



## Response from Business in the Community to an inquiry by the Northern Ireland Committee for Finance and Personnel on public procurement policy and practice in Northern Ireland.

### Background

Business in the Community is a membership organisation for companies committed to responsible business practice. We help our members meet their responsibilities towards society. Established in 1982, Business in the Community operates across the UK and has a sister organisation in the Republic of Ireland. 2009 marks the 20<sup>th</sup> anniversary of Business in the Community in Northern Ireland.

There are more than 800 members of Business in the Community nationally, including 80% of the FTSE 100. In Northern Ireland, Business in the Community has over 230 member companies of all sizes, committed to making a positive difference to local communities, minimising their environmental impacts, investing in their workforce and putting something back into the future development of the local economy.

### Business in the Community's purpose is:

To inspire, engage, support and challenge companies to continually improve the impact they have on society.

### Business in the Community's engagement with small and medium enterprises (SMEs) and Social Economy Enterprises (SEEs)

Around two-thirds of the 230 members of Business in the Community in Northern Ireland fall into the Small and Medium Enterprise category, as outlined by the EU definition, ie less than 500 employees. Support from our organisation to stimulate growth splits broadly into two areas – Support for SMEs and Supporting Entrepreneurship in the Third Sector:

#### 1. Supporting SMEs

SMEs have been supported through programmes like Think Big, delivered in five local council areas across NI. Predominantly aimed at start up businesses, 265 start-ups received support from more established firms to help find new markets, build capacity through mentoring and embed good practice into operations from an early stage. This support totalled over £100,000 of investment. Over 170 jobs were created in the process and a total increase in sales of 23 percent was recorded at the culmination of the three year programme.

To help SMEs with environmental action, including readiness to meet environmental clauses in tendering applications, the Green Dragon environmental standard was developed and already, around 40 businesses across Northern Ireland have benefitted from completing this process. Costs have been reduced and tendering has been successful as a result of the Green Dragon Programme, delivered by Arena Network, the environmental arm of Business in the Community.

For the past 16 years, Business in the Community has supported established small firms with growth potential through a Business to Business Bridge Programme. Through this programme, over 2000 small firms have received practical assistance and mentoring support from larger, established companies across Northern Ireland.

## **2. Supporting Entrepreneurship in the Third Sector**

Business in the Community has used various methods to support entrepreneurship in the third sector, including peer mentoring, resource provision, pro-bono assistance and partnered initiatives. One initiative includes the current Community Enterprise Development Programme, taking place in the Coleraine Borough and aimed at stimulating entrepreneurial and social enterprises in the north-coast area.

A special toolkit for social enterprises was published recently, in association with the Social Economy Network and an accompanying event provided a networking opportunity for social enterprises to get direct access to established business figures and experts in particular fields. Professionals in the areas of marketing, communications, governance, procurement and employment and selection provided advice and guidance on best practice for new businesses, particularly those rooted in their communities.

### **Draft Programme for Government Response 2008**

In January 2008, Business in the Community lodged a response to the Draft Programme for Government with the Northern Ireland Executive. Responding to the section on Supporting Economic Growth and Development, we argued that there was little in the Programme around supporting new business start-ups or encouraging entrepreneurship, essential if the NI economy was to continue to grow. This has become an even more pressing concern as the global economy slows and inward investment reduces.

Business in the Community also petitioned the Executive in support of mentoring initiatives and best practice transfer from larger to smaller business. We asked the Executive to consider ways in which this process could be incentivised to support responsible entrepreneurship and keep companies engaged in existing initiatives. Similarly, we pointed out that there has been a dramatic increase in the amount of environmental legislation Northern Ireland businesses must comply with. This is especially challenging for the SME sector and has an impact on tendering and procurement. ARENA Network, the environmental arm of Business in the Community, is still very keen to engage with government on these issues, making it as simple as possible for small firms to reach the highest standards of environmental excellence.

### **Business in the Community position on social clauses in tenders**

Business in the Community's position on social clauses in public tenders is one of general support for their inclusion. Often, these clauses can be used as a method of encouragement to help firms raise their own standards in terms of environmental protection, social inclusion, community impact or recruitment and retention.

While broadly supportive of the inclusion of social clauses, when it comes to small firms Business in the Community believes government must ensure that these clauses aren't overly rigid, or unworkable, resulting in the preclusion of small and medium enterprises from tendering at all. These clauses should be viewed as a method of encouragement and not a barrier to engagement. Business in the Community works with companies to improve their ability to withstand scrutiny in related areas.

Our organisation has encouraged this already within and even beyond legal frameworks, promoting best practice in every available aspect.

The Green Dragon Environmental Standard is designed specifically to help small and medium enterprises and with a graded approach to environmental action (through Levels 1-5). This allows a continuous level of development for small firms and has already proved to be a great help in private sector tendering for some companies across Northern Ireland. With the up-coming Review of Public Administration, Business in the Community has attempted, without much success, to engage with the council-wide group on procurement, operated by the Department of the Environment.

