



Your hopes for today

On post-it notes, please write down...

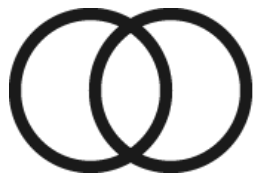
1. What progressive procurement means to you
2. What you would like to get out of today



Unleashing the Power of Procurement

Victoria Bettany
Senior Researcher

Stuart MacDonald
Associate Director



CLES

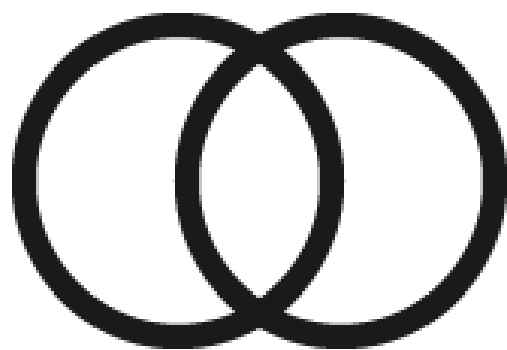
progressive economics
for people and place



@stumactweet
@VicBettany
@CLEStinkdo



About us



CLES

progressive economics
for people and place

We are a Think AND Do tank.

Through our work we aim to achieve social justice, good local economies and effective public services for everyone everywhere.



Focus for today

A brief introduction

- Why progressive procurement is a key tool within local economic development

Theory

- How you analyse the impact of procurement spend on local economies and communities

Practice

- Where it's worked and what its impact been?

Action

- How you can pursue this approach?



Plan for today

- Introduction
- The Journey of progressive procurement
 - a) Anchors
 - b) Policy
 - c) Analysis
 - d) Understanding wider impact
 - e) Making procurement accessible
- Action Plan
- Tying it all together
- Resources



What you will get out of today

- An 'action plan' to implement progressive procurement in your organisation
- Free resources to help you start / develop progressive procurement within your organisation



What you will get out of today

MY ACTION PLAN

| Task | Next Steps | Resource / support requirement | Timeline |
|----------------------------|---|--|--------------------|
| Review social value policy | → book in workshop → circulate for comment | Officer time | end of Feb |
| Talk to other anchors | → meet Chief Exec → draft proposal | * initially - low * might need ££ to chair meetings | 1st meeting in Apr |
| do spend analysis | → put tender out → get our data together | * unsure * get funds for external verification | mch ↓ Apr |

Introduction



Our current economic model is failing





Quiz

According to the Child Poverty Action Group in 2017/18 how many children were living in poverty in UK?

- 4.1 million / 30%
- 2.1 million / 15%
- 1.0 million / 7.5%



Quiz

According to the ONS in 2008 average weekly wages were £520. What were they in 2018?

- £620
- £520
- £490



Quiz

According to the Equality Trust between 2013-2018, by how much did the wealth of the top 1,000 richest Britons increase?

- £472 billion
- £274 billion
- £57.2 billion



Quiz

According to the ONS how many years of good health can a woman in Richmond, London expect to live, versus a woman in Tower Hamlets, London

- 8 years
- 12 years
- 18 years



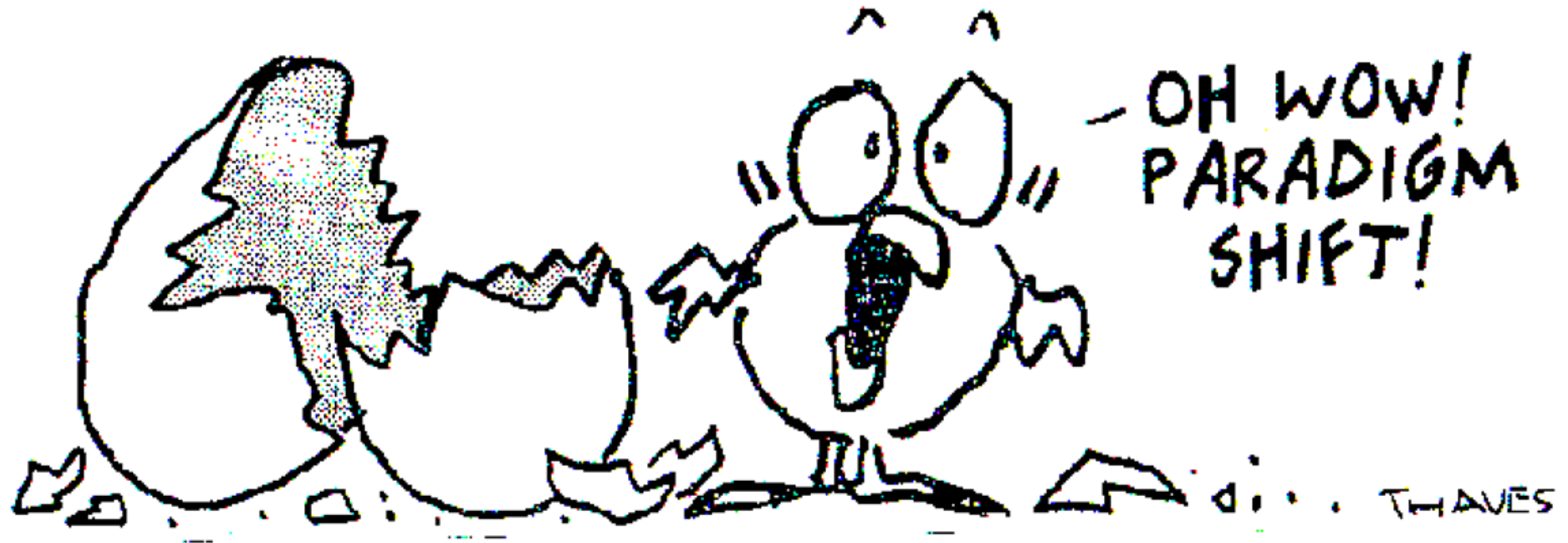
Quiz

According to the TUC, how many workers are in insecure jobs?

- 1.2 million
- 3.8 million
- 4.6 million



A new economic model is emerging





This is NOT the inclusive growth agenda





It's an inclusive economy agenda





Community Wealth Building

Fair employment and just labour markets

Anchor institutions have a defining impact on the prospects of local people. Recruitment from lower incomes areas, paying the living wage and building progression routes all improve local economies.

Progressive procurement of goods and services

Developing dense local supply chains of businesses likely to support local employment and retain wealth locally: SMEs; employee-owned businesses; social enterprises, cooperatives and community business.

Plural ownership of the economy

Developing and growing small enterprises, community organisations, cooperatives and municipal ownership is important because they are more financially generative for the local economy – locking wealth in place.

Socially just use of land and property

Deepening the function and ownership of local assets held by anchor institutions, so that financial and social gain is harnessed by citizens. Develop and extend community use – public sector land and facilities as part of “the commons”.

Making financial power work for local places

Increase flows of investment within local economies by harnessing and recirculating the wealth that exists, as opposed to attracting capital. This includes redirecting local authority pension funds, supporting mutually owned banks.



