Unlocking the Power of the Public Pound

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11:45 GMT
Unlocking the Power of the Public Pound through Procurement Reform

Lindsay Maguire
Deputy Director for Procurement Reform, Cabinet Office
Procurement Reform covers different elements - all of this will be needed to benefit from change

**Policy & Legislation**

**Goal:** Design the policy and set the legal framework for the new public procurement rules, taking the legislation and regulations through Parliament.

**Platform & systems**

**Goal:** To embed transparency by default throughout the procurement lifecycle, and simplify our existing fragmented systems by creating a single digital platform for public procurement.

**Learning & Development**

**Goal:** To support practitioners and others to develop the knowledge, skills, understanding and confidence to operate effectively within the new public procurement regime and exploit its flexibilities appropriately.

**Procurement Review Unit**

**Goal:** to establish a new mechanism for monitoring and investigating legal compliance with the new regime, including a central debarment list for suppliers.

**Planning & preparation for Implementation**

Support to contracting authorities to help them prepare to operate in the new regime
There are numerous benefits to Procurement Reform beyond the regulations

- Combining 4 regimes into 1 - simplification is a post EU exit benefit
- Moving from 7 procedures to 3 including a new competitive flexible procedure
- Embedding transparency throughout from pipelines to KPIs - digital transparency platform developed
- Single register of suppliers to save re-submitting information
- Enhanced and strengthened exclusions including for National security and clearer evaluation criteria for past performance
- Open frameworks and new dynamic markets allowing more flexibility
- Registers of commercial tools can leverage spending power
- Welsh Government and Northern Ireland have joined the Procurement Bill
Social Value has an ongoing and very important role to play in procurement

- The Bill is a legal framework for all procurements - from local schools to large scale infrastructure
- MEAT to MAT – important distinction
- Below-threshold direct awards to SMEs, VCSEs and local suppliers
- The Bill supports the Social Value Act
- The National Procurement Policy Statement will set out strategic priorities to which procurement teams will have to “have regard” to
- Procurements can be designed in a way to benefit local communities
We want to encourage new suppliers, SMEs and VCSEs to work with the public sector

- “Have regard to small organisations”
- New flexible procedures will mean better procurement outcomes
- Strengthened requirement for pre-market engagement
- Digital platform - all opportunities in once place, and “tell us once” approach to registration and evidence locker system for bidders
- Increased transparency - visibility of pipelines
- Supplier feedback - requirement on public bodies to provide bid assessments
- Strengthened prompt payment provisions
The Bill’s journey so far

Bill passage

Bill started in the House of Lords
- 1st reading
- 2nd reading
- Committee stage
- Report stage
- 3rd reading

Bill in the House of Commons
- 1st reading
- 2nd reading
- Committee stage
- Report stage
- 3rd reading

Final stages
- Consideration of amendments
- Royal Assent

Key
- Complete
- In progress
- Not applicable
- Not yet reached
Timescales to go-live - we have some time to prepare

- Green Paper published
  - Dec 2020
- Government consultation closed
  - Mar 2021

Bill introduced into House of Lords
- Dec 2021
- May 2022

Bill gets Royal Assent
- [Summer?] 2023
- Secondary legislation (including consultation)

Bill introduced into House of Commons
- Jan 2023

Platform development

Six-month implementation

Delivery of L&D programme to support implementation

New regime goes live
- Oct 2024
Unlocking the Power of the Public Pound

Darren Knowd  MBA MCIPS
Head of Procurement, Sales and Business Services
Durham County Council
LGA Chair of National Social Value Taskforce
LGA National Advisory Group
Procurement Bill – A Social Value Game Changer

Opportunities

1. Cabinet Office have done a great job!
2. One set of rules
3. Competitive Flexible Procedure is a game changer
4. Ability to design innovative approaches
5. Easier early supplier engagement
6. Opportunity to negotiate in a process
7. Improved opportunities for complex procurements
8. Supplier innovative solutions more achievable
9. Improved Social Value focus via NPPS
10. Stronger chance for SME and VCSE suppliers

Challenges

1. Procurer training
2. Supplier training
3. Managing the transition from the old ways to new
4. Varying processes for suppliers to understand
5. Need for improved bidding skills
6. NHS Provider Selection Regime – 2 ways of working
7. Avoiding buyer risk aversion
8. Impact on the market ref Framework Agreements
9. Ensuring transparency in negotiations
10. Managing the transition in a tricky BAU world

