

Public sector construction that's fit for the future.

Overcoming the consultancy “problem” to deliver strategic focus and drive results.



Building, asset management, estates management – the construction category is one of the most complex, highest spend and challenging in [public sector procurement](#).

Big budget projects and high-value assets mean the stakes are high, and a social focus makes ensuring value for money a must.

Under such circumstances, local authorities may want to call on experts who can help them navigate the challenges they face and deliver on all fronts – but must put careful consideration into how they do that.

Public sector development: the challenges

Construction in the public sector requires navigating many challenges. These include:

- **Diverse requirements** - Most local authorities will serve a wide range of customers, with varying requirements. Within a single local authority patch may be very wealthy areas as well as pockets of relative deprivation, which adds to the complexity of managing an asset portfolio.
- **Asset depreciation** - Local authorities tend to be asset-rich, but cash poor. With large asset portfolios and funding that's decreasing year on year comes a lack of investment, leaving many local authorities years behind where they should be on programmes of repairs and maintenance.
- **Compliance** - Local authority construction programmes, as with any type of public sector procurement, require compliance with a whole range of regulatory requirements and standards which can be difficult to understand and complicated to navigate.
- **A commitment to social value** - Creating and sustaining social value is a key element of public sector construction, with local authorities duty-bound to procure goods and services in an ethical and sustainable manner, supporting local SMEs where possible.
- **Ensuring value for money** - With spending public money comes an element of scrutiny and a requirement for complete transparency, making ensuring value for money more important than ever.
- **Delivering high quality service** - Despite all these challenges, local authorities must deliver building programmes, asset management and estate management that provides their residents with high quality homes and services.

What can local authorities do?

In order to navigate the challenges they face, local authorities embarking on major construction programmes of work need to ensure they have established a strong foundation from which to go out to market.

With ever-increasing demand and squeezed budgets, it can be difficult for public sector procurement professionals to step back and look at the bigger picture, but an investment of time and energy in developing a clear strategy and putting in place robust processes will pay off in future service improvements and cost reductions.

When it comes to procuring construction, asset management and estate management services, though, local authorities can often lack the in-depth knowledge required to develop a big-picture strategy. One solution to this is to bring in [external expertise](#) to take care of that for you. Experienced and skilled [strategic procurement](#) consultants will be able to create a roadmap that sets out what you need to achieve and how you are going to get there. They will also evaluate all your different commercial strategy options for your asset portfolio and help define the optimum operating model to deliver your long-term objectives, whether that be repairing or maintaining an asset, selling it off, or transforming it into something else.

Rather than focusing on what OJEU or procurement is next, it's about understanding what demand and pipeline needs to look like over the next five years, taking into account current spend and budget allocation, and determining the optimal route to market for all the different categories of work that need to be completed.

When it comes to sourcing suppliers, it can be useful to draw on outside knowledge to evaluate all your options. Current suppliers may have set ways of doing things, while new entrants into the marketplace can be disruptors in a positive way, delivering improved results and better value for money. A good strategic [procurement consultancy](#) will know the supply market inside out, and be able to advise on whether to work off an existing framework, establish a new framework, or pursue typical OJEU tender routes for more niche procurements. Local authorities who have already tried establishing their own frameworks and not achieved the desired results may be reluctant to pursue that option, but the advantage of drawing on outside expertise from subject matter experts means that the likelihood of success is so much greater.

Where consultants can really earn their fee, too, is in market engagement and [supplier relationship management](#). With so much pressure, it can be easy for local authorities to fall into the trap of putting a tender out and waiting to see who bids, when they should be proactively going out to the marketplace and trying to drive interest around that tender to secure the best bids in the way that the private sector does. And, with so much focus on getting the right supplier through the door, how to manage that supplier to extract the best value from the contract can sometimes fall by the wayside. With their eye on the big picture, strategic procurement consultants with expertise in large-scale public sector construction projects can advise on the governance and tools needed to actively manage a supplier – and in many cases can take care of that for you.

Overcoming the consultancy “problem”

We've all seen the headlines about Government agencies “wasting” public money on consultants' fees. The “C-word” can often feel like a bit of a swear word in the public sector, as it's often portrayed in the media as delivering very little value for much expense.

We know the word “consultancy” can be a hard-sell in construction and asset management in particular, when you're effectively spending other people's money. Justifying consultancy spend to leaseholders who are picking up their share of the bill can be tough when it has to be clearly picked out as a line item on breakdown of spend.

But, contrary to the perception of those who see it as a waste of money, buying expensive external resource to do work you could perform in-house, consultancy offers public sector organisations the chance to deliver resource in a much more efficient way.

When it comes to delivering large-scale public sector construction projects, the cost of hiring consultants to help is a drop in the ocean compared to the millions of pounds of investment in the project as a whole, and the benefits reaped ten-fold.

[Strategic procurement](#) consultancy focuses on the big picture – on long-term strategy to help deliver future results, and on what needs to happen in the short and medium term to achieve those results, freeing up internal teams to focus on delivery. External consultants can bring fresh perspectives, clarity and commerciality to public sector projects – skills your in-house team may not have.

If consultancy could bring up all your assets and enable you to provide a better service to your residents, while ensuring complete transparency and compliance to all necessary guidelines and regulations, all while making life easier for you, why wouldn't that be a good thing?

Where does eXceeding come in?

[We are procurement specialists](#) with many years of combined experience across the public and private sectors, and in-depth category knowledge of the construction challenges facing local authorities.

Our breadth of expertise means we can deliver all the procurement support local authorities need. We can help them to establish a robust procurement strategy, as well as determine the capability and resource needed to deliver on that strategy. We guide local authorities to ensure their processes are compliant and have discipline and rigour.

We can also take on the responsibility of [running tenders](#) for major construction programmes of work, finding and then managing better supply partners to enable greater outcomes. We conduct early-market engagement, speaking with suppliers to generate interest so we can go to market in a robust manner that represents the local authority in the best possible manner.

With so much compliance and regulatory requirement, it can be easy to lose some of the commerciality when it comes to procuring in the public sector, but we are here to demonstrate to local authorities that you can have both.

As we begin (hopefully) to emerge from the other side of the COVID-19 pandemic, local authorities have a real opportunity to start afresh – to do things differently. Now, more than ever, is the time to know where you're going and how you're going to get there.

To find out more about how eXceeding can help you deliver public sector construction that's fit for the future, you can [contact us](#) or [book a free appointment](#).