



The APPG for Public Sector Efficiency Global Commission Report

October 2026

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Fostering the foundations of efficiency across the public sector.

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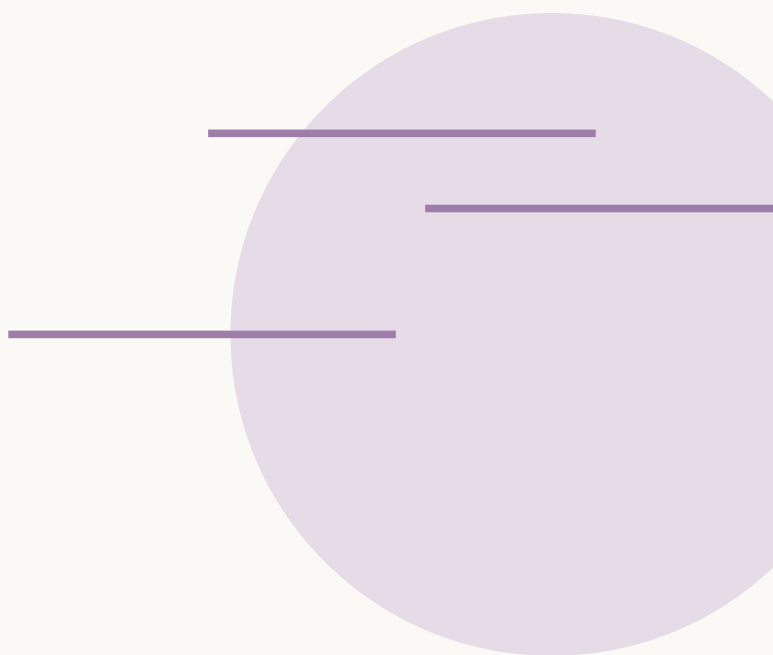
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About the APPG for public sector efficiency

Our aims

The All-Party Parliamentary Group for Public Sector Efficiency is a cross-party forum dedicated to improving the way public money is spent. We create space for research, ideas, and the exchange of best practice in procurement and efficiency.

Our aim is to foster collaboration and continuous learning across public sector procurement, drawing on expert insights to shape an annual programme of research, events, and discussions.

Mission

The UK public sector spends more than £461 billion every year across central and local Government, the NHS, and other vital services (HM Treasury, 2026). Each pound directly shapes outcomes that affect citizens' lives.

Our mission is to ensure every pound delivers maximum impact – securing better value for taxpayers while improving outcomes for communities and the economy.

Our strategy

Founded in June 2025, with support from Efficio Consulting, the APPG brings together parliamentarians, public sector leaders, and private sector experts.

Through seminars, roundtables, conferences, and publications we share learning and best practice, while developing training and resources for colleagues across the sector.

Our research focuses on practical solutions to the efficiency challenge – from collaboration between authorities and stronger supplier relationships.

Commission leadership forewords



Rt Hon. Josh Newbury MP

Chair of The APPG For Public Sector Efficiency

When we talk about public sector efficiency, the conversation too often starts and ends with one question: how much can we save?

Of course, government at all levels has a responsibility to spend taxpayers' public money as carefully and prudently as possible. But efficiency is about much more than restraint. It is about whether we are using every pound with the clarity, discipline and ambition needed to make good on the commitments people were promised, and have every right to expect.

That is why the APPG for Public Sector Efficiency was established. Parliament has a responsibility to not only scrutinise how much any government spends, but to ask the more important questions: What is that spending achieving? Are contracts providing what they were supposed to? Are suppliers being properly held to account? And are we using public investment to support the country's wider economic and strategic priorities?

At the heart of this report is a simple idea: procurement is not just administration. It is about how we shape public services for public good.

Too often, procurement sits at the margins of policymaking, brought in once the important decisions have already been made. It should be the other way around. Commercial expertise needs to be part of the conversation from the beginning, because the way government buys goods and services can determine whether policy succeeds in practice.

If we can get that right, the prize is not simply a lower bill. It is better public services, greater opportunities for the people they serve, stronger businesses and supply chains, greater resilience and better use of taxpayers' money, creating a value that lasts well beyond the initial contract.

That means bringing commercial expertise in earlier, making better use of data, managing suppliers more consistently and thinking about value in the round rather than in silos. Immediate cost matters, but so do long-term growth, resilience, innovation and public benefit.

I am incredibly grateful to the Global Commission team and to everyone who has contributed their experience and evidence to this report. Their immense amount of work provides both a serious basis for reform and practical ideas that can help us achieve better outcomes for communities across Britain.

However, a report is only useful if it leads to something.

The APPG will use this report to support further scrutiny and discussion, and to encourage action across the UK public sector. Our role is to keep these issues visible and relevant; to make the debate accessible and realistic; to test and challenge progress; and, above all, to make sure that the ambition set out in these pages is matched by implementation, delivery and measurable improvements.

Ultimately, public sector efficiency is not about spending less for the sake of it. It is about making sure that what we spend works harder, and delivers more for the people who pay for it.



Jacqui Rock, FCIPS

APPG Lead for the Global Commission on Government Procurement

From the outset, our ambition was clear: this could not become another review that people found interesting, discussed for a while and then put on a shelf. I would like to start by joining Josh in thanking all of those involved in preparing and developing this report as well as the many individuals and organisations who fed in their evidence and experiences to help us shape the outputs.

Government already has a substantial body of reviews, strategies and ideas on procurement and public sector reform. The more difficult task is turning the best of those ideas into sustained action, and then demonstrating that this action improves what taxpayers, businesses and communities receive from public spending.

For that reason, we deliberately looked beyond the UK. The Commission examined approaches across 14 countries and 11 public sector related organisations, engaging directly with governments, commercial leaders and practitioners. We sought to understand where reform is producing results, which lessons could be applied in a UK context and where Britain is well placed to lead.

It became clear that no single country offers a complete model, nor would it be sensible simply to import another system and try and make it fit.

However, the same challenge emerged throughout our work: how to use public expenditure not only to acquire the goods and services Government needs, but also to support growth, strengthen supply chains, encourage innovation and create lasting public value.

One of the clearest findings concerned the UK itself: the professionalism, standards and capability of our commercial community continue to command considerable respect internationally, and other governments still look to Britain for leadership.

Having spent much of my career working at the centre of government commercial delivery, both in the UK and internationally, I have seen what becomes possible when commercial teams are involved early, supported by good information and given the mandate to shape decisions rather than simply administer them.

This presents the United Kingdom with a significant opportunity. We combine enormous purchasing power with a commercial profession that has genuine international standing, but those strengths are not yet brought together consistently enough.

Procurement should be treated as a strategic capability of the state, capable of shaping markets, supporting investment, improving resilience, accelerating the responsible adoption of technology and generating wider economic and social value.

The 16 recommendations in this report are organised across six themes and have been developed with implementation in mind. They are intended to be owned, tested, measured and refined, with a stronger connection between policy ambition, commercial decision-making and delivery. The purpose is not to create another layer of process, but to help Government become a more informed, demanding and effective customer.

The Commission's work also points to a wider ambition. By combining the strongest international practice with our own established strengths, the UK can set a higher standard for strategic public procurement and extend its influence through shared standards, commercial partnerships and international collaboration.

Publication should therefore mark the beginning of the next stage of this work. The Commission will have succeeded only if its recommendations change decisions, strengthen capability and lead to better outcomes for the public. The question is no longer simply, 'What did government spend?' It is, 'What did that spending create'.

Executive summary and key recommendations

Public procurement is one of Government's most powerful levers to **drive economic growth, strengthen national capability, improve resilience, accelerate innovation, and deliver wider public value**. Yet, procurement is too often treated primarily as an administrative or transactional function, with success judged through short-term cost, process compliance, and savings. This limits its contribution to broader strategic priorities and long-term value creation.

The All-Party Parliamentary Group for Public Sector Efficiency (APPG-PSE) argues that procurement should be treated as a **strategic function of the state**: capable of shaping markets, building national capability and **maximising the wider public value generated by Government expenditure**.

The APPG-PSE examined how leading public sector organisations are responding to this challenge. Its evidence base spans **14 countries and 11 public sector or adjacent organisations**, supported by interviews with Government and commercial leaders in the UK and internationally. A consistent lesson emerges: leading public sectors increasingly use data, purchasing power, long-term demand and active contract management to achieve outcomes beyond the immediate purchase, using their spend as a strategic lever for growth **with commercial capability acting as a critical enabler**.

This report makes **16 recommendations across six themes**.

Taken together, these recommendations propose that **efficiency is not simply about spending less; it is about generating more value, capability and resilience from every pound Government spends**.

The UK already possesses substantial purchasing power, an established commercial profession and significant international credibility. The opportunity is to organise, measure and deploy those assets more strategically – **transforming procurement from a transactional function into an instrument of economic, strategic and national policy**.

1

Harnessing procurement's ability to make the pound work twice

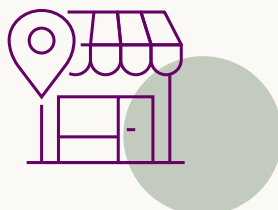


RECOMMENDATIONS

1. **Introduce a Public Growth Test** for strategically significant procurement, requiring departments to identify the economic, social, and strategic value they intend the expenditure to create.
2. **Create a Public Growth Account** for major programmes and contracts, reporting expenditure against measurable value delivered.

2

Using the State to make markets, not just buy from them



RECOMMENDATIONS

3. **Designate National Strategic Markets** where public demand can materially contribute to growth, innovation, resilience, and national capability.
4. **Give industry a five-year public demand signal in strategic markets** so industry can invest against future Government requirements.

3

Turning social value from promise into performance



RECOMMENDATIONS

5. **Create a national Social Value Delivery Standard** with common definitions and measurable outcomes for major public contracts.
6. **Make material social value promises enforceable.**
7. **Publish supplier social value performance** moving transparency from what suppliers promised to what they achieved.

