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UK GovTech Procurement Landscape 2025:

Insights from Local Public Services Committee surveys

September 2025

Transforming Public Services

Disclaimer

This report contains opinions gathered from anonymous respondents across buyer and supplier community. As individual respondent opinions, they may be erroneous, and do not necessarily represent opinions of any other persons or organisations, including techUK. The respondents have come from a wide selection of techUK members, but we cannot and do not claim that the views in this report are accurate or representative.

Foreword

Helen Gerling, Shaping Cloud
Denis Kaminskiy, Arcus Global

This document summarises the results of two anonymous surveys conducted between November 2024 and January 2025, gathering opinions and insights from over 40 respondents in the public (buyers) and private (suppliers) sectors on public sector procurement, especially in tech and digital services.

These surveys were created to capture honest views on the current procurement landscape in local government from both sides of the market. Our goal was to understand the challenges, opportunities, and priorities for those commissioning technology and for those supplying it.

There are a lot of publications and industry communications focusing on "Best Practice" and "The Right Way" of doing things. We strongly felt that this covers only one side of learning. Therefore, through these insights we are looking to highlight bad or poor practice, identify practical steps to improve processes, unlock innovation, and ultimately help shape procurement practices that better serve communities and deliver greater value for citizens.

The surveys were deliberately anonymous to allow respondents to share their opinions more openly, and to solicit responses to questions that cover "uncomfortable" topics, such as poor practice or outcomes. The questions were designed with input from several techUK committees, including Local Public Services Committee, Nations & Regions Council and wider membership.

The insights captured in this report will help guide techUK's future engagement with local authorities, suppliers, and policymakers. They will inform and shape our policy recommendations, inform our upcoming events and roundtables, and support our ongoing advocacy to make local government procurement more open, effective, and innovation friendly. We're committed to championing what good looks like and making procurement a strategic driver of change.

Key findings include:

Misalignments:	Persistent misalignments exist between buyers and suppliers regarding transparency, engagement, and strategic integration.
Visibility:	A majority of suppliers reported gaps in visibility of relevant opportunities, with many missing out on bids due to direct awards.
Strategy:	Suppliers often don't understand buyers' strategic priorities, and buyers don't consistently reward suppliers who demonstrate alignment.
Marketing:	Referrals and networking are seen by suppliers as the most effective ways to influence buyers.
Bidding:	Many suppliers choose not to bid on procurements due to perceived preferences for incumbents, low budgets, or unrealistic expectations.
Reputation:	While suppliers believe reputation and references give them an edge, buyers rarely take references or award marks for them.
Process:	Buyers and suppliers have differing perspectives on the effectiveness and fairness of the competitive procurement process. Suppliers report expectations beyond the tender and underexperienced buying teams. Buyers cite length of time, resource constraints, and process issues as frustrations.
Price:	Price is a significant factor, often representing over 50% of awarded marks, and suppliers sometimes intentionally "low ball" initial bids.
Outcomes	Many buyers feel procurements do not achieve the best outcomes or value for money, and many believe direct awards would have resulted in a better outcome.
Social Value:	Supplier opinions on social value are mixed. Whilst many believe in the purpose, only 15% believe it is effectively applied.
Procurement Act 2023:	There is uncertainty about the new Procurement Act's impact, with many believing it will not improve the current situation.

Overall, the surveys highlight a need for continued structural reform and cultural change to improve the public sector procurement process and address the misalignments between buyers and suppliers to ensure that value and intended outcomes are achieved. The new Procurement Act 2023, is expected to alleviate some challenges, but will not be enough to solve everything highlighted by this research, so work must continue.

We are enormously pleased to have experienced a joint passionate desire to improve, do better and deliver excellent outcomes by both Buyers and Suppliers.

While constraints and challenges can be significant, we are optimistic that the situation is improving and will continue to do so.

We would like to thank all of the respondents to the surveys, tech UK team, as well as all members of the Local Public Services Committee and Nations and Regions Council, and the wider techUK membership and partners for their advice, suggestions and input.

Introduction

The procurement workstream of our Local Public Services Committee (LPSC), has produced a new report. Denis Kaminskiy from Arcus Global Limited and Helen Gerling from Shaping Cloud Ltd, both techUK Local Public Services Committee (LPSC) members, led the work.

The report summarises the results of two surveys conducted between November 2024 and January 2025. It captures insights from over 40 respondents across the public (buyers) and private (suppliers) sectors, focusing on public sector, local government procurement, in tech and digital services.

The goal was to gather insights that can help shape the direction and policy of public sector, local government tech procurement. The report also aims to highlight what good looks like and explore how procurement can become a stronger enabler of innovation. Ultimately, it seeks to support a level playing field and deliver better procurement outcomes, offering best value for citizens.

