

The role of procurement in delivering mission-led government



About this report

This report looks at how public procurement could support delivery of mission-led government, and the key barriers to this. It explores how cultural, practical and organisational changes could enable government to harness the power of public procurement to deliver on its missions.

 [@instituteforgovernment.org.uk](https://twitter.com/instituteforgovernment.org.uk)

 www.instituteforgovernment.org.uk

Contents

Summary	4
Introduction	8
Barriers to procurement supporting mission-led government	11
Recommendations	19
References	30
About the authors	33

Summary

This government intends to use public procurement as a key strategic tool for delivering mission-led government. Each year, it buys more than £400 billion of goods, works and services, giving procurement the power to shape markets, drive innovation and align public sector activity with its five missions.

However, there are **several barriers to effectively using public procurement** to support the government's missions and new 'mission-led' ways of working, including:

- insufficient clarity about the government's missions, which limits the public sector's market shaping ability
- pervasive aversion to risk and uncertainty
- a lack of forward planning, which means there is often not enough time to explore how the market could provide new solutions
- commercial professionals being brought into the policy process too late
- procurements starting with over-specified solutions rather than outcomes
- innovation often being initially available at a small scale
- low quality of procurement data
- insufficient senior commercial capacity and contract management capability
- limited cross-government working between commercial professionals.

Overcoming these barriers demands a different approach. Cultural, organisational and practical changes will be needed to harness the power of the market to develop innovative solutions to public sector challenges and deliver the outcomes that matter to citizens.

This report sets out recommendations for how the public sector should do things differently so that procurement can play a key role in enabling mission-led government.

Recommendations in brief

Using missions to shape markets

1. **The government should provide greater clarity on how the market can help deliver the missions**

- Mission boards should identify and publicly announce key ways that procurement can support the missions.
- The commercial leads for each of the five missions should work with senior commercial leaders across central government to proactively identify new opportunities for the market to support delivery of the missions.

2. **The missions should drive a more outcomes-led approach to procurement**

- Public sector organisations should take a more outcomes-led approach to procurement and contract management.
- KPIs should focus on outcomes, rather than inputs and outputs, and be aligned with missions where possible.

3. **Government departments should publish longer pipelines**

- The Cabinet Office should update *The Sourcing Playbook* to require central government departments and their associated arm's-length bodies (ALBs) to publish commercial pipelines covering at least three financial years.

Bringing innovation to the public sector

4. **Ministers should provide strong political support for procuring innovation**

- Ministers must continue to make the case for a 'test and learn' approach, and show willingness to publicly and privately defend procurement of innovation following failures.

5. **Government should take an outcomes-led approach and engage more extensively with the market when procuring innovation**

- Senior commercial leaders should encourage a greater risk appetite for preliminary market engagement and ensure that it is carried out as a core procurement activity.
- Contracting authorities should make greater use of the competitive flexible procedure to run multi-stage procurements, including pilots, that enable a test and learn approach.

-
- The Cabinet Office and the Department for Science, Innovation and Technology (DSIT) should publish further guidance on procurement of innovation.

6. Multi-disciplinary teams within contracting authorities should horizon scan for opportunities to take a more innovative approach

- Contracting authorities should systematically horizon scan for programmes where contracts are due to expire or be renewed at least two years in advance.
- Multi-disciplinary programme teams should review how innovation could improve outcomes.
- The Cabinet Office should develop and publish brief guidance to support contracting authorities in horizon scanning.

7. DSIT should proactively co-ordinate procurement of innovation across the public sector

- The Commercial Innovation Hub should lead efforts to share best practice in procurement of innovation across the public sector.
- DSIT should co-ordinate procurement of innovation by actively engaging with commercial teams across central government and monitoring early market engagement notices to identify opportunities for collaboration.

8. Central government should make greater use of 'pull' mechanisms to promote innovation

- Commercial leads for each mission should propose areas where pull mechanisms such as advance market commitments or contracts for innovation could support and incentivise scalable innovation.

Strengthening procurement capability and data

9. Government should improve the quality of procurement data through increased transparency and the central digital platform

- The Treasury should update the *Managing Public Money* guidance to make accounting officers responsible for their organisation maintaining and publishing high-quality procurement data.
- Future updates to the central digital platform should support government to shape markets by giving suppliers improved visibility of live and upcoming contracting opportunities, and providing contracting authorities with a clear overview of procurement spend.

10. **Commercial capability should be strengthened across the public sector**

- The Government Commercial Function (GCF) should develop a long-term strategy for boosting the number of senior commercial specialists within government departments and their ALBs.
- The GCF should establish an expectation that all those managing contracts are commercial specialists.
- The missions should be used to guide prioritisation in commercial workforce planning.
- Local government leaders, supported by the Local Government Association, must ensure that commercial capability is strengthened, rather than fragmented and weakened.

11. **The GCF should lead efforts to enhance cross-government working between commercial professionals**

- The GCF should have a strategy to sustain and build on improvements in cross-public sector collaboration, including by supporting communities of practice.
- The GCF should break down silos across the function in central government – for example, by creating an internal directory of key commercial contacts across departments.

12. **Any new procurement legislation should avoid creating unnecessary complexity or instability**

- The Cabinet Office should ensure that future procurement legislation is focused on providing clarification and standardisation, and enables procurement to be used as a lever, without adding unnecessary complexity or instability.

Introduction

In opposition, Keir Starmer set out his ambition for 'mission-driven government'. In government, he has reiterated his commitment to this approach, which focuses on five core missions – growth, clean energy, safer streets, opportunity and the NHS – and embraces mission-led ways of working.

The government's *Plan for Change*, published in December 2024, set out six milestones for measuring progress against the missions, and also provides more detail on mission-led ways of working.¹ Key features of this new approach include:

- making better use of “technological deployment, innovation and learning from experiments”
- building a culture of “continuous improvement”
- breaking down silos between departments in Whitehall
- delivering the missions through “partnership between public and private sectors, national and local government, business and unions, alongside the whole of civil society”.

The prime minister has recently said that government is now in “a delivery phase”.² But for mission-led government to bring real change, the five missions and new ways of working must shape how government spends money. This includes the more than £400bn that government spends on buying goods, works and services each year.³ Given the fundamental role procurement plays in the delivery of essential services, construction of vital infrastructure and purchasing of goods used by millions of people every day, the government needs a strategy for how its mission-led approach applies to public procurement. The prize for getting this right is enormous.

In February 2025, the government published the *National Procurement Policy Statement* (NPPS). The guidance, which all public organisations must “have regard to” under the Procurement Act 2023, sets out principles for how procurement can be a “key lever” for delivering the government’s missions.⁴ It features high-level ways that procurement can support each mission and broader principles for delivering value for money. These principles include driving economic growth by spending with small and medium enterprises (SMEs) and voluntary, community and social enterprise organisations, delivering social and economic value through cross-organisational collaboration and ensuring the right commercial capabilities are in place. The NPPS sets the direction for mission-led procurement in public sector organisations, but stops short of providing practical guidance.

The government's commitment to the five missions has been questioned in recent months. In the June spending review, the chancellor set out three top priorities – security, health and the economy – rather than framing her spending plans around the five missions.⁵ But the importance of the missions and key milestones was evident in how spending was prioritised. More recently, No.10 has also shifted its focus on to these three areas but has said that “the missions remain absolutely in place”.⁶ The broader mission-led approach will likely continue to guide how ministers want this government to deliver for the people that elected them.

Whatever the status of the five missions, the government has been clear that it sees procurement as a key strategic tool for achieving its objectives. In June, further procurement reforms were announced that build on the Procurement Act 2023 and focus on ensuring “public procurement plays its full role in delivering the Government's industrial strategy and fostering a resilient economy”.⁷ Making this ambition a reality, however, will require more than just further legislation. It will depend on cultural, organisational and practical changes in how the public sector, and the people who work in it, do procurement.

Based on interviews with those inside and outside of government and desk research, this report sets out the positive role procurement can play in delivering mission-led government, the barriers to realising these benefits, and recommendations for how they can be overcome.

How procurement can contribute to mission-led government

Proactively shaping markets

The government is a major – and in some cases the only – customer for many of the things that it buys. As such, it does not have to accept what the market currently offers. Rather, it can use its immense buying power to shape markets to provide more of the goods, works and services that it wants to buy.^{8,9} It can also shape public and private sector markets to align with wider economic and social policy goals.¹⁰ Market shaping can be targeted at specific markets, such as promoting innovation in low carbon technologies. Alternatively, it can be broad-based and impact all public sector markets, such as through widely applied social value criteria. In both cases, government can use its buying power to align markets with its missions.