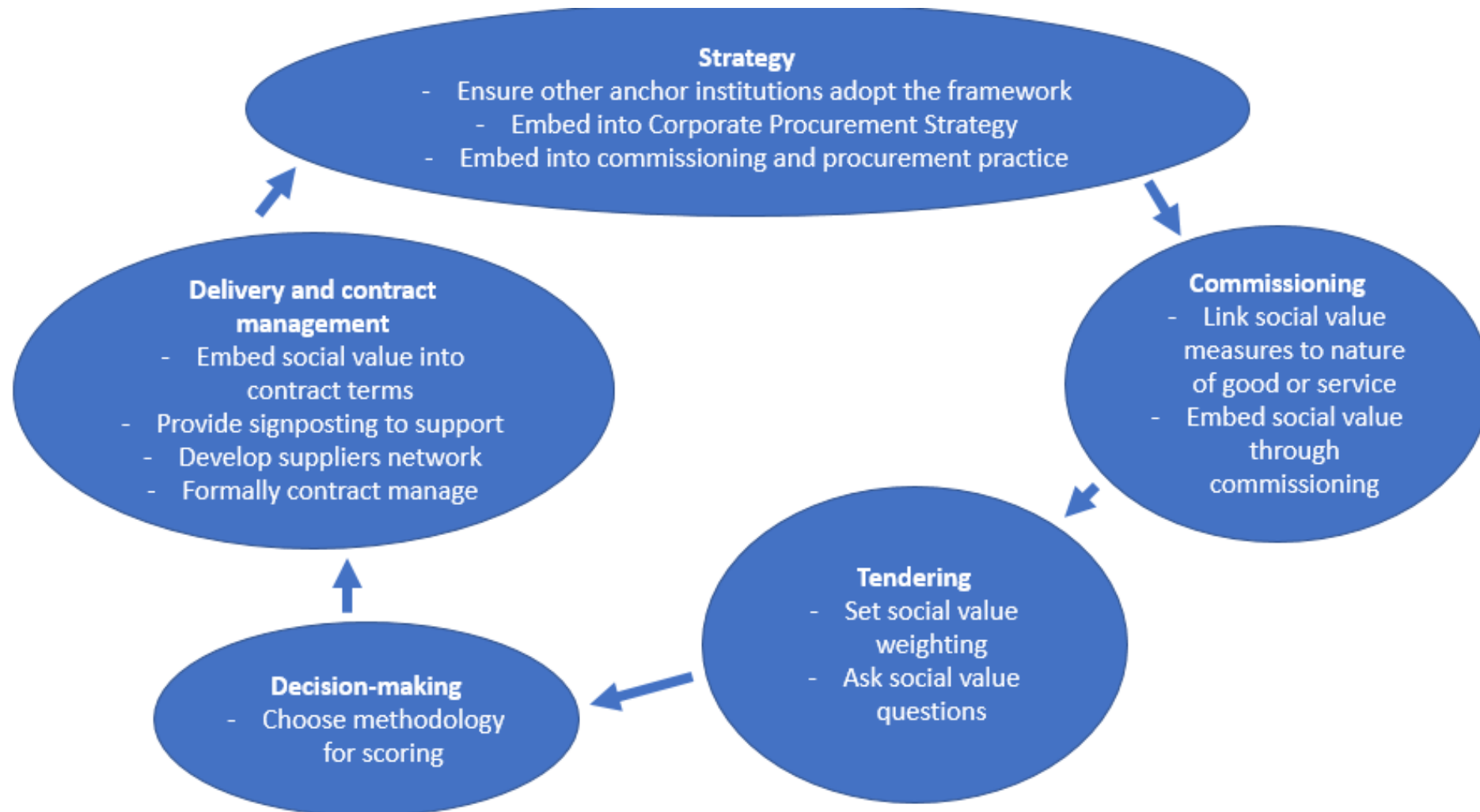


Why is procurement important?

- Democratic accountability to understand how much is spent, where it is spent and who it is spent with
- The scale of it!
- It is a lever to address wider societal and economic challenges

Why is procurement important?

opportunities throughout the procurement cycle





The power of anchor institutions



Housing
providers



The police



Private
Businesses




Education
providers



Local
government



Hospitals

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The Journey of Progressive Procurement



The Journey of Progressive Procurement

1. Policy
2. Anchor collaboration
3. Analysis
4. Understanding wider impact
5. Making Procurement Accessible



The Journey of Progressive Procurement

- Throughout the session, we'd like you to ask yourself:
 - Do we do this already?
 - Do we want to do this? Is it appropriate?
 - If so, how would we do this? Who would we need to involve?
- Make notes of your thoughts and ideas to help you pull together an 'action plan' towards the end of the session to implement these strategies in your organisation

1. Policy



What does this involve?

Procurement / Commissioning policy

- Embedding 'social value' within policy
- Stating the purpose of procurement as not just cost/efficiency savings, but wider social and environmental value

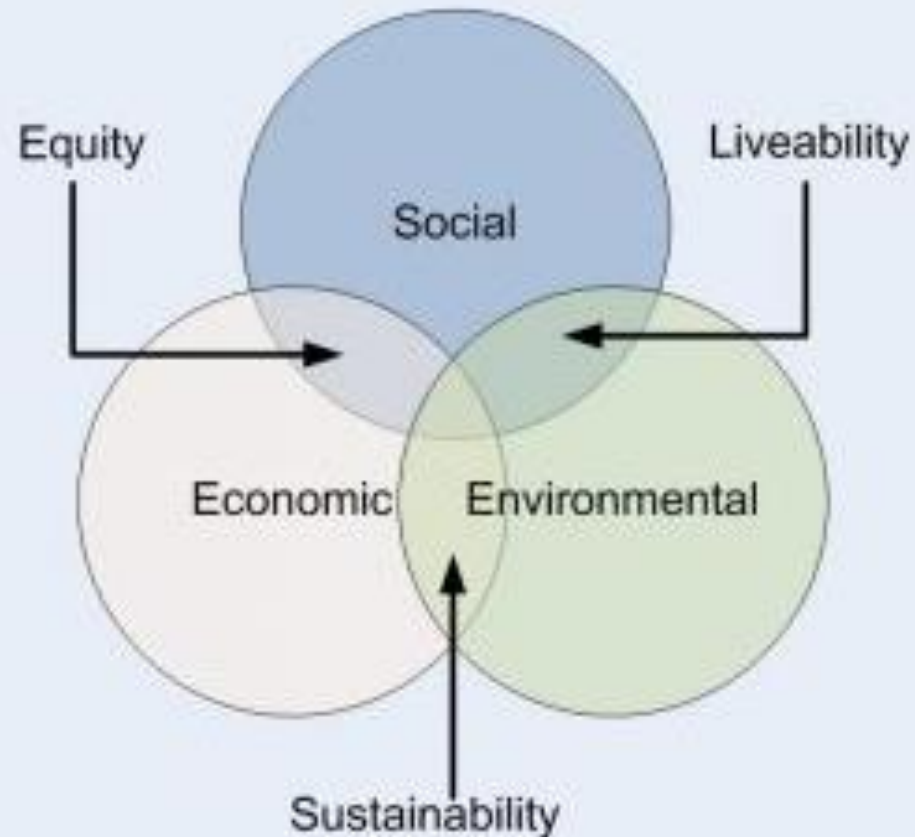
Development of Social Value Framework

- Outcomes
- Indicators
- How to measure



Case Study

GMCA Social Value Framework





Case Study

Barcelona's key social value outcomes



**CONTRACTACIÓ
PÚBLICA MUNICIPAL**



Discussion

- How does your current procurement policy acknowledge the positive social and environmental impacts to be gained through procurement?
- What are the barriers to having a progressive procurement policy?
- What would enable you to develop a more progressive procurement policy?