The aim of this work was to compare and contrast the voices of buyers and suppliers:

- Gathered 40+ responses from the buyer and supplier communities
- Buyer responses made up of 95% from Local and Regional Authorities, 5% from other Public Service organisations
- Suppliers were a mixture of large companies and SMEs

The surveys were also testing whether common perceptions discussed in procurement conversations are evident in the larger community.

Respondents make up

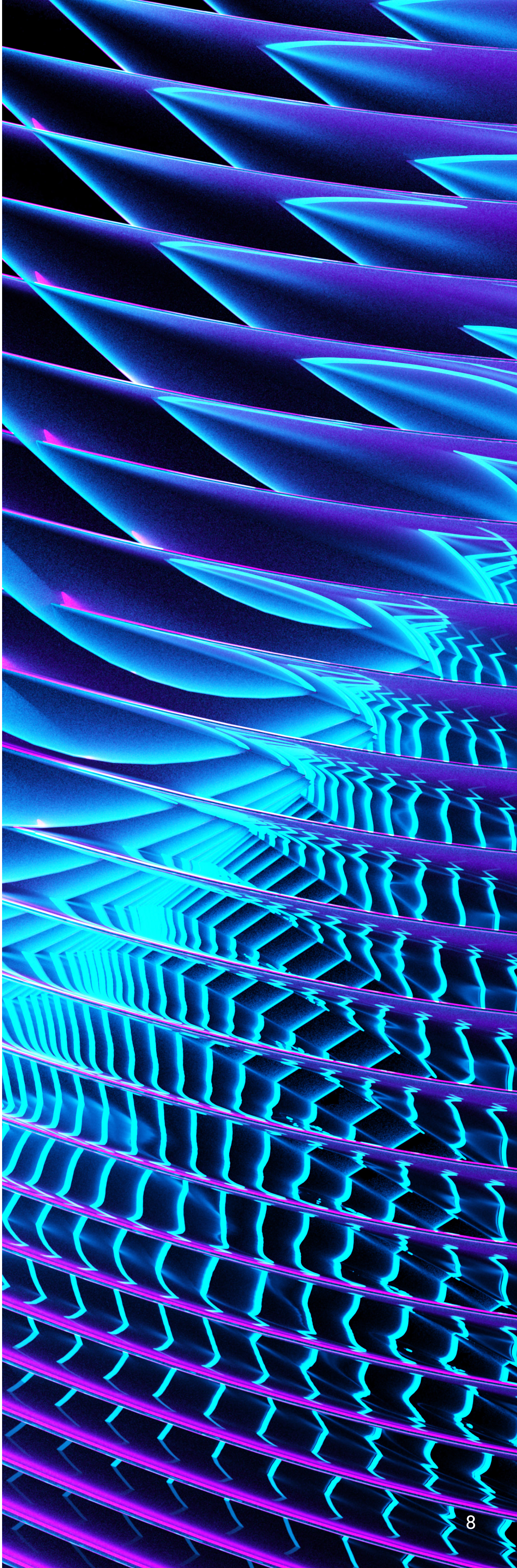
Buyers	By function, the Buyers were from these functions	Suppliers	Scale of supplier businesses
• 40% Unitary Authorities • 20% Met/London Boroughs • 15% District Councils • 5% City Councils • 5% County Councils • 5% Other public sector bodies	• 40% Tech/Digital Services • 35% Procurement • 15% Senior Leadership • 10% Transformation/ PMO	• 55% large (250+ employees) • 35% small (under 50)	• 45% under £10M turnover • 45% over £150M turnover

Key Findings: Survey Results by Topic

The responses from both local authorities and suppliers have been grouped into key themes to highlight common challenges, opportunities, and areas for improvement across the procurement process. By organising the insights in this way, we aim to provide a clearer understanding of where alignment exists — and where gaps remain — between buyers and suppliers.

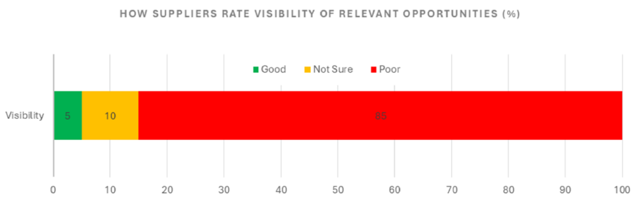
- Procurement Visibility
- Understanding the Buyer's Strategy/ Alignment
- Marketing and Influence
- Deciding whether to bid or not
- Supplier Reputation/References
- Competitive Procurement Process
- Price/Pricing
- Competitive Process Outcomes/Value
- Social Value
- Emerging Technology Relevance
- Impact of Procurement Act 2023

The following sections explore the responses in more detail.



Procurement Visibility

Visibility of opportunities has been highlighted as a major issue, preventing competition from being able to demonstrate their solutions to the buyers. The primary culprit are direct awards, mainly to incumbent suppliers.



Two thirds felt that Direct Awards was the main reason for this, with the second most popular reason stated as not being on the right frameworks. 38.9% felt larger competitors dominate the market.

