



UK Health
Security
Agency

A commercial strategy for UK health security

Commercial practice in a changing world



2024-2029

About UKHSA

The UK Health Security Agency (UKHSA) prepares for and responds to infectious diseases and environmental hazards, to keep all our communities safe, save lives and protect livelihoods.

We provide scientific and operational leadership working with local, national and international partners to protect the public's health and build the nation's health security capability.

UKHSA is an executive agency, sponsored by the [Department of Health and Social Care](#) (DHSC).

For most of UKHSA's work, our remit covers England as health protection is largely a devolved policy area. We hold some UK-wide responsibilities on reserved matters where the UK government has retained policy responsibility.

Our [strategic plan](#) relates to UKHSA's work in England, with the exception of sections where we note we are referring to reserved matters, such as our work in preparing for and responding to the effects of radiation on public health and international obligations on global health security. UKHSA recognises the cross-border nature of health threats and works in close partnership with the devolved governments on common challenges.



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Foreword by the Chief Executive



Dame Jenny Harries
Chief Executive, UKHSA

Our mission is to prepare for, prevent and respond to health threats, save lives and protect livelihoods.

We bring together an incredible range of scientific, operational, clinical, digital and analytical professionals, working in world-leading facilities and alongside policy experts, and critically in partnership with industry.

Commercial expertise is just as important as our scientific, clinical and other capabilities in protecting the health of our nation. We have expertise in procurement, supply chain management, operations, business development and in managing contracts and relationships. This helps us deliver maximum impact from our health programmes, our vital partnerships with industry and our science capabilities.

So I am very excited that we now have a new commercial strategy to enable delivery of the goals and priorities set out in UKHSA's Strategic Plan.

The commercial strategy details the actions and outcomes that will help UKHSA be a partner of choice, working with industry, universities, research organisations, central and local government, the wider health family, third sector and social enterprises to keep the UK safe.

Robust, innovative commercial practice has a vital role to play in the efficiency and effectiveness of UKHSA. It has underpinned everything UKHSA has done to date and will help ensure we are prepared for, and respond quickly to, health security challenges into the future.

Foreword by the Commercial Director



Sarah Collins

Commercial Director, UKHSA

I am very proud to present UKHSA's first Commercial Strategy.

Our purpose as a professional, commercial function in UKHSA is simple: to use all our expertise and experience, working with our colleagues and partners to ensure the UK is prepared to respond to all health threats.

Our commercial strategy sets out how innovative commercial and operational practice can have the biggest impact on delivery of UKHSA's mission, goals and strategic priorities. It draws on the very best practice in government and industry, learns lessons from the COVID-19 pandemic and other recent health challenges, and builds on the achievements and experience of our dedicated and professional staff.

Our strategy looks ahead to new opportunities, new challenges and the new capabilities we will develop to meet the needs of a unique organisation charged with a hugely important mission.

It sets out how our procurement, business development collaborations, operational and supply chain expertise, and strategic management of relationships with industry will help to deliver more equal health outcomes, contribute to growth in the UK's world-leading life sciences and help tackle climate change.

In everything we do we will demonstrate transparency, integrity, fair play and value for the taxpayer.

We have come a long way already but still have further to go. Our strategy sets out our ambition to provide excellent commercial service and leadership on health security for UKHSA and our partners, and the actions we will take together to make our ambition a reality.

Summary

This five-year strategy sets out the innovative commercial practice needed to deliver UKHSA's mission, goals and strategic plan. It reflects our core values as a public health agency and overarching purpose to improve the UK's health security.

The strategy has been developed collaboratively with stakeholders and industry partners and addresses their experience of working with us over the last two years. It is benchmarked against government and private sector commercial standards.

We have learnt lessons from best practice in government and the private sector, and from the UK's response to COVID-19. We will exploit the transformative potential of artificial intelligence (AI), utilise the new opportunities of the 2023 Procurement Act, develop new and creative ways to meet the needs of a clinical, science and data-based organisation, and facilitate investment in UK domestic health capability and life sciences.

We prioritise transparency in decision-making, integrity in commercial practice, quality in the services we procure and equity in health outcomes. We will achieve value for money in everything we do.

UKHSA is committed to partnership, flexibility and responsiveness in our commercial practice. We invite industry to work with us to protect the UK from infectious diseases and environmental hazards, combining resources, capabilities and innovation to strengthen the UK's health security, support inclusive economic growth and help tackle the causes and impacts of climate change.



We focus on five key priorities where innovative commercial practice can have the biggest impact on delivery of UKHSA's Strategic Plan to improve health security.

