Submitted to Cabinet Office (procurement.reform@cabinetoffice.gov.uk) and Welsh Government (ProcurementReform.ConsultationPart2@gov.wales) and posted on the University of Oxford's Government Outcomes (GO Lab) website

25 August 2023.

RE: Response to UK Government and Welsh Government Part 2 Consultation(s) on draft regulations to implement the Procurement Bill.

This is a response to selected questions in the Cabinet Office Part 2 Consultation¹ on a draft statutory instrument (SI) to implement transparency and information sharing provisions in the Procurement Bill that is in the final stages in Parliament.² The government has previously published the Cabinet Office, a Green Paper Consultation on Transforming Public Procurement (December 2020), a response to that consultation (December 2021)³ and a paper, *Transforming Public Procurement - our transparency ambitions* (June 2022).⁴ We are also submitting this consultation response to the Welsh Government's consultation, which mirrors the Cabinet Office consultation.⁵

We are independent members of civil society and/or participants in the Oxford Procurement of Government Outcomes Club (Oxford POGO Club), which is a peer learning group hosted by the Government Outcomes (GO Lab) at the University of Oxford's Blavatnik School of Government.⁶ Some of us are members of civil society engaged in the co-development of the UK government's sixth National Action Plan (2020-24)⁷ (NAP6) under the Open Government Partnership (OGP) process.⁸ Ideas submitted by civil society for NAP6 include commitments concerning the publication of procurement notices on the new central digital platform.

https://www.gov.uk/government/consultations/part-2-consultation-on-draft-regulations-to-implement-the-procurement-bill.

https://www.gov.uk/government/consultations/green-paper-transforming-public-procurement.

https://www.gov.uk/government/publications/transforming-public-procurement-our-transparency-ambition/transforming-public-procurement-our-transparency-ambition.

https://www.gov.wales/wales-consultation-on-public-procurement-regulations-part-2#:~:text=Consultation%20description.focus%20is%20on%20transparency%20notices...

https://golab.bsg.ox.ac.uk/community/peer-learning-groups/pogo/.

https://www.opengovpartnership.org/members/united-kingdom/. See also UK government webpage, https://www.gov.uk/government/collections/open-government.

¹ See the UK Government's website,

² See Parliament's website, https://bills.parliament.uk/bills/3159.

³ See the UK Government's website,

⁴ See the UK Government's website.

⁵ See Welsh Government's website,

⁶ See Oxford POGO Club webpages on the GO Lab website,

⁷ Developing the 6th National Action Plan for Open Government (2024 – 2025), https://opengovernment.org.uk/nap6/.

⁸ See Open Government Partnership webpage.

Some of us may disagree with the details of this submission but most of us agree with the thrust of the messages here. All the statements cannot be attributed to all individuals who have joined this response.⁹

Public procurement is a highly salient issue and transparency in public procurement is important to foster trust in government. The billions of public money spent on COVID-19 related contracts has been the subject of news stories, ¹⁰ National Audit Office reports, Parliamentary inquiries¹¹ and court cases, including a finding of unlawfulness in the delay of publishing contract award notices.¹² The Transparency International (TI) Corruption Perceptions Index¹³ for 2021 downgraded the UK by 5 percentage points, with TI attributing the decline in part to the way the government managed COVID-19 procurement.¹⁴

Public procurement is **increasingly leveraged to address wider economic, social, and environmental challenges**, including Net Zero carbon reduction targets and other sustainability issues. ¹⁵ The urgency of these challenges is clear, but there is a lack of transparency, data and accountability in social value commitments in awards and in progress towards social and environmental outcomes during contract performance, thereby detrimenting progress towards an inclusive and net zero transition.

https://bylinetimes.com/2023/06/19/hundreds-of-covid-related-contract-documents-worth-more-than-7bn-have-still-not-been-published/.

https://www.gov.uk/government/publications/procurement-policy-note-0621-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts.

