Factsheet #2: Covid-19 & UK Public Procurement

May 2020

trusted insight on government contracts and spend
**Introduction & key findings**

The dramatic decline in public sector opportunities, driven by the Covid-19 crisis, deepened further in April. Fewer than 900 new opportunities (invitations to tender) were published – by far the lowest month on record.

But while everyday competitive procurement has seen considerable disruption, there is still a lot of commercial activity happening across the public sector - much of it to support the response to the pandemic.

At a time of crisis, accurate and reliable real-time data matters more than ever. This is the second report in our monthly series tracking the impact of Covid-19 on UK public procurement. This time we look not just at the effect it’s having on the new opportunities published, but also at the essential goods and services the public sector is purchasing to support the crisis response.

| To date, the UK government has published 141 contracts worth £433m relating to its Covid-19 response | Public sector opportunities were down 66% in April compared to February | But the number of opportunities increased slightly in the last week of April – implying the market is starting to stabilise |
Two thirds decline in UK public sector opportunities —

The stark impact Covid-19 has had on UK public procurement was even more pronounced in April.

Fewer than 900 public sector PINs and contract notices were published into national portals - a 66% decline on the 2,566 published in February.

So far in 2020, the market has contracted by nearly 20% vs. the same period in 2019.
Impact felt across all levels of government...

The decline is considerable across all parts of the public sector.

Versus March, the number of new opportunities in Central Government, Local Government and NHS fell by more than 50% in each market.
But there are tentative signs of recovery – in the last week of April more than 300 opportunities were published for the first time in a month, indicating the market may be beginning to stabilise.
But of course, while competitive opportunities may have (temporarily) decreased, the government is still procuring a lot of goods and services as part of its Covid-19 response.

The UK public sector has published 141 contracts worth £433m directly relating to its Covid-19 response.

41 contracts worth £122m have been awarded to provide IT & telecoms services. 52 contracts have been awarded for healthcare products and services including PPE, testing and ventilation.
DfE has been the most transparent thus far —

The two largest contracts published were awarded by the Department for Education to support students from disadvantaged backgrounds – one for free school meals through Edenred and one for laptops and educational devices through Computacenter.

The DWP has also awarded a £46m contract to Serco to provide a contact centre to reach out to vulnerable people self-isolating alone. The Department of Health has awarded a £23m to Oxford Nanopore Technologies to support its testing programme.
Conclusions: Covid-19 & Public Procurement

While considerable contraction in the market may worry some who look for commercial opportunities with the UK public sector, this is just a short term dip.

As the public sector gets a handle on its response, the essential goods and services it procures will still be needed. While priorities will undoubtedly change, public procurement will be one of the economic levers through which the economy is restarted.

It is also clear that there is still a lot of commercial activity happening across the UK public sector. The government is reaching out directly to suppliers to provide goods and services to support testing, provide PPE, contact members of the public, enable home working and many other essential services.

The 141 contracts relating to the response that have been published to date and described in this report only scratch the surface of ongoing commercial activity.

While this bypassing of normal competitive procedure is quite necessary at times like this, it is also vital that the UK government maintains its excellent record for transparency and keeps the public and the market informed of its activities. Accountability around how much is being spent, on what and with whom matters more than ever in this climate.
Our advice for government suppliers navigating Covid-19:

**Expect disruption in current/future bids**

There has been a significant increase in the number of cancelled procurements in the last month, and this disruption is likely to continue for some time.

It is likely that a number of the procurement processes you are already taking part in will be affected.

**Look out for extensions to current contracts**

Re-procurement is a time-consuming and expensive process. Buyers are likely to prefer to extend existing contracts where possible.

If you have a contract due to expire in the next few months, check with your customers about their plans for extension.

**Use your time for strategic planning**

Less time bidding means more time for account planning, market segmentation and competitor intel.

Having a clear, evidence-based growth strategy will mean you are better positioned for the expected rebound, when competition will be even more intense.

**Direct awards more likely**

While public procurement is usually guided by competition regulations, in emergency situations such as this the public sector are able to directly award contracts relevant to their response to the crisis.

If you think you can help the response to Covid-19, consider reaching out directly to public bodies to offer your services.
Tussell brings clarity to UK public procurement – a huge but under-reported market

Tussell Database Coverage

- Tenders since 2012: £3.5 trillion
- Contract awards since 2012: £1.8 trillion
- Spend receipts since 2016: £1.9 trillion

- Buyers: 7,140
- Suppliers: 93,411
- % UK GDP: 13.6%

Government spending is set to reach record levels on account of corona virus
We help you to win more business by planning strategically and generating new leads proactively.

### Use Cases
- Generate leads
- Understand buyers
- Watch competitors
- Plan strategically
- Optimise pricing
- Anticipate re-bids
- Internal reporting

### Benefits
- Save time
- Gain insight
- Be evidence-based
- Be proactive
- Allocate resources
- Empower salespeople

Save time, gain insight, improve sales effectiveness
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