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Public-private partnerships:

Lessons from COVID-19

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Infrastructure and Energy

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Introduction

From early March 2020, Coronavirus (COVID-19) had an unprecedented impact on the delivery of both public services and infrastructure across the UK. For many public sector organisations, their priorities were suddenly re-orientated to tackling one of the largest and most challenging issues the UK has ever faced, whilst simultaneously ensuring that existing services and programmes continued as smoothly as possible.

This balancing act was to prove even more challenging given the speed at which the situation was liable to change. From the huge spike in demand placed on the NHS by an anticipated surge in hospital admissions, to the sudden need to transform the civil service overnight to focus on organising a coordinated national response, the task was a huge one and involved multiple stakeholders.

Throughout all of this, UK industry stepped in to offer its support, partnership, and expertise. From SMEs at the heart of their local community's response, to multinational organisations spearheading national programmes, business was a crucial partner to the public sector in battling the virus and keeping public services running. Whether building NHS capacity with hospital beds and healthcare professionals, shifting production lines to manufacture vital PPE and ventilators, or transforming existing services to ensure the public continued to receive the support they needed as and when they required them, public-private partnerships were at the heart of the UK's response to COVID-19.

As the UK begins to emerge from the crisis, it is now an important moment to reflect on how these partnerships evolved throughout the pandemic. By drawing out what lessons can be learnt from the experiences of COVID-19 for public-private partnerships going forward, this paper seeks to contribute to this process. It not only highlights some of the extraordinary work that was carried out to tackle the virus, but also shares examples of good procurements and effective management of existing contracts that have occurred during this period. By doing so it attempts to lay out the lessons learnt from public-private partnerships during this period which should be applied to the "new normal" as the UK builds back better from the virus.

To best achieve these aims, the paper draws upon the voices and stories of those involved - the businesses themselves. Using case studies and anecdotes from firms across the UK, it sheds light on the often-untold stories of how public-private partnerships delivered when the British people needed them most, and how these lessons can be integrated into the public sector market going forward.

Summary of key lessons

The lessons highlighted in each case study provide a specific learning for public-private partnerships more broadly. Whilst each is based on an individual example, there are four main principles within which they can be grouped.

Widening public sector markets

COVID-19 has shown the need for a diverse range of public sector partners to meet the varied and often specific demands. Going forward, the public sector should continue to encourage existing businesses and new entrants to support the delivery of public services. The government's drive to improve the amount of spend going to SMEs both as prime providers, but also in supply chains should continue to be supported by industry and commissioners. This can be achieved by making public contracts more accessible, reducing the bureaucracy around supplying the public sector, and focusing on supporting diverse supply chains wherever possible.

Simplifying procurements

The speed and effectiveness of the national response to COVID-19 was possible only because many procurements were accelerated in order to meet tight deadlines and unexpected demands. For commissioners and suppliers, when this speed and flexibility was achieved by removing red-tape and encouraging collaborative co-design without sacrificing accountability or transparency, the end result was lower costs, greater flexibility, and greater freedom to focus on outcomes. An emphasis on dialogue between supplier and client proved to be crucial and many partnerships have embraced this new way of communicating into business as usual. The green paper on procurement rules reform expected later in 2020 provides a fantastic opportunity to change the procurement regulations to support simplified and accelerated procurements.

Building strong relationships with suppliers

Many of the successes for public private partnerships during COVID-19 have been because strong relationships between business and government have enabled rapid and effective transformations of existing partnerships. Whether in central government or local authorities, these partnerships have been a testament to the open, collaborative dialogue between commissioners and suppliers. Contingency and business continuity plans ensured that vital public services continued to be delivered to citizens who needed them most. By listening to feedback from businesses and providing timely and clear support on existing contracts, public private partnerships have been well-supported during the pandemic, particularly through the Cabinet Office's commercial response. Nevertheless, it is vital that lessons are learnt from those sectors where communication was weak to ensure a consistent response from the public sector going forward.

Supporting innovation and longer-term thinking

One of the most reassuring lessons from COVID-19 was that whilst a great amount of time and resources were dedicated to procuring the goods and services needed to respond effectively to the crisis, existing contracts and procurements were still supported. The importance of maintaining a longer-term focus, including incentivising innovation in procurements and continuing with public service modernisation programmes, was vital to ensuring that the public sector and private suppliers can come out of the pandemic and build back better. Whilst some contracts were delayed or postponed, many public private partnerships were able to respond flexibly to ensure that they continued working towards longer-term objectives. This emphasis on the longer-term outcomes despite short-term demands should be a crucial element of all procurements going forward.



Tackling the virus

Cross-sector partnerships were at the heart of the UK's response to COVID-19

When the UK was first faced with the herculean task of combatting COVID-19, it was apparent that the public sector could not do so alone. Across multiple challenges, the UK turned to partners from industry, civil society, and the third sector to help provide the answers.

From ventilators and PPE, to NHS capacity and Nightingale hospitals, public-private partnerships proved vital to the UK harnessing the necessary innovation and expertise to tackle the virus.

Whilst some of those firms involved were long-time suppliers and partners to the public sector, others would shift their entire working practices to rise to the challenge presented by COVID-19, presenting new opportunities for industry to collaborate with public bodies.

According to public procurement spend data from Tussell, of the 579 contracts awarded by central government to named suppliers to support the COVID-19 response and made public, just over half (292) went to new suppliers.¹

As this paper lays out there is much that can be learnt from these new partnerships, with a focus on the role increased collaboration can play in driving better outcomes across the delivery of public services.

Ventilators

The mechanical ventilator was an important tool in the fight against the virus, providing the most serious cases with the best chance of survival. Yet despite some 8,684 ventilators available across the UK, there remained a potential gap of thousands if the worst predictions for the virus were to come true.²

On the 16 March 2020, the British Prime Minister asked leading UK manufacturers to rise to the immediate challenge of producing vital medical equipment as part of the national effort to combat COVID-19. In particular, the engineering industry was asked to build a critical care ventilator from scratch in 100 days.³

Ventilator Challenge UK (VCUK) responded quickly with a consortium of manufacturers led by Dick Elsy of High Value Manufacturing Catapult (HVM) and including several CBI members such as Airbus, Thales, McLaren, and Siemens amongst others. Built to support Penlon, a small manufacturer of anaesthetic equipment, and supported by a range of other enablers such as DHL, the consortium worked hard to deliver a solution.⁴

Case Study: Ventilator Challenge UK consortium – bringing businesses together to tackle COVID-19

On the 19th March, Ventilator Challenge UK was formed to produce critical ventilators for the NHS. The 33-strong consortium brought together significant UK industrial, technology, and engineering businesses from across the aerospace, automotive and medical sectors to build 20,000 ventilators for the NHS. The resources of the consortium rapidly scaled-up existing medical producers Smiths and Penlon capacity from 50-60 ventilators per week to delivering 10 years' worth of ventilators in only 12 weeks across seven new-large scale manufacturing sites.

Businesses across the consortium have stopped at nothing to overcome issues, offering skilled engineers and technicians to resolve even complex issues within 22 hours. Key examples include:

- Over a four-day hackathon, a team of young engineers from **Siemens Digital Industries** designed, simulated, built and successfully tested a manufacturing aid that reduced the collaboration time of a valve sub-assembly from Penlon's ES02 Ventilator from around 40 minutes to two minutes.
- Two distinct sub-assembly manufacturing lines at **Airbus**, Broughton were designed, validated and delivered first-time within three weeks. These lines were both replicated eight times to reach target production capacity and was achieved using Siemens Digital Twin approach, whereby the Production System was designed remotely without sight of the physical product or plant.
- **Ford Motor Company** installed a full Ventilator sub-assembly capability at its manufacturing site in Dagenham, East London. 15,000 hours of manufacturing and engineering were employed over a four-week period to define the production flow, design & source the production and test equipment. The result was 190 individual workstations on the production line, all defined with social distancing in mind.
- **McLaren** worked to reverse engineer, design, procure, build, test and commission eight sets of 13 test boxes used on the Smiths ParaPAC production line. These test boxes were "one-offs" using "old-tech" and obsolete parts which due to their age had been modified without record. The team painstakingly modelled every component in 3D CAD and began to piece together a full Bill of Materials for each test box in order to begin the procurement process. In April alone, McLaren worked the equivalent to more than six and a half years, delivering a total of 144 test boxes of 13 different types. In addition, insufficient parts supply required them to design multiple variants of nine of the test boxes.

Led by some of the most senior and experienced engineers in the UK, the consortium is a fantastic example of UK industrial and technology companies, large and small, coming together to answer a critical need.

Key lesson: *While the companies involved delivered all ventilators to the NHS at the end of June, the Consortium is now looking to capture lessons learned and share them across the UK engineering community – and with Government – as key tools to help UK industry get back to its feet after the COVID-19 pandemic has passed. The public sector should look to study public-private partnerships established during COVID-19 to understand more thoroughly what lessons could be applied during the recovery phase from the pandemic.*

Case Study: Siemens Healthineers – Providing insight and manufacturing expertise

As the scale of the COVID-19 pandemic became clear, the team at Siemens Healthineers Sudbury UK's manufacturing plant moved quickly to secure surplus inventory to ensure production would continue. In its Sudbury facility, the work Siemens Healthineers does is intrinsically linked to the preservation of life; supply chains and distribution networks are constantly monitored and reinforced for the critical work the company undertakes. As a supplier of blood gas, urinalysis, and diabetes products, the Sudbury facility is well-acquainted with peaks and troughs in demand, but it could never have predicted that, just a month later, it would be working with F1 teams and global aerospace leaders in order to help the UK mass-produce ventilators.

In March 2020, following a conversation between Siemens Digital Industries and the Prime Minister, the Sudbury facility was asked how it could support the nation's call for 30,000 ventilators to be mass-produced in a very short period. In a matter of days, Ali Burns, the Managing Director of the Sudbury manufacturing facility and a cross-section of supporting colleagues from around Siemens Healthineers and Siemens UK were seconded onto the Ventilator Challenge. Ford, McLaren, Airbus, Mercedes-AMG, DHL, Unilever, Microsoft, to name just a few all signed up alongside original manufacturers Penlon and Smiths Medical. Logos, and egos, were left at the door with the whole team united in a common goal – the mass-production of ventilators.