⁹ This document was drafted and improved with the group's comments, without a final review and approval process for each individual contributor. The coordinating author apologises for any error or shortcoming synthesising contributions from the group.

¹⁰ Byline Times article 19th June 2023 "Hundreds of COVID-Related Contract Documents – Worth More Than £7 Billion – Have Still Not Been Published," https://bylinetimes.com/2023/06/19/hundreds-of-covid-related-contract-documents-worth-more-than-7bn-h

ave-still-not-been-published/.

1 See the Public Accounts Committee, COVID 19: Government procurement and supply of personal

¹¹ See the Public Accounts Committee, COVID-19: Government procurement and supply of personal protective equipment inquiry website,

https://committees.parliament.uk/work/731/covid19-government-procurement-and-supply-of-personal-protective-equipment/.

¹² R (on the application of Good Law Project Limited, Debbie Abrahams MP, Caroline Lucas MP and Layla Moran MP) v Secretary of State for Health and Social Care [2021] EWHC 346, https://www.bailii.org/ew/cases/EWHC/Admin/2021/346.html.

¹³ 9 Countries To Watch on the 2022 Corruption Perceptions Index, https://www.transparency.org/en/blog/cpi-2022-corruption-watch-list-united-kingdom-sri-lanka-georgia-ukraine.

¹⁴ Byline Times article 19th June 2023 "Hundreds of COVID-Related Contract Documents – Worth More Than £7 Billion – Have Still Not Been Published,"

¹⁵ See Procurement Policy Note PPN 06/20 – taking account of social value in the award of central government contracts.

https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts. See also, Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts,

Many public bodies delivering public services are fragile after a decade of budget austerity measures and responding to COVID-19.¹⁶ More efficient access to better data will help public organisations spend smarter, but time and resources will likely be needed to transition into a new way of working. While transitioning to this data-driven approach demands initial investments in time and resources, the transformative benefits in operational efficiency and prudent expenditure are poised to redefine the landscape of public administration.

Regarding this specific consultation, we mostly welcome the notices set out in the draft SI, the use of a central data platform for publishing notices, and provisions for central supplier registration. We are also concerned about some shortcomings:

- 1. There is no provision in the SI for the public getting data *out* of the central digital platform. There are many provisions for getting information *into* the central digital platform but insufficient provisions for the public and others to get data *out* of the central digital platform in a way that enables reuse and analysis by businesses and civil society. The SI should provide for the option to export open data from the central digital platform under an Open Government License (3.0) structured according to the Open Contracting Data Standard (or similar), including the use of the Open Contracting ID (or similar) and open entity identifiers.¹⁷ (This point is made in our answers to consultation questions 37, 38, 46 in the Appendix.)
- 2. Frameworks and dynamic markets risk becoming large dark walled gardens for procurement. The notices required for procurement under frameworks and dynamic marketplaces are insufficient when compared to regular contracts. An analysis of data from Contracts Finder for 2018/19 shows that 64 framework agreements (worth over £500 million) were signed with an aggregate value of £285 billion. Some of us predict that frameworks and dynamic markets are likely to be used more frequently and are concerned about giving public and potential suppliers more insight into these procurements and the contracts awarded under them. Reduced notice requirements should be linked to the value of the procurement or the sensitive nature of the relevant information not based on whether the procurement runs through a framework, dynamic market, or other procedure. (This point is made in our answer to consultation question 26 in the Appendix.)
- 3. There is no provision in the notices for transparency or capture of data, which would be useful for the government, around the inclusion of social value and/or

¹⁶ Institute for Government (2022) *Report: 'Austerity' in public services: lessons from the 2010s*, https://www.instituteforgovernment.org.uk/publication/report/austerity-public-services-lessons-2010s. See also Institute for Government (2022) *Report: Neighborhood services under strain: How a decade of cuts and rising demand for social care affected local services*,

https://www.instituteforgovernment.org.uk/publication/neighbourhood-services-under-strain.