Procuring new solutions for mission priorities

Making use of innovation was identified in the *Plan for Change* as a key aspect of mission-led government.¹¹ More recently, the industrial strategy said that “government's procurement power” would be used for “shaping markets for innovation”.¹² Procuring for innovation is, at its most basic level, buying a new solution to a challenge facing the public sector. Alongside efforts to boost in-house technological capabilities¹³ and adopt test and learn methodologies, procurement of innovation enables government to make use of new market solutions – where industry has products, skills and capacity that the public sector lacks – to deliver on mission priorities.

Supporting a focus on challenges or outcomes, rather than highly specified outputs

A key element of mission-led government is aligning activity towards delivering a set of outcomes, rather than inputs or highly specific outputs. When done well, procurement supports an outcomes-led approach by starting with clear challenge statements and desired objectives, and by collaborating with the market to find solutions.

Contract management also offers an opportunity for procurement to focus on outcomes. This is achieved by monitoring well-defined KPIs and working with suppliers to learn and adapt delivery to better achieve desired outcomes.

Enabling collaboration across government

Different organisations jointly orienting their activity around shared outcomes, and a shared vision for delivering them, is key to a mission-led approach. This is reflected in the NPPS's stated priority for public organisations to "collaborate with other contracting authorities to deliver best value". The wide reach and strong professional identity of the Government Commercial Function (GCF) means it is well placed to break down organisational barriers and make progress on issues that cut across departments or levels of government.

Barriers to procurement supporting mission-led government

A lack of clarity about the government's missions limits the public sector's market shaping ability

The public sector can more effectively shape markets when industry understands and has confidence in government's policy goals, and can direct activity towards meeting them.¹⁴ However, a long-standing weakness of successive UK governments has been the lack of clarity and coherence in defining key priorities and developing strategies to deliver them.¹⁵ Labour's missions are an opportunity to counteract this. Their evolution from opposition priorities to manifesto commitments, and concrete milestones in *Plan for Change*, is a positive step forward.

However, the ability of *Plan for Change* to shape markets is limited by a lack of coherence between some of the missions, milestones and theories of change. For example, the milestone for the NHS mission is to reduce elective waiting lists in hospitals, but two of the government's three strategic shifts envision more preventative care and more services being delivered outside of hospitals. It is not clear what the government actually wants to prioritise – at least in the short term. Unclear spending priorities for the rest of the parliament weaken the signal central government is sending to industry – and the wider public sector – about how to orientate their activity in the years ahead.

The spending review was the government's best opportunity to provide clearer commitment to the missions, a more detailed strategy for delivery and multi-year funding to give departments and suppliers confidence in their longevity. The missions partly influenced prioritisation in the spending review, and resulting settlements provided welcome certainty for many budgets where procurement will play a key role. For example, the £13.2bn commitment to the Warm Homes Plan over the spending review period should give industry confidence to increase capacity to deliver energy efficiency improvements and low-carbon technologies in homes. The industrial strategy, published shortly after the spending review, provided more detail on delivering the growth mission and highlighted eight priority sectors needed to make it happen. However, the spending review did not provide further details on the theory of change for delivering the other missions. As a result, it weakened rather than deepened the government's commitment to mission-led government.¹⁶

Market shaping relies on government communicating its priorities in a way that the market can respond to. The NPPS provided some useful detail on more specific ways that procurement can support each of the high-level missions. For example, building an "NHS fit for the future through: supporting good physical and mental health by providing high quality jobs and encouraging suppliers to recruit from economically inactive cohorts". The incorporation of the missions into the social value model is also helpful for suppliers trying to align their activity with government priorities. But the ability of this high-level guidance to embed the missions into the prioritisation and commercial decisions of contracting authorities will depend on continued public commitment to the missions and funding tied to the delivery of specific outcomes.

Pervasive aversion to risk and uncertainty leads to public sector officials not engaging effectively with the market or exploring new solutions to problems

Risk aversion is widely recognised as an issue across the public sector. In procurement it can prevent government from benefiting from new opportunities available in the market. In many cases, this risk aversion can be more accurately described as aversion to uncertainty, which can mean new approaches, where outcomes are inherently more uncertain, are less likely to be pursued.¹⁷

A degree of caution about uncertainty and risk is necessary in the public sector, where vital services are being delivered using taxpayer money. However, there are particular culture and practice problems in how the public sector approaches risk and uncertainty:

- Status quo bias and loss aversion, which means that the risks of the status quo are not weighted as heavily as the risks of new approaches
- Risk aversion that is appropriate for individuals or individual teams, but leads to an unintentionally over-cautious risk appetite at an organisational level¹⁸
- A tendency to respond to risk and uncertainty with aversion, rather than mitigation.

The culture and practice of risk aversion created by these factors means that officials, right up to senior responsible owner (SRO) level, often do not want to be the 'first-mover' in adopting new approaches. This includes procuring innovation because of the potential professional risks if things go wrong. In procurement, there are three main categories of risk that individuals express concern about: risk of service failure, financial risk and legal risk.

Risk of service failure

Procurement plays a central role in the delivery of many important public sector functions – from adult social care for vulnerable adults, to construction of new prisons or electronic patient records in the NHS. Failure of these goods, works and services could have highly damaging consequences for the public, potentially putting lives at risk.

Public sector officials are rightly cautious about making changes that could lead to the failure of critical services. Individual officials may be concerned about the impact on service users, as well as their own professional reputation and that of their organisation. However, the risk of a change leading to service failure should be assessed against the risks from expected future performance if no change is made. Instead, a bias for the status quo often leads government to stick with existing approaches, even when they guarantee poor performance, rather than risk changes that could lead to improvements.

When a new approach involves a downside risk of service failure – as it often will – loss aversion by individuals and organisations compounds this tendency to avoid change. This is a barrier to procurement of innovation, and is recognised at the very top of government. As Pat McFadden, then the chancellor of the Duchy of Lancaster, said in December 2024: “If we are terrified of failure we will never innovate and we’ll carry on doing what we’ve always done.”¹⁹

Financial risk

Judicious use of taxpayer funds is rightly valued in the public sector, and getting good value for money is particularly important in the current fiscally constrained context. But improving value for money in the long run requires being open to procuring new, innovative solutions that may improve performance and/or lead to savings over time – rather than sticking with the status quo.

However, changing supplier, service or product often has up-front costs, such as on pilots or new infrastructure. It also involves a degree of uncertainty about whether the new approach will deliver the intended improvements within a given budget. The financial risk of up-front investment in new solutions for potentially uncertain benefits can limit innovation and prevent government funding activity that would otherwise reduce uncertainty, such as pilots. Similarly, financial risk aversion can lead the public sector to favour low-cost bids over those that offer better long-term value for money.

Concern about financial risk is exacerbated by short-term budgets, where up-front costs of innovation will feature on the balance sheet, but longer term benefits may not. Single-year budgets and spending constraints in local government over more than a decade have particularly impacted councils’ ability to procure innovation.

Legal risk

The fear of legal challenge, and associated costs and delays, is widespread across the public sector. However, according to interviewees, the risk of successful legal challenge is frequently overestimated by officials.

A key reason for overestimating legal risk is a lack of senior commercial expertise and experience in contracting authorities, particularly in smaller organisations. We were also told that legal advice is often not sought at early stages of procurement due to costs and tight time frames. This reduces opportunities to identify legal risks early and de-risk the process by, for example, changing how the tender is designed or product is specified.

A common and damaging example of legal risk aversion is fear of engaging with the market at an early stage of a procurement, or outside of a procurement process entirely. A frequent concern is that early market engagement may favour particular suppliers, leading to legal challenges by their competitors. This contrasts not only with the private sector, where open communication with suppliers is seen as good business practice, but also with *The Sourcing Playbook*, which recommends early engagement with the market so that suppliers can understand the challenges the buyer is facing, and buyers know what kinds of solutions the market can offer.