Core to the involvement from Siemens Healthineers was its expertise around medical device regulation, specifically ISO 13485 QMS for Medical Devices, part of ISO 9001, plus its multiple levels of expertise, such as its digital twin capabilities. Working to those strict parameters was something the automotive and aerospace players were unaccustomed to, yet everyone in the consortium had value to add. For example, if it was insight into medical devices or digitalising process, Siemens came into action. If it was rapid prototyping, this was led by the F1 teams.

Ali Burns, Managing Director of Siemens Healthineers Sudbury UK's manufacturing facility provides some perspective, "We were asked to scale-up the production of the Penlon Prima ES02 and Smith's Parapac from 50-60 per week to 1,500 a week. Normally one of these projects takes years and millions of pounds and we were looking to bring it in a matter of weeks and at less cost. Companies up and down the country supported us, from iPad loans, sim cards for secure networks for free and the long tail of amazing suppliers we have in our networks within the consortium."

Thanks to the efforts of the consortium, all patients who needed a ventilator were able to access one, supporting the NHS to save lives and helping to safeguard against potential pressures of a second wave or future outbreak.

Key lesson: *The Ventilator Challenge has shown how effective British industry is at tackling complex problems in unison, with the ability to combine its expertise in manufacturing, healthcare, innovation and design while moving quickly. Going forward, the public sector should be quick to call on business to help tackle other problems by giving them the support and flexibility to come up with solutions that work.*

Other businesses were equally invested in helping tackle the ventilator challenge outside of the consortium, including designing and creating supply chains for entirely new machines in a matter of weeks.

Case Study: Babcock International Group - From zero design to ventilator in 100 days

The COVID-19 pandemic has given one engineering company, Babcock International Group (Babcock), one of its most critical engineering challenges to date – to build a clinical grade ventilator in 100 days – from scratch.

The Babcock Ventilator Team was established under the leadership of two Babcock graduates and tasked by the UK Government to do something the company had never done before – design a ventilator that could be used in a pandemic in under 100 days. The team also had to establish a new supply chain solution with the support of dozens of suppliers and partners from across the UK.

For Babcock, a leading provider of critical, complex engineering services across the UK, they took on the Government challenge, despite having no medical or ventilator development experience and proved how collaborative partnerships along with engineering ingenuity was the key to success.

Within 60 days, a mechanical, clinical grade ventilator dubbed the Zephyr Plus (Zephyr+) was created. Despite challenges around moving deadlines and changes in clinical requirements and design specifications, the team persevered working through nights and weekends to meet changing demands.

Alongside the design of the Zephyr Plus it needed a brand-new supply chain solution and a major taskforce to corral UK suppliers and manufacturers began. From Raytheon UK, Plexus, Sovrin to many more, suppliers from across the UK supported the team with parts, testing, design and regulatory support.

Kinneir Dufort, KD, brought extensive medical experience to the project and Future AM supported in prototyping and design support for manufacture. A supply chain solution to roll out the production of the Zephyr Plus were devised from scratch. Assembly lines were established by Raytheon UK in Scotland and Kohler Mira in Cheltenham.

Thankfully, in the past few weeks the Government has said it no longer needs new ventilators due to the success of other measures put in place to tackle the virus. Yet the success of Babcock's Zephyr Plus programme once again demonstrated the significant innovation, technology, expertise, infrastructure, and assets that businesses were able to bring to the fight against COVID-19, even in new, uncharted fields.

For their role in helping overcome this crucial challenge, the Royal Academy of Engineering announced Babcock as one of only a handful of companies and individuals to win their President's Special Award for Pandemic Service.

Key Lesson: *This was a partnership built around collaboration and engineering innovation with support from the UK Government. The team included engineers, quality assessors, project managers, manufacturing specialists and was led by a team including senior leadership right through to graduates. A greater focus on outcomes, rather than management of activities can allow businesses to deliver to their strengths and permits the public sector to focus on the final product rather than the process for getting there.*

Personal Protective Equipment

For many frontline staff, the core challenge presented by COVID-19 was how to keep safe despite the risk of the virus. Personal Protective Equipment (PPE) was a key part of the solution and demand for masks, gloves, gowns, visors, and hand sanitiser soared.⁵

Yet the global nature of the pandemic made sourcing and procuring PPE a challenge, even for those public sector bodies well-experienced in doing so. As a result, a variety of public-private partnerships emerged which sought to ensure that PPE was available, particularly for keyworkers in the health and social care sectors who needed it most.

Some businesses shifted their entire production lines to make PPE for the public sector, forging new partnerships and delivering innovation for frontline staff.

Case Study: Amtico – Transforming production lines to manufacture PPE

Coventry-based flooring manufacturer Amtico is best known for designing luxury vinyl tiles and high-performance carpets. Yet when COVID-19 hit, they quickly modified their manufacturing facilities to help produce parts for life-saving PPE.

Following a call for help from a school in Hertfordshire, Amtico joined forces with schools nationwide in the battle against COVID-19, utilising their production facilities and expertise to produce parts needed for life-saving face shields used by frontline NHS and critical key workers. Keen to help, Amtico's teams worked round the clock to successfully adapt their materials and machinery to create parts for essential PPE for use throughout the UK.

As the headband is the most complex and time-consuming component of a protective face shield, Amtico's dedicated team of technical, CAD and cutting specialists modified the design of the headband, adapting it to be faster and more efficient to assemble. Furthermore, the new design has proven to be robust enough to be re-used and sanitised multiple times – reducing the amount of PPE waste generated.

The final samples were taken to Watford General Hospital to show an ICU surgeon, who approved the design and immediately placed an order for 2,000 units. These were then produced by Amtico, free of charge, within seven hours of NHS approval, and delivered to Merchant Taylors' School on 10 April 2020. A further 12,000 parts have been ordered to create face shields for many hospitals throughout North and West London, including Royal Free London, Chelsea & Westminster, Northwick Park and Mount Vernon, as well as Watford General.

Amtico is proud to have supported over 70,000 key workers with PPE and have delivered either directly or indirectly about 65,000 flat-packed face shields direct to organisations including NHS hospitals, dental practices, care homes, doctors' surgeries, schools and high street retailers.

Key lesson: *In times of national crisis such as COVID-19, it is crucial that the extent of demands on industry are made clear up-front as much as possible. Whilst Amtico's supply chain and production links helped quickly get from initial conversations to the start of supply, identifying and winning formal public sector contracts was a much more arduous process. Improving the accessibility of public contracts is vital to stimulating the market, encouraging new entrants, and supporting SMEs.*

Other firms focused on sourcing and distributing PPE to those frontline staff who needed it most, particularly in their local communities where existing networks became invaluable tools for good.

Case Study: Lindhurst Engineering – Getting PPE to frontline staff

Established in 1985 and employing 40 staff, Lindhurst Engineering is an SME engineering business that provides innovative solutions to challenging projects with a range of services and products covering the whole of the UK.

Based in Nottinghamshire, when COVID-19 hit Lindhurst were eager to draw upon their own experiences of PPE-usage to help tackle the PPE challenge facing the health and social care sectors in the UK. What at first began as donations of PPE from their own stocks, and stocks of other business partners, quickly grew into something far more wide-reaching.

With the assistance of colleagues from the D2N2 Local Enterprise Partnership, Lindhurst Engineering were quick to launch the ppe4nhs campaign.

Launched on 24 March, within a week of having the initial idea, Lindhurst Engineering had made the necessary connections and established the supply chains, including contacting the Local Resilience Forums (LRF) in both Nottinghamshire and Derbyshire.

Using social media, press, and TV, the campaign asked businesses to contact one of the local campaign co-ordinators through a single email address who could then direct them to their nearest drop-off centre. These centres were initially a volunteer business such as Lindhurst Engineering, but soon expanded to include fire stations within the donating businesses' vicinity, as these were open 24 hours thus making items easier to drop-off outside of working hours. The local campaign co-ordinator then liaised with the county LRF who organised collection, primarily by the County Council.

Lindhurst Engineering's campaign quickly grew to include South Yorkshire, and after short delays, Leicestershire and Lincolnshire. Soon PPE manufacturers had begun to donate a portion of their PPE output to the campaign. Thanks to a host of volunteers and businesses who donated PPE ranging from gloves and masks, to visors and hand sanitiser, by the end of the campaign in July, over 110,000 items of PPE had been successfully collected and distributed.

Through what one organiser described as a "Dunkirk spirit", the campaign highlighted the extent to which local businesses were a force for good especially in the hour of need presented by COVID-19. Furthermore, whilst the great work of Lindhurst's campaign played a significant role in fighting COVID-19 across the Midlands, many of the great relationships and networks established during this period have not gone away and remain available should the need arise in future.

Key lesson: *With the ability to restart or repurpose these networks quickly in future, the public sector may find these new public-private partnerships prove to be crucial in tackling future crises. Maintaining these relationships with the business community should be a vital part of the engagement exercises carried out by local government and contracting authorities.*

Boosting NHS capacity

Unsurprisingly COVID-19 has also fundamentally changed the healthcare landscape in the UK. For the NHS, an expected surge in the number of serious admissions and a growing need for intensive care beds meant reprioritising their resources and focus. As well as needing the rapid increase in capacity for services such as the non-emergency 111 and 119 numbers provided by firms like Advanced, the NHS needed to ensure that other patients with crucial needs remained in the best care possible. NHS England and NHS trusts across the UK turned to their partners in the independent healthcare sector who were not only experts in their field, but able to quickly and effectively transform their focus to support the NHS where needed the most.

As part of a national agreement reached by NHS England, NHS Improvement, and the Independent Healthcare Providers Network on 23 March to secure all available inpatient capacity and resource across England, all independent healthcare providers entered into a 14-week contract to support the NHS. This involved a commitment from industry to provide expertise and equipment to NHS partners, deliver time-critical care on behalf of the NHS, and ensure safe COVID-secure environments for patients. As a result, healthcare professionals across the country found themselves on the frontline in the fight against the virus, regardless of their uniform or employer.

To achieve these goals, some healthcare providers quickly transitioned from providing specialist services, including cosmetic surgeries, to becoming generalist private healthcare organisations. This was no mean feat, but essential if the public were to be able to continue to access core services throughout the crisis.



Case Study: Transform Hospital Group – Providing broad NHS support

From Tuesday 24 March 2020, NHS England signed a contract with Transform Hospital Group to provide full access to the capacity and clinical capabilities Dolan Park Hospital in Bromsgrove and The Pines Hospital at Wythenshawe.

The aim was to help the NHS expand its critical care capability and deliver continuity of patient care, quickly and with the highest quality facilities possible. From access to beds and ventilators, to the continued delivery of a range of surgical services and procedures to patients who required them most, through determination and grit Transform Hospital Group was able to reposition itself to support NHS England in the battle against coronavirus within seven days, including both facilities and staff.