¹⁷ See Open Contracting Partnership (OCP) website, https://www.open-contracting.org/data-standard/. See also Open Contracting Data Standard (OCDS) schema web pages, https://standard.open-contracting.org/latest/en/.

¹⁸ Chris Smith provided this information.

wider social, economic, and environmental commitments. The Procurement Bill provides a statutory basis for a National Procurement Policy Statement and many public authorities are obliged to fulfill the goals in this policy statement, their own policy statement, and/or additional policy goals through their procurements. In the contract details note, there could be a description of whether wider social, economic, and/or environmental (i.e., social value) considerations were part of the requirements, evaluation, and/or contractual commitments. Ideally for some of us, this description will explicitly link the social value in the specific contract to wider policy outcomes laid out in the public body's own strategies, the National Procurement Policy Statement, and/or Net Zero carbon emission targets. At least one Key Performance Indicator (KPI) could then be framed around the social value commitments and then reported upon in the contract performance notices. (This point is made in our answer to consultation question 29 in the Appendix.)

Some of us submitted responses to the Green Paper in 2021, including a response from the Oxford POGO Club, where we noted concerns about culture, outcomes, transparency, and learning.¹⁹ This consultation is most directly about transparency, but our other concerns remain.

Regarding culture, in 2021, we expressed concern that the Green Paper exhibited a very top-down approach. We have similar concerns about the draft SI. The notices and central digital platform will pull data to a central place and make them available online in some form, but then what? There needs to be more attention and support for the accessibility and *use* of these procurement data for insights and decision-making at all levels of government around the UK. Public authorities should be users of procurement data, in combination with other data, but the draft SI is mostly concerned with getting data *from* them into a central location. We think that open data published by the central digital platform could be extremely useful for contracting authorities. An important feedback loop will be missing if the data cannot be easily exported and analysed.

Related to this point there was also discussion about this problem with the government's current 'Contracts Finder' and 'Find a Tender' services. There were suggestions that open data should be published from the new central digital platform in CSV format for search results and analysis similar to the way Public Contracts Scotland publish open data.²⁰

Regarding outcomes, we welcome the provisions around publication of key performance indicators as part of the contract details notice and see an opportunity for linking performance indicators to longer-term outcomes. More work is needed here to help procurement professionals understand what KPIs should be reported for different areas of policy. The use of KPIs could also be informed by the government's "Magenta Book" guidance on policy

https://www.publiccontractsscotland.gov.uk/NoticeDownload/Download.aspx.

¹⁹ See Oxford POGO Club (2021) Response to the Green Paper on Transforming Public Procurement, https://golab.bsg.ox.ac.uk/documents/POGOGreenPaperResponse_FinalDraft_7MAR21_sjo7VQh.pdf.

²⁰ See Government of Scotland website,

evaluation.²¹ The government should consider supporting working groups to recommend and develop templates for standardized outcomes measures, which can be used as key performance indicators in contracts and synthesised or aggregated for analysis by the government. (An example of this was a draft standard template for social impact bonds with a template data sharing agreement by a working group of the Oxford POGO Group.²²) A starting point might be outcome measures and associated Net Zero targets and/or other areas of the National Procurement Policy Strategy.

Regarding learning, we remain concerned about insufficient provision for learning throughout the procurement system and also about strengthening the capacity and voice of procurement professionals within their organisations and across the system. (Some of us also see a need to strengthen the capacity of public managers regarding the use of grants and working with charities.) Regarding these reforms, we note the importance of developing training materials to help the private sector and civil society use the new central digital platform as they are, after all, the intended audience.

In the consultation document, the government asks 50 questions about the draft SI. In the appendix, we answer selected questions regarding notices, central digital platform, and identifiers.

We would be happy to explore these issues further with the government. For follow-up questions, please contact ruairi.macdonald@bsg.ox.ac.uk or golab@bsg.ox.ac.uk.

