



# Using public procurement to achieve community benefits

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# Background to the study

- Context:
  - Increasing realisation of the potential benefits from public procurement
  - Need for efficiency and support to local economy in a recession
  - LM3 work
  
- Aim:
  - To demonstrate that EU procurement law *does not* prevent community benefits
  - To identify sustainable procurement practices and how they can be applied



# Background to the study

- Methodology:
  - Email survey of local authority practitioners
  - Five in-depth case studies
  - Comprehensive review of Government guidance and other literature
- Outcomes
  - Joint APSE / CLEES report
  - Due to be published September



# The barriers to achieving community benefits...

- Our survey found the greatest barriers were:
  - EU procurement law
  - The inability of local suppliers to bid for and deliver contracts
  - The large scale and size of public contracts
  - Local authority perception and culture
  - A lack of knowledge of the potential to achieve benefits
  - Difficulties in measuring procurement-related benefits
  
- Other barriers included:
  - Local suppliers not knowing the available opportunities
  - Perceptions of benefits driving up costs
  - UK Value for Money policy



# ... and overcoming the barriers

- Range of activities going on at each stage of the tendering process
- Some were relatively common
  - E.g advertising through a local or regional portal, or adapting the award criteria to recognise community benefits
- Others were rare
  - E.g unbundling contracts, training procurement staff, using clauses, working with suppliers post-award
- No sustainable procurement practices were found to be mainstream



# Guidance for local authorities

## 1. The pre-tendering stage

- Develop an enabling organisational culture
- Consider community benefits from the outset
- Engage with and research the local supplier market



# Guidance for local authorities

## 2. The procurement process

- Think smartly about advertising tender opportunities
- Ensure invitations to tender are simple and fair
- Be innovative in procuring
- Be proactive in managing contracts and contractors



# Guidance for local authorities

## 3. Community benefit clauses

- Consider use of social and economic clauses
  - Employment and training
  - Provision of amenities
  - Adherence to equality and diversity obligations
- Consider environmental clauses



# Guidance for local authorities

## 4. Increasing uptake by local suppliers

- Building SME and third sector capacity
- Engage with and develop relationships with suppliers
- Ensure contracts are attractive and cost-effective for suppliers
- Consider unbundling large contracts
- Ease suppliers' cash flows



# Critical success factors

- 1. Robust engagement and strong relationships with suppliers**
- 2. Strong leadership and political support from the outset**
- 3. Overcoming risk aversion and cultural barriers**

Other common success factors too...



# Recommendations for local authorities

- Learning from the findings of this research
  - What are the main barriers to achieving community benefits in your area?
  - Which of the measures highlighted could be applied?
  - How is your authority encouraging innovation?
  - Is there top-down, cross-council support?
  
- Innovate!
  
- Take an holistic approach
  - Making the decision
  - The process itself
  - Community benefit clauses
  - Increase uptake by local suppliers