



Innovation
Procurement
Empowerment
Centre

CATAPULT
Connected Places

Innovation Procurement Competency Centres: Global Models, Value and Lessons for the UK

An Insight-led Policy Report

Why public procurement fails
both public outcomes and
high-growth companies:
and how to fix it.

Omid Shiraji

Thought leadership

Executive summary

Public procurement is one of government's most powerful strategic levers, yet the UK system does not reliably convert ambition into awarded contracts, real deployments, and scaled adoption. The constraint is not a lack of challenges or innovative suppliers, but an execution gap: limited embedded capability, risk and compliance gatekeeping, weak demand-side levers, and adoption risks surfaced too late in the process.

Innovation procurement competency centres close this execution gap by operating as delivery engines, not guidance bodies. Their distinctive value lies in embedding expertise into live procurements, reducing delivery risk, convening markets around real demand, and creating institutional memory that enables repeatable conversion from intent to contracts and adoption.

International evidence and expert interviews converge on a core lesson: training and guidance alone are insufficient.

What works is a hybrid of:

1. authoritative mandate and policy integration
2. hands-on coaching and capability injection on live procurements and
3. sustainable funding and demand levers that create predictable throughput and market signals.

Globally, two complementary patterns stand out. Across Europe, national competence centres provide mandate-backed guidance, toolkits and peer learning, often anchored in recognised innovation procurement routes and public-sector networks. In the United States, agency-level innovation labs and resource hubs coach teams on live procurements and normalise managed risk-taking through practical playbooks and performance management. Together these approaches show why centre-level capability is increasingly necessary if governments want procurement to deliver “better, faster, greener, safer” services at scale. ^{(1) (2) (3) (4) (5) (6) (7)}

The UK's Procurement Act 2023 creates legal flexibility to embed innovation more systematically. To convert reform into delivery, central government should designate and mandate a nationally visible competence function that combines Europe's institutional strengths with the US emphasis on coaching and culture change.

The Innovation Procurement Empowerment Centre (IPEC), hosted by Connected Places Catapult (CPC), can play this role if it is given a formalised mandate, a coherent hub-and-spoke operating model, and a pragmatic measurement approach that begins with baselines and conversion metrics (time to award, contract conversion, SME participation) and matures towards public value and mission outcomes over time. ^{(8) (9) (10) (11) (12)}

In practice, effective Innovation procurement competency centres:

1. de-risk novel procurements,
2. accelerate outcomes and shape markets (especially for SMEs),
3. modernise the procurement workforce and build institutional memory
4. enable outcome-led policies (net zero, digital, resilience). ^{(1) (2) (3) (4) (5) (6) (13) (14) (15) (16)}

What works globally is consistent:

1. clear mandate and funding,
2. integration with central purchasing and innovation bodies,
3. strong national platforms and action plans,
4. service-centric toolkits,
5. networked models with change agents,
6. coaching-led delivery with explicit performance metrics. ^{(17) (18) (19) (20) (21) (22) (23) (24) (25) (26)}

Top recommendations for the UK:

1. Designate, mandate and sustainably fund IPEC as the cross-government competence function for innovation procurement, explicitly linked to Procurement Act implementation, professional standards, and spending governance.
2. Build the operating model for scale: a national hub (playbook, templates, IP toolkit, knowledge platform, metrics) plus regional/sector-facing spokes (coaches embedded into departmental delivery).
3. Run an execution pipeline that converts: prioritise support to live procurements that reach contract and adoption; apply clear conversion metrics and benefits tracking, with stop/go discipline to avoid “innovation theatre”.
4. Measure what matters first: start with baselines and a blended KPI set (time-to-award, conversion, SME participation, value), and mature outcome reporting as data quality improves.
5. Create enabling conditions: pilot a ring-fenced allocation for procurement preparation and early-stage contracting in priority missions, coupled with communities of practice and data-led feedback loops into guidance, tools, and digital platforms. ^{(9) (17) (18) (19) (20) (21) (22) (27) (28) (29) (30) (31) (32)}

Context and purpose

The Innovation Procurement Empowerment Centre's (IPEC) mission is to help UK public bodies use procurement to adopt and scale innovation in ways that improve public service outcomes and support the growth of high-potential companies. This report provides an insight-led analysis of global Innovation procurement competency centres models and sets out actionable recommendations to strengthen UK capability and international collaboration.