Thank you for your attention to this submission.

Sincerely,

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https://golab.bsg.ox.ac.uk/knowledge-bank/resource-library/oxford-pogo-club-OutcomesTemplateDraftSep tember2021/.

²¹ See HM Treasury Office 'Magenta Book' resources on evaluation, including the Supplementary Guide: Handling Complexity in Policy Evaluation (2020).

https://www.gov.uk/government/publications/the-magenta-book.

²² See GO Lab website,

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[See attached Appendix: CONSULTATION QUESTION AND OUR ANSWERS]

APPENDIX: CONSULTATION QUESTION AND OUR ANSWERS

CONSULTATION QUESTION 1: To what extent do you agree or disagree that the **pipeline notice**, as described in the draft SI, will usefully provide advance notice to suppliers of forthcoming contracting opportunities?

OUR ANSWER TO QUESTION 1: We agree.

Most of the group agreed that the pipeline notice, as described in the draft SI, will usefully provide advance notice to suppliers of forthcoming contracting opportunities and help build more sustainable supply chains. There was some concern and discussion about whether the pipeline notices might be confusing if the procurements do not proceed, the pipeline notices are difficult to link to subsequent specific procurements, or the pipelines are used for political posturing.

CONSULTATION QUESTION 3: To what extent do you agree or disagree that the contents of the [planned procurement] notice described in the draft SI provide the information needed by suppliers to determine their interest in the upcoming procurement that is the subject of the notice?

OUR ANSWER TO QUESTION 3: We agree.

CONSULTATION QUESTION 5: To what extent do you agree or disagree that the notice as set out in the draft SI delivers the policy intention of encouraging the use of preliminary market engagement in an open and transparent way?

OUR ANSWER TO QUESTION 5: We agree.

CONSULTATION QUESTION 9: To what extent do you agree or disagree that the **tender notice** as set out in the draft SI enables a contracting authority to effectively advertise and commence a competitive procedure?

OUR ANSWER TO QUESTION 9: We agree.

CONSULTATION QUESTION 11: To what extent do you agree or disagree that the DM [Dynamic Market] notice as set out in the draft SI permits a contracting authority to effectively create a dynamic market (including a utilities dynamic marketplace) for the future award of public contracts?

OUR ANSWER TO QUESTION 11: We agree (though we are not commenting on utilities dynamic marketplaces here).

CONSULTATION QUESTION 15: To what extent do you agree or disagree that the **transparency notice** as set out in the draft SI will provide visibility of upcoming procurements to be awarded using the direct award procedure?

OUR ANSWER TO QUESTION 15: We agree, though there was discussion.

Agreement was expressed regarding the transparency notice as set out in the SI, but some concern was expressed about potential new administrative burdens upon contracting authorities. At the same time, it was also expressed by those in agreement that the new regime may be less burdensome because the new notice would be submitted to one platform.

CONSULTATION QUESTION 17: To what extent do you agree or disagree that the contents of the [procurement] termination notice, as set out in the draft SI, provide greater transparency about procurement processes that have not resulted in a contract?

OUR ANSWER TO QUESTION 17: We agree.

CONSULTATION QUESTION 19: To what extent do you agree or disagree that the contents of the assessment summary (along with the provision of the successful supplier's assessment summary) will provide adequate information to suppliers so that they can reasonably understand why they did or did not win the contract while reducing the time it takes for contracting authorities to provide this information?

OUR ANSWER TO QUESTION 19: We agree.

CONSULTATION QUESTION 21: To what extent do you agree or disagree that the **contract award notice** as set out in the draft SI will be a suitable vehicle for alerting the market to the contracting authority's intent to enter into a public contract and triggering the standstill period?

OUR ANSWER TO QUESTION 21: We agree.

