



The Business Services Association
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Rt. Hon. Rishi Sunak M.P.,
Chancellor of the Exchequer,
HM Treasury,
1 Horse Guards Road,
London.
SW1A 2HQ

29th September, 2021

Dear Chancellor,

I am writing to enclose the BSA's submission ahead of this year's Autumn Budget and Spending Review. The BSA - Business Services Association - brings together all those who are interested in delivering efficient, flexible, and cost-effective service and infrastructure projects across the private and public sectors. Members include businesses of all sizes, charities, and social enterprises. A full list of members is included as an annex.

We recognise the need to balance different political and economic considerations at this time, but the Government must also focus on rebuilding and securing economic credibility. Spending going forward must therefore be targeted to ensure that it is sustainable in the future, particularly in light of the difficult decisions that have been made in relation to National Insurance and the Social Care Levy. To ensure that taxpayers' money is properly targeted, it is vital that government departments are allocated appropriate resources to invest in those projects and policies that will offer the best value for taxpayers whilst supporting the Plan for Growth, UK Innovation Strategy, and the Levelling Up agenda. The focus of this investment in our economy should therefore be on physical, social and digital infrastructure, technology, and sustainability.

Given the scale of the recovery task in front of us, it is critical that all sectors- public, private, and VCSE - draw together in common endeavour, just as they have done throughout the coronavirus pandemic. To support this, it is crucial their goals are both clear and aligned and that public sector commissioning and other decisions are always taken with that in mind.

It is vital that people and businesses are encouraged to be economically productive, thereby helping drive the economy forward into the growth areas of the future. We are entering a new period of work, in which changes which were already taking place are now being accelerated, and government policy must respond to those changes and help businesses adapt. This is particularly pressing following last year's agreement with the European Union, the ongoing impact of the coronavirus pandemic, and the labour shortages we are seeing across a range of sectors. The recent announcement of the new comprehensive government package to tackle HGV driver shortages was welcomed by the sector and we look forward to continuing to work with government to ensure that businesses in Britain thrive and prosper under the new arrangement and beyond.

Some parts of the sector have faced distinct challenges in the current economic environment. This is particularly the case for those smaller organisations which may be dependent on business-to-business catering, for office-based workers and others, and soft FM services for their income. For such companies, the guidance on working from home, and the consequential behaviour change, will have taken away their ability to trade effectively in this key area for the best part of two years.

We welcomed the publication of the Government's Autumn and Winter Plan. We note, however, that when outlining the contingency measures, including the return of work from home guidance, the document states that "if Plan B is implemented, it could be at short notice in response to concerning data". Given the impact working from home guidance has on the business operations of many members, we would urge the Government to give businesses as much notice as possible to prepare for this outcome and to consider whether additional support ought to be put in place to help businesses to mitigate the impact of the contingency measures in the event that these are deployed.

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I would welcome the opportunity to discuss in greater detail how the business services sector and our members can help the Government in driving a green economic recovery, delivering world-class public services, levelling up the whole country, and unleashing Britain's potential.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Fox', is positioned below the text 'Yours sincerely,'.

Mark Fox
Chief Executive,
BSA - The Business Services Association



BSA - The Business Services Association

Submission to the Chancellor ahead of the Autumn Budget and Spending Review 2021

1. Summary

Our industry has a vital role to play in ensuring that investment is spent as efficiently as possible, thereby driving our economic recovery, supporting jobs and local businesses across the country, adding social value, and delivering services and infrastructure of the highest quality to the British public.

Looking forward, business services are vital to the Future Economy because they provide essential support to other industrial sectors as well as for the public sector. We deliver administrative services, facilities management, infrastructure, and IT so that our business clients can focus on what they do best: enabling and encouraging businesses to invest in themselves and their workforce. The sector also delivers crucial advice and support services that enable businesses, both large and small, and in every region, to become more productive, profitable and competitive. Working in partnership with the public sector brings new thinking, investment and the ability to scale.

The innovation the sector drives is therefore key to achieving UK objectives to be a force for good on global challenges around climate, biodiversity, prosperity and security. 70 per cent of business services are provided business-to-business and 30 per cent for the public sector. The sector employs c.3.3 million people across the UK, accounting for around 1 in 10 jobs. Our submission focusses on the following: investment and green recovery; project delivery; supporting business and VCSE organisations; and the levelling up agenda.