Their first intake of NHS patients included surgical services for ten cancer patients. A huge amount of planning was required in order to accommodate this type of surgery, from partnering with the NHS decontamination and histopathology services to the delivery of specialist equipment, and the adoption of different nursing models so that Transform Hospital Group could provide exemplary standards of care. A number of Transform's surgeons, anaesthetists and medical aesthetic doctors volunteered to take on duty doctor and on-call roles, providing clinical leadership to the hospital teams.

By providing these services on a not-for-profit basis, Transform Hospital Group became a crucial part of the fight against COVID-19 in the Midlands and North West regions. Their way of working also changed, and many of the positives discovered during this period will become a part of the new normal for the business. Patient consultations and internal meetings are now conducted by video and remote working, and this has helped them to work in a faster-paced, more collaborative way.

Whilst a transition towards a future as a generalist private healthcare organisation with specialist interests had already begun for Transform Hospital Group prior to COVID-19, the unprecedented crisis galvanised Transform Hospital Group's employees, giving them greater confidence in their clinical excellence, as well as helping them to understand how their facilities and expertise could be used in a much broader sense in the future. The company's ambition is now to continue their support of the NHS, and to use the knowledge gained from this experience to support other private healthcare organisations in delivering treatment from their hospitals, in the spirit of true collaboration.

Key lesson: *COVID-19 has given many businesses the opportunity to work with the public sector in ways that went beyond their usual remit. Unsurprisingly, firms across the UK demonstrated an aptitude, enthusiasm, and ultimately success in transforming their practices to make them integral parts of the fight against COVID-19.*

Building on this, in future, the public sector must not be afraid to work with organisations in new ways. Public sector bodies should welcome partnerships with businesses who are either new market entrants or companies which have undergone a transition. This would ensure a continued focus on innovation and competition, whilst also helping share expertise from one sector to another.

Other healthcare providers transformed their facilities overnight into specialist sites of care for cancer patients and others in need of critical care.

Case Study: Circle Health & BMI Healthcare – Collaborating with the NHS to treat patients

When NHS Trusts looked for partners to assist in the care of new and existing NHS patients, a significant number of Circle/BMI Healthcare's UK network of 52 hospitals rapidly provided critical support for their communities and the national struggle against COVID-19. Circle/BMI hospitals worked in close collaboration with their local Trusts to provide staff, equipment and a wide range of surgical, medical, cancer and diagnostic services. Circle/BMI hospital facilities were, according to patients' needs, repurposed, redesigned and staff with key skill sets redeployed across the UK.

BMI The Park Hospital in Nottingham transformed into a specialist cancer centre over the course of a weekend and has now treated around half of Nottingham's total of 700 cancer patients who needed surgery during the COVID-19 pandemic. This has been achieved through working as an extension of Nottingham University Hospitals NHS Trust (NUH).

BMI The Park Hospital has adapted its high-dependency unit (HDU) capacity in order to provide full support to the NHS, transforming a recovery suite to an expanded HDU and thus increasing beds from an original five to 12 in order to accommodate patients with the most complex needs in Nottingham. Up to 20 operations have been completed every day, including operations for people with breast cancer, kidney cancer, liver cancer, pancreatic cancer, throat cancer, thyroid cancer and bowel cancer.

The increased HDU capacity at The Park has enabled NUH to allocate its own HDU capacity to treating COVID-19 patients, also leading to a geographical separation to shield cancer patients from COVID-19 patients.

In West Wales, BMI Werndale Hospital's entire capacity and capability has also been made available to the NHS and since the beginning of April 2020 over 600 patients have been seen for time-critical treatment.

Werndale is supporting the emergency ophthalmology pathway by facilitating eye casualty and ophthalmology urgent follow up clinics. The team is also running urgent urology, gynaecology and colorectal suspected cancer clinics. The hospital's theatre is being used daily for time critical cases in a range of specialties for breast, gynaecology, urology, ophthalmology and ENT patients. In addition, the Werndale is running a weekly Clinical Nurse Specialist Urology treatment clinic.

Key lesson: *Both Circle/BMI Healthcare and NHS staff are working collaboratively together for the benefit of patients across the UK. By pooling resources from the public and independent healthcare sectors, the combined effort gave extra resilience and flexibility to the NHS system and ensured continuity of high-quality care to those most in need. The collaboration and responsive flexibility of Circle/BMI's clinical and non-clinical workforce made it possible to meet the shifting challenges raised by COVID-19. This type of collaborative working could be replicated more broadly across the public sector, with greater integration of public and private teams to ensure a coordinated*

As well as enabling independent providers to work to their strengths, COVID-19 also catalysed investment in some facilities in order to meet demand and ensure that NHS patients received the highest standard of care when they needed it the most.

Case Study: Bupa – Providing urgent cancer care across London

At the start of the pandemic, NHS hospitals were under unprecedented pressure to treat COVID-19 patients, creating delays to standard procedures. Cancer patients, who are highly vulnerable to the virus, also faced having time-critical treatment postponed. Since March, Bupa Cromwell Hospital in South Kensington, London, has been working in partnership with the NHS to deliver rapid, complex treatment and care to these patients during the pandemic.

The hospital has been appointed by NHS England to support the Royal Marsden Cancer Hub to make sure cancer patients across the capital can still access urgent treatment. One of only four centres selected to provide specialist cancer treatment across breast, colorectal, endocrine, thoracic, head and neck, and urological cancers, between March and July 2020, more than 20% of Royal Marsden Cancer Hub patients were treated at the Cromwell.

To support this, the hospital brought forward the opening of its brand new 10-bed intensive care unit, which was due to be completed later this year. It was up and running at the end of March to help deliver critical care, while the former intensive care unit was repurposed into a high dependency unit.

Throughout the partnership with the NHS, Bupa Cromwell Hospital has performed over 700 surgeries, of which 647 were time-critical cancer surgeries. We have also provided outpatient services to nearly 200 patients as well as medical step down, delivering over 2,500 nights of care for NHS patients through the Royal Marsden Cancer Hub and for local NHS Trusts.

Working closely with many local Trusts and their teams over the last few months, and building strong relationships designed to last., Bupa were proud to welcome over 250 NHS staff to the Cromwell to provide care and support to NHS patients undergoing complex treatment.

Key lesson: *True partnership is most effective when all parties feel invested in the outcomes being aimed for. If public sector bodies are upfront with what they require from their private partners and give them a footing in the partnership, often businesses are willing and able to go above and beyond to ensure that all goals are achieved. COVID-19 provided this incentive for many partnerships but going forward it is vital that the public sector seeks to replicate this sense of “buy-in” by including businesses in their planning.*



Ensuring that patients could continue to access time critical care, and in COVID-19 free environments, was crucial to the wellbeing of patients across the UK.

Case Study: HCA UK – Making world class facilities available to the NHS

Independent healthcare provider HCA UK were quick to re-focus their services to work in partnership with the pan-London cancer and cardiac networks, local Integrated Care Systems and eleven NHS Trusts in London and Manchester to remain open for those with time-critical care needs. With world-class facilities including The Harley Street Clinic, The Portland Hospital, and The London Bridge Hospital, HCA UK adapted and responded immediately to provide the safest environments for care for both private and NHS patients.

This partnership helped quickly boost NHS capacity and resources, whilst also continuing to deliver time-critical care to cancer and cardiac patients. Between March and June HCA UK successfully:

- loaned over 400 ventilators and other critical care machines to the NHS
- carried out over 70,000 patient interactions

From fundamental changes in internal policies enabling the redeployment of staff, to additional efforts from their entire workforce in ensuring tight deadlines were met, HCA UK found the process of turning their organisation around was not the difficult part given their flexibility.

What was challenging was understanding exactly what HCA UK were best placed to deliver from the outset, and what the exact structure of the partnership looked like.

To help facilitate an effective and efficient relationship in a time of confusion and quickly changing requirements, HCA UK's Chief Medical Officer was implanted into the NHS infrastructure along with two other senior HCA staff. This collaboration was instrumental in helping HCA UK understand and shape the medical response to the crisis through the partnership, and guarantee that all stakeholders were able to provide high quality care to patients who needed it most.

Key lesson: *Successful public-private partnerships depend upon clarity, from the initial engagements right through the life of the contract. An effective dialogue between the public sector bodies and their private sector partners is vital to achieving this clarity. HCA UK's partnership demonstrates that building the personal relationships and points of contact between different stakeholders is one of the most effective ways of doing so.*

Nightingale and Rainbow Hospitals

As the scale of the COVID-19 pandemic in the UK began to be assessed, the UK government and NHS England planned temporary large-scale critical care hospitals in several of the UK's largest cities to provide cover for the projected increase in patients likely to need this type of care. By transforming existing spaces such as conference centres into healthcare facilities, the idea was to quickly and effectively boost NHS capacity.

Seven Nightingale Hospitals were to be established in London, Birmingham, Bristol, Exeter, Manchester, Harrogate, and Washington. Whilst the increased demand for critical

care was eventually met by expanding capacity in existing hospitals, the establishment of the Nightingale Hospitals in all locations proved a remarkable achievement for the NHS and their private-sector partners.

Case Study: Adey Electronics – The technology behind Nightingale

Adey Electronics is a leading engineering and data communications firm based in Nottingham, who design solutions and supply communications products for the Internet of Things (IoT) and Machine to Machine communications (M2M) across the UK.

When the Nightingale hospital was launched at the Excel in London on 3 April 2020, there were significant pressures to deliver a proven lung screening solution within those tight timeframes. This screening for patient's lungs was vital in helping doctors to evaluate treatment strategies quickly and effectively.

Working to support Visbion, a specialist in medical image acquisition, distribution, management and display solutions, Adey Electronics were brought in to tackle the challenge of ensuring the encrypted transmission of scans direct from the scanning trailer within the Nightingale facilities to trusts to ensure specialist reporting of the images and safe archiving.

Compared to similar products that use virtual private network (VPN) connections, the solution enables fast, secure, and reliable transmissions via 4G mobile networks. Thus, mobile CT scanner units can be installed at any location in the temporary hospital. This saved weeks, or even months, of installation time and accelerated the hospitals' readiness to receive infected patients.

As well as the time limitations and the requirements for an extremely reliable and highly secure method of data transmission, the number of services operating within the Nightingale over wireless communications meant any solution needed to be able to cut through the challenging and congested airspace within the Excel. To overcome this problem, Adey Electronics provided a customised hardware solution which ensured robust external wireless communications were established to Visbion's screening kit immediately and safely.