CONSULTATION QUESTION 25: To what extent do you agree or disagree that the contents of the **contract details notice**, as set out in the draft SI, will give the required level of transparency of the existence and substance of government contracts?

OUR ANSWER TO QUESTION 25:

We agree, subject to the points made in our answer to question 26 below regarding call-offs and social value.

CONSULTATION QUESTION 26: If you wish to explain why you do not agree that the draft SI reflects or delivers the policy intent described above, please do so.

OUR ANSWER TO QUESTION 26:

The draft SI should clarify whether the contract details notice and other notices apply to an awarded framework agreement or call-off orders under a framework or dynamic marketplace. We anticipate that the use of frameworks and dynamic markets is likely to grow. The public and potential suppliers should have insight into these procurements particularly for the award of contracts. We have discussed that reduced notice requirements should be linked to the value of the procurement or the sensitive nature of the relevant information – not based on whether the procurement runs through a framework, dynamic market, or other procedure. The text of the consultation states, "Additionally, framework 'call-offs' will publish this notice to inform interested parties that the call off contract has commenced," but call-offs are not defined in the SI or the Bill so this should be made more clear in the SI by adding a definition.

There was discussion about whether the contract details notice should capture a description of whether wider social, economic, and/or environmental (i.e., social value) considerations were part of the requirements, evaluation, and/or contractual commitments. Ideally, for some of us, this description will explicitly link the social value in the specific contract to wider policy outcomes laid out in the public body's own strategies, the National Procurement Policy Statement, and/or Net Zero carbon emission targets. It was suggested that social value data should be structured or searchable by policy alignment, with transparency into the social value evaluation approach, and transparency into the agreed social value commitments. (See also the related suggestion in our answer to question 29 on contract performance notice.)

CONSULTATION QUESTION 27: To what extent do you agree or disagree that the **payments** compliance notice provides the transparency necessary to hold the public sector to account for its performance in paying suppliers on time?

OUR ANSWER TO QUESTION 27: We agree.

CONSULTATION QUESTION 29: To what extent do you agree or disagree that the **Contract Performance** notice will provide adequate information about a supplier's performance on a contract?

OUR ANSWER TO QUESTION 29: We agree.

Some of us would like to encourage the government to clarify whether Key Performance Indicators (KPIs) may change, be added, or discontinued at the discretion of the government in a contract amendment with an explanation in a contract change notice. On one hand, we want to encourage the use of KPIs and recognise that the contracting authority and contractor may learn things about the

most helpful KPIs during the course of the contract. On the other hand, we want to discourage the changing or removal of uncomfortable performance data without explanation.

As noted previously, we would also encourage the development of additional guidance around KPIs to help public bodies associate contract-level activity with wider economic, social, and environmental policy outcomes, such as those laid out in the public body's own strategies, the National Procurement Policy Statement, and/or Net Zero carbon emission targets.

There are some concerns that the performance ratings – Good, Approaching Target, Requires Improvement, Inadequate, Other – are presented as being tied to *objective* performance measures. In practice, there is going to be some *subjective* interpretation of any measure in order to assign a rating. Some of us would welcome provisions to highlight the public official's professional subjective opinion regarding contractor performance. Some of us would welcome provisions to avoid disputes on this matter.

Also regarding Key Performance Indicators (KPIs), we welcome a shift towards publishing structured performance data rather than a rating. For example, the number of protective gowns accepted, miles of tunnel completed, local small businesses subcontracted, or people facing barriers to employment entering sustained employment. To this end, we encourage the development of additional guidance around KPIs to help public bodies associate contract-level activity with wider economic, social, and environmental policy outcomes, such as those laid out in the public body's own strategies, the National Procurement Policy Statement, and/or Net Zero carbon emission targets.

CONSULTATION QUESTION 31: To what extent do you agree or disagree that the **Contract Performance** notice will provide adequate information relating to a **serious breach of contract**by a supplier?

OUR ANSWER TO QUESTION 31: We agree.