Public procurement averages around an eighth of GDP across OECD countries, positioning it as a powerful demand-side instrument to create markets, accelerate digital and green transitions, and deliver public value. When paired with competence-centre support and targeted de-risking, it can also act as a powerful enabler for innovative start-ups and SMEs to secure first customers and scale through public markets. ^{(1) (2) (3) (4)}

The OECD and European Commission have long argued that governments can and should use purchasing power to “pull” innovation, pairing legal flexibility with practical support to buyers. ^{(2) (3) (5) (6)}

This report:

- Maps the global landscape of Innovation procurement competency centres,
- Compares governance, operating models, funding, services, and impacts,
- Derives a value proposition for centres,
- Translates lessons into practical guidance for policymakers and buyers,
- Identifies collaboration opportunities for IPEC to accelerate capability uplift in the UK.

What is the problem to solve?

There is not a shortage of public sector challenges or innovative suppliers. However, the UK system does not consistently convert ambition into awarded contracts, real deployments and improved services. Innovation activity too often stalls at market engagement, proofs of concept or pilots.

The core constraint is execution. Buyers frequently lack embedded support, funding confidence and organisational permission to use appropriate procurement routes. Risk and compliance gatekeeping routinely blocks the use of existing legal flexibilities in practice. Adoption requirements, such as service redesign, data integration and governance approvals, are often surfaced too late, causing otherwise successful trials to fail to scale.

Policymakers therefore have a compelling reason to act. Public sector procurement represents over £400 billion of annual spend in the UK, yet its potential to support high-growth companies through credible routes to market remains under-exploited. The risk is misframing this as a challenge of identification rather than delivery. The companies already exist; the failure lies in converting public demand into contracts that provide revenue, reference customers and scale.

“Procurement is a strategic tool that can be used to fund high-growth potential companies, to support UK plc.”

Rikesh Shah, IPEC (Dec 2025)

On the market side, long and unclear processes, together with inconsistent positions on intellectual property and data, deter participation and reduce competition. Many SMEs require practical support to become “match-fit” for public sector delivery pathways.

This failure is not abstract. It translates into slower service improvement, weaker value for money, avoidable delivery risk and missed opportunities to build resilient domestic markets around public priorities.

For citizens, the stakes are tangible: better care, more responsive local services, safer and cleaner transport and more effective use of taxpayer funding delivered faster and with greater accountability for results.

What is an Innovation procurement competency centres and why now?

An Innovation procurement competency centres is not primarily a training or awareness body. Its core function is to convert policy intent into contracts and adoption by embedding expertise into live procurements, standardising routes, and creating feedback loops that institutionalise learning across the system. It is an organisational capability (standalone or embedded), mandated to increase the use and success rate of innovation-oriented procurement by providing practical guidance, tools, coaching, market engagement support and, where relevant, financial de-risking. Innovation procurement is not a single procedure; it is a portfolio of routes across R&D, pilots, and scaled adoption, each requiring different commercial and governance choices.

“In the UK context there is a lot about innovation policy, there is a lot about public procurement policy, but the two do not necessarily always come together very nicely. So there is a disconnect.”

Prof. Kostas Selviaridis, Lancaster University (Nov 2025)

Global landscape of Innovation Procurement Competency Centres

Global practice clusters into four patterns:

1.

Nationally mandated competence centres linked to innovation or procurement agencies;

2.

Networked models that use partner organisations and regional ‘change agents’ to reach dispersed buyers;

3.

Embedded procurement agencies with a dedicated innovation procurement function and

4.

Lab-style coaching units within large buying organisations that normalise managed risk and provide templates, playbooks, and coaching.

Overview of models (EU, US, Canada, Asia-pacific)

