

To deliver better services for our citizens, we have to embrace a new place-based approach to public procurement

According to the Government Office for Science and Foresight, the UK spends around £238bn on good services, works and facility for the public sector each year. That's around one third of the nation's annual spend, delivered largely by private sector contractors and service providers, with the local authority highways sector alone spending some **£6.5bn each year**.

Yet when it comes to maximising the value achieved for citizens from this massive investment, it is clear that across both central and local government we still struggle to find the right procurement models that truly make these partnerships work.

This must change. When it comes to delivering great services to the public, the importance of establishing deep, place-based relationships between the public and private sector really cannot be overstated.

To find this new model we must first focus on how to create an atmosphere of trust and transparency between councils and their entire supply chain; to find a relationship that engages and involves the entire workforce and ensures

the private sector supply chain is brought into the challenge early to the benefit of the public. That means doing things differently; combatting the institutionalised barriers and silos that undermine the infrastructure sector's ability to deliver better results for the public; making the case for innovation and embracing the built environment's ability to do and think about things differently.

None of which is easy. Local Authorities are, by their very nature, quite risk averse and to make the case for change and to underpin further investment, the private sector must first demonstrate credibility and build the public sector's confidence in what can be delivered for the public.

Our challenge is that we currently lack real evidence to properly highlight what the public thinks of the services that are being delivered on their behalf; where does this service work well; where does this service fall short; and why. To meet this challenge, we will need to take baby steps as we explore a different approach, working hard to push on standards and break out of the way things have always been done.

But without question the reward will be there – and for everyone involved. When considered together, local place-based services are worth in excess of tens of billions of pounds a year, and are fundamental to underpinning community social value. By instilling and embracing a new mindset and approach to public procurement we can realise not only huge savings but also better outcomes – improved journey time reliability, better citizen satisfaction, safer roads.

Not least through adopting greater focus on the outcomes and cross sector benefits that characterise an outcome-based approach to procurement. It is an approach which is already mainstream in other local government departments where internal budget and resource silos have been breached and greater public services achieved. Some 72% of local authorities are already using such policies to procure across social care and health, for example.

Ultimately, the goal has to be to use place-based procurement as a tool for delivering better strategic objectives and as a means to foster an open innovation culture. By mainstreaming innovation, the public sector can create partnerships that enable the supply chain to build trust and actually invest in new ideas and citizen centred solutions.

And of course, the key for public sector leaders and their private sector partners is to identify and prioritise the right opportunities; to invest in the policies and solutions that will meet not just political objectives but also improve the issues that matter to citizens. Technology can assist with this communication process and has already started to demonstrate how local ideas and policies can be prioritised to align with community need.

All of which demonstrate that a successful outcome focused, place-based procurement model is possible. Provided it starts by adopting and embracing a collaborative partnership culture; a culture that underlines and rewards the ability to drive innovation and outcomes. After that it simply requires commissioners to identify and prioritise the right problems; then find the right solutions while eliminating boundaries between regions and authorities and allowing the whole private sector to engage with the procurement process

Any new procurement model must get these basics right. Recent reports such as the government Outsourcing Playbook, plus recent work by both the LGA and the Connected Places Catapult on procurement and outsourcing innovation have already ensured that the issue is a hot topic and rising up the policy agenda. With the right solutions identified and adopted, we really can encourage and enable the supply chain to bring forward the innovative solutions that will help drive greater value and achieve the ultimate aim of providing better services for citizens.