Because of their long-term partnership with Visbion and the freedom given to them to design a solution quickly and efficiently, Adey Electronics were able to provide a robust and rapidly deployed communications solution which allowed instant and seamless integration of the screening technology into the mobile and hospital networks.

The solution was ordered, tested, installed and operational within the London Nightingale within one week. The success of the solution in supporting the frontline team at the London Nightingale soon saw the solution used in subsequent Nightingale hospitals in Harrogate, Bristol, and Birmingham.

Key lesson: *Public-private partnerships work best when organisations work collaboratively to use their expertise to deliver specific goods and services. SMEs are often well-placed to deliver specialist services but may suffer when trying to win work because of economies of scale. Ensuring that SMEs can partner with the public sector, not only as prime suppliers but in supply chains is therefore a vital way of ensuring that the most appropriate goods and services can be delivered, and the best outcomes achieved.*

Businesses were crucial in helping establish temporary Nightingale Hospitals from a logistical perspective, providing the oversight and infrastructure to get the sites up and running in such short timeframes.

Case Study: Cisco UK – responding to urgent healthcare challenges

A dedicated team from Cisco – along with a couple of its partners – helped to create a communications centre for Barts Health NHS Trust at the NHS Nightingale Hospital in the ExCeL London, in just seven days.

Whilst it would not have been possible to set up these facilities without the enabling technologies available, it was the people involved who drove the successful outcomes.

More than 100 Cisco volunteers – alongside its partners – contributed time and expertise to design and implement a fully operational and highly secure medical-grade communications network at NHS Nightingale. Their efforts meant that medical teams both on site and in virtual locations could perform their specialist duties, securely share vital patient data and laboratory reports, as well as communicate effectively to deliver the best possible care to patients.

Most impressively, multidisciplinary teams, who had not worked together before in many cases, forged productive and collaborative relationships at a time when travelling and meeting face-to-face was strictly limited. This team of NHS staff, military personnel, contractors, architects and engineers, worked around the clock to set up NHS Nightingale – communicating via Cisco Webex video conferencing, when not possible to meet in person, to complete a body of work in one week that would ordinarily take a year.

The communications infrastructure designed by Cisco and its partners at the ExCeL Nightingale Hospital has been developed into a 'Nightingale blueprint', which is available to governments and healthcare providers across the world, so they too can quickly deploy similar solutions in response to increased emergency care needs and healthcare challenges.

Cisco also developed 'Nightingale Connect', which is a single platform for healthcare professionals, where they can access operating guides and best practices as the industry adapts to potential future crises requiring similar reimagined ways of delivering care.

As the UK looks to government, industry and business to provide leadership and guidance in this time of uncertainty, Cisco will work with its partners in the UK to answer that call.

Key lesson: *Some of the public-private partnerships seen during COVID-19 demanded businesses work in new and innovative ways with the public sector to deliver programmes of work. Given the value of some of these innovative approaches to public services as a whole, it is vital that both the public sector and businesses look at how they can share the good practices and easily implement similar schemes where possible.*

A similar scheme in North Wales saw the establishment of three Rainbow Hospitals, designed to also help alleviate strain on existing healthcare facilities. These programmes once again drew on the expertise and support of industry to achieve such a monumental task within severe time constraints.

Case Study: VINCI Facilities – Creating Deeside Rainbow Hospital

VINCI Facilities is a Facilities Management and Building Solutions provider with expertise in the responsible management, operation and adaptation of the built environment across public and private sectors.

In Deeside, North Wales, VINCI Facilities were quick to partner with Betsi Cadwaladr University Health Board, Flintshire County Council, Integrated Health Projects (IHP), and VINCI Construction in order to transform Deeside Leisure Centre into Deeside Rainbow Hospital. Providing a range of mechanical, electrical, compliance, and building fabric services, VINCI Facilities rapidly mobilised existing supply chain partners and onboarded Flintshire County Council suppliers to help establish the Rainbow Hospital Deeside.

From 1 April 2020, VINCI Construction were procured by the NHS Trust involved in order to assess the site, and from 24 April, VINCI Facilities were contracted to provide Hard Facilities Management Services for the Field Hospital for an initial six months, as the Trust lacked the capacity to do so themselves. Due to the urgent need for the facility to become operational VINCI Facilities fast-tracked its mobilisation process, and assisted by the Crown Commercial Service, successfully began delivering services within just two weeks.

As well as working extensively with key stakeholders to become familiar with the unique needs of the building and local residents, the team from VINCI Facilities conducted a thorough handover with VINCI Construction UK in order to gain a detailed understanding of the hospital's operating systems, as-built drawings and associated warranties. This information enabled VINCI Facilities to put in place the necessary planned maintenance schedules, and develop and introduce safe systems of work in line with best practice COVID-19 guidance from the government and the Construction Leadership Council.

To get the site up-to-speed quickly, a trusted team was swiftly established with VINCI Facilities bringing back colleagues from furlough, along with utilising preferred, long-standing supply chain partners. Several incumbent partners were also brought on board, enabling VINCI Facilities to benefit from their knowledge and experience of the site. This team was supported with training as necessary, with courses including appointed persons and medical gases. Due to the tight time frames, the services were procured quickly, and support put in place whilst the detail was ironed out in the background.

Key lesson: *The scale and urgency of COVID-19 made speed one of the most vital tools for public procurements. Cutting red tape and enabling a greater focus on partnership working was essential to ensuring that goods and services could be delivered when and where they were needed. Going forward, government should look at enabling faster procurements by amending the Public Contracts Regulations 2015 to streamline the procurement process and the green paper expected in December 2020 would provide a significant opportunity to do so.*

The successful creation of the Nightingale Hospitals was also due to supply chains making sure that contractors had the materials and tools necessary for accomplishing this monumental task.

Case Study: Smith Brothers Stores – Providing HVAC components to Nightingale

Smith Brothers is one of the largest and oldest independent suppliers to the commercial and industrial mechanical services sector in the UK. A crucial part of many supply chains to the public sector, COVID-19 found the business working hard to adapt and continue delivering vital goods to contractors across the UK.

As part of the efforts to construct the new NHS Nightingale Hospitals in Wigan and Exeter, Smith Brothers branches were quick to supply a range of products to the contractors involved, ensuring that the development of these sites could take place quickly and at high quality. Both sites were up and running in a matter of weeks, enabling the NHS to quickly boost their capacity to handle any possible surges in patients.

Whether for metal and plastic pipe systems, valves and drainage, commercial heating and plant, air conditioning, or associated ancillaries and consumables – all of which are essential components of any large building - Smith Brothers Stores remained open and functioning during the pandemic to continue as crucial parts of the supply chains for public sector suppliers. Given the importance of these parts to the HVAC industry, it was a necessary decision made by Smith Brothers to remain operational during the lockdown.

By offering a personal service, based on strong relationships with suppliers and customers, and a large investment in stock and well-trained members of their workforce, Smith Brothers found itself able to adapt around an unknown and unexpected crisis like COVID-19.

Even with the significantly reduced staffing numbers throughout lockdown, Smith Brothers was able to remain open to support supply to contractors working on critical buildings, (Hospitals, Schools, Care Homes, Prisons etc.) whilst adhering to government and World Health Organisation guidelines, ensuring both staff and customers remain safe.

Key lesson: *Businesses are often expected to respond quickly and flexibly to changes outside of their control, despite the additional demands this may place on staff or supply chains. By working with partners who have proven resilience and adaptability in times of crisis can help the public sector ensure that vital public services and infrastructure remains operation despite any uncertainty or turmoil caused. It is therefore vital that when considering how best to reduce the risk of public procurements, commissioners consider the resilience of suppliers and especially the supply chains which keep these partnerships functioning.*

The search for a vaccine

When the scale of the COVID-19 crisis first became apparent, the NHS were quick to look to the future and begin work on a vaccine. Multiple groups across the UK strove to produce an effective and manufacturable vaccine for the virus, but were trying to do so in the midst of a national pandemic that had diverted resources and occupied healthcare facilities, meaning they needed to draw on partners in the private sector to support these efforts.

Case Study: Versatile Venues – Housing the Oxford Vaccine trials

The Oxford Coronavirus Vaccine (ChAdOx1 nCov-19) was one of the leading vaccine efforts, and Versatile Venues, a full-service vehicle and trailer roadshow specialist, played a vital role in helping the Centre for Clinical Vaccinology and Tropical Medicine at Churchill Hospital in Oxford tackle that challenge head-on.

On 3 April 2020, Versatile Venues was contacted by the University of Oxford to help design and build a fully bespoke, fit-for-purpose environment in which vaccine trials could be conducted. With their staff fully invested in delivering and supporting this national effort, Versatile Venues were quick to shift into action and get to work.

Using six of their deployable trailer solutions, combined with a purpose-designed central vaccine area, built from a system also utilised by the Nightingale hospitals, within four weeks Versatile Venues had designed, modified, and built a centre that would be in use for at least six months.

Now in the final stages of human trials, the Oxford COVID-19 Vaccine is hoping to have gathered enough data to show whether it works and is safe by the end of the year, a feat made possible in part due to the rapid and efficient partnership established between Oxford University and Versatile Venues.

From the outset, both supplier and contracting authority were willing to be flexible and accommodating in the drafting of the legal contracts required – a usually onerous process. By drawing on previous contract agreements and keeping open quick and efficient channels of communication, as well as advancing a holding “deposit” pre-contract so preparatory works could begin immediately, the result was the quick delivery and completion of a high quality centre by the agreed date.

Whilst the initial contract was designed only to run for 6 months, the success of the vaccine and the trial centre means the partnership between Versatile Venues and Oxford University can continue into 2021, with the centre remaining a key focal point in the long-term fight against COVID-19.

Key Lesson: *Procurement is a challenging process, particularly when tight deadlines and high standards are involved. However, when all parties are upfront about the need for rapid deployment and are focused on working together, including drawing upon previous experiences and responding quickly to each other, the end result can be a success.*

Shielding the most vulnerable

Whilst a number of public bodies were focused on the frontline fight against COVID-19, many businesses across the UK supported the wider public sector by engaging with their local communities and utilising their expertise to deliver help as effectively as they could.

Case Study: CS Ellis Group – Helping those shielding in the Midlands

When COVID-19 hit the county of Rutland in the East Midlands, C S Ellis (Group) Ltd, a leading logistics services companies based in the area, were quick to see how they could use their expertise to support their local community though the crisis.