2. Anchor collaboration



What does this involve?

- Anchor convening
- Develop a joint statement of intent
- Discuss how to work more collaboratively (i.e. joint procurement or shared resources)
- Undertake collective analysis of spend and share findings at regular 'anchor meeting'



The power of anchor institutions



Housing
providers



The police



Private
Businesses



Education
providers



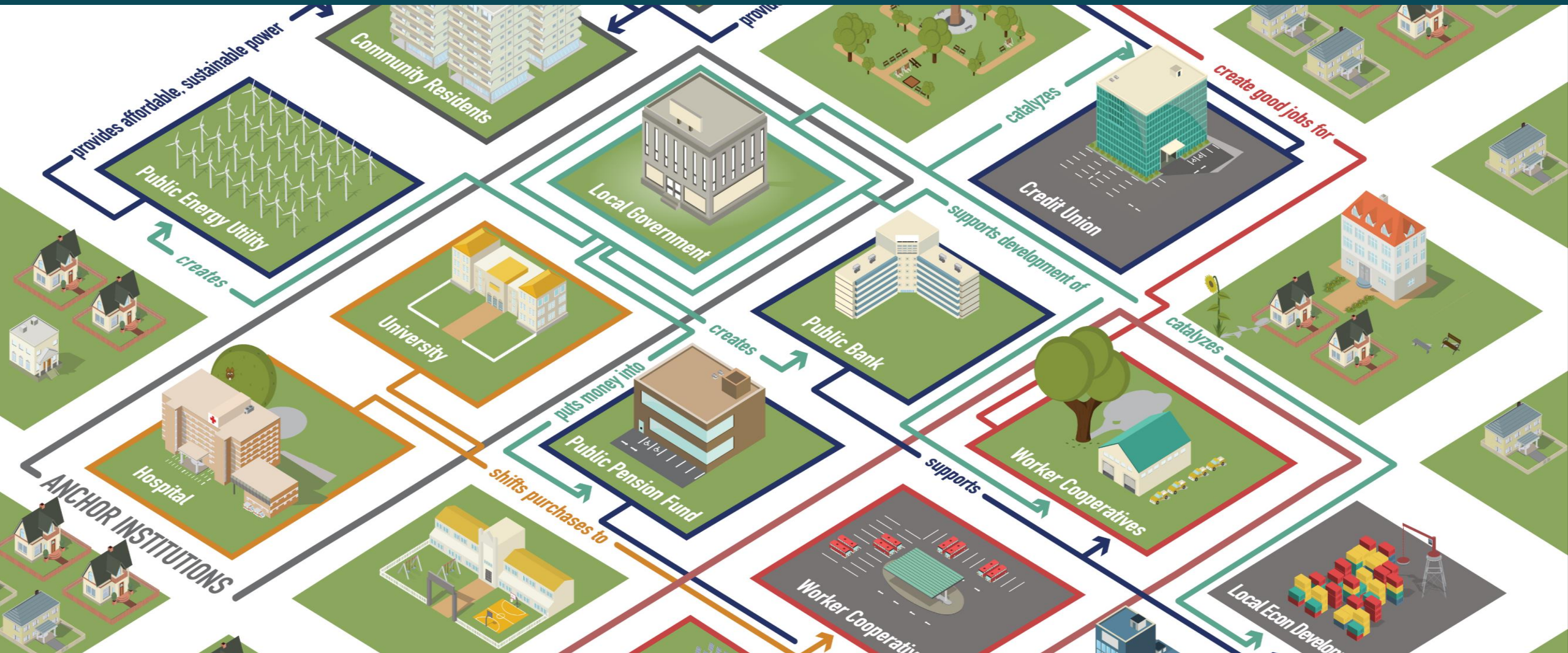
Local
government



Hospitals



Anchor collaboration in Preston





Preston Procurement Partnership

- Making Spend Matter- URBACT pan European Project
- *“Changing procurement, changing cities!”*
- Collaboration between 8 local anchor institutions
 - Preston City Council, University of Central Lancashire, Lancashire County Council, Preston’s College, Cardinal Newman College, Lancashire Constabulary, Community Gateway Association
 - Meet every six weeks
 - Lancaster City Council and Chorley & South Ribble have subsequently joined
 - Chamber and FSB also attending
 - Sharing experience and best practice
 - Common approaches to communicating procurement policy



