

# **Scrutiny review proposal**

## **1 What is the review?**

Accessibility of procurement for SMEs and community businesses, with a particular emphasis on procurement from underrepresented groups in business across the protected characteristics.

The protected characteristics are: race, disability, sex, pregnancy and maternity, gender reassignment, sexual orientation, age, religion or belief and marriage or civil partnership.

## **2 What outcomes could realistically be achieved? Which agency does the review seek to influence?**

- Improved levels of SME procurement by council
- Even further improvements in incorporation of social value into new procurement strategy

## **3 When should the review be carried out/completed?** i.e. does the review need to take place before/after a certain time?

Informing roll out of Fairer Future Procurement Strategy and providing evidence for one year 1 review.

## **4 What format would suit this review? (e.g. full investigation, q&a with executive member/partners, public meeting, one-off session)**

1-2 sessions

## **5 What are some of the key issues that you would like the review to look at?**

- Clarify current statistics around SME procurement by protected characteristic
- Known issues and plans to address these
- Consideration of broader social value contributions in procurement decisions

## **6 Who would you like to receive evidence and advice from during the review?**

Officers, including broader look at new strategy. Relevant departments and business units could include Legal, Finance, Local Economy and Regeneration.

Relevant stakeholders including SMEs which has been unsuccessful in winning contracts / accessing procurement opportunities with the council.

Best practice in procurement utilised by other councils e.g. South Tyneside.

Social Enterprise UK

Federation of Small Business

Business Improvement Districts:

- Nic Durston, South Bank BID
- Natalie Raben, We are Waterloo
- Nadia Broccardo, Team London Bridge
- Peter Williams, Better Bankside
- Russell Dryden, Blue Bermondsey

Chamber of Commerce

## **7 Any suggestions for background information? Are you aware of any best practice on this topic?**

### **Council**

Southwark Council's Fairer Future Procurement Framework (FFPF):

<http://moderngov.southwark.gov.uk/documents/s83221/Appendix%201%20Fairer%20Future%20Procurement%20Framework.pdf>

Economic Wellbeing and Skills Strategies:

<http://www.southwark.gov.uk/business/economic-wellbeing-strategy>

<http://www.southwark.gov.uk/business/skills-strategy>

Previous scrutiny report:

<http://moderngov.southwark.gov.uk/documents/s51814/Report%20Overview%20and%20scrutiny%20recommendations.pdf>

## **Supply South Tyneside**

Supply South Tyneside is an initiative to support local businesses and help them to identify, bid for, and win public sector contracts. The initiative set a target to increase the amount of money the council spend with local businesses from the 2009/10 baseline of 32%, to 40% by 2013/14, then to 50% by 2016. By 2018/19, the council paid more than £207.5 million for goods and services, of which almost £115 million (55 per cent) was spent locally. One of the aims is to protect local jobs by using local suppliers.

See: <https://www.southtyneside.gov.uk/article/33534/Supply-South-Tyneside> and <https://www.lgafirst.co.uk/wp-content/uploads/2019/06/First-637-July-2019.pdf>

## **Social Value**

LGA: Profit with Purpose report this report particularly focuses on realising social value through the expansion of councils' commercial activity.

[https://www.local.gov.uk/sites/default/files/documents/11%20173%20-%20Profit%20with%20a%20Purpose\\_V05\\_web.pdf](https://www.local.gov.uk/sites/default/files/documents/11%20173%20-%20Profit%20with%20a%20Purpose_V05_web.pdf)

Government introduction to social value (2018)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/690780/Commissioner\\_Guidance\\_V3.8.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690780/Commissioner_Guidance_V3.8.pdf)

## **Preston Model : Community wealth building**

The "Preston Model" is a term applied to how the council, its anchor institutions and other partners are implementing the principles of Community Wealth Building within Preston and the wider Lancashire area.

The city council is committed to implementing this approach and, as the "place leader" for the city, is promoting the concept to other anchor institutions in and around Preston and to the private sector.

The implementation is something that is being shared across a range of Preston based anchor institutions, including:

- Lancashire County Council
- University of Central Lancashire
- Preston's College
- Cardinal Newman College
- Community Gateway Housing Association
- Lancashire Constabulary.

This is important as many of these institutions have significantly greater spending power and assets than the City Council and by working together the city council

can have a significantly greater impact on the future well-being of the city.

Community wealth building offers an opportunity for local people to take back control, to ensure that the benefits of local growth are invested in their local areas, are used to support investment in productive economic activities and that people and their local institutions can work together on an agenda of shared benefit.

