

# REFORM

## PUBLIC SPENDING

## The Price of Poor Procurement

The argument for an independent regulator

---

Joshua Pritchard

October 2019

[#Reformpublicspending](#)

the study. The first author (S.J.G.) was the primary contact with the participants and was also the primary contact with the researchers from the other institutions. The second author (M.C.) was the primary contact with the researchers from the other institutions. The third author (S.A.) was the primary contact with the researchers from the other institutions. The fourth author (S.J.G.) was the primary contact with the researchers from the other institutions.

## 2. Method

### 2.1. Participants

The study was conducted with 120 participants, 60 from the University of Northumbria and 60 from the University of Durham. The participants were all undergraduate students in the first year of their degree. The participants were recruited through a variety of sources, including posters, flyers, and direct contact with the participants. The participants were all given a verbal explanation of the study and a written copy of the participant information sheet. The participants were all given the opportunity to ask questions and to withdraw from the study at any time.

### 2.2. Procedure

The study was conducted in two sessions. In the first session, the participants were given a verbal explanation of the study and a written copy of the participant information sheet. The participants were then given a verbal explanation of the study and a written copy of the participant information sheet. The participants were then given a verbal explanation of the study and a written copy of the participant information sheet. The participants were then given a verbal explanation of the study and a written copy of the participant information sheet.

### 2.3. Results

The results of the study are presented in Table 1. The results show that the participants from the University of Northumbria performed significantly better than the participants from the University of Durham. The results also show that the participants from the University of Northumbria were significantly more likely to be correct than the participants from the University of Durham. The results also show that the participants from the University of Northumbria were significantly more likely to be confident than the participants from the University of Durham.

### 2.4. Discussion

The results of the study suggest that there are significant differences in performance and confidence between the participants from the University of Northumbria and the participants from the University of Durham. The results also suggest that the participants from the University of Northumbria are more likely to be correct and more likely to be confident than the participants from the University of Durham. The results also suggest that the participants from the University of Northumbria are more likely to be correct and more likely to be confident than the participants from the University of Durham.

### **Author's Note**

This report is based upon original *Reform* research and analysis of publicly available data of 52 investigations into public sector procurement. *Reform* compiled this information into a dataset as given in the original sources, rounded to the nearest £100,000. The full dataset and analysis, including direct links to the primary sources, are available on the *Reform* website at the following [link](#).

Where possible the exact figure to the nearest pound has been given in the “Cause of costs” or “Notes” columns on sheet 1.1. Where a footnote or source in this report is given as “Reform research”, it is referring to the dataset and analysis linked above.

The suggestions and ideas included in this report are designed to stimulate discussion and promote debate about some of the most pressing issues facing public services in the UK.

The arguments and any errors that remain are the author's and the author's alone.

### **About Reform**

*Reform* is established as the leading Westminster think tank for public service reform. We are dedicated to achieving better and smarter public services. Our mission is to set out ideas that will improve public services for all and deliver value for money.

We work on core sectors such as health and social care, education, home affairs and justice, and work and pensions. Our work also covers issues that cut across these sectors including public service design and delivery, and digital public services.

We are determinedly independent and strictly non-party in our approach. *Reform* is a registered charity, the Reform Research Trust, charity no.1103739.

This publication is the property of the Reform Research Trust.

---

# Contents

Introduction .....	3
1. Facts and figures.....	4
2. Politicised investigations .....	7
3. The impact of Carillion.....	9
4. The investigators.....	11
5. An independent procurement regulator .....	13
5.1. Structure .....	14
5.2. Functions .....	17
Prevention.....	17
Review and Compensation.....	20
5.3. Funding.....	21
Conclusion.....	23
Appendix.....	24
Bibliography .....	27

---

# Introduction

Between 2016 and 2019, the British government has spent an estimated £842 billion on external suppliers of goods and services, on everything ranging from new hospital buildings and waste collection services, to benefit claimant assessments and IT projects.<sup>1</sup> Of the £2.4 trillion spent by the government in total during the same period, external spend accounts for about £1 in every £3 or £4,227 per British citizen per year.<sup>2</sup>

It is therefore unsurprising that the question of public-private partnerships has become a hot topic in current political discourse, particularly in light of growing public dissatisfaction with for-profit involvement in public services.<sup>3</sup> This growing resistance to the private sector delivering public services has led Labour to make “insourcing” a key part of their public services agenda, and the Conservatives to promise in their October 2019 Queen’s Speech that “the NHS is not, and never will be, for sale to the private sector”.<sup>4</sup>

Yet little work has been done on shifting the conversation away from ideology to focus on the underlying evidence. It should not matter who provides goods or services if they are of the highest quality and value for money for the commissioner and, ultimately, the taxpayer. Dogmatic beliefs – in either the value of public-sector markets or the benefits of in-house provisions – risk poor policy making, which in turn is detrimental to all citizens whose daily lives are impacted by state services.

Utilising publicly available data on the additional costs incurred by contracts between the public and private sectors, *Reform* research has revealed for the first time the true costs to the taxpayer of poor procurement and outsourcing.

This paper explains why the evidence does not support the argument that in-house is necessarily more cost-effective, while also recognising that there is significant room for improvement in how government purchases from the private sector and how this spend is regulated and policed.

---

<sup>1</sup> HM Treasury, *Public Expenditure: Statistical Analyses 2019*, 2019.

<sup>2</sup> *Ibid.*

<sup>3</sup> YouGov, ‘Nationalisation vs Privatisation: The Public View’, Webpage, 19 May 2017.

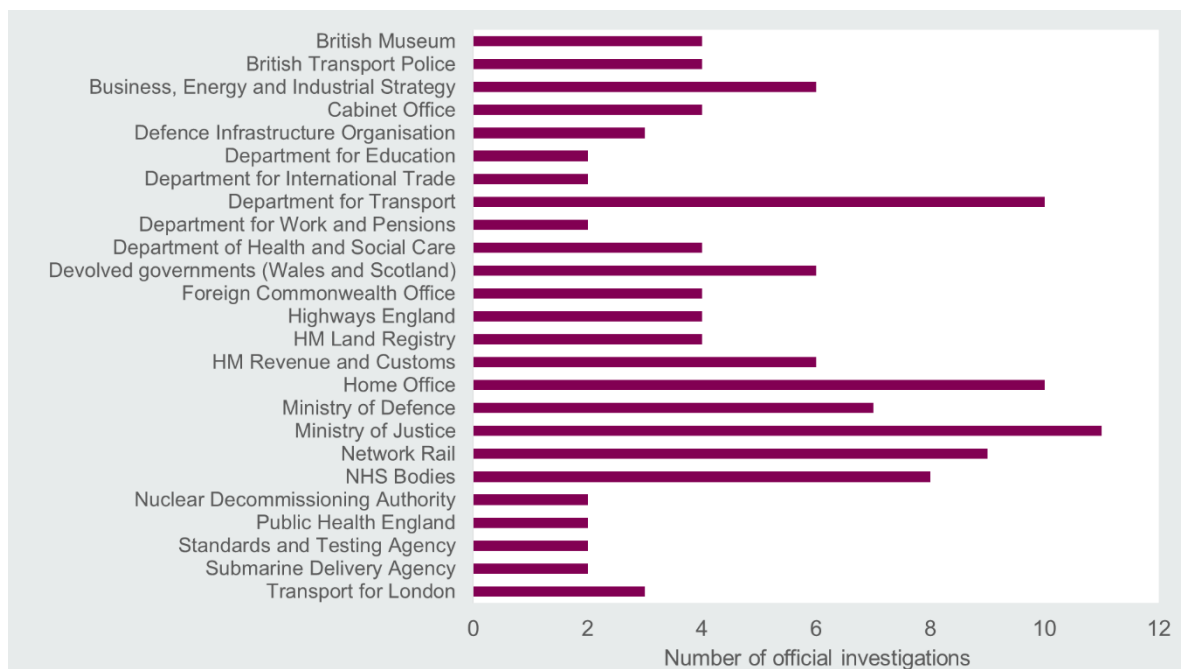
<sup>4</sup> Labour Party, *Democratising Local Public Services: A Plan for Twenty-First Century Insourcing*, 2019; Prime Minister’s Office, *The Queen’s Speech and Associated Background Briefing, on the Occasion of the Opening of Parliament on Monday 14 October 2019*, 2019, 125.

# 1. Facts and figures

*Reform* examined the official investigations conducted between June 2016 and July 2019 into public procurement (i.e. the purchase of goods from the private or third sector) and outsourcing (i.e. the shift of service delivery from the public to private or third sector). These included inquiries by parliamentary committees, independent regulators, and non-ministerial government departments.

Fifty-two published reports covering eight policy areas and 25 specific contracts or partnerships were identified for the period in question. Twenty-seven public bodies were involved in the contracts, ranging from the Department for Work and Pensions and the Ministry of Justice, to Transport for London and the British Museum.