- **Other core reasons stated:** Lots of different portals to check; multiple variants of bidding systems; competition is based around which framework to use (rather than which supplier). Interestingly, some suppliers were not convinced Contracts Finder provided a view on all opportunities.

A staggering **77.8%** of suppliers said they'd missed out on a relevant procurement more thar 5 times in the last 12 months because the buyer made a direct award to a competitor without opportunity to bid. Over 50% of Suppliers believe they have missed more than 20 such bids in the last 12 months.

The Procurement Act 2023 introduces stricter requirements around transparency and discourages the use of direct awards in most cases. However, there are circumstances - such as urgency, compatibility with existing systems, or lack of viable alternatives - where direct awards remain a lawful and pragmatic choice.

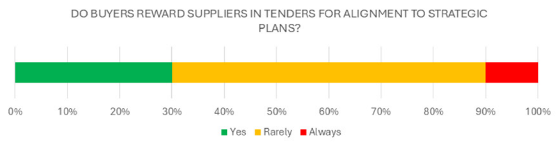
Supplier concerns in this area appear to stem less from the legality of direct awards and more from a lack of transparency and communication around their use. This reinforces the need for clearer pre-market engagement and better publication of contract pipelines.

Understanding the Buyer's Strategy/ Alignment

Majority of the Suppliers stated that they have little or no understanding of the strategic priority of the Buyer in most of the procurements they respond to. This is despite majority of Buyers having such a plan. The issue seems to be communication, or lack of any relationship between the plan and the marks being awarded in the actual tenders.

- 70% of Suppliers felt that they understood the strategic priority of the buyer in less than 50% of the procurements they have responded to in the last 12 months, with only 10% saying they understood it in most.

- 60% of Buyers said that they "usually" or "always" have a strategic procurement plan, with 40% saying they have it "rarely" or "sometimes".

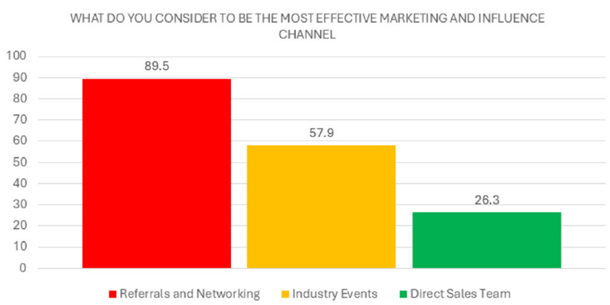


- At the same time, only 30% of the Buyers have stated that they “usually” or “always” award additional marks for Suppliers who are able to demonstrate alignment to their organisation’s strategy or technology roadmap. 60% stated that this happens “rarely” or “sometimes”, and 10% never award additional marks to Suppliers who demonstrate strategic alignment.

However, Suppliers have demonstrated a desire to understand strategic context, offering improvement suggestions to local authorities such as asking organisations to publish their digital / tech strategies and plans or increase early engagement so that Suppliers can help shape a strategic vision of what’s possible.

Marketing and Influence

It was clear that Suppliers saw buyer influence as a key element of their competitive advantage. Larger suppliers have more resources and so can wield such influence much more effectively. Digital marketing was seen as not effective.



- 89.5% of Suppliers felt that Referrals and Networking were the most effective ways of influencing the Buyers. 57.9% prioritised Industry specific events and conferences, and 26.3% stated that a dedicated Direct Sales team into the Public Sector was their most effective channel.
- Only 5.3% thought Digital Marketing was an effective channel into the Public Sector.

Undue influence may be a significant issue - over **42%** of Suppliers said their organisation had been involved in drafting part of the procurement specification or requirements in procurements they bid on, with another 10.5% preferring not to answer the question (47.4% of Suppliers stated they do not get involved with drafting specifications at all).

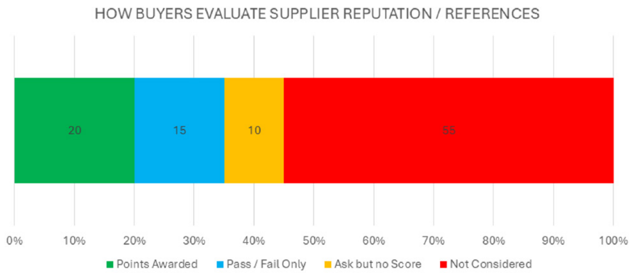
Supplier Reputation/References

Reputation was seen as a critical factor in competition, however there was a clear mis-match between Supplier and Buyer perspectives.

- For Suppliers overall, 83.3% felt that their reputation (references, testimonials and case studies) gives them the edge (See Outcomes Section) to win public sector business. 23.5% stated it was their main reason for winning (from their point of view).

However, this can be contrasted with the Buyer perspective –

- 90% do not exclude Suppliers based on their past performance or reputation
  - 20% take references prior to awarding, and
  - 20% “Rarely or Never” take references.



past performance with themselves during procurement, with 15% using it as pass/fail criteria only, 20% scoring, 10% asking but not scoring it, and 55% not considering it at all.

