

## **CUMBRIA LOCAL AND FAIR**

### **Public Procurement**

*The potential for local authorities and the NHS to source their supplies from local as well as from Fairtrade suppliers is very great. While some bodies have made serious progress on this, most have not.*

#### **Headline question:**

***How can public procurement in Cumbria do more for both local and Fairtrade producers and how can local and Fairtrade producers access public procurement supply chains?***

#### **Context:**

The public sector is going through significant change with huge financial and policy pressures, increases in demand for essential services and falling rates of user satisfaction. In particular the demand for the public sector to find and deliver major efficiency savings means organisations are increasingly cutting 'back-office' costs and taking a hard look at supply chains. With cuts in local government, for example, averaging 15% in the current year and more to come, councils are spending less on 'non-essential' products while looking for savings from their procurement budgets. The same challenges are being faced across the sector with similar pictures emerging in health, police and central government agencies.

Policy commitments remain but all public organisations are re-assessing priorities and focussing resources on targeted, rather than universal, services. Added to this are large scale job losses, the requirement for services to be opened out to other providers, the move towards local delivery and a greater level of transparency. It is clear the public sector is working in a challenging environment.

Where then does local and Fairtrade fit in? Is there room for these issues in such an environment? Does it matter when there is so much else going on?

#### **Questions for discussion:**

This workshop will use examples to explore the issues raised and, importantly, seek answers or, at least, practical ideas for progress.

- 1. How can local and Fairtrade producers ensure their voice is heard?***
- 2. What practical steps can elected members, officers, lobbyists, producers and the public take to ensure policy commitments made in support of the local economy and Fairtrade are backed up by action?***
- 3. How could access to public sector procurement be improved and would this make a difference to local and Fairtrade providers?***
- 4. Who will take forward proposals coming from this workshop, how and over what time span?***

#### **Working Group meeting notes and subsequent proposed actions:**

Following a PowerPoint presentation to support the above briefing, the discussion began around the fine line between supporting local businesses in legal terms, whilst not favouring them, or acting in an ultra vires manner. The following is a summary of this discussion within which the

questions raised clearly provide the basis of an agenda to take things forward in the next phase, though who does what was not suggested.

- If we favour local businesses above all else, then does the consumer suffer ultimately (notwithstanding the legal implications)?
- Locality is important but quality is vital. (There is always going to be that tension between the two, and indeed, price).
- **Question:** Who is it who defines quality and value for money? **Answer:** We need to adhere to national and EU procurement rules. Also, CCC and other public sector organisations have specialist staff for different areas of purchasing who know what quality / price / value balance to look for.
- We can't pick and choose who we do business with but CCC is working with companies to educate them around what it is looking for in the overall bidding process e.g. chamber of commerce, construction companies etc. **Question:** can we provide the same service to the third sector? **Answer:** This is happening currently.
- **Comment:** Pre-Qualification Questionnaires (PQQ's) generally ask historical / 'looking back' type questions about the company i.e. financials; health & safety; equality & diversity etc., but company financial checks are very much proportionate to the business in hand.

### Farming and cooperatives

- It isn't always practical for farmers to commit to contracts which ask for lamb year round for example. We need to understanding the seasonal nature of farming: this is essential.
- **Question:** Could the NFU start a co-operative to help farmers get together to bid for bigger contracts? **Answer:** Formal collaborations are perfectly acceptable, subject to appropriate governance / controls / financials etc.
- **Comment:** CCC should say we will let contracts to co-operatives, not just single bidders: cutting up larger contracts into smaller 'lots' only encourages lone bidding.
- Some discussion ensued around the reasons why co-operatives have had more success in other parts of the world.
- The NFU offered some publicity in their magazine around this issue in the spring to the public sector organisations generally.
- Fairtrade Foundation is working to lobby the EU on procurement procedures to make it better for Fairtrade providers.

### Public sector working together in procurement

- The public sector already do formally meet regularly to discuss this and wider matters. However, speaking frankly, Fairtrade and local issues (in the context of this meeting discussion point) are not currently a primary focus at these discussions.
- **Suggestion:** Could NHS Foundation Trusts become Fairtrade Foundation Trusts?
- **Question:** Also, could third sector organisations who have won contracts previously be available to tutor others through the process? **Answer:** Group did not see any reason why not. CCC suggested this was very laudable but perhaps commercial considerations from prospective competitors may come into play occasionally?
- Further discussion followed how the above was possible if companies organise themselves in such a way, but it was stressed that organisations cannot give an advantage to particular bidders.

- **Suggestion:** Could we announce who has won contracts so other organisations can get in touch with them for tips? **Answer:** Much of such information is already available generally
- Many public sector organisations including CCC now write social and / or community benefit clauses into contracts which provide the opportunity to bidders to, for example, support communities or employ people / apprentices etc. (Such clauses are more appropriate to some contracts than others.)
- **Suggestion:** In the Connecting Cumbria broadband project, local broadband providers will be able to go through a process to receive a local stamp of approval. **Question:** Could the same be replicated?
- **Question:** How can we make stronger links between councils and the NHS in terms of joint procurement? Could MPs play a part here? **Answer:** CCC is already working together in different ways but more concerted efforts would be welcomed by Cumbrian people.

### **Communications**

The importance of raising public awareness of Fairtrade through marketing, PR and campaigns formed a major and concerted part of the discussion.

#### **A. Communication of contracts:**

- It is often hard to know when a contract is open for bidding. (CCC confirmed that most of its work, as well as a considerable volume from District and colleagues in National Park was offered up on its web portal, known as 'The Chest').
- Positive discussion around the procurement portal (the Chest) then followed.

#### **B. Wider communications:**

- **Question:** Could we use wording on council communications to say we support Fairtrade and local? (CCC confirmed its previous and continued commitment following its Members' resolution to such).
- **Question:** Perhaps Fairtrade and local should be separate in communications? Those who support local sometimes do not always support Fairtrade too.
- Fairtrade Foundation is planning a major campaign in the spring around promoting Fairtrade. **Question:** Could we do something locally to combine with this – a Cumbria Fairtrade week?
- **Question:** How come Newcastle has a Fairtrade officer? Who does this role at CCC / other public sector organisations in Cumbria? CCC confirmed that one of its corporate policy officers was attending this event and the brief was part of her role.
- **Question:** Could Local Links play a role in promoting Fairtrade?
- **Question:** Can we do more in schools to educate children whilst they are young? Carlisle Fairtrade organisation is doing something like this at the moment. Everyone felt this to be an excellent idea as it captured children why they were young
- Some promotion could also be done of local farmers markets. Again, as above.
- **Question:** CCC Members asked how can we use councillors as communications links between their communities and organisations?

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