**Figure 1: Number official investigations into public bodies involved in procurement or outsourced contracts between June 2016 and July 2019**

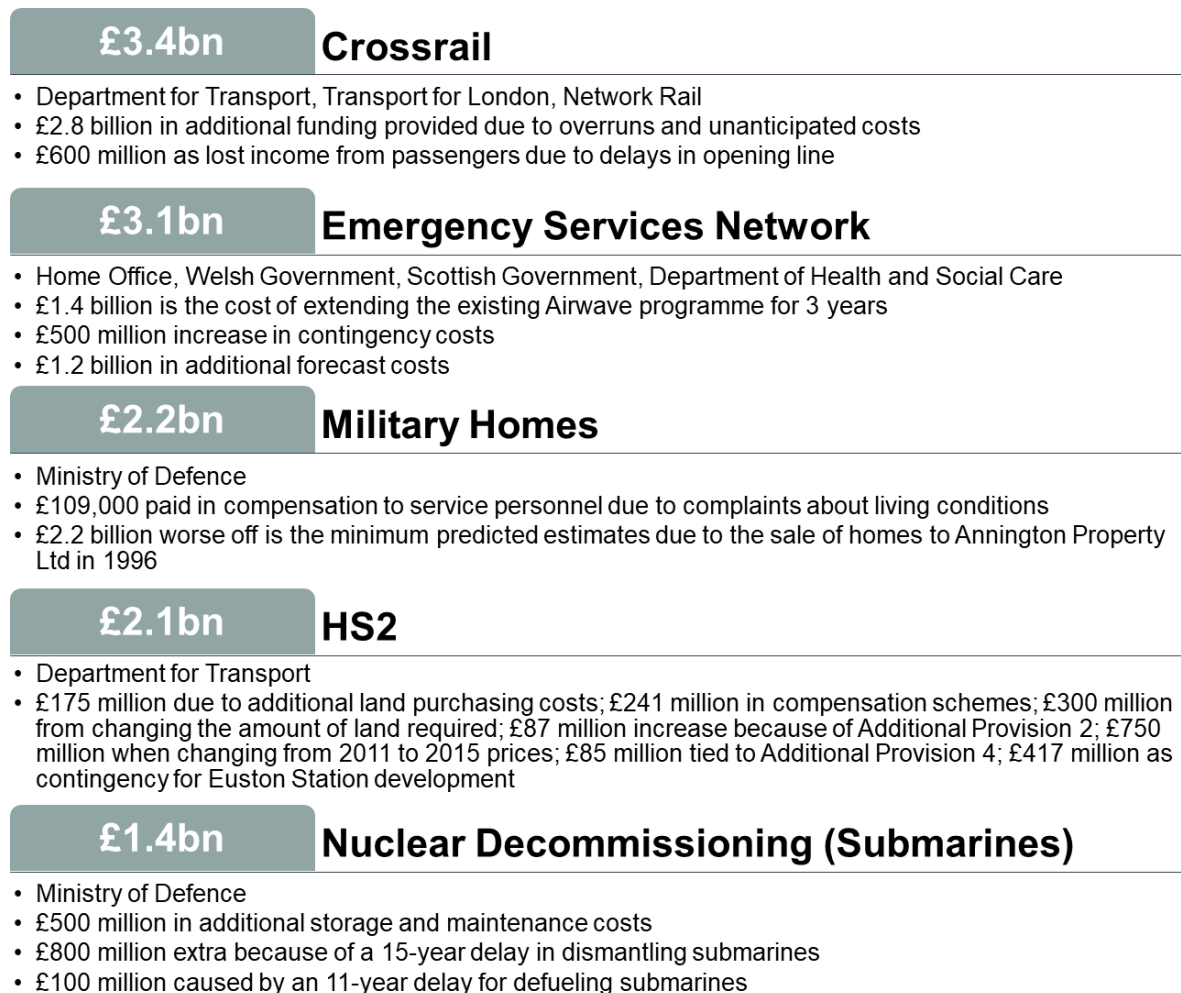


Source: *Reform* research based on official investigations.

The additional costs to the taxpayer identified by these investigations are substantial. From having to provide extra funding for delays or unplanned expenses, to missed incomes or profits from specific schemes, an estimated £14.3 billion has been spent on contracts initially valued at only £71.1 billion – a 20 per cent increase on predicted costs.

Figure 2 shows that five programmes – Crossrail, the Emergency Services Network, Military Homes, HS2, and the Nuclear Submarine Decommissioning – were identified as having additional costs (as defined above) in excess of £1 billion per project. At £3.4 billion and £3.1 billion respectively, Crossrail and the Emergency Services Network were the largest and most costly projects in gross terms to require additional funding.

**Figure 2: Top 5 most expensive investigations (total additional costs) between June 2016 and July 2019**

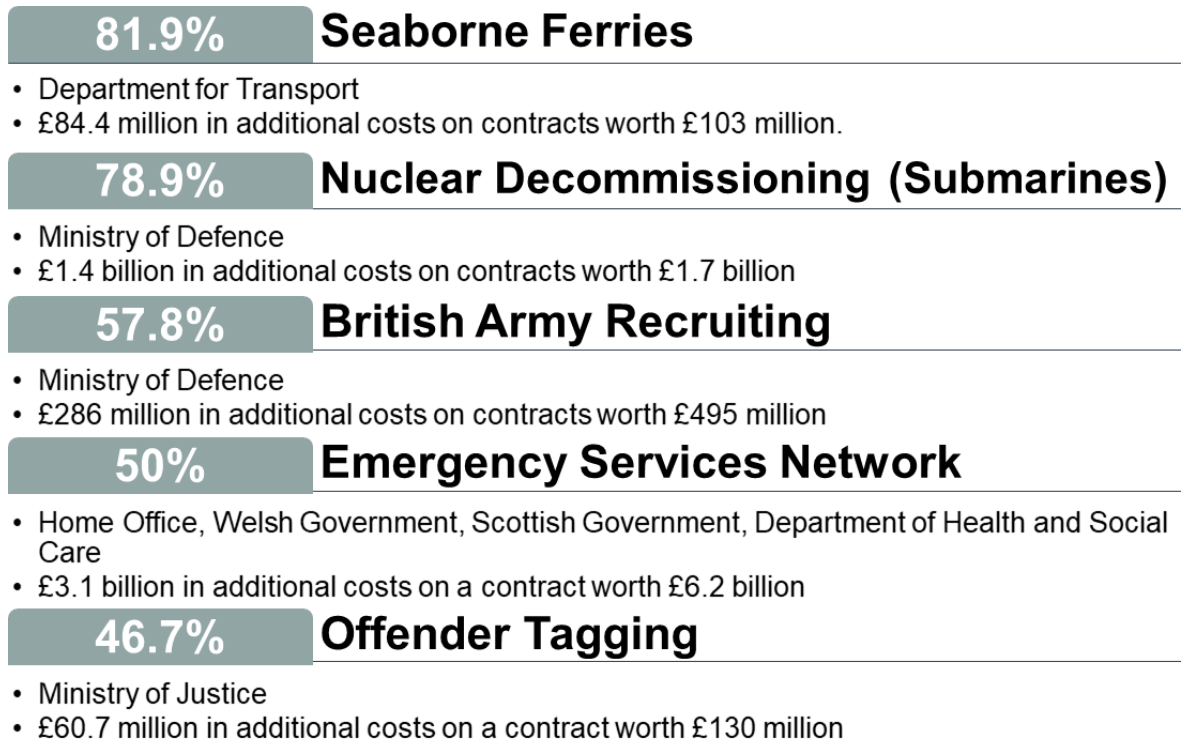


Source: *Reform* research based on official investigations.

However, taken as a proportion of the original contract values, the two most overspent contracts were Nuclear Submarine Decommissioning and Seaborne Ferries (see Figure 3). The additional costs incurred added over 75 per cent to the original budget allocated for those programmes. The Seaborne Ferries debacle, for instance, cost the government an additional £84.4 million in compensation and cancellation fees on contracts worth only £103 million – an increase of 81.9 per cent.<sup>5</sup>

<sup>5</sup> House of Commons Committee of Public Accounts, *Eurotunnel and the UK Border: Out-of-Court Settlement with Eurotunnel*, HC 2460 (London: The Stationary Office, 2019); National Audit Office, *The Award of Contracts for Additional Freight Capacity on Ferry Services*, 2019.

**Figure 3: Top 5 most expensive investigations (as percentage of original contract) between June 2016 and July 2019**



Source: *Reform* research based on official investigations.

What these figures show is that while the most expensive programmes are the most likely to be investigated in terms of total expenditure, the additional costs incurred are often not significantly more as a proportion of the original contract values. As sheet 2.4 of the data annex shows, seven investigated projects incurred additional costs of less than 20 per cent of what the contracts were worth, and four incurred costs of less than five per cent additional costs.

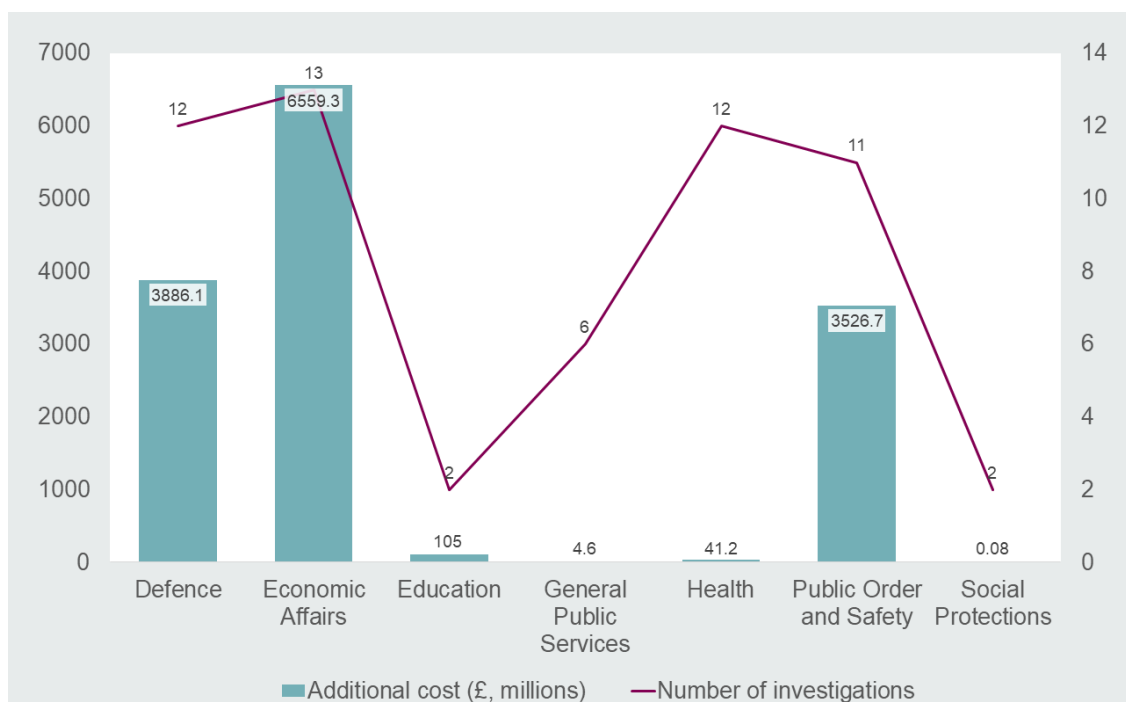
The emphasis on the government's largest and most expensive 'flagship' projects such as HS2 and Crossrail emphasises that as well as cost, political and public pressure forces scrutiny on specific issues. Ensuring that the emphasis remains on value for money, and that the most inefficient contracts are examined as regularly as the most expensive, is crucial to a thorough regulatory system.



