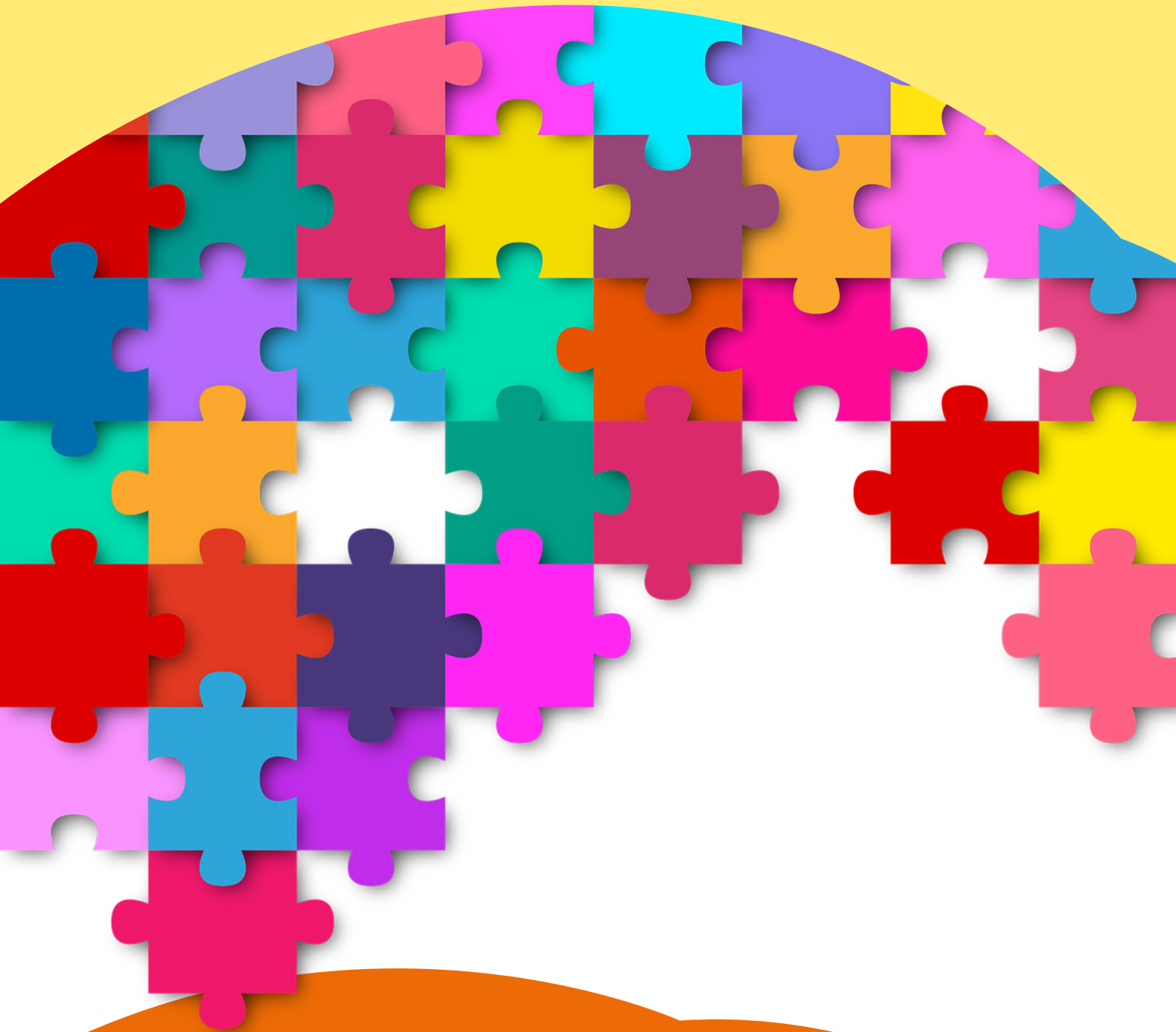




WIG

The Whitehall & Industry Group
connecting the sectors



Public-Private Sector Collaboration:

Views from the Private Sector

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Introduction

In March and April 2021 the Whitehall and Industry Group (WIG) asked over 50 large private sector organisations, based in the UK, their views on three core areas, namely:

1. Perspectives on Public-Private Sector Collaboration
2. Perspectives on the Net Zero Agenda
3. Perspectives on COVID Response and Recovery
4. Views from the WIG Workshop on Effective Public-Private Sector Cooperation and Engagement

The following report provides some of the key findings from this survey. It is intended to spark debate, discussion and further ideas on how the public and private sector can work more effectively together.

The data collected was done so anonymously, it is not intended reflect any specific organisations' views or beliefs. The data included was done so selectively to ensure a constructive dialogue between the sectors, and to protect the identity of the respondents.