Firstly, the BSA has long called for continued efforts to upgrade, extend and modernise the UK's physical, social and digital infrastructure as the focus for spending going forward. Supporting large-scale projects, such as Northern Powerhouse Rail, and investing in green technologies will be key to Building Back Better through innovation, meeting the country's future infrastructure needs, meeting our Net Zero targets, providing stimulus to industry supply chains across the country, and rebalancing the economy. The experiences of those who have been working from home at one point or another over the past two years have highlighted how crucial our digital infrastructure is and its importance to the functionality of our wider economy. We must also consider the long-term impact that the coronavirus outbreak will have on the future of work in this country and the central role that digital infrastructure will play in this. We have recently engaged with the Department for Education and NHS England regarding the School Rebuilding Programme and New Hospital Programme respectively, and very much welcome this investment in the UK's social infrastructure, as well as the collaborative, life-cycle approaches being taken.

Secondly, reforms to public procurement can lead to enhanced project delivery, ensure value for money, and significant long-term government savings. The BSA responded to the consultation on the Government's Green Paper on Public Procurement and we look forward to working with ministers and officials on the outcomes from this process including in tackling some of the challenges outlined below. We will also look to work closely with Cabinet Office and HM Treasury on how challenges such as labour shortages and supply chain disruption may impact on procurement and service delivery in the near future.

Thirdly, government must help people and businesses adapt to the economy of tomorrow. Government support will be of the utmost importance as business and VCSE organisations look to deal with the impact of Covid-19, drive our economic recovery, and navigate our new relationship with the European Union and other trading partners. We would caution against any further increase to the burden of regulation and taxation on business as they look to recover from the economic impact of coronavirus, and encourage other measures to support business such as further reforms to the VAT regime - as made possible by our departure from the European Union.



Finally, in looking to capitalise on the opportunities that present themselves, the Levelling Up agenda is key to ensuring not only a more equitable society but also that everyone can contribute fully to the economic effort. This includes tackling the skills and digital inequalities that exist across all age groups, supporting SMEs and investing in our regions, and for these reasons we welcome the Government's plan to establish further devolution deals. In particular, government and employers can continue to drive the skills agenda, tied to local labour market needs, to help people enter or re-enter the workforce, or progress within work. It is particularly important to provide people without skills with the Level 1 and 2 qualifications that will enable them to take advantage of the Government's 'Lifetime Skills Guarantee'. This investment in our workforce is key to Levelling Up, Building Back Better and delivering the Government's Plan for Growth.

2. Building Back Better - infrastructure investment and green recovery

Investment in our digital, social and physical infrastructure will be crucial to Building Back Better, delivering the Plan for Growth, and unlocking the country's potential. In particular, large-scale transformational infrastructure projects not only encourage investor confidence in our economy but also stimulate investment, jobs, and regional growth that are felt throughout the country.

As the UK looks towards a green economic recovery, there is a clear opportunity to build resilience and sustainability into the heart of stimulus packages including infrastructure projects. The BSA is supportive of government's ambition for a green recovery and to be the world leader in Green-Tech to export to the rest of the world, as will be demonstrated at COP26. Businesses, large and small, need support in making their business processes more environmentally friendly, in identifying sustainable investment opportunities and in reporting on their net-zero commitments. As key suppliers to government and UK industries, BSA members stand ready to play their part.

To support these efforts, we therefore suggest that the Government:

- support low carbon technologies to ensure that the restart does not have further impacts on the environment over the short term;
- introduce a low interest loan for green capital investments, enabling businesses to make vital energy efficiency upgrades to their sites;
- remain committed to large-scale, transformational infrastructure projects;
- continue the roll-out of gigabit capable broadband across the country;
- increase investment in developing local transport networks and infrastructure in conjunction with permitting greater regional decision-making power over infrastructure; and,
- deliver the green skills that the workforce needs to decarbonise our economy.