## 2. Politicised investigations

The impact of this political and public pressure is reflected in the number of investigations conducted into functions of government (i.e. policy areas). As Figure 4 shows, those areas with the largest additional costs incurred typically have the highest number of investigations. However, there are exceptions to this.

**Figure 4: Number official investigations and additional cost of failure per policy area between June 2016 and July 2019**



Source: *Reform* research based on official investigations. \*Data for Housing and Community Amenities was insufficient to present in this graph. Multiple city areas may have been covered by the same investigation.

Health, for instance, saw a disproportionately high number of investigations compared to the additional costs identified in health contracts. Twelve investigations into health were published between June 2016 and July 2019, making it the joint second most scrutinised policy area, and yet only £41.2 million of additional costs were incurred by those investigated contracts (or 3.3 and 3.4 percent increases for the two contracts for which this analysis is available).<sup>6</sup>

For comparison, Defence, Economic Affairs, and Public Order and Safety (the other three government functions rounding out the top four in terms of investigations) incurred £3.8

<sup>6</sup> House of Commons Committee of Public Accounts, *Adult Health Screening, Ninety-Sixth Report of Session 2017-19*, HC 1746 (London: The Stationery Office, 2019); National Audit Office, *Investigation into the Management of Health Screening*, HC 1871, 2019; House of Commons Committee of Public Accounts, *UnitingCare Partnership Contract, Twenty-Fifth Report of Session 2016-17*, HC 633 (London: The Stationery Office, 2016); National Audit Office, *Investigation into the Collapse of the UnitingCare Partnership Contract in Cambridgeshire and Peterborough* (National Audit Office, 2016).

billion, £6.5 billion, and £3.5 billion in additional costs respectively and yet saw only 12, 13, and 11 investigations respectively.

Furthermore, the Health and Social Care Select Committee has published no reports and conducted no inquiries into procurement or commissioning during the current Parliament. In contrast, failures in Public Order and Safety have been investigated by the Justice Committee as well as the Public Accounts Committee (PAC) and National Audit Office (NAO). Health contract scrutiny relies largely upon the more general PAC and NAO.

Multiple polls show that health consistently ranks among the most important issues for voters in the UK, which makes it unsurprising that MPs in charge of the PAC have felt the need to investigate NHS contracting more often than the financial consequences would seem to require.<sup>7</sup> This is not only an ineffective use of time for the oversight bodies but also diverts valuable resources away from more important and more costly issues.

Of course, financial cost does not necessarily equate with importance – a lower-value contract dealing with life-saving treatments could be seen as more important than a multi-billion-pound infrastructure project, for instance. The primary purpose of the PAC and NAO, however, is to scrutinise government's spending. There are other bodies (such as NHS Improvement prior to its merger with NHS England, the Care and Quality Commission, and the Health and Social Care Select Committee) with the remit and mandate to investigate care issues, therefore enabling the financial watchdogs to focus on the costliest contracts and deals.

---

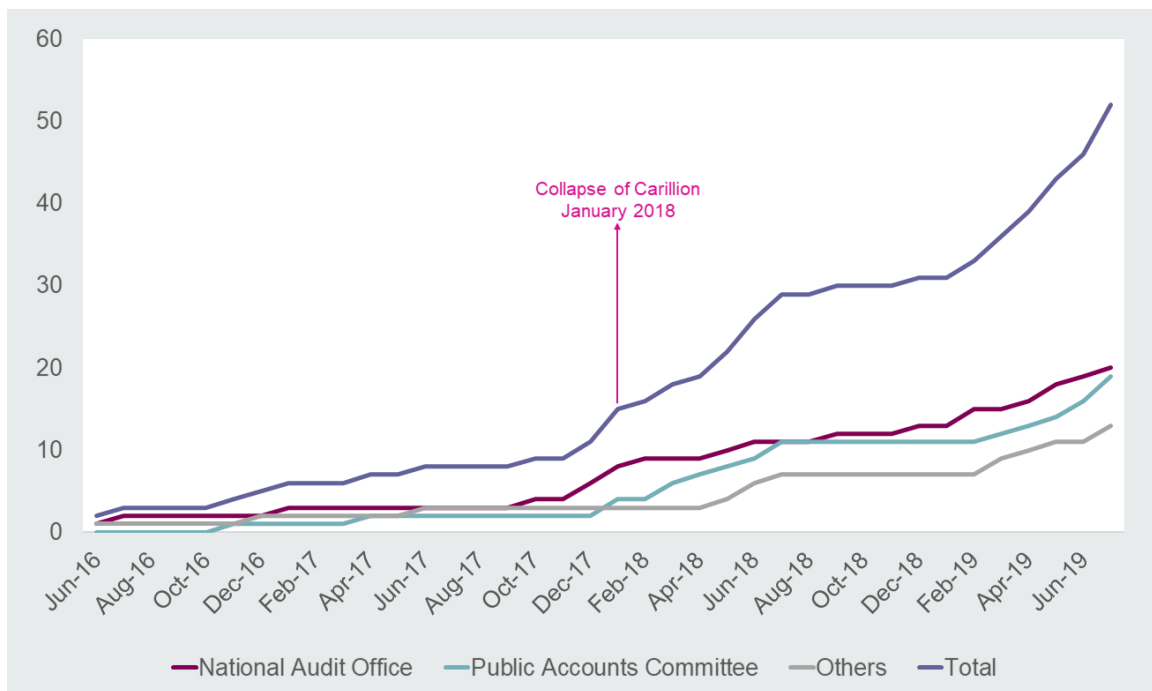
<sup>7</sup> Jedidajah Otte, 'Environment of Greater Concern than Housing or Terrorism – UK Poll', *The Guardian*, 21 July 2019; YouGov, 'YouGov Top Issues Tracker (GB)', Webpage, 11 October 2019; Ipsos MORI, 'Ipsos MORI Issues Index August: Worries about Brexit Hold Steady While Concern about the NHS and Crime Rise', Webpage, 5 September 2019.

### 3. The impact of Carillion

The response to political and public pressure is not only evident in health. While the collapse of Carillion in January 2018 has dominated discussions of outsourcing and public procurement ever since, the building company’s very-public demise also marked a turning point in the scrutiny of public-private partnerships.<sup>8</sup>

Figure 5 shows that in the 19 months prior to Carillion (June 2016 to the start of January 2018), 11 official investigations into public procurement and outsourcing were published, averaging one report every seven weeks. Seventy-two per cent were carried out by the PAC and the NAO who often work in tandem (the NAO is often tasked by Parliamentary Committees to investigate a certain issue, which is then also the subject of an inquiry by the Committee.)

**Figure 5: Cumulative number of investigations into public procurement and outsourcing between June 2016 and July 2019**



Source: *Reform* research based on official investigations.

In the 19 months after Carillion’s demise (January 2018 to July 2019), there have been 41 official investigations, or an average of one report every two weeks. The bodies behind the investigations include the Justice Committee, Financial Conduct Authority, Home Affairs Committee, and Serious Fraud Office.

<sup>8</sup> Rob Davies, ‘Former Carillion Directors Branded “Delusional” at MPs’ Q&A’, *The Guardian*, 6 February 2018; Financial Times, ‘FT Collections: Carillion’s Collapse: Risk and Failure’, Webpage, 2019; Dominic Brady, ‘Government Announces “Living Wills” Pilot to Protect Public Services | Public Finance’, *Public Finance*, 21 November 2018; Gill Plimmer, ‘Carillion Collapse Set to Cost Taxpayer at Least £148m’, *Financial Times*, 7 June 2018.

By itself, this trend could be dismissed as coincidental. However, in the six months after Carillion, the number of investigations published jumped significantly from 15 in January 2018 to 29 in August 2018. This was followed by a second substantial increase in published reports during the first six months of 2019 – the total jumped from 31 in January 2019 to 52 in July 2019. These represent the largest, consistent increases of any period examined in this research. It is evident that Carillion triggered an unprecedented focus on government's external spending, not only with the NAO and PAC but other groups who had not recently examined procurement or outsourcing issues.

