

Transforming Public Procurement: Consultation Response Executive Summary



The government is right to promote strategic procurement as a powerful tool for driving demand-side investment into innovation and addressing competitiveness objectives for global Britain. We believe this should be the lead message when the new procurement rules are announced, focussing on encouraging the use of innovation procurement at all levels of public organisations in order to deliver the challenging goals set by the governments low carbon economy ambitions. However, the proposals fail to acknowledge that the UK already has a strong and internationally competitive record in deploying innovation procurement, which can be used as a foundation upon which to strengthen our global position further.

The proposals need to do more to recognise that transformation of public procurement practice towards a truly innovation-friendly culture will be extremely challenging. This is a field in which risk aversion is deeply embedded. For this reason, we recommend that the reformed procedures available for contracting authorities include the competitive, flexible procedure, but also provide a smaller range of defined procedures based on current best practice. Pre-commercial procurement procedures should be included in the legislation, and guidance should be produced to encourage their widespread adoption. The pre-commercial procurement procedures should also include new elements that allow successful suppliers to transition from development into full deployment of their solution without the need for multiple tenders. Formalising these changes would not only encourage adoption of pre-commercial procurement, but also represent a UK competitive advantage over current EU procurement rules.

The proposed reforms could do more to encourage small enterprises to tender and to reform those practices that currently make public procurement unappealing to many of these organisations. This is essential to support the supply-side of innovative markets and create lively ecosystems where companies offer emergent services to meet the needs of public bodies can thrive. To this end, we recommend that that the definition of public good as a principle of public procurement be extended to explicitly consider innovation. Furthermore, the proposals in the green paper should ensure that the development of innovative solutions encourages organisations to form partnerships to deploy scaled up products and services, including support from universities and research organisations.

Although the green paper recognises the need for guidance and training to embed a new culture around UK procurement in public bodies, little detail is provided on how this might be conducted or what funding will be provided to enable the more expansive thinking required to drive best practice. Innovation procurement is a challenging area and many commercial departments currently struggle to engage with it. We recommend the establishment of a best practice centre in innovative procurement to build up a knowledge base with case studies, training and practical advice on contract development, acting as a focal point to enable the culture change envisaged.

We welcome the opportunity to respond to this consultation and are keen to continue engaging with government on all aspect of innovation procurement best practice and reform. For more information on our Challenging Procurement programme or regarding the detail of this response to the Green Paper, please contact Dr. Oliver Kirsch (oliver.kirsch@cp.catapult.org.uk).