The UKHSA strategy



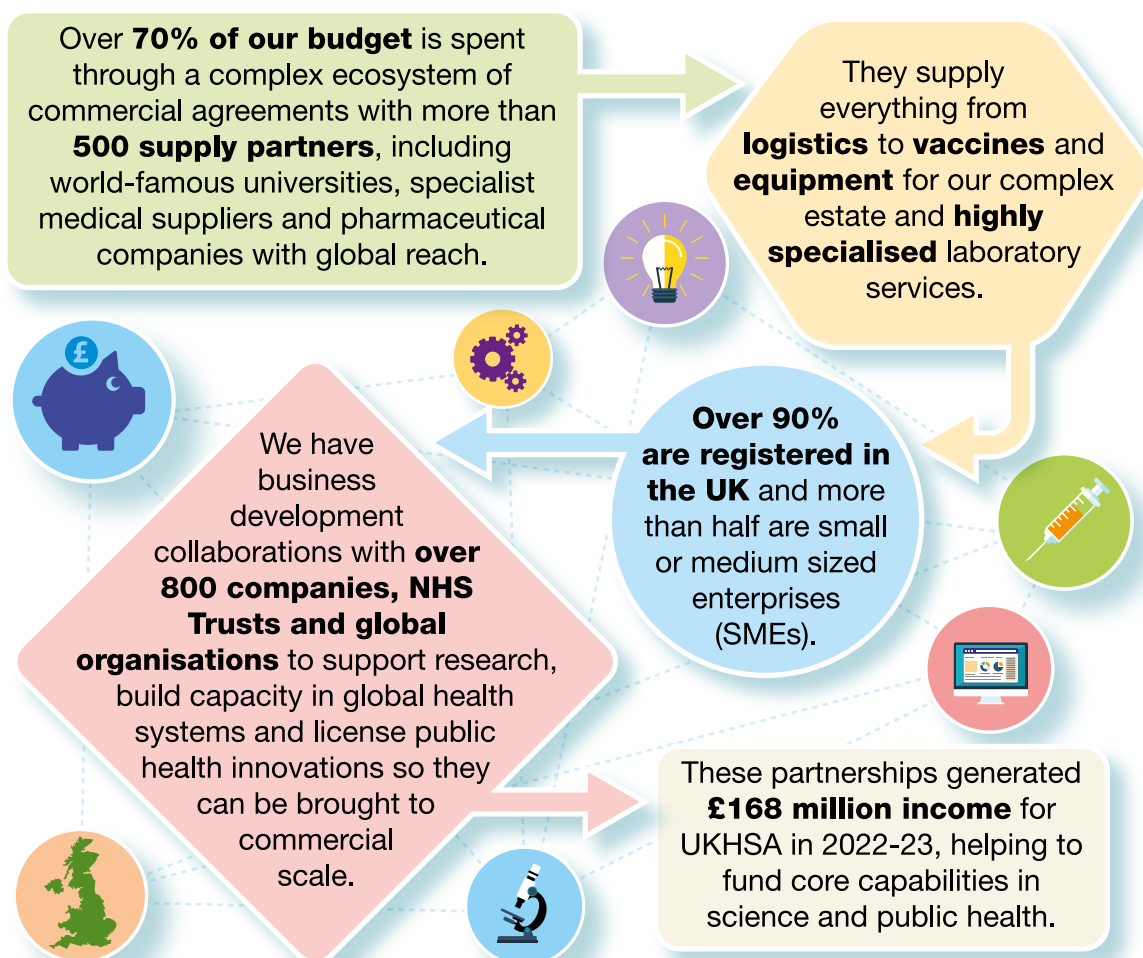
The strategy is underpinned by a SMART (specific, measurable, achievable, relevant, and time-bound) Delivery Plan and metrics. We will review implementation each year with our stakeholders and partners, learn from best practice and update the strategy to meet the challenges of the future.

Context: commercial challenges and opportunities

Introduction

UKHSA prepares for and responds to infectious diseases and environmental hazards, to keep communities safe, save lives and protect livelihoods. We provide scientific and operational leadership, working with local, national and international partners to protect the public's health and build the nation's health security capability. Our three-year Strategic Plan sets out goals and key priorities for 2023 to 2026.

We work in partnership to achieve our goals, combining our own resources, expertise and interventions with those in the NHS, wider public sector, industry, universities, charities, voluntary sector and social enterprises.



As a public sector organisation, our commercial practice is transparent, fair and non-discriminatory. We operate within a regulatory framework, employ competition to get best value for the taxpayer, evaluate bids against objective criteria, publish all contracts and are accountable to ministers, Parliament and the taxpayer. We embed quality standards and robust clinical governance in our outsourced services to protect the public. Our staff apply the highest professional and ethical standards to their work, and we require our partners to do the same.

Learning lessons and looking to the future

Commercial excellence is a Civil Service priority. It is increasingly important in the management of relationships between government and industry to achieve policy goals and deliver essential services.

During the COVID-19 pandemic, the private sector brought innovation, resource and the ability to ramp up quickly and operate at scale. Partners in the health family and not-for-profit sectors helped reach hard to access populations. Government provided critical regulatory oversight and found new pathways to respond quickly and work flexibly to meet the challenge. Together, we established a national testing infrastructure and turbo-charged innovation in diagnostics, vaccines and antivirals, saving lives and enabling the country to recover from a global crisis.

The pandemic also showed the importance of robust commercial governance, transparency in procurement, and competition in driving better value for money. Good commercial practice ensures integrity in the use of public resources, independence from special interests and better health outcomes, helping to maintain public trust in UKHSA, its mission and its partners.

In developing this strategy, we have applied best practice and lessons learned throughout UKHSA's existence, and from reviews by Sir Nigel Boardman, the National Audit Office and the Government Internal Audit Agency.

We must now be ready to respond to a far wider range of existing and potential infectious and environmental health threats, increasingly driven by climate change, habitat destruction and global movements of people, goods and animals. Our commercial practice too must be agile enough to anticipate and evolve to meet the challenge.