CONSULTATION QUESTION 33: To what extent do you agree or disagree that the contents of the **contract change notice** will provide greater transparency of the proper management of government contracts?

OUR ANSWER TO QUESTION 33: We agree.

CONSULTATION QUESTION 35: To what extent do you agree or disagree that the contents of the contract termination notice, as set out in the draft SI, will give greater clarity and transparency about which government contracts are still in force?

OUR ANSWER TO QUESTION 35: We agree.

CONSULTATION QUESTION 37: To what extent do you agree or disagree that the SI drafting provides clarity about the operation of the central digital platform?

OUR ANSWER TO QUESTION 37:

We agree that the draft SI provides information about data *into* the platform. However, some of us believe the draft SI is insufficient regarding how to get data out of the platform. (See our answer to Question 38 below for further explanation.)

CONSULTATION QUESTION 38: If you wish to explain why you do not agree that the draft SI reflects or delivers the policy intent described above, please do so.

OUR ANSWER TO QUESTION 38:

There are many provisions about getting information into the central digital platform, but insufficient provisions for the public and others getting data out of the system in a way that enables reuse and analysis. The SI should provide for the option to export data from the central digital platform under an Open Government License (V3.0) structured according to the Open Contracting Data Standard (OCDS) or similar. There was discussion about the UK's existing public commitments to implementing OCDS, for example, in the UK's current open national action plans.²³

CONSULTATION QUESTION 39: To what extent do you agree or disagree that the workaround procedure provides a viable alternative in the event of a failure in the central digital platform?

OUR ANSWER TO QUESTION 39: We agree.

CONSULTATION QUESTION 41: To what extent do you agree or disagree that the information required by the draft SI to be obtained via the central digital platform will save duplication and re-submission time by suppliers bidding for multiple government contracts?

OUR ANSWER TO QUESTION 41:

We agree, however, this assumes that the government purchasers and any e-tendering system used by government purchasers does not require the *same* information to be provided again. Skepticism was expressed about whether this duplication will be avoided in practice because the various e-procurement platforms have different registration requirements. We encourage the government to provide an implied term or model term with guidance that public bodies can

²³ See UK Government's open contracting commitments in their Fifth National Action Plan (NAP 5) on the government's website,

https://www.gov.uk/government/publications/uk-national-action-plan-for-open-government-2021-2023/uk-national-action-plan-for-open-government-2021-2023#commitment-1-open-contracting.

include in their agreements with providers of procurement / e-tendering services or systems. It was suggested that once data are entered into an e-tendering system, then they should be directly available to the central platform or vice versa.

CONSULTATION QUESTION 43: To what extent do you agree or disagree that use of the Central Digital Platform: Supplier Information should be mandatory during the tendering period and that, until the end of the tendering period, contracting authorities may only use the registered core supplier information submitted to the platform?

OUR ANSWER TO QUESTION 43:

We agree, subject to the point made in our answer to Question 41 above about the collection of the *same* information on multiple forms.

CONSULTATION QUESTION 45: To what extent do you agree or disagree that the provisions on unique identifiers will enable tracking of procurement data?

OUR ANSWER TO QUESTION 45:

We agree subject to the points made below in our answer to Question 46 about non-proprietary identifiers and use of the Open Contracting ID.

CONSULTATION QUESTION 46: If you wish to explain why you do not agree that the draft SI reflects or delivers the policy intent described above, please do so.

It is important that unique entity identifiers are non-proprietary or issued under an open government license. The government may wish to collect a proprietary DUNS number from the contractor but this should not be used to join up notices or identify the contractor in data to be released for use under the Open Government License (V3.0).

We encourage the use of an Open Contracting ID (or similar) as an identifier for the procurement to help link the various notices together.²⁴

²⁴ See Open Contracting Partnership webpage on identifiers in the Open Contracting Data Standard schema, https://standard.open-contracting.org/latest/en/schema/identifiers/.