A lack of forward planning means there is often not enough time to explore how the market could provide new solutions

Defining a problem facing a public sector body in a way the market can engage with, working with industry to explore potential solutions and running a procurement process for innovation typically takes up to two years for major projects (though it is possible to speed up the process with sufficient funding and input from senior ministers and officials).^{*} However, too often a lack of forward planning means government does not identify, early on, contracts due to expire or be renewed where new approaches could support better value for money. This means contracting authorities tend to keep doing things in a similar way; for example, by rolling over contracts or sticking with similar specifications.

Commercial professionals with market expertise are frequently brought into the policy process too late

Commercial professionals can be valuable in identifying opportunities for the market to provide new solutions. They can also help define policy problems facing organisations to enable suppliers to propose solutions. However, commercial specialists are often brought in too late to influence the early stages of policy design. A key reason for this is that procurement is frequently not seen as a tool for achieving policy goals.²⁰ Instead, there is a perception that procurement equals contracting, which leads policy and delivery teams to seek commercial input at the contracting stage, rather than before.

The late involvement of commercial specialists is a particular barrier for effective procurement of innovation, where collaboration with potential suppliers is often necessary to support the design of a policy solution that is as yet unspecified. Earlier involvement of commercial experts can also help identify and mitigate potential commercial problems at an early stage, and counter risk aversion.

Procurements too often start with an over-specified solution, rather than being led by clear outcomes and well-defined problems

A focus on outcomes over inputs and outputs is fundamental to mission-led government. Clearly describing the problem and defining outcomes in a way that industry can engage with can enable more effective procurement activity across the board. This is particularly important for procuring innovation, where a contracting authority is going to market to find new solutions to problems they are facing.

However, the public sector finds it difficult to take a more outcomes-led approach to procuring innovation for a number of reasons. First, a lack of clarity about the overarching priorities – or missions – guiding an organisation makes it difficult to define outcomes for the market to engage with. Second, aversion to legal risk can lead contracting authorities to use highly specific criteria when going to market and assessing tenders, as these are easier to evaluate objectively and may be less open

^{*} This two-year time period is comparable to that needed to prepare for a major insourcing, as found in Sasse T, Nickson S, Britchfield C and Davies N, *Government outsourcing, When and how to bring public services back into government hands*, Institute for Government, 2020, www.instituteforgovernment.org.uk/publication/government-outsourcing-public-services-back-government-hands

to legal challenge. A broader aversion to uncertainty also means that officials may be generally more comfortable running a procurement process where the solution eventually purchased is more clearly defined.

Third, more outcomes-led approaches require collaboration between relevant commercial, technical and delivery experts (and in some cases service users) to define the policy problem and intended outcomes in a way that the market can engage with. This is particularly crucial in complex systems, where the relationships between inputs, outputs and desired outcomes can be difficult to disentangle. However, this expertise can be hard to come by, and effective collaboration across different teams can be difficult and is often limited. Finally, taking an outcomes-led approach is often more time consuming, and timelines for purchasing a product or service are frequently tight.

This over-specified approach to procurement reinforces a tendency to award contracts to the bidder offering the lowest cost, rather than the best value for money for the taxpayer. A further damaging consequence of this approach is the use of KPIs that are poorly aligned with desired outcomes. Performance monitoring, and consequences for poor performance, are important for accountability and driving value for money in procurement. However, this misalignment risks incentivising suppliers to focus on activities that do not deliver the outcomes an organisation wants. The increased KPI reporting requirements under the Procurement Act 2023 make getting this right even more important.

Innovative solutions are often initially available at a small scale, which makes it more difficult for central government to use them

Novel solutions are initially developed at a small scale and for specific contexts. Scaling up can be time-consuming and complicated,²¹ and central government is often looking for larger scale solutions.²² This mismatch in scale can be a barrier to central government procuring smaller scale innovative solutions, particularly when provided by SMEs that may struggle to scale up new products or services.

A lack of procurement of smaller scale innovation from central government reduces competition, and the ability of the public sector to use innovation. It also stops government from sending a demand signal that supports innovation that the wider economy can benefit from.

Scalability may be somewhat less of a problem in local government, where the median contract is about two thirds of the size of those in central government. Additionally, the proportion of total procurement spending that goes to SMEs is more than three times higher, and goods and services are provided at a local rather than national level.²³

A lack of co-ordination also prevents scaling of new solutions across all levels of government. Suppliers are more likely to invest in developing scalable innovations where they have confidence in the existence of future demand. When multiple contracting authorities may benefit from a new solution, collaboration can increase public sector buying power, share procurement costs like pilots and send a stronger demand signal to suppliers, which could incentivise scaling. A lack of co-ordination therefore risks government missing out on scalable innovation.

Low quality of procurement data limits the public sector's market shaping potential

The quality and accessibility of procurement data in the UK has been poor in recent years.²⁴ This has been due to inaccurate or late publication of relevant notices required under previous legislation, and a fragmented landscape of procurement systems and reporting platforms that makes it difficult for contracting authorities and suppliers to access the relevant data.²⁵ The poor quality of procurement data limits oversight of contracts across the public sector, and makes it harder to identify opportunities for collaboration that would increase the buying power of the public sector²⁶ or spot where competition is weak.²⁷ A lack of transparency and accessible data also reduces suppliers' visibility of upcoming public contracting opportunities. Together, this reduces the market shaping ability of the public sector.

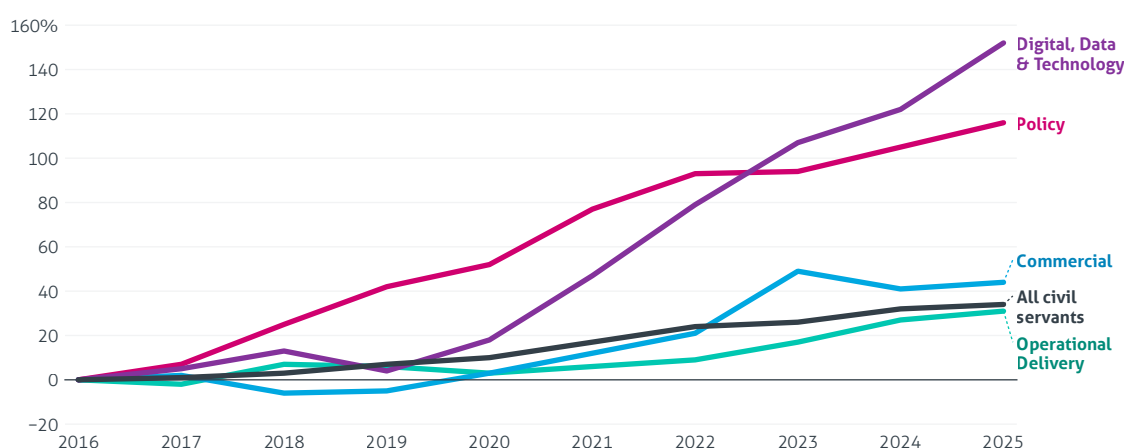
The Procurement Act 2023 aims to fix these problems by requiring public sector organisations to publish a wider range of notices across the contract life cycle – from preliminary market engagement to contract termination. These have been built into the procurement workflow – for example, notices now effectively legally start a procurement – to make publishing them harder to avoid. It is yet to be seen whether this will work as an effective mechanism for requiring publication. Requirements under the previous, less stringent legislative regime were often unmet, and the Cabinet Office had little ability to enforce these requirements.

The Act also created a new central digital platform with unique identifiers for all contracting authorities, suppliers, procurements and contracts. While some functionality is still being rolled out, this could play an important role in fixing the existing patchwork of procurement platforms.

A lack of commercial capacity and capability can worsen risk aversion and limit procurement of innovation

There have been substantial improvements in government commercial capability in recent years. The Government Commercial Function (GCF) reports that every £1 invested in the function saves the taxpayer £6.50,²⁸ and the number of commercial professionals in central government increased by 44% from 2016 to 2025.²⁹ Although this growth outpaced the overall civil service increase over this period (34%), it is substantially less than other areas, such as the policy profession, where headcount has more than doubled since 2016.

Figure 1 **Change in civil servants, all civil servants and selected professions, 2016–25**



Source: Institute for Government analysis of ONS/Cabinet Office, 'Civil Service Statistics', 2016–25. Notes: Civil service numbers are full-time equivalent. Professions data has historically been affected by non-reporting, meaning that trend analysis will not be entirely accurate. See *Whitehall Monitor 2025* for more details.