New Opportunities: Transforming Public Procurement

The Procurement Act 2023 will open up public procurement to small businesses and social enterprises, so that they can compete for and win more public contracts. It provides for a range of simplified procedures, dynamic markets and greater flexibility to design procurements, learning lessons from the pandemic. At the same time, the Act increases the transparency of public procurement, enabling greater public scrutiny. We will ensure the agency and our suppliers are ready to make full use of the Act's flexibilities once it comes into effect in autumn 2024.

Our commercial vision

Our mission is to develop the innovative commercial practice that enables UKHSA to make full use of its world-leading science and public health expertise and capabilities to protect the public.

Our vision is to use our own commercial, operational and business development expertise, and unlock the resource, capabilities and innovation of the market, so that together we can deliver greater protection against health threats than we can alone.

UKHSA is a unique organisation, called on to respond quickly and effectively to a wide and growing range of threats to health. We operate in a complex and uncertain environment that requires us to shape, lead and create markets, manage complex, interdependent supplier ecosystems, make global supply chains more resilient and strengthen domestic resilience in key capabilities.

Our challenge is to combine commercial rigour with innovation and speed of response. We have high ambition for the service we provide, but we are a comparatively new function in a maturing organisation and the journey will take time. We will benchmark against government commercial standards, learn from best practice elsewhere, and work with stakeholders and partners to succeed.



How we will help deliver UKHSA's goals

We will develop outstanding commercial staff, systems, and practice, bringing together the expertise, capabilities, and resources of the organisation, its partners, and the market, so that UKHSA can deliver its public health mission and goals.



Using our procurement, business development, supply chains and industry partnerships to promote social value, ethical practice, health equity and environmental sustainability.



We will work strategically with our partners:

- developing stronger, deeper relationships to drive performance, harness innovation and deliver high quality services and interventions
- shaping and creating markets to provide capabilities, resources and resilience to respond to new and emerging threats, including a future pandemic
- facilitating investment in UK life sciences and building domestic health security resilience, by:
 - using new Procurement Act flexibilities to support UK businesses and SMEs and commercialise innovation through our business development collaborations
 - developing new forms of partnership for industry and government to exchange insights and shape new capabilities in line with UKHSA's Science Strategy, while maintaining a level playing field and protecting against conflicts of interest
- making the biggest contribution we can to national policy goals for sustainable development, inclusive growth and more equal health outcomes
- providing guidance as public procurement policy evolves, including on implementation of the Procurement Act 2023

We will support inclusive, sustainable growth and health equity by:

- working with UKHSA's experts to design provisions that deliver social value benefits to disadvantaged communities and help reduce health inequalities
- managing relationships and developing a Partnership Charter to focus our commercial partners on shared values, societal benefits and health equity
- using new powers in the Procurement Act to expand our work with Small Medium Enterprises, the drivers of employment and growth in the UK economy
- driving sustainability in our estate, procurements and supply chains – we will:
 - meet our Greening Government Commitments
 - implement public procurement requirements to reduce environmental harm
 - tackle climate change and reduce waste
 - require those bidding for contracts over £5 million pa to publish carbon reduction plans and reach net zero by 2050

Combining social and commercial value: the Single Service Centre

The Single Service Centre contracts are a key part of pandemic preparedness and contribute to inclusive economic growth. In the event of a pandemic, two primary suppliers will sub-contract SMEs to mobilise over 1,000 staff each week. This will enable us to set up infrastructure at pace, while protecting SMEs against the economic disruption caused by a pandemic. Call centre staff will be paid the higher Real Living Wage during the life of the contract, incentivising rapid recruitment and putting cash into local economies.

We will be transparent and impartial in our operations, protect public money and obtain full value from UKHSA spend by:

- meeting new transparency requirements in the Procurement Act 2023
- achieving annual savings from more efficient procurement and contract management
- generating greater external income from business development partnerships to fund core capabilities
- resolving legacy contract disputes to protect taxpayers' interests
- working with UKHSA's fraud specialists to strengthen our already robust protections against fraud and corruption in our supply chains, including a commercial toolkit, training and annual fraud risk assessments
- automating our systems to track and manage expenditure from source to payment and give greater assurance of control over spend
- developing options to make, partner or buy, so that we deliver in-house where this is most cost-effective and procure where the market is more efficient, or needed to deliver a 'surge' in response to emergency

More for our money: dynamic purchasing of lateral flow devices (LFDs)

The introduction of LFDs to test for COVID-19 helped make mass testing a reality and bring the pandemic under control. The Dynamic Purching System (DPS) introduced at the beginning of 2021 enabled us to create and access a new market, increasing the number of suppliers who could meet our requirements and adding new suppliers to the DPS as they emerged. Whereas the early cost of LFDs reflected an immature technology and market, the DPS was able to bring down the price of LFDs by 70% in just over a year, saving £1 billion for the taxpayer.



How we will deliver

UKHSA's commercial function works within the regulatory framework for public procurement and guidance on use of public money in the government's Green Book and knowledge asset management in the Rose Book. We measure our capability against the objective, peer-reviewed government standards set out in the Commercial Continuous Improvement Assessment Framework.

We are an enabling function. We will use all our capabilities and work collaboratively with colleagues and partners to enable delivery of UKHSA's mission, Strategic Plan and key organisational strategies for science, data, people, health equity and sustainability.

