

## Committee for Finance & Personnel NI Assembly

### Enquiry into Public Procurement Policy and Practice in Northern Ireland Public Consultation

#### Bryson Charitable Group – Written Evidence

##### ***Background***

Bryson Charitable Group formed in 1906 is one of N Ireland's oldest local charities. For over 100 years has been a 'leader in creating a just and sustainable society' in Northern Ireland. Bryson is the leading N Ireland social enterprise with a turnover last year in excess of £18M and currently employs just under 600 people. Bryson has a service development and delivery focus; it is committed to service excellence, with a Mission that commits it to identifying and developing sustainable responses to existing and emerging social needs. The modern Charity, with its headquarter building at 28 Bedford Street, Belfast, has a regional presence with service centres based across the Province, which include Enniskillen, L'Derry (Foyle and City side), Larne, Newtownards, Downpatrick, Banbridge, Mallusk and several in Belfast. It has developed and provides service in a wide range of social policy areas, which include; care and social services; sustainable energy use; sustainable waste management and training for people living with long term unemployment etc. Bryson now generates circa 90% of its revenue from contract income and has a long history of successfully tendering for services in competition with the Private Sector. This has provided Bryson with significant experience in the pre-qualification and successful tendering for a wide range of public procurement contracts, with durations which vary from 3 to 15 years. Bryson believes that it is uniquely placed based on experience, to comment on the opportunities for improving the public procurement process, to provide better value for tax payers and better and more flexible services for the Commissioner.

Both regional and local governments have a significant expenditure on procurement annually. It is Bryson's view that the application of what is currently referred to as "***intelligent commissioning***" principles to public procurement processes, would provide significant additional value to both tax payers and to commissioning organisations. It is not our intention to outline in this document the detail on those principles, but we would recommend to the Committee that it asks its officials to liaise directly with the UK Government's Cabinet Office, which includes the Office of the Third Sector and provide the Committee with a review of their range of publications on issues such as; intelligent procurement; social clauses; the advantages of working with the social enterprise sector and training procurement professionals how to engage with social enterprise. In addition they should also consult with N Ireland's Social Enterprise Network (SEN) and the UK based Social Enterprise Coalition as sectoral representative bodies.

Bryson is an organisation with significant experience in tendering, in particular for high value public procurement contracts and would like to record its willingness to provide oral evidence, in respect of its experience in contracting, to the Committee in due course and would also offer the Committee an opportunity to visit to see at first hand a range of social enterprise activities in operation.

## **Key Issues:**

### **Green Book Assessment**

Bryson has been working as part of a public procurement working group, supported by the Central Procurement Directorate at DFP and the Social Enterprise Unit at DETI and have been raising the issue that there does not appear to be a level playing field for social enterprises, particularly for high value, large volume, public procurement Tenders. While it was our initial view that an amendment would be required to the 'Green Book' to enable it to take a meaningful account of the particular qualities or added value brought by service delivery through social enterprise, we have come to the view that a change may not be necessary and what would be more appropriate, would be to ensure that the existing provision, within the assessment process, was used to acknowledge and give weight to the added value brought by social enterprise.

The N Ireland practical guide to the 'Green Book' (2003 addition), which is produced by DFP, provides an opportunity to score applications on the basis of non-monetary costs and benefits. For example it suggests an appraisal should follow 10 key steps (contained on page 14) which record in the 7<sup>th</sup> step the following:

***“Weight up non-monetary costs and benefits including new TSN and equality;”***

Later in the document (page 56) it describes these steps in more detail and in respect of the point above, it states as follows:

***“Where possible, costs and benefits should be valued in monetary terms, using techniques such as those presented in Annex 2 of the ‘Green Book’. However, it is not always cost effective or practical to value costs and benefits in monetary terms. In many assessments there are non-monetary impacts such as environmental, social or health effects that cannot be valued cost effectively. These non-monetary costs and benefits must be taken into account and should not be assumed to be any less important than monetary values. They may be crucial to the decisions needed.”***

It is therefore our view that there may not be a need to amend the “Green Book” as it does not appear to prevent recognition (scoring) being given to non-monetary and non-costed benefits, as both it and the N Ireland Practical Guide recognise that there can be benefits which cannot be valued effectively using only cost. Our concern is that such benefits are not always taken properly into account by those evaluating tenders. We believe that this could be easily rectified if; work was undertaken to reinforce this aspect of the assessment process; if awareness was developed within Commissioners at both regional and local Government levels on the advantages of working with social enterprise; and if training was provided to Commissioners in using these aspects of the process to ensure best or better value for public spending.