4

Reframing supply chains as national security priorities

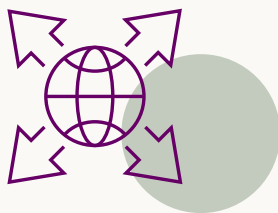


RECOMMENDATIONS

- 8. Establish a National Supply Chain Security Centre** providing cross-government intelligence on strategically important suppliers and markets.
- 9. Introduce a National Criticality and Resilience Test.**
- 10. Price resilience into value for money.**

5

Building the world's first intelligent government customer



RECOMMENDATIONS

- 11. Create a Government Commercial Intelligence Platform** connecting key datapoints on contracts, suppliers, spend, risk and future demand across government.
- 12. Build Government's predictive commercial capability** using data and market intelligence to anticipate risks and opportunities before they materialise.
- 13. Create a Commercial Productivity Dividend from AI**, reinvesting proven time savings and released capacity into higher-value commercial activity.

6

Turning Britain's commercial leadership into global influence



RECOMMENDATIONS

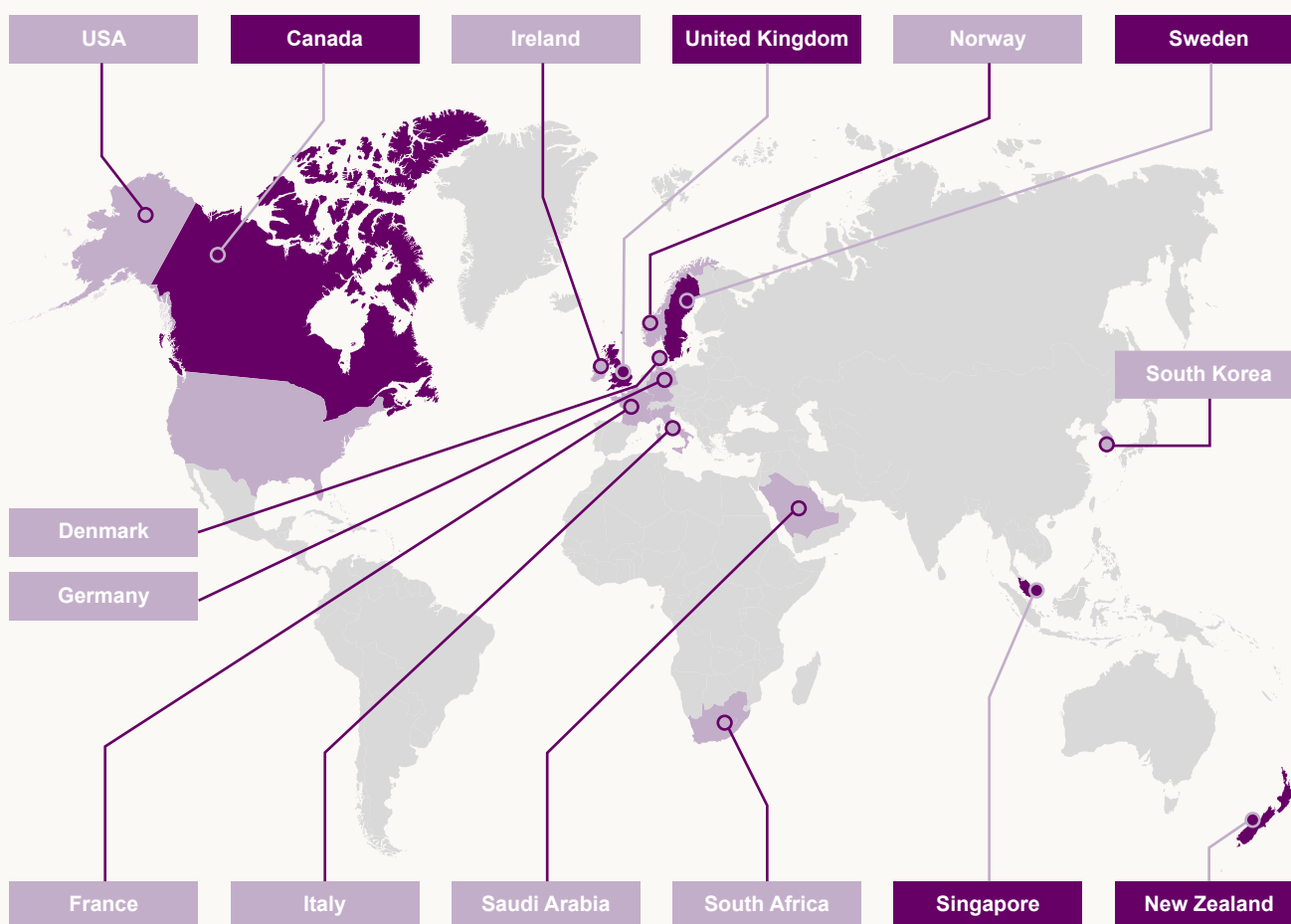
- 14. Establish UK-led International Government Buying Clubs** in carefully selected strategic markets, beginning with willing partner countries and clearly defined categories.
- 15. Develop a UK-led Global Government Commercial Standards initiative** covering commercial capability, data, AI, resilience, contract management, and public/social value.
- 16. Create Exchange Partnerships with Foreign Government Commercial Teams and Industry Partners**, supporting skill development and allowing the UK to support foreign governments and key suppliers to develop capability, training, accreditation, tools, and standards in alignment with Government practices.

Evidence base

To develop its recommendations, the APPG-PSE combined international engagement with targeted desktop research, prioritising Governments demonstrating innovative approaches to public sector efficiency.

In total, the Commission researched 14 countries and 11 public sector or adjacent organisations: British Chambers of Commerce, Chartered Institute of Procurement & Supply, Efficio Consulting, the European Union, NHS, OECD, Oracle, UK Department of Health & Social Care, UK Ministry of Defence, World Health Organisation and WSP.

Detailed interviews were conducted with representatives of the Singaporean, Canadian, New Zealand and UK Governments. The Commission also held a Swedish roundtable, convened through the Demand Acceleration Community, bringing together municipal procurement officers, central purchasing organisation, VINNOVA, university researchers and innovation intermediaries. Further interviews were conducted with representatives from the MOD, NHS & DHSC, CIPS and WSP. Interviews were supplemented by Government publications, publicly available data and wider research, forming the evidence base for the APPG-PSE's recommendations. Country and organisation-specific findings were validated with relevant participants where appropriate.



- Countries interviews
- Countries researched

1. Harnessing procurement's ability to make the pound work twice

Government expenditure is a powerful lever for economic growth, industrial policy and national competition. Yet **traditional value-for-money measures do not consistently capture** wider benefits including jobs, skills, productivity, regional growth, innovation, supply-chain depth, resilience and social value.

The scale of the opportunity is significant. Gross UK public sector procurement spending was £461bn in FY2025/26 (HM Treasury, 2026), giving Government significant potential to shape economic, social and strategic outcomes.

Government must create a clearer link between investment decisions, delivery, and future budget allocation, enabling expenditure to be directed towards the interventions that generate the greatest public value beyond the scope of traditional value-for-money measures.

Recommendation 1: Introduce a Public Growth Test for strategically significant procurement, requiring departments to identify the economic, social, and strategic value they intend the expenditure to create

Delivering public growth requires a robust method for assessing procurement-associated benefits. For every procurement over £2m in value (and requiring a pipeline notice under the UK Procurement Act, 2023), a **Public Growth Test** should establish specific, measurable, achievable, and time-bound goals before contract award, linked directly to the strategic purpose of expenditure. This would give Government full visibility of what value will be delivered, how it will be measured, and whether it is ultimately realised.

Wider public growth should complement, rather than substitute for, effective delivery of core contractual requirements. Economic or social benefits cannot represent good public value if they are offset by the costs of poor performance, delay, or failure. The Public Growth Test should therefore sit **alongside robust assessment and management** of cost, quality and delivery, ensuring that Government secures both effective procurement outcomes and wider strategic value.

Under central Government guidance, procurement and policy teams should select outcomes appropriate to the strategic purpose of each procurement. These could include job creation, investment, subcontracting, national supply chain depth and resilience. Wherever practicable, contributions to public growth should be expressed as a £ figure over the duration of the procurement, enabling Government to compare and benchmark outcomes across initiatives. Commitments should be **mandated, tracked after award, and subject to consequences for delivery failure**.

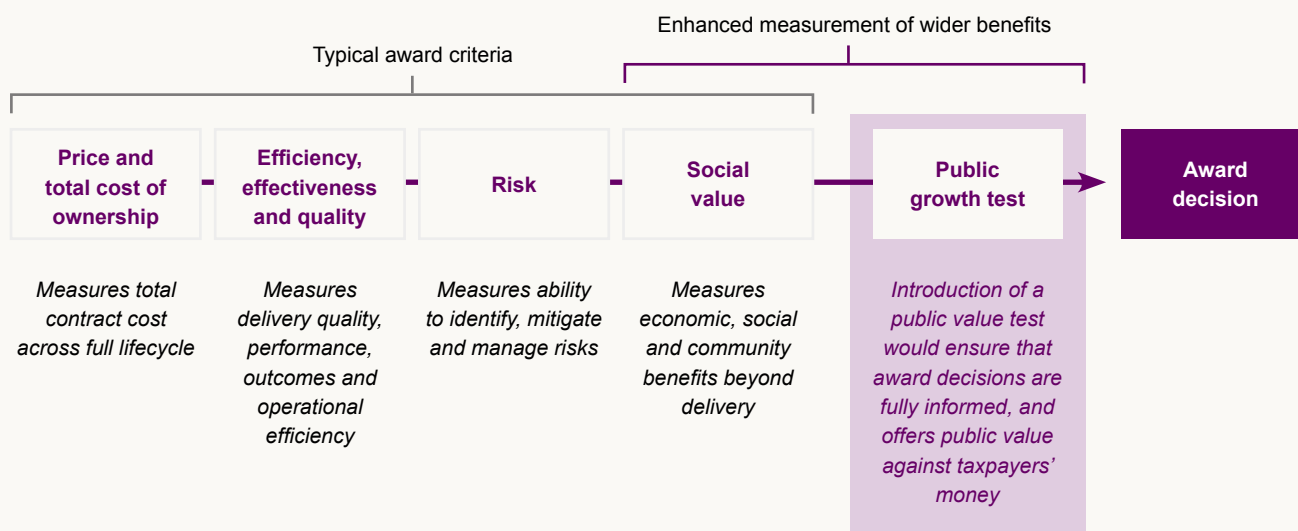
Case study: How Saudi Arabia delivers growth through domestic investment mandates

Saudi Arabia's **Local Content & Government Procurement Authority** uses procurement to measure and mandate domestic value creation through requirement setting. These requirements are prescriptive: bidders must meet minimum "Local Content" thresholds (a measure of the value retained within the Saudi Economy through investment with domestic suppliers).