Should you want to discuss further please feel free to contact me on ts@wig.co.uk

Kind regards,

Tom Sapsted

Director of Strategic Engagement
The Whitehall & Industry Group





Overview of Survey Respondents

For this survey the Whitehall and Industry Group spoke to over 50 private sector organisations, both within and outside our existing membership. The respondents worked within the government affairs function for their respective organisations, and as such had regular touchpoints across central government. Our sample was designed to incorporate large employers from across key economic sectors, and have an inclusive geographic scope. As major employers, the majority of respondents had a footprint across England, Scotland, Wales and Northern Ireland.

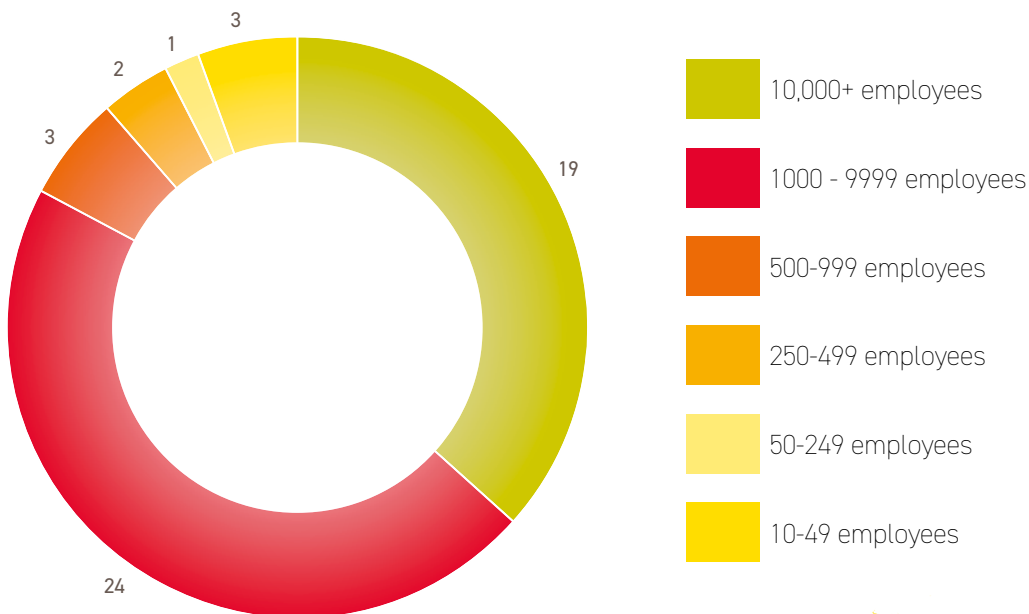
In order to generate frank and open feedback, the survey was completed anonymously. Some responses have been removed in order to ensure the respondents' identities were protected.

Sectors covered

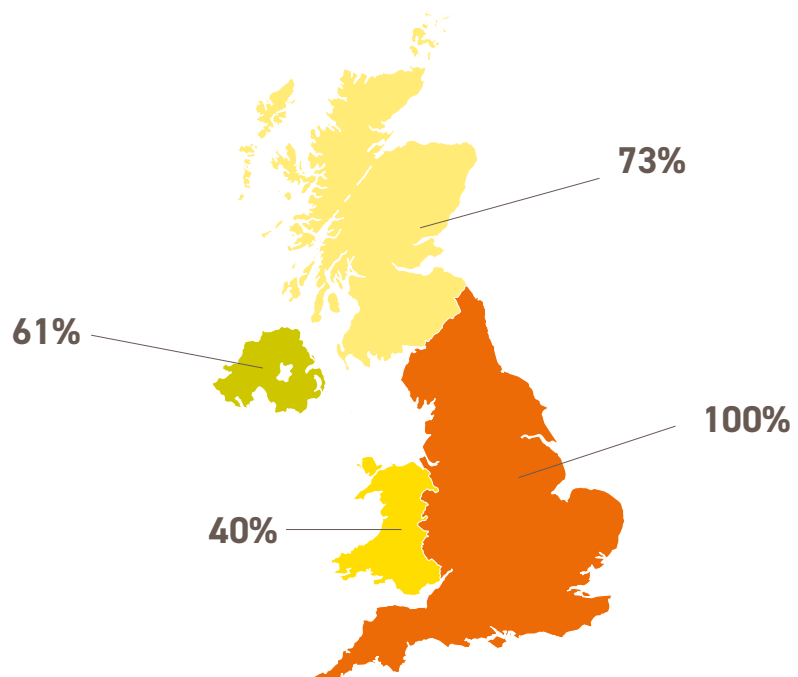
Mining, quarrying and utilities
Manufacturing
Finance and insurance
Education
Construction
Public administration and defence
Information and communication

Property
Professional, scientific and technical
Business administration and support services
Transport and storage (inc. postal)
Health
Retail
Other

Number of employees based in the UK



Where does your business operate?