Despite improvements in public sector commercial capability, particularly in central government, interviewees highlighted two specific commercial capability gaps that could limit the contribution of procurement to mission-led government. First, there are not enough senior, strategic commercial experts – and those that are in place are typically stretched too thin – limiting commercial teams' ability to support policy making and effective market engagement from an early stage. Second, contract management is too often left to junior officials without commercial expertise, which can risk reducing accountability for performance,³⁰ particularly for contracts for innovative solutions.

The Procurement Act 2023 makes capacity and capability even more important for getting good value for money through procurement. Expertise is needed to take advantage of the more flexible regime and meet increased transparency requirements, including on performance.

Cross-departmental collaboration between commercial professionals can be weak

Insufficient collaboration on issues that sit across departmental boundaries is a major weakness of central government.³¹ The disaggregation of the public sector's buying power across many contracting authorities can limit the public sector's ability to shape markets and prevent new procurement approaches from being used across public organisations.

A lack of co-ordination across departments is driven by both structural misalignment of key incentives due to siloed budgets and other factors, as well as issues in identifying and connecting with relevant contacts in other departments. Despite the GCF being a cross-departmental function with a strong professional identity, we were told by one interviewee that there are still some difficulties in connecting individuals across departments to work on cross-cutting policy problems.

The Transforming Public Procurement programme has sought to upskill commercial professionals across government ahead of, and alongside, the roll out of the Procurement Act 2023, and to build communities of practice around this. But it remains to be seen whether this results in more sustained sharing of best practice and better collaboration among relevant teams across departments.

Recommendations

There are many barriers that have stood in the way of government effectively using the power of procurement to help deliver its missions. But these problems are not insurmountable. Substantial, and in some cases quick, progress could be made through more effective shaping of markets, political leadership, better organisational and procurement practice, proactive co-ordination and improvements to civil service capacity and capability. These changes would build on existing initiatives and further the goals that the government has already set itself.

The government should provide greater clarity on how the market can help deliver the missions

This is a self-described 'mission-led government'.³² But the government has not yet published enough information about the missions and the key challenges they are meant to address for them to successfully shape public sector markets or the wider private sector.

Now that the spending review has set departmental budgets for most of this parliament, **mission boards should identify and publicly announce key ways that procurement can support the missions.** This should be supported by the commercial leads for each mission. These should take the form of well-defined problem statements that identify the key challenges each mission aims to address, and the government's desired outcomes. To identify these problem statements, the government should first develop clear theories of change for how it expects the mission milestones to be achieved. This work should form part of cross-government efforts to confirm outcomes for the performance framework, which the government is planning to publish by the autumn budget.³³ This process should help to highlight key delivery challenges and inadequacies with existing approaches, for which better solutions could be developed by the market. **The commercial leads for each of the five missions should work with senior commercial leaders across central government to identify opportunities and challenges for the market to support delivery of the missions.** This should include identifying where innovation will be crucial to meeting challenges facing mission delivery, and ensuring adequate resources are allocated to this.

The missions should drive a more outcomes-led approach to procurement

The missions are intended to focus government activity on the delivery of key milestones but there should also be a wider focus on outcomes. **Public sector organisations should take a more outcomes-led approach to procurement and contract management,** particularly for innovation or more complex or advanced goods, works and services. This should include programme teams setting clear outcomes, and using these to guide early market engagement. For front-line services, the outcomes should be person-centred and developed in partnership with service users to meet their needs. The outcomes should also guide award criteria, promoting value for money over simply selecting the lowest-price bidder.

Crucially, contract management should be more focused on outcomes. Management of performance plays an important role in enabling accountability and improving value for money, with the choice of KPIs and how they are used creating strong incentives for suppliers.³⁴ **KPIs should focus on outcomes, rather than inputs and outputs**, where they can be appropriately aligned with the programme’s overall objectives. For example, outcomes-focused KPIs would be less appropriate for a call-off contract to provide laptops to local authority staff. Outcomes-focused KPIs should be developed with the relevant commercial, technical and delivery experts in an organisation, and in partnership with suppliers. Often, it may be necessary to collect additional data to ensure that what is being measured really matters.

This partnership should be maintained through contract management. Fully aligning KPIs with outcomes is difficult in complex systems, but by taking a relational approach and working closely with suppliers to enable a culture of continuous learning, problems can be identified early and changes made to focus delivery on achieving outcomes.³⁵

Doing this well takes time and resources. To start with, central government departments should review existing contracts for goods, works and services that are most directly relevant to the missions. They should identify where existing KPIs may be poorly aligned with mission objectives or with an outcomes-led approach. As contracts are re-let, **departments should ensure that KPIs are aligned with the missions**, with senior commercial leaders driving this effort. *Managing Public Money* already requires them to “clarify objectives of procurement from the start”, so this will involve ensuring alignment with government’s approach to delivering the missions.³⁶

Government departments should publish longer pipelines

Under the Procurement Act 2023, large contracting authorities* are required to publish a pipeline notice setting out details of all contracts worth over £2million that they expect to publish in an 18-month period.** This stronger basis for publishing pipelines is a welcome step towards greater transparency about upcoming contracting opportunities, which will help government be an effective market shaper.

The Sourcing Playbook, however, goes further – and recommends that pipelines look ahead three to five years, though this is not mandatory.³⁷ One interviewee argued that pipelines of longer than two years are of little help as activity beyond this period is so uncertain. That has certainly been the case in recent years. However, with the spending review setting departmental resource and capital budgets up to and including 2028/29 and 2029/30 respectively, departments should now be able to publish pipelines extending beyond 18 months. Work to update *The Sourcing Playbook* to reflect the new regulatory landscape for public procurement – and the opportunities this creates – is already under way. As part of this, **the Cabinet Office should strengthen *The Sourcing Playbook* to require central government departments and associated ALBs to publish commercial pipelines covering at least three financial years**. *The Sourcing Playbook* should also be updated to recommend authorities

* Those that will spend more than £100m under relevant contracts in the coming financial year.

** This period starts on the first day of the financial year on which the notice is published, www.gov.uk/government/publications/procurement-act-2023-guidance-documents-plan-phase/guidance-pipeline-notice-html

include high-priority contracts below the £2m threshold in published pipelines, as already stated in the GCF pipeline notice guidance.³⁸ While *The Sourcing Playbook* cannot compel compliance from the wider public sector, other contracting authorities with multi-year funding settlements, which will include local authorities from April 2026, should also adopt this as best practice.

Publishing longer term pipelines does not mean contracting authorities need a detailed plan for all upcoming projects – suppliers understand they will be updated with new information or opportunities as plans change. But longer term pipelines would have benefits for individual contracting authorities and the wider public sector. As noted by *The Sourcing Playbook*, “publishing pipelines can lead to greater innovation as the more notice that is given by the buyer, then the more likely it is that suppliers can start investing in relevant innovation ahead of the procurement coming to market in order to position themselves to win it”.³⁹ Such innovation is crucial for delivery of the government’s missions.

Ministers should provide strong political support for procuring innovation

When launching the government’s *Plan for Change*, Starmer stated that mission-led government would not be delivered “by simply doing more of the same” but would require “a programme of innovation and reform”.⁴⁰ Unfortunately, innovation has not historically been one of government’s strengths. A strong status quo bias and pervasive aversion to risk and uncertainty has made many ministers and civil servants alike reluctant to try something new, particularly where the risk of failure is high. Yet innovation requires trying new approaches, getting things wrong and learning from mistakes.

If the government wishes to procure new solutions from the private and voluntary sectors, then it must accept that not every contract will be a success. Failures to deliver do not necessarily mean that an official or supplier has done something wrong. Even the best thought through plans can unravel on contact with a complex world. While that is undoubtedly an easier argument to make in a think tank report than it is for a minister to make under aggressive media questioning, it is ultimately what civil servants need to see to feel confident about exploring innovative solutions.

Over the past year, key ministers have provided strong support for innovation, with interviewees mentioning Pat McFadden, Georgia Gould, Peter Kyle and Patrick Vallance. With three of these ministers moving jobs in the September 2025 reshuffle, it is vital that the new ministers in these key roles sustain this support. Across government, **ministers must continue to make the case for a test and learn approach, and show willingness to publicly and privately defend procurement of innovation after failures.** This involves ministers promoting activities like pilots and preliminary market engagement that aid innovation. It also involves publicly recognising both the risks and benefits of innovation as part of a proactive communications strategy to help set the expectation that some initiatives will inevitably fail. While it will take time for civil service culture to change, ministerial leadership is a prerequisite for counteracting risk aversion at individual, team and organisational levels.