- **Europe (networked, mandate-backed centres):** EU programmes (Horizon 2020/ Horizon Europe) catalysed national centres and a knowledge-sharing network (Procure2Innovate). Countries such as Austria (IÖB-Servicestelle), Germany (KOINNO), Portugal (PROCURE+i), Netherlands (PIANOO), Sweden (UHM), Finland (KEINO), and Greece have formal centres with national roles. ^{(8) (17) (18) (19) (20) (21) (22) (23) (24) (26) (27) (28) (33) (34)}
- KEINO was designed as a network model spanning multiple organisations (including VTT, Motiva, the Finnish Environment Institute, Business Finland, and Hansel) and supported diffusion through regional ‘changemakers’. This model is particularly relevant where many smaller buyers have minimal procurement capacity and benefit from local, trusted support.
- **United States (distributed labs and resource hubs):** Agency-level entities, Department of Homeland Security’s (DHS) Procurement Innovation Lab (PIL) and General Services Administration’s (GSA) Procurement Innovation Resource Center (PIRC) normalise experimentation and reduce Procurement Administrative Lead Time (PALT) through structured methods and metrics. ^{(9) (10) (11) (12) (20) (21) (29) (30)}
- **Canada:** Shared Services Canada’s Centre of Expertise in Agile and Innovative Procurement (2025) formalises central support for modern procurement approaches, focusing on agile methods and supplier engagement. ⁽³¹⁾
- **Asia-Pacific:** Korea’s central innovation procurement reforms and analytical capability illustrate data-driven policy iteration and outcome measurement, including green procurement integration. ^{(32) (35) (36)}
- **United Kingdom:** The UK does not yet have a fully institutionalised national Innovation Procurement Competency Centre comparable to the mature European or US models described above. However, the Innovation Procurement Empowerment Centre (IPEC), hosted by Connected Places Catapult, represents an emerging competence-centre function. IPEC combines elements of European mandate-backed centres (practice development, tools, and system learning) with features of US-style coaching models (hands-on support to live procurements) and provides a focal point for building a scalable UK approach. Its current position highlights both the opportunity and the need for formalisation, mandate and sustained funding if the UK is to move from pilots to system-wide capability.

What 'conversion' looks like in practice

Conversion means progressing from a well-framed problem to a contract award and onward to adoption (implementation milestones), not only engagement activity. In a UK context this can be structured around a small number of mission pipelines, for example:

- **Local government reform:** outcome-led procurement that supports digital and service redesign, with adoption built into delivery plans.
- **NHS 10-year plan priorities:** procurements that reach implementation, not pilots that stall at evaluation.
- **Transport outcomes:** contracts and deployments that deliver measurable improvements (e.g., decarbonisation, safety, resilience).

Case Study: Flanders Pio (Vlaio): Demand-side co-financing driving conversion

Flanders' Programme for Innovation Procurement (PIO), delivered within VLAIO, demonstrates how targeted demand-side funding, paired with embedded capability, can convert innovation ambition into awarded contracts and implemented solutions. PIO operates with a small central team and a deliberately demand-side budget. Rather than prioritising internal delivery capacity, it uses funding to remove the practical barriers that stop public buyers from running innovation procurements. Its operating logic is pragmatic: identify willing contracting authorities, pay for early work they cannot resource internally and share delivery risk so senior management is prepared to proceed despite uncertainty.

In practice, PIO:

- funds procurement preparation, including problem framing, user analysis, structured early market consultation and commercial design, typically up to €40,000 of external consultancy support per project
- co-finances up to 50% of the innovative component of awarded contracts, reducing buyer exposure where outcomes are uncertain and
- provides end-to-end guidance from challenge definition through to contract award and early delivery.

Since launch, PIO has supported 130+ innovation challenges and organised around 75 structured open market consultations. This demonstrates strong latent demand among public buyers and highlights a recurring system dynamic: once credible support exists, demand rises quickly and throughput becomes the binding constraint unless funding and delivery models are designed for scale.

Two features are particularly relevant for UK policymakers.

1. Funding is a capability multiplier: PIO's impact comes less from formal authority than from its ability to pay for the "missing preparation work" that blocks progress in most public bodies, market engagement and commercial design. Funding is tightly coupled to live procurements and delivery milestones, reducing the risk of activity that does not convert into contracts.
2. Disciplined market engagement: Early market consultation is treated as a core delivery tool, not an informal exercise. Widely advertised, structured consultations allow authorities to test feasibility, refine requirements and reduce the risk of failed tenders or non-delivery.

The lesson for the UK is not to replicate the Flemish system wholesale, but to adapt its principle. Pairing IPEC's coaching and practice system with modest, conditional funding for procurement preparation and early-stage contracting would materially improve conversion from ambition to contracts and adoption, directly supporting this report's recommendations on funding the "missing work" and measuring success through conversion rather than engagement.

"We guide authorities end-to-end and we put real money on the table: we pay for the consultancy to prepare the procurement and co-finance up to half of the innovative part of the contract. That sharing of risk is often what convinces management to embark on a bumpy road with an uncertain outcome."