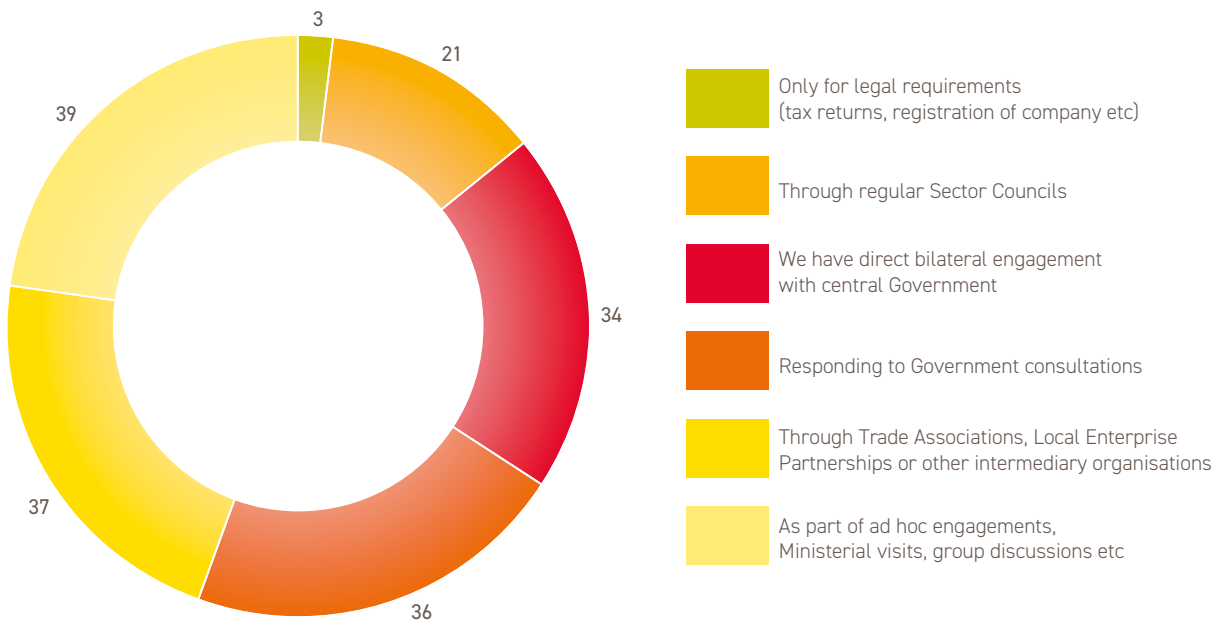


Private Sector Perspectives on Engagement with Central Government Departments

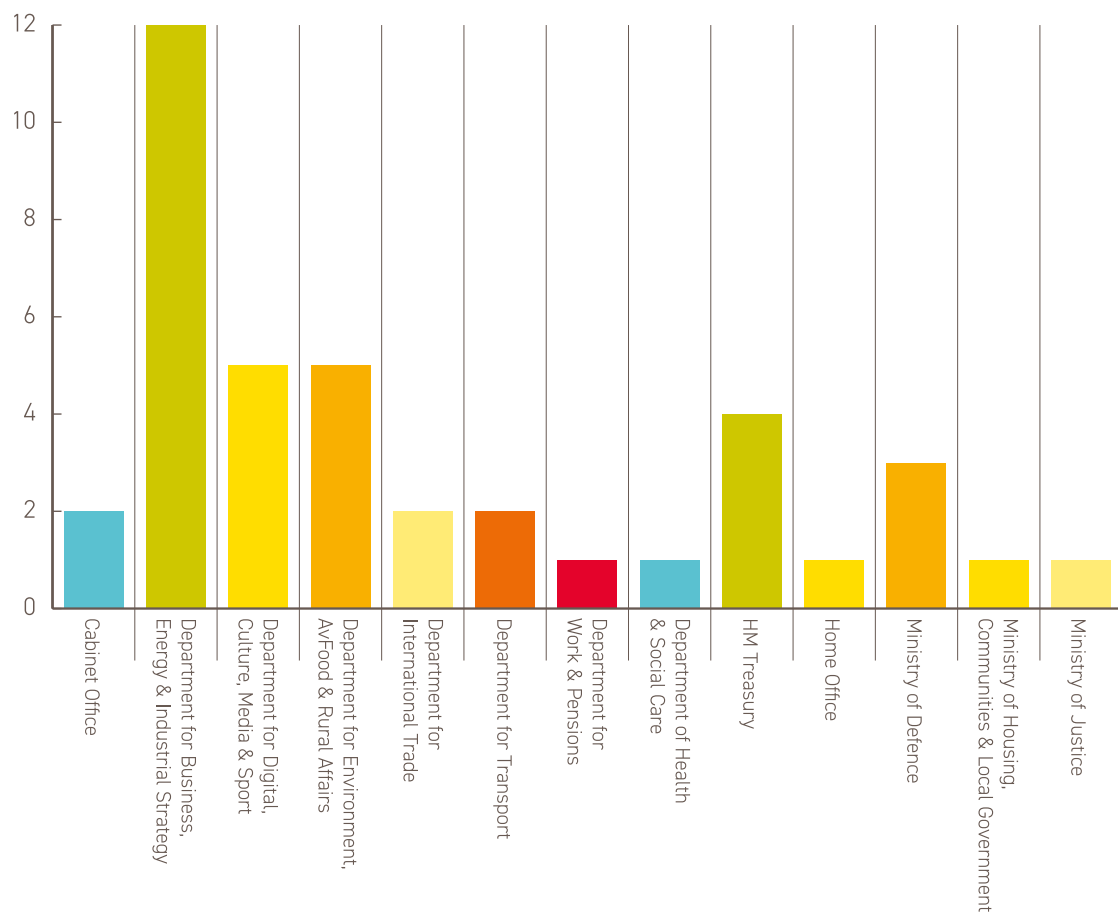
The respondents of the survey were asked specifically how they found engagement across Government departments. Answers were focused around the department with which they have the most contact, referred to here as the 'parent' department. This differed depending on the company, with BEIS, DCMS, Defra and HM Treasury featuring most prominently.