We will use all our capabilities



Good commercial practice is collaborative, the outcome of a healthy ecosystem of processes, relationships and agreements. It requires an outward-facing organisation with clear dock-in points, user-friendly processes and platforms for existing and prospective partners to work with us in a variety of different ways.

Efficient internal processes and joined-up working are essential if we are to enable our partners to provide best value and greatest impact from our health interventions. Our goal is a collaborative, customer-focused commercial culture, in which UKHSA experts, our partners and commercial staff work together to find the best commercial solutions to protect the UK's health security.

Collaborative commercial working: vaccine deployment

Good communications and close collaboration between scientific, clinical, operational and commercial staff are essential in a multi-disciplinary organisation. Commercial staff work closely with clinical colleagues and operational partners to plan requirements for national immunisation campaigns up to six years ahead. Taking a long term and strategic approach to supply chain resilience, we maintain buffer stocks to protect against interruption of supply, maintain the shelf life of vaccines, manage a rolling programme of procurements and provide global suppliers with assurance to bring sufficient volumes into the UK. This enables UKHSA to respond to changes in policy, clinical best practice, or public behaviour.



Fixing the basics

The consultation we carried out with stakeholders and partners to develop this strategy recognised that UKHSA's commercial staff are knowledgeable and supportive, prepared to work collaboratively and committed to a partnering culture. However, consultation also identified scope for improvements in processes and systems that can be experienced as slow, cumbersome or opaque.

Our partners told us that they need:

- an easily accessible 'front door' into UKHSA, with clear signposting and routes to the right people in the agency
- earlier and more complete visibility of procurement opportunities so they can anticipate and mobilise to meet our requirements (particularly SMEs who have innovative solutions but less resource to respond to tenders at short notice)
- more responsive management of contracts
- less rigid routes to market and ways of working
- greater engagement on strategy and planning and with UKHSA's scientists

Our colleagues in UKHSA told us that they need:

- processes that free up staff to focus on strategic work and engage with partners, and do not demand disproportionate effort, or repetitive approvals
- joined up working with early commercial engagement in planning and design
- clearer signposting to online resources and induction materials to ensure staff know when and how to engage commercial support
- timely and consistent commercial advice, with more real-time support, with standard templates, timelines, approval maps and best practice examples to help navigate commercial processes more easily

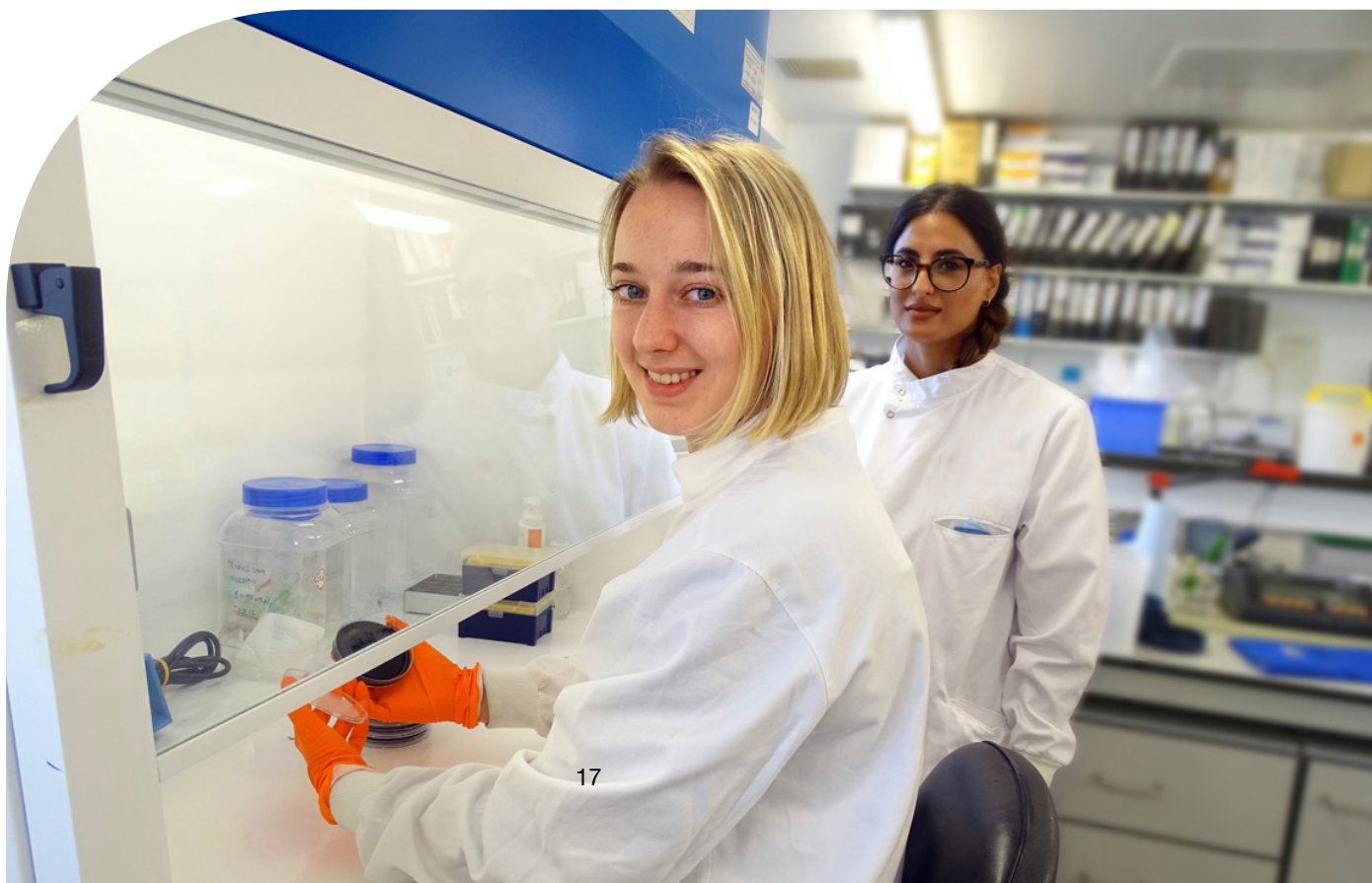
We will make these improvements our first priority for implementation, laying the foundations for a more commercially capable and welcoming UKHSA.