> **Buyer Quote:**
> ***"Our procurement rules don't allow us to take past performance into account so we can't exclude poor suppliers who haven't performed previously"***

- The picture was somewhat confused as when asked this as a part of another question, 80% of Buyers have never awarded additional marks or advantages to Suppliers with excellent references or reputation during procurements.

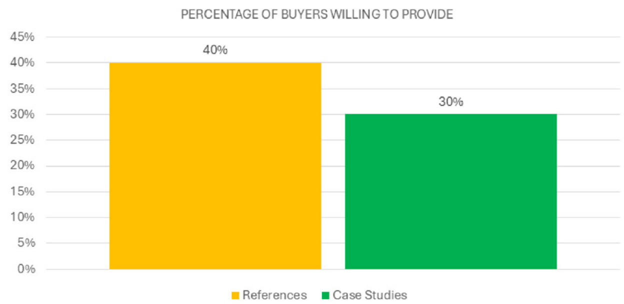
There seemed to be a perception amongst the Buyers that they were not allowed to exclude Suppliers based on bad experiences or reputation, even if it is with their own organisation.

While each procurement exercise must be conducted fairly and on its own merits, supplier feedback indicates that past performance is not consistently considered - even where there is a known delivery track record, whether positive or negative.

Suppliers emphasised the importance of enabling buyers to make informed, evidence-based decisions. This doesn't mean favouring incumbent suppliers or locking out new entrants. Instead, it means recognising when a supplier has previously delivered value - or when there is a pattern of poor delivery that should prompt closer scrutiny.

The Procurement Act 2023 introduces clearer provisions for managing supplier performance (e.g. through assessments and exclusion grounds), creating an opportunity to strike a better balance: one that enables competition without losing sight of experience.

Only 40% of Buyers are regularly providing references for Suppliers (60% indicated they do not provide them).



- Only 30% of the Buyers have provided case studies, of which 20% have asked for some value (training, discounts, service credits etc.) from the Supplier in return.

Deciding whether to bid or not

Even when spotting the right opportunity and getting to the tender stage, many Suppliers decide not to bid. This decision is not taken lightly, but when Supplier no bid, the Public Sector buyers miss out on essential competition and ultimately do not see the full breadth in the market.

- 100% of Suppliers said that they had chosen not to bid on at least one procurement in the last 12 months that they considered a good fit for their solution / services.

Worryingly, some suppliers have found that they are no bid the majority of opportunities that are relevant to them.

> **Number 1 explanation for not bidding was "Suspected preference for an incumbent or other vendor".**

- 84.2% of respondents stated that at least 25% of relevant tenders are not taken forward, with 5.3% saying that they don't respond to over 75% of the relevant public tenders.

> **Number 2 was "Budget too low or expectations unrealistic for the budget".**

- Other top reasons were:
  - bid effort outweighing the value of winning;
  - evaluation criteria being overweighted on price;
  - unrealistic delivery timescales.
  - Poorly written tenders or unclear specifications were also highlighted.

Somewhat surprisingly, reasons most frequently cited by CCS as barriers for SMEs (financial thresholds or requirement for security certifications such as ISO) attracted the least amount of responses from Suppliers.

Supplier concerns about over-reliance on incumbents must also be viewed in the context of market dynamics and buyer-side constraints. In some areas, market concentration limits viable options, and for many councils, limited procurement capacity and digital expertise create real barriers to exploring alternatives - making familiar suppliers or established frameworks a pragmatic choice, rather than a complacent one. However, limited capacity or market choice should not become a convenient excuse for avoiding engagement with newer market entrants, or for missing opportunities to collaborate - with peers or suppliers - to shape and develop better solutions.

Competitive Procurement Process

Buyer Perspective

- The most important categories that have seen marks / scores awarded in competitive procurements were Implementation (80%), Training (75%), Integration Challenges (65%) and Savings / Efficiencies (60%).

- The size of the supplier, their location and ownership do not influence selection by the majority of the buyers (70-80%), with between 45% and 40% of respondents not asking about these at all.

- 90% of the buyers were confident that their typical procurement process asks Suppliers questions that cover most or all their business needs.

- This can be contrasted with 94.8% of Suppliers stating that at least in some of the procurements they have won through tenders in the last 2 years, the buyers had expectations or requirements beyond those explicitly expressed in the tender. (See the Outcomes section)

- Over 20% of Suppliers said that All or Almost all Buyers had expectations or requirements beyond those explicitly expressed in the tender they won. An additional 36.8% said this was true of more than 50% of tenders won.

- However the picture becomes much more complex when Buyers were asked whether the scoring criteria for these questions presents a mis-match to their desired business outcomes.
  - 70% stated that at least some of the question scoring criteria were not well matched to business outcomes, with only 30% feeling that there was no mismatch.