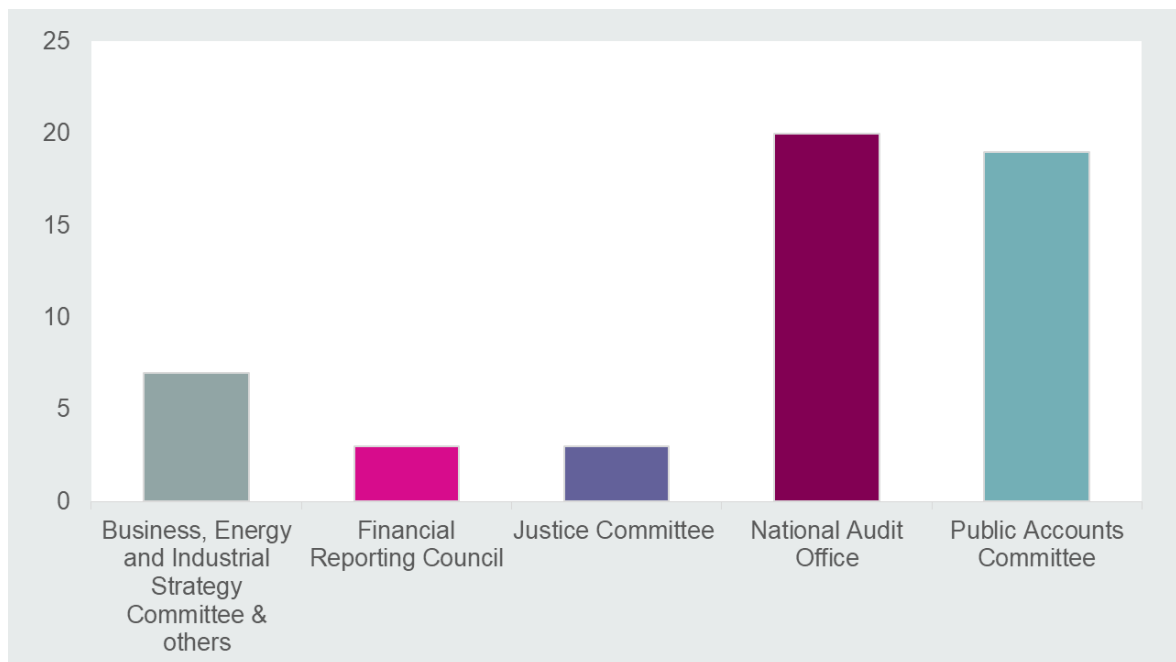
Carillion's collapse may not have single-handedly caused the jump in investigations – it should be noted that in the one month prior to the company's liquidation, the number of published reports had already increased by almost a third (from 11 to 15) – but the clear trend reflects the focus that Carillion's long demise after June 2017 put on the outsourcing sector.

## 4. The investigators

The £14.3 billion cost of poor procurement and outsourcing raises two key questions for policymakers and interested parties: how can this additional cost be minimised in future, and which projects require heightened independent scrutiny to achieve this? A third-important question also arises: who are we (as citizens) dependent upon to hold government and providers to account when things go wrong?

Eleven official organisations, bodies, or watchdogs were involved in examining procurement or outsourcing issues between June 2016 and July 2019. These included seven parliamentary select committees,<sup>9</sup> two independent regulators,<sup>10</sup> one non-ministerial government department (the Serious Fraud Office), and one independent parliamentary body (the NAO).

**Figure 6: The number of investigations conducted by official organisations and bodies into outsourcing between June 2016 and July 2019**



Source: *Reform* research based on official investigations.

However, as Figure 6 shows, the workload and contributions of these different groups varied. The NAO and PAC account for almost 75 per cent of all investigations between them (39 of 52). Although “the NAO does sterling work”, according to a report by the Smith Institute,<sup>11</sup> neither it nor the PAC has the ability or authority to enforce changes to the extent that regulators and watchdogs in other areas can (for instance, the Competition and Markets Authority, or Ofcom, Ofgem, and Ofwat). This presents issues for acting

<sup>9</sup> Justice; Business, Energy and Industrial Strategy; Work and Pensions; Public Accounts; Public Administration and Constitutional Affairs; and Lords Economic Affairs

<sup>10</sup> The Financial Conduct Authority and Financial Reporting Council

<sup>11</sup> David Walker and John Tizard, *Out of Contract: Time to Move on from the ‘love in’ with Outsourcing and PFI* (Smith Institute, 2018).

upon the findings of their inquiries, particularly when it comes to a cross-government issue like public procurement and outsourcing.

Much of the PAC's strength lies with its very public scrutiny of individuals and organisations, both through interviews and in published reports. As well as calling business leaders in front of the committee, the PAC also has the ability to require current or former civil servants to appear as part of an inquiry – what then Chair of the PAC Margaret Hodge described as “another little power I have” – even if they refuse requests or are denied permission by their Permanent Secretary.<sup>12</sup> Many public bodies, including central government departments, NHS bodies, and non-departmental public bodies, have an accounting officer who is personally accountable to Parliament through the PAC.

Public interrogations of this sort are often enough to strike fear into the hearts of departments, but the reality is that apart from an official government response to the report published at the end of the inquiry, there are often few immediate consequences for those individuals, departments, or companies identified as having performed poorly.

The mandate afforded to the NAO has similarly been criticised because of the limited remit this work has. As Ed Humperson, Director General for Regulation at the UK Statistics Authority, explains:

The NAO is not, in any formal sense, a regulator. It has no power to authorize individuals or institutions; has no standard-setting role; cannot inspect or enforce compliance against standards; and cannot penalize or prosecute anyone for failure to meet any predetermined standards. In short, the NAO cannot force anyone to do anything.<sup>13</sup>

Writing for the Smith Institute, David Walker and John Tizard similarly describe that the NAO's “reports are too often ignored, and it has little reach into local government.”<sup>14</sup> The insights and evaluations conducted by the NAO and select committees (particularly the PAC) play a valuable role in shedding light on the misapplications of government funds, but the NAO's and PAC's bark needs to be accompanied by a body with more bite: an independent regulator.

---

<sup>12</sup> University of East Anglia, ‘Too Difficult Box Line-up Announced’, Press release, 24 January 2013.

<sup>13</sup> Dawn Oliver, Tony Prosser, and Richard Rawlings, *The Regulatory State: Constitutional Implications* (Oxford: Oxford University Press, 2010).

<sup>14</sup> Walker and Tizard, *Out of Contract: Time to Move on from the ‘love in’ with Outsourcing and PFI*.

---

## 5. An independent procurement regulator

Before a new regulator is introduced, it is crucial that a comprehensive review of public service markets, public procurement, and outsourcing is carried out. As *Reform* has called for previously, this review would seek to identify where there are specific gaps in the existing regulatory landscape.<sup>15</sup> Healthcare, for instance, has repeatedly been identified as having too many regulators and statutory bodies with overlapping or over-complicated aims – the recent merger of NHS Improvement with NHS England has shown that government is willing to act on the issue.<sup>16</sup> Social care similarly faces problems with the Care Quality Commission having a mandate to monitor the financial sustainability of key service providers comprising some 30 per cent of the social care market, yet no responsibility or power to monitor the sector as a whole or intervene with specific providers.<sup>17</sup> That responsibility instead falls to local authorities and as the NAO has previously noted, “there are no formal arrangements for monitoring, and if necessary intervening in, markets that cross local authority boundaries.”<sup>18</sup>

It is also crucial to understand where in the regulatory landscape this new regulator would fit and to define what the ‘regulatory perimeter’ will be (i.e. the boundary where its regulatory writ kicks in). As Figure 6 in the appendix shows, there are range of different regulators, investigators, and statutory bodies with regulatory powers on which a new regulator could be modelled.

The fundamental aim should be to work with existing regulators or organisations with regulatory obligations where possible, and replace only those that are identified as either underperforming, as part of a concerted effort to address the significant confusion over existing regulation. Per the government’s Better Regulation Executive unit’s ‘regulatory reform agenda’<sup>19</sup>, when designing new regulation it is crucial to:

challenge the case for and improve new regulations – so that, in economic terms, the ratio of net benefit to net cost of new regulations can be maximised, and unnecessary regulations are killed off at birth; to reduce the cost of complying with existing regulations; and, more generally, to make the regulatory state a more responsive, consultative, and engaged counterparty to civil society.<sup>20</sup>

A review is necessary to ensure these requirements are met. However, while a more detailed review of public service markets is required to better understand the exact areas

---

<sup>15</sup> Joshua Pritchard and Rose Lasko-Skinner, *Please Procure Responsibly* (Reform, 2019).

<sup>16</sup> David Williams and Lawrence Dunhill, “‘Ruthless’ Rationalisation of Regulators and CCGs Could Save £1bn, Says Mackey”, *Health Service Journal*, 11 December 2017; Denis Campbell, ‘Jeremy Hunt to Consider Merging Health Regulation Bodies’, *The Guardian*, 8 February 2017.

<sup>17</sup> Care Quality Commission, ‘Market Oversight of Adult Social Care’, Webpage, 8 June 2018.

<sup>18</sup> National Audit Office, *Oversight of User Choice and Provider Competition in Care Markets*, 2011.

<sup>19</sup> Department for Business, Energy & Industrial Strategy, *Better Regulation Framework: Guidance*, 2018.

<sup>20</sup> Oliver, Prosser, and Rawlings, *The Regulatory State: Constitutional Implications*.

and tools needed to improve regulation across sectors, some initial observations enable a broad, scoping picture of the obligations and responsibilities this new body could have.

## 5.1. Structure

Given the wide expanse of policy areas, public bodies, and markets that public procurement covers, the Office for Public Procurement (Ofpro) could either be a non-ministerial government department under the jurisdiction of the Cabinet Office, as with the Competition and Markets Authority which sits under BEIS or Ofwat under DEFRA, or an independent regulator like the Financial Conduct Authority (FCA) or Financial Reporting Council (FCR). Similar to Ofwat, Ofgem, Ofcom, and the FCA, this new body could either be directly accountable to parliament, independently of government, or be accountable to the Minister for the Cabinet Office. An important design point for this new body is the checks and balances that would be in place to ensure it works efficiently and effectively, without being subject to either regulatory capture or overbearing government direction. Learning from other regulators (see Appendix Figure 7) is therefore crucial.

It would act as a centralised, single body for procurement regulation in the UK, potentially including the devolved administrations as England, Scotland, Wales, and Northern Ireland who primarily operate under the same procurement regime (Public Procurement Regulations 2015 and EU Procurement Directives).<sup>21</sup> The body would focus equally on government as a commissioner and private companies as providers, and should be empowered with both hard and soft regulative powers.