To summarise, the facility exists within the process to take account of added values brought by social enterprise, but it is in the gift of the Commissioner to indicate a weighting or priority. Such could mitigate inequity and rebalance the current view by Commissioners that many social enterprises seem a higher risk, given for example; limited experience in the field; or a lack of reserves, which we believe often unfairly outweighs the advantage afforded by a social enterprise engagement. This would help create a level playing field for social enterprise bidding for the delivery of high value public services.

### ***Pre-qualification/Assessment barriers***

It is Bryson's view that frequently pre-qualification and indeed the assessment process, establish essential criteria that is at times, difficult for social enterprises, particularly newer organisations, to satisfy. These include turnover thresholds, weak balance sheets (few tangible assets and low levels of reserves), or lacking independent accreditation i.e. ISO, Charter Mark, or other. We are not suggesting setting these aside but unless there is some flexibility it becomes increasingly difficult for social enterprises to engage in tendering for high value public procurement contracts. Our suggestion is not that these should be ignored, but that lower thresholds be set or greater flexibility deployed to encourage social enterprises to participate.

### ***Social Clauses***

The inclusion of social clauses in tender specifications forms part of the concept of ***"intelligent commissioning"*** referred to above. A recent publication by the Cabinet Office (Social Clauses Project) contains on page 4 the following definition for a social clause:

***"Social clauses describe relevant, legitimate and value for money aspects of a procurement life cycle, which fulfil a particular social aim. This may include social requirements within the technical specification and award criteria of a contract where they are relevant to the subject of the contract and compliant with Public Procurement Legislation, as well as the UK's Value for Money policy (or equivalent commitment)"***

Bryson is of the view that the inclusion of appropriate social clauses will provide added value to public procurement, ensuring the provision of the specification while achieving other social objects e.g. creating employment for those living in disadvantage (unemployed, disability, etc) or locating in an area of high social deprivation, etc. Public Sector spending makes a significant impact on our local economy; one third of our workforce are employed in the Public Sector and a further third employed as a result of its spending; it is therefore all the more important that Public spending should provide for us, in addition to fit for purpose services, the best possible impact on our economy and society. In addition to the inclusion of social clauses Bryson believes that Government must invest in robust academic research to identify metrics, which will enable procurement professionals to identify and quantify the added value brought by social enterprise in achieving social outcomes when delivering Public services.

### ***Growth Opportunities***

It is Bryson's view that public spending, through formal procurement process, have a significant role in securing and growing the N Ireland local economy. The Review of Public Administration (RPA), if successful, will reorganise public services and seek to achieve cost efficiencies in respect of the delivery of those services. Bryson believes that Social Enterprises, as well as small and medium sized Private Sector enterprises, have a significant role to play in the delivery of high quality cost effective public services and would encourage the Committee to take the view on the importance of outsourcing for that service delivery. Such we believe would create a leaner Public Sector; controlling the services it wishes delivered and creating an opportunity for enterprise, social or otherwise. We would encourage the Committee to take this position and a particular interest in the development of the proposed new and enlarged Councils. Bryson believes it would be important for the Assembly to require local authorities, within their new context, to make the presumption that services, in particular new services as a result of their expanded powers, are outsourced rather than provided in-house. This will provide a stimulus

to the local enterprise, keeping those new Councils lean and focused on the delivery of the service that they commission and provide much better value to the rate payer.

We would also encourage the Committee to consider and recommend that targets be set by the appropriate Department (DETI) to achieve growth in the social enterprise sector and in particular in the delivery of public services. This would require the Department to put in place development investment, much as they do for Private Sector enterprise, to enable social enterprise to develop tendering skills, important accreditation (ISO, Charter Mark, etc) and as such treat social enterprise as the important and vibrant part of the N Ireland economy that it could and should be.

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