

Policy through Procurement

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Delivering Value,
Delivering Together

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Policy through Procurement

£175bn on goods and services in 2007-08.

All public procurement is to further policy objectives related to public service delivery

But there is increasing pressure to use procurement for indirect furtherance of 'sustainability' policies:

- Environmental sustainability
- Social e.g. equalities, adult skills
- Business/economic e.g. SMEs, innovation
- Ethical trading (third world)

Much can be done but there are legal and policy rules and practical considerations to address

From procurers' and suppliers' perspectives, there is a bewildering array of agendas vying for attention

Tensions and overlaps

If all the PtP agendas are included in every procurement, bureaucracy increases and vfm is compromised

- Increased costs to suppliers, felt particularly by SMEs
- Serious risk of turning it into tick-box exercise
- Procurement is difficult enough without adding unnecessary complexity to procurers' task

Example tensions

- Business and social agendas can be in conflict eg SMEs are seeking simplicity and standardisation
- There is a risk of some agendas eg SME, innovation, food procurement being handled in protectionist ways
- Environmental and social agendas can increase costs, threatening affordability and vfm

Example of positive overlap

- Measures to increase SME participation in procurement can also support social agenda by helping 3rd sector, women-owned and black-and-minority-ethnic-owned businesses

Government action

Recent guidance published for procurers on furthering equality and other social issues through procurement.

Power in the Equality Bill to introduce specific duties on contracting authorities related to procurement.

Work to implement the Glover Review to facilitate access to public sector procurement opportunities for SMEs.

Supplier Diversity – ‘Sharing Good Practice & the benefits’