The body's primary remit would likely extend only to contracts above the EU procurement thresholds, as the majority of contract data (tenders and award notices, for instance) are only published on Contracts Finder and the Official Journal of the European Union tender portals above these thresholds and will likely remain the same even after Brexit.<sup>22</sup> Efforts to increase the collection of data below these thresholds are underway with Bravo (government's procurement spend tracker platform) having no threshold, for instance, but as the Institute for Government has argued, the quality and availability of procurement data in general remains fractured and of relatively poor quality.<sup>23</sup> To ensure that smaller procurements are not entirely ignored, however, contracts below the EU procurement thresholds could be investigated at the request of either the commissioner or provider involved in the contract (including local authorities).<sup>24</sup>

Figure 8 in the Appendix provides a visualisation of the potential functions, teams, and checks and balances Ofpro would function with. The new body would ideally operate under a Board of Directors and a Chair (similar to other regulators such as Ofgem and Ofcom),<sup>25</sup> with members appointed by the Minister for the Cabinet Office. This board should include procurement lawyers, former industry leaders, commercial and procurement experts, and former civil servants. Given that many individuals involved in

---

<sup>21</sup> HM Government, 'The Public Contracts Regulations 2015' (2015).

<sup>22</sup> Official Journal of the European Community, 'EU Procurement Thresholds', Webpage, 2019. (£118,133 for supply, services, and design contracts; £4,551,413 for works contracts; £615,278 for social and other services)

<sup>23</sup> Nick Davies et al., *Government Procurement: The Scale and Nature of Contracting in the UK* (Institute for Government, Gowling WLG, & Spend Network, 2018), 37.

<sup>24</sup> Official Journal of the European Community, 'EU Procurement Thresholds'.

<sup>25</sup> Ofcom, 'Ofcom Board', Webpage, 2019.



public procurement work for both commissioners and providers over the course of their career (for instance the Crown Representative programme), the board should be required to declare any conflicts of interests covering a period of 10 years, and not more than 30 per cent of the board should consist of individuals who held senior positions at current Strategic Suppliers.

A new role of Chief Procurement Regulator (CPR) should be created to work as a counterpart to the Chief Commercial Officer in the Government Commercial Function and the Comptroller and Auditor General of the NAO. The CPR would oversee all work within Ofpro and would be accountable to the board and the Minister for the Cabinet Office. Their primary function would be to provide strategic direction for Ofpro, oversee performance and key work, and act as a representative with government and industry. A statutory basis for direct regulation and the accompanying actions would be necessary for the creation of Ofpro but could be included in a much-needed revision of the Public Contracts Regulations 2015 (likely to happen in the case of a no-deal Brexit).

Given that a key aim is to consolidate and clarify oversight for the whole of government procurement, those existing agencies and public bodies with hard or soft regulatory powers should either be absorbed by, align more closely with, or transfer their specific obligations to Ofpro to reduce any overlaps and ensure continuity of regulation throughout the procurement process. To facilitate a more cohesive approach to regulation, Ofpro would join the UK Regulation Network and the UK Competition Network.<sup>26</sup>

The Public Procurement Review Service, for instance, as one of the few institutions introduced on a statutory basis to increase the oversight of public procurement should be relocated into Ofpro from the Cabinet Office, as would the Complex Transactions Team, and the Strategic Suppliers and Crown Representative networks, which currently monitor the financial strength of government's strategic suppliers.<sup>27</sup>

This consolidation would enable existing legislation to be re-evaluated and ensure that it is being utilised efficiently and effectively for the purposes of procurement oversight. For instance, the Small Business Enterprise and Employment Act 2015 requires certain contracting authorities to give assistance to investigations by the Public Procurement Review Service. The introduction or revision of existing legislation necessary for the creation of a procurement regulator would first need to be accompanied by a review of what legislation is currently in place for either hard or soft regulation of procurement.

Some other potential bodies for consolidation within Ofpro include the Single Source Regulations Office (SSRO; a non-departmental public body under the Ministry of Defence), which focuses on pricing of non-competitive contracts within Defence.<sup>28</sup> Suggestions have been made that the remit of the SSRO should be extended, particularly to the NHS and departments which face monopoly providers in certain areas, and the

---

<sup>26</sup> The UK Regulators Network, 'UK Regulators Network: Bringing Regulators Together for the Benefit of Consumers and the Economy', Webpage, 2019; GOV.UK, 'UK Competition Network', Webpage, 2019.

<sup>27</sup> Cabinet Office, *Scope and Remit of the Public Procurement Review Service*, 2018; GOV.UK, 'Crown Representatives and Strategic Suppliers', Webpage, 2012.

<sup>28</sup> Single Source Regulations Office, 'About Us', Webpage, 2018.

establishment of Ofpro would make this consolidation a logical one and allow the SSRO's expertise on single-source and non-competitive contracts to be expanded more broadly.<sup>29</sup>

The Crown Commercial Service (CCS) as an executive agency of the Cabinet Office and a trading fund would remain an independent trading fund responsible for the public procurement of commons goods and services, complete with Chief Executive and board of directors. However, in addition to two of its current functions – buying common goods and services on behalf of departments (including managing customer relationships and designing and creating frameworks) and leading on commercial policy across government – it should also provide a sandbox to test new procurement or commercial models. Some of its current obligations (including providing a commercial advice team and implementing commercial policy) and relevant staff would be transferred into Ofpro in order to enable the CCS to work almost exclusively as a trading fund. This would ensure that the implementation of commercial policy would be better centralised within a single body instead of being divided between various organisations.

Ensuring that commercial, procurement, and audit expertise across government is widespread within Ofpro's workforce is crucial to overcoming some of the problems identified in other regulators. The workforce of NHS Improvement's Monitor (a statutory body responsible for monitoring NHS foundation trusts and regulating NHS markets), for instance, was criticised by the PAC for lacking operational and clinical backgrounds, which damaged Monitor's "effectiveness in diagnosing problems and developing solutions."<sup>30</sup>

There are different potential working relationships available for an independent procurement regulator when it comes to the NAO. First, Ofpro could work closely with the NAO to act upon findings made in their investigations as well as being able to direct the NAO to conduct investigations into specific projects or contracts. This would not only maintain the strong institutional knowledge across multiple government functions that the NAO currently has, but also ensure that investigations remained independent of government. Additional funding for the NAO could be provided by Ofpro to cover the costs of the additional investigations, from the fines imposed on suppliers found in breach of procurement legislation. In this case, Ofpro would act as a second-tier investigator, relying upon NAO reports to indicate whether closer scrutiny is necessary and carrying out more detailed audits only when there is some evidence of poor procurement.

Alternatively, Ofpro could assume audit responsibility for procurement from the NAO, either entirely or in part, as with Ofwat, Ofcom, Ofgem, and the FCA and FRC. In this case, Ofpro could become completely responsible for conducting investigations into public procurement, including auditing the financial records of public bodies and the suppliers involved in the contracts, publishing reports relating to the investigations, and acting on the findings. This would involve random audits of public commissioners and suppliers, detailed monitoring of government contracts, and a thorough review process of procurements from start to end.

---

<sup>29</sup> House of Commons Defence Committee, *Oral Evidence: Defence Acquisition and Procurement*, HC 698 (London: The Stationery Office, 2016).

<sup>30</sup> House of Commons Public Accounts Committee, *Monitor: Regulating NHS Foundation Trusts, Fourth Report of Session 2014-15*, HC 283 (London: The Stationery Office, 2014).

## 5.2. Functions

Ofpro's primary function would be to regulate in order to prevent market failures, with a secondary function to act on outcomes from market failure. These obligations would involve pairing the 'Light Touch Regime' approach to procurement and outsourcing currently used by the Cabinet Office (i.e. voluntary guidance, over-the-shoulder support, and strong communication around strategic views and specific issues between the market and government)<sup>31</sup> with a more substantial, statutory ability to intervene and respond to issues that pose a financial, political, reputational, or physical risk to either citizens, a public sector market, or a public body.

Understanding the different types of regulation available is crucial. *Reform's* previous procurement report, *Please procure responsibly* highlighted the spectrum of regulation used in the UK and elsewhere and demonstrates the significant variation that exists between hard and soft regulatory powers and the benefits of each.<sup>32</sup> When considering a new regulator, it is equally important to understand what types of regulation would be most effective for any given market. This would be a key aim of any regulatory review of public services, but it is still possible to provide examples of potential functions and tools.

### Prevention

Within Ofpro, a Procurement Monitoring Team could be established to focus on support for commissioners (including market management, commercial capabilities, complex transactions, and commercial advice) and adherence to existing legislation and guidance. The key objective here would be to prevent procurement or outsourcing contracts from getting to the point of failure by providing an overview of the process from end-to-end.

In this preventative role, Ofpro would work closely with the CMA to take responsibility for long-term market strategies such as pricing and provider behaviour in key procurement and outsourcing areas, especially where frontline services are being delivered by private and third sector companies. Given the monopolistic nature of some areas of public procurement, as well as the potential damage and costs caused by markets saturated by providers with low-profit margins and low service exit costs, a more comprehensive overview of these markets is crucial.

As part of its market management function, and also including the Single Source Regulations Office, Ofpro should focus on three factors: supplier management, commercial pipelines, and market health. Utility and financial service markets already have bespoke regulators tasked with long-term market shaping and since 2011 the Cabinet Office has recognised the importance of many businesses to the public sector through the Strategic Suppliers scheme.<sup>33</sup> This shift would ensure that key areas of public procurement are more consistently assessed and monitored, and Ofpro would have a clear mandate and statutory responsibility to intervene directly where needed.