An Schrijvers, VLAIO/PIO (Dec 2025)

"Early market consultation is not just Googling who is out there. We spread the word very widely and bring potential competitors together in open sessions to react to the wish list and tell us honestly what is feasible and what would still need R&D."

An Schrijvers, VLAIO/PIO (Dec 2025)

Governance, operating models, funding, and impact

Across cases, mandate and funding stability are strong predictors of sustained impact. Operating models that combine a central hub (method, policy integration, tooling, metrics) with spokes (regional or sector-facing coaches) appear best suited to countries with dispersed public buyers. Funding approaches vary. Some centres operate mainly as advisory functions whilst others deploy co-financing, pilot funds or challenge platforms that lower risk for buyers.

Governance

- European centres typically sit within or alongside central purchasing bodies or innovation ministries (e.g., Austria's IÖB within BBG; Portugal's joint ANI-IMPIC model), providing authority and reach. ^{(17) (18) (19) (23) (24)}
- US labs sit within agencies, empowered by Office of Management and Budget / Office of Federal Procurement Policy guidance and senior procurement leadership. ^{(9) (11) (20)}

Operating Models

- Service portfolios include advisory on Pre-Commercial Procurement / Public Procurement of Innovative Solutions, challenge framing, market dialogue, toolkits, training, legal guidance, and case libraries (e.g., KOINNO's extensive e-learning/resources; IÖB's challenge platform). ^{(18) (22) (23) (26) (27)}
- Centres may reference formal instruments (e.g., PCP/PPI), but the practical emphasis is selecting the right route for the level of uncertainty and the adoption pathway, rather than leading with the label.
- Networked delivery via regional change agents (KEINO) scales reach and embeds practice locally. ^{(25) (33) (34)}
- Coaching labs (Department of Homeland Security Procurement Innovation Lab) provide on-the-job support and codify lessons learned into playbooks and yearbooks. ^{(9) (10) (11) (12) (21)}

Funding

- European centres blend ministry funding with project finance; sustainability improves when activities are embedded in national strategies/action plans.
- US labs are resourced by host agencies, with programme continuity tied to demonstrated time/cost savings and mission outcomes. ^{(17) (18) (19) (20) (21) (29) (30)}

Impact

Evidence highlights reduced time to award, increased SME participation, earlier adoption of novel solutions, and capability uplift. Portugal's performance shift since launching PROCURE+i, Austria's high benchmark ranking, and DHS PIL's Procurement Administrative Lead Time reductions and documented savings illustrate measurable value ^{(17) (18) (19) (20) (21) (24) (29) (30)}

Common challenges (and what centres do about them)

- 1. Institutional resistance and risk governance:** addressed through executive sponsorship and ‘permission and cover’, supported by early wins.
- 2. Incentives and organisational routines:** Where career rewards, time pressures and performance regimes prioritise compliance and short-term savings, staff rationally avoid novel approaches. Centres therefore need to embed methods in mainstream governance and professional pathways so innovation procurement is not seen as “a separate group” but normal practice.
- 3. Slow adoption pathways:** addressed through stage-based routes (explore -> pilot -> adopt) and clearer evidence requirements at each stage.
- 4. Supplier participation and time-to-value:** addressed through clearer routes, faster cycles, and proportionate IP terms.
- 5. Impact measurement:** addressed through blended KPIs, baseline collection, and periodic evaluation.
- 6. Fragility and ‘boom–bust’ capability:** addressed through multi-year funding, cross-ministry alignment, and embedding in professional standards. ^{(17) (18) (19) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (33) (34)}

“In the beginning our aim was simply to inform public buyers that it is not illegal to speak to suppliers - it is smart.”

Sissel Kristin Hoel, DFØ (Dec 2025)

Value proposition and impact areas

De-risking innovation for buyers and suppliers

Innovation procurement competency centres reduce delivery risk by improving problem framing, enabling earlier market engagement, and designing staged pathways (from exploration to pilot to adoption). This supports smarter risk allocation, clearer evidence requirements, and earlier identification of adoption barriers (e.g. service redesign, data integration, governance approvals).

This is achieved by successfully combining legal, commercial, and technical support with pre-market engagement and staged approaches such as: authoritative mandate and policy integration

- **Commercial Solutions Opening (CSO):** Flexible competitive procedure used by GSA and others to acquire innovative commercial items/services.
- **Pre-Commercial Procurement (PCP):** Phased Research & Development services procurement to develop and compare solutions before commercial purchase.
- **Innovation Partnerships:** Formal procurement approach that lets a public buyer procure R&D and the resulting solution in one end-to-end process.