Our commercial priorities

Consulting with stakeholders, we have identified five commercial priorities where we can have the biggest impact on delivery of UKHSA's mission, goals and Strategic Plan.

Our commercial priorities

- 1 **Stronger partnerships** and markets to give UKHSA access to the resources, innovation and expertise of the market.
- 2 **Effective commercial delivery** of health programmes and readiness to respond to health threats, including a future pandemic.
- 3 **Growth and innovation**, driven by business development collaborations to commercialise innovations with public health benefits, support growth in UK life sciences and help fund UKHSA capabilities.
- 4 **Operational excellence** through robust, proportionate commercial processes, systems and governance that protect the taxpayer's interests, empower staff, deliver value for money and equip us to work confidently and collaboratively with partners.
- 5 Recruiting, retaining and developing **people and commercial capability** across UKHSA.





Stronger partnerships and markets

Partnerships between government and industry are an essential foundation for the UK's health security. The UK was the first country in Europe to secure vaccines for use against Mpox in summer 2022, benefiting from a long-term, collaborative relationship with the manufacturer. With supply partners, we set up the largest mass testing network in Europe and accelerated the development of diagnostic tools and life-saving vaccines during the COVID-19 pandemic. Our scientists engage with universities, businesses and research institutions to share knowledge and identify new innovations.

We need a range of partnerships to reflect this diversity and enable UKHSA and our partners to benefit from different kinds of collaboration:

- supply partnerships to provide goods and services for health security
- business development partnerships, which commercialise innovation and generate income from UKHSA's assets and capabilities
- scientific partnerships to strengthen our scientific capabilities and identify new opportunities for research, innovation and service improvement in line with our Science Strategy – these will have commercial guardrails and governance to protect against conflicts of interest and breach of procurement regulations

We are moving from reactive, short-term and transactional relationships to a more strategic approach to the market and commercial partners. This will marry pace and flexibility, proportionate governance, and streamlined processes to drive greater value and innovation and maintain the integrity of our operations.

Harnessing the dynamism of SMEs

SMEs are engines of growth and employment in the UK economy. They can often provide more innovative solutions than larger businesses but frequently face greater difficulties in partnering with government. We will publish an SME Action Plan in 2024 to level the playing field for SMEs competing to win UKHSA contracts, using the new powers in the Procurement Act and targeted market engagement. We will design contracts and manage our strategic suppliers to ensure SMEs receive fair treatment as sub-contractors in our supply chains, both from government and from primary suppliers.

We will develop a framework for commercial partnerships to ensure UKHSA:

- has a healthy diversity of commercial partners and capabilities to meet current and future public health challenges, maintain resilience in our logistics and supply chains and provide access to scientific innovation
- works with partners who share our values, act in accordance with them and are held to account against them

- obtains maximum value from its strategic relationships, not only meeting contract terms and delivering full contract value but exceeding them
- can discuss strategic needs, directions and options with the market and with prospective and existing partners freely and openly, within a regulated space that protects against conflict of interest with competition or procurement law
- where appropriate, provides clear pathways and governance to develop initial ‘without commitment’ discussions of public health needs and scientific innovation into partnership agreements, whether contractual or otherwise, protecting UKHSA and our partners legally, financially and reputationally
- delivers public goods, including more equitable health outcomes, inclusive economic growth and reductions in greenhouse gas emissions

We will build a Commercial Partnerships Strategic Framework, including:

- **Strategic Supplier Relationship Management** in line with government best practice to unlock innovation, improve strategic alignment through joint business planning and drive better performance by 360-degree performance management. We will embed quality standards, health equity and environmental sustainability in our collaborations. We will establish a forum for SMEs to engage with us, and ‘Develop and Nurture’ those suppliers with potential to meet future needs
- **new forms of partnership agreements** for collaboration that is not based on supply of goods or services. Clearly defined rules of engagement will enable strategic discussion between UKHSA’s scientists and industry, maintain compliance with procurement and competition law and protect both partners and agency against conflicts of interest or perceptions of special treatment



