

From:**Sent:** 29 July 2013 15:08**To:** Balance of Competence Review**Subject:** Innovation - in particular the engagement of UK Public Authorities with innovation procurement & uptake

There is very little awareness of, and even less use made of, the relatively new twin procurement processes of Pre-Commercial Procurement (PCP) and Public Procurement of Innovation (PPI) by UK Public Authorities or Departments, compared to European Countries.

This is a shame, since not only does the EC have several co-financing schemes available to Public Bodies undertaking PCP or PPI which reduces the cost, but the processes themselves stimulate and provide focus and direction for the inventive and creative talent inherent in UK companies (SMEs in particular) as well as giving them access to markets outside of the UK.

The reasons for this which need to be addressed include:

1. Procurement officials in Public Authorities tend to deal in the immediate future, leading to conventional 'off-catalogue' procurements with the focus being on best quality at best price.
2. To make full use of PCP/PPI, a look-ahead timescale of perhaps 4-7 years is required: not the job of a procurement officer?
3. PCP/PPI makes use of the EU R&D directives. In the UK, as soon as you say R&D mindsets jump to the University sector and not to innovative companies working to solve problems foreseen by forward looking Public Body Department Heads.
4. Forward looking Public Body Department Heads are few and far between, due to the focus on annual budget management.
5. The procurement of innovation activity falls short of being 'Policy' (=not a Gov Dept's responsibility) but is at a higher level than the agenda of Public Authority Dept Heads (ie: this years budget). Yet PCP/PPI is intended to support Public Procurement Authorities and their future-centric planning.
6. The drive to localisation does not support 'big picture', needs-centric 5 year planning, which is what innovation procurement should be aiming at.

In essence, central UK Government needs to signal to Public Procurers that they can participate in and even cause innovation activity so long as it is addressing a future need which is highly unlikely to be fulfilled without taking action now.

Rgds

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