

Procurement Reform (Scotland) Bill – Call for Evidence from the Infrastructure and Capital Investment Committee

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Introduction

Voluntary Action Scotland (VAS) is the umbrella body for Scotland's network of 32 Third Sector Interfaces (TSIs). We work with TSIs (unitary agencies and partnerships of CVS, Volunteer Centres and Social Enterprise Networks) around three key themes; advocating on their behalf, supporting practice development and co-ordinating with them to help deliver stronger and more resilient communities. An important aspect of the role of VAS is to better inform the Scottish Parliament, Scottish Government and the statutory sector of the challenges and opportunities TSIs, the local third sector and local communities face. We aim to work with stakeholders to ensure that TSIs can play their role in supporting communities and deliver a consistent and valued impact across Scotland.

VAS welcomes the opportunity to contribute to the discussion on the Procurement Reform (Scotland) Bill. Whilst we support the ethos of the Bill, our response highlights a number of the areas we feel need to be addressed in order for the Bill to have the desired impact in our society, adding significant social value and empowering the third sector to play a key role in this agenda.

Categorising Procurement

We do, however, recognise at the offset that there is a need for a distinction to be made in the types of procurement undertaken by contracting authorities, i.e. the procurement of services and the procurement of items. We fully understand that, for example, the buying of stationary needs to be done on a best value basis for contracting authorities and that in the vast majority of cases it would not be necessary to consider social value in this instance. However, it is around the procuring of services that we see the need for social value to come to the fore. We must also consider existing European directives around the purchasing of social care services.

Procurement: Innovative, Sustainable, Outcome Focussed and Demonstrating Social Value

VAS believes that there needs to be increased focus on ensuring procurement within the threshold discussed is innovative, sustainable, outcome focussed and demonstrates social value. Inherent in this is the need for the tightening of language in the duties outlined in the Bill. In particular, we believe that point 9(1)(a) regarding a sustainable procurement duty should do more than 'consider' how the procurement process can facilitate the involvement of third sector bodies and promote innovation. In order to change long standing procurement practices, and meet Christie Commission objectives, the point needs to be made that a stronger duty should be placed upon contracting authorities perhaps working towards an assumption that tenders should be innovative and involve

the third sector as a matter of course. We fear that unless the language is tightened up throughout the Bill that the current procurement practices may continue regardless of legislation and ultimately achieve little of the added social value we believe can be achieved. Duties should embed a progressive approach to procurement firmly within the Bill.

Beyond the 'Best Value' Model

Within this the Bill must move beyond the best value model of procurement and consider the long term social impact of procurement decisions, creating a more sustainable model which is influenced by and designed around the community, not just based upon financial considerations. It must be recognised that the social impact of procurement is revealed over a longer time scale and through various mediums, thus can be difficult to quantify at the outset of a procurement process. Greater prominence needs to be given to the long term impact and sustainability of procurement and support must be given to contracting authorities to think out-with short term budgetary considerations. Parameters and guidance may be necessary in order to support this shift from best value to social impact. This allows for a more outcomes based approach, ultimately with the community and the individual as its focal point, something not possible or well matched to the 'best value' approach.

We believe that alternative models of procuring services, such as public social partnerships, demonstrate the potential for innovation and co-designing of services which goes beyond the traditional best value model. This involves the third sector being involved earlier and more deeply in the design and commissioning of public services, bringing a wealth of previously untapped expertise to the table. TSIs potentially have an important role to play in brokering relationships between local third sector partners, public and private agencies to create these PSPs. Successful examples of PSPs can help to foster better relations between third and public sectors and create cultural changes throughout future procurement processes. TSIs have played a crucial role in recent 'Reshaping Care for Older People – Change Fund' activities and these positive examples and the expertise developed could be utilised within procurement.

Embedding the Third Sector and Building Capacity

Part of the process of embedding the local third sector into procurement would be to involve the sector in the drafting of contracting authorities' procurement strategies. This helps illustrate that procurement is not, or should not be, an event but a process. It would also help ensure that the community becomes more engaged with this agenda and can see themselves as influencing and contributing towards the process.

Whilst the legislation should challenge orthodoxies in current procurement it should also look to protect and replicate current examples of good practice, perhaps providing a framework which promotes local third sector providers. It should also look to provide timely and worthwhile feedback where services co-designed with the third sector have been unsuccessful in the procurement process. This helps build capacity within the third