The survey looked to establish where there is scope for improvements in public-private sector dialogue at a Departmental level, and also provide some examples of outstanding collaboration across the sectors.

In what ways do you currently engage with government?



Who is your 'parent' central government department?



How satisfied are you with the quality of direct engagement you receive from your parent department?

7.43/10

Satisfaction rating

Some feedback on the main barriers to the quality engagement some private sector organisations seek:

"Identifying the right people to talk to in each Government department"

"It can be difficult to get responses from senior policy makers if you don't have a current relationship with them"

"A lack of coordination and cohesion across departments, which often means that related activities happen in isolation and key opportunities to engage industry are missed"

"Departments are not good at publishing Org Charts and points of contact on specific topics"

"Departments occasionally appear to consult on reforms having already made their mind up"

"Lack of knowledge about the sector"

"Lack of action following engagement"

Specific examples where government engagement has been outstanding:

Asset Management Taskforce

Green Homes and Green Home Finance

IoT Security

'Project Santiago' – the Outsourcing Playbook

UK Water Efficiency Strategy Steering Group

Brexit Communications

UK's National Genomics Strategy, Genome UK

Vaccines Taskforce

BEIS/Innovate UK's creation of the ATI

Lowland Peat Agriculture Taskforce

Life Sciences Council

Constructions Playbook

Covid response

Do you have any ideas that you feel would help enhance engagement between central government and your sector?

- ! Quarterly roundtables with a business engagement representative would allow the industry to share latest developments and learn about progress and changes in the department.
- ! Overall, there is a need to improve cross-departmental coordination within Government and to develop a more streamlined, integrated approach to sector engagement.
- ! Better communication of commercial pipelines & opportunities would be a good start.
- ! Conversations with more than one Department at a time (where an issue cuts across)"
- ! More investment in / better use of Business Engagement and External Affairs teams
- ! A better understanding of the types of organisations in the sector would mean engagement could be broader but more targeted to cover the diversity of specialisms
- ! Agree to deliverables on both sides and then meet those objectives.
- ! All central government departments should have a customer service team who are mandated to help companies link with the right policy people. External affairs teams sometimes do this but it can be patchy.
- ! Expanding engagement beyond the 'usual suspects' in the many sectors we operate in would help improve engagement.
- ! Large companies in the sector (over a pre-agreed threshold) to have a key account manager in the department and at least two engagements year with the Minister and senior officials directly responsible.
- ! Outreach to firms as well as through representative bodies
- ! More involvement by people who understand the private sector
- ! More regular outreach from central government to the sector - both trade bodies and individual businesses. More thought going into who is involved in working groups etc rather than always involving the same people and groups
- ! It's not clear what criteria are used for appointing individuals or companies to Government working groups / roundtables / taskforces etc
- ! A deeper relationship with a small group of companies that can really invest and do things.
- ! Get officials spending more time in our organisation getting to understand our business on a more practical basis rather than simply theoretical.
- ! Government should put in a proper account management system with each of the FTSE 100 being offered a director level official who would lead a process of regular engagement with the business over the year to understand its priorities, concerns and
- ! investment plans and to see where Govt might assist. This would raise knowledge levels in govt of how businesses work and would help business navigate govt across different departments.
- ! Horizontal support for the broad business sector - SMEs - is essential, but larger companies need a much deeper relationship.
- ! Engage with stakeholders beyond your usual departmental silos. Too often our requests to meet are referred back to our 'parent' department.
- ! Identification of 2-3 themes/priorities each major company could help with and focus more in-depth, regular engagement in these areas.
- ! Genuine industry expertise and a single cross government approach.



Private Sector Perspectives on the Net Zero Agenda

With the UK hosting COP26 in Glasgow this year, and a green recovery central to the current Government's plans to ensure an economic bounce back from the impact of the pandemic, WIG requested feedback on how important the environment and sustainability agenda was deemed to be from a private sector perspective. Responses were also collected on how Government could support the private sector in achieving net zero.