As the number of vulnerable people being asked by government to “shield” increased, it became apparent that they were unable to purchase food and other essential items they needed to survive.

In advance of the Government’s food parcel scheme, Rutland County Council quickly established a project dubbed ‘Operation Shield’, which consisted of a Crisis Hotline for residents and a partnership with C S Ellis and a local hotel, Barnsdale Lodge, to provide and deliver vital food boxes and essential items to those shielding.

Whilst the hotel prepared a balanced selection of food for the boxes, including cleaning and sanitary products, C S Ellis took responsibility for the logistics surrounding getting these boxes to the front door of those who needed it most. This included sourcing fridge containers to store the food, vehicles to deliver the boxes, and tracking information for the council.

From April onwards, the crisis service ensured that those in Rutland who needed support were able to access it, whilst also protecting their and their family’s health. Although the anticipated demand was lower than expected, due in part to concurrent schemes run by central government and other businesses, the trust formed across the stakeholders in the project gave the ability to achieve quickly in a time of crisis and uncertainty.

Set up and managed entirely remotely via Zoom calls, the project went live quickly enough to deliver critical support when it was most needed. Within two weeks of the first correspondence being exchanged, the first fridge containers had been sourced, a team of staff trained, the food and products procured, a circular data flow created, and the community informed about the scheme.

Key lesson: *A strong local relationship between local authorities and local businesses enabled a rapid and flexible approach to an unprecedented problem. However, the reliance on crucial data from central government which was slow to arrive made it difficult to anticipate demand and inadvertently resulted in an over-provision of staff and equipment, as well as avoidable costs, when services already in place through community efforts were duplicated by central government. Public-private partnerships work best when centralised efforts are balanced against local needs and resources and a key channel of communication between local authorities and central government is vital.*

A new approach to partnerships

The crisis led to some significant—and positive—shifts in approach from both government and suppliers

Whilst the impact of COVID-19 and the immediate response dominated headlines, the thousands of public-private partnerships already in place were equally vital.

Across the UK, public bodies and their partners continued to deliver goods and services to the people and communities that needed them most, despite the challenges presented by social distancing, remote working, changing priorities, and international supply chains affected by the crisis.

For these existing contracts, good contract management was vital to ensuring that quality and value remained embedded at the heart of the partnerships. Through dialogue with suppliers, engagement with commercial experts in government, and adherence to cross-sector advice worked out by industry and government (such as the Outsourcing Playbook and Procurement Policy Notes), many contracting authorities successfully transformed and supported contracts to continue delivering despite the significant disruption caused by COVID-19.

A significant part of the Cabinet Office's response to COVID-19 on public-private partnerships was to issue four Procurement Policy Notes (PPNs) in early 2020.

Designed to set out guidance and information on how public sector bodies could and should procure and manage contracts during this period under the existing Public Contracts Regulations 2015, the four PPNs each tackled a different element of the commercial response to COVID-19. Accompanied by additional guidance, these PPNs were applicable to most public bodies in the UK, including central government, local authorities, and other bodies.



Table 1: Overview of Procurement Policy Notes issues during the crisis

PPN	What support did it provide?
PPN 01/20 (18 March)⁶	Provided a reminder to public bodies that a number of procurement exemptions may be available during times of crisis, including direct awards. Furthermore, this PPN provided additional guidance on modifying or extending contracts and providing financial relief to 'at risk' suppliers
PPN 02/20 (20 March)⁷	Paid greater focus to the financial problems many public sector suppliers may be facing due to the COVID-19 outbreak, and laid out a number of tools that contracting authorities could use to help ensure suppliers would be able to continue meeting contractual obligations. These included: <ul style="list-style-type: none"> • Paying suppliers as quickly as possible to maintain cash flow and protect jobs • Continuing to pay suppliers "at risk" due to COVID-19, even if there had been a temporary reduction or halt in the goods and services • Consider making advance payments if necessary • Working with suppliers and providing relief if necessary, against contractual terms such as Key Performance Indicators to maintain business and service continuity • To drive transparency, suppliers should agree to work on an open book basis to receive continued payment.
PPN 03/20 (6 April)⁸	Provided greater clarity on the use of procurement cards to support cash flow for suppliers. Previous guidance from the Crown Commercial Service had recommended the use of payment cards by public bodies (as opposed to the traditional and often paper-based means of procurement using purchase orders and invoices) to purchase goods and services up to £10,000. PPN 03/20 also advised public bodies to increase the single transaction limits to £20,000, raise the monthly limit on spending, and broaden the use of procurement cards to help overcome the increased procurement needs of public bodies.
PPN 04/20 (9 June)⁹	Updated and built-on PPN 02/20 to focus on the next phase of the COVID-19 response and looking at the medium and longer-term recovery and transition for public sector suppliers. It set out that PPN 02/20 measures are to continue or commence where appropriate, and that transition plans should be ready to be implemented as soon as possible. It also further called for contracting authorities and suppliers to work in open, pragmatic partnership.

For many businesses and public bodies, these PPNs were well-received and helped not only provide greater clarity as to what was possible under the procurement regulations, but what they should be focusing on within their partnerships. The emphasis on supplier relief and financial support for businesses, although not applied consistently by all public bodies, was an important tool for setting the tone of conversations and guiding stakeholders towards an arrangement that worked for all parties.

Embedding flexibility into existing partnerships

Faced with the rapidly changing circumstances of COVID-19, flexibility was one of the most important tools available to contracting authorities and their suppliers. Drawing upon both their own and their private sector partners' experiences and expertise, public bodies sought to ensure flexibility and pragmatism were embedded in contracts as quickly as possible.

For businesses, this approach was widely welcomed. Members were overwhelmingly positive about the importance of this flexibility in ensuring that contracts were able to reflect the changing circumstances, without fear of penalty or additional risks. The commercial centre of the public sector, including the Cabinet Office, Crown Commercial Service, and Government Commercial Function were particularly praised for responding quickly and with the right intentions, which set an example for other public bodies.

Case Study: Sodexo – A new approach to facilities management

In February 2020, the University of Greenwich supported by consultants Gardiner & Theobald (G&T) awarded a minimum 5 years' Integrated Facilities Management (IFM) contract to Sodexo.

This new contract is a fundamental change to the way IFM is delivered across the University's multi-site and historically rich estate and brings together over 150 suppliers with a focus on improving quality and delivering social and added value.

Five weeks into a three-month intensive mobilisation programme, the University went into lockdown due to the Coronavirus (COVID-19) pandemic.

With the new IFM contract due to go-live on 18 May 2020, the team were faced with the challenge of mobilising more than 10 service lines, transferring almost 300 staff and maintaining essential services across three campuses without access to the site.

Pausing the mobilisation or delaying the contract start was never an option; the University, Sodexo and G&T made a concerted effort to continue despite the challenges and unknowns ahead due to the value this new contract will unlock for staff, students and local communities.

The University, Sodexo and G&T worked collaboratively and flexibly, using a solution-focused approach to establish new ways of working that facilitated key mobilisation milestones without any template or prototype to rely on. Activities included:

- Creating a mobilisation continuity plan that ran alongside the University's business continuity plan
- Developing an interim IFM service scope to enable go-live under lockdown, prioritising the safety and wellbeing of FM staff and students while maintaining the security of the University's historic estate
- Establishing a phased re-commissioning plan in line with the government's recovery strategy
- Moving to virtual TUPE consultation, recruitment and training programmes to ensure people were informed, engaged and welcomed to Sodexo.

The new IFM contract went live on 18 May 2020 with all services and people transferring to Sodexo as planned. A core, onsite staff team worked over the weekend to oversee the transition and the commencement of essential service delivery:

- Over 300 TUPE staff transferred
- 16 new jobs created, and staff recruited using MS Teams
- 4000 risk assessments completed
- 800 helpdesk jobs logged
- 10 service lines mobilised, bringing together over 150 suppliers

All FM services were seamlessly transferred to Sodexo, with the barometer of success being customers who never noticed the change, except for the new Sodexo uniforms.

As the government gradually eases lockdown, the phased recommissioning of services and buildings has begun with more operational FM staff returning from furlough in line with the University's and Sodexo's COVID-19-safe reopening plan. The team continues to work in partnership towards full services commencement on 1 September 2020 to enable the safe return to campus for staff and students.

Over 100 staff from the University, Sodexo and G&T led by a core joint mobilisation team demonstrated determination, creativity, and unwavering commitment to people and safety throughout this journey to uphold the spirit of this partnership.

Key lesson: *The most effective public-private partnerships are the result of a combination of factors. These include a commercial and forward-looking mindset, a focus on medium to long term goals, and the establishment of a shared vision for the partnership.*

In some cases, this flexibility meant drawing upon existing partnerships to leverage the expertise of the private sector to help tackle unexpected challenges, whilst supporting those contracts already in place. Based on years of collaboration, the public sector found that trusting long-term partners to continue delivering new solutions whilst maintaining the high standards on existing contracts was often one successful way to achieving their objectives efficiently and effectively.



Case Study: Serco – Leading on joined-up public service solutions

Whilst much of the focus during COVID-19 has rightly been on those businesses which have pivoted to support the public sector on issues such as manufacturing PPE and ventilators, many long-term partners to government have also made invaluable contributions which deserve recognition.

Across Serco's five main sectors – Health, Transport, Defence, Justice & Immigration, and Citizen Services – the business has innovated at speed to meet the new challenges presented by the pandemic. By acting decisively to ensure the continuation of the vital public services they are contracted to deliver, Serco has worked hard to both protect the well-being of their colleagues and to support their customers.

In Citizen Services, Serco mobilised swiftly to support Public Health England's brand-new NHS Test & Trace programme, initially recruiting 10,500 people as Tier 3 contract tracers in just four weeks. These new team members from Serco and their partners are working hard towards the scheme's aim: to help the public return to a more normal life safely. So far Test & Trace has contacted over 250,000 people who have tested positive for the coronavirus or have recently been in contact with someone who has been infected. Serco has also played a critical role in helping the UK Government increase capacity for testing.

In Scotland, Serco was a key partner in setting up the new Louisa Jordan Hospital, based at the Scottish Events Campus in Glasgow. The team there was involved in delivering cleaning, catering, portering, linen and waste management.