These are typically set at 30-50% of total investment value (Saudi Ministry of Finance, 2019), and around 1,500 specified products must be sourced exclusively from the domestic market. Under this mandate, Saudi Arabia is moving towards localising more than **50% of defence spending by 2030** (Vision 2030 Annual Report, 2025). This measure is embedded in tender scoring and tracked through Government KPIs, providing the state with a clear understanding of **how much of their investment is returned to their domestic market by suppliers**.

This **Public Growth Test** should remain separate from social value scoring. Combining them would risk reducing accountability for delivery and obscuring the specific contribution that procurement makes to economic growth (Figure 1). The first practical steps are to create a standard Public Growth Test for strategic markets, ask bidders to set measurable commitments on jobs, investment, subcontracting, and supply chain development, and **track those commitments after award**.

Figure 1: How Public Growth measurement could be integrated into the UK's award criteria



Executed effectively, this would show where public spending builds lasting UK capability, enable comparison across procurements and identify underperformance.

Recommendation 2: Create a Public Growth Account for major programmes & contracts, reporting expenditure against measurable value delivered

Understanding **what public investment delivers** is as important for Government's growth agenda as deciding where to invest in the first place. In conjunction with a Public Growth Test which would dictate where Government should invest and the outcomes they should achieve, a Public Growth Account should be implemented to **quantify the impact of these outcomes and investment return**. This would shift departmental focus beyond procurement inputs and savings to tracking **outcomes and wider public growth**.

Departments should set **clear return targets**, based on **agreed valuation methodologies**, and be required to report against them annually. This should include publication of the **public growth multiplier achieved on expenditure**, creating a consistent basis for comparing performance across departments and programmes.

While the APPG-PSE found no example of this approach being mandated comprehensively and retrospectively across major Government procurement, there is opportunity for the UK to lead by establishing **agreed valuation methodologies**, and **mandated reporting requirements and schedules**.

Greater visibility of returns would enable **smarter allocation of public spending**, identification of high- and under-performing investments, and create the basis for **incentive-based funding**. Over time, Government could direct resources towards the interventions that demonstrably generate the greatest public growth, creating a feedback loop between **measurement, investment and growth**.

2. Using the State to make markets, not just buy from them

Through strategic investment, Government procurement can play a powerful role in **shaping markets on which national capability depends**. The **scale and predictability of public spending** gives Government the ability to influence where businesses innovate, invest, train workers, and build capacity. Used deliberately, procurement can act as an **industrial policy tool**: providing demand certainty, reducing investment risk and giving firms **confidence to build capability in the UK**.

Competitive advantage will come not from protecting domestic suppliers from competition, but from using the scale, visibility and consistency of public demand to create stronger markets, attract investment, and accelerate the development of national capability.

Recommendation 3: Designate National Strategic Markets where public demand can materially contribute to growth, innovation, resilience and national capability

Government should identify a limited number of markets aligned with the **UK's industrial strategy** for targeted investment, where sustained public demand can materially strengthen growth, innovation, resilience, and national capability. Markets should be **selected against explicit criteria**, including the scale and persistence of public demand, the strategic importance of domestic capability, the scope for Government purchasing power to influence supplier behaviour, and the wider economic, resilience or security benefits of intervention.

For each market, the Cabinet Office and HM Treasury should require departments to publish **funded, multi-year, strategic plans** detailing the demand pipeline, capability requirement, skills requirements, supply chain risk, innovation requirement, and desired public growth outcomes with committed funding for execution. Commercial functions can translate these priorities into an integrated procurement and contract-management plan.

These growth-through-procurement plans would bolster supplier confidence and trigger investment in the selected markets through the Government's signal of intent. This proposition would go further than the UK's Industrial Strategy by translating sector-level priorities into more specific, funded Government demand commitments, using **procurement pipelines and purchasing power** to actively shape markets, crowd in investment and build national capability.

The APPG-PSE identified several strategic investment programmes, designed to shape markets through Government investment.

Country	Initiative	Implementation	Objectives and outcomes
Canada	Industrial and Technical Benefits Policy (ITB)	Canada's ITB policy mandates that spend on Coastguard and Defence contracts is reinvested into Canada's defence and security ecosystem including aerospace, land, information and communication technology (ICT), marine and space to ensure 100% of invested funds contribute to offsetting cost (Innovation, Science and Economic Development Canada, 2025). Industrial objectives are defined before tendering and incorporated into the competitive evaluation rather than negotiated post supplier selection.	The policy is aimed at developing Canada's Defence industrial base, to maximise capability, job creation and economic growth. ITB Annual Report 2025 estimates that the initiative contributes 40,400 jobs annually, and more than C\$5bn to Canadian GDP annually (Innovation, Science and Economic Development Canada, 2025).
Canada	Buy Canadian Procurement Policy Framework	Gives preference to Canadian suppliers in federal procurement, including a 10% price advantage for Canadian suppliers on strategic contracts over C\$5m (CanadaBuys, 2026).	Aims to strengthen domestic supply chains, support Canadian businesses and jobs, and increase industrial resilience.
United States	One Government Aggregation	General Services Administration aggregates federal demand in selected strategic categories, particularly IT, cloud and digital infrastructure, and negotiates centrally with major suppliers. Common requirements and larger contracts increase Government bargaining power and allow Government to adopt a market shaping role (US General Services Administration, OneGov, 2026).	The initiative is aimed at concentrating Government purchasing power to improve price and terms, accelerate digital capability and shape strategic technology markets. Around \$1.1bn savings have been reported across Microsoft, Google and AWS deals in the first year (US General Services Administration, 2025).

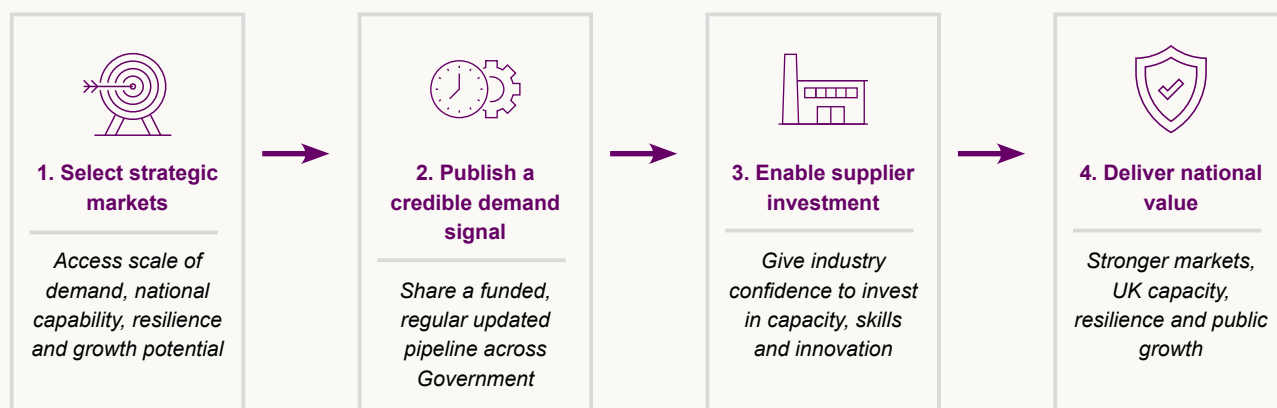
Canada and the USA exemplify different approaches to developing capability through **investment mandates**, **demand aggregation**, and **offsetting**. Lessons on implementation can also be taken from Sweden, where interviewees emphasised the importance of early collaboration between policy, operational and budget-owning teams to achieve better alignment between procurement requirements and frontline demand (Swedish Demand Acceleration Community Network, APPG-PSE Roundtable, 2026). The UK can draw on these approaches to target public spending more strategically in priority sectors. If executed well, Government can mobilise **private sector investment before procurements begin**, strengthening domestic capability and delivery of public growth. Over time, this will grow the Government's influence in these markets but also afford it **greater agency** over growth, innovation, resilience, and national capability goals.

Recommendation 4: Give industry a five-year public demand signal in strategic markets, enabling businesses to invest with greater confidence against future Government requirements

For each National Strategic Market, Government should establish a cross-departmental process to provide industry with five-year pipeline visibility, clearly distinguishing between **indicative**, **planned**, and **funded requirements**. Relevant departments, coordinated by the Government Commercial Function and working with HM Treasury, should develop forward procurement plans, informed by engagement with industry and other relevant stakeholders. Departments should then publish agreed signals and update them regularly as requirements and funding evolve.

Figure 2: How a five-year public demand signal can shape strategic markets

Process for selecting and mobilising strategic markets to deliver national value



In critical sectors such as health, limited visibility of future demand can constrain supplier investment and weaken the industrial base. Clearer public demand signals would give **suppliers greater confidence to invest in workforce, capacity, and capability**, enabling Government to shape markets around its anticipated long-term requirements.

The UK Defence sector provides a useful precedent through the **publication of long-term investment plans such as the Defence Investment Plan**, which give industry relatively detailed visibility of future requirements. This approach is not applied consistently across Government, limiting suppliers' ability to anticipate and invest against future public demand.

Country	Initiative	Time horizon	Objectives and outcomes
France	APProch platform	0 - 4 years	France's APProch platform provides suppliers with early visibility of procurement projects by allowing State services to anticipate future contracts in their field of activity. The platform operates with a 4-year time horizon, providing suppliers with advance visibility of upcoming requirements (Direction des achats de l'État, APProch, 2026).
South Korea	Public Sector Ordering Plan	1 year	South Korea follows a similar approach to France through their public sector ordering plan, which publishes Government demand for selected goods and services on an annual basis (Korea Public Procurement Service, 2026).
New Zealand	Digital Investment Plan	10 years	New Zealand have adopted a longer-term approach, moving funding for digital health initiatives from annual "hand-to-mouth" funding toward a 10-year digital investment plan, with the expressed goals of providing greater visibility and discipline to long-term investment (Health New Zealand, APPG Interview, 2026).