This reduces decision anxiety and audit risk while preserving competitive tension. ^{(2) (3)}
^{(5) (6) (29) (30)}

Effective centres design innovation as a managed process rather than an ad-hoc experiment. This includes stage-gated routes, early adoption readiness checks, and proportionate default positions on intellectual property. Supplier background IP is protected as a norm, while foreground IP and data rights are explicitly agreed to avoid friction, delay and supplier withdrawal.

Accelerating outcomes and shaping markets

By convening demand around high-value problems, Innovation procurement competency centres can shift markets. They help buyers articulate outcomes, create credible first-customer pathways, and reduce the cost of selling into the public sector. This is particularly important for SMEs and start-ups, for whom long cycles and unclear stakeholder maps are material barriers. ^{(4) (7) (18) (20) (21) (29) (37)}

Building capability and professionalising practice

Centres professionalise innovation procurement by developing common playbooks, templates, and communities of practice. Interviews reinforce that hands-on support matters more than classroom training: coaching on live projects builds institutional confidence that spreads through peer networks.

“A competence centre should be built with a clear view of what is already happening in the ecosystem. Universities, funding agencies, regional business organisations and sectoral associations all play a role. The centre adds most value when it fills clear gaps and connects these efforts, rather than trying to do everything itself.”

Matti Pihlajamaa, VTT (Dec 2025)

Notably they capture and share institutional memory, reducing reinvention and normalising innovation as “the way we buy”. ^{(1) (5) (6) (18) (22) (26) (27)}

Cultural change and measurement

Culture change is a first-order design requirement. Without explicit executive signalling, procurement teams revert to default risk avoidance and savings-only metrics. Measurement therefore needs to capture behavioural additionality (changes in routines and confidence) alongside project-level outputs and outcomes.

United States experience shows the power of coaching live procurements, with clear metrics (e.g. PIL’s annual yearbooks track projects, value, savings, and PALT).

Europe shows system-level institutionalisation through national action plans and benchmarking. A hybrid approach aligns operational and strategic levers. ^{(9) (10) (11) (12) (17) (18) (19) (24)}

Example KPI set for a UK competence centre (illustrative)

Measurement must prioritise conversion and value discipline. Early metrics should focus on speed to award, contract conversion, adoption progress, and SME participation. Claims about system-wide innovation spend or long-term mission impact should mature only as data quality improves, to avoid innovation theatre and maintain credibility with finance, audit and delivery leaders.

| KPI category | What to measure | Why it matters | Practical data source |
|---------------------------------|---|--|--|
| Speed and throughput | Median time from problem statement to award; % projects using staged routes; number of coached procurements reaching contract | Predictable cycle times increase supplier participation and convert intent into delivery | Project tracking; departmental and authority systems |
| Market access | % awards to SMEs/ start-ups; number of new-to-public-sector suppliers; supplier feedback on time-to-value | Tests whether the market is genuinely opening, not just 'engagement' | Tender outcome data; supplier surveys |
| Value and outcomes | Baseline vs post-implementation: cost, time, quality; avoided cost; mission outcomes (e.g. carbon, resilience etc) where relevant | Defends the case for innovation as value creation, not theatre | Benefits realisation plans; project baselines |
| Capability and behaviour | Capability assessment scores; repeat use of methods; leadership sponsorship; community participation | Captures behavioural additionality and diffusion | Structured self-assessment; coaching logs |
| System learning | Templates/tools adopted; policy feedback loops; independent evaluation findings | Makes learning durable and scalable | Platform analytics; evaluation reports |

Value chain

This is a simple value chain showing how IPEC turns public-sector needs into consistent delivery outcomes. The chain focuses on IPEC's core activities:

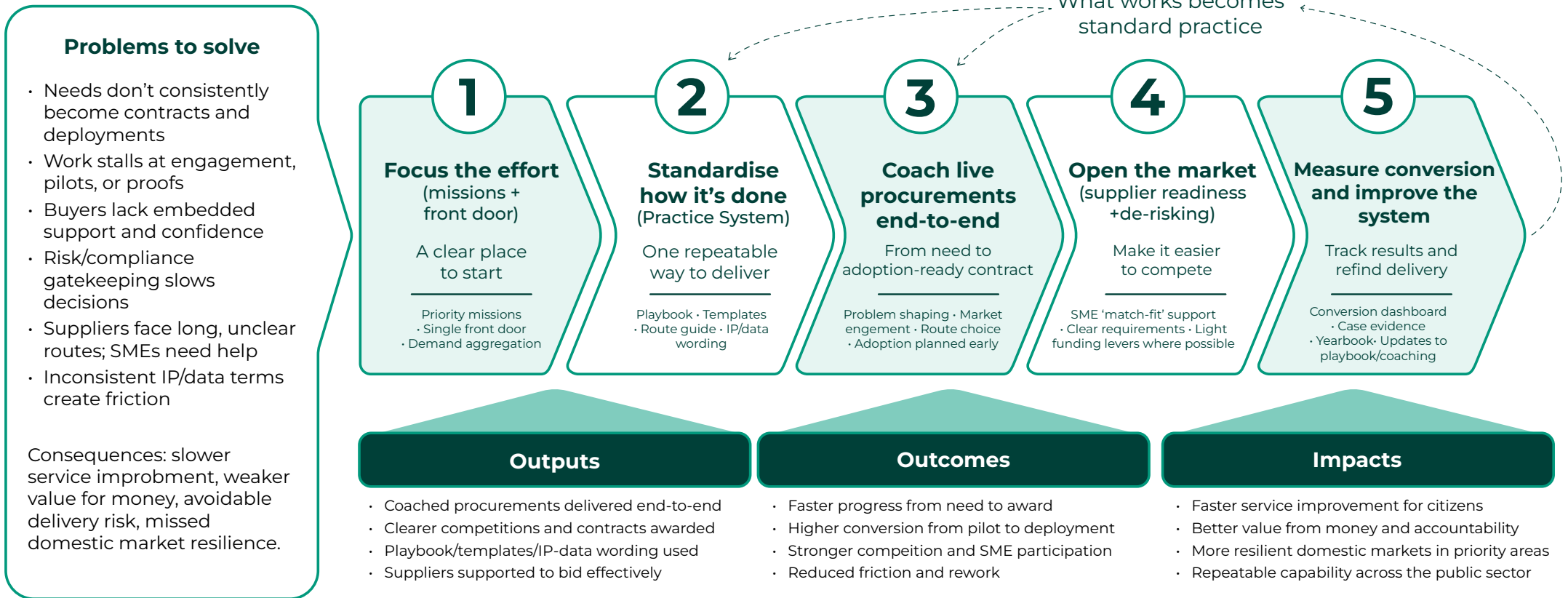
1. Prioritising a small number of missions
2. Standardising a practical "practice system"
3. Coaching live procurements end-to-end
4. Supporting supplier readiness and de-risking where appropriate,
5. Measuring conversion to capture learning.

The intention is to address the current execution gap where ambition too often stalls at engagement or pilots, by providing the repeatable methods, embedded support, and feedback loop needed to increase conversion into contracts, deployments, and better public services.

The Recommended IPEC Value Chain

Procurement Innovation Delivery Engine

IPEC helps the public sector consistently convert real needs into contracts, deployments, and better services - and captures learning so delivery improves every cycle.



Insights for policymakers and public buyers

Join up innovation and procurement policy

The most consistent UK-specific diagnosis is structural.

Innovation policy and procurement policy are often developed and governed separately, leading to fragmented signals, duplicated initiatives, and weak conversion from pilots to scaled adoption.

A national competence centre is therefore not just an awareness or training body; it is a policy-to-practice bridge.

What to standardise nationally

- A stage-based 'routes map' (by uncertainty and maturity), aligned to the Procurement Act 2023 flexibilities and supported by standard templates.
- Market engagement standards (how to do it well), including guidance that normalises structured supplier dialogue.
- An IP and contracting toolkit with clear, proportionate default positions (background IP protection, sensible foreground IP and data rights).
- Baseline discipline for benefits measurement: minimal data required at initiation (time/cost/quality) to support credible evaluation.

“The only way you build confidence is by creating case studies -and you get case studies by embedding people who’ve done this, who can say ‘the law says this, the Procurement Act says this’, and give teams the licence to challenge internal gatekeepers.”