Effectively engaging with the market and running multi-stage procurements to develop innovative solutions with suppliers requires up-front commitment of time and resource. When budgets are stretched, these activities tend to fall by the wayside. Ministers and senior officials must specifically prioritise funding for procurement of innovation. For particularly risky innovations, it might be beneficial to establish a cross-government innovation fund that departments could bid into.

Government should take an 'outcomes-led' approach and engage more extensively with the market when procuring innovation

Attempts to procure innovative solutions to tackle complex problems will fail if public sector organisations keep buying things the way they always have. Procurement of innovation demands a different approach.⁴¹ While clarity around government objectives provides helpful certainty for the market, public bodies are often far too specific about exactly what they want to buy. In many cases, they effectively ask for a replica of the existing product or service. Alternatively, where trying to procure something new, they over-specify solutions, excluding alternatives that might better meet their objectives. In both cases, this reduces the pool of potential suppliers and stifles innovation.

Government should take an 'outcomes-led' approach to procuring innovation.

As noted above, this should involve the development of well-defined problem statements, and clearly articulated outcomes the government hopes to achieve – rather than tightly specified contract criteria. This approach to procurement can enable potential suppliers to creatively design solutions that address challenges and deliver on the desired outcomes.

Taking this approach would enable more productive preliminary market engagement (PME). In theory, the government is fully committed to PME. The NPPS highlights its importance for developing innovative solutions, the Procurement Act 2023 introduced a PME notice, and *The Sourcing Playbook* states: "We aren't afraid to talk to the market."⁴² In practice, we heard from interviewees that public bodies can be reluctant to undertake PME for fear of legal action from suppliers who believe that competitors have been given an unfair advantage. However, this risk is often overstated.

While one interviewee noted that PME has already improved under the Procurement Act 2023, continued progress is needed to drive widespread improvement in the procurement of innovation. **Senior commercial leaders should encourage a greater risk appetite for PME and ensure that PME is carried out as a core procurement activity.** While the Procurement Act 2023 does not mandate publication of PME notices, this should be standard practice.⁴³ These notices can highlight contracting opportunities to a wider range of suppliers at an early stage and enable other contracting authorities to identify opportunities for collaboration.

PME should typically be led by commercial teams, with involvement of subject area experts; for example, digital specialists when procuring for innovative IT solutions. For particularly large, risky or innovative contracts, government departments should seek support from the Commercial Innovation Hub or senior commercial specialists

in the Cabinet Office. Senior leaders should ensure sufficient time and resources are allocated for effective PME, involving relevant expertise and recognising the importance of PME for enabling innovation and outcomes-led procurement.

Interviewees told us that PME often takes the form of webinars, which public bodies use to broadcast information. This can be helpful for expanding the number of bidders but is less effective at encouraging innovation. Government should undertake more in-depth conversations with individual suppliers to understand their existing offer, emerging technologies and ways to do things differently.⁴⁴

Even with effective PME, taking a new approach and procuring for innovation means dealing with uncertainty. Risk can rarely be eliminated but PME can help mitigate it by testing and rapidly learning from successes and failures alike, and iterating accordingly. Historically, the risk of supplier legal action has been a barrier to taking this approach. However, the Procurement Act 2023 could help to mitigate this through the new competitive flexible procedure, which has been described as the “biggest single change” in the Act.⁴⁵ Although it has been used during its first six months, public organisations could go further in pushing the boundaries of the flexibility it offers. **Contracting authorities should make greater use of the competitive flexible procedure to run multi-stage procurements, including pilots, that enable a test and learn approach** that reduces risk and uncertainty.

Alongside the rollout of the Procurement Act 2023, the Cabinet Office has published a wealth of guidance to support officials in navigating the new regime – which has been widely welcomed. However, interviewees told us that guidance about using the Act to procure innovation has been less comprehensive, offering little practical advice on how to counter perceived barriers across the public sector.

The Cabinet Office and the Department for Science, Innovation and Technology (DSIT) should publish further guidance on procurement of innovation. This should be accessible and practically focused, including templates of contract documentation for procuring innovation under the competitive flexible procedure. It should also include ‘myth-busting’ guidance that sets out what contracting authorities *can* do to procure innovation effectively under Procurement Act 2023, especially where it is perceived as too risky. The guidance should include examples, such as setting out how an outcomes-led approach would work in practice. This guidance should be developed in collaboration with key stakeholders across government and industry, and clearly signposted in *The Sourcing Playbook* and other relevant guidance.

Multi-disciplinary teams within contracting authorities should horizon scan for opportunities to take a more innovative approach

Taking a problem-led approach to procuring innovation, engaging extensively with the market and running multi-stage procurements via the competitive flexible procedure all require adequate resourcing if they are to be done well. While these approaches should be used more frequently, it is not realistic or practical to apply them to every single procurement process undertaken by government. Public bodies have limited capacity and need to prioritise.

Procuring for innovation also takes time; typically about two years from initial review through to contract start date, though some interviewees highlighted examples where this can be as little as six months. **Contracting authorities should systematically horizon scan for programmes where contracts are due to expire or come up for renewal at least two years in advance.** They should proactively review whether the current delivery model is appropriate, and whether there are innovative solutions available in the market that could help improve outcomes. The central digital platform should be improved to support this process by providing procurement data in a relevant and accessible format.

The **programme teams reviewing how innovation could improve outcomes should be multi-disciplinary**, including policy, commercial, finance and operational delivery professionals. This means both commercial and non-commercial professionals seeing procurement as a strategic lever. Commercial professionals should be part of reviewing whether procurement of innovation could improve outcomes well in advance of the outline business case stage of policy development. Contracting authorities should also be more proactive in seeking legal advice earlier in policy development, with a view to identifying legal risks and mitigating them (including in relation to preliminary market engagement and pilots).

The Cabinet Office should develop and publish brief guidance to support contracting authorities in horizon scanning for opportunities to procure innovation. This guidance could include a series of short questions, including:

- Is addressing this problem a political priority?
- Have the problem and desired outcomes been clearly specified?
- Is the current delivery model appropriate?
- Can the market help address this problem in different ways to when the contract was last tendered?

DSIT should proactively co-ordinate procurement of innovation across the public sector

The government has made “championing innovation” a key priority for public procurement,⁴⁶ and procuring for innovation is part of the DSIT’s six-point plan for public sector digital reform.⁴⁷ Although contracting authorities will often procure innovative solutions individually to meet the specific challenges facing their organisation, the problems faced are often shared, such as mitigating risks, using the competitive flexible procedure effectively or running pilots. Improvements to how government buys innovative solutions will come more quickly if public sector organisations are able to learn from each other.

The Commercial Innovation Hub should lead efforts to share best practice in procurement of innovation across the public sector. This small multi-disciplinary unit in DSIT – established earlier this year as a “centre of excellence for pioneering new approaches to service design and procurement”⁴⁸ – should identify and promote best practice, provide advice to central government bodies and support upskilling of teams that are exploring procurement of innovation. This should cover innovation in a broad sense, both technological and social. In doing this, they should draw on the expertise of established organisations such as Innovate UK and the Innovation Procurement Empowerment Centre. Guidance and case studies of good practice from the Commercial Innovation Hub should be made public, where appropriate, so that contracting authorities beyond central government can benefit.

Innovative solutions will likely present opportunities for use across multiple contracting authorities. To counteract weaknesses in cross-government collaboration, **DSIT should co-ordinate procurement of innovation through active engagement with commercial teams across central government and monitoring preliminary market engagement notices to identify opportunities for collaboration.** DSIT should be actively supported to do this by senior commercial leaders and relevant specialists in the Cabinet Office, particularly as this co-ordinating role is established. This co-ordination could help scale innovation, reduce duplication and maximise public sector buying power.

