
Mission-led procurement: Early insights from exploratory work in Camden

An IIPP Policy Studio insights report in collaboration
with Camden Council

March 2023



Partners

UCL Institute for Innovation and Public Purpose (IIPP) aims to develop a new framework for creating, nurturing and evaluating public value in order to achieve economic growth that is more innovation-led, inclusive and sustainable.

Abstract

For the last 40 years, public procurement has been seen as a back-office function, whose main objective was to keep costs down and buy goods and services at the cheapest price. The Public

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Executive summary

The procurement landscape today

Public procurement in UK Local Authorities continues to prioritise a management through measurement approach that predominantly conceptualises value for money in terms of lowest cost. Grounded in the New Public Management Paradigm, this has made it difficult to justify selecting suppliers based on wider public value that they may provide and

Over the last few years a number of governments have adopted 'Missions' as a key part of their organisation's strategy (eg. Greater Manchester, Scottish Government, Camden Council, European Commission). Procurement has huge potential to be used as a strategic lever to enable governments to operationalise those Mission-oriented strategies (we call this 'Mission-led' procurement). We suggest adopting a 'Mission-led' procurement approach is distinct because:

- It takes a dynamic view rather than a static view
- It explicitly targets transformation of a system
- It sets public value priorities
- It sets a timeframe that is longer than typical contract cycles;
- It seeks to make questions of public value intrinsic rather than additional to the procurement

Through interviews and workshops with Camden officers, we suggest the following key features and characteristics of 'Mission-led' procurement:

Market shaping is the proactive building of capabilities in the local market. This encompasses some of the elements Foss et al (2023) refer to as ecosystem leadership, such as creating a shared vision and securing co-investment and commitment from partners. Camden may also be able to provide support to current or potential suppliers that enables them to take on new work or to work in new ways – for instance, helping suppliers improve their resident engagement capabilities.

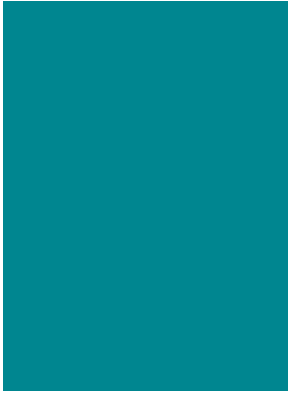
Outcomes commissioning is an approach which seeks to improve the quality of public services by focusing on the overall outcome rather than on quantitatively specified inputs or outputs. By doing so, it makes the objective of the commissioning body clear, but is open to multiple different ways of achieving it. For example, a tender for employment support services might ask for 'higher confidence amongst job seekers' rather than specifying '1 meeting with

Context: The procurement landscape today

sector and a set of assumptions grounded in NPM – and outsourcing continued to increase across the public sector and local government under New Labour.

Social value act

In 2012, the UK brought in the Public Services (Social Value) Act, placing obligations on public bodies to secure socially-valuable outcomes through their procurement processes. Illustrative examples included in the guidance and the original lack of clear definition or methodology for specifying or measuring social value led to a generalised and under-ambitious approach, with Social Value inclusion in procurement being seen by many as ineffective at tackling deeper social problems. New guidance accompanying HM Treasury Green Book updates in 2021 and 2022



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Mission-led procurement

Procurement and the economics of innovation

Procurement plays a key role in the innovation chain, and governments have long recognised the power of procurement to support new technologies and businesses. There are three mechanisms through which public procurement can play this role.

Firstly, procurement can create markets by providing a demand side pull for new products and services – known as providing a ‘lead market.’ In 2012 Transport for London (TfL) started

and lengthy – one contract between HMRC and Capgemini was for 13 years and valued at £2.3bn, and “too complex to manage” (Public Accounts Committee, 2011).

Government Digital Service (GDS) was the team created in 2011 to lead the UK Government's digital transformation. A core part of their work was the creation of the Digital Marketplace, which is an online service for public sector organisations to find people and technology for digital projects. They made it easier for suppliers to sell to government – by simplifying framework applications, reducing the number of legal documents, and engaging with potential suppliers among other things – and as a result helped create a much more diverse supply base. By 2018 92% of the 5,100 suppliers on Digital Marketplace were Small and Medium sized Enterprises (SMEs), and almost half of the £4.3bn that had been spent through the Marketplace had gone to SMEs (OECD, 2018). As the graphic below shows, increasing diversity also meant that suppliers from across the country were better able to access government contracts.

Figure 2: UK Government IT Suppliers: 2010 and 2015

2010

2015

Source: Mike Bracken, 2020

As Sacks (2002) showed, understanding the local multiplier effect is more complex than just evaluating

In particular, we are interested in the following research questions:

What are the opportunities for targeting outcomes and conditionality to be implemented through procurement?

What forms of collaboration around procurement might support missions?

What are the skills and capabilities needed to make this change?

Our approach is founded on close collaboration between IIPP and Camden Council's Strategy and Design team, in conversation with services with procurement responsibilities, officers with significant experience in procurement, and Camden's central procurement team. An engaged research approach prioritises exploration, reflection, and experimentation within psychologically safe conditions so that all those involved are able to bring their experience, expertise, and design capability to the table.

This process is a starting point towards investigating a range of opportunities, tensions, and challenges within the Council. There are complex questions around how this can be operationalised, what new ways of working this approach can enable, and what skills and capabilities would be necessary. In order to provide tangibility to the project, we are grounding our research in Camden's Estates Mission.

The Estates Mission

Camden Council established a Renewal Commission in 2020 to explore what life beyond the Covid-

Within the overall vision of t

Market-shaping opportunity areas

Reframing the Council's role as an orchestrator

Improving story telling & building a shared vision with residents, suppliers, anchor institutions, community organisations

Securing co-investment and commitment from partners

A relational approach to supplier and business engagement & earli

Place-based commissioning

Place-based commissioning seeks to drive collaboration between services that happen in a particular place, recognising the impact that they have on each other. For Camden's Estates Mission, that might mean asking services that deal with the physical environment – such as such as green spaces, estate management, environmental services, and air quality – to consider whether they are reinforcing or undermining each other's objectives. Going further, it could also mean connecting to the commissioning acti

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At the moment Camden “rely heavily on paperwork (reading templates and decision reports)...[but] don't do very good debriefs.” Although there is a ‘lessons learned’ process it tends to happen soon after the contract has been signed and is not often shared beyond the team involved. There are few opportunities for senior leaders to take a longer-term view – looking back

Procurement capabilities

Complex procurement processes require sophisticated capabilities

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Individual capabilities focused on the central procurement team in particular. At the root of all of those skills is the “need for an understanding of what we’re trying to achieve,” seeing the strategic relevance of each act of procurement in its wider context rather than just applying legal, financial and regulatory expertise (all of which were regarded as strong points by interviewees). They speak

Table 3: Characteristics, opportunities and capabilities of mission-led procurement

Characteristic	Opportunity	Organisational capabilities
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UCL Institute for Innovation and Public Purpose (IIPP)
11 Montague Street
London, WC1B 5BP

iipp.policy-studio@ucl.ac.uk

ucl.ac.uk/iipp

 [@IIPP_UCL](https://twitter.com/IIPP_UCL)