Long-term public demand signals are yet to become standard practice across Government departments in the UK. By improving communication of state investment intent, suppliers will be empowered with the confidence to invest, innovate, train people, and build capacity in the UK.

3. Turning Social Value from promise into performance

Contractual Social Value can extend the impact of public spending, but only if Government shifts from rewarding promises at contract award to **ensuring that social value promises are delivered**. Evidence from the UK and internationally suggests social value commitments often weaken post-award.

The APPG-PSE therefore proposes formalising social value commitments beyond the reforms introduced through Procurement Policy Note (PPN) 026. Social value commitments to jobs, apprenticeships, SME spend, local investment and carbon reduction should be **measurable, enforceable and transparent throughout the contract lifecycle**. Beyond this, **enforcement actions** should make social value a core supplier deliverable, supported by evidence and consequences for under-delivery.

Additionally, Government should strengthen **contract management capability within delivery teams**, where social value monitoring skills and oversight remain uneven. Clear ownership, practical training and consistent tools would help teams track delivery and intervene earlier where commitments are at risk.

Enacting these changes would enable the Government to realise the full extent of their social value aspirations, **delivering greater value from their investment in public goods and services**.

Recommendation 5: Create a national Social Value Delivery Standard with common definitions and measurable outcomes for major public contracts

Social value commitments should have standardised definitions so they can be consistently measured and enforced. Weak definitions undermine measurement and enforcement. Outcomes that cannot be objectively measured should not qualify as social value commitments.

Building on the Social Value Model (PPN 026), a **national Social Value Delivery Standard** should define:

1. **What constitutes delivery**, through common definitions and minimum standards;
2. **Which outcomes can be claimed**, and the empirical evidence required to demonstrate them;
3. **Standardised metrics** for measuring delivery;
4. **Rules for attribution**, including protections against double-counting;
5. **Common reporting requirements**, including reporting frequency, evidence requirements and supplier accountability;
6. Where appropriate, **standard valuation methodologies** that allow outcomes to be compared and aggregated.

These requirements should be established at contract award and sit alongside ordinary contract performance measures, with suppliers committing to defined targets and providing evidence of these measures throughout the contract lifecycle. Contributors from the Swedish Demand Acceleration Community Network emphasised the importance of continued dialogue and partnership with suppliers starting before, and continuing after award for improving delivery throughout the life of a contract (Swedish Demand Acceleration Community Network, APPG-PSE Roundtable, 2026). Defining standards and reporting cadences promotes continued partnership and would place the onus on suppliers to demonstrate performance proactively, rather than requiring commercial teams to identify and pursue gaps in delivery retrospectively.

A common delivery standard would make social value commitments **clearer at award**, more **enforceable during delivery** and more **comparable across Government**.

By moving early to establish common definitions and delivery standards, the UK could not only improve its national delivery of Social Value but position itself as an international leader in the consistent specification, measurement and management of social value through public procurement.

Recommendation 6: Make material social value promises enforceable

Social value commitments should be treated as core contract deliverables, with **clear and proportionate consequences for under-delivery**. There is currently **no single statutory penalty** that automatically applies when a supplier fails to deliver its social value commitments in the UK, meaning consequences for delivery failure **depend solely on the terms of individual contracts**.

The APPG-PSE advocates for the introduction of a **standard framework of contractual remedies for material social value delivery failures**. Consistent with procurement and contract law, these could include measures such as **payment retention, service credit or performance deductions**, mandatory **remediation at supplier cost**, or **future contract and extension sanctions**.

With proper enforcement, these measures would trigger **significant changes in supplier behaviour**: social value would no longer be principally a commitment made to win a contract, but an accountable **obligation that suppliers are expected to deliver**.

Recommendation 7: Publish supplier social value performance, moving the focus of transparency from what suppliers promised to the public growth they delivered

The UK's Procurement Act 2023 introduced the requirement for Contracting Authorities to set and publish performance information including KPIs for large public contracts. The APPG-PSE advocates for this mandate to be **extended to reporting on Social Value**, to provide taxpayers, parliament and Contracting Authorities visibility of whether suppliers deliver the commitments they made at award.

This should be implemented in the same way as current reporting practices for contract KPIs, where suppliers should be required to **report periodically** against the commitments and metrics agreed at contract signature. Contracting Authorities should then **publish this performance** alongside other contractual KPIs, showing the commitment made, the outcome achieved and whether delivery is on track. Reporting should focus on realised outcomes – not simply activity and expenditure – for example, jobs created, skills developed, or business supported.

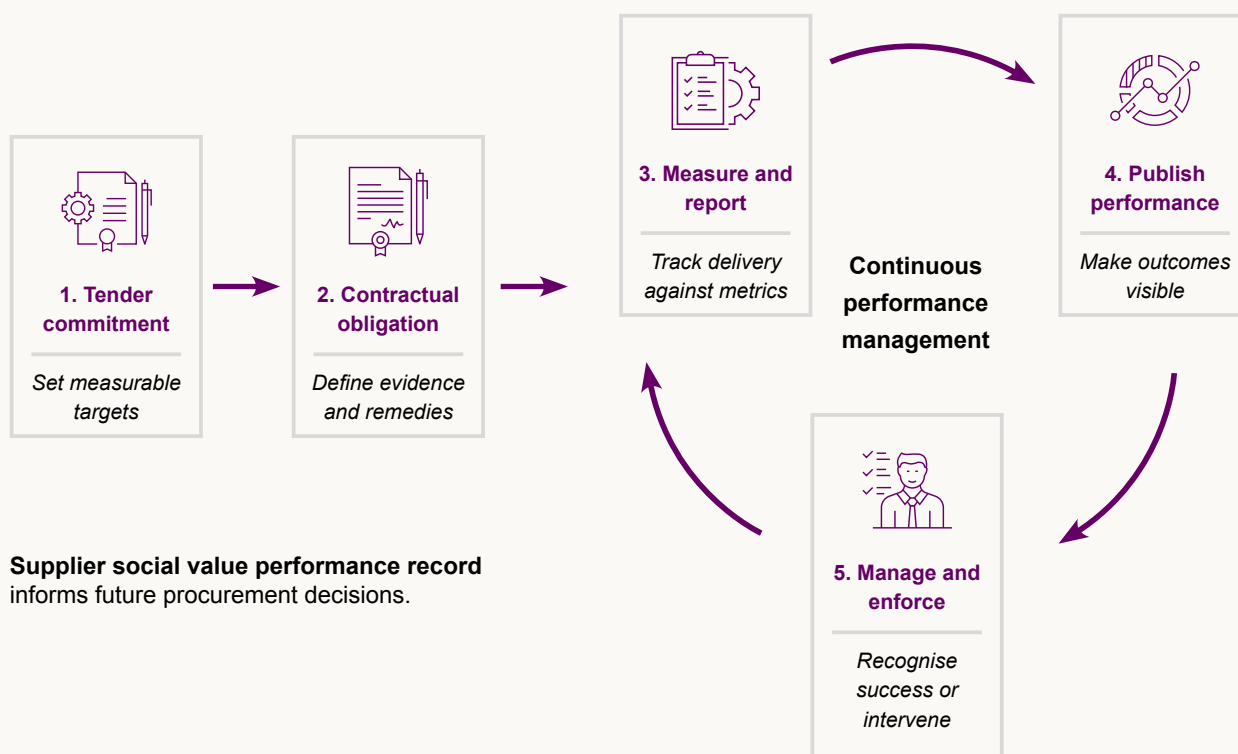
Reporting should support an active supplier-management process, not operate as a retrospective compliance return. Repeated underperformance should trigger **standard intervention and escalation processes**, ensuring that social value delivery does not depend on the discretion or capacity of individual contract-management teams.

For major strategic suppliers, Government should establish a **Social Value performance record**, providing a supplier-level view of delivery across public contracts. Contracting authorities should periodically report agreed Social Value commitments and outcomes through a **central Government platform**, building on the current model of Contracts Finder, allowing performance to be aggregated by supplier rather than viewed only contract by contract. This would enable departments to identify consistently high-performing suppliers, challenge persistent under-delivery and compare performance across Government, while giving future Contracting Authorities visibility of suppliers' delivery records when making procurement decisions. It would also create a stronger incentive for suppliers to make credible commitments at tender stage, in the knowledge that their delivery will be visible to future public sector customers.

Across the 14 countries researched by the APPG-PSE, there are **no instances of supplier social value record publication**. This creates a lack of accountability, where suppliers that fail to deliver the social value promised on one contract are left free to underdeliver on the next contract with little to no consequence.

Transparency should therefore follow Social Value through the full procurement lifecycle. **Government should publish not only what suppliers committed to deliver, but what public growth taxpayers ultimately received.**

Figure 3: Implementation of APPG-PSE Social Value improvement plan



Case study: How France turns Social Value commitments into measurable outcomes

France's **SPASER framework** requires major public buyers with over **€50 million in annual procurement spend** to submit measurable social and environmental procurement objectives, implementation plans and performance indicators (French Ministry of Economy, 2024). A key enabler is the framework's structured reporting cycle: buyers must report progress at least every two years against defined measures, including the share of contracts incorporating social or environmental criteria and spend directed to social enterprises. This creates a consistent mechanism for tracking whether commitments translate into procurement activity and outcomes.

The **State SPASER 2025–2027** reinforces this approach through quantified national targets, including a **22% reduction in procurement-related emissions**, doubling State purchasing from the social and solidarity economy to **2.5%**, and increasing social-inclusion hours by **10%** by 2027 (Direction des achats de l'État, SPASER de l'État 2025–2027, 2025). The combination of **measurable targets, defined performance indicators** and **recurring monitoring** provides the practical infrastructure needed to hold public buyers accountable for delivery, rather than relying on commitments alone.