Central government should make greater use of pull mechanisms, such as advance market commitments or contracts for innovation, to promote innovation

‘Pull’ mechanisms, including innovation prizes, Contracts for Innovation* and advance market commitments (AMCs), are used by the public sector to incentivise innovation by rewarding the development of new technologies. Procurement can be used as a pull mechanism from early stage R&D competitions (pre-commercial procurement) through to commitments to purchase commercially viable innovative solutions if developed at scale (public procurement of innovation).⁴⁹

A key barrier to innovation is the ability of suppliers to scale up early technologies to a level that would make them commercially viable and – from the perspective of the public sector – useful for government. One type of pull mechanism that can reduce this barrier is an AMC. An AMC is an agreement by a buyer, or group of buyers, to purchase a given quantity of an innovative solution if it is developed to meet a certain specification.⁵⁰ By guaranteeing an early market, AMCs can help bridge the ‘valley of death’ between pre-commercial R&D and a commercially viable solution,⁵¹ and incentivise companies to develop and scale technologies in a way that will make them commercially viable. By only paying out when a viable product is developed, the financial risk to the buyer is lower than with mechanisms like grants or R&D tax reliefs, where funding is required upfront.⁵²

* A methodology promoted by Innovate UK.

In one early example, an AMC was used to support the development of pneumococcal vaccines for strains of bacteria more commonly seen in low-income countries. The up-front \$1.5bn commitment from governments and philanthropists gave pharmaceutical companies confidence that the vaccine, if developed, would be purchased at a sufficient price and volume to be commercially viable – a guarantee lower-income countries could not provide. Within a few years of establishing the AMC in 2007, a scalable pneumococcal vaccine had been developed, and by 2016, 160 million doses were administered annually.⁵³ More recent examples of AMCs include those used for Covid-19 vaccines and carbon capture technologies.

The UK government is currently developing an AMC for low-carbon concrete.⁵⁴ Innovate UK is convening a coalition of public and private sector buyers to provide a guarantee to procure a set quantity of low-carbon concrete at a specific price, if the products produced reach pre-defined specifications. This follows a Contracts for Innovation process that provided funding to suppliers that could demonstrate how to address technical “uncertainties in the formulation and use of innovative concrete”.⁵⁵ Since concrete production makes up about 8% of global emissions, reducing its carbon intensity offers enormous benefits.⁵⁶

Pull mechanisms such as these will not be appropriate for all new technologies, but they can be a valuable market-shaping mechanism for the public sector in some areas, helping convene potential buyers and send a demand signal about potential future procurement opportunities. The increased flexibility of the new competitive flexible procedure is an opportunity to build pull mechanisms into procurements. For example, a public sector organisation can incorporate a Contracts for Innovation competition into a procurement process to drive the necessary research and development, alongside committing to purchase a solution developed by a supplier if it meets a specified outcome. **Commercial leads for each mission should propose areas where pull mechanisms such as advance market commitments or Contracts for Innovation could support and incentivise scalable innovation.** This should include opportunities relevant to the eight high-growth sectors identified in the industrial strategy, which will set targets for promoting ‘innovation pull-through’.* Innovate UK and the Commercial Innovation Hub should then support commercial teams in relevant departments to assess the potential benefits of pull mechanisms to support innovation and develop options for how they could work in practice.

Government should improve the quality of procurement data through increased transparency and the central digital platform

Low-quality data limits government oversight of procurement spend and industries’ understanding of public contracting opportunities. The Procurement Act 2023 is an opportunity to substantially improve the quality of UK public procurement data through increased transparency and a new central digital platform. Successfully implementing these reforms will have benefits for both contracting authorities and suppliers. For the former, these changes should enable commercial teams to

* The industrial strategy stated that government would “set more ambitious targets for the IS-8 to promote innovation pull-through, including through a new Commercial Innovation Hub, which will trial new approaches to service design and procurement. We will provide clear, long-term signals to suppliers to accelerate innovation and create investment opportunities.”

view all contracts held by their organisation in one place, compare these to other similar contracting authorities and identify opportunities for collaboration or where competition is weak. These would be powerful tools for improving value for money. For suppliers, better data on past contracts and upcoming contracting opportunities across government will help them better meet the challenges facing the public sector.⁵⁷

However, the successful implementation of increased transparency requirements under the Procurement Act 2023, and the benefits that come from this, will depend on a step-change in culture and practice around transparency. Legislating for transparency to be a core part of the procurement process should help, but senior leaders in contracting authorities must take the quality of procurement data seriously. Enhanced oversight of commercial activity through better quality data will support more strategic use of the £400bn annual procurement spend and improve value for money, which is the ultimate responsibility of accounting officers in central government. To this end, the **Treasury should update the *Managing Public Money* guidance to make accounting officers responsible for their organisation maintaining and publishing high-quality procurement data.**

A new, accessible central digital platform is an opportunity for both suppliers and contracting authorities to reap the benefits of increased transparency. The initial rollout of the updated Find a Tender service is expected to be followed by further changes to the platform. **Future updates to the central digital platform should support government's ability to shape markets. This can be achieved by giving suppliers improved visibility of live and upcoming contracting opportunities, and providing contracting authorities with an accessible overview of procurement spend** – both their own and other organisations' across different sectors and suppliers. This should include enabling contracting authorities to horizon scan for opportunities for innovation within contracts that are due to expire or come up for renewal at least two years in advance, as described in a previous recommendation.

Commercial capability should be strengthened across the public sector

The contribution of procurement to mission-led government is highly dependent on the skills and expertise of the people working to deliver it. This is recognised as a priority in the NPPS:

"Contracting authorities should ensure the right commercial capability and standards are in place to procure and manage contracts effectively and to collaborate with other contracting authorities to deliver best value."⁵⁸

Early involvement of commercial specialists in policy development can help drive innovation and an outcomes-focused approach. However, a barrier to bringing in procurement expertise at an early stage is the relatively small number of senior commercial professionals within government that have the necessary experience and expertise to contribute to policy design. To address this capacity gap, **the GCF should develop a long-term strategy to boost the number of senior commercial specialists within government departments and their ALBs.**

Effective contract management is also vital for ensuring contracts deliver value for money. Contract management is particularly important when a new product or service has been procured, as officials are less likely to have a tried-and-tested contract management blueprint for officials to follow. Contract management is also crucial to taking outcomes-led and test and learn approaches to monitoring performance, spotting problems or opportunities for improvement early and acting upon them. To strengthen contract management, **the GCF should establish an expectation that all those managing contracts are commercial specialists**. It should ensure the necessary training is in place to enable this, with a particular focus on how to take a relational, outcomes-focused approach to contract management.

All central government departments have committed to at least 10% savings from administrative budgets by 2028/29, which is expected to drive a reduction in civil service headcount, including across the functional professions. Departments also set out plans for wider technical efficiencies savings at the spending review, 82% (14/17) of which included plans for commercial savings, such as contract renegotiations or insourcing.⁵⁹

While there are undoubtedly commercial savings to be found, identifying commercial savings across central government and delivering better value for money will depend on having the right commercial capability in place. As departments develop more detailed plans for savings, and the Cabinet Office develops a wider civil service workforce plan, analysis should consider the value of commercial expertise. This includes the role of senior commercial specialists in supporting policy development, and contract managers in supporting value for money in contract delivery. Otherwise, there is a risk that departments make short-term savings by cutting commercial capacity, only to incur long-term costs through reduced value for money in procurement.

As departments work through the difficult trade-offs to deliver administrative budget cuts and technical efficiency savings, **the missions should be used to guide prioritisation in commercial workforce planning**. For example, improvements to commercial capability in contract management could be focused on contracts that most directly support a mission, and senior commercial experts should prioritise efforts to strategically support delivery of the missions.

Commercial capability is also a problem in local government, where procurement accounts for almost half of all local government spending. The changing landscape of local government in England – including the expansion of strategic authorities and unitarisation of district and county councils – is both an opportunity and a risk for improving procurement practices. Combining old authorities will likely lead to fewer, but larger and potentially more complex contracts,⁶⁰ with new commercial teams brought together to oversee them. The volume of new, larger scale procurements is likely to peak shortly after new authorities are established, stretching commercial capacity just as newly formed teams have a chance to do things differently. **Local government leaders, supported by the Local Government Association, must ensure that commercial capability is strengthened, rather than fragmented and weakened** as various reorganisations take place.

The GCF should lead efforts to enhance cross-government working between commercial professionals

Collaboration across organisational boundaries is a key part of a mission-led approach. As a strong, cross-departmental function the GCF has an opportunity to lead in supporting broader collaboration across central government, including around the missions. This could include unblocking cross-departmental problems and identifying where commercial experience or market knowledge in one department could improve practice elsewhere.