Working together for bigger impact

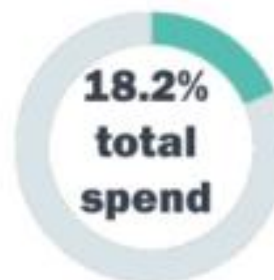
Preston statistics at a glance

2012/2013



an increase in spend
with Preston based
organisations
of **£74,750,857.47**

2016/2017



Lancashire statistics at a glance

2012/2013



an increase in spend with
Lancashire based
organisations
of **£199,688,679.96**

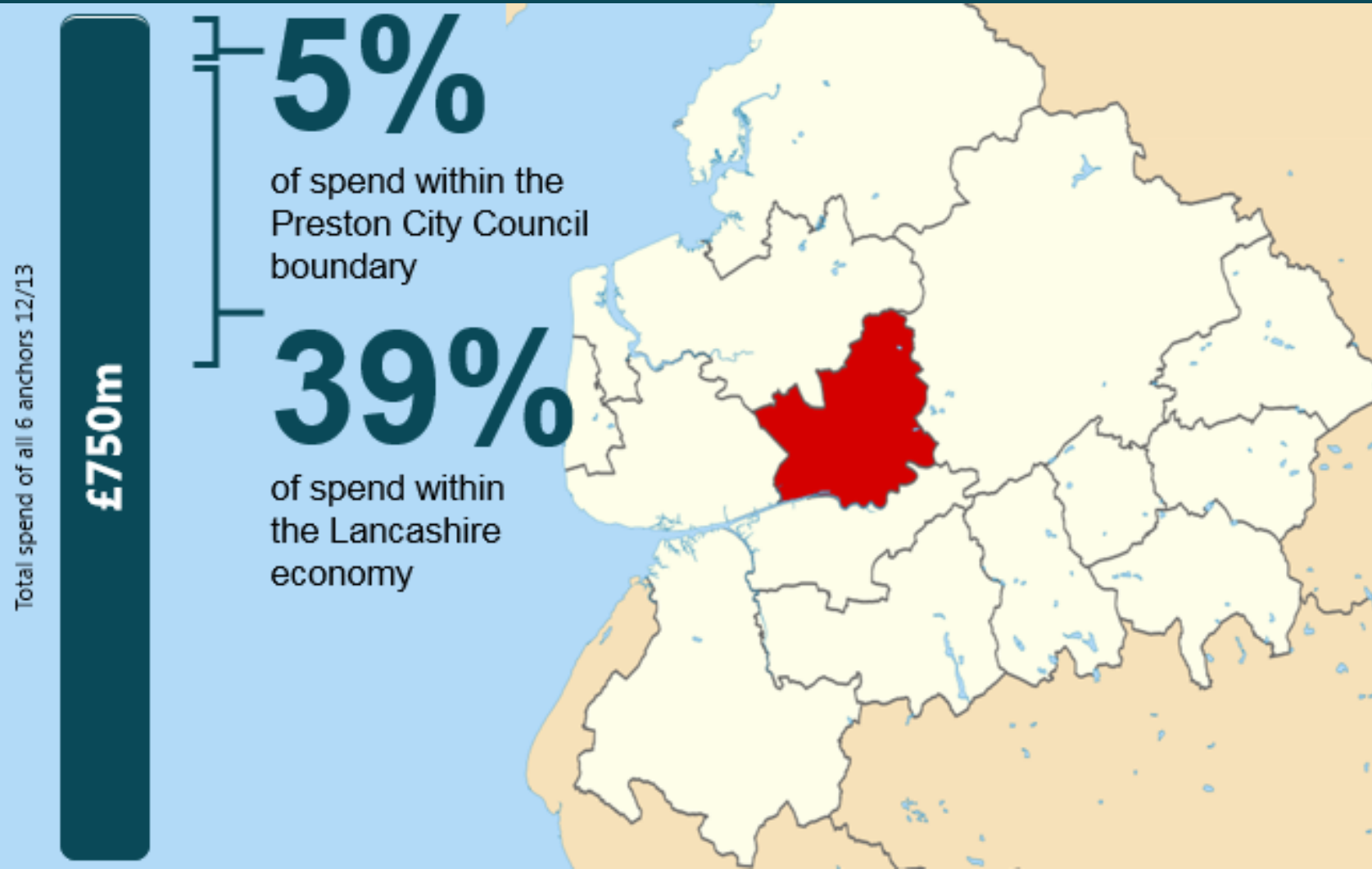
2016/2017





Preston anchors spend analysis

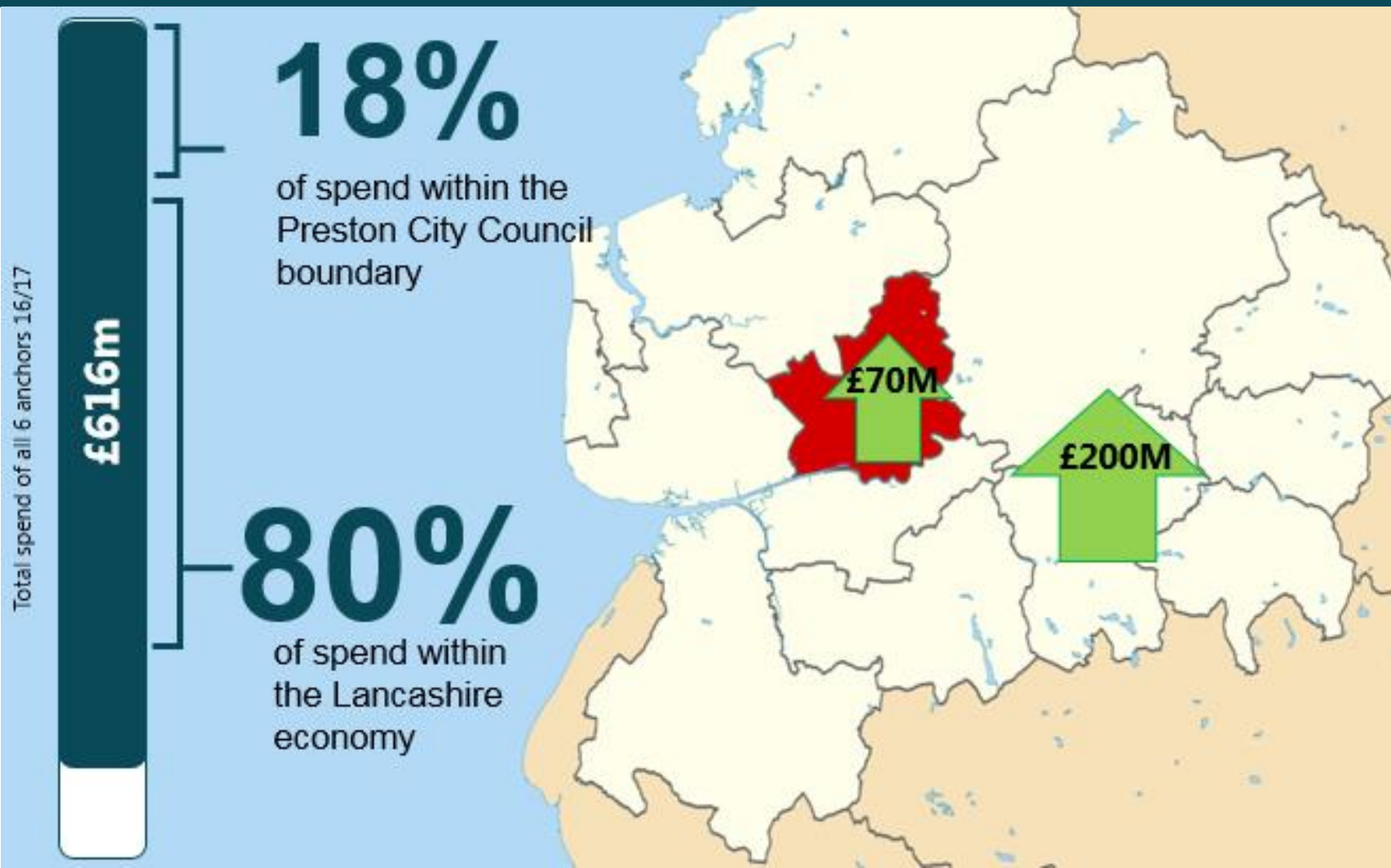
Baseline





Preston anchors spend analysis

Update





Discussion

- What forums exist in your place for anchors to meet?
 - Are all relevant anchors present?
 - Does procurement feature on the agenda?
- Do you currently jointly procure any goods / services?
- What are the barriers to anchor collaboration on procurement in your area?
- What would enable greater collaboration?

3. Analysis



Aims of analysis – answer to:

- How much does your organisation spend buying goods and services?
- How much of this is spent in your local authority area and wider region?
- How much is spent with SMEs?
- How much is spent by industrial sector?
- How much of this spend is 'influenceable'?

