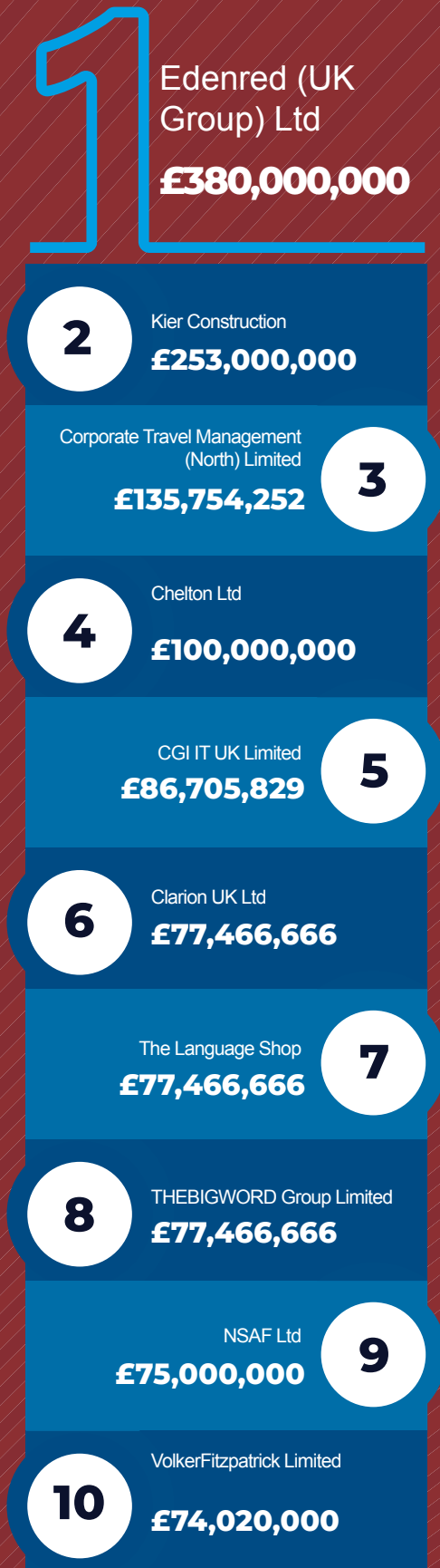


Figure 3

Central Government Market Overview

Supplier opportunities

Figure 3 details the top ten suppliers by combined awards value. In contrast to August, no supplier won contracts worth over £1bn, nor did any of the top five suppliers on this list win places on a framework agreement. Edenred, which heads the list, won a single contract worth £380m with Crown Commercial Service to provide a range of employee benefits across UK public sector authorities.

Figure 4 shows the top eleven suppliers by volume of awards won. Again, there were no huge wins and in September single-supplier contracts rather than multiple-supplier frameworks appear to dominate. Of the 57 awards won by the suppliers listed in Figure 4, only six were part of multiple-supplier awards.

Built environment professional services firm Arup won eight contracts in September, all but one of which was from Highways England. None of these contracts was worth more than just over £250,000. Arup's most valuable contract was to deliver services for the Foreign and Commonwealth Office reducing barriers to prosperity and poverty reduction in Turkey. Contracts such as those won by Arup, and by other suppliers on the list, all of which are for relatively small sums, show that central government is not only about vast multimillion-pound contracts, accessible only by big companies. Instead, central government offers opportunities to businesses of all sizes across a range of sectors.

Not all buyers provide supplier details for a variety of reasons. Sometimes a buyer may make a long list of suppliers available via a weblink or spreadsheet rather than completing their details on a contract award form. In these circumstances, the supplier details are 'not provided' with instructions on accessing the information given elsewhere in the contract award notice. Sometimes supplier details may be redacted for reasons of confidentiality; these details are usually available either on application to the buyer or with an FOI request. In September, four awards with a total value of £234,682,877 had their supplier details redacted, while three awards with a total value of £80,876,527 were listed as supplier details 'not provided'.

Named Suppliers by Number and Combined Value of Awards

Number of Awards		Value of Awards
8	Arup	£1,509,997
7	Carwood Motor Units Ltd	£32,574,000
6	Ecoys UK Limited	£10,701,568
5	Corporate Travel Management (North) Limited	£135,754,252
5	Softcat plc	£37,293,464
5	AECOM Ltd	£2,936,561
5	Allen Lane Ltd	£835,152
4	BAE Systems Surface Ships Ltd	£68,218,180
4	Software Box Limited	£17,554,415
4	Turner & Townsend	£865,197
4	TCARTA	£740,000