4. Reframing supply chains as National Security Priorities

Supply chain uncertainty, geopolitical volatility, and technological **change have altered the environment in which Government procurement operates**. Over the past decade, global conflict, Covid-19 and other global shocks have exposed vulnerabilities in procurement models designed around comparatively stable markets and predictable requirements. At the same time, rapid innovation increases the risk that lengthy procurements deliver capabilities that are obsolete or poorly matched to requirements by the time they enter service. Procurement must increasingly **balance efficiency with resilience, speed with assurance, and short-term value for money with longer-term national capability**.

This is particularly important in strategically significant markets, where disruption to a critical supplier or supply chain can affect not only an individual contract, but the continuity of essential public services and national security. Governments are responding by strengthening domestic and allied production, accelerating procurement in mission-critical areas, and improving visibility of critical markets. These approaches recognise that **resilience and security of supply are themselves sources of public value**, alongside cost, quality, and performance. Across these models, procurement is increasingly being judged not only on lowest cost, but on its resilience, and ability to preserve supply security, strategic autonomy and national capability.

Governments must therefore become better at anticipating disruption: identifying vulnerabilities in critical supply chains and building the **visibility, optionality and supplier capacity** needed to respond.

Recommendation 8: Establish a National Supply Chain Security Centre to provide cross-Government intelligence and consistent assessment of strategically important suppliers and markets

Government should establish a **National Supply Chain Security Centre** with a cross-Government mandate to maintain an integrated view of resilience across strategically important markets. Working with relevant departments and national security, procurement, and economic bodies, the Centre should consolidate intelligence on critical suppliers, contracts, assets and markets to identify dependencies and emerging vulnerabilities. Effective resilience depends on good visibility, reliable data, and a clear understanding of where critical dependencies sit. **Government cannot manage vulnerabilities that it cannot identify**.

Today, relevant intelligence is fragmented across departments, contracts, and supplier relationships, limiting Government's ability to understand where critical dependencies sit, how risks are connected, and where disruption could have systemic consequences. Evidence from **Health New Zealand, Singapore, the OECD and NHS** interviewees consistently identified fragmented data and limited market visibility as fundamental barriers to effective resilience planning.

The Centre should bring together supplier, contract, market and asset intelligence to map critical dependencies and monitor supplier, geographic and market concentration. It should establish and publish a **consistent methodology for assessing supply chain security**, drawing on indicators including geographic concentration, historic supplier performance, financial resilience, and exposure to operational or geopolitical disruption.

Government should also draw on established economic-security intelligence capabilities to strengthen this assessment. The Centre for Economic Security (CES) Economic Security Monitor provides one model for how fragmented signals can be systematically brought together, assessing developments across areas including trade, defence, finance, energy, cyber and critical infrastructure and identifying where risks converge. The National Supply Chain Security Centre should draw on such capabilities to complement Government-held supplier and contract data with wider economic-security intelligence. This would allow strategically important supply chains to be assessed consistently across Government, with more detailed assessments available to departments where specific risks or requirements warrant them.

By consolidating intelligence that is currently dispersed, Government could move from reactive contract-by-contract risk management to proactive, **system-level resilience planning**. Combining Government-held supplier and contract intelligence with wider economic-security monitoring would enable departments to trace how geopolitical, financial, trade,

cyber or infrastructure disruption could transmit through markets and supply chains into specific suppliers, contracts and public services. This would help Government identify where capabilities are exposed, understand where risks may converge and activate resilience plans before service delivery is affected.

Case study: Saudi Arabia – Reframing Supply Chains as a National Security Priority

Saudi Arabia's **Global Supply Chain Resilience Initiative (GSCRI)**, launched in 2022 under Vision 2030, reframes supply chain resilience as a national economic and security priority (Saudi Ministry of Investment, 2022). Rather than relying on procurement decisions alone, the initiative combines strategic prioritisation with investment incentives and infrastructure development to attract critical industries, localise production and diversify sources of supply.

The key practical enabler is the alignment of supply chain objectives with the Kingdom's wider investment and industrial strategy, providing businesses with clearer signals about the sectors and capabilities Saudi Arabia is seeking to develop. **Government-backed incentives and investment in enabling infrastructure help translate these priorities into commercial opportunities**, supporting greater domestic capability and reducing dependence on individual export revenues and external supply chains.

Recommendation 9: Introduce a National Criticality and Resilience Test

Government should introduce a National Criticality Test for all strategically important procurements, requiring Contracting Authorities to assess the consequences of supply chain failure before a contract is awarded. Every strategic procurement should be able to answer two fundamental questions: “**What happens to the United Kingdom if this supply chain fails?**” and “**How quickly could Britain replace it?**”

The test should assess the **criticality of the goods, services or capabilities being procured**, the availability of alternative suppliers, geographic and ownership concentration, dependence on overseas production or critical inputs, substitutability, stockholding, lead times, and the time and cost required to rebuild domestic or allied capacity (Figure 4).

The Test should produce a **criticality assessment proportionate to the potential consequences of failure**, determining the level of resilience that Government requires from the procurement. Higher-criticality procurements should therefore attract stronger requirements for diversification, stockholding, contingency capacity, supplier monitoring, and other resilience measures.

Figure 4: National Criticality and Resilience Test
Criticality x Resilience decision matrix for high-value contracts



This does not eliminate supply chain risk, but enables Government to make **conscious decisions about the dependencies it is willing to carry**. A supplier offering the lowest price today may impose a far greater cost tomorrow if disruption leaves the state without a viable alternative.

Recommendation 10: Price resilience into value for money

Government should treat resilience as a **quantifiable component of value for money, rather than an unpriced benefit separate from cost**. For strategically important procurements, Contracting Authorities should identify both the cost of mitigating supply chain risks and the potential of leaving those risks unmitigated.

The level of resilience required should be informed by the National Criticality & Resilience Test. Where greater resilience requires additional expenditure – for example through dual sourcing, strategic stockholding, alternative production capacity, or domestic and allied supply – this **resilience premium should be made explicit** in procurement decisions and assessed against the expected consequences of disruption.

This assessment should continue throughout contract delivery. The Cabinet Office should develop standard reporting requirements on financial health, cyber security, operational performance, ESG risks, geopolitical exposure, and key supply chain dependencies for critical suppliers. Suppliers should also be required to notify Contracting Authorities of material changes to critical sub-suppliers, manufacturing locations, or emerging supply chain risks, with significant changes triggering **review of contingency arrangements** and, where appropriate, reporting to the National Supply Chain Security Centre.

Defence sectors worldwide lead approaches to treating resilience and capability as commercial considerations rather than externalities. Canada's Industrial and Technical Benefits policy **weights resilience and domestic-capability commitments alongside cost in defence bids**, with automatic application to large-value and strategically important procurements (Kendall Hambroff 2026, APPG Interview with Canada's Industry Sector Innovation, Science and Economic Development Department). Through the Single Source Contract Regulations, the UK Ministry of Defence similarly **applies a risk premium** via cost-plus and profit rate controls for non-competitive suppliers, and purposeful shifts towards outcome-based contracting have helped promote resilience as a key consideration within value for money (Jim Carter & Victoria Cope, Interview with the UK's MoD).

Government should apply the same underlying principle across strategically important procurement: **the cheapest bid should not automatically represent the best value where it creates materially greater exposure to the costs of disruption**.

5. Building the world's first intelligent Government customer

Artificial intelligence and automation offer significant opportunities to improve Government procurement. But AI will only be as effective as the data and systems on which it operates. Deploying advanced tools across fragmented data, incompatible systems and inconsistent supplier information risks automating existing efficiencies rather than resolving them.

Governments that invest early in these capabilities will be best placed to capture their benefits, the potential applicability of which stretches across the entire procurement system.

Government should first connect commercial data, then build predictive capability, and finally deploy AI where it delivers measurable outcomes.

The APPG-PSE evidence consistently shows that the greatest benefits arise where common data standards, supplier identifiers and interoperable systems allow information to move across institutional boundaries.

Built on these foundations, Government can become a genuinely intelligent customer: creating platforms to develop a connected view of expenditure, suppliers, contracts and markets; moving from retrospective reporting towards predictive decision-making; and using AI to release commercial capacity for higher-value activity. The productivity gains generated should themselves be measured and reinvested in further improvements to Government's commercial capability.

Case study: The Digital Procurement Architecture of Singapore and South Africa

Singapore's Government Electronic Business (GeBIZ) platform is a common platform for the state's public procurement and provides a single point of exchange for suppliers engaging with the Singaporean Government (Singapore Ministry of Finance, APPG-PSE Interview, 2026). Going forward, Singapore's digital procurement architecture will evolve to demonstrate **how common infrastructure, data standards and consistent adoption can enable procurement interoperability at scale**. Its effectiveness is not simply the result of introducing a central platform: **consistent use of common procurement processes and supplier information across government enables data to be captured and reused in a standardised form**.

High levels of adoption, common data and processes, and sustained investment in digital procurement capability are therefore important practical enablers alongside the technology itself. Together, these allow digital infrastructure to support greater transparency and a more integrated view of government procurement.

South Africa provides a complementary model for governments with significant legacy technology. Rather than replacing existing systems with a single platform, reforms introduced alongside the South African Procurement Act 28 integrate **multiple legacy systems to create an interoperable technology stack**. The practical enabler is therefore integration around common data and information flows, allowing existing infrastructure to contribute to a broader Government commercial intelligence capability without requiring wholesale system replacement (South Africa National Treasury, 2026).

Recommendation 11: Create a Government Commercial Intelligence Platform

A **Government Commercial Intelligence Platform** would connect procurement, finance, contract management, supplier and invoicing systems through **common standards, shared identifiers and interoperable data structures**.

Government should prioritise interoperability to enable better commercial decisions and create the foundations for advanced AI (OECD, 2025).

This should not replace every existing departmental system with a single technology platform. Technologies should be designed around the purchasing model and user journeys they are intended to support, rather than treating technology as an end (Swedish Demand Acceleration Community Network, APPG-PSE Roundtable, 2026). The Government Finance Function and HM Treasury should therefore establish Government-wide data, API, metadata and interoperability standards that allow existing and future systems to exchange information consistently.