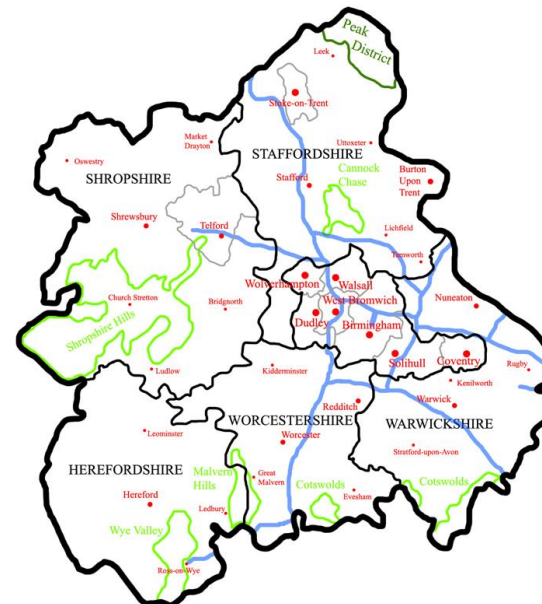
Geography of the supply chain

(£39.0 million)
39%
with suppliers
in Authority X

(£66.0 million)
66%
with suppliers in
Region Y

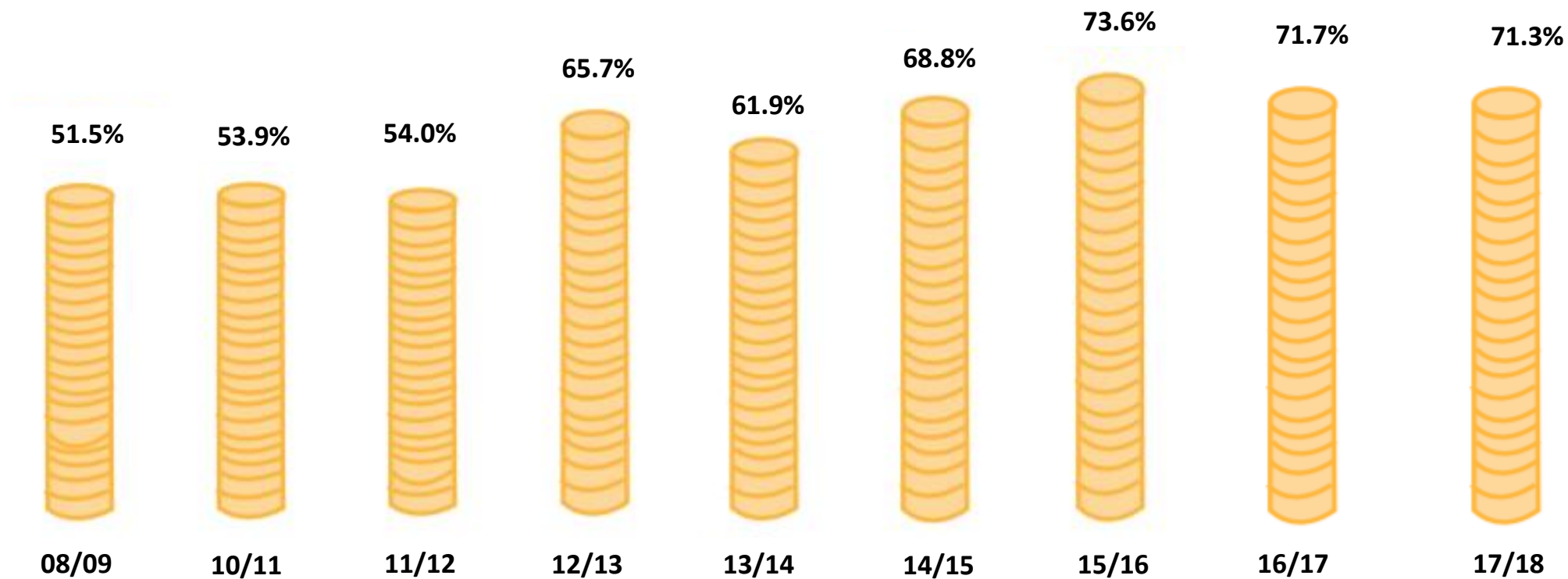


£100.0 million spend with top 300 suppliers





Manchester: an 11 year journey

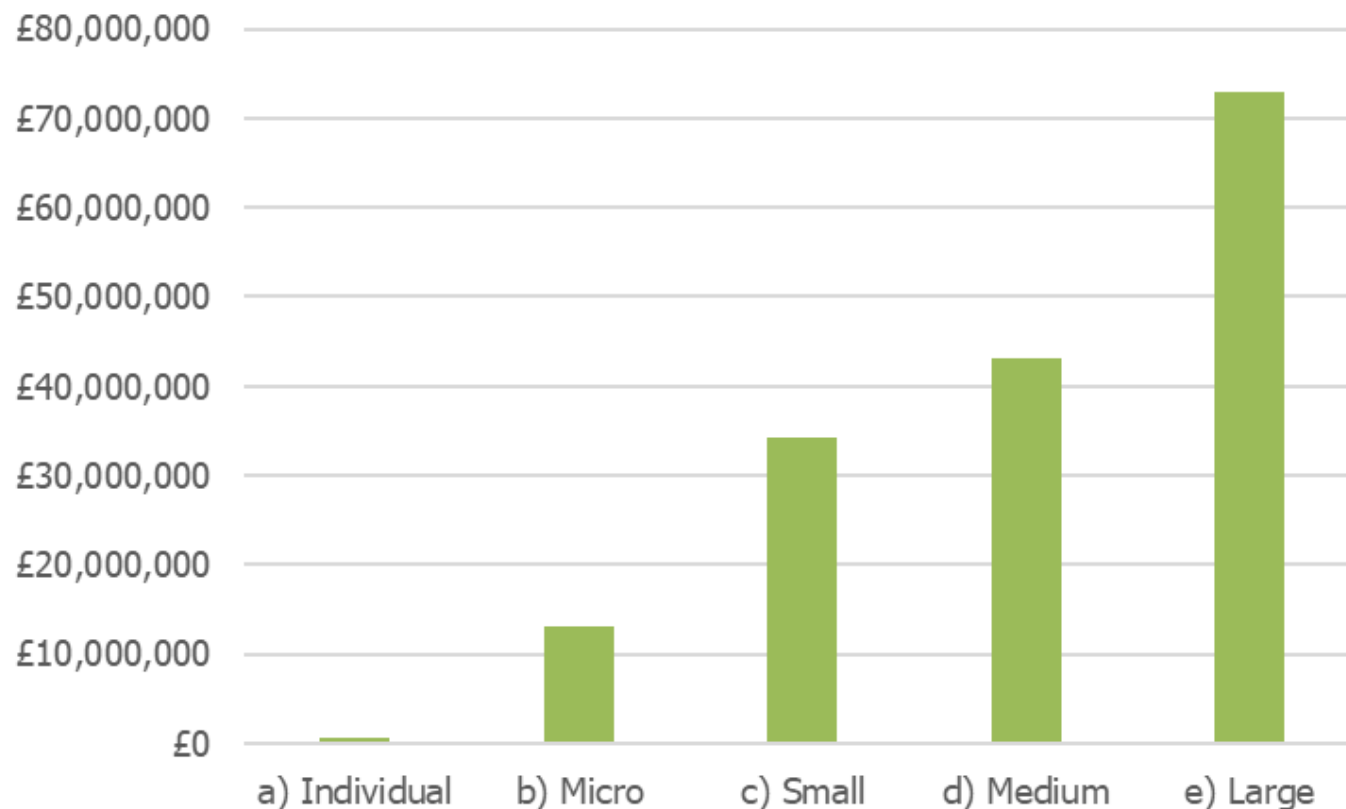




Spend by size of supplier

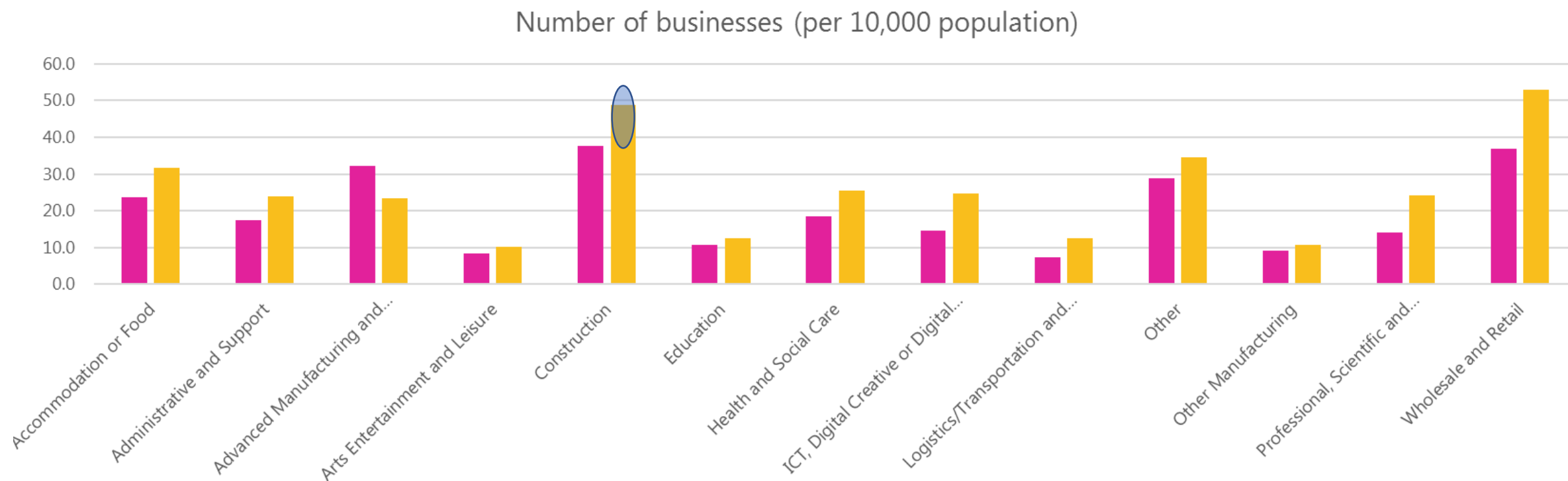
£179.7 million spend with top 300 suppliers

52%
with SME suppliers
(£92.9 million)





Market supply analysis





Discussion

- What analysis of your organisation's spend have you done to date?
- How has this influenced decision making?
- What are the barriers to carrying out this analysis?