We were told that communities of practice established alongside the Transforming Public Procurement (TPP) programme have helped enhance collaboration across the public sector. The centrally co-ordinated TPP community of practice alone has more than 12,000 members.⁶¹ However, with the implementation of the Procurement Act 2023 well under way, and the TPP programme due to end shortly, **the GCF should have a strategy to sustain and build on improvements in cross-public sector collaboration, including through supporting communities of practice.**

We also heard that a barrier to collaboration in central government is that individuals often do not know who the relevant commercial professionals are in other departments. The GCF should take steps to counteract siloed working across the function in central government; for example, by creating an internal directory of key commercial contacts across all departments.

Any new procurement legislation should avoid creating unnecessary complexity or instability

Implementation of the Procurement Act 2023 began on 24 February 2025, almost 18 months after being added to the statute book under the Sunak government, and more than four years after the *Transforming Public Procurement* green paper was published in 2020. This landmark legislation repealed the Public Contracts Regulations 2015 and set out the UK's regulatory framework for public procurement outside the EU. While these important reforms should help unlock innovation and strengthen accountability, ongoing improvements to public procurement will likely depend far more on cultural, practice and organisational changes than further legislative updates.

Embedding the changes in practice enabled by a new regulatory regime takes time. Even the full flexibilities of the Public Contracts Regulations 2015 were not used during the decade that it was in force.⁶² The development and rollout of the Procurement Act 2023 has required substantial effort, including upskilling officials through the TPP programme to use the new regime. Regulatory stability will help government reap the benefits of this effort over the coming years.

The Cabinet Office has announced a consultation on further changes to procurement regulations, including criteria on prioritising "British jobs and skills".⁶³ However, there is a risk that new legislation creates additional layers of complexity and compromises the Procurement Act's explicit aim of simplifying the previous patchwork of legislation. Therefore, **the Cabinet Office should ensure that any further procurement legislation prioritises clarification and standardisation, enabling procurement to serve as an effective lever, while avoiding unnecessary complexity or instability** as suppliers and contracting authorities adapt to the new regime.

References

- 1 10 Downing Street, *Plan for Change – Milestones for Mission-led Government*, 2024, https://assets.publishing.service.gov.uk/media/6751af4719e0c816d18d1df3/Plan_for_Change.pdf
- 2 Parker G, 'Keir Starmer announces major Downing Street shake-up', *Financial Times*, 1 September 2025, www.ft.com/content/5557953a-9064-44f1-8d8f-b08d90772e05
- 3 HM Treasury, 'Public Expenditure Survey Analyses', 2025, https://assets.publishing.service.gov.uk/media/6874fa6f92691289bdb7d393/Public_Expenditure_Statistical_Analyses_2025.pdf
- 4 Cabinet Office, 'National Procurement Policy Statement', 2024, https://assets.publishing.service.gov.uk/media/67ab330e1a116437c7ed88da/E03274856_National_Procurement_Policy_Statement_Elay.pdf
- 5 HM Treasury, *Spending Review 2025*, 11 June 2025, www.gov.uk/government/publications/spending-review-2025-document/spending-review-2025-html
- 6 Swinford S and Smyth C, 'Keir Starmer scraps flagship mission unit as part of latest reset', *The Times*, 2 September 2025, www.thetimes.com/uk/politics/article/keir-starmer-five-mission-unit-n9hm80cz2
- 7 Cabinet Office, 'Boosting British jobs and skills key for firms to win major infrastructure projects', 16 June 2025, www.gov.uk/government/news/boosting-british-jobs-and-skills-key-for-firms-to-win-major-infrastructure-projects
- 8 Office of Fair Trading, *Government in markets: Why competition matters – a guide for policy-makers*, 2009, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/284451/OFT1113.pdf
- 9 Mazzucato M, Spanó E and Wainwright D, *Rethinking the economics of public procurement: towards a mission-oriented economic approach*, UCL Institute for Innovation and Public Purpose, www.ucl.ac.uk/bartlett/public-purpose/wp2025-08
- 10 Mazzucato M and Wainwright D, *Mission Led Procurement and Market Shaping: Lessons from Camden Council*, UCL Institute for Innovation and Public Purpose, 2024, www.ucl.ac.uk/bartlett/sites/bartlett/files/2024.10.04_iipp_camdenreport_pr_2024.06.pdf
- 11 10 Downing Street, *Plan for Change – Milestones for Mission-led Government*, 2024, https://assets.publishing.service.gov.uk/media/6751af4719e0c816d18d1df3/Plan_for_Change.pdf
- 12 Department for Business and Trade, *The UK's Modern Industrial Strategy*, CP 1337, June 2025, https://assets.publishing.service.gov.uk/media/68595e56db8e139f95652dc6/industrial_strategy_policy_paper.pdf
- 13 House of Commons Committee of Public Accounts, *Government's relationship with digital technology suppliers: Twenty-Seventh Report of Session 2024–25* (HC 640), The Stationery Office, 2025, <https://committees.parliament.uk/publications/48200/documents/252289/default>
- 14 Mazzucato M and Wainwright D, *Mission Led Procurement and Market Shaping: Lessons from Camden Council*, UCL Institute for Innovation and Public Purpose, 2024, www.ucl.ac.uk/bartlett/sites/bartlett/files/2024.10.04_iipp_camdenreport_pr_2024.06.pdf
- 15 Urban J, Thomas A and Clyne R, *Power with Purpose: Final report of the Commission on the Centre of Government*, Institute for Government, 2024, www.instituteforgovernment.org.uk/publication/power-with-purposecentre-commission
- 16 Paxton B, 'Spending review 2025: welcome improvements to the process but no total "rewiring"', Institute for Government, 16 June 2025, www.instituteforgovernment.org.uk/comment/spending-review-2025-no-rewiring
- 17 Greenway A and Loosemore T, *The Radical How*, Public Digital and Nesta, 2024, https://d1rnadml6vbx0i.cloudfront.net/Public-Digital_The-Radical-How.pdf
- 18 Ross M, "'Hope is not a strategy": how to change how civil servants think about risk', Global Governance Forum, 20 March 2024, www.globalgovernanceforum.com/hope-is-not-a-strategy-how-to-change-how-civil-servants-think-about-risk
- 19 Cabinet Office, 'Reform of the state have to deliver for people', 9 December 2024, www.gov.uk/government/speeches/reform-of-the-state-has-to-deliver-for-the-people
- 20 IPEC, *Art of the Possible*, 2024, www.challengefund.wales/wp-content/uploads/2024/02/ipec-art-of-the-possible-full-report-jan2024.pdf