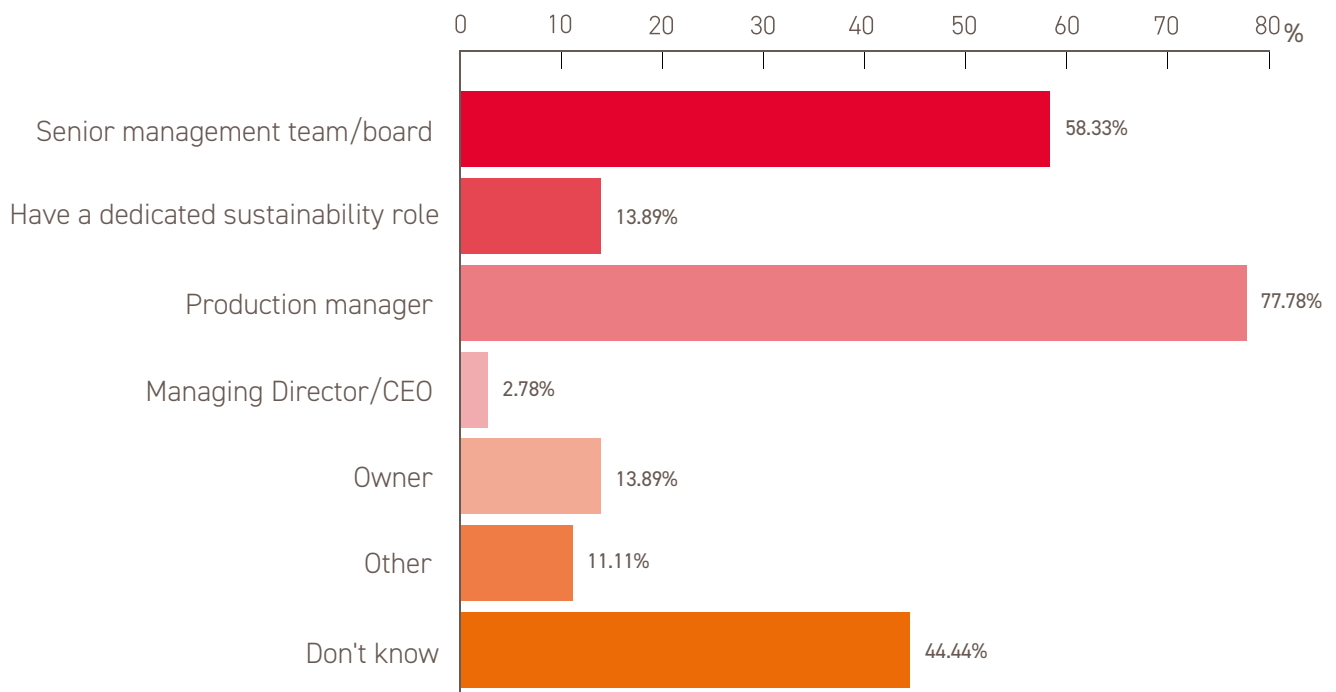
Views from business on the Net Zero Agenda:

94% of respondents strongly agree that as a business they have a responsibility to reduce their business' carbon emissions to help tackle climate change

66% of respondents know how to reduce their business' carbon emissions to help tackle climate change

91% of respondents said they were looking to engage in COP26

Where does responsibility for considering sustainability sit within respondents' organisations?



Lessons learned and business adaptation over the pandemic to reduce carbon emissions:



Ideas on how government can support private sector in achieving net zero

More support for investment in low carbon technologies that will encourage early adoption and help create a market that will ultimately drive competition.

Supply chain management, the switch to renewable energy and greater use of green forms of transport.

Support more coordinated efforts around high-quality nature-based carbon sequestration projects, where offsets are required in hard to abate areas.

Continued/Improved incentivisation for EVs and investment in EV infrastructure is also a specific area that we would encourage.

Understand and promote the importance of Net Zero Carbon commercial buildings. It is lower hanging fruit than trying to retrofit the entire residential housing stock.

Researching and demonstrating the ideas that can make a difference.

Pushing deliveries agencies to deliver much better net zero outcomes

Longer term planning on replacement for natural gas in all areas of the country

Be really clear to all businesses about Scope 3 emissions as that will make the biggest difference

Gov could look at how tech can help (i) carbon sequestration and (ii) more efficient use of existing energy resources

A simple and easy to access grant scheme for energy efficient homes

There is a need for regulatory and policy guidance in a number of areas to support the financial services sector in achieving Net Zero.

Greening of the home - housing accounts for 20% of the UK's emissions

Tax incentives to support investment decisions

Investment in e-charging points at our premises and in public areas

Invest in sustainable aviation fuels and support the development of the infrastructure required for the UK to play a leading role in this sector

Publish a detailed net zero plan that is consistent with achieving the 4th, 5th and now 6th Carbon Budget.

Push forward on electrification of surface transport and heat, and set out ambitions for hydrogen.

Remove the restrictions within the planning system that all but prevent onshore wind projects.