- What would enable you to begin this type of analysis at your organisation?



Break

10 minutes

4. Understanding Wider Impact



What does this involve?

Undertaking a survey of suppliers to understand the wider impact of spend – i.e.

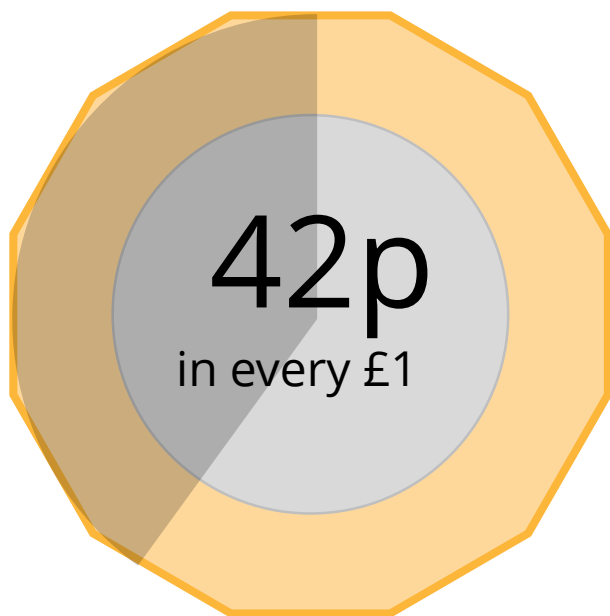
- Jobs/apprentices created
- Opportunities for hard to reach
- Hours of voluntary support
- 'Re-spend / multiplier effect'

Developing contract monitoring systems

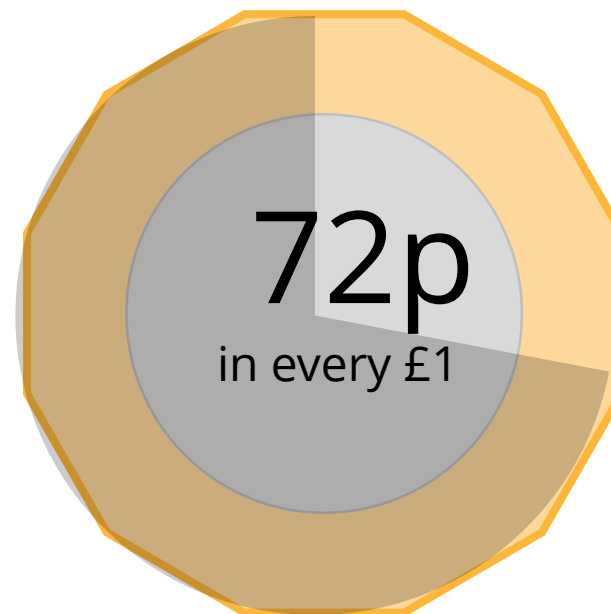
- To include social value commitments
- To ensure compliance on what suppliers promise in their tenders



Re-spend



nearly £4.4 million on **Local Authority X-based** employees and their own suppliers

