THE FUTURE OF PUBLIC SECTOR PROCUREMENT – WHAT DOES ‘RADICAL’ LOOK LIKE?

COUNCILLOR NEIL PRIOR PEMBROKESHIRE COUNCIL, PRODUCTIVITY LEAD, LGA IMPROVEMENT & INNOVATION BOARD

LORRAINE COX STAR PROCUREMENT

DARREN KNOWD DURHAM COUNTY COUNCIL

FILIP LEONARD SHEFFIELD CITY COUNCIL

DEBORAH HARRISON NORTHUMBRIA UNIVERSITY

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Lorraine Cox
STAR Director

A Challenging Vision....
* Leads 65%+ of GM/AGMA Collaborative Procurement

* Regional Commissions (GMCA/HSCP)

* National Commissions (Procurement and Shared Services)

* International Links: Canada; Melbourne and Auckland
A Challenging Vision

“IS THE PUBLIC £ BEING SPENT WITH LITTLE SOCIAL CONSCIENCE”?

Regional?

Local?

The ‘STAR Way’?

National?

Global?
“SOCIAL VALUE IS EVERYONE’S BUSINESS”

- **Law and Policy ‘MUST’**
- **TARGETS (Priorities)**
- **ENgage (Anchors, 3rd Sector, Private Sector)**
- **REPORTING (Accountability)**
- **CONTRACTUAL**
National Social Value Conference

“Future of Public Sector Procurement”

Darren Knowd
Chief Procurement Officer
Durham County Council
Procurement Trends

- People
- Digital Transformation
- Processes
- Tools

Leading Change
Adding Value

Trends?

Supplier Relationship Management

No Entry Symbol
New Flexible procedures within the Treaty Principles – Light Touch

Every Market and Project is different – One size does not fit all

Standard Social Value weightings is easy but is lazy!

Less than 10% - Probably viewed as “SV not important”

More than 20% - Possible viewed as “You might be willing to pay for it”

Social Value must be relevant and proportionate to the project

Social Value – Must match opportunities with community needs (Digital?)

Community involvement at each phase of projects? (Design to Delivery)

Social Value in Local Government Transparency Code?

Social Value in Planning, Developments, collaborative partner projects?

Radical?? – but definitely better
"State of Sheffield"
Jobs and skills
Low pay
CO2 & NO2

"Spend Local!"
£ in local economy
Local Liquidity

Sheffield man to stand trial for modern slavery offences

Your Beautiful Indian Rug Was Probably Made By Child Labor

"City needs to show steel to ensure inclusive growth"
Transition

Current

New Capitalism

Profit Maximisation

Social Purpose

Economic Rationality

Personal Economic Gain

Entrepreneurs
2025

Social/Environmental

Market

Data & Disruption
Supporting Better Work through Procurement

Dr Deborah Harrison
Northumbria University Business School
National Social Value Conference, 29th January 2020
National Context

• Increasing levels of **in-work poverty**
• ‘**Gig economy**’: Zero hours, under-employment & rising numbers of self-employed

• It is not just the **availability** of work that is important but also its **quality**

• **Key issues**: Pay, contract types, terms and conditions, training and progression, worker representation
The Study

• **Aim** - Explore current **practice, attitudes, opportunities** and **challenges** related to ‘good work procurement’ in the North East

  • **Stage 1** scoping project (evidence review, stakeholder interviews & focus groups)

  • **Stage 2** practical development work

• **Stakeholders involved**: NEPO, Local authorities, North of Tyne Combined Authority, TUC, FSB, NECC, NHC, higher education, supplier representatives, NECPC
Social Value Implementation

- Focus: Jobs creation, local supply chains and community development
- Good intentions & ‘pockets of enlightenment’
- BUT has it been reduced to a ‘game’ that larger organisations are better at playing?
- ‘Too blunt a tool’ to influence work quality?
Procuring for Better Work

• Political leadership vs austerity

• Practical and legal considerations (e.g. measurement, contract management)

• Fragile markets (Tight margins, market uncertainty, high levels of sub-contracting)

• ‘Levelling the playing field’ for SMEs

• Moral and ethical tensions (e.g. judging what is ‘good’ and ‘bad’ work)
Challenges

• Can we expand our vision of social value to include **decent work** for employees?

• How can we create **fair expectations** of suppliers? (e.g. those operating in vulnerable markets)

• How can we address **underlying tensions** and **unintended outcomes**?
Contact details

Dr Deborah Harrison
0191 227 3945
deborah.harrison@northumbria.ac.uk

Gail Irvine
gail@carnegieuk.org

#GoodWork #Procurement
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PANEL DISCUSSION:
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