Better tools to help companies understand how to measure progress on scope 3 emissions

By properly funding and enabling (through infrastructure) innovative technologies to enable sectors to adapt

Purchasing incentives for products with low carbon

Funding to help businesses transition

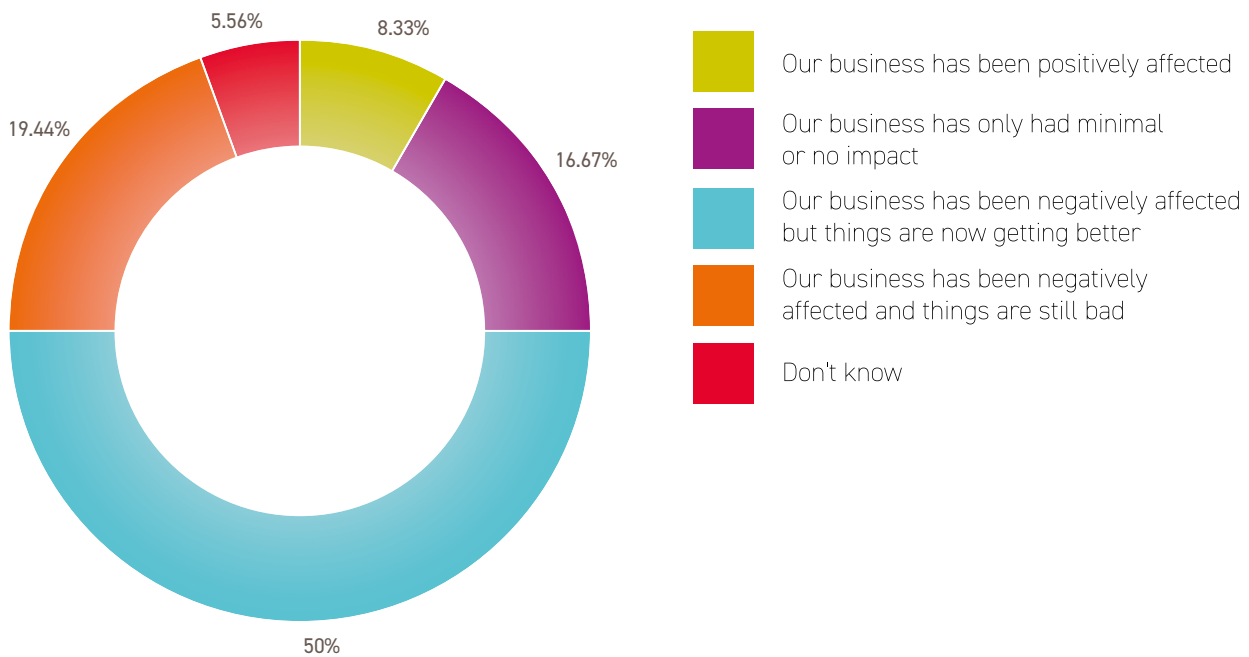
Make decarbonising homes a policy priority.



Private Sector Perspectives on COVID Response and Recovery

As part of the survey WIG looked to establish the impact of COVID on the respondents' organisations. These results were gathered in April 2021, before easing of pandemic regulations had begun.

The impact COVID 19 has had on respondents' organisations:



45%

of respondents stated that their business was already at, or close to, pre-COVID levels of operation.

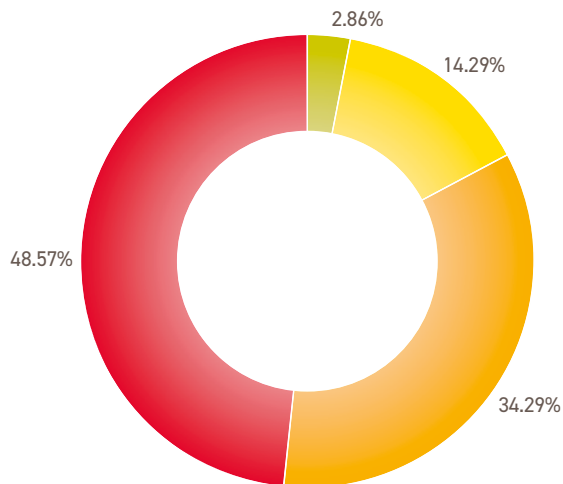
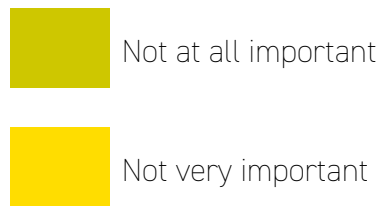
37%

said they did not expect a return to pre-pandemic levels of operation until beyond the end of 2021.