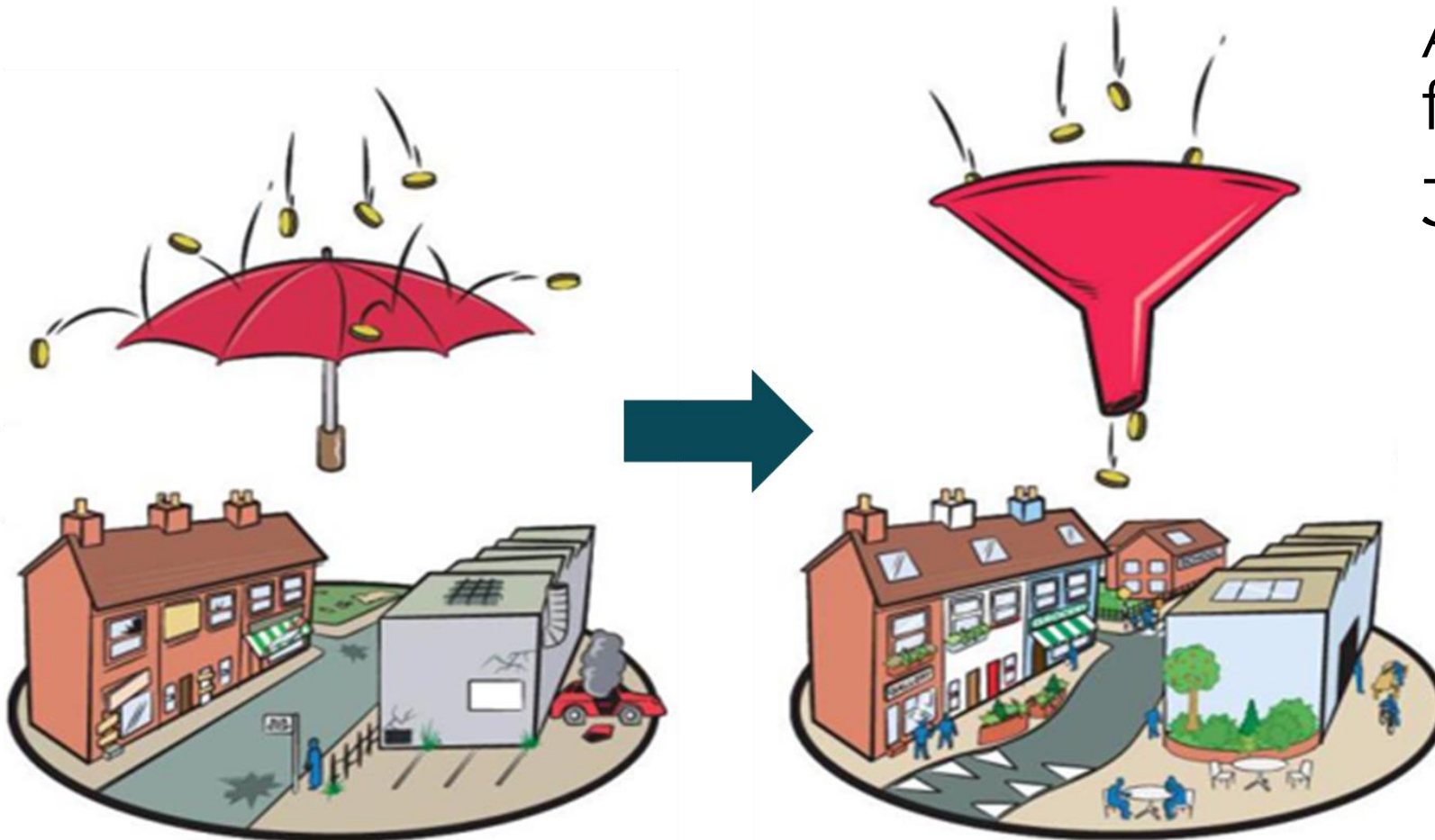


over £7.3 million on **County Y-based** employees and their own suppliers



LM3

Local Multiplier 3



A tool for tracking the flow of money locally
3 rounds;

1. Total spend of community business (expenditure)
2. Proportion of total spend with local suppliers/employees
3. Proportion of suppliers/employee re-spend locally



Case Study Manchester



1,302 jobs

Suppliers to Manchester City Council created an estimated 1,302 jobs in Manchester in 2017/18.



665 apprenticeships

Suppliers to Manchester City Council created an estimated 665 apprenticeships in Manchester in 2017/18.



1,788 opportunities

Suppliers to Manchester City Council created an estimated 1,788 employment opportunities for 'hard to reach' individuals in Greater Manchester in 2017/18.



158,591 hours support

Suppliers to Manchester City Council provided an estimated 158,591 hours of support to the voluntary and community sector in 2017/18.



Case study Redgate Holdings



“Manchester City Council have really changed the way in which we think about our supplier and employment choices. Thinking locally is not only beneficial for the communities which surround our depot but also for our business in accessing new service delivery contracts”

James Manley, MD of
Redgate Holdings



Discussion

Do you investigate the wider impact of your organisation's spend?

- Yes

- How do you do this?
- What does it tell you?

- No

- What is preventing you?
- What would enable you?

What will you do next?

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5. Making Procurement Accessible



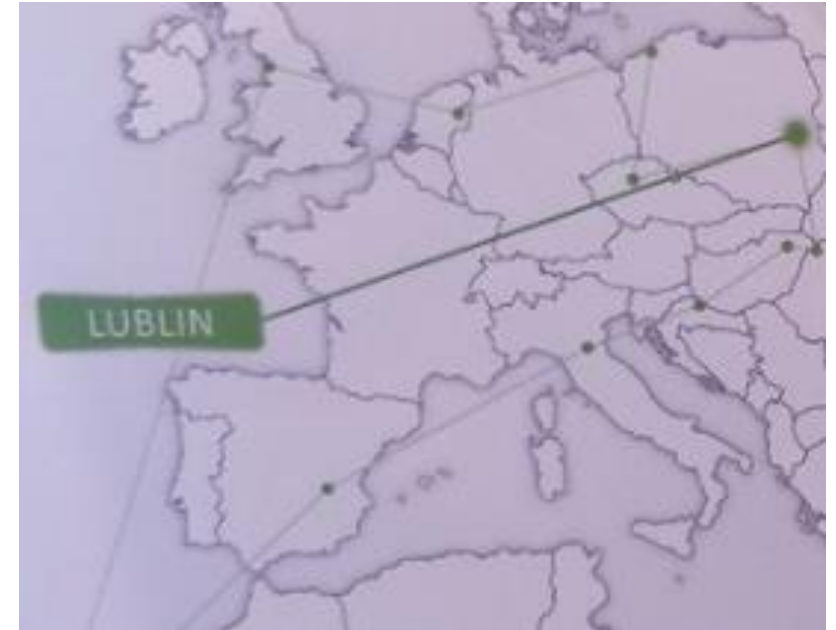
What does this involve?

- Breaking contracts down into smaller lots
- Holding 'Meet the Buyer' events
- Developing relationships with FSB and Chamber
- Seeking to create a common statement on procurement landing pages
- Working with prime contractors to link to local markets
- Reviewing local business support



Case study Lublin

- Splitting contracts into smaller lots,
- Creating a good practice portal,
- Changing payment schedules,
- Supporting business to access opportunities





Discussion

- How does your organisation make procurement accessible?
- What are the barriers to more accessible procurement?
- What would enable you to adopt accessible procurement practices?