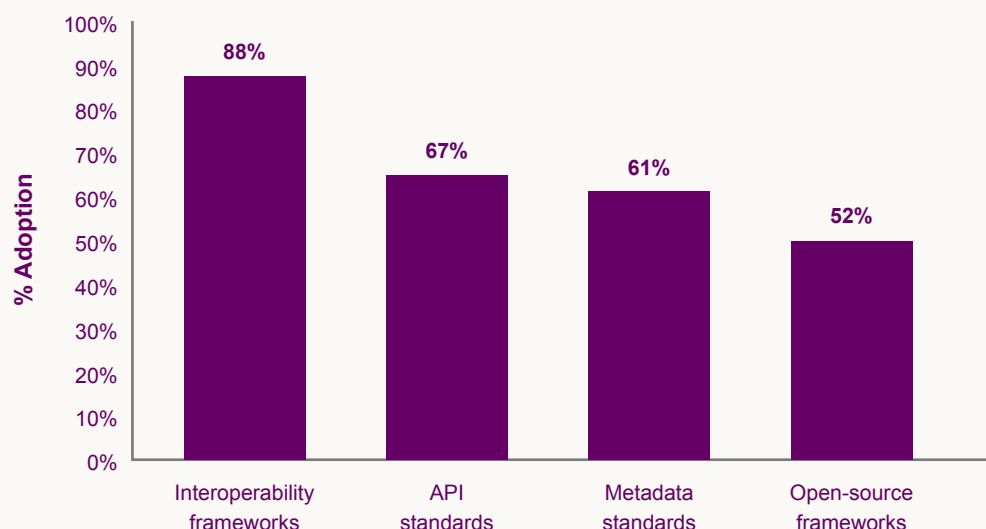
As an immediate priority, Government should establish a roadmap to:

1. **Trace procurement expenditure** from sourcing through to payment;
2. Establish **common supplier identifiers** across Government;
3. Develop **shared procurement, contract and data standards**;
4. Define government-wide **API and interoperability standards**;
5. Require departments to undertake a **procurement data maturity assessment**, identifying gaps that prevent information from being aggregated across Government.

Data collated under the OECD's Government at a Glance 2025 report shows that the **building blocks of interoperability are already becoming standard features of leading digital Governments**, despite uneven adoption. Across OECD countries, 88% report interoperability frameworks, while adoption falls to **67% for API standards, 61% for metadata standards and 52% for open-source frameworks** (Figure 5). Interoperability is not delivered by a single platform, but by the common standards that allow systems to exchange and interpret data consistently. For the UK, the priority should therefore be to move beyond connecting individual systems and establish **Government-wide API, metadata and interoperability standards** that can be applied across departments and technology providers. This would reduce dependence on bespoke integrations and create the common data layer needed for a genuinely cross-Government commercial intelligence capability.

Figure 5: Adoption of Digital Public Infrastructure Enablers (2024)

Adoption of Digital Public Infrastructure Enablers across OECD member countries (Source: OECD, Government At A Glance, 2025)



Case study: How South Korea has embedded AI into Government Procurement

South Korea's KONEPS (Korea ON-line E-Procurement System) demonstrates how strong digital foundations enable AI adoption at scale. The national platform digitises the full procurement lifecycle, creating consistent procurement data that its next-generation system can analyse using **AI, big data and cloud technologies** to identify comparable procurements, support price setting and recommend suppliers. Its key success factor is therefore not AI alone, but the **integrated digital architecture and consistent data underpinning it, enabling AI to improve procurement intelligence and decision-making across Government** (South Korea Public Procurement Service, 2021).

Recommendation 12: Build Government's predictive commercial capability

Once commercial data is sufficiently connected, Government should progressively **shift from retrospective reporting towards predictive commercial intelligence**. In an operating environment characterised by technological change, geopolitical disruption and volatile global supply chains, identifying emerging demand, risks and opportunities earlier can create **significant public and commercial advantage**.

Government should combine commercial, supplier, contract and operational data with **analytics, foresight methodologies** and, where appropriate, **AI-powered predictive tools**. These capabilities should initially focus on clearly evidenced use cases where earlier information can materially improve decisions.

Predictive capability should operate at three levels:

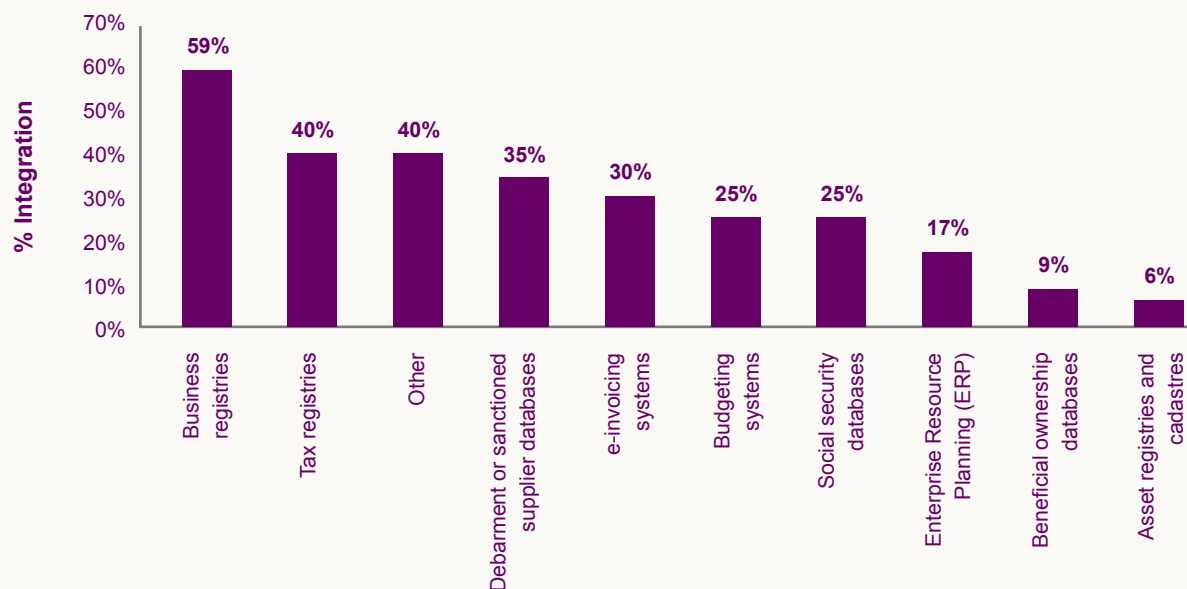
1. **Contract:** identify emerging delivery risks, cost pressures and supplier vulnerabilities before failure occurs;
2. **Category and market:** forecast demand, capacity constraints, price pressures and emerging supply risks; and
3. **National:** provide early warning of systemic disruption and inform forward planning for strategically important markets.

Predictive capability must also **extend beyond national systems**. Many of the risks affecting strategically important markets originate outside the UK and cannot be understood through domestic commercial data alone. Government should therefore strengthen the **interoperability of commercial and economic-security intelligence with trusted international partners**, including through NATO, the EU and partnerships with strategically aligned middle powers. This should include greater sharing and integration of open-source economic intelligence, supply-chain and asset mapping, technology intelligence and early-warning indicators, building on approaches such as the Alliance for Strategic Technology Advantage (ASTA) and OSEINT.

Canada provides an example of how international institutions can amplify national capability. Canada combines its role in NATO with growing cooperation with European security structures, including participation in the Joint Expeditionary Force (JEF) and its Security and Defence Partnership with the EU. This demonstrates how countries can use interoperable institutions, intelligence-sharing and strategic partnerships to strengthen collective situational awareness and resilience beyond what could be achieved through national capability alone.

OECD data shows that **e-procurement remains only partially integrated with wider Government systems** (Figure 6): while 59% connect to business registries, only 30% integrate with e-invoicing systems, 17% with ERP platforms and 6% with asset registries. **This fragmentation limits the quality of cross-Government data needed for predictive analytics and reinforces the case for interoperability as a prerequisite for intelligent Government.**

Figure 6: Integration of e-procurement systems with other digital government systems
 OECD countries (Source, Government At A Glance, 2025)



Singapore provides a useful illustration of the foundations required for this shift. Its procurement system combines common digital infrastructure, shared supplier information and Government-wide platforms, while inter-agency dashboards monitor measures including contract compliance, lead times and spending trends.

Government should begin with **critical markets and clearly evidenced use cases**, using predictive intelligence to inform procurement pipelines, resilience planning and spending decisions. This capability should be designed for **interoperability from the outset**, allowing Government to combine domestic commercial intelligence with relevant international economic-security and early-warning information. The objective should not be to procure more predictive technology, but to **build the information and analytical capability required to make better decisions before risks and requirements materialise**.

Recommendation 13: Create a Commercial Productivity Dividend from AI

Government should treat **AI as a commercial productivity tool, not an objective in itself**. Investment should therefore be concentrated on applications with a credible and measurable pathway to improving public outcomes, reducing cost, reducing commercial risk or releasing commercial capacity.

AI initiatives should begin within clearly **defined boundaries and have a high burden of proof** before wider deployment. Every pilot should have a documented baseline, named benefit owner, measurable target and defined evaluation period. Initiatives should then face an explicit stop-or-scale decision, with those unable to demonstrate material benefits redesigned or discontinued.

Initial investment should prioritise **measurable, lower-risk applications where value can be demonstrated quickly**, including contract and compliance monitoring, fraud and anomaly detection, tender and contract analysis, renewal and obligation tracking. **Efficio Consulting's Connected Platform** provides a strong model for this, where AI-driven tools have been iteratively developed to automate previously time-consuming commercial processes such as tender document drafting, purchase data analysis, obligation tracking, with other more complex tools developed for skilled users. Through application of these tools to public sector organisations, time horizons for processes previously taking months have moved to days (Efficio Consulting, APPG-PSE Interview, 2026). At governmental scale, more complex applications should follow as Government's data, governance and workforce capability mature.

Where AI successfully releases commercial capacity, Government should explicitly capture the benefit as a **Commercial Productivity Dividend**. Departments should measure time saved, costs avoided and capacity released and demonstrate how that capacity has been redirected towards higher-value commercial activity, such as strategic sourcing, market engagement, negotiation, contract management and supplier performance.