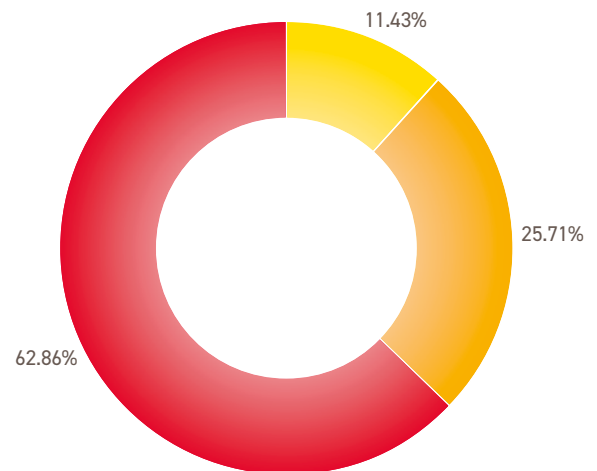
Over
66%

of respondents thought the UK economy would be either 'slightly' or 'much' stronger in 12 months time

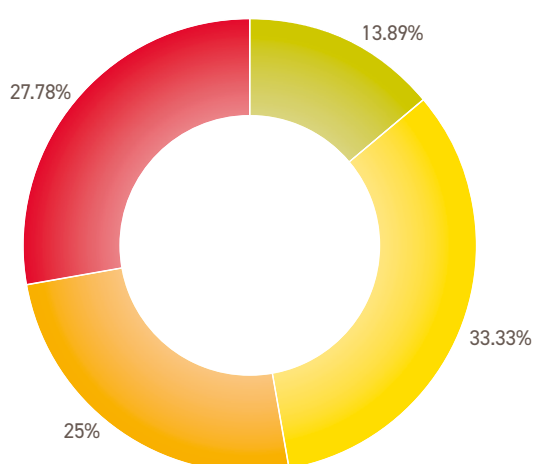
How important is government action in these specific areas?



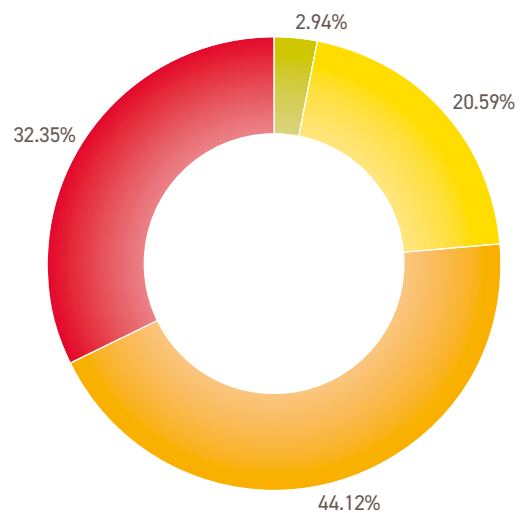
Increased investment and acceleration of infrastructure



Promoting a clean, green economy
(Delivering a stronger, cleaner and more sustainable economy post pandemic)



Reforming our planning system (e.g. new planning permission regulations) and kickstarting the construction industry



Strengthening the Union
(enhancing internal markets, finding new ways to invest in Scotland, Wales, England and NI) and a focus on "levelling up" our whole country



Views from the WIG Workshop on Effective Public-Private Sector Cooperation and Engagement

In May 2021, following the release of the “Public-Private Sector Collaboration: Views from the Private Sector” Survey, The Whitehall & Industry Group teamed up with the BEIS Business Engagement team to discuss some of the major themes that came out of questionnaire.

The workshop attendees represented over 40 major UK employers from FTSE 350 companies across a range of sectors, and well-known brands including (but not limited to) Lego, Siemens, Airbus, Rolls Royce, Sainsbury's, Legal & General, JLL, Royal Mail, and Mondelez.

Also in attendance were representatives from across central government including the Department for International Trade, HM Treasury, Home Office, Welsh Government, Department for Transport, Scottish Government and Defra.

The main purpose of the conversation was to discuss:

1. What have been specific examples where you have felt business engagement has been outstanding? What lessons can be taken from these case studies?
2. Are there particular departments who you feel have done a great job on engagement with the private sector? What is it that you value about their approach?
3. On core government priorities, namely levelling up, Net Zero and COVID recovery, what further mechanisms of engagement would be helpful?

While the session was held under the Chatham House rule to allow for full and frank discussion, notes were taken throughout. What follows are some of the key points raised in those conversations.

At a Glance: Quick Wins for Creating Positive Dialogue in Public- Private Engagement

- Set up a generic email address that businesses can use as a first point of entry when looking to engage with a department, this should be used to connect relevant stakeholders to policy makers (where it is deemed appropriate)
- Where possible dedicated account managers can support work with large private sector businesses, where the department doesn't have this capacity utilise those business facing departments that may have contacts within the private sector
- Start dialogue with the private sector before the formal consultation process begins, and approach with a spirit of co-creation. This in turn will increase trust and help make policy easier to implement and more effective in the longer term
- Make better use of private sector expertise, they will be willing to support
- When looking to engage with SMEs on issues, understand they will be unlikely to have the time to contribute, use large private sector organisations as a conduit to smaller businesses in their supply chains
- Seek to enhance policy-makers understanding of the private sector and speak with organisations across multiple verticals, as opposed to focussing on work with trade associations, to help understand how policy will land in real world scenarios

What have been specific examples where you have felt business engagement has been outstanding? What lessons can be taken from these case studies?

It was clear from the discussions that both Brexit and COVID response had necessitated a greater dialogue between the public and private sector, and in many cases had driven more trusting and constructive relationships between the sectors.