Figure 4

Regional Overview

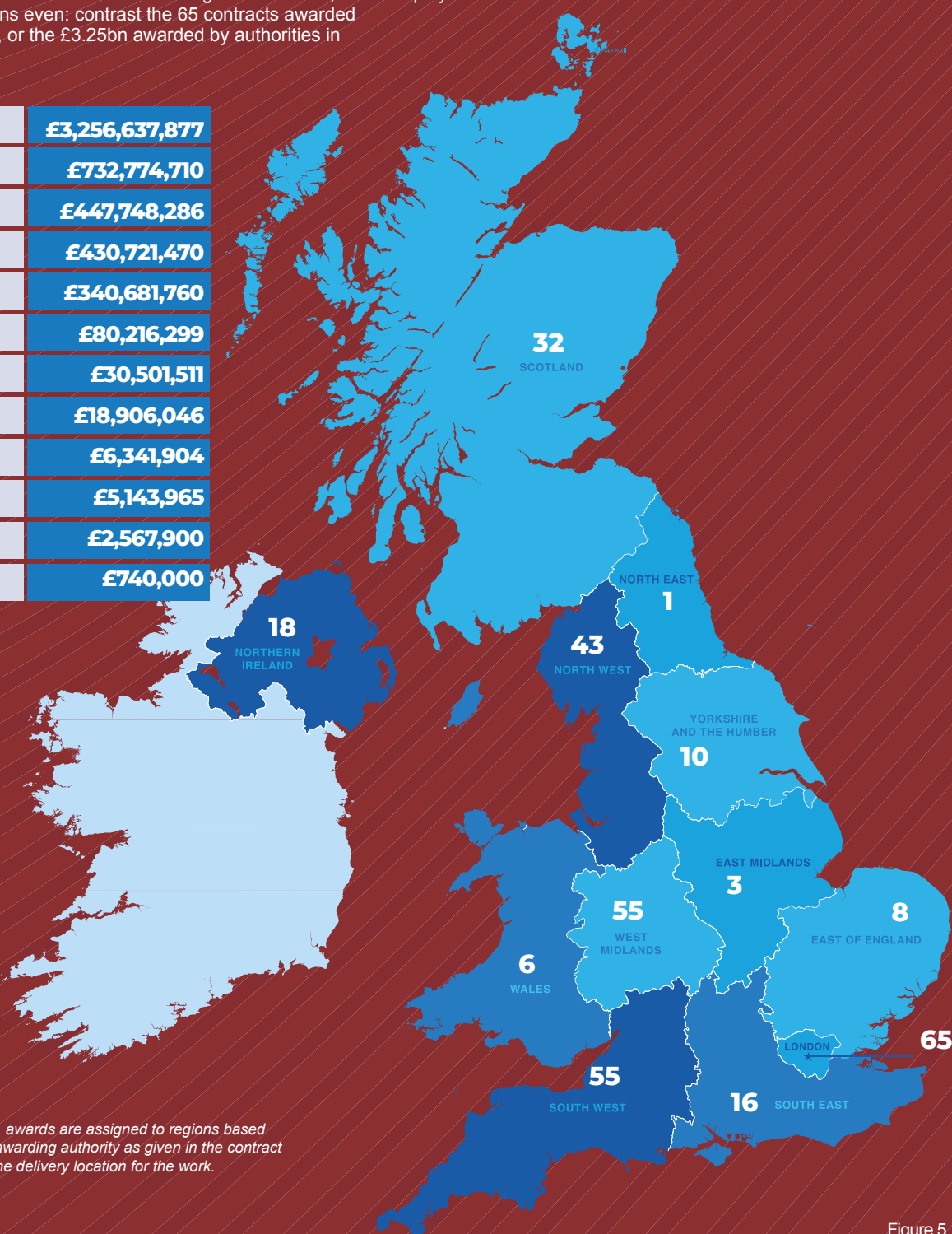
Figure 5 shows that central government contracts are awarded by buyers throughout the United Kingdom. While London, the traditional home of central government, awarded the most contracts (65), significant volumes were awarded in the South West, West Midlands (55 each) and North West (43). Each of these regions hosts various government departments and agencies – for example, Crown Commercial Service (North West), Ministry of Defence (South West) and Highways England (West Midlands). The influence of a single major buyer on the volume of awards in a region can be seen in the West Midlands, where Highways England awarded 34 of the 55 contracts.

The regional spread shows again how much of central government has moved out of Whitehall and London to the regions. However, the spread is by no means even: contrast the 65 contracts awarded in London in September, or the £3.25bn awarded by authorities in

the North West, with the single contract worth just £740,000 issued by Defra in the North East of England.

As in August, a handful of valuable contracts awarded by the Crown Commercial Service from its Liverpool office means that the North West tops the list showing the value of contracts awarded by region, and does so by a considerable margin. Of the just over £3.25bn awarded in the North West across 43 contracts, £2.93bn came from three Crown Commercial Service contracts. The most valuable was the £2bn multiple-supplier framework for non-clinical and temporary fixed term staff mentioned above, while the other two were the £550m educational technology framework also mentioned above and the £380m contract won by Edenred for the provision of employee benefit.

North West (England)	£3,256,637,877
London	£732,774,710
South West (England)	£447,748,286
West Midlands (England)	£430,721,470
Scotland	£340,681,760
East of England	£80,216,299
Yorkshire and the Humber	£30,501,511
Northern Ireland	£18,906,046
South East (England)	£6,341,904
Wales	£5,143,965
East Midlands (England)	£2,567,900
North East (England)	£740,000



*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

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Procurex

Procurex brings together public procurement professionals and industry-leading suppliers. 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 Wales, officially supported by NPS and Welsh Government, which will take place at the Motorpoint Arena on 18 March 2020.



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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suppliers together for over 35 years