Singapore offers a useful model for **procurement of innovative solutions**. Its approach allows Government to test new technologies with companies with an option for wider deployment if the trial is successful (Singapore Ministry of Finance, APPG-PSE Interview, 2026). This creates space for innovation while containing operational, financial and regulatory risk, and enabling evidence on performance to be generated.

The objective should not simply be to do existing procurement activity faster, but to allow commercial professionals to spend more time on the activities where human judgement generates the greatest public value. Over time, evidenced **productivity gains should be reinvested** into further improvements in Government's commercial capability.

6. Turning Britain's commercial leadership into global influence

The UK's commercial capability is not simply a domestic asset, but a potential source of **international economic and strategic influence**. Governments that shape the standards by which public bodies buy, influence the standards by which global suppliers sell. This can already be seen in areas such as carbon reporting: suppliers competing for major UK Government contracts must meet UK requirements regardless of where they are headquartered, encouraging multinational businesses to adapt their practices to access the UK public market.

The APPG-PSE found that other Governments, particularly smaller states, continue to **look to the UK for commercial leadership, capability and standards**. Government should use this position more deliberately and extend the UK's influence beyond its own procurement system. By increasing the scale of collective demand and encouraging adoption of common expectations across markets, the UK can strengthen its negotiating position, influence global supplier behaviour and **turn domestic commercial capability into international advantage**.

Recommendation 14: Establish UK-led International Government Buying Clubs in carefully selected strategic markets, beginning with willing partner countries and clearly defined categories

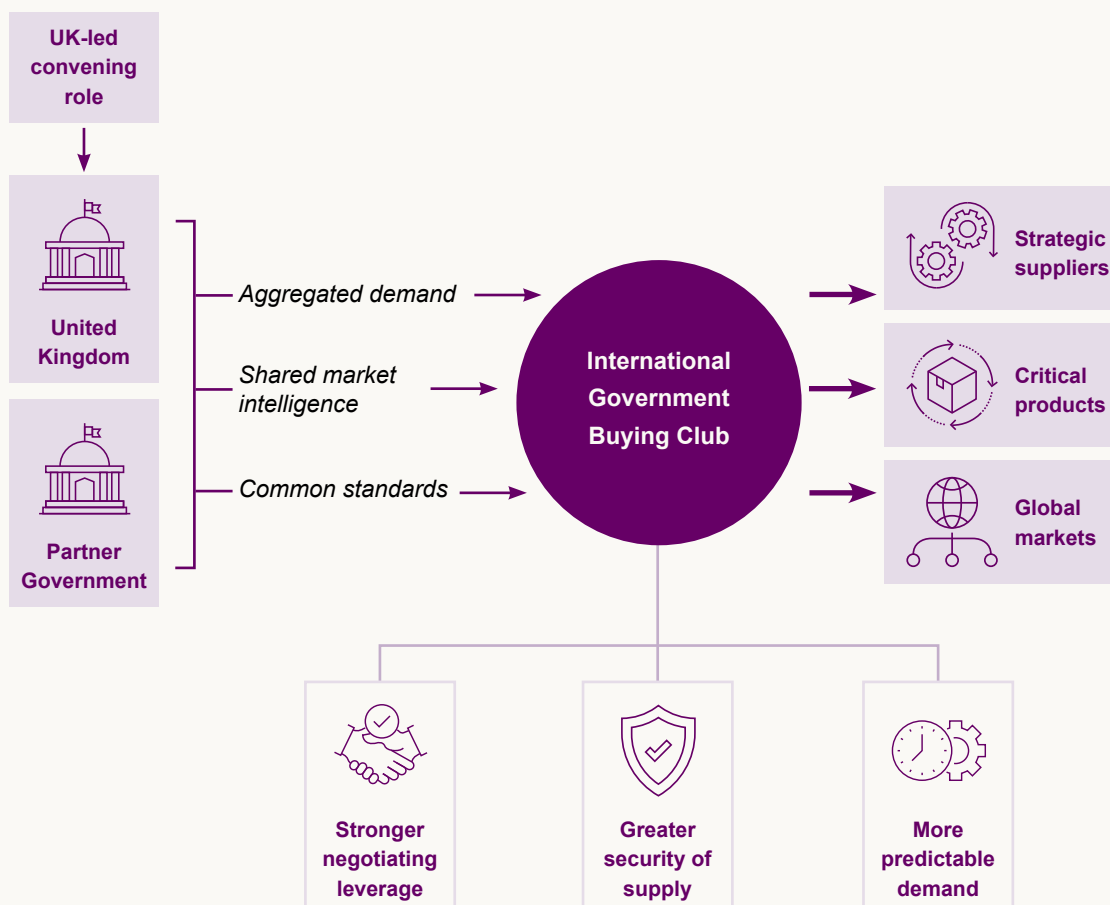
The UK should use its international alliances to convene **International Government Buying Clubs** in a small number of strategic markets, where participating countries share common requirements and collective demand can create measurable commercial or resilience benefits. Since leaving the European Union and the European Single Market, the UK has not increased international procurement collaboration to compensate.

Through these arrangements, participating Governments could align expectations of suppliers operating across multiple public markets, particularly on resilience, transparency, innovation, responsible AI and wider public value. Where individual Governments lack sufficient scale to influence supplier behaviour, aggregated demand can provide greater negotiating leverage and strengthen security of supply.

The APPG-PSE encountered significant international interest in this approach. Interviews with leadership teams in New Zealand's public health sector explained how the sector struggles to **purchase pharmaceuticals at a price competitive with larger countries** (New Zealand Ministry of Health, APPG-PSE Interview, 2026). Where individual Governments lack the scale to shape a market, **collective demand can create** it. Informally, the UK defence sector already operates in this way through NATO where although allies cannot buy for each other, deals can be harmonised, and a "best athlete" system is used where whichever ally has the strongest relationship or pricing leads the category (UK Ministry of Defence, APPG-PSE Interview, 2026).

The principle is straightforward: **collective purchasing power should be used not only to buy from global markets, but to shape them**.

Figure 7: Outline model for UK-convened international buying club



Case study: Turning Collective Buying Power into Global Influence

The **World Health Organization's (WHO) approach to pooled procurement**, sometimes described as a “buying club” model, aggregates demand across countries to coordinate purchasing of medicines, vaccines and other critical health products. Its effectiveness is enabled by **aggregated demand, shared market intelligence and long-term purchasing commitments**, giving participating Governments greater purchasing power and suppliers greater certainty over future demand (World Health Organization, 2025). The model demonstrates how the UK Government could use **collective demand and long-term commercial commitments at a significant scale not simply to secure better prices, but to strengthen negotiating leverage, improve security of supply and influence global production capacity**.

Recommendation 15: Develop a UK-led Global Government Commercial Standards initiative covering commercial capability, data, AI, resilience, contract management and public/social value

The UK should lead the creation of **Global Government Commercial Standards**, working with willing partner Governments to establish common principles across commercial capability, data, AI, resilience, contract management, and public and social value.

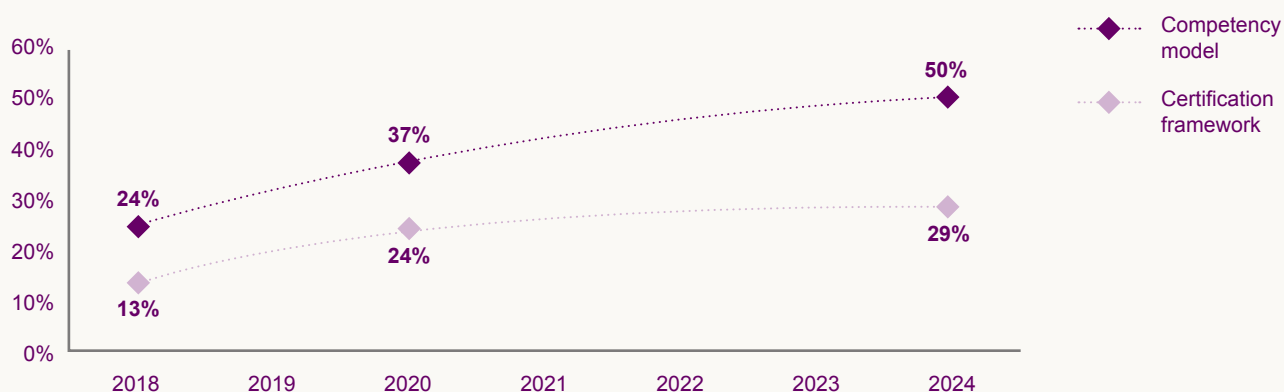
Common standards would enable Governments to benchmark performance, share tools and methodologies, and accelerate the professionalisation of public procurement. Where multiple public markets adopt common expectations, **global suppliers have a stronger commercial incentive to align their own practices with those standards.**

As domestic social and public value methodologies mature, **Government should promote UK definitions, standards and measurement approaches internationally.**

Growing international professionalisation creates a favourable environment for this approach. Across OECD countries, adoption of **competency models increased from 24% in 2018 to 50% in 2024**, while use of **certification frameworks rose from 13% to 29% (Figure 8)**. This direction of travel creates an opportunity for the UK to help move professionalisation from a series of national initiatives towards **shared international standards**. The UK could develop common competency frameworks, accreditation principles and professional benchmarks that partner Governments could adopt or adapt, creating greater consistency in how commercial capability is defined, assessed and developed across borders.

Figure 8: Adoption of Professionalisation Initiatives

Adoption of Professionalisation Frameworks across OECD countries (2018-2024) (Source: Government At A Glance 2025, OECD)



Across the APPG-PSE engagements, the UK was consistently recognised as a global leader in commercial standards. The opportunity here is to develop and internationalise this capability. **Setting the standards by which Governments buy gives the UK influence over the standards by which suppliers sell.**

Recommendation 16: Create Exchange Partnerships with Foreign Government Commercial Teams and Industry Partners, supporting skill development and allowing the UK to support foreign Governments and key suppliers to develop capability, training, accreditation, tools, and standards in alignment with Government practices

The UK should establish a structured programme of **commercial exchange partnerships with partner Governments and strategic industries**, using secondments, practitioner exchanges and joint capability programmes to strengthen expertise across the commercial system.