Keeping those in Serco's care healthy and safe has continued to be a top priority during the pandemic and their criminal justice teams have delivered a range of innovative approaches whilst also serving and supporting the local communities where they are based. Across their UK justice operations, Serco's staff and prisoners have innovated and contributed in various ways. At HMP Lowdham Grange, hundreds of washbags and sets of scrubs have been made for nearby NHS hospitals. Meanwhile, HMP Dovegate's Therapeutic Centre has successfully trialled a new method of prisoner medicine distribution, reducing the need for direct interaction with medical staff, and thereby keeping prisoners safe as well as freeing up staff time to focus on combatting the virus.

Key lesson: *Ensuring continuity of service during challenging circumstances means the public sector should work collaboratively with private sector partners before those difficult periods arise to ensure a coordinated response is in place. Whilst businesses are often well-prepared to manage unexpected changes to their "business as usual", it is especially vital that when delivering to the public sector, well-practiced business continuity and contingency plans are in place and enacted as soon as possible. Contracting authorities can ensure this is the case by emphasising contingency planning in their procurement processes and during the contract management of public-private partnerships, whilst also permitting the innovation and flexibility needed during challenging times are encouraged by forward-thinking plans.*

A pragmatic approach to contract and payment models

As outlined in PPN 02/20, one of the most important priorities for public-private partnerships identified by the Cabinet Office was the need for flexibility and adjustments to the contract model used and the terms of payment.

Contracts based on quantity of services delivered – so-called “payment by results” contracts – were particularly affected by the wholesale changes seen to everyday life in the UK and the national lockdown implemented from 23 March 2020. Members reported that in some sectors, particularly those dependent on in-person activities, the drop off in demand was significant and suppliers found themselves further challenged by the uncertainty about future volumes and timelines generated by the ongoing restrictions. As local lockdowns began to be used during summer 2020, it became apparent that this uncertainty would continue.

Shifting from payment by results to other payment models which provided a greater surety for cash flow despite the changing volumes involved was vital to support suppliers and markets, and guarantee that vital public services remained in place when volumes returned to normal in the future. The use of “cost plus” contracts which pay suppliers based on service costs plus a profit addition afforded contracting authorities and suppliers with greater flexibility despite the surrounding uncertainty.

Members reported that some government departments were quick to adapt contracts to ensure service and payment continuity despite severe disruption, including the Ministry of Justice, Department for Transport, and Department for Work & Pensions. The speed of these changes meant that businesses were able to continue delivering vital services and put into place contingency plans whilst simultaneously supporting their staff.

Focusing on long-term outcomes despite the short-term pressures of COVID-19

For all procurements carried out prior to COVID-19, the context in which the contract was agreed was in many cases significantly different to the circumstances during COVID-19. Many suppliers (both public and private) were keen to see a pragmatic approach to service quality during COVID-19, reflecting the vastly changed conditions in which their staff were now operating.

Whilst there was no intention to reduce service quality, social distancing, remote working, staff absences, and shifting supply chains meant that some Key Performance Indicators (KPIs) were unrealistic during the pandemic. As many contracts tie KPIs to supplier payments through service credit penalties, a temporary holiday for specific KPIs was recommended as a crucial means of ensuring suppliers could still deliver without being unnecessarily penalised for factors outside of their control.

This approach was welcomed by businesses and provided support for firms who had seen a big drop off in the private sector part of their operations, allowing them to support staff and continue delivering quality public services.

Reducing red tape to make procurements faster

It is widely recognised that the public procurement process is often lengthy due to the administrative hurdles public sector bodies. Whilst some of these are often necessary to ensure fairness, transparency, and accountability and to reduce the likelihood of legal challenges, the result is that speed is often sacrificed in favour of a focus on process.

The speed at which public sector organisations had to respond to COVID-19 meant that the normal slow procurement processes were unable to deliver the goods and services required when and where they were needed. PPN 01/20, released on 18 March, offered a timely reminder to public bodies that a few procurement exemptions may be available during times of crisis, particularly in the use of 'direct award' contracts. It reiterated that where extreme urgency is required, a public body can approach a provider of choice and negotiate and conclude a contract with that provider without going through the formal tender process usually required by the Public Contracts Regulations 2015.

Across a range of sectors, from construction to healthcare, the use of accelerated competitive procurement processes enabled contracts to be awarded quickly and efficiently, with delivery begun as soon as possible.

Whilst COVID-19 provided a national moment to catalyse these behaviours, it is crucial that future partnerships see the benefits of these behavioural shifts without the environment which forced those changes.



Case Study: Wates Group - Two floors of COVID-19 wards in five weeks

The UK's national lockdown began on 23 March, only five days before a final decision was made to turn the eight-years dormant 14th/15th floors of the Royal London Hospital in Whitechapel into COVID-19 wards. Wates were contracted Friday that same week and promised – and delivered – on the contract in only five weeks.

Delivering in this timeframe was made possible only by Wates instigating an innovative circular communications structure that involved all stakeholders, with meetings held every six hours, around the clock. No pressure was placed on Wates' 12-strong supply chain, but all agreed immediately.

The pace at which the project began was unprecedented. By Saturday morning, Wates were onsite; by Sunday morning, a ventilation design had been signed off, a subcontractor dialled in, and production began offsite.

Furthermore, the fact the site was 14 floors up, in the middle of an active hospital on the frontline of the COVID-19 fight, required innovative design and logistic solutions to protect people and materials. After five weeks, the hospital realised the need for renal beds to treat COVID-19 patients and 12 were fitted in the final 24 hours with staff volunteering many extra hours beyond their shifts.

Nevertheless, the work was completed far ahead of its incredibly ambitious schedule, with patients being treated on the ward 13 days ahead of the project's agreed completion date. By the end of the project, over 6,480 labour days had been dedicated to the contract, and 176 bed stations created in just 5 weeks.

None of this would have been possible without the attention paid to rapid collaboration and decision making between all stakeholders. By putting in place a communication structure involving client, design team, supply chain, and Wates, the result was ongoing communication and support, made quickly and effectively, and often in parallel. The client made themselves available 24/7 and consequently, decisions traditionally taking weeks were turned around in a day.

Key lesson: *Reducing the bureaucracy around public-private partnerships by cutting red tape and improving stakeholder communication not only potentially reduces costs for contractors and public bodies, but also improves efficiency. Implementing innovative communication structures instead of traditional processes is a vital way government can improve its workings with business to achieve better outcomes on contracts.*

Supporting supply chains through prompt payment

The global impact of COVID-19 had an impact not only on the public sector and its prime suppliers, but throughout the supply chains that supported these partnerships. From construction to healthcare, suppliers across the globe found themselves beset by logistical and workforce challenges that impacted their ability to maintain pre-existing arrangements.

Ensuring these supply chains remained flexible and resilient required a reiterated focus on support such as prompt payment to provide businesses with the liquidity and cash flow to continue operations despite the economic turbulence and other impacts on normal working. PPN 01/20 was particularly clear on ensuring payments to suppliers were made as quickly as possible, not only to support prime providers but also supply chains across the country.

One crucial step taken to enable contracting authorities to pay suppliers more quickly was to increase the limits on commercial payment cards in operation across all major Government departments, as outlined in PPN 03/20. Mastercard issuers including NatWest, Lloyds Banking Group, Barclaycard and HSBC worked with the Crown Commercial Service to increase single transaction and monthly expenditure limits on cards, enabling government to improve the cashflow to suppliers.

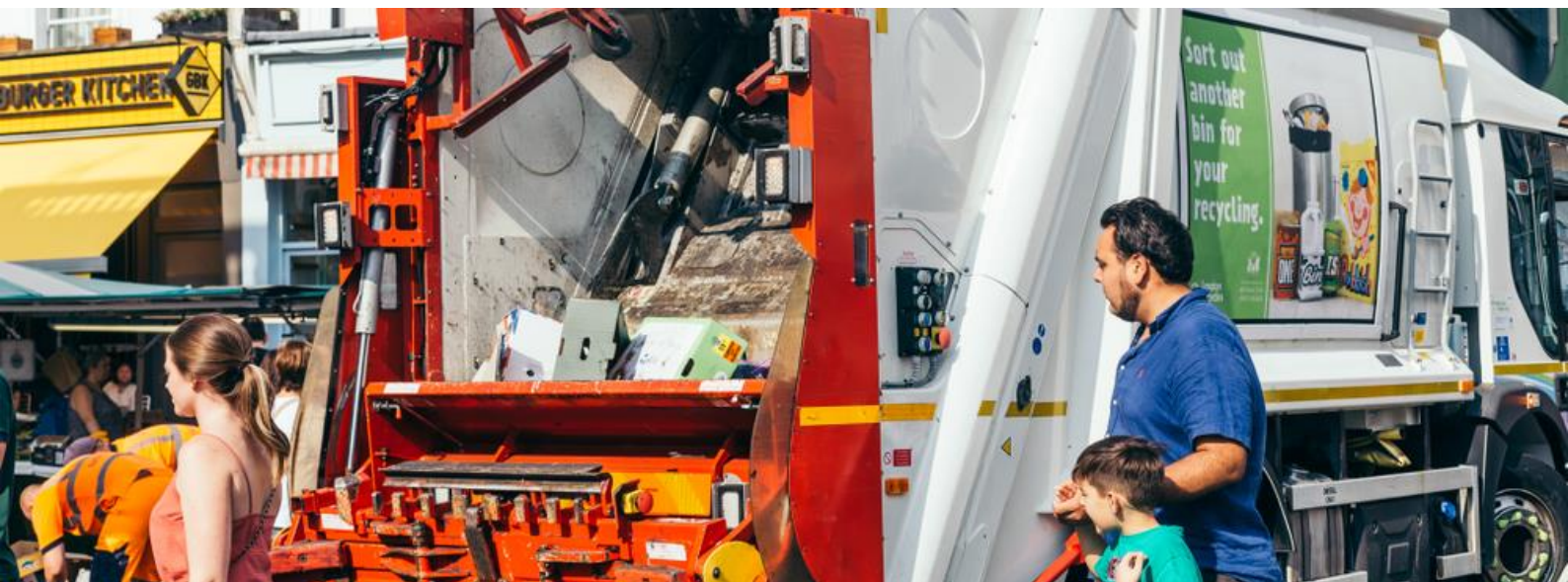
Members reported that many public bodies did increase the speed of payments, and that for those in supply chains, prime providers were quick to trickle down the payments. This much needed cashflow was crucial not only to support staff but to enable the continued operation of businesses and service continuity.

Pooling resources and managing demand

As the impact of COVID-19 on existing contracts became apparent, many suppliers were quick to focus on redeploying staff to those areas where demand had surged.