- **a user-friendly front door for partners** to access guidance, pipeline information and policy requirements and establish contact with expert staff, using automation to make processes more efficient
- **a market scanning capability** to give us a ‘finger on the pulse’ so that we understand emerging trends, changes and innovation in relevant markets. This will complement horizon scanning of vaccines, pathogens and scientific developments, helping us to design better strategies and requirements – beginning with whether to make, buy or partner to meet the agency’s needs
- **targeted market engagement** to widen our supply pool, increase competition and build alignment to UKHSA’s objectives. We will create a diverse and growing range of partners that provides more options for delivery and response, including social enterprises and a vibrant SME sector
- **a partnership charter** setting out shared values, standards and behaviours for UKHSA and its commercial partners and a commitment to work together to implement health policy goals, ensure the highest quality in services and contribute to more equitable health outcomes



Effective delivery and readiness to respond

The commercial function in UKHSA plays an essential role in delivery of health programmes. We procure, store and distribute vaccines for national immunisation campaigns and materials for use in the event of chemical, biological, radiological and nuclear threats. We contract to supply day-to-day goods and provide support to UKHSA’s world-leading facilities and laboratories.

The way our world is changing is driving greater risks to health. Our commercial practice must be agile enough for UKHSA to respond at pace and scale to existing, new and unforeseen threats, including the risk of a future pandemic.

Pandemic preparedness: Advanced Purchase Agreement (APA)

In 2023, the UKHSA agreed the UK’s first ever contractual arrangement with a manufacturer to produce a pandemic specific vaccine for a future influenza pandemic made entirely in the UK. The APA reserves over 100 million doses of vaccine for the UK to keep the country safe in the event of a pandemic, creates skilled jobs in an area of high unemployment and strengthens the UK’s leading role in high-tech life sciences.

In order to ensure UKHSA's readiness to respond to health threats and deliver effective products and services at the point of need, we will:

- **design flexible, scalable and responsive commercial agreements** for UKHSA to meet health threats at whatever pace and scale is needed. These will include frameworks, dynamic purchasing systems, Advance Purchase Agreements and scalable contracts. We will build into all our contracts the requirements set out in UKHSA strategies for Health Protection Governance and Quality, Environmental Sustainability and Health Equity
- **unlock the expertise of the market and suppliers**, engaging markets at an early stage to shape strategic directions and contract requirements, making greater use of 'Call for Solutions' tendering and using new Procurement Act powers to design more flexible procurement processes
- **deliver best value**, supporting the agency's strategic consideration of delivery models, based on a rigorous assessment of in-house and market capabilities (make, partner, or buy). Where the best option is to go to market, we will negotiate longer-term contracts with improvement clauses and develop strategies for each category of spend to bring down costs, improve supply and increase speed of response
- **develop a commercial 'red button' plan** for a future pandemic consistent with the 100 Day Mission. It will cover commercial mechanisms, market capabilities, ability to surge to bring in staff, and governance to approve contracts quickly without compromising assurance of value for money
- **manage responsible and resilient supply chains**, driving reductions in climate change emissions, reducing bottlenecks and single points of failure, guarding against modern slavery, and ensuring fair treatment of SMEs
- **maintain, improve and transform** UKHSA's scientific estate and critical national infrastructure, securing sites against evolving security threats, providing expert commercial input to the development of our laboratories, and meeting UKHSA's Greening Government Commitments
- **continue to improve storage**, stockpiling and logistics for the distribution of vaccines, medicines and other essential health products. We will evaluate both '3PL' and '4PL' logistics to improve efficiency, responsiveness, safety and value for money. We will work with science and clinical colleagues to keep pace with changes in policy, practice and public behaviour

Commercial support for vaccines

Vaccines are a powerful tool to prevent infectious disease. We are working with science colleagues to generate income for UKHSA's Vaccines Development and Evaluation Centre from our business development partnerships. We will use market scanning and engagement to identify the right partners and products. We will improve storage and logistics platforms to deliver core immunisation programmes, accommodate their expansion and maintain strategic capability that can be scaled up if needed to respond to a future pandemic.

PRIORITY

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Growth and innovation

UKHSA benefits from world-leading facilities, such as Porton Down and the Manchester Vaccine Evaluation Unit, and experts in cutting edge science, data and clinical practice. Our business development work draws on these assets and combines public and private knowledge, research, and funding to accelerate the development of new capabilities in line with UKHSA's remit, mission and strategic priorities to improve public health. This enables us to:

- provide essential services to the NHS and local authorities in a more cost-effective way
- fund and grow the people, expertise, facilities and equipment for UKHSA to respond more effectively to public health emergencies, including new assets such as the Vaccines Development and Evaluation Centre
- retain expert staff and develop their skills by giving science professionals the opportunity to work on interesting and challenging projects
- license third parties to bring UKHSA innovations or intellectual property with public health benefits to commercial scale, generating income for UKHSA that reduces pressure on the public purse and increases capabilities

Our business development work provides international platforms for the agency to show leadership in health system strengthening and pandemic preparedness. Matching SMEs with larger corporations in collaborative projects helps smaller businesses commercialise new products and processes, making their innovation accessible to a wider market and supporting growth in UK life sciences.

The UK's response to the COVID-19 pandemic has strengthened the UK's reputation as a centre of excellence for innovation in health, creating greater scope for international work. The excellence of our science and ability to de-risk the



development of new products and processes, make us an attractive proposition to the private sector.