We feel an opportunity exists for best practice in procurement to be embedded in the planning stages of the amalgamation process. Unfortunately, the ad-hoc nature of this committee seems to have worked against us impacting at council wide level, which is a lost opportunity to discuss future engagement and benchmark best practice during the planning stages.

### **Key areas of concern for SMEs and SEEs**

Many SME's and SEE's may feel the tendering process is unavailable or out of reach for them, for a variety of reasons. It is crucial that government ensures this dissonance is reduced or eliminated and that indigenous small and medium enterprises and social economy enterprises are actively encouraged and supported in engagement with government departments. It is often felt that language used by government can be off-putting, overly technical or obscure and for small organisations, with limited resources, simply reading related documentation is time consuming and cumbersome. Another real concern for small firms is speed of payment from government departments for work that is carried out. It is absolutely vital that small firms are paid promptly by departments, ensuring liquidity and safeguarding against cash flow problems that could lead to downsizing, particularly if a supplier chain is in existence.

### **Business in the Community recommendations**

Business in the Community has workable recommendations on how to maximise end-user experience for SME's:

- Workshops for small businesses hoping to tender for local government contracts, or form part of procurement processes, should be held at least once, if not twice a year. This would give representatives an opportunity to learn more about the operations of SMEs and SEEs, as well as guaranteeing transparency. Firms hoping to tender would get direct advice and guidance from departmental staff and could acquaint themselves with procedural norms for procurement and tendering. This would help reduce dissonance between government and small firms. These should also be regional and not always hosted in Belfast.
- A dedicated website should be developed to provide direct access to year round support for small firms. This website would include round-ups of latest news, up-coming opportunities, staff movement within the Central Procurement Directorate or related offices, Frequently Asked Questions, guidelines and general information and feedback avenues on working with government.
- Language used in tendering notices, applications or instructions should be in plain English and where possible and should be devoid of unnecessary jargon, unexplained abbreviations or business-speak.
- An examination into the billing and payment arrangement for the tendering process should be conducted to ensure that the most cost-effective and timely methods are being used to get payments to small and medium enterprises quickly and efficiently. Liquidity for companies is a huge issue in the present downturn and this should be conducted immediately as part of the wider effort aimed at stabilising Northern Ireland's economic framework.

## Further contacts:

For further information, please contact Martin Flynn at Business in the Community on 028 90 46 0606. Business in the Community is entirely happy to provide oral submission on these or related topics to relevant Northern Ireland Assembly committees at any time.

# Appendix 1

## Business in the Community NI Board members

Eileen Sowney	AIB Group (UK) Plc
Roy Adair	Belfast Harbour Commissioners
Michael J Ryan CBE	Bombardier Aerospace
Stephen Magorrian	Botanic Inns
Chris Clark	BT Ireland
Alan Lennon	Civil Service Commissioner
Ciaran Sheehan	Clarendon Executive
Aideen McGinley	Department for Employment and Learning
Terry McDaid	First Trust Bank
Mark Sweeny	FG Wilson
Nigel McIlwaine	Foyle Food Group
Brian Ambrose	George Best Belfast International Airport
Nigel Gray	Marks & Spencer plc
Ruth Laird	NI Transport Holding Company
Bro McFerran	Northbrook Technology of NI
Peter Dixon	Phoenix Natural Gas Ltd
Paul Rooney	PricewaterhouseCoopers
Gerry McCormac	Queen's University Belfast
John McCann	UTV plc

# Appendix 2

## Current Business in the Community membership list

A&L Goodbody	B9 Energy Services	Canon
Acheson & Glover	Bank of England	Carecall
Action Renewables	Bank of Ireland	Care Circle
AES Kilroot	BBC	Carson McDowell Solicitors
Airporter	BDO Stoy Hayward	Castlecourt Shopping Centre
Airtricity	Bedeck	Cavanagh Kelly Accountants
Alburn Investments	Belfast Harbour	Circe Ltd
Alliance Boots	Commissioners	Citigroup
Allianz Northern Ireland	Belfast Health & Social Care Trust	Clanmill Housing Association
Allied Bakeries	Belfast Metropolitan College	Clarehill Plastics
Allstate Northern Ireland	Belfast Telegraph	Clarendon Executive
Almac Group Ltd	BIH Housing Association	Cleaver Fulton Rankin
Amey Business Services	BluePrint	CMWorks
Andor Technology	Bombardier Aerospace	Coca-Cola Bottlers (Ulster) Ltd
Anglo Irish Bank Corporation Ltd	Botanic Inns	Compass Group
Arthur Cox Solicitors	B.P. McKeefry Ltd	Connswater Shopping Centre
Arts & Business	BP Oil UK Ltd	Consarc Design Group Ltd
Asidua	BT Ireland	Consilium Technologies