Green recovery

Climate change and sustainability remain a priority for BSA members and we have seen many organisations from all sectors commit to net zero carbon by 2050 at the latest - following government's lead - and to play their part in tackling the effects of climate change. For BSA members, actions towards net zero are two-fold: as well as reducing the environmental impact of their own organisations, many members deliver services to private and public sector organisations to help them become more energy efficient and act more sustainably.

As we look towards green recovery in the face of COVID-19, many businesses may not have the funds readily available to invest in green capital projects in the short-medium term. Financial stimulus may therefore need to be available to support low carbon technologies, in order to ensure that the restart does not have further impacts on the environment over the short term. A low interest loan for green capital investments, supported by government, would enable businesses to make vital energy efficiency upgrades to their sites.



There is also the opportunity for the Government to lead by example, as one of the largest occupiers of commercial buildings in the UK, by investing in its own property portfolio. Ensuring that government departments have sufficient resources to invest in energy efficiency across the commercial property estate, scaled up across the UK, would result in a huge reduction in carbon emissions, enabling business to drive a green agenda and support the Race to Zero.

These capital projects would also create jobs across the UK, from low to high-skilled, often in STEM areas, and would be well-suited to apprenticeships. Moreover, some of the UK's biggest energy users are in the nation's more deprived areas, so such action would support the 'levelling up' agenda.

Setting clear goals and a plan to achieve them will help to deliver Net Zero objectives. These could include:

- The aim to be the world leader in Green-Tech to export to the rest of the world as will be demonstrated at COP26, with specific areas of focus defined within this.
- Academia, industry and relevant departments such as Defra galvanised to work together on key challenges. Examples include the Cambridge University Centre for Climate Science and Portsmouth University's work on PETase to combat single-use plastics.
- Combining this with the Levelling Up and Infrastructure Agendas to create Green Clusters of Excellence outside London and the South East.
- Considering community micro projects to generate local participation and benefit from local green investments in renewable energy, waste reduction etc.
- Allocating funding to help carbon neutralise the 5 million social housing properties in the UK as part of the economic stimulus. This initiative covers many areas key to our recovery such as employment, skills, zero carbon and SME's, whilst also helping to tackle fuel poverty and reduce the burden on our health sector.
- Introducing best practice guidance to ensure that green measures are introduced across the public sector.
- The Government should also encourage Energy Companies to provide greater support and funding for Zero Carbon projects across the built environment.

The coming 18 months are critical, as the substantial funds applied to recovery must lead to a greener, cleaner, and more resilient future economy. A combination of blended public finance, innovation in green finance, investing in green skills, and programme delivery, will be key to realising these ambitions.

Commitment to large-scale infrastructure projects

The construction and infrastructure industry is of key strategic importance to the UK economy and has a particular role to play as we begin to rebuild our economy. The industry supports jobs and local businesses through supply chains that cover all regions across the United Kingdom.

Ensuring the UK has a resilient and competitive construction industry to meet future demand and deliver the full infrastructure pipeline for government should be considered as part of this Budget and Spending Review. The scale and flow of work that large projects such as HS2 and Northern Powerhouse Rail bring provides greater certainty for industry to invest in other ventures and in modernisation. Continued support for these large projects, combined with clear pipelines, is always to be welcomed as seen in the Infrastructure and Projects Authority's "Transforming Infrastructure Performance: Roadmap to 2030".

Significant and sizeable projects committed to using modern methods of construction and digitisation give industry more confidence to invest and a platform through which to embed digital ways of working, bringing in a large number of organisations of all sizes from across the sector and their supply chain partners. In turn, this helps to accelerate the modernisation of the industry and supports smaller organisations operating within larger contractors' supply chains.



Large-scale projects are also key to creating and supporting jobs across the regions and are therefore central to the Government's levelling up agenda. In short, the investment in both people and place that the Government can support with these large-scale projects will be vital to our economy recovery in the short term as well as our long-term prosperity.

Digital infrastructure

As we have stated in previous submissions, the Government's manifesto pledge to introduce full fibre and gigabit capable broadband to every home and business across the UK by 2025 is welcomed by many across the sector. The experiences of those who have been working from home at one point or another over the past eighteen have highlighted how necessary this is and its importance to the functionality of our wider economy. We must also consider the long-term impact that the coronavirus outbreak will have on the future of work in this country and the central role that our digital infrastructure will play in this, as well as levelling up opportunities across all parts of the UK.