- In terms of being able to demonstrate additional value and differentiate themselves, 75% of Buyers felt that their questions and scoring gave Suppliers that opportunity. This can be contrasted to 79% of Suppliers who felt they didn't have the opportunity to demonstrate their product or service fully (See the Supplier Perspective below).

- Only 20% of Buyers award additional marks to Suppliers who offer multiple products on the same Tech platform or stack. 75% do this "rarely" or "sometimes". This may have important implications for technology strategy and complexity of the Buyer environment if no preference is given to any platform and the breadth of services.

- Only 30% of Buyers felt that in all of the past 5-10 procurements their organisation undertook, the procurement team had all of the knowledge including subject matter expertise to maximise success of their organisation. 10% of the Buyers stated this happened in NONE of the procurements they have undertaken. This closely matches the Supplier perspective (see below), where only 26.3% of the suppliers felt that the buying team had sufficient expertise.

> **Buyer Quote:** ***"There is a paucity of resources in the public sector particularly in Tech sector as earnings are greater generally in private sector."***

65% of the Buyers felt that in less than half of the recent 5-10 procurements they ran there was sufficient time allocated to the procurement process. Only 10% felt that all of their procurements had sufficient time. This is contrasted to "Length of time" being the number 2 factor of frustration as reported by the Buyers (see the Outcomes Section). It's possible this could be down to interpretation by respondents and that the frustration is lack of time vs. length of time.

> **Buyer Quote:** ***"We need to spend more time on it and get external advice in some cases."***

Supplier perspective

- Only 52% of Suppliers felt that many or most of the procurements had sufficient time to respond, with no respondents feeling there has always been sufficient time. Conversely, 15.8% felt that NONE of the procurements they took part in had sufficient time to respond.
- 40% of Suppliers had 1 in 10 procurements cancelled after they had spent significant resources on a response. 15% had 1 in 6 cancelled.
- 61.1% of Suppliers felt that MOST (over 50%) of the procurements they have participated in the last 12 months were being assessed using appropriate criteria for their product or service.
- Only 26.3% of Suppliers felt that in most or all procurements they've responded to, the buying team was sufficiently qualified to properly assess their product or service.
- 15.8% felt that NONE of their buyers were sufficiently qualified, with the rest of suppliers (57.9%) stating that in over 50% of competitive tenders, they believed the buying team was underqualified or underexperienced to assess their product or service properly.
- 79% of the Suppliers stated that they had no opportunity to demonstrate their product or service in over half of the competitive procurement processes they've responded to in the last 12 months.
- 44.5% of Suppliers said that they were the incumbent in over half of the procurements they won.' 77.8% won at least SOME competitive procurements whilst being an incumbent in that organisation. This can be compared with the top reason Suppliers choose not to bid, which is suspected preference for incumbent or other vendor.
- Suppliers value clarification questions and dialogue during procurements - 90% have asked clarification questions in all or most of the procurements they've participated in. This could also indicate that specifications could be improved.
- Clarifications and questions are also used by the Suppliers as a valuable tool to communicate - with 60% of Suppliers saying that they've used them strategically to highlight their competitive advantage or competitor shortcomings.
- 70% of Suppliers have reported that at least 50% of procurements had a contract supplied by the Buyer that was stated to be "non-negotiable" as part of the tender.

Price

Pricing also emerged as a key area of interest across both surveys. Responses highlighted a range of perspectives on how pricing models are currently approached, the transparency of costs, and how value for money is assessed in local government procurement.

The statutory "Best Value Duty" requires public bodies to 'make arrangements to secure continuous improvement in the way in which their functions are exercised, having regard to a combination of economy, efficiency and effectiveness.' Over-weighting price may risk undermining that duty when applied to complex technology procurements. Responses gathered highlight that there is confusion between "price" and "value", and that this may contribute to sub optimal outcomes.

Buyer perspective

40% of the Buyers stated that Price represented more than half of total marks awarded in all their competitive tech procurements. Only 10% of respondents stated that they never scored Price as more than 50% of total marks awarded and only 10% of respondents stated that Price was less than half of marks in all of them. When the lowest price is most important, quality is less likely to be delivered unless comprehensive pass/fail criteria are used.