This work is linked to an EU programme; the Procure network, which is one of 211 networks commissioned through the European Union's URBACT III programme. This seeks to enable transnational exchange and learning between cities around a particular theme. The Procure network seeks to connect cities and build success around the theme of procurement. The purpose of the Procure network is to support cities to enhance procurement processes so that they bring greater benefits for their city economy and in social and environmental terms.

The Procure network is being led by Preston City Council from the United Kingdom, supported by expertise from Matthew Jackson. Matthew is the Deputy Chief Executive of the **Centre for Local Economic Strategies (CLES)**. CLES is a think-tank and research organisation based in Manchester, the United Kingdom

Preston was joined initially in the Procure network by four cities: Lublin (Poland); Koszalin (Poland); Albacete (Spain); and Almelo (The Netherlands). Later they were joined by: Satu Mare County Intercommunity Development Association (Romania); Metropolitan City (Cimet) of Bologna (Italy); District 9 Prague (Czech Republic); Koprivnica (Croatia); Candelaria (Spain); and Nagykallo (Hungary).

<https://www.preston.gov.uk/thecouncil/the-preston-model/preston-model/>

**Centre for Local Economic Strategies CLES** is the UK's leading, independent think and do tank realising progressive economics for people and place, which aims to achieve social justice, good local economies and effective public services for everyone, everywhere.

<https://cles.org.uk>

Recent work by CLES with London local authorities:

[https://cles.org.uk/wp-content/uploads/2019/04/New-Municipalism-in-London\\_April-2019.pdf](https://cles.org.uk/wp-content/uploads/2019/04/New-Municipalism-in-London_April-2019.pdf)

## NEF

NEF have done a range of work around the value of keeping money circulating locally to grow the local economy and maximise community benefit (cf Community Wealth Building).

<https://neweconomics.org/2002/12/the-money-trail/>

<https://www.nefconsulting.com/our-services/evaluation-impact-assessment/local-multiplier-3>

They have also produced this procurement focused publication:

<https://neweconomics.org/2005/07/public-spending-public-benefit>

### **South London Procurement Network**

The South London Procurement Network (SLPN), which was established by Shell Centre redevelopers Qatari Diar and Canary Wharf Group plc, has worked with South London SMEs (small and medium sized enterprises) across a range of different sectors, generating multiple leads and contract wins in the area since its inception in 2012.

The South London Procurement Network works to ensure local businesses are part of the long term economic growth of the region by providing a service to compete with local supply chains. They are focused on making a real difference to the sustainability of local businesses.

SLPN is working in partnership with Southbank BID.

See: <http://slpn.org.uk/>

<https://group.canarywharf.com/media/press-releases/local-procurement-network-generates-over-1-5million-for-south-london-businesses/>

### **Social Enterprise**

Supply Change is a UK marketplace platform that matches public sector buyers to social enterprises. <https://www.supplychange.co.uk/>

Started in 2018 arising out of a research project for Orbit housing. This research focused on how social enterprises are accessing Orbit and other Social Housing supply chains. Research with large Social Housing organisations and social enterprises identified financial and cultural barriers. Social enterprises found it difficult to access contracts as they did not have wide visibility of opportunities because of the numerous bureaucratic processes in individual large Social Housing organisations. There was an appetite from large organisations to use social enterprises, but large organisations need information on relevant providers and assurance on viability. The supply change portal arose from this research and aims to provide visibility to Social Enterprises and assurance to large organisations.

Orbit is a founding organisation of Supply Change, which is now testing with a pool of local authorities, and there is an opportunity for Southwark to be a founding partner, who can help develop the platform.

Supply Change has shared research done with Orbit with the Commission. They are also doing work with Coventry looking at other anchor organisations, with a completion date 20 September, and could also potentially share.

Buy social campaign and specific asks of local authorities:

<https://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=fbfcd5c3-d183-4b56-a950-c7cae98973c2>

More general guidance and asks of local authorities:

<https://www.socialenterprise.org.uk/with-councils>

## **8 What approaches could be useful for gathering evidence? What can be done outside committee meetings?**

e.g. verbal or written submissions, site visits, mystery-shopping, service observation, meeting with stakeholders, survey, consultation event

Stakeholder representation that speaks to the session and assists in framing and scoping the review e.g. a small business leader that's systematically struggled to navigate our procurement processes; a representative of SME group or network.