The benefits of increased digital infrastructure, such as the introduction of gigabit capable broadband, will be felt across the UK economy and the Treasury should continue to work with industries where the benefits of digital improvements could prove transformative, such as business services, to pilot particular technologies. This will be key to addressing the 'digital divide' that inhibits the levelling up agenda in areas that are currently underserved in this regard.

It is important to stress that this divide is more nuanced than the catch all term suggests. The problem here relates to the existence of have's and have nots - the differing levels of access to technology across all age groups and demographics. To feel the full benefits of transformative technological investment requires coverage across the population in excess of 90%, not only in terms of access to the network, but in terms of services and products too.

In addition to this, improving incentives for businesses to invest in new technologies and equip their workers with digital skills could lead in the long term to increases in the productivity and wages of thousands of service sector workers.

Investment in local infrastructure and supporting regional decision-making

It is only by encouraging a new level of collaboration and partnership working between stakeholders at a local level, including those in the business services sector, that genuinely inclusive growth which benefits all communities can be achieved.

To ensure efficient and effective spending at a local level, local authorities should continue to be granted sufficient scope to invest in the infrastructure and services that are key to supporting British businesses and should be supported by central government in this regard. In addition to ensuring sufficient funding is available for such projects, the continued proliferation of advice and best practice guidelines from central government will continue to be of use here.

3. Project Delivery and Public Procurement Reform

The way Government manages its supply chain is crucial to the efficiency and effectiveness of public services and our economic recovery. Recent steps to increase the effectiveness of public service delivery have been positive but there is much that can be done to improve upon this.

The BSA has worked closely with, and strongly supports, the work of the Cabinet Office in this regard. We welcomed the publication of the Green Paper on public procurement last December and we are grateful to Cabinet Office colleagues for being so open to suggestions and ideas during our discussions over the past twelve months (including ahead of the publication of the National Procurement Policy Statement, Consultancy Playbook, and the forthcoming Digital Data and Technology Playbook) alongside a broader emphasis on value, and social value, over cost.



We would also like to emphasise that much of the success of the proposed reforms will rest on ensuring consistent application and implementation across contracting authorities including at a local and devolved level. We believe, however, that the Government can further drive market changes via investment in both people and systems in this area. Unfortunately, there is still evidence of poor contracting behaviours including iniquitous risk transfer, inconsistency across departments, and excessive complexity in the tendering process. These behaviours not only impact upon the efficiency with which taxpayer money is spent but also distort the market by effectively prohibiting the wider participation of potential suppliers, including VCSE and SME organisations, within the procurement process.

The BSA has been involved in discussions with government on procurement reform since 2010 and over that time there have been several recurring issues to which we have made a number of suggestions.

Procurement processes and the Sourcing Playbook

In addition to the discussions conducted with ministers and officials from the Cabinet Office, we believe that HM Treasury has a valuable role in this process. Procurement processes and cultures are inconsistent across Whitehall. The Cabinet Office has the power to introduce reform centrally, but not enforce it across Whitehall. A significant policy initiative is needed to ensure all central government departments procure in the same way. This requires a policy, administrative, and cultural change across Whitehall.

The Sourcing Playbook has been well received by the sector and we have spoken to many Government Departments regarding its implementation. However, the Playbook remains voluntary and levels of understanding and application of the Playbook vary across Whitehall and the wider public sector. Incorporating the Playbook into law, above and beyond legislating that all contracting authorities are required to have regard to the National Procurement Policy Statement when undertaking procurements, would ensure that it is enforced and everyone who procures goods, services and projects for government - at national, regional and local levels - apply procurement principles in the same way.

Use of best practice business cases, exploring a wide range of delivery options informed by the outsourcing/construction supply chain, will also be central to delivering value. We also support the ongoing revisions to the Green Book which continue to drive a focus on levelling up and regional infrastructure and investment programmes and projects.

Contract Flexibility

One of the lessons arising from the Covid-19 pandemic for service delivery is the importance of contract flexibility. BSA members have acted agilely and played a vital role in keeping the economy going, delivering services and projects. For the most part, this has been possible because of their ability to adapt, the ingenuity and dedication of civil servants and has worked best where contracts can be flexed to meet new and changing requirements.