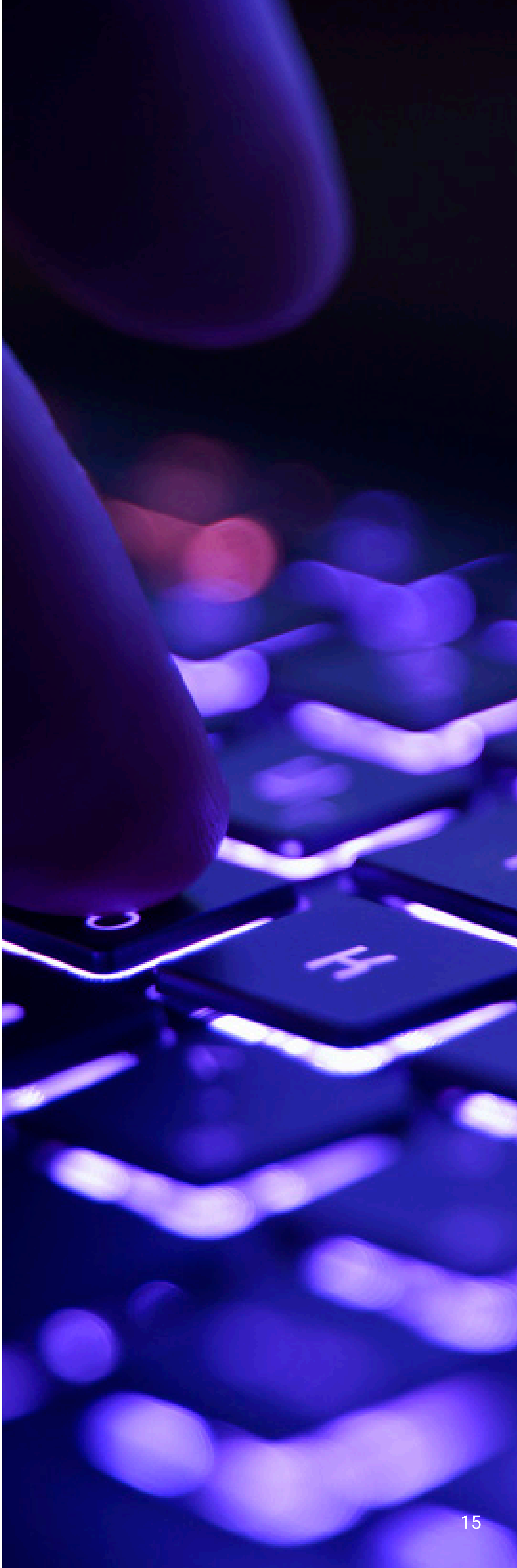
Supplier Perspective

- Asked how frequently Price represented more than half of the awarded marks in a tech procurement, 89.5% of Suppliers have encountered it over the last year, with 42.1% of Suppliers indicating that this was the norm for them.

Perhaps unsurprisingly, **48.3% of suppliers admitted to "low balling"** the initial bid in the hope of getting more money / margin out of the customer later in more than half their competitive bids.

Over 75% of suppliers used this tactic in at least some of the procurements they've responded to. Only 26% stated they have "rarely or never" used it as a tactic.

While price remains a necessary and legitimate factor in procurement, a high weighting on cost can create unintended consequences - particularly in service-based or complex technology procurements. Several suppliers reported concerns that aggressive price competition leads to under-scoping, unrealistic promises, or what they described as "low-balling", which can ultimately compromise outcomes.



This isn't a claim that councils encourage unethical practices. Rather, it reflects a structural tension in procurement design - where price targets may conflict with the need for quality, innovation, or long-term value. The introduction of Most Advantageous Tender (MAT) in the Procurement Act 2023 may offer a route to redress this balance more explicitly.

Competitive Process Outcomes/Value

Overall, this was the largest section of the survey – both Buyers and Suppliers have responded to similar questions, although tailored to their roles. It is clear that poor outcomes most frequently have their route causes in the procurement process, and both sides were frustrated with status quo.

Buyer Perspective

- 73.7% of Buyers felt that at least half of the recent procurements HAVE NOT achieved the best outcome for their organisation.
- Quite shockingly, only 15% of Buyers felt that competitive procurements achieved a better outcome than a Direct Award process. 50% felt that less than half of their recent procurements did so. This is a clear indication that many buyers feel the outcomes of a competitive process could be improved.

The biggest frustrations and challenges highlighted by the Buyers were as follows (ranked by most popular):

1. Procurement-led vs business led (forced for compliance) - why is the customer in the market? Did they just want to renew?
2. Time (length of time for the procurement process) - Is it appropriate for the product or service? Do the suppliers have time to respond?
3. Resource (time requirement on yourself or your team) - Is the tender size / complexity appropriate, for example, 1000s of questions / compliance statements for a £20,000 annual value
4. Cost of change (i.e. between incumbent and new providers) – the authority underestimates the cost of change
5. Ability to distinguish between providers – providers respond with "yes" across the board and there is little ability to distinguish between them
6. Process (i.e. process does not yield best outcome or preferred supplier) – a supplier is not able to answer the tender effectively, or a competitor responds to the tender better
7. Lack of innovation – playing it safe, lack of accountability. This could also mean the buyers do not request innovation or award no scoring advantage to it
8. Price (e.g. low price vs. low value) – mis-match between tender pricing and expected outcomes (i.e. buyers expected productivity gains / automation, but most marks were awarded on price)
9. Contract negotiation – challenges with agreeing the terms with the preferred bidder
10. Indecision (i.e. fear of making the wrong decision) – leading to process delays and supplier disengagement