Some businesses reported that instead of furloughing staff, they instead used the in-built flexibility of contracts to designate workers to other ongoing projects to fill labour gaps created by illness and staff absences.

For some larger companies, this approach ensured that services continued unaffected and that delays to programmes were minimal despite the widespread confusion of the pandemic. Furthermore, the redeployment of staff also helped to prevent further costs to the Treasury through the Job Retention Scheme by ensuring that workers continued to be paid by employers.



Some of the most effective examples of partnership working during COVID-19 came from local authorities and innovative models of collaboration with private sector partners

Case Study: Norse Group – Joint ventures driving collaboration

Norse Group is wholly owned by Norfolk County Council, and its status allows it to form Teckal-compliant joint venture partnerships with local councils and other contracting authorities. The company has thirty such local authority partnerships across the UK.

One partnership company, East Suffolk Norse Ltd, was formed in 2019 from two long-standing, separate joint ventures with Suffolk Coastal and Waveney districts. The joint venture company is co-owned by the authority and Norse. It delivers a wide range of services, worth over £24 million per annum, including waste collection, environmental services, fleet management, engineering, FM and property management.

The relationship, based on co-ownership and shared control of the company, is very different to the traditional client/contractor dynamic. It has meant that the company was able to respond immediately and effectively when lockdown was announced, with no need for contract re-negotiation, and no need for variation charges. Council members and officers have been directly involved at every step, working closely with the management team to ensure their residents' needs have been met.

The company's board worked with the authority to establish priorities and implement measures immediately to deal with the effects of the pandemic and the resultant lockdown.

Social distancing and self-isolation measures meant a staff absence rate of over 20%, which in turn led to the suspension of some non-essential activities, with all resources focussed on maintaining statutory services. Green waste collection was dropped for almost three months; household waste in-cab resourcing was reduced from three operatives to two, with the full agreement of staff, the council and trade unions. Staff were re-deployed from other service lines to assist with the maintenance of waste collection, which had been identified as a high priority.

All of these actions were carried out following the council's lead on protecting staff and residents; the presence of council representatives on the company's board meant that they had direct oversight of operations, and were able to influence all of the activities. The partnership company was able to react so quickly because of the direct involvement of senior council members and officers, which meant that decisions could be taken and implemented instantly.

Additional costs (such as extra PPE) were mitigated by savings elsewhere in the organisation, ensuring minimum financial impact on the authority, and little or no disruption for residents. The company continues to help the authority restore services and achieve business as usual.

Key lesson: *A speedy and effective response to unprecedented demands for public services requires close collaboration between different stakeholders, especially in the public and private sectors. Public sector bodies should look at the significant potential offered by joint venture partnerships, including having direct involvement of senior council members and officers on the board of partner businesses, to see whether such a model could be more broadly replicated.*

Future-proofing public services, whilst tackling the crisis

Many public-private partnerships established prior to COVID-19 were focused on a future outcome that remained unchanged despite the pandemic. In such cases, the necessity of continuing to look forward at the medium and long-term goals was crucial, particularly where such public services had a likelihood of becoming even more crucial because of COVID-19.

Case Study: Advanced - Supporting modernisation in central government

As the UK economy looks to build back better from the significant impact of COVID-19 on employment and industry, the Department for Work & Pensions (DWP) has found itself facing a significant increase in the number of Job Seeker's Allowance claims.

With more than 50,000 end users and a vital role in the lives of many people looking for work, the Job Seeker's Allowance Payment System is the largest and most complex of the DWP's legacy applications which it has been seeking to modernise.

Working with Advanced allowed DWP to re-platform the Job Seeker's Allowance Payment System, comprising the conversion, loading, and verification of 54 databases containing 6.3 billion records to a leading modern relational database management system in just under 24 hours. This was the largest exercise of this type across the industry in this time period and went live in time to support the increased number of claims brought about by COVID-19.

Applications on the re-platformed service are now running over 50% faster, with the first full 'working' day activities completed in two hours and 11 minutes as opposed to five hours, and therefore enabling the DWP to issue over 200,000 individual payments with a value of over £53 million.

The current crisis places immense pressure on all public services. The new system ensures that all local job centre and call centre staff using the system can help citizens quickly get the support they need from the JSA service. Both Advanced and the DWP have been working extremely hard to get this replacement service live, and together, the work achieved has given the DWP real flexibility moving forward and highlighting the benefit of accelerated digital transformation in the public sector."

With the completion of the JSA service's modernisation programme, now DWP is focusing on completing the re-platforming of the last three legacy applications – the State Pension Services, Disability Living Allowance and Income Support, which combined will benefit over 18 million citizens.

Key lesson: *The public sector faces enough challenges without also having to deal with legacy systems that hamper their ability to deliver quality public services to the citizens who need them most. The expertise of businesses like Advanced can help public sector bodies upgrade and modernise these systems but this requires the public sector to identify and put in places steps to address these shortcomings before a critical point is reached. Incentivising innovation in procurements and contract management must therefore be a vital element of the public sectors approach going forward.*

Case Study: Mastercard – Prepaid cards helping the vulnerable

Many individuals who were shielding from COVID-19 were also financially vulnerable – reliant on cash, unable to access digital banking services and even unbanked. With use of cash declining due to the risk of infection spread, and the difficulty of accessing online services and supermarket home deliveries, many of the most vulnerable faced the choice of either going without basic food supplies or breaching NHS guidance and visiting supermarkets.

Whilst NHS England and the Royal Voluntary Service launched a campaign to recruit volunteers to carry out tasks for those shielding, Mastercard tackled how to facilitate payments for essential food shopping between a person in self-isolation and a volunteer who they may never have met before.

Instead of asking people to hand over bank cards or cash to volunteers, the solution Mastercard came up with was one used by local government, the Scottish Government, and the Home Office to disburse funds – prepaid cards. Along with Prepaid Financial Services, a leading prepaid issuer in the public sector space, the solution created enables a vulnerable patient to give a volunteer a prepaid card – pre-loaded with funds – to do their shopping for them.

The solution went live in May 2020 and allows clinically vulnerable patients self-isolating at home to:

- Apply for a contactless prepaid card with limited identification – there is no need for a bank account;
- Avoid any debt charges by preventing the card from going overdrawn;
- Load funds themselves or allow friends / family to do so onto the card up to a maximum of £100 at any one time;
- Control any potential misuse by a volunteer through ATM (cashpoint) blocks and blocks on gambling, fuel spend;
- Give the card to a volunteer without sharing a PIN for shopping up to £45 due to recent contactless limit changes; and
- Reduce the risk of COVID-19 infection by avoiding handing over of cash, coins and change and through contactless payments.

The success of this scheme has helped reiterate the importance of prepaid cards as a superior solution to more traditional voucher-based schemes, and Government should be encouraged to consider their use more widely in tackling COVID-19 and going forward, for instance with Universal Credit and Free School Meals.

Key lesson: *Building upon their experiences from elsewhere in the public sector, businesses are often able to provide solutions to problems which can also provide longer-lasting benefits for the public sector. Ensuring these solutions both solve the current challenge, but also embrace innovation – such as the use of prepaid cards - is one key benefit public-private partnerships for citizens and public bodies and the context of COVID-19 has helped demonstrate how these solutions work in practice, not just theory.*

Applying these learnings

There are opportunities for lessons learned during the crisis to deliver long-term improvements to public-private partnerships

As the UK emerges from the COVID-19 pandemic, it is critical that important lessons are learnt and there is not a return to business as usual. As part of the build back better approach espoused by the CBI and the UK government, it is vital that the positive elements of procurement during COVID-19 are retained, whilst those elements which have proven challenging are learnt from and changed where necessary.

Ineffective partnership working must also lead to long-term change

A more consistent public sector response would help in future crises

As with many evaluations of public procurement, there are huge variations in the way different public bodies responded to the COVID-19 crisis. Whilst many were quick to respond to the pandemic to ensure service continuity and procure new goods and services, others were less prepared or able to take the necessary steps.

The result has been a patchwork of experiences for public-private partnerships with one of the most tangible examples of this inconsistency has been the take-up of PPNs by public bodies. Members reported that PPN 02/20 and 04/20 had little impact on some contracts with some contracting authorities ignoring the notices, debating whether they applied to specific contracts, or using them to terminate contracts early based on non-COVID related issues. Furthermore, members reported that few contracting authorities willingly made any advanced payments or payments on account.

Businesses with a broad scope across the public sector expressed views that whilst central government departments and arms-length bodies were almost universally adherent to the PPNs and commercial guidance, the awareness and uptake dropped off the further away from the centre. This mirrors previous feedback from suppliers in relation to commercial guidance issued by the Cabinet Office.

Furthermore, some members reported that a handful of government departments were not only slow to provide support and to engage with their suppliers, but in some cases went against commercial guidance from the Cabinet Office. Suppliers reported that some public bodies involved in a variety of ongoing programmes refused to engage with suppliers and make any alterations to the contracts to either ensure service continuity or provide cash flow for the suppliers.

The result of this response has been negative short-term difficulties for businesses already operating on fine margins. More worryingly, there are concerns about the longer-term impacts of these actions on specific public sector markets as a whole because of the ongoing impact of COVID-19.

Some entire sectors have also seen the responses vary in their speed and effectiveness, despite government guidance. Suppliers should be able to feedback to Cabinet Office directly about how different public sector bodies are following guidance. Whilst not perfect, lessons should be learnt from those sectors with established channels of communication

between public commissioners and suppliers, such as Defence, enabling clearer and more effective dialogue in both directions.

Case Study: ADS – How the Defence Suppliers Forum ensured a dialogue

During the initial months of the COVID-19 pandemic, UK Defence was required to identify Defence Priorities and the activities across the UK (and abroad) that would continue to operate during lockdown. The Ministry of Defence (MOD) and a number of key strategic suppliers worked through the Defence Suppliers Forum (DSF) to ensure these challenges were addressed and industry remained active to meet these Defence Priorities.

The DSF consists of 20+ strategic suppliers to Defence, senior MOD leadership (both civil servants and armed forces personnel), trade bodies and representatives from other relevant Government departments. The DSF is a structure of multiple leadership and working groups established to address the challenges that face UK Defence, the groups meet on a regular basis, transitioning to virtual engagements during the pandemic.

The DSF has been in operation for a number of years, and thanks to this close Industry-Government collaboration, provided an agile forum in which the Industry-Government team could identify and proactively address issues as they arose. The DSF agreed courses of action and facilitated implementation measures such as key worker status for people working on priority contracts, as identified by the MOD. The DSF paused all previous activities and formed joint groups to address issues such as safety and risk management in the workplace, human resources challenges, and immediate contractual and commercial challenges affecting the supply chain.