---

<sup>31</sup> Crown Commercial Service, *The Public Contracts Regulations 2015: Guidance on the New Light Touch Regime for Health, Social, Education, and Certain Other Service Contracts* (Crown Commercial Service, 2015); Heath, Philip, 'Light Touch Procurement', *Harrison Clark Rickerbys*, 10 November 2015.

<sup>32</sup> Pritchard and Lasko-Skinner, *Please Procure Responsibly*, 55–56.

<sup>33</sup> GOV.UK, 'Crown Representatives and Strategic Suppliers'.

While provider failure is a normal feature of any market, often due to broader socio-economic trends, and many departments or public bodies are prepared and able to step in to fulfil their statutory duties to service users where necessary, the issues around transition and continuity of service can be particularly destructive and costly. As the NAO notes:

in certain sectors of the economy where service providers are dominant, or where service users are particularly vulnerable, national sector regulators have systems in place to minimise the impact of provider failure on the user.<sup>34</sup>

However, as demonstrated with the role of the CQC in monitoring only the highest-risk social care providers, this is not true across all sectors and any new regulator would need to focus efforts on those areas most at risk of damage in the event of market failures. Ofpro would potentially play an important role throughout the commissioning process in identifying and monitoring markets to ensure they are appropriate for the outsourcing of goods and services, and ensuring markets remain healthy and sustainable in the long-term.

Accurate and timely monitoring of contracts would require a fundamental shift in how contracts are reported and evaluated. Based on recommendations by the Institute for Government and the Smith Institute, a better use of data relating to public procurement would enable improved understanding of the areas of risk, supplier and commissioner performance, and value for money.<sup>35</sup> Bravo, the Government's spend tracker, and the new Contract and Spend Insight Engine (CaSIE), launched by the Government Commercial Function (which combines procurement data from Contracts Finder with government spend data from Bravo), should be brought into Ofpro to form the basis of a new adherence unit within the Procurement Monitoring Team.<sup>36</sup>

This team should be tasked with maintaining a database of government suppliers, including subsidiaries, using unique identifiers for both companies and the contracts between each supplier and the commissioning public body. As the Institute for Government has argued, a solid data model could potentially enable predictive modelling and targeted audits to help assess and intervene in potential collapses before they happen.<sup>37</sup> Individual contract-level data would need to be updated annually by the commissioner to better reflect the value of the contract and enable a more accurate understanding of the state of the service or market during the life of the contract.

Any issues identified in the running of the contract (including risks, performance, or sustainability) should also be included in these annual updates. If these potential issues are deemed critical to continued delivery or have not been included in the annual update, there would need to be a provision for directly reporting them to the Procurement Monitoring Team by any stakeholder involved. This is a long-overdue and incredibly important part of ensuring that regulation of public procurement is accurate and effective. When Carillion collapsed, there was no single list of all the contracts it held with

---

<sup>34</sup> National Audit Office, *Oversight of User Choice and Provider Competition in Care Markets*.

<sup>35</sup> Davies et al., *Government Procurement: The Scale and Nature of Contracting in the UK*; Walker and Tizard, *Out of Contract: Time to Move on from the 'love in' with Outsourcing and PFI*.

<sup>36</sup> Davies et al., *Government Procurement: The Scale and Nature of Contracting in the UK*.

<sup>37</sup> Ibid.

government, making it difficult to understand the full financial exposure government faced for several weeks.<sup>38</sup>

Commissioners and senior procurement managers in central government departments and public bodies should also be required to submit to Ofpro 'Statements of Responsibilities' and responsibility maps, modelled on the FCA, to ensure that all managers along the supply chain are aware of what their responsibilities are and where accountability sits, both for success and failures.<sup>39</sup>

Ofpro would also work to ensure adherence to existing guidance and legislation. The proposed Procurement Monitoring Team would take responsibility for this, thereby freeing up the Cabinet Office as well as enabling capacity building around newly implemented policies and guidance, such as the Outsourcing Playbook, as well as from other bodies like the CMA. Lord Tyrie, Chair of the CMA, suggested in 2018 that the Cabinet Office should be monitoring and enforcing compliance with the existing Market Management policy to ensure that "assessing markets and acting to promote market health must not become an afterthought for busy commercial staff" and offered to train Cabinet Office staff on competition and market analysis.<sup>40</sup> Sharing knowledge and experience is crucial to any new regulatory body.

Ofpro's specific obligations around prevention should include:

- monitoring the performance and financial position of designated strategic suppliers as well as general market health in different areas (e.g. construction, social care, facilities management)
- taking quick and effective action in cases where procurement is suspected of having been poorly done or having the potential to lead to significant economic cost to the government (including intervening with contracts, providers, or markets to delay or suspend an award)
- ensuring compliance where needed with mandatory and voluntary government guidance and policies (e.g. the Outsourcing Playbook, Procurement Policy Notes, and prompt payments)
- monitoring and enforcing the adherence of providers from across all sectors to the Social Value Act 2012, Public Contracts Regulations 2015, Market Management policy, EU Directives (and replacements in the event of Brexit) and other legislation.
- offering a Public Procurement Review Board which would "provide a lower cost, quicker alternative to High Court proceedings" for an independent arbitration of contract disputes, consisting of procurement lawyers and accountants with procurement experience<sup>41</sup>

---

<sup>38</sup> House of Commons Public Administration and Constitutional Affairs Committee, *After Carillion: Public Sector Outsourcing and Contracting, Seventh Report of Session 2017-19*, HC 748 (London: The Stationery Office, 2018).

<sup>39</sup> Pritchard and Lasko-Skinner, *Please Procure Responsibly*, 50; 'The Senior Managers and Certification Regime: Guide for FCA Solo-Regulated Firms' (Financial Conduct Authority, July 2018).

<sup>40</sup> Lord Andrew Tyrie and Competition and Markets Authority, 'CMA Comments on the Government's Outsourcing Playbook', Webpage, 26 February 2019.

<sup>41</sup> Luke Butler, 'Responsible Public Procurement: Towards a Public Service Contract Regulator?', *Public Procurement Law Review*, 2019.

At this stage, it is not clear whether Ofpro would need to have the same powers as in other areas, such as utilities where national regulators can actively set prices and caps for services and implement profit controls of companies. Given the variety of public service markets under Ofpro's remit (and the fact that utilities deal directly with the public as purchasers of services rather than government) it would appear difficult to ensure expertise and accurate financial modelling for all of these areas to the level needed for accurate pricing controls.

## Review and Compensation

In its second regulatory role focusing on review and compensation, Ofpro could potentially investigate, report, and act on failings that have already occurred in public service markets. As discussed earlier, it is unclear whether it should work more closely with the NAO or take over the responsibility for examining procurement and outsourcing deals.

Under a Procurement Review Team (a counterpart to the Procurement Monitoring Team), Ofpro could be tasked with audit responsibilities, including enforcement of penalties and fines, general financial standards relating to specific procurement issues, and best practice. This could include an obligation to review good and bad practice on a larger scale and afford a greater level of detail to investigating contracts and the performance of contracts, providers, and commissioners, particularly government departments.

Whether conducting investigations itself or through the NAO, Ofpro would use these reports to either investigate further or take actions against those identified as having been culpable for avoidable failures in contracts. Based upon the powers available to other regulators, Ofpro would potentially have the following powers:

- imposing legal penalties (including fines and enforcement orders) on individuals (namely accounting officers as opposed to individual procurement staff) and organisations when procurements are found to have been fraudulent or deliberately misleading by any involved parties
- introducing legally binding undertakings on companies and public bodies to amend their procurement or outsourcing processes if deemed of poor quality (measured through value for money, quality, or outcomes)
- referring individuals or teams (commercial and procurement) for further training and/or support during further procurements
- requiring the disclosure of information pertinent to investigations from involved parties and commissioners throughout the supply chain
- preventing companies from bidding for contracts if found guilty of acting fraudulently or failing to adhere to guidance or best practice.
- referring serious cases to the Serious Fraud Office
- requiring repayments or compensation from providers to public bodies, or vice-versa, in the case of mispayments

The use of punitive penalties is controversial, but can be effective, as the FCA has shown in the financial sector. The FCA's reasoning for the use of financial penalties or public statements of misconduct is explained in their handbook:

“The principal purpose of imposing a financial penalty or issuing a public censure [a statement of misconduct] is to promote high standards of regulatory and/or market conduct by deterring persons who have committed breaches from committing further breaches, helping to deter other persons from committing similar breaches, and demonstrating generally the benefits of compliant behaviour.”<sup>42</sup>

Cases in which penalties have been proposed would be reviewed by the Public Procurement Review Board to verify their appropriateness and ensure that they reflect the statements of responsibility and responsibility maps put in place by the commissioner.

A new team within Ofpro, the Procurement Policy Team, should provide a centralised source of training and support for commissioners across the public sector, not only in central government but also in public bodies and local authorities. This team would provide tailored commissioning and procurement training, as well as helping implement new policies and guidance including on a strategic level. The Public Service Transformation Academy, previously part of the Cabinet Office and now an independent not-for-profit, should be brought into Ofpro to oversee and deliver training across government.<sup>43</sup>

Utilising expertise from the other merged departments (including the CCS and SSRO) as well as the Government Commercial Function and Cabinet Office, the Procurement Policy Team would lead best practice for procurement and outsourcing across government, both on a skills basis but also in providing support. The Complex Transactions Team within Cabinet Office would become part of the Procurement Policy Team to assist commissioners with difficult procurement challenges.

### 5.3. Funding

Based upon analysis from existing UK regulators, investigators, or statutory bodies with hard or soft regulatory powers (see Appendix Figure 7), Ofpro’s expected annual funding requirements would be between £30 million (for a small regulatory body focusing only on the review and compensation element of regulation, and relying heavily upon existing bodies like the NAO) and £90 million (for a larger regulatory body covering all public service markets, absorbing several of the current regulatory and statutory bodies for public procurement, and acting in both a preventive and review capacity). This figure would remain uncertain until an independent review of public service markets is able to identify the full scope of the new body’s remit.