11. Internal governance (e.g. too many decision makers / opinions) – trying to please all parties leads to suboptimal outcomes or "doing nothing"

Below are Buyer statements that shed light on what would help them to improve the outcomes of their procurements:

- Understanding that sometimes a Direct Award is the right approach and not forcing another competition
- The deliverables must match the criteria and specified requirements.
- Using an applicable framework would improve outcomes
- Well worded specification with the chance to use innovation
- More time and consideration of wider IT strategy
- Flexibility to be able to change infrastructure
- Not just buying the same contract
- Benchmarking price and performance
- Ability to form strategic relationships with suppliers – longer term relationships rather than single point tenders
- Better link between specification and user
- Make sure all the right people are involved at the start
- Approach the right delivery specialists
- Have the right people making the decisions
- Much clearer working on the implementation and business change aspects of the project prior to even starting to engage the market
- Consideration of integration and organisational change
- More open process to foster innovation from the supply market
- Additional Buyer frustrations shared (Buyer entered quotes, sic):
- *"There not being a standard pricing model*

for Cloud based services. Difference of consumption-based pricing v licence based."

- *"Business Areas find it tough to write specifications."*
- *"Never have sufficient time to allow for an effective procurement process."*
- *"Being dictated by providers (reseller process)."*
- *"Agreeing a common set of terms and Conditions."*
- *"Internal paperwork and addition of strategic procurement aims taking precedent over business needs e.g. social value which adds cost but has to be paid for out of the contract naturally at a time of massive financial challenges."*
- *"Security compliance, accessibility compliance"*
- *"Integration across two councils' systems"*
- *"Lack of innovation and change cost to get away from legacy Tech"*

Finally, we asked for any further views or comments on tech procurement from Buyers and received the following:

- *"Having worked in many public sector organisation procurement is done completely differently in each depending mainly on the approach and experience of the Head of Procurement. There seems to be no sharing of what good looks like.*
- *"It's hard to move away from legacy contracts and even if moving from on-prem to SaaS, as more and more on-prem versions of systems are becoming unsupported, we are having to do this within existing contract term by variation some of the time to keep costs down. Therefore, not necessarily securing the best contract for the Authority."*
- *"There are too many systems across the Authority doing different jobs, we'd like to do a full systems review and potentially amalgamate some of these contracts but there isn't the time/resource in place to undertake this."*
- *"It needs a fundamental overhaul as it's not fit for purpose - too little flexibility and too much regulation to be able to negotiate best outcomes - I hear the same from suppliers too. We are all in a process driven bad system."*
- *"Invoicing for suppliers not on the system is lengthy and makes procurement from CCS difficult."*
- *"(Procurement) It's done terribly as its very rarely part of a joined-up set of changes that include business process change and people model change."*

Supplier Perspective

- 52.6% of Suppliers stated they tend to win around a third of the tenders they participate in.
- This drops significantly to 10.5% of Suppliers who win a third of tenders without prior engagement, with 26.4% intentionally avoiding bidding at all where they don't have any prior engagement with the Buyer.

Suppliers believe that the main reason they win bids is due to Quality of Product / Service (41.2%), References and Case Studies (23.5%) or

Innovation and Adaptability or being Excellent at Bid Writing (11.8% each)

- In response to a separate question, Quality and Reputation (references, testimonials and case studies) represent a reason for ‘winning’ by 83.3% of Suppliers.
- 57.9% felt that the Buyers have achieved “Best Value” out of them via their chosen competitive procurement process in over half of the bids they have submitted.
- 94.8% of Suppliers have stated that at least in SOME of the procurements they’ve won through tenders in the last 2 years, the buyers had expectations or requirements beyond those explicitly expressed in the tender.
- 73.7% said that the above happened in more than half of the tenders they’ve won. Only 5.3% said it rarely or never happens.

Social Value

- 35% of suppliers stated that Social Value initiatives are a “waste of time”, but the same number 35% believe it‘s a “great initiative” - with the remainder unsure or somewhere in the middle.

However, when asked whether social value is applied effectively within local gov tech procurement, only 15% of Suppliers said “yes”. The rest said “no” or saw it as mostly a box ticking exercise.

When asked why, the responses were as follows:

- When the 85% that didn't answer "yes" were asked a follow up question on why social value was seen so negatively, the main answers were its unfairness on SMEs (29.4%); social value being a pointless box ticking exercise (23.5%); and the nature of how it was being evaluated (either too vague, or too prescriptive, or too complicated to deliver).

Some respondents also felt it was geographically limited and reducing focus on technical excellence.