Over the next five years we will maintain income in existing areas of excellence and develop new workstreams for longer-term growth, by:

- **capturing opportunities in new or growing markets** driven by advances in science, including genomics, diagnostics, infectious disease therapeutics, vaccine development and data analytics, exploiting the potential of new assets, including the Vaccines Development and Evaluation Centre and the Diagnostics Accelerator and helping deliver UKHSA's Science Strategy
- **increasing our work with private sector partners** to commercialise innovations that contribute to UK health security and generate greater income to grow our science capabilities
- **moving into new geographies**, including middle-income countries seeking to strengthen their health systems, working with the Department for Business and Trade and Foreign, Commonwealth and Development Office
- **establishing new instruments**: an Innovation Incubator will identify and pump-prime innovations where there is a proven market need. We will assess options for a UKHSA consultancy to provide consultancy, education and training services to strengthen global health systems in a rapidly growing market where UKHSA's reputation and clinical excellence gives us a comparative advantage
- **creating the right enabling environment**, updating our pricing models and overhead rates to provide services at a competitive price; streamlining governance to remove duplication, provide a clearer strategic view of portfolio development and free up staff time to work with partners
- **building longer-term strategic partnerships**, supported by Key Account Management and a Customer Relationship Management system

We will set annual targets in our delivery plans to increase income and the proportion of new products and services in the business development portfolio.

Innovation for health security: tAK technology

Adenylate Kinase is an enzyme found in all living cells. Our scientists at Porton Down developed a method to make thermostable Adenylate Kinase (tAK) change colour when exposed to sterilisation agents for clean rooms, autoclaves and other areas. The Business Development team filed patents in multiple countries and licensed the commercial rights to Protak Scientific, a UK based company, who work with over half of the 20 largest pharmaceutical companies and manufacturers of equipment used to produce sterile medicinal products and medical devices. tAK technology provides more information about the bio-decontamination process, acts as an early warning system, reduces the risk of errors and cuts costs. It gives results in around 60 seconds, rather than the seven-day incubation period required by traditional methods.



Operational excellence

Robust, proportionate commercial processes, systems and governance protect the taxpayers interests, empower staff, deliver value for money and equip us to work confidently and collaboratively with partners in industry. They are essential for UKHSA's development as a high-performing agency.

During the COVID-19 pandemic, UKHSA was given exceptional delegations to approve spending, award contracts without competition, and use a lighter-touch business case template. These arrangements facilitated speed and flexibility of response during an unprecedented global crisis.

We have progressively strengthened our governance of spend and investments, responding to the Boardman review of pandemic procurement and audit findings by the Government Internal Audit Agency and National Audit Office. The Covid Inquiry will provide further insights to help us improve our practice.

We will continue to strengthen commercial governance. However, consultation has shown that our processes can be streamlined, so we will balance accountability with empowerment by:

- **proportionate governance**, reviewing the spend thresholds at which each level of governance takes effect, with lighter touch arrangements for high-volume, low-value, 'business as usual' contracts. We will ensure emergency response processes and timelines are in place for health incidents and cases of genuine urgency
- **automation and AI**, we will implement an automated source-to-pay system with embedded catalogues to manage low value, routine procurements. This will give full, end-to-end transparency of spend, link contracts to purchase orders, reduce transaction costs for staff and drive savings from bulk buying. We will explore with UKHSA's technology experts the evolving potential for AI to automate routine tasks and support staff with more complex requirements
- **user-friendly processes**, with standard templates, best practice examples, timelines and approval maps, clearer online guidance, and in-life support to help staff and partners navigate our processes. We will establish Service Level Agreements for the provision of commercial support, once we have established mature practice
- **real-time customer-focused commercial data** to support UKHSA's planning, pandemic preparation and incident response
- **developing and monitoring KPIs** for our 'gold' and 'silver' contracts – those which are most critical for delivery of UKHSA's Strategic Plan because of their value, complexity, or risk

Making it easier to do business: the UKHSA Procurement App

In August 2023, spend cases below £2 million accounted for 80% of our approvals. These were managed via a laborious, time-consuming email and spreadsheet process with nine manual steps, little visibility across the process, and an audit trail that relied on individual staff. Delays frustrated both staff and suppliers waiting for confirmation of their contracts. The introduction of an automated process made it impossible to submit a case to the wrong approver, gave early visibility of cases, automated audit trails and reduced the average time for approval by 60%.



PRIORITY
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Developing UKHSA's commercial capability

UKHSA's effectiveness as a high-performing agency and partner of choice depends on the quality, commitment and performance of its staff. We will make UKHSA a destination of choice for people wishing to work in commercial practice.

