United Kingdom*

Strategic framework, action plan and scope for procurement for innovation policy

The United Kingdom’s main vehicle for taking forward procurement for innovation is the Small Business Research Initiative (SBRI).

SBRI is a competition-based innovation programme managed by Innovate UK, the United Kingdom’s innovation agency that provides opportunities for companies to engage with the public sector to develop and provide new products and services for policy and operational challenges. SBRI provides 100% R&D funding to support companies to develop solutions. The intellectual property rights remain with the company, which is then able to market the product commercially more widely.

The United Kingdom’s SBRI was established in its current structure in 2009. It is closely modelled on the US Small Business Innovation Research programme, which was introduced in 1982, and is generally considered to be the leading model for public procurement for innovation from SMEs.

The procurement for innovation action plan is part of the country’s general innovation or procurement strategy. Procurement for innovation and the SBRI programme was included in the United Kingdom’s Science and Innovation Strategy of the previous 2010 to 2015 Conservative and Liberal Democrat coalition government in December. There is no current published innovation strategy from the new government administration (from May 2015).

SBRI is run under EU rules for Pre-Commercial Procurement. These were codified in 2006 in order to enable member states to adopt programmes like the US SBIR.

The SBRI programme is considered to be a policy mechanism that supports technological development along a sequence of steps which ends with the commercial (i.e. on the market) availability of a product or service. The SBRI programme can be mapped to part of a Procurement of Innovation Framework, used extensively by the European Union. Organisations of all sizes and from anywhere in the European Union are eligible to apply for UK SBRI contracts.

Implementation

The SBRI programme is supported by Innovate UK, the United Kingdom’s innovation agency, and can be used by government departments and public bodies.

Challenges, risks and solutions to overcome obstacles

For implementing SBRI, the most significant challenges have been:

- Ensuring awareness about the programme and its potential benefits across departments and public bodies.

* OECD Survey Part I submitted by Stuart Barthropp, Assistant Director - Innovation Procurement, Department for Business Innovation and Skills.
• Perceptions of SBRI as complex or risky compared to traditional procurement methods.

• Departments and public bodies needing to find funding for SBRI competitions. There is no central funding, and departments need to fund their own SBRI competitions.

The United Kingdom is still working to tackle these challenges. For example, Innovate UK has established an SBRI Practitioners Community of Practice which provides a forum to share best practice across government departments. SBRI has been growing steadily since it was relaunched in its current format in April 2009, with the value of contracts awarded through the programme rising from GBP 13 million in 2010/11 to GBP 83 million in 2014/15. Overall, SBRI has provided businesses with over GBP 270 million of contracts since 2009. There are now over 70 departments and agencies that have used the programme.

**Key lessons learned**

The United Kingdom highlighted the following most important lesson learned:

• Senior level leadership is needed in departments to drive the use of SBRI.

• Funding for SBRI in departments can be difficult, for example with those wishing to use SBRI having no access to relevant budgets.

• There need to be a constant flow of case studies and evidence to show the benefits of SBRI in order to persuade more departments to adopt it.

**Measurement and impact assessment**

Innovate UK have commissioned an independent evaluation of the SBRI programme. The terms of reference for the evaluation are to:

• draw up a baseline for SBRI and to understand the effect of the new targets

• review the SBRI process

• review the impact of the programme.

There is no quantified target for procurement for innovation, but the United Kingdom attempts to measure and follow up activities to reach (qualitative) targets.

Innovate UK’s commissioned evaluation report for SBRI will be published shortly.