Rikesh Shah, IPEC (Dec 2025)

Funding and demand levers

International practice reveals two practical tools repeatedly help public bodies move from wanting to buy innovation to doing it:

1. Co-financing for preparation and procurement design (paying for the work departments cannot resource),
2. Creating a small, protected pot of money for innovation procurement. Departments set aside a modest part of their spending for buying new or improved solutions not just the usual renewals. For IPEC, this would be voluntary, tested first as a pilot, and not a hard quota. In return for using this pot, organisations would:
 - a. work with the competence centre (IPEC) for support and quality assurance
 - b. report a small set of simple measures (e.g., time to award, whether a contract was awarded, whether it was implemented, SME participation, and early benefits).

“Most public buyers say they are not able to do the most advanced procedures without external funding... the challenge is to point more of that existing funding into innovation through procurement instead of trying to build everything yourself.”

Magne Hareide, DFØ (interview, Dec 2025)

Opportunities for IPEC and the UK

Positioning IPEC as a cross-government delivery engine

The UK has strong building blocks, The Procurement Act 2023, Crown Commercial Service, Innovate UK, the Catapult Network, and sectoral intermediaries, yet lacks a single, nationally recognised centre to pull these elements into a coherent practice for buyers across government, especially local authorities.

For central government, the distinctive value of a national centre is horizontal: joining up innovation and procurement policy; providing common methods; and creating consistent 'permission and cover' to use flexibilities with confidence.

A properly mandated IPEC should be positioned as a delivery engine that converts intent into contracts and adoption, not as a parallel innovation programme. ^{(8) (12)}

International collaboration:

International collaboration is a capability accelerator, not an "international relations" add-on. The UK can shorten learning curves by reusing proven methods, templates, training assets and measurement approaches and by creating structured peer learning with centres that have already scaled delivery. Partnerships should be defined around concrete outputs (shared playbooks, coaching methods, KPI definitions, evaluation approaches) rather than general exchanges:

- EU Network of Competence Centres: formal engagement for access to methods, training assets and joint procurement know-how and utilise Horizon mechanisms where collaboration is open to UK participants. ^{(17) (18) (19) (28) (33)}
- US partnerships: learning tie-ups with DHS PIL for coaching models/metrics; with GSA PIRC for CSO and supplier-facing tools. ^{(9) (10) (11) (12) (20) (21) (29) (30)}
- Korea/Asia-Pacific: learn from data-driven policy iteration and green (sustainable) procurement integration (analytics capacity, feedback into policy). ^{(32) (35) (36)}

Positioning IPEC's unique contribution:

A properly mandated IPEC should be positioned as a cross-government delivery engine that converts intent into contracts and adoption, not as a parallel innovation programme. Its value is horizontal: joining up innovation policy, procurement practice, and delivery capability across departments, places and sectors whilst providing consistent permission and cover to use flexibilities with confidence.

This should be paired with a small number of curated mission pipelines to concentrate learning and market signals.

IPEC will be the National “front door” for innovation procurement skills, advice and coaching;

- a) **Hub-and-spoke delivery** with regional coaches (drawing on KEINO's change agents)
- b) **Challenge/platform capability** to signal demand and convene supply (mirroring IÖB's platform; leveraging UK challenge funds to pull through)
- c) **Metrics and transparency** (PALT, SME participation, novel awards, benefits), publishing an annual IPEC Yearbook
- d) **Ecosystem orchestration** across Crown Commercial Service, Catapults, Academic Health Science Networks, and Innovate UK programmes to avoid duplication and speed scale-up. ^{(17) (18) (19) (22) (26) (28) (31) (33) (34) (38)}

“First principle: it needs long-term funding;
that's three years minimum to build
confidence and capability.”

Rikesh Shah, IPEC (Dec 2025)

Recommendations

Recommendations are structured over three horizons. Each is designed to be feasible within existing UK governance while strengthening long-term institutional capability. Lead owners are indicative [Cabinet Office (CO), Department of Science, Innovation and Technology (DSIT), HM Treasury (HMT), major departments] and can be tailored during implementation planning.

Short-term (0-6 months)

R1. **Make IPEC the official cross-government centre for innovation procurement, with stable funding:** Cabinet Office should formally recognise IPEC as the government's centre of expertise for buying innovative solutions under the Procurement Act, reference it in central guidance, and set up a cross-department steering group (Cabinet Office/DSIT/HMT plus priority departments) with structured participation from local government and NHS system leaders to ensure the offer works in devolved and place-based delivery contexts.

Provide at least three years of funding so capability is not built and then lost.