The commercial function is an enabling function. We will work with our colleagues to help implement UKHSA's organisational strategies for science, data, health equity, sustainable development, people and quality, setting out how they can best engage with us to get the most effective service and what we need from them. In line with UKHSA's People Strategy, we will work with our HR professionals and the Government Commercial Function to make UKHSA a more commercially astute organisation, building greater commercial capability by:

- **recruiting, retaining and developing expert commercial staff** with the specialist skills and growth-mindset to provide confident commercial leadership in UKHSA who can work and negotiate effectively with industry partners to get value for the taxpayer. We will support our staff to achieve Government Commercial Organisation accreditation or professional qualifications in procurement, supply chain management and project management. We will ensure all commercial staff have individual career development plans, supported by a talent management scheme and learning and development programme
- **a commercial maturity training programme for UKHSA staff** relevant to their roles. This will include foundation training in commercial processes, induction for new staff, training on specific issues such as managing conflicts of interest, accreditation by the Cabinet Office Contract Management Capability Programme and preparing both UKHSA and suppliers to benefit from Procurement Act flexibilities



- **greater commercial understanding of science, clinical and data needs.** We will align our operating model with customer needs, build relationships with scientific, clinical, data and operational colleagues, and put in place named points of contact. We will build awareness of UKHSA's strategies for science, data, quality and health equity, so that we are better able to translate requirements into best value commercial agreements
- **real-time commercial support to teams.** We will run surgeries and repair shops to support staff with their procurements and business development needs and train a cadre of Delegated Commercial Officers in the organisation. These delegated officers will manage low value routine procurements, releasing specialist commercial resource and giving UKHSA groups more control over workflows
- **building a diverse and inclusive working culture** consistent with our duties under the Equality Act 2010, designing recruitment, talent management and career pathways and developing a workplace culture that allows all staff to make best use of their talents and benefit the organisation
- **learning from best practice in government and the private sector** and embedding procurement policy notes into UKHSA practice, so that our staff keep pace with new frontiers in commercial policy and can employ these to the benefit of the organisation and partners



Implementation and measuring progress

This strategy sets out the outcomes we will deliver over the next five years in support of UKHSA's Strategic Plan. It is underpinned by a prioritised Delivery Plan which sets out actions, resources and timescales for implementation and integrated into UKHSA's Road Maps for its Strategic Priorities.

We will identify metrics for each priority, including:

- annual savings from better procurement to assess value for money
- external income generated by business development projects and the proportion of new products and innovations in our business development portfolio to measure our contribution to growth and innovation
- the proportion of SMEs in our supply base and funding they win, the number of new suppliers, and the average number of bids for our tenders, to assess the strength and diversity of our markets
- levels of satisfaction in 'Ease of Doing Business' surveys of internal and external stakeholders to assess operational excellence
- the number of staff accredited or training under the Contract Management Capability Programme, holding a qualification from a professional commercial body, or a project management qualification to assess capability
- benefits from social value clauses in our contracts to measure our contribution to health equity



Commercial practice in UKHSA is still in development and there is a lead-in before changes to core systems and new approaches to procurement, relationship management and business development can take full effect. We will review progress with our stakeholders and partners each year, adjusting to reflect availability of resource.

Commercial Continuous Improvement Assessment Framework

We will measure overall commercial capability in UKHSA against the objective, benchmarked standards for government departments and agencies set out in the Commercial Continuous Improvement Assessment Framework (CCIAF). This measures performance against 28 key indicators grouped into eight themes, on a four-point scale from 'In Development', through 'Good' and 'Better' to 'Best'.

UKHSA is still a young organisation, and we are building capability. Our first CCIAF assessment in 2022 found that UKHSA's procurement and commercial systems were 'Good' but that UKHSA was still 'In Development' overall and in its contract management, strategy and management of markets and suppliers.

We have already improved significantly against key indicators and aim to achieve 'Good' overall no later than March 2025. We will work towards 'Better' over the next three years as we build the innovative and high-performing commercial function UKHSA needs to deliver its mission.

From building blocks to leadership

We will calibrate implementation of the strategy according to progress and resources. There will be a time-lag before structural changes to systems, pivoting the business development portfolio, adapting to changes in the regulatory environment, and building the right capability, can take full effect. The table overleaf sets out how we will put in place the foundations on which we will grow our capabilities, embed mature commercial practice, and realise our ambition to provide commercial leadership in the UK health security system.

Building blocks



- ‘fixing the basics’, responding to feedback to streamline our processes and introduce a ‘front door’ for industry
- co-design of new platforms for partnership with industry and way to accelerate income generation
- investment in training for staff and ensuring UKHSA and suppliers are ready to implement the Procurement Act 2023

Stage 1

CCIAF:
In development

Growth



- early investment in planning and capability will see measurable improvements in performance and key systems
- automated self-service systems for routine needs release resource for more strategic activities
- Procurement Act flexibilities used
- more responsive contract management improves delivery

Stage 2

CCIAF:
Good

Maturity



- more efficient systems, innovative partnerships and market expertise improves health interventions
- income from new markets and sectors helps UKHSA grow capabilities
- market engagement increases resilience, diversity and innovation in our supply base
- we develop and nurture partners for the future, including SMEs

Stage 3

CCIAF:
Good overall,
better on
some themes.

Leadership



- UKHSA provides commercial leadership within the health family
- alignment of markets, partners and agency goals drives more equal health outcomes
- mature partnerships are key to development of new vaccines
- commercial potential of AI and new technology harnessed for better health interventions

Stage 4

CCIAF:
Better

About the UK Health Security Agency

UK Health Security Agency (UKHSA) prevents, prepares for and responds to infectious diseases and environmental, radiological and chemical hazards, to keep all our communities safe, save lives and protect livelihoods.

We provide scientific and operational leadership, working with local, national and international partners to protect the public's health and build the nation's health security capability.

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if you'd like to know more or how to collaborate with us you can get in touch with us at supplierengagement@ukhsa.gov.uk

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