Maximise the Economic, Social and Environmental outcomes with every pound we spend
Collaborative Placed Based Social Value is the Future

The County Durham Pound partners

Collaborative Aims and Objectives
- Create more jobs for local people
- Prioritise better health and wellbeing
- Focus on equality, diversity and inclusion
- Reduce our impact on the environment
- Support with meaningful training and upskilling
- Help communities, groups and charities

The Commitments of the collective

1. Collaborate proactively
   We will share ideas and learn from each other's experience and best practice in social value

2. Embed relevant processes
   We will develop suitable processes to ensure high quality delivery and to meet the project's objectives

3. Involve and empower stakeholders
   We will hear the concerns and ideas of community members and other stakeholders across the public, private and third sectors

4. Respond to local needs
   We will ensure that our social value activities address local needs and priorities whenever possible

5. Be transparent and accountable
   We will share what we intend to do and why, plus how we are progressing, so you can hold us accountable

6. Track, report, learn and improve
   We will track and report what we are all doing using a consistent framework so that we can drive continuous improvement

Mechanisms for unlocking social value

Procurement
Organisational activities and programmes
Grant funding
Capital spending
Planning (where applicable)
Thank you

If you think you are too small to make a difference, try sleeping with a mosquito.
— Dalai Lama
Unlocking the Power of the Public Pound

Lorraine Cox
Director, STAR Procurement
Unlocking the Power of the Public Pound

STAR Procurement Who are we?

Our Approach in STAR since 2019 –
- X4 Mobilisation
- National TOMs / Bespoke TOMs
- 20% Weighting above £25K
- Using SVP

Our Approach across Greater Manchester Combined Authority (GMCA) -
- Working collaboratively across our Public Sector, Anchors and our Business/VCFSE sectors (*see slide 6)
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£238.5M of added SV secured (4 years)

38.5% Added Value secured (% of contract value – 4 years)

Local spend retained in (GM) 75+%
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So What?
Is it securing the right Social Value?

- Does it meet our PRIORITIES?
- Is it delivering IMPACT?
- Are bidders aligned with our VALUES?
- Are bidders supporting our SV CHALLENGES?
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Driving Social Value in GM Public Procurement - Commitment from March 2022

Our GM Priorities are:

1. Real Living Wage
2. Characteristics of Greater Manchester Good Employment Charter
3. Carbon Reduction – net zero by 2038 (Greater Manchester) / 2050 (UK)
4. Tackling Inequality (protected characteristics)
5. Economic Diversity (Small Medium Enterprise and Voluntary Community Social Enterprise)
6. Local Spend (Greater Manchester based businesses)

WE WILL SUPPORT BIDDERS TO BECOME “MATCH FIT” AND USE THE REGS/BILL.
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BETTER SOCIAL VALUE

Jobs
- RLW/GMGEC
- REAL AND NEW JOBS
- TARGETED COHORTS
- INNOVATIVE/INCLUSIVE/FLEXIBLE WORKING
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BETTER SOCIAL VALUE

Environment
Driving Environmental criteria into procurement focusing on:
- Evidence based (e.g., reducing emissions)
- Committed to being Net Zero by 2038/50
- Contractual

GMCA
GREATER MANCHESTER COMBINED AUTHORITY
We plan to be carbon neutral by 2038
Unlocking the power of the public pound: Defence’s journey to deliver social value

David Whipp
Social Value SME, Ministry of Defence (DE&S)
A growth mindset
Looking for new opportunities to deliver with, rather than to
Delivering Cultural Change

You can’t impose cultural change. It is a journey all people at all levels need to take for themselves.

Cultural change is embedded in learning through action, actions that become …

“the way we do things around here”
A growth mindset, looking for new opportunities to deliver with rather than to

Adding up the synergy of many smaller contributions

Highly bespoke, project specific and KPI oriented

CSR and ESG

BIG things among smaller projects
Where are we on the journey?

TODAY : TOMORROW : TOGETHER

- Additionality is change, run across the Defence enterprise creates tensions, as one organization’s change is another business as usual.
- We are all learning to enjoy the journey and focus on the additional benefits to all.
- Collective Action, Common Language, Cooperation with Purpose
  - Collective Action - Consistency
  - Common Language - Consistency
  - Cooperation with purpose - Measurement and Reporting - Consistency
Thank you
Thank you