The broad agreement across the discussion groups was that the Department for Business Energy and the Industrial Strategy (BEIS) and the Department for International Trade (DIT) were very much the leaders in engagement with the private sector. The consensus seemed to be that they benefitted from having a dedicated account management system which allowed a single point of contact who could act as a conduit for broader Whitehall.

Other examples of outstanding engagement included the of Office for Life Sciences, the Department for Transport, and HM Treasury on R&D Tax Credits. Elsewhere, the Internet of Things Regulation and 'Secure by Design' policy was cited as another excellent example from the Department of Culture Media and Sport (DCMS).

Outside of the UK, there were examples of best practice from Singapore, Germany and the United States. Selected participants suggested that this may be due to cultural differences in these markets, where there was a shared definition of success between the sectors.

Some of the key drivers for these positive experiences were the development of a trusted relationship and long-lasting point of contact. There were also suggestions that where there was opportunity for increased cross-departmental collaboration, bringing in other Departments into those discussions could be advantageous for all involved.

One theme that came up on several occasions was around the spirit of co-creation, with Civil Service leaning on the private sector as a trusted source of support and expertise. This allowed the moulding of policy that clearly stuck to intended purpose, while getting ongoing feedback and further thoughts from industry. For this approach to work it was key to start engagement early, and not once policy had already been defined and cleared. Where co-creation was achieved, it led to increased momentum behind the policy and a more efficient implementation period.

“Some of the key drivers for these positive experiences were around the development of a trusted relationship and long-lasting point of contact”

Are there particular departments who you feel have done a great job on engagement with the private sector? What is it that you value about this approach?

Across all participants, there was a wealth of positive feedback about the engagement taking place between businesses and Defra, DfT, BEIS, DIT, MoJ, No 10 and the Cabinet Office. There was an understanding that those Departments had an obvious business facing remit.

“Across all participants there was a wealth of positive feedback about engagement taking place”

The reasons cited very much backed up the above conclusions, namely around early interaction, ongoing throughout the policy making process, with a level of trust and feedback taking place.

The positive nature of engagement where central government worked with the devolved administrations to help connect across borders was highlighted, with special mention given to the work of the Welsh government in supporting and working with business.

That said, there was a range of feedback on the level and quality of interactions with other Departments. The biggest concern around those departments was that the private sector was seen as irrelevant, with policy makers having limited experience working with business. This was viewed as having a detrimental impact on policy outcomes.

One note of particular interest was around how the pandemic had greatly enhanced the ability to collaborate across the sectors; with tools like MS Teams, making it able to connect with a range of businesses regardless of their physical location. The broader point was that this would support in moving away from place-based policy.

On core government priorities, namely levelling up, Net Zero and COVID recovery, what further mechanisms of engagement would be helpful?

Immediately apparent in the workshop, and in the survey, was the private sectors' willingness to support with Government flagship agenda items, namely levelling up, COVID recovery, and Net Zero. There was agreement that these goals were mutually beneficial across the sectors.

One of the key asks to come out on the question of mechanisms to support cooperation was a focus on early engagement. It was suggested that often policy consultations were seen as tick box exercises and not a meaningful contribution to the process. In some cases this led to lack of support on policy, which in turn hindered implementation and impacted success.

There was also a suggestion that on these leading priorities, Departments should look to form more cross-Departmental groups to help engage businesses operating within the relevant spaces. Where this has happened before it has led to better researched and cross-cutting policy. It was put forward that sector councils could potentially support in this aim.

There was also a view from certain organisations that a constructive solution would be to give more time to publish specific policy priorities, and where departments would like support from the private sector. Private sector would be happy to volunteer where they could offer support.

There was also a call for these policy consultations to be more consistent, with current timelines and lead time greatly different dependent on department or area. There was a broad ask for more transparency on this, and more clarity on how feedback was being used. A failure to do this was leading to decline of input from certain organisations as it was seen as being an unnecessary use of time.

Some of the discussion focused on how to reach SMEs. There were a few comments around how to best use large FTSE organisations, who would be willing to support with communication to their supply chain.

“One of the key asks to out around mechanisms to support cooperation was a focus on early engagement”

With regards to the use of Trade Associations, it was felt that while helpful, often they were seen as too heavily relied upon by departments, and that all conversations around policy would benefit from direct contact between policy makers and businesses. A key point here was that in most priority policy areas, government would have to utilise industry expertise to deliver these priorities.

Finally, in one group there was an extended conversation around culture and perceptions in public-private sector relations. Several of those mentioned the need to develop a culture of understanding the positive role private sector plays across the economy to support in achieving levelling up, Net Zero and COVID recovery. There was seen to be a mixed commercial/business awareness across officials and ministers, this needs to be continuously revisited to make progress on this front. Without private sector support targets will be impossible, and it was felt that at times selected areas did perhaps not appreciate that fact.

The agreement between the attendees is that government is not making full use of the expertise private sector has to offer. Better collaboration would unleash a tremendous amount of value.



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