Some of the comments from the Supplier respondents on Social Value (sic):

- *"I think it's a good initiative, but I have heard that Buyers don't hold Suppliers to account with the social value KPIs in contracts. This hasn't happened to us, our Buyers are engaged and we report social value to them quarterly, but I don't think it's like this across the board."*
- *"It favours larger suppliers so unfair to SME with fewer resources"*
- *"It can be used well, however in many procurements we are engaged with. It is clearly there to fulfil a criteria for the authority, rather than drive any meaningful impacts."*
- *"I've never seen the impact of this at the level we tender at, it seems a pretty inconsistent requirement."*

Emerging Technology Relevance

Perhaps unsurprisingly, the largest factors stated by Suppliers as being impactful and disruptive were AI (61.1%) and Cybersecurity (22.2%). This reflects broader industry trends and highlights the importance of ensuring procurement processes are agile enough to accommodate and support the adoption of innovative solutions.

Impactful Supplier Quotes and recommendations to Local Government Buyers

- *"Better quality and more frequent Market Engagement – true engagement not just information dissemination."*
- *"Say what you want in simple terms and how much you're prepared to spend to get it"*
- *"More engagement with suppliers at discovery phase – we can help you shape a clear strategic vision of what's possible"*

Conclusion

In conclusion, this report underscores the persistent misalignments between buyers and suppliers in the public sector procurement process. These misalignments span various aspects such as transparency, engagement, and strategic integration, highlighting the urgent need for structural reform and cultural change.

Key areas of concern include:

- **Visibility:** Suppliers face significant gaps in visibility of relevant opportunities, often missing out on bids due to direct awards.
- **Strategy:** There is a disconnect between suppliers' understanding of buyers' strategic priorities and the inconsistent reward system for suppliers who demonstrate alignment.
- **Influence:** Referrals and networking are perceived as the most effective ways to influence buyers and a considerable proportion of suppliers admit to helping buyers write tenders.
- **Bidding:** Suppliers frequently opt out of bidding due to perceived preferences for incumbents, low budgets, or unrealistic expectations.
- **Reputation:** While suppliers believe that reputation and references give them an edge, buyers rarely consider these factors in their evaluations.
- **Process:** There are differing perspectives on the effectiveness and fairness of the competitive procurement process, with suppliers reporting unrealistic expectations and underexperienced buying teams, while buyers cite time constraints and process issues.
- **Price:** Price remains a significant factor, often representing over 50% of awarded marks, leading suppliers to sometimes "low ball" initial bids.
- **Outcomes:** Many buyers feel that procurements do not achieve the best outcomes or value for money, with some preferring direct awards.
- **Social Value:** Opinions on social value are mixed, with some viewing it as a waste of time or a box-ticking exercise with no follow through, while others see it as a valuable initiative.

Despite all of this, both Suppliers and Buyers express a desire to ensure Buyers get their intended outcomes and best value through tech procurement.

Local government can engage the market early through techUK, as a convening platform which enables structured dialogue with industry and supports more collaborative and informed procurement processes. Early market engagement helps local public services better understand emerging technologies, shape requirements, and foster innovation.

For further detail on how local public services can grasp the innovation opportunity and maximise the benefits they derive from digital technologies and their suppliers, see techUK's report "Local Public Services Innovation: Creating a catalyst for change" on the market engagement opportunities available.

Call to action

The findings highlight the need for reforms to improve transparency, engagement, and strategic alignment in public sector procurement. The updates from the Procurement Act 2023 (implemented in 2025) are insufficient to address the issues raised by these surveys.

- **Increase Transparency:** Ensure suppliers have better visibility into procurement opportunities and reduce reliance on direct awards.
- **Enhance Strategic Alignment:** Bridge the gap between buyers' strategic priorities and suppliers' understanding to promote consistent reward systems for aligned efforts.
- **Promote Fair and Open Processes:** Address buyer tendencies to utilise frameworks that limit market access and delay benefits from reforms.
- **Value Reputation and References:** Encourage buyers to integrate reputation and references into their evaluation criteria, as outlined in the updated Procurement Act.
- **Address Pricing Challenges:** Revisit the emphasis on price in procurement evaluations to prevent "low ball" bids that undermine value for money.
- **Invest in Training:** Equip buying teams with the experience and knowledge needed to set realistic expectations and conduct effective procurement processes.
- **Clarify Social Value Objectives:** Define and follow through on social value initiatives to move beyond box-ticking exercises.
- **Leverage the Procurement Act 2023:** Provide additional guidance and clarification to ensure the Act creates meaningful improvements in procurement outcomes.

This report is created under the techUK Local Public Services Committee (2023-2025). Elected in 2023, techUK's Local Public Services Committee (LPSC) has brought together 23 members from across the tech industry including SMEs and large companies, to champion collaboration between local government and technology providers. The committee has aimed to become a trusted voice that councils can engage with to share challenges and explore solutions together. Under the theme of digital ambition, the LPSC has worked to help local authorities harness technology to address critical service and operational challenges. Through four key workstreams innovation, procurement, skills, and influence the committee has supported councils in navigating transformation, showcasing best practice, and strengthening partnerships.

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