Elements of the way in which the DSF worked during the initial months of the pandemic have been brought into business as usual operations. During the initial months, the Defence supply chain experienced difficulties in shifting to working from home (where possible), reduced supply of materials and components and changes to workplace environments resulting in reduced output. The DSF facilitated sharing of these experiences between suppliers and MOD, ensuring that best practice was identified and shared rapidly. Where challenges and risks were identified these were discussed in a similarly open manner between customer and supplier, enabling a wider community to benefit from the actions taken to mitigate the risk.

The DSF also engaged with other government departments and wider industry to contribute to national initiatives such as the ventilator challenge and the national personal protective equipment (PPE) shortage, forming cross-Defence industry views and experiences and sharing them with wider Government.

The joint-DSF leadership team remains vigilant of the issues that will continue to affect the Defence supply chain and the delivery of Defence Priorities, ensuring that communication routes remain open and prioritised where necessary. This regular communication at a very senior level, supported by accurate and timely supply chain information was a big factor in keeping the defence supply chain informed and productive.

Key lesson: *Good relations between the public sector and suppliers are vital to ensuring quick and appropriate responses to unfolding crises, both with individual businesses and sectors as a whole. Establishing forums for this communication to take place at a senior level is a crucial way of reducing confusion and inconsistent responses by the public sector to their suppliers.*

The commercial advice from Cabinet Office to public sector commissioners was predominantly focused on dealing with the immediate impact of COVID-19 on existing contracts. Yet an important element of this guidance also included advice on looking to the future and considering how best to manage ongoing contracts.

Unfortunately, suppliers have reported that some public bodies have used the turbulence from COVID-19 to make significant adjustments to existing partnerships, including the re-tendering of contracts with sizable cost reductions built in.

Whilst the need for flexibility in public-private partnerships is crucial to ensuring a pragmatic response to unforeseen crises, this flexibility must be appropriate and fair to all parties. By re-tendering contracts, commissioners seriously damage the trust with suppliers, which can have a long-term impact on the willingness of businesses to supply to the public sector.

Ultimately, this type of behaviour also drives down competition and choice, with service users and taxpayers footing the bill either through increased costs or a reduction in service quality. Good market management and a collaborative dialogue with suppliers are both important elements of the Cabinet Office's Outsourcing Playbook and COVID-19 has highlighted how vital it is that they also become a part of the daily working practices of public sector commissioners.

Driving transparency in public procurement

Transparency in public procurement is a tool for good, not only for commissioners and suppliers, but for service users and taxpayers. Transparency promotes greater trust in public-private partnerships, drives more accountability, and permits better scrutiny of procurements, all of which can only help improve public services in the UK.

Yet even with the guidance around open-book accounting issued by the Cabinet Office, transforming procurements to improve the speed without sacrificing accountability has been a challenge faced by many public sector organisations.

Most procurements conducted as part of the COVID-19 response by central government have not only delivered the right goods and services when and where they've been needed but have also ensured value for money for taxpayers.

However, some procurements have been questioned both in the media and industry as to their value and effectiveness. Several legal challenges have been launched against PPE procurements by the Good Law Project, as well as other direct awards made during this period.¹⁰

One key reason behind these challenges has been the lack of transparency in publishing the contracts and other details into the public domain as required by government. Whilst not a new issue, this lack of transparency has been brought to the fore during COVID-19 because of the scale of spending and it is vital that for the public sector to retain the trust of suppliers and the general public, they must be able to show that procurements are happening fairly and legally.

Government's ongoing commercial policy should draw on lessons learnt from COVID-19

The case studies in this report demonstrate how the response to COVID-19 has stimulated better procurement practices in a variety of areas.

The guidance and experiences seen in response to PPN 02/20 and 04/20 should become a part of regular business practices to ensure supply chains are paid quickly, and public bodies engage with suppliers on the circumstances surrounding a contract.

Looking ahead, there are significant opportunities to achieve this and businesses have identified four key areas of pre-existing policy for which an awareness and adaptation in response to COVID-19 are crucial:

- The next iteration of the Outsourcing Playbook due in 2021
- The roll-out of the new Social Value Framework for central government contracts
- The upcoming Procurement green paper and the UK's approach to procurement rules reform as we leave the EU
- The government's SME agenda

It is important to note that despite its impact, COVID-19 did not bring to a halt the important reforms to commercial policy that government have been working on in previous years. From the Outsourcing Playbook to Social Value, businesses have been reassured to see that whilst necessary resources have been diverted to support COVID-19 specific commercial objectives, these vital programmes of policy work have continued despite the pandemic. Now it is critical that they evolve to consider the new post-COVID-19 landscape and the vital lessons learned during this period.

Outsourcing Playbook

The Outsourcing Programme in the Cabinet Office has been the flagship programme for commercial reforms across government in recent years. Originally launched in response to the collapse of construction firm Carillion in 2018, the Outsourcing Playbook is one of the most appropriate vehicles for responding to significant changes in the broader commercial landscape.¹¹

With yearly iterations which work to continuously build on and develop policies such as risk management and delivery model decisions, version three of the Outsourcing Playbook, expected in 2021, provides an important opportunity to embed some of the lessons outlined in the report into official guidance and policy. These could include a greater focus on collaborative dialogue between supplier and commissioner and more emphasis on joint ventures and other innovative models of public-private partnership to embed greater flexibility into procurements. A continued push for transparency and accountability would also be welcomed by businesses who are keen to maintain the trust that they have built up during COVID-19 in the 'new normal' of public procurement.

Social Value

As different regions and sectors of the economy look to build back better from the global pandemic, embedding social value in government procurement has been suggested by both business and government as a lever it would be relatively easy for the public sector to pull to stimulate this recovery.

Even before COVID-19, it was recognised that by supporting commissioners to tailor the outcomes delivered by suppliers, social value provides a simple, proven, and quantifiable

means of both driving growth within communities and tackling national challenges such as unemployment, reskilling and climate change.

Whilst the crisis has shone a spotlight on social value, there is no doubting that across business and government there had been a growing push to expand its usage more widely.¹² With the significant number of new entrants to the market during COVID-19 and the community-based efforts of many businesses in supporting the fight against the virus, social value continues to become an increasingly important part of how businesses deliver value in their partnerships with the public sector.

The new Social Value framework from the Cabinet Office, expected in Autumn 2020, should include a specific set of metrics for COVID-19 to ensure that the ability of public procurements to help the UK build back better is supported across the UK. This framework should also consider the types of additional value provided by public sector suppliers during this period, to help recognise the innovative ways businesses contributed to the fight against COVID-19.

Procurement rules reform

One of the most important programmes of work that government had begun prior to COVID-19 was on a potential reform of the rules and regulations that govern public procurement in the UK. Driven largely by the UK's exit from the EU in January 2021, potential changes to the Public Contracts Regulations 2015 (PCR) are currently being considered by the Cabinet Office covering a wide range of areas from award and selection through to the legal remedies regime.

A green paper on rules reform is expected later in 2020 and this consultation offers a vital tool for embedding some of the benefits of these faster, streamlined procurements into the new procurement regime.

As outlined in the case studies above, the exceptional circumstances of COVID-19 have seen many contracting authorities using the PCR in new and innovative ways, including direct awards and accelerated competitive procurement processes due to the extreme urgency they faced. Cutting red tape, without reducing the accountability, transparency, or fairness of competitions, would help improve procurements for public bodies and suppliers, by reducing administrative burdens, avoiding unnecessary cost and delays in tendering, and ensure contracts are awarded when and where they are most needed.

The examples of the Wates Group's work with the Royal London Hospital, and the construction of the Nightingale Hospitals, including Adey Electronics cutting edge technology solutions, both provide evidence of how faster procurements can deliver better outcomes for citizens.

Supporting the government's SME agenda

Whether in supply chains or as direct providers, COVID-19 has proven the importance of SMEs to the public sector in the UK. As has long been advocated in the push for greater SME involvement, the flexibility, expertise, and innovation that SMEs have brought to crucial public sector projects such as the Nightingale Hospitals has helped the public sector weather the pandemic as effectively as possible.

Analysis of procurement spend data from Tussell shows that £2.1 billion of central government contracts to support the COVID-19 response went to SMEs. This comprised

some 42% of the value of the contracts awarded and included providing the government with PPE, supporting the ventilator challenge, undertaking COVID-19 testing and other vital efforts.¹³

The scale of awards to SMEs represents a significant increase from the 20% of the value of other central government awarded so far this year for non-COVID goods or services. However, it is also important to note that some of the SMEs who won large contracts for PPE (such as Ayanda Capital, Crisp Websites/Pestfix, and Clandeboye) are currently subject to lawsuits from the Good Law Project.

As well as new business, those SMEs already partnered with the public sector have adapted quickly to continue delivering vital goods and services to communities during the pandemic. Where demand for services has shrunk, many SMEs have pivoted to playing a leading role in the community efforts against COVID-19, as some of the case studies in this report show.

Going forward, the Cabinet Office should consider how small business policies can consider the drivers behind greater SME participation in the public sector market during COVID-19. The green paper expected on procurement rules later in 2020 would provide a significant opportunity to reduce the complexity in contracting, benefiting both existing suppliers and new market entrants.



Conclusion

COVID-19 has had a fundamental impact on public-private partnerships in the UK. From the dramatic shift in resources required to tackle the pandemic head on, to the long-term impact on some sectors of the economy, the consequences are clear.

Yet throughout the crisis, businesses and the public sector have worked hand-in-hand to continue deliver world class public services to the citizens who need them most.

Whether ensuring frontline healthcare staff had the PPE needed to tackle COVID-19 in hospitals across the country, to helping deliver innovative new technologies such as ventilators and temporary hospitals, industry has played a vital role in the national fight.

The public sector has also worked tirelessly throughout this period to ensure their partners have been supported and involved in developing solutions to the rapidly changing challenges. The government's commercial teams led the charge, issuing guidance and advice when it was most needed and taking control of many of the most difficult procurements, but the work of officials across the country, in local authorities and NHS trusts, has also been crucial.

Where partnerships have struggled or procurements proved troublesome, businesses and contracting authorities are keen to understand why and ensure that these issues are not repeated in the future. Embedding these understandings into the broader procurement policy programmes such as the Outsourcing Playbook and the procurement rules reform work is necessary to keep the momentum going and to ensure that public procurement continues to work for citizens and for business.

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