-
- 21 Van Hout M, Braams R, Meijer P and Meijer A, 'Designing an instrument for scaling public sector innovations', *Science and Public Policy*, 2024, vol. 51, no. 4, pp. 654–68, <https://academic.oup.com/spp/article/51/4/654/7632839>
 - 22 Paxton B and Davies N, *Improving accountability in government procurement*, Institute for Government, 2024, www.instituteforgovernment.org.uk/sites/default/files/2024-09/Improving-accountability-government-procurement_0.pdf
 - 23 *Ibid.*
 - 24 House of Commons Committee of Public Accounts, *Competition in Public Procurement: Sixth Report of Session 2023–24* (HC 385), The Stationery Office, 2023, <https://committees.parliament.uk/publications/42520/documents/211431/default>
 - 25 Comptroller and Auditor General, *Efficiency in government procurement of common goods and services*, Session 2024–25, HC116, National Audit Office, 2024, www.nao.org.uk/wp-content/uploads/2024/07/efficiency-ingovernment-procurement-of-common-goods-and-services-report.pdf
 - 26 *Ibid.*
 - 27 Comptroller and Auditor General, *Competition in Procurement*, Session 2022–23, HC 1664, National Audit Office, 2023, pp. 23–24, www.nao.org.uk/wp-content/uploads/2023/07/lessons-learned-competition-in-publicprocurement.pdf
 - 28 Government Commercial Function, *Annual Report 2023-24*, 2024, https://assets.publishing.service.gov.uk/media/672a3640fbd69e1861921b9a/GCF_Annual_Report.pdf
 - 29 ONS and Cabinet Office, 'Civil Service Statistics', 2016–24.
 - 30 Paxton B and Davies N, *Improving accountability in government procurement*, Institute for Government, 2024, www.instituteforgovernment.org.uk/sites/default/files/2024-09/Improving-accountability-government-procurement_0.pdf
 - 31 Urban J, Thomas A and Clyne R, *Power with Purpose: Final report of the Commission on the Centre of Government*, Institute for Government, 2024, www.instituteforgovernment.org.uk/publication/power-with-purposecentre-commission
 - 32 10 Downing Street, *Plan for Change – Milestones for Mission-led Government*, 2024, https://assets.publishing.service.gov.uk/media/6751af4719e0c816d18d1df3/Plan_for_Change.pdf
 - 33 HM Treasury, *Spending Review 2025*, 11 June 2025, www.gov.uk/government/publications/spending-review-2025-document/spending-review-2025-html
 - 34 Paxton B and Davies N, *Improving accountability in government procurement*, Institute for Government, 2024, www.instituteforgovernment.org.uk/sites/default/files/2024-09/Improving-accountability-government-procurement_0.pdf
 - 35 Bridges Outcomes Partnership, *People Powered Partnerships*, 2024, https://bridgesoutcomespartnerships.org/wp-content/uploads/2024/03/BOP_People-powered-Partnerships_website.pdf
 - 36 HM Treasury, *Managing Public Money*, 2023, https://assets.publishing.service.gov.uk/media/65c4a3773f634b001242c6b7/Managing_Public_Money_-_May_2023_2.pdf
 - 37 Cabinet Office, *The Sourcing Playbook*, 2023, https://assets.publishing.service.gov.uk/media/64901fcc5f7bb700127fac5e/Sourcing_Playbook_Final.pdf
 - 38 Cabinet Office, 'Guidance: Pipeline Notice', 26 June 2025, www.gov.uk/government/publications/procurement-act-2023-guidance-documents-plan-phase/guidance-pipeline-notice-html
 - 39 Cabinet Office, *The Sourcing Playbook*, 2023, https://assets.publishing.service.gov.uk/media/64901fcc5f7bb700127fac5e/Sourcing_Playbook_Final.pdf
 - 40 10 Downing Street, 'Next phase of Mission-led government will put working people's priorities first, with PM set to unveil Plan for Change', 30 November 2024, www.gov.uk/government/news/next-phase-of-mission-led-government-will-put-working-peoples-priorities-first-with-pm-set-to-unveil-plan-for-change
 - 41 Innovation Procurement Empowerment Centre, *From challenge to opportunity: senior leaders on procurement innovation*, 2025
 - 42 Cabinet Office, *The Sourcing Playbook*, 2023, p. 16, https://assets.publishing.service.gov.uk/media/64901fcc5f7bb700127fac5e/Sourcing_Playbook_Final.pdf
 - 43 Cabinet Office, 'Guidance: Preliminary Market Engagement', 29 July 2025, www.gov.uk/government/publications/procurement-act-2023-guidance-documents-define-phase/guidance-preliminary-market-engagement-html

-
- 44 Shah R, Mead J and Gohil M, *Unlocking innovation in public procurement: a practical guide to preliminary market engagement*, Innovation Procurement Empowerment Centre, 2024, www.ipec.org.uk/resource/a-practical-guide-to-pre-market-engagement
 - 45 IPEC, *Art of the Possible*, 2024, www.challengefund.wales/wp-content/uploads/2024/02/ipec-art-of-the-possible-full-report-jan2024.pdf
 - 46 Cabinet Office, 'National Procurement Policy Statement', 2024, https://assets.publishing.service.gov.uk/media/67ab330e1a116437c7ed88da/E03274856_National_Procurement_Policy_Statement_Elay.pdf
 - 47 Department for Science, Innovation and Technology, *A blueprint for modern digital government*, 2025, www.gov.uk/government/publications/a-blueprint-for-modern-digital-government/a-blueprint-for-modern-digital-government-html
 - 48 Department for Science, Innovation and Technology, 'Guidance: Commercial Innovation Hub', 13 June 2025, www.gov.uk/guidance/commercial-innovation-hub
 - 49 European Commission, 'Innovation Procurement', (no date), retrieved 1 September 2025, https://research-and-innovation.ec.europa.eu/strategy/support-policy-making/shaping-eu-research-and-innovation-policy/new-european-innovation-agenda/innovation-procurement_en?utm
 - 50 Kremer M, Levin J and Synder C, *Advance Market Commitments: Insights from Theory and Experience*, AEA Papers and Proceedings, 2020, https://scholar.harvard.edu/files/kremer/files/amc_pp_20_20_01_13.pdf
 - 51 House of Commons Committee of Science and Technology, *Bridging the valley of death: improving the commercialisation of research: Eighth Report of Session 2012–13* (HC 348), The Stationery Office, 2013, <https://publications.parliament.uk/pa/cm201213/cmselect/cmsctech/348/348.pdf>
 - 52 Ransohoff N, 'How to start an advance market commitment', 31 May 2024, <https://worksinprogress.co/issue/how-to-start-an-advance-market-commitment>
 - 53 Kremer M, Levin J and Synder C, *Advance Market Commitments: Insights from Theory and Experience*, AEA Papers and Proceedings, 2020, https://scholar.harvard.edu/files/kremer/files/amc_pp_20_20_01_13.pdf
 - 54 Innovate UK, 'New Advance Market Commitment group drives low-carbon concrete innovations', 17 December 2024, <https://iuk-business-connect.org.uk/news/new-amc-group-drives-low-carbon-concrete-innovations/>
 - 55 Innovation Funding Service, 'SBRI: Decarbonising concrete', (no date), retrieved 30 July 2025, <https://apply-for-innovation-funding.service.gov.uk/competition/1837/overview/d1f004aa-95e8-4f31-94cb-8bae58c45b6d#scope>
 - 56 Innovate UK, 'New Advance Market Commitment group drives low-carbon concrete innovations', 17 December 2024, <https://iuk-business-connect.org.uk/news/new-amc-group-drives-low-carbon-concrete-innovations/>
 - 57 House of Commons Business and Trade Committee, 'Andrew Forzani oral evidence: Industrial Strategy', HC 727, 13 May 2025, <https://committees.parliament.uk/oralevidence/15900/pdf>
 - 58 Cabinet Office, 'National Procurement Policy Statement', 13 February 2025, https://assets.publishing.service.gov.uk/media/67ab330e1a116437c7ed88da/E03274856_National_Procurement_Policy_Statement_Elay.pdf
 - 59 HM Treasury, 'Departmental Efficiency Plans', Spending Review, 2025, www.gov.uk/government/publications/departmental-efficiency-delivery-plans/departmental-efficiency-plans#department-for-work-and-pensions
 - 60 Tussell, 'What English Devolution means for Local Government Procurement', 5 February 2025, <https://www.tussell.com/insights/what-english-devolution-means-for-public-procurement>
 - 61 Government Commercial Function, LinkedIn, 8 July 2025, www.linkedin.com/posts/government-commercial-function_tppcommunities-procurementact2023-procurementcommunities-activity-7348280106433298433-7RGu?utm_source=share&utm_medium=member_desktop&rcm=ACoAABo0t7YB_Ev4mCJ7P8flrJd8XswUraTfilo
 - 62 IPEC, *Art of the Possible*, 2024, www.challengefund.wales/wp-content/uploads/2024/02/ipec-art-of-the-possible-full-report-jan2024.pdf
 - 63 Cabinet Office, 'Boosting British jobs and skills key for firms to win major infrastructure projects', 16 June 2025, www.gov.uk/government/news/boosting-british-jobs-and-skills-key-for-firms-to-win-major-infrastructure-projects

About the authors

Ben Paxton

Ben is a senior researcher, working on public spending and procurement. Before joining the Institute, Ben studied medicine at university and worked as a doctor in the NHS. He continues to practice as an NHS doctor. His work at the Institute has focused on spending reviews and public procurement, as well as transitions of government as part of the Institute's general election team.

Nick Davies

Nick is the programme director leading the Institute's work on public services and outsourcing. He has also previously overseen research on infrastructure. Before joining the Institute, Nick led the public services team at the National Council for Voluntary Organisations. He has also worked at Children England, London Youth and as a parliamentary researcher for an MP.

The Institute for Government is the leading think tank working to make government more effective.

We provide rigorous research and analysis, topical commentary and public events to explore the key challenges facing government.

We offer a space for discussion and fresh thinking, to help senior politicians and civil servants think differently and bring about change.



 instituteforgovernment.org.uk

 enquiries@instituteforgovernment.org.uk

 +44 (0) 20 7747 0400

 [@instituteforgovernment.org.uk](https://twitter.com/instituteforgovernment.org.uk)

**Institute for Government, 2 Carlton Gardens
London SW1Y 5AA, United Kingdom**