Copelands  
Council for the Curriculum,  
Examinations &  
Assessment (CCEA)  
Crane Stockman Valve  
Davy  
DCC Energy (NI) Ltd  
Deloitte  
Delta Packaging  
Diageo Northern Ireland  
Dillon Bass Ltd  
Driver & Vehicle Licensing  
Dunbia  
DuPont UK Ltd  
Energia  
Enterprise Rent-A-Car  
ESB Independent Energy  
Evron Foods Ltd  
FG Wilson (Engineering) Ltd  
FGS McClure Waters  
Field Boxmore Ltd  
Firmus Energy  
First Trust Bank  
Firstsource  
Fold Housing Association  
Foyle Food Group  
FPM Accountants LLP  
Fujitsu Services  
Funeral Services NI Ltd  
Gallaher Ltd  
GEDA Construction  
Genesis Breads  
George Best Belfast City  
Airport  
Gilbert Ash  
Goldblatt McGuigan  
Grafton Recruitment  
Grant Thornton UK LLP  
GSL Ireland Ltd  
Habinteg Housing  
Association  
Haldane Fisher  
Hamilton Shipping  
HBOS plc  
HCL BPO Services (NI) Ltd  
HEAT Ltd  
Henry Denny & Sons Ltd  
Hewlett Packard  
Hivolt Capacitators  
Holiday Inn Hotel  
Hughes Christensen Co  
Huhtamaki NI  
Hutchinson Homes  
IBM UK Ltd  
ICS Computing  
Identity & Passport Service  
IEB Software

IKEA  
INVISTA Textiles (UK) Ltd  
Ipsos MORI  
Irish News Ltd  
ITS Ltd  
J P Corry Ltd  
Jackson Graham Associates  
John Graham  
John Henderson Ltd  
John McKee & Son Solicitors  
John Thompson & Sons  
Johnston Press Ltd  
Kilwaughter Chemical Co. Ltd  
KPMG  
Lafarge Cement  
Lagan Holdings Ltd  
Land Securities Trillium  
Larne Harbour Ltd  
Leckpatrick Foods  
Linden Foods  
Lindsay Ford  
Londonderry Port & Harbour  
Commissioners  
Lyle Bailie International  
Lynergy  
Marks & Spencer  
Marsh Ltd  
McAvoy Group  
McCormick Property  
Developments  
McGrigors Belfast  
McMullen Architectural  
Systems  
Ltd  
Medicare  
Michelin Tyre plc  
Microsoft NI  
Mills Selig  
Ministry of Defence  
Mivan  
Montupet (UK) Ltd  
Mott MacDonald Group  
Moy Park Ltd  
Multi Development  
Munster Simms  
Musgrave Retail Partners NI  
NACCO Materials Handling  
Ltd  
Nationwide Building Society  
NHBC  
NI Ambulance Service  
NI Co-ownership Housing  
Association  
NI Housing Executive  
Nljobs.com  
Nitec Solutions  
Norfolkline

NORTEL Networks  
Northgate Information  
Solutions  
Northern Bank Ltd  
Northern Ireland Blood  
Transfusion Service  
Northern Ireland Chamber  
of Commerce & Industry  
Northern Ireland Court  
Service  
Northern Ireland Office  
Northern Ireland Water  
Novsoco Limited  
Odyssey Trust Company  
Old Bushmills Distillery  
Parker Green  
Patton Group  
Phoenix Natural Gas  
Police Service of Northern  
Ireland  
Premier Power Ltd  
PricewaterhouseCoopers  
Pritchitt  
Probation Board for NI  
Progressive Building Society  
Queen's University of Belfast  
resource™  
Richmond Centre  
Royal & SunAlliance  
Royal Mail Group plc  
RPS Consulting Engineers  
Rural Development Council  
Sangers  
Sainsbury's  
SCA Packaging Ireland  
SDC Trailers Ltd  
Seagate Technology (Ireland)  
Ltd  
Serco Ireland  
Singularity  
SITA  
Smarts  
Social Security Agency  
SODEXO LTD  
Southern Health and Social  
Care Trust  
South Eastern Health and  
Social  
Care Trust  
South Eastern Regional  
College  
SP McCaffrey & Co  
Accountants  
Spengler Fox  
Steria  
Stevenson Munn  
Stratagem

Strategic Investment Board  
Stream Ltd  
Teletech UK Ltd  
Tesco Stores Ltd  
TextHelp Systems Ltd  
The Carvill Group  
The Grant Group  
Tim Lewis Consultancy  
Titanic Quarter  
TR Shipping Services Ltd

Translink  
Triangle Housing Association  
Tughans Solicitors  
Ulster Bank Limited  
Ulster Carpets  
Ulster Stores  
USEL  
United Dairy Farmers  
University of Ulster  
UTV plc

Viridian Group plc  
Vodafone NI Ltd  
W5  
Western Health and Social  
Care  
Trust  
WH Stephens & Sons  
White Young Green  
Wrightbus Ltd  
Yell

Magenta text denotes companies joined in the last year.

**Data correct as if February 5 2009**