Muj Choudhury

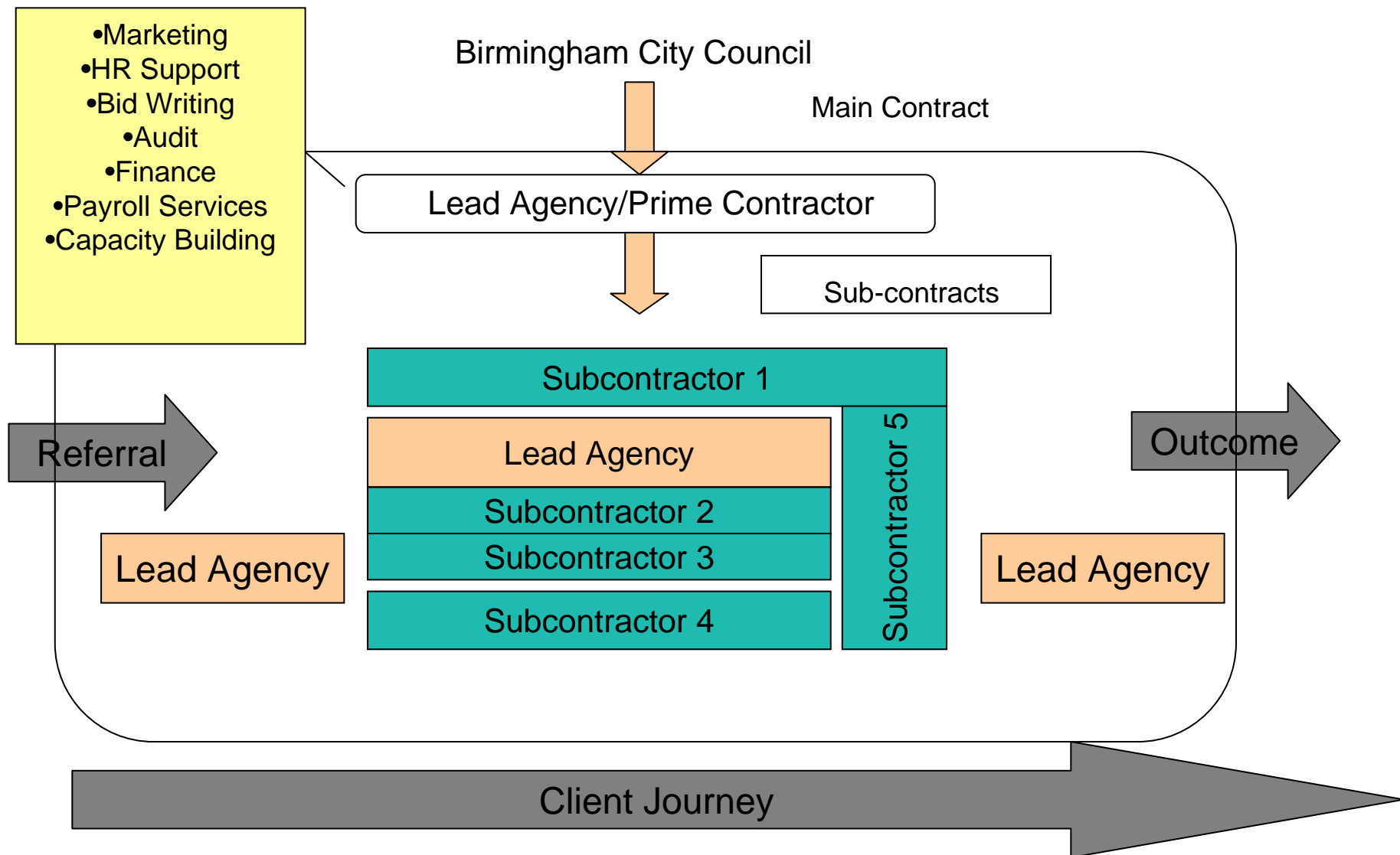
Pertemps People Development Group

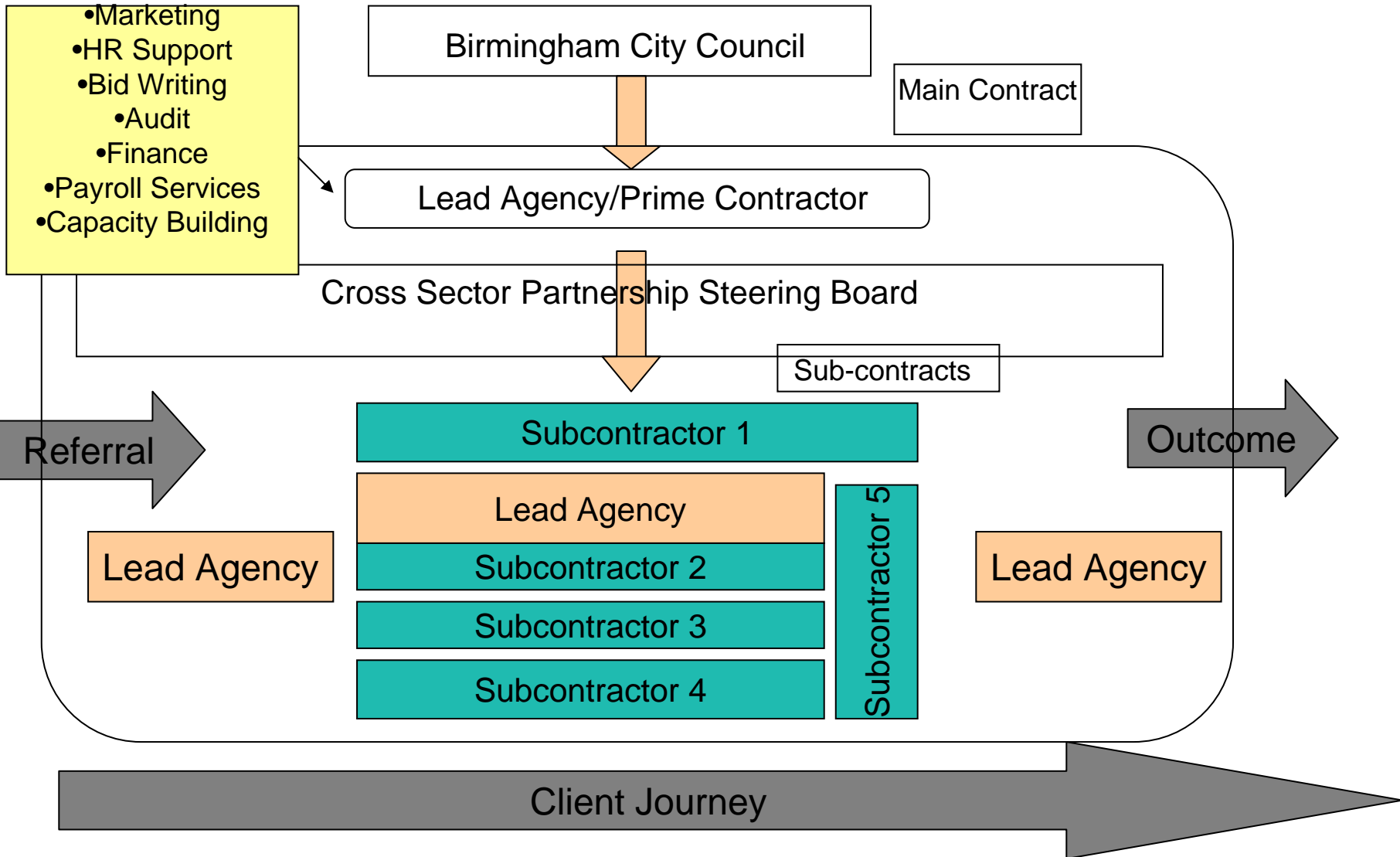
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Why have diverse supply chain?

- sharing of best practice
- Appropriate prioritization of limited resources
- Supports 'joined up' provision of integrated services
- cost benefits
- improvements to the quality of service & the ability to reach a more diverse group of beneficiaries, ensuring improved access to the services organisations provide.
- Individual Organisations can play to their strengths
- smaller organisations can play a role in larger delivery
- Collective track record strengthens proposals
- Shared resources & Capacity building opportunities
- Shared responsibility, shared risk and shared reputation

Model 1 – Lead Agency/Prime Contractor





Why would Contracting Bodies bids with a diverse supply chain?

- Seamless Delivery
- Managed Risk
- Cost effective
- Everyone (including service users) have a say in how the delivery is run
- Steering Board ensures cohesion across organisations & Sectors
- Performance & added value
- Allows smaller organisations to play a role in larger delivery
- Commissioners can have greater involvement in day to day decisions

Cross Sector Partnerships

‘The importance of Third Sector Partnerships’

- **“The third sector has made a unique contribution to the Government’s Welfare to Work programmes with its local knowledge...its ability to build trust and its proven ability to help the hardest to reach”.**
- **‘Third sector is the lifeblood of many communities and the source of support for many people. That is even truer in a recession, when people are looking for support and security.’ – ‘*James Purnell*’**

•Third sector/SME Benefits

- outsourcing functions such as finance, information systems support and payroll services;
- sharing resources such as training or transport;
- co-locating and sharing accommodation and premises;
- working arrangements which increase access and participation and enable charities to develop diversity in their services;
- formal partnerships between organisations in which resources are pooled to secure staff or services that none could afford on their own; and
- joint projects or programmes for aspects of service delivery or campaigning

Private Sector Benefits

the ability to reach a more diverse group of beneficiaries, ensuring improved access to the services organisation provides.

Supports 'joined up' provision of integrated services

cost benefits

ability to support some of the most vulnerable people in our communities on their journey back to work – through their local roots, expertise and commitment