

DEVELOPING INNOVATION



A commitment to modernising the way that public money is spent and the back-office systems that support our procurement activity is at the heart of reforms in public spending, writes **David Pointon**.

With more than £125 billion spent annually by the public sector on a vast array of goods and services, good procurement is at the heart of successful, efficient central and local government spending. Local authorities across the country are making an unprecedented push to create a sea-change improvement in cost and process efficiencies, but for it to succeed there will need to be joined-up thinking between all government agencies recognising the excellent resources that are already available with a view to coordinating and developing these resources.

HM Treasury's new *Transforming Government Procurement* report identifies a number of goals for authorities striving to refine their procurement processes and attain best value for taxpayers. By detailing a range of public procurement reforms aimed at increasing the UK's procurement capability over the next decade, the report sets out the steps to be taken to enable both central and local government to meet the highest professional standards when procuring on behalf of the taxpayer.

Representing more than 2500 procurement professionals, the Society of Procurement Officers in Local Government (SOPO), one of the most influential local government networking organisations in the UK, welcomes and supports this initiative. Since the Byatt Review of local government procurement, the implementation of the National Procurement Strategy and the Gershon Review, we have been working closely with the Department for Communities and Local Government, the Office of Government Commerce and Regional Centres of Excellence to improve the performance and effectiveness of local government procurement.

As procurement professionals within all sectors of central and local government, SOPO members have been at the leading edge of procurement reform in recent times. Substantial increases in public

sector investment since 1997 have seen more projects completed on time and to budget, with fewer losses due to inefficiencies. This has been a major opportunity for procurement professionals to 'raise their game and profile' by adding their expertise to PFI and PPP projects just when it was needed.

However, the pursuit of best value must remain at the top of the agenda over the coming months and years. Much remains to be done. The forthcoming publication of the Lyons Review and the next Comprehensive Spending Review will place increased pressure on procurement professionals to improve processes and methods, ensuring effective and transparent procurement procedures built on the key pillars of sustainability, value for money and efficiency.

A key factor in moving this initiative forward is to harness the excellent procurement skills that exist within central and local government in a joined-up fashion, to obtain the maximum benefit for the public purse.

The establishment of the OGC in 1999, following the publication of the Gershon Review, has done much within central government to enable this joining-up of skills – however, as the Treasury report recognises, certain characteristics need to be developed further within the existing procurement culture. The relationship between central and local government procurement has never been as strong as it should, but new relationships and a common agenda are breaking down the barriers and will eventually lead to better value for taxpayers through more coordinated procurement. These changes include placing procurement at the heart of delivering public service outcomes, so that there is a strong link between policy and service delivery, ensuring the correct skills base is in place at all levels, delivering strong incentives, effective management of contracts, and a commitment to continuous improvement.

By promoting continuous professional



development, establishing a strong training network, and encouraging the sharing of best practice between members, SOPO believes that cooperation among member authorities will demonstrate that clear commitment to improvement which will lead to the delivery of the action points laid out by the Treasury.

The road ahead for procurement will not necessarily be a smooth one, but the recommendations contained in *Transforming Government Procurement* point to the direction of the transformation programme that lies ahead. The delivery of such a transformation programme is a major challenge and success will lie, to a large extent, in the commitment and dedication of procurement professionals within central and local government. We at SOPO believe that by implementing clear, concise thinking on purchasing, procurement professionals can lead the way in delivering best value to the taxpayer.

David Pointon is Chairman of SOPO

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