



The future of Procurement

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Recent reports



- Transforming Government Procurement – Treasury, Jan. 2007
- Efficiency Program – NAO, Feb. 2007
- Strong and Prosperous Communities – DCLG, Oct. 2006
- Developing the local government services market – Pricewaterhouse for DCLG, Nov. 2006

Transforming Government Procurement



- Main points
 - Context is VFM, sustainable development
 - raise public sector skills
 - produce innovative solutions
 - greater use of collective buying
 - More power for OGC

Transforming Government Procurement



“Over the next decade , procurement will become more fundamental to achieving both value for money for taxpayers and in delivering sustainable world class public services”

John Healey, Financial Secretary to the Treasury

Efficiency Program – a second review of progress



- **Main points**

- Context is efficiencies in central government
- Procurement accounted for £5.5bn of £13.3 bn efficiency gains to date (target £21.5b)
- Some concerns around measurement

Strong and prosperous communities



- Main points
 - 3 critical aspects
 - Use of e-procurement
 - Understanding spend
 - Aggregating procurement demand

Developing the local government services market to support a long-term strategy for local government



- **Main points**

- Progress made to date
- Need to build capacity and capability & leadership
- Lack of connection between commissioning/procurement and strategic objectives
- Need for clearer specifications
- Entry barriers – high bid costs, overlong process

Developing the local government services market to support a long-term strategy for local government



- **Recommendations**

- Promote commissioning/procurement to a strategic level
- Collect benchmarking data
- Understand local supply chains
- Negotiate shared objectives with partners for more joint commissioning
- Greater investment in skills

Issues



- Evidence / data
- Training / skills
- The bigger picture / joint procurement
- Making it easier for suppliers
- Promoting procurement

Future directions



- White Paper – focus on customers
- further efficiencies
- collaboration - of knowledge & for services
- in-house or outsourcing
- developing markets
- others???

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LOCAL SERVICES





LOCAL SOLUTIONS



Contact details

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