Covid-19 has brought to light the impact events can have on services and projects. This is particularly true for contracts of 5 years or longer. It is in the interest of all parties that there are mechanisms in place to address this in a structured way. For example, government does not yet recognise 'change in law' as a risk that may not sit best with suppliers. This area is key in respect of risk allocation and realisation of value for money and we recommend that this is reviewed.

In addition to the above, we urge colleagues within HM Treasury to be mindful of the implications of ongoing labour shortages for government contracts. As we have raised in our ongoing discussions with ministers and government officials, workforce pressures are being felt across the sector and are expected to have a direct effect on labour costs which would in turn impact on pricing considerations in government projects and services.



Data

Despite good progress in recent years, there remains a shortfall in quality of data in and around public procurement. For instance, according to one analysis of public spending data, around 60 per cent of public contracts are not published in Contracts Finder. It is often difficult to see precisely who has won a contract and by what mechanism the contract was awarded, or what is required of the supplier delivering the contract.

Requiring all contracting authorities to implement the Open Contracting Data Standard and establishing a single digital platform for supplier registration are positive steps forward in this regard. There remains, however, a significant opportunity to conduct much greater analysis of our public contracting, so that we can better understand the impact of the procurement decisions that are being made and deliver much better outcomes for service users and the economy at large.

The Government has the ability to drive growth, increase jobs and reduce carbon with the money it spends with suppliers, but it can only do this if it can access good data on what is spent by public bodies.

Delivering Social Value

Public sector organisations have huge ability to use the tool of public procurement to achieve their priority objectives on investment and on sustainable and inclusive growth.

These objectives are all more likely to be achieved with long-term vision from public sector commissioners, a desire for genuine partnership working, economic stability and clear pipelines of work so investment in technology and skills is encouraged. They also require early engagement with businesses and VCSE organisations of all sizes, to bring in ideas on how social value outcomes can best be achieved. Whilst we were encouraged by initiatives set out in last year's PPN 06/20, including the 10% weighting to social value in public contracts, we believe the Government can further act as a driver for social value by continuing to improve the delivery of public services.

The coronavirus pandemic has illustrated once again the need for trained and experienced public sector professionals not only to procure goods and services but also to contract manage effectively. Authorities which had invested in these capabilities, and which had spent time and resource building up strong relationships with partners, were able to be more flexible and innovative in responding to the COVID-19 crisis.

4. Supporting businesses and VCSE organisations

Government support will be key as business and VCSE organisations look to drive our economic recovery. Business services providers are currently navigating several upward pressures that are impacting on margins and they are acutely sensitive to changes in the business environment, including the difficult decisions that were made over National Insurance (as labour costs account for the largest expense in outsourcing contracts).

The crisis has highlighted the importance of the business services sector not only as major employers themselves but to the whole economy, and as a key part of the response to Covid-19. They have, for example, been an inextricable part of keeping hospitals operating during the crisis and of course were crucial in constructing the Nightingale and Louisa Jordan hospitals. Large parts of the economy would have been unable to reopen without services such as cleaning, catering, security and asset maintenance services being in place.



VAT

VAT is another longstanding area of concern for members, and we have outlined several suggestions for how this could be addressed in previous submissions¹.

Having completed our transition period and formally exited the European Union, we would urge the Government to consider whether the VAT regime could be amended to address the concerns of business and simplify the taxation process. For example, the Government may wish to consider extending the deferral period to allow businesses to recover further before being asked to make the payments.

As we have proposed in previous submissions, we would also recommend removing the exempt rate or restricting it to financial services only. This would immediately simplify the VAT regime, and where there are concerns about the financial impact on the consumer, the zero-rate could be used instead, which is much more straightforward for businesses to operate. This immediately removes many of the issues and complexities of VAT - partial exemption, the capital goods scheme and land and property/option to tax would all be simplified. Many businesses incur considerable costs to ensure that they are compliant with these regimes.

We would welcome an opportunity to engage with HM Treasury and the Office of Tax Simplification on any reviews of the tax system in a post-EU Exit UK, particularly business taxes and the VAT regime for delivery of public services by in-house and outsourced teams.