These exchanges should be deliberately **two-way**. UK commercial professionals should gain direct exposure to how leading Governments and suppliers **price risk, structure markets, allocate capital, adopt technology and make investment decisions**. In return, the UK can share capabilities in areas where its commercial system is recognised as strong, including professional standards, commercial governance and procurement practice.

The APPG-PSE found that other countries already look to the UK for guidance on commercial best practice, with UK partnering models being adopted in **Singapore and Hong Kong**, and Singapore's Government Procurement Function Office noted their active study of UK Government commercial approaches (Singapore Ministry of Finance, APPG-PSE Interview, 2026). Singapore also illustrates the value of **deliberately exposing commercial professionals to different roles and environments**. Its system institutionalises capability through mandatory procurement training, defined career pathways and its **two-year Procurement Professional Programme** and structured job rotations, facilitating rotation between government agencies and the private sector.

Partnerships should combine **training, accreditation, shared tools, standards and placements** to transfer expertise between Government, international partners and industry.

Industry placements should operate under **strict conflict-of-interest, confidentiality, and information-management safeguards**, but these risks should be managed rather than used as a reason to prevent exchange. Internationally, the APPG-PSE identified commercial capability gaps on both sides of the buyer–supplier relationship which could be remediated through **joint training and communities of practice** to improve maturity across the commercial ecosystem.

The objective is to create a **reciprocal transfer of commercial capability**: importing expertise from the Governments and markets that perform best, while exporting UK standards and building a wider international network operating to compatible commercial practices.

Case study: Canada's Government-Industry Exchange Programme

Canada operates a formal government-industry mobility scheme through **Build Canada Exchange** (formerly Interchange Canada) which enables temporary assignments **into and out of the federal public service** with private sector, public sector and not-for-profit organisations in Canada and internationally.

Assignments can last **up to three years**, with participants remaining employees of their home organisation, helping Government access external expertise without permanently outsourcing capability. The programme is explicitly designed to **transfer knowledge and expertise, develop participants and strengthen understanding and networks between Government and other sectors**. Canada's defence research organisation, DRDC, specifically uses the programme to enable **employee exchanges with industry**, supporting information transfer and professional development.

Formal agreements, departmental oversight and conflict-of-interest requirements provide safeguards around placements. (Build Canada Exchange, 2026).

Conclusion

The APPG-PSE's research demonstrates that procurement can achieve far more than the efficient acquisition of goods and services. **It shapes markets, investment, innovation, employment, resilience and public services, generating economic, social, and strategic returns beyond traditional measures of value for money.**

No single international procurement system examined by the APPG-PSE provides a complete model for the UK. Instead, different countries demonstrate strengths from which Government can learn. **Canada** shows how public contracts can be used to build industrial capability; **France** how procurement objectives can be measured and monitored; **Saudi Arabia** the impact of explicit national capability and localisation objectives; **South Korea** the potential of integrated digital procurement infrastructure; **Singapore** how data, professional capability and controlled innovation can support a more sophisticated government customer; **Sweden** how early collaboration between procurement, operational teams, and budget holders can promote better defined requirements and commercial outcomes. **New Zealand** provides lessons in assessing wider outcomes, while international organisations such as the **WHO** demonstrate how collective purchasing power can increase the influence of otherwise fragmented buyers.

The UK should not import any one of these models wholesale. It should combine their strongest elements into a procurement system designed around six principles. Government should:

1. **Define the wider return** expected from strategically important expenditure;
2. **Concentrate purchasing power** where it can materially shape markets and national capability;
3. Make supplier commitments **measurable, transparent and enforceable**;
4. **Identify, price and manage critical dependencies and resilience**;
5. **Connect commercial information across Government** to enable more intelligent and predictive decision-making; and
6. **Use international partnerships** to amplify UK purchasing power, standards and influence in global markets.

Implementation should be sequenced. The APPG-PSE proposes three broad phases:

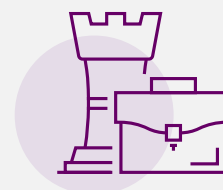
PHASE 1

Establish ownership and data foundations

Government should first establish the **standards, accountability and data foundations** for reform. The Cabinet Office and HM Treasury should set the overarching framework for the Public Growth Test and Public Value Account, identify an initial group of **National Strategic Markets** and develop the **National Criticality & Resilience Test**. In parallel, government should establish the Social Value Delivery Standard with clear expectations for measurement, reporting and enforcement.

Simultaneously, Government should establish clear ownership of **cross-government supply chain security** and begin developing the **National Supply Chain Security Centre**. Departments should undertake procurement-data maturity assessments and agree the common supplier identifiers, taxonomies, API standards and data structures required to create a Government Commercial Intelligence Platform.

Public value, social value and resilience commitments should have named owners, defined reporting schedules and clear escalation routes throughout contract delivery.



PHASE 2

Pilot, measure, and scale recommendations

Once common standards and ownership are established, Government should test the reforms within a limited number of **National Strategic Markets**. Departments should publish multi-year demand pipelines, apply the Public Growth and Criticality & Resilience Tests, introduce enhanced supplier reporting and begin measuring the wider returns generated by expenditure.

Technology reform should follow the same principle. AI should initially be deployed in bounded, measurable use cases, each with a documented baseline, named benefit owner and explicit stop-or-scale decision. Where AI demonstrably releases commercial capacity, Government should capture this as a **Commercial Productivity Dividend** and redirect that capacity towards higher-value commercial activity.

Government should use this phase to **compare performance across departments and markets**, identifying which interventions demonstrably improve public value, resilience, supplier performance and commercial productivity before scaling them more widely.



PHASE 3

Institutionalise and internationalise

Successful approaches should move from pilots and programmes into **normal government practice**. Public Growth and resilience measures should become embedded within value-for-money assessments for strategically important expenditure. Supplier social value and performance records should allow **delivery histories to follow suppliers across Government**. The Government Commercial Intelligence Platform should progressively provide a **shared view of contracts, suppliers, spend, risks and future demand**, enabling a shift from retrospective reporting towards predictive decision-making.

The UK should use its strengthened commercial capability externally.

International Government Buying Clubs should aggregate purchasing power in selected markets where shared demand can improve leverage or resilience. **UK-led Global Government Commercial Standards** should provide common approaches to capability, data, AI, resilience, contract management and public and social value. Exchange partnerships should allow the UK to **import international best practice and export its own commercial expertise and standards**.

Across all three phases, implementation should have visible senior accountability, sustained investment in commercial capability and transparent measurement. Each major recommendation should have a named owner, timetable and measures of success focused on outcomes rather than activity.

Ultimately, this report proposes a **change in mindset as much as a change in process**. Procurement should no longer be viewed as the final administrative stage through which policy decisions are converted into contracts. **Commercial considerations should inform policy from the outset**, because decisions about markets, suppliers, risk, demand and delivery determine whether policy ambitions can ultimately be realised.

The UK possesses enormous purchasing power, an established commercial profession and significant international credibility. Used strategically, these assets can deliver stronger markets, greater resilience, better-performing suppliers, faster technology adoption and greater public value.



The measure of a modern procurement system should therefore not be how efficiently government completes a purchase, but how effectively it converts every public pound into lasting national value.

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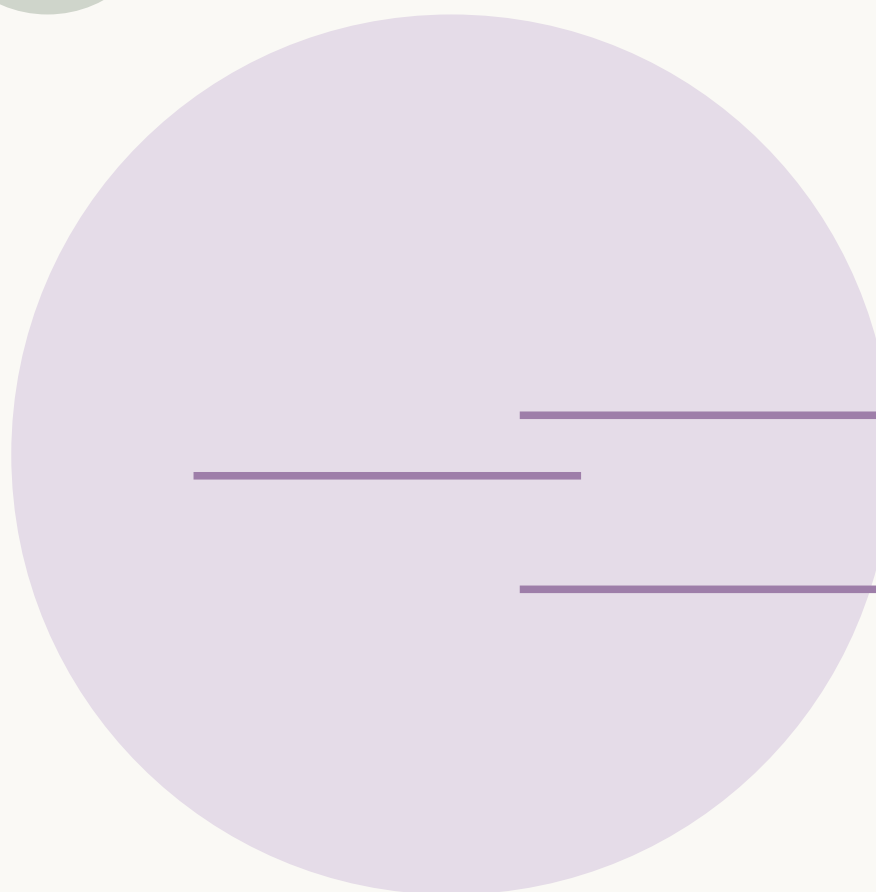
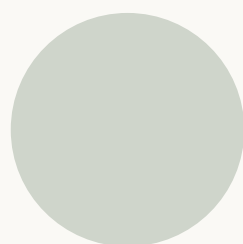
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