Compared to the significant annual costs of procurement and outsourcing failures, the savings generated by having an independent regulator focused solely on quality and value for money would far outweigh the costs of running such a body, even at its highest funding envelope. For perspective, an £80 million budget near the high end of the estimated range would still cost less than the additional costs incurred by the botched no-deal Brexit ferry

---

<sup>42</sup> Financial Conduct Authority, *FCA Handbook*, 2016.

<sup>43</sup> The Public Service Transformation Academy, ‘Public Service Transformation Academy’, Webpage, 2019; Pritchard and Lasko-Skinner, *Please Procure Responsibly*, 65.

contracts (£84.4 million).<sup>44</sup> Some of the costs would also be recouped by extracting and removing various oversight obligations from the Cabinet Office and other existing government bodies as outlined in the 'Structure' section above.

Ofpro could potentially receive its funding in a variety of different way, based upon how current regulators and statutory bodies are funded. First, it could be directly funded by HM Treasury. A levy on businesses for every successful public procurement over the EU Procurement Thresholds could be another means of achieving funding, but the taxpayer would likely end up indirectly footing the bill. Allocating funding direct from HM Treasury would simplify the process and provide the current and future governments with some control over the regulator.

Second, it could use scaled membership fees from all suppliers with more than one contract with a public body over the EU Procurement Threshold in the previous financial year. These fees could be scaled to reflect the size and turnover of the company, with the largest multi-billion-pound businesses contributing the most and third sector organisations and SMEs contributing the least (or receiving exemptions if necessary to help open the market to new entrants and ensure smaller providers are able to participate). For example, the Financial Reporting Council (FRC) uses a fee model which applies to all companies subject to, or benefitting from, FRC regulation. The average company pays around £1,116 per year, up to £40,000 for a company worth £10 billion.

However, as the FRC has found, organisations subject to other regulators may already be paying fees to them and the aim is not to increase the financial burden on companies so contributions would likely have to be divided between the existing regulator and Ofpro. This could cause significant issues around the exact division and the way in which fees are calculated, particularly for those suppliers operating on the border of two or more regulatory purviews.

---

<sup>44</sup> House of Commons Committee of Public Accounts, *Eurotunnel and the UK Border: Out-of-Court Settlement with Eurotunnel*.



---

# Conclusion

Given the significant cost to taxpayers, the need for improvements in public procurement is clear. Yet the question of how to achieve these aims remains open for debate. Whether making government a better customer when purchasing goods and services, promoting dialogue between commissioners and suppliers to better understand the role the private and third sectors could play, or increasing the transparency and accountability in public services, there has been an endless parade of suggestions for how to do so. Yet poor procurement continues to happen, and taxpayers continue to foot the bill.

While often considered a last resort, clearer regulation provides one potential solution, particularly when following a 'Light Touch Regime' approach. By giving a single body the ability to oversee, monitor, act, and review how government spends its money externally, the multiple issues and competing stakeholders can work more closely and have a clearer understanding of the risks involved. By combining the various teams and units scattered throughout government departments which deal with different procurement challenges (such as the Single Source Regulations Office, or the Complex Transactions Team), a new regulator would provide a focal point for procurement in government.

The policy team would take the goals and aims of ministers and departments and ensure they are implemented quickly and effectively across government. The monitoring team would regulate markets, support commissioners, and ensure adherence to existing legislation and guidance. Finally, the review team would hold to account those responsible for poor procurement.

An independent regulator is, of course, only part of the solution. Government also needs to improve the quality and consistency of the procurement data it collects to enable better analysis. Departments need to ensure their commercial, commissioning, procurement, and contract management teams are equipped with the necessary skills to design and acquire the goods and services their departments need. Watchdogs and oversight bodies need the tools to ensure good practice is promoted and poor procurement held to account.

While the regulator itself is new, many of the proposed functions and tools available to Ofpro have either been utilised in other areas (such as financial services) or are already available to the Cabinet Office and others but remain underutilised (monitoring adherence to Contracts Finder, for instance). The aim is not to impose new regulations, stifle new entrants, or intervene in markets unnecessarily. Failure is a part of any market system, as is innovation, competition, and choice. However, the nature of public procurement, where taxpayer money is being used to deliver goods and services for citizens, makes minimising the potential impact of those failures a crucial goal for any government.

A systemic approach to improving public procurement would yield benefits for both the quality and value for money of public services across the public sector. An independent regulator would provide a focal point for doing so.

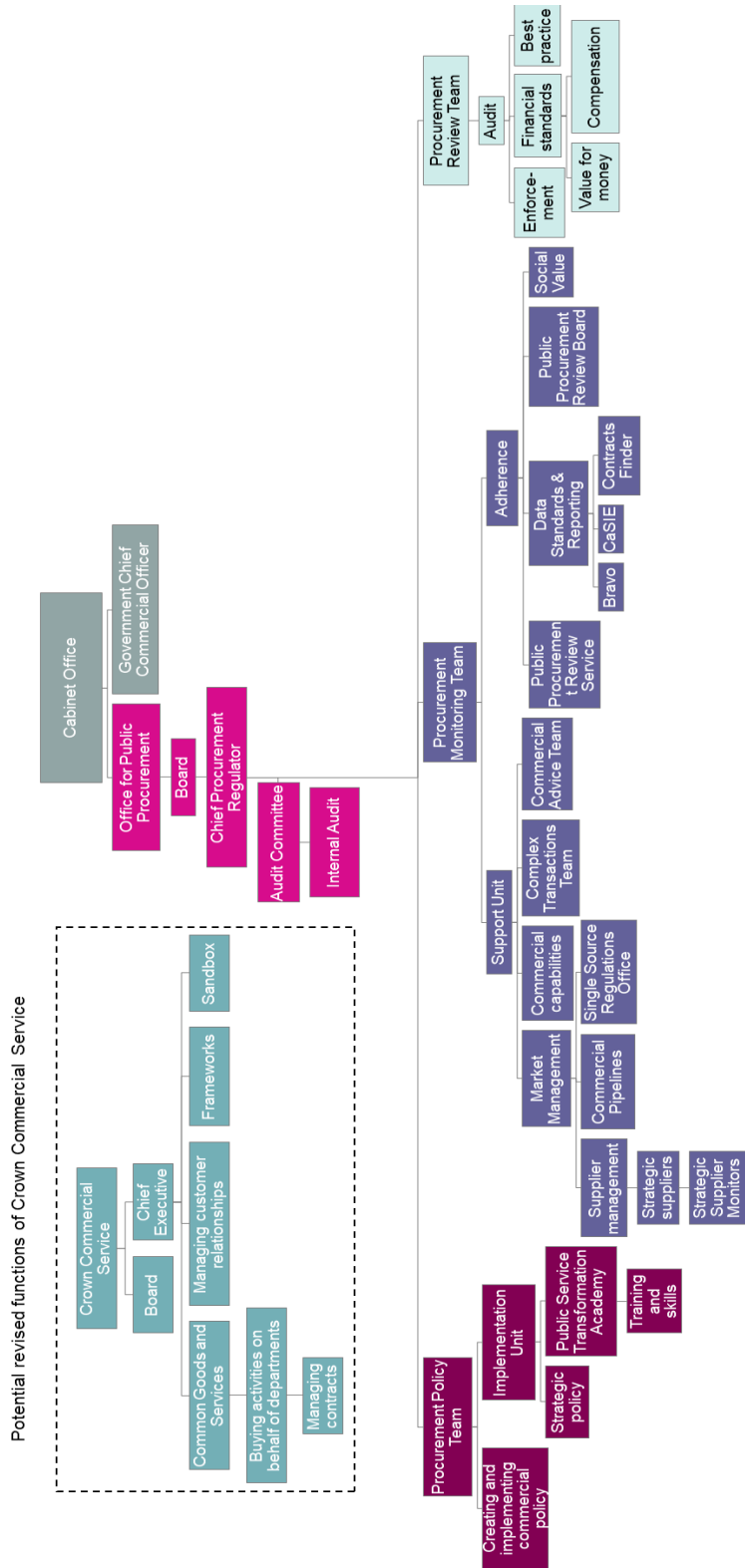
## Appendix

**Figure 7: Current regulators and statutory bodies involved in procurement and outsourcing**

Regulator, Investigator, or Statutory Body	Primary Regulatory Focus	Organisational type	Parent Body	Obligations	Tools	Funding	Annual Funding Amount (£, millions)
Competition and Markets Authority	Markets	Non-ministerial government department	BEIS	Regulate and enforce markets	Statutory powers	Direct funding from HM Treasury	68.04
Financial Conduct Authority	Financial services	Independent regulator	N/A	Regulate financial market	Statutory powers	Funded via fees from firms	543.9
Local Government and Social Care Ombudsman	Local authorities and social care	Independent ombudsman	MHCLG	Individual complaints about councils, adult social care, and local public services	Recommendations	Direct funding from MHCLG	13.28
National Audit Office	Government spending	Independent parliamentary body	Parliament	scrutinise public spending	Recommendations	Budget set by Parliament	63.61
The Audit Commission (defunct)	Local government audit	Independent statutory corporation		Local government auditing, including NHS trusts and local agencies		Mixed (86% fees from audited bodies, 13% central govt)	213
Care Quality Commission	Healthcare	Non-departmental public body	DHSC	Monitor, inspect, and rate health and social care services	Statutory powers	Mixed (grant-in-aid from DHSC, fees from customers)	245.26
Office of Fair Trading (defunct)	Markets	Non-ministerial government department	BEIS	Regulate and enforce markets	Statutory powers	Direct funding from HMT	55