R2. **Start with live procurements and embedded delivery support:** Select a small number of live procurement projects in priority missions (e.g., local government reform, NHS 10-year plan delivery priorities, and transport system outcomes) and embed expert support end-to-end so teams reach contract award and implementation. Progress should be gated by simple checkpoints (problem definition, market engagement, route selection, competition, and adoption planning) to ensure effort converts into outcomes rather than stopping at engagement or pilot stage.

R3. **Publish the UK Innovation Procurement Practice System:** Publish one practical, authoritative practice system comprising:

- a. a simple guide to choosing the right procurement approach based on risk and maturity
- b. a national playbook explaining steps, roles and decision points
- c. standard templates and scoring criteria (including outcome and adoption considerations)
- d. clear guidance on early and fair market engagement
- e. standard default positions on intellectual property and data with negotiation guidance.

This should be designed for immediate use on live procurements, not as reference material.

R4. **Measure conversion and speed from day one, using a light-touch dashboard:** For every supported project, record a minimum baseline at initiation and publish a light-touch dashboard covering time to contract award, conversion to contract, early adoption progress, SME participation and early value indicators. Do not claim comprehensive innovation spend or system-wide impact measurement until data quality is sufficient.

Medium-term (6-18 months)

- R5. **Fund the “missing work” that stops departments running innovation procurements:** Create a DSIT/HMT-backed fund to pay for the work teams often cannot resource such as problem discovery, user and service analysis, market engagement, commercial design, and procurement preparation. This targets the capacity gap that prevents willing organisations from proceeding.
- R6. **Pilot a voluntary ring-fenced pot for innovation procurement in priority missions:** Agree with a small number of departments/anchor institutions a protected allocation for preparation and early-stage innovation contracting, explicitly conditional on the use of IPEC support and transparent reporting of conversion and adoption outcomes. This should be framed as a practical portfolio expectation rather than a hard quota.
- R7. **Scale delivery through a hub-and-spoke network:** Build a national IPEC hub (methods, tools, quality assurance, metrics) alongside a certified network of regional or sector-facing coaches embedded into departments, combined authorities and major public buyers. Link the network through communities of practice so learning spreads and delivery quality remains consistent.
- R8. **Add a supplier “readiness and routing” service, aligned to the live pipeline:** Introduce supplier support that complements buyer-side improvement. Help SMEs and start-ups understand routes (R&D vs adoption), prepare for public-sector requirements, and engage consistently. Integrate this with departmental pipelines so support improves contract conversion and business revenue, not just engagement.

Longer-term (18-36 months)

- R9. **Make innovation procurement part of the profession, not a niche skill:** Embed innovation procurement into professional standards and leadership development, create a recognised specialist pathway, integrate playbook content into Civil Service and local government training and CPD, and formalise a cross-government community of practice.
- R10. **Turn delivery learning into better policy, contracts, and digital tools:** Convert lessons from coached projects into updated guidance notes, model contracts, and digital procurement tools. Align with CCS frameworks and relevant funding routes so innovation pathways are easier to run and easier to scale.
- R11. **Prove what works: independent evaluation plus an annual public Yearbook:** Commission periodic independent evaluation focused on what changes behaviour, what converts into contracts and what delivers outcomes. Publish an annual Yearbook reporting capability uplift, cycle time, SME outcomes, benefits realised, and mission impacts and use it to improve guidance and justify sustained investment.
- R12. **Build international partnerships to accelerate learning and credibility:** Create structured exchange with Nordic and EU competence centres and relevant US coaching models, focusing on staff exchanges, sharing playbooks, evaluation methods and metrics design.

Summary

Countries that treat innovation procurement as a core national capability, not just a set of procedures, create sustainable advantages in public service transformation and market development.

“For the UK I would emphasise three things: secure a stable mandate that survives electoral cycles, be explicit about how you balance innovation, sustainability and savings, and invest in people who can work across ministries and regions.”

Matti Pihlajamaa, VTT (interview, Dec 2025)

Innovation Procurement Competency Centres align policy intent with delivery reality by de-risking innovation for buyers, accelerating outcomes, shaping markets, and professionalising practice.

For the UK, the Procurement Act 2023 is the legal catalyst; IPEC can be the delivery engine.

A hybrid model, mandate-backed hub plus coaching spokes, platform signals, rigorous metrics and international partnerships will move innovation procurement from sporadic pilots to a reliable, system-wide habits that delivers public value at pace and scale.

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