

Supporting the Advancement of Innovative Procurement in the West Midlands

Scoping a Pilot Project

Scope: explore feasibility of a programme and associated funding

1. Articulation of the key procurement challenges that exist within the West Midlands that could be realistically tackled and evaluated in a pilot programme
2. Identification and early commitment from partners to participate in the activity and identification of complementary strands of work (funded and in-kind contributions)
3. Identification of potential match/ levered funding sources for the pilot and/ or a future scaled up programme

Input from discussions with the key stakeholders

Output

- Proposed programme or work and appraisal of the feasibility
- Costing for a pilot programme

To enable a decision on whether WMIP should support such a pilot, and where further resource may be sought.

Contributors

Policy Makers and Stakeholder groups

- Innovation Lead, West Midlands Combined Authority (WMCA)
- Director, Innovation Alliance for the West Midlands (IAWM)
- Associate, Connected Places Catapult (CPC)
- Managing Director, Bruntwood SciTech, Birmingham
- PLMCS Consultancy
- Local Industrial Strategy Policy Manager (Life Sciences & Healthcare Lead), GBSLEP
- Head of Environment, WMCA
- Senior Policy Officer (Energy and Low Carbon Lead), GBSLEP
- Project Lead, Sustainability West Midlands

Early SME input:

- KPM Marine and Archimedes (low carbon)

IHWG and ILCWG Working Groups (w/c 21 September 2020)

Context

Sector Focus: Healthcare and Low Carbon (output of the April IAWM Workshop)

Exploring both the **procurement of innovation** (primary focus) and the **procuring of solutions to key challenges in an innovative manner**.

Procurement of Innovation

Purchase of new and innovative, early stage goods and services is a key challenge in the public sector.

Often does not enable companies to respond with solutions that can best meet an outcome unless they meet a pre-determined, detailed specification. Therefore, innovation is stifled.

Procuring in an Innovative Manner

Use of innovative tools and systems across the procurement process

Identification of a service challenge where a solution is sought, through to optimising the sourcing process e.g. crowdsourcing, selecting suppliers and the contracting process.

Findings: Key Highlights

Barriers are known yet remains a challenge that needs fixing

- SMEs in particular are disadvantaged (hard to find opportunities, navigate and huge time investment)

Is this the right time for healthcare engagement?

- Pandemic continues yet key examples of procurement of innovation during 2020 to be captured and built on; ? timeline of the programme

Many existing examples of procurement of innovation but where are these collated beyond sector specific platforms and incorporated into guidance for cross-sector learning and implementation?

Pilots and demonstrators have been run in the region yet why see little scale?

- Policy? Process? Training? What encourages scale? incentives? culture/mindset

Findings: Key Challenges – highlighted by contributors



Policy and Process/Tools exist but not used at scale. Why not mainstream?



Where are use cases/good examples shared, stored and used?



Challenge of engaging with innovative SMES vs existing larger suppliers



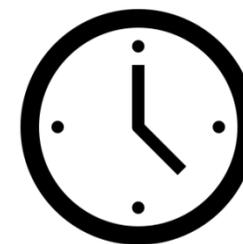
Financial – cost of new procurement Methods (to public sector and co's), silo budgets/product life-cycle (savings vs investment), invest to save – longer term ROI



No consistency across local authorities or other public bodies



Education/training on what's possible and how to do it



Time consuming to deviate from existing to new practices perceived vs real, plus fear



Appetite for risk, deviating from usual/safe supply chain Innovation seen as (sometimes!) necessary but carries risk so is avoided

NB: Identified as common to low carbon AND healthcare

Draft – work in progress

Early opportunities (*is another demonstrator required?*)



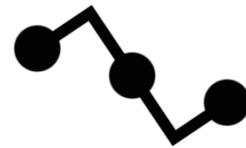
Identification of incentives could apply (or a mandate); what makes policy 'sticky'?



Signposting/or creation of hands-on resources for implementation of cross-sector good examples, what works well.



Simplify process and 'make it easy'



Supply chains where SME-led innovation can be embedded alongside larger orgs – de-risk.
Ways to engage innovative products/services that can be incorporated into wider service offering



Champion a region-wide approach? Including innovative procurement champions

Draft – work in progress

What's next?

What would a proposed pilot/implementation phase incorporate?

Led by who? Consortium model?

Initially, assimilation of what's there, in useable format

1. Identification of further use cases, where both innovative procurement models and procurement for innovation have been successfully deployed, with agreement to share with key stakeholders, service providers and suppliers
2. Understanding what it would take to make this 'sticky'; ie. beyond demonstrators to scale (*policy? process? training?*)

Then?