5. Levelling Up

As outlined in the sections above, the BSA welcomes and supports the Government's focus on levelling up the country and on unleashing Britain's potential as we look towards a green recovery. In response to the COVID-19 pandemic, the sector was able to successfully deploy a range of digital tools and adopt more flexible models that further spread the value, jobs, and expertise that the sector can bring to a local economy. It has an important role supporting inclusive growth across the UK; has played a central role in the emergency coronavirus response; and now has the capacity - and reach - to play a central role in helping Britain to Build Back Better. With this in mind, there are particular areas in which we feel that government can work with the industry to drive the levelling up agenda.

The Skills and broader Social Infrastructure Agenda

Whilst large-scale investment and infrastructure projects are key elements of the levelling up agenda, we urge the Government to also prioritise investing in people as well as place including through upskilling and reskilling Britain's workforce. We warmly welcomed the Plan for Jobs and continued utilisation of the National Skills Fund. We urge the Government to continue to support the measures supported by these policies and to increase its investment in our present and future workforce, particularly through provision of Level 1 and 2 qualifications, as a gateway to the Government's Lifetime Skills Guarantee.

The Covid-19 economic crisis is increasing the need for a flexible approach to upskilling and reskilling people in turn reducing the skills gap and supporting the levelling up agenda. We therefore urge the Treasury to work with DfE and BEIS to consider practical reforms to current skills programmes including the Apprenticeship Levy. We also urge the Government, and particularly the DfE and DWP, to join up social infrastructure provision encompassing careers advice, skills provision and employment support. This will create joined up learning, work and progression pathways for young people struggling to start their careers, as well as career change and lifelong learning opportunities for displaced older workers.

¹ *Office of Tax Simplification (OTS) Review of Value Added Tax (VAT)*, BSA Response - September 2017 - <https://www.bsa-org.com/wp-content/uploads/2017/09/BSA-Response-OTS-Review-of-VAT.pdf>



Economic analysis shows young people, particularly the most disadvantaged, and older workers are the groups hardest hit by the 'U-Shaped' labour market impacts of the pandemic, and these groups therefore need specific skills and employment support to deliver the Government's Plans for Job and Growth and the levelling up agenda. Such an approach is also crucial to support learners with Special Education Needs and Disabilities and disabled workers who have also been disproportionately impacted by the impacts of the pandemic.

Supporting SMEs through the supply chain

All types of organisations have a role to play in recovery and in rebuilding economic and social infrastructure. Different sizes of businesses have different strengths they can draw on. In many areas of the country, smaller businesses and VCSE organisations have been hit especially hard. Larger organisations can have the capacity and reach to help. They can help support and rebuild local SME capacity, by making full use of the external expertise and supply chain management they can bring to the table, while smaller organisations bring their strengths and the two learn from each other.

Both now and in the longer term there is a need for fair treatment of supply chains with fair allocation of risk and reward, genuine partnership working, and larger and smaller organisations each being aware of the opportunities available both to contract directly with the public sector and to collaborate with each other.

Tackling the digital divide

As discussed above the experiences of many who have been working from home at one point or another over the past six months have highlighted how necessary investment in our digital infrastructure is and its importance to the functionality of our wider economy. We would urge the Treasury to continue to work with industries to address the digital divide that is present in our economy.

Further to the points on supporting skills training above, improving incentives for businesses to invest in new technologies and equip their workers with digital skills could lead in the long term to increases in the productivity and wages of thousands of service sector workers.

Devolution

We welcome the forthcoming Levelling Up White Paper and the role it will play in empowering strong local leaders by taking a more flexible approach to devolution with the new 'County Deals'. The voices of local communities, and their local and devolved government representatives, should be at the heart of the decision-making process going forward. Expanding and supporting the number of place leaders will therefore be key - enabling communities to drive response, providing leadership so those needs and wishes can evolve into strategy, and drawing together stakeholders in putting it into effect.

UK Shared Prosperity Fund

Many BSA members have been involved in ESF-funded projects at national and local level and we look forward to hearing more about the UK Shared Prosperity Fund (UKSPF) and the role it will play in levelling up and creating opportunity across the whole country. First and foremost, visibility of the programme pipeline is highly important, not just for UKSPF programmes but also aligned with wider government programmes, particularly where similar provision is sought from a similar group of providers.