Creating an Action Plan



Action Plan

- Take your notes from the previous section and turn it into an action plan!
- 5 minutes to think about 3 actions you could do in your organisation
 - i.e. 'redraft procurement policy'
- Feedback and team up
- Develop your plan
- What are you going to do on Monday?



Action Plan - example

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Key Success Factors



Key success factors

1. Political and senior leadership and buy-in to progress procurement;
2. Take an approach that works for your place;
3. Culture change
4. Provide resource to support progressive procurement;
5. Changing the relationship between buyer and supplier;
6. Developing an evidence base to understand the impact of procurement spend

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Tying it
all together



Community Wealth Building

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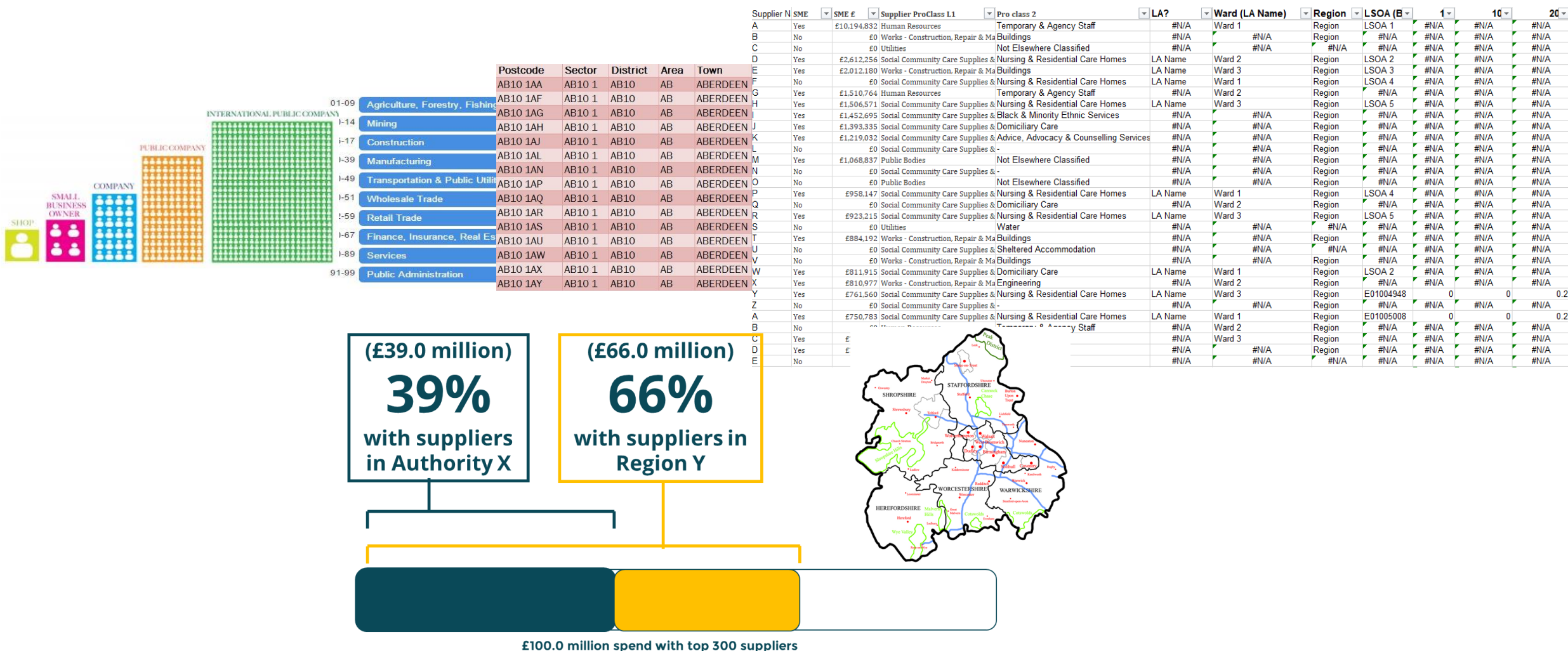


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Further info
and resources

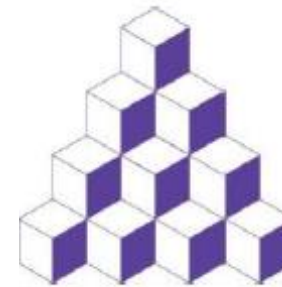


Spend analysis – resource + training





Free online resources



AGMA
ASSOCIATION OF
GREATER MANCHESTER
AUTHORITIES





Free online resources



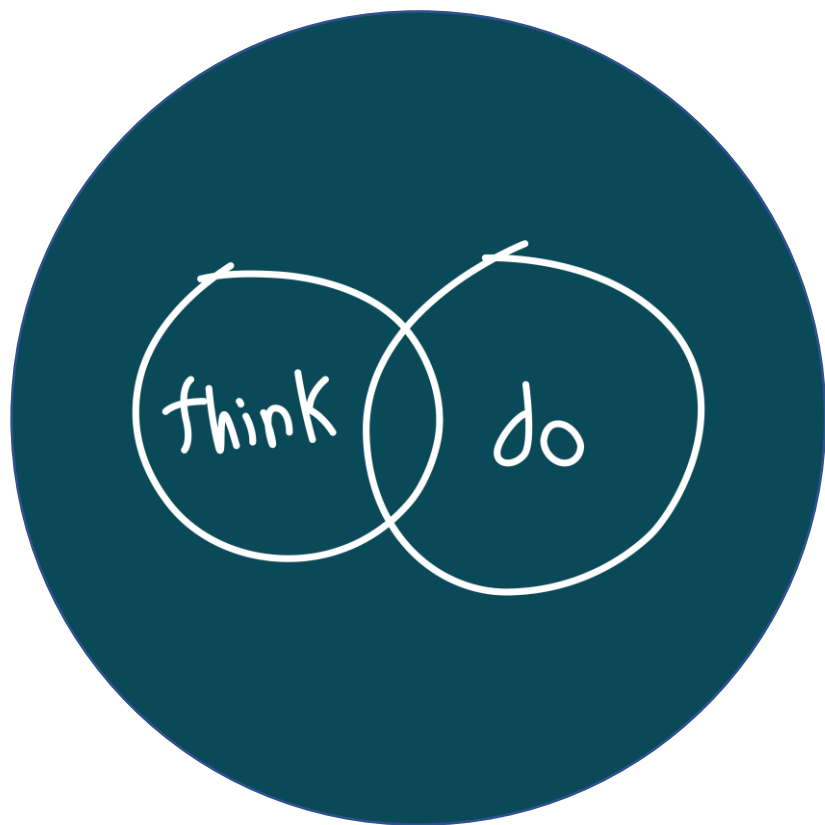
How we built community wealth in Preston

Achievements and lessons





Thank you



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@stumactweet
@vicbettany



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