



**UNISON EVIDENCE TO
COMMITTEE FOR FINANCE AND PERSONNEL**

**SCRUTINY OF PUBLIC PROCUREMENT
PRACTICE IN NORTHERN IRELAND**

1. UNISON is responding to this call for evidence as the lead public sector union in the UK, and lead NIC-ICTU representative in recent partnership reviews of procurement practice involving DFP, the Equality Commission, the CBI Central Procurement Directorate and the Strategic Investment Board.
2. We attach a bibliography of relevant material which may be of interest to the Committee. The key text is;

Equality of opportunity and sustainable development in the public sector, Equality Commission for NI and the Central procurement Directorate, May 2008

 www.cpdni.gov.uk/equality_of_opportunity_and_sustainable_development_-_full_guidance.pdf

This has the specific endorsement of the Equality Commission, the Department of Finance and Personnel, and the previous Minister in his capacity as Chair of the Procurement Board. It is therefore policy arising from the work of social partners. It prescribes a range of social clauses, and cross-refers to all relevant policy in this area. It sets procurement standards for all public bodies.

3. To meet the objectives of your scrutiny exercise, we recommend that there be focus on the extent to which DFP is taking steps to mainstream this policy into procurement activities of all Departments and public bodies, and actions taken by DFP to communicate and if necessary ensure training in the policy. The Committee may also wish to ask DFP which recent contracts have been let in accordance with the policy.

4. The Committee is seeking to examine the capacity of SMEs and SEEs to compete for public contracts. UNISON considers that the public purpose should be paramount in the letting of contracts, and that there should be no compromise to promote market entry on the protection of the public interest, service users, and workers. In addition, the processes (including pre-contract review and post-contract monitoring) set out in the May 2008 policy are fundamental to preserving the public interest and compliance with the full range of Executive policy.
5. As well as considering the benefits of market entry for SME's and SEE's, the Committee should also consider the risks. For example, the Guardian (18/02/08) reported on the risks faced by SEE's and the voluntary sector when asset bases had been neglected in the search for income from public sector service delivery contracts. UNISON has observed in the context of detailed involvement with PFI processes that this procurement route seems particularly hostile by its nature to the involvement of local SME's/SEE's.
6. We note your reference to 'undue delays in progressing procurement contracts', and the impact of delays in planned capital expenditure on the construction sector.

Contrary to myths and excuses promoted by the SIB, there are no inherent or practical delays in the May 2008 policy. Put simply, the infrastructure programme does not stand up, never stood up, was totally oversold to promote the PFI model, and led to the spiking of Departmental budgets on the assumption of PFI. In changed circumstances this is blocking the effective release of infrastructure funding.

A probing review by the Committee of these circumstances and the role played by DFP would be welcomed by all concerned for new infrastructure, better services, equality, social inclusion and sustainability, and the urgent need for countercyclical expenditure.

7. UNISON would be content to give verbal evidence to your Committee on the issues highlighted above, and the general remit of your scrutiny exercise. Our contact is Thomas Mahaffy (t.mahaffy@unison.co.uk) if you wish to take this forward.

Bibliography

Refinancing: profiteering from public services

UNISON

1 November 2008

Lots of PFI contractors are 'refinancing' their loans - changing the terms of their borrowings to increase profits by as much as 80%. Most public bodies making PFI deals have allowed contractors to keep all these windfall profits. The National Audit Office and the Public Accounts Committee have condemned these arrangements and said the benefits of refinancing should be shared between contractor and client.

 http://www.unison.org.uk/pfi/docs_list.asp

What is wrong with PFI in schools

UNISON

2 September 2008

As more PFI schools are built it becomes possible to judge their success. UNISON has members intimately involved in PFI. This report draws on their experience and rounds up the evidence to date.

 http://www.unison.org.uk/pfi/docs_list.asp

PFI: Against the Public Interest

UNISON

29 July 2008

The report analyses the failings of the government's private finance initiative and public private partnerships, highlighting high profile contracts which have failed and PFI companies, such as Ballast which went into receivership.

 http://www.unison.org.uk/pfi/docs_list.asp

Public risk for private gain? The public audit implications of risk transfer and private finance

UNISON

7 July 2008

A new UNISON report shows that the government has failed to evaluate its own claim that extra costs of PFI are justified, because risks are transferred to the private sector. There are now more than 500 PFI deals worth £36bn, but the true cost of these deals to the taxpayer is still unknown and private companies are reaping the benefits of this oversight, at the expense of the public purse. (NB: This is a 1.2MB download)

 http://www.unison.org.uk/pfi/docs_list.asp

Equality of opportunity and sustainable development in the public sector

Equality Commission for NI and the Central procurement Directorate

May 2008

 www.cpdni.gov.uk/equality_of_opportunity_and_sustainable_development_-_full_guidance.pdf

UNISON comments on new Treasury guidance for PFI

April 2004

UNISON

23 April 2008

UNISON welcomes the Treasury's review of PFI, in particular, the recognition that value for money should not be at the expense of the workforce and that soft services do not have to be included in PFI projects. We would like to see these policies incorporated into the methodology and translated into clear obligations on departments and contracting authorities.

 http://www.unison.org.uk/pfi/docs_list.asp

A Policy Built on Sand

UNISON

24 January 2008

Report released by UNISON proves that private finance initiative schemes do not out-perform public sector projects.

 http://www.unison.org.uk/pfi/docs_list.asp

At What Cost?

UNISON

8 October 2007

This UNISON report shows how using private firms to build and run schools and hospitals in Scotland is wasting billions of pounds

 http://www.unison.org.uk/pfi/docs_list.asp

Not So Great: Voices from the frontline at the Great Western PFI Hospital in Swindon

UNISON

1 January 2003

Staff working in nine PFI-funded hospitals speak directly of their experiences of the new system and revealed many of the problems and blunders concealed behind the glitzy exterior of the new buildings. This report, also researched for UNISON by John Lister, asks similar questions of staff at one of the most recently opened PFI hospitals, Swindon's £132 million Great Western Hospital.

 http://www.unison.org.uk/pfi/docs_list.asp

Review of opportunities for public private partnerships in Northern Ireland

A submission by UNISON

September 2002

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