Visibility of the pipeline enables bidders to develop genuinely innovative solutions, to plan resources and to build networks with potential supply chain partners. Where there is overlap in provision across government departments, it would also be useful to also dovetail systems compliance regimes and data within existing systems.



The UK Government has committed to at least matching receipts from EU Structural Funds through the UKSPF and has stated that the fund will on average reach around £1.5bn a year. Whilst we await confirmation of the final funding framework in the Spending Review, it is unclear when the Government aims to reach the £1.5bn target and whether the Government will continue to seek match funding in addition to UKSPF funding, as has been the case for ESF-funded programmes. It is also unclear whether the commitment to match ESF funding refers to the funding directly from the EU before match funding, or whether the commitment includes the match funding.

A key aspect of how UKSPF programmes will be procured and delivered is the level of government that receives the funding or has responsibility for procuring and delivering programmes. Particularly for the people portion of UKSPF, there is often a trade-off between having a large number of small projects, which often means localised devolution, perhaps even to place-level, with the scale and levels of quality assurance and capability that can come with working at regional or sub-regional level, for example, such as with city regions.

It will be interesting to see if UKSPF follows a particular route or if there will be flexibility to take different approaches in different places and communities. The Prime Minister recently said the Government will not be proceeding with a one size fits all template in relation to devolution; the same principle could apply to support delivered through UKSPF. In any case, as with CRF, it would be useful to have transparency around, and the rationale behind, allocation of funding for certain places, be that based on the Indices of Deprivation or other blended data sets that indicate specific needs, inequalities, gaps and longitudinal outcome gaps that require levelling-up. We look forward to further detail in the Spending Review as to how UKSPF may be shared between government departments at national and local level.

ESF funding has, over time, been shared across a number of different organisations over the years, from local councils and LEPs to central government including DWP and MoJ. It is important that commissioning is able strongly to strongly reflect and respond to differing local labour market needs and priorities, as well as enabling effective, strong, consistent and transparent procurement and management. It is important that local commissioners have the capacity and skills to commission these types of services, especially given the potential scale of this commissioning exercise. There could be a role for government to play in offering the kind of support that central government departments can access to all commissioners, such as training and support through the government commercial function, to enable commissioners to maximise the impact of UKSPF.



List of BSA Members, September 2021

3C3 Ltd	Jobs 22
3SC	KBR
AECOM	KPMG
Amey Plc	Kier Group Plc
Aramark	Maple Strategy
Atkins	Maximus UK Ltd
Atos	Mears Group
Baachu	Medallia
Balfour Beatty Plc	Mitie
BAE Systems	MTC
Barclays Corporate	NatWest
Bellrock Ltd	NCG
Bevan Brittan LLP	OCS Group UK Ltd
Bouygues Energies and Services	P3
Business 2 Business	PHS Group
Bright Network	Pinsent Masons LLP
Browne Jacobson LLP	Polar Insight
BT Group Plc	Purpose Led Performance
Capita Plc	PricewaterhouseCoopers UK
Catch 22	Quenby Support Services
CBRE Ltd	Reed in Partnership
CGI	Robertson FM
CH & Co Group	Salisbury Group
Chillblast	Seetec Group Ltd
City FM	Serco Group Plc
Clyde & Co LLP	Sharpe Pritchard LLP
CMS Cameron McKenna Nabarro Olswang LLP	Shaw Trust
Community Models	Sodexo Ltd
Compass Group Plc	Sopra Steria Ltd
Connect Assist	Space Solutions
Corndel Ltd	Spend Network
CSG	Strictly Education
Deloitte	TerraQuest Solutions Ltd
DWF LLP	The Gap Partnership
Elior UK Ltd	The Grichan Partnership
Eric Wright FM	The Palladium Group
Fujitsu UK	The Sustainability Group
G3 Systems Ltd	Trowers & Hamblins LLP
G4S Plc	Turley
Glaston Consulting	Veolia
GoodPeople	Vercity
Hinduja Global Solutions	VINCI Facilities
HP	VPS Group
IBM	Wand Consulting
Incentive FM	Wates Group
Ingeus	Willmott Dixon
ISS UK Ltd	