Regulator, Investigator, or Statutory Body	Primary Regulatory Focus	Organisational type	Parent Body	Obligations	Tools	Funding	Annual Funding Amount (£, millions)
Ofsted	Education, children services	Non-ministerial government department	DfE	Monitor, inspect, and rate education, childcare, adoption, teacher training, and child social care	Statutory powers	Direct funding from DfE	132
Ofwat	Utilities	Non-ministerial government department	DEFRA	Economic regulator of water markets	Statutory powers	Licence fees recovered from water companies	31.2
Ofgem	Utilities	Non-ministerial government department	BEIS	National regulatory agency for energy	Statutory powers	direct funding from BEIS	97.47
NHS Improvement (Monitor)	Healthcare	Non-departmental public body	DHSC	Monitoring NHS foundation trusts and regulating NHS market	Licensing powers	Direct funding from DHSC	62.5
Financial Reporting Council	Governance	Independent regulator	N/A	High quality corporate governance and reporting	Statutory powers	Levy's on bodies subject to FRC regulation	37.8
Serious Fraud Office	Serious Fraud	Non-ministerial government department	N/A	Investigating and prosecuting serious or complex fraud and corruption in England, Wales, and Northern Ireland	Statutory powers	Direct funding from HM Treasury	31

**Figure 8: Potential functions and areas of responsibility for the Office of Public Procurement**



---

## Bibliography

- Brady, Dominic. 'Government Announces "Living Wills" Pilot to Protect Public Services | Public Finance'. *Public Finance*, 21 November 2018.
- Butler, Luke. 'Responsible Public Procurement: Towards a Public Service Contract Regulator?' *Public Procurement Law Review*, 2019.
- Cabinet Office. *Scope and Remit of the Public Procurement Review Service*, 2018.
- Campbell, Denis. 'Jeremy Hunt to Consider Merging Health Regulation Bodies'. *The Guardian*, 8 February 2017.
- Care Quality Commission. 'Market Oversight of Adult Social Care'. Webpage, 8 June 2018.
- Crown Commercial Service. *The Public Contracts Regulations 2015: Guidance on the New Light Touch Regime for Health, Social, Education, and Certain Other Service Contracts*. Crown Commercial Service, 2015.
- Davies, Nick, Oliver Chan, Aron Cheung, Gavin Freeguard, and Emma Norris. *Government Procurement: The Scale and Nature of Contracting in the UK*. Institute for Government, Gowling WLG, & Spend Network, 2018.
- Davies, Rob. 'Former Carillion Directors Branded "Delusional" at MPs' Q&A'. *The Guardian*, 6 February 2018.
- Department for Business, Energy & Industrial Strategy. *Better Regulation Framework: Guidance*, 2018.
- Financial Conduct Authority. *FCA Handbook*, 2016.
- Financial Times. 'FT Collections: Carillion's Collapse: Risk and Failure'. Webpage, 2019.
- GOV.UK. 'Crown Representatives and Strategic Suppliers'. Webpage, 2012.
- . 'UK Competition Network'. Webpage, 2019.
- Heath, Philip. 'Light Touch Procurement'. *Harrison Clark Rickerbys*, 10 November 2015.
- HM Government. *The Public Contracts Regulations 2015 (2015)*.
- HM Treasury. *Public Expenditure: Statistical Analyses 2019*, 2019.
- House of Commons Committee of Public Accounts. *Adult Health Screening, Ninety-Sixth Report of Session 2017-19*. HC 1746. London: The Stationery Office, 2019.
- . *Eurotunnel and the UK Border: Out-of-Court Settlement with Eurotunnel*. HC 2460. London: The Stationary Office, 2019.
- . *UnitingCare Partnership Contract, Twenty-Fifth Report of Session 2016-17*. HC 633. London: The Stationery Office, 2016.
- House of Commons Defence Committee. *Oral Evidence: Defence Acquisition and Procurement*. HC 698. London: The Stationery Office, 2016.
- House of Commons Public Accounts Committee. *Monitor: Regulating NHS Foundation Trusts, Fourth Report of Session 2014-15*. HC 283. London: The Stationery Office, 2014.
- House of Commons Public Administration and Constitutional Affairs Committee. *After Carillion: Public Sector Outsourcing and Contracting, Seventh Report of Session 2017-19*. HC 748. London: The Stationery Office, 2018.
- Ipsos MORI. 'Ipsos MORI Issues Index August: Worries about Brexit Hold Steady While Concern about the NHS and Crime Rise'. Webpage, 5 September 2019.
- Labour Party. *Democratising Local Public Services: A Plan for Twenty-First Century Insourcing*, 2019.
- National Audit Office. *Investigation into the Collapse of the UnitingCare Partnership Contract in Cambridgeshire and Peterborough*. National Audit Office, 2016.
- . *Investigation into the Management of Health Screening*. HC 1871, 2019.

- . *Oversight of User Choice and Provider Competition in Care Markets*, 2011.
- . *The Award of Contracts for Additional Freight Capacity on Ferry Services*, 2019.
- Ofcom. 'Ofcom Board'. Webpage, 2019.
- Official Journal of the European Community. 'EU Procurement Thresholds'. Webpage, 2019.
- Oliver, Dawn, Tony Prosser, and Richard Rawlings. *The Regulatory State: Constitutional Implications*. Oxford: Oxford University Press, 2010.
- Otte, Jedidajah. 'Environment of Greater Concern than Housing or Terrorism – UK Poll'. *The Guardian*, 21 July 2019.
- Plimmer, Gill. 'Carillion Collapse Set to Cost Taxpayer at Least £148m'. *Financial Times*, 7 June 2018.
- Prime Minister's Office. *The Queen's Speech and Associated Background Briefing, on the Occasion of the Opening of Parliament on Monday 14 October 2019*, 2019.
- Pritchard, Joshua, and Rose Lasko-Skinner. *Please Procure Responsibly*. Reform, 2019.
- Single Source Regulations Office. 'About Us'. Webpage, 2018.
- The Public Service Transformation Academy. 'Public Service Transformation Academy'. Webpage, 2019.
- 'The Senior Managers and Certification Regime: Guide for FCA Solo-Regulated Firms'. Financial Conduct Authority, July 2018.
- The UK Regulators Network. 'UK Regulators Network: Bringing Regulators Together for the Benefit of Consumers and the Economy'. Webpage, 2019.
- Tyrie, Lord Andrew, and Competition and Markets Authority. 'CMA Comments on the Government's Outsourcing Playbook'. Webpage, 26 February 2019.
- University of East Anglia. 'Too Difficult Box Line-up Announced'. Press release, 24 January 2013.
- Walker, David, and John Tizard. *Out of Contract: Time to Move on from the 'love in' with Outsourcing and PFI*. Smith Institute, 2018.
- Williams, David, and Lawrence Dunhill. "'Ruthless" Rationalisation of Regulators and CCGs Could Save £1bn, Says Mackey'. *Health Service Journal*, 11 December 2017.
- YouGov. 'Nationalisation vs Privatisation: The Public View'. Webpage, 19 May 2017.
- . 'YouGov Top Issues Tracker (GB)'. Webpage, 11 October 2019.

the 1990s, the number of people with a mental health problem has increased in the UK. In 1990, there were 1.5 million people with a mental health problem in the UK, and this has risen to 2.5 million in 2005 (Mental Health Foundation, 2006).

There are a number of reasons for this increase. One of the main reasons is that people are living longer. As a result, people are living with mental health problems for a longer period of their lives. Another reason is that people are more likely to seek help for their mental health problems. This is because there is a greater awareness of mental health problems and a greater willingness to seek help. Finally, there is a greater number of people with mental health problems who are not seeking help.

The increase in the number of people with a mental health problem has led to a corresponding increase in the number of people who are not seeking help. This is because there is a greater awareness of mental health problems and a greater willingness to seek help. However, there is still a large number of people who are not seeking help. This is because there are a number of barriers to seeking help, such as a lack of information, a lack of resources, and a lack of support.

There are a number of ways in which the number of people who are not seeking help can be reduced. One way is to provide more information about mental health problems and the services available. Another way is to provide more resources, such as housing and financial support. Finally, it is important to provide more support to people who are not seeking help. This can be done through peer support groups and other community-based initiatives.

The number of people with a mental health problem who are not seeking help is a significant public health problem. It is important to take steps to reduce the number of people who are not seeking help. This can be done by providing more information, resources, and support to people who are not seeking help. It is also important to raise awareness of mental health problems and to encourage people to seek help.

The number of people with a mental health problem who are not seeking help is a significant public health problem. It is important to take steps to reduce the number of people who are not seeking help. This can be done by providing more information, resources, and support to people who are not seeking help. It is also important to raise awareness of mental health problems and to encourage people to seek help.

The number of people with a mental health problem who are not seeking help is a significant public health problem. It is important to take steps to reduce the number of people who are not seeking help. This can be done by providing more information, resources, and support to people who are not seeking help. It is also important to raise awareness of mental health problems and to encourage people to seek help.

The number of people with a mental health problem who are not seeking help is a significant public health problem. It is important to take steps to reduce the number of people who are not seeking help. This can be done by providing more information, resources, and support to people who are not seeking help. It is also important to raise awareness of mental health problems and to encourage people to seek help.

The number of people with a mental health problem who are not seeking help is a significant public health problem. It is important to take steps to reduce the number of people who are not seeking help. This can be done by providing more information, resources, and support to people who are not seeking help. It is also important to raise awareness of mental health problems and to encourage people to seek help.

*Reform*  
5-6 St Matthew Street  
London  
SW1P 2JT  
[www.reform.uk](http://www.reform.uk)

T 020 7799 6699  
[info@reform.uk](mailto:info@reform.uk)  
[www.reform.uk](http://www.reform.uk)  
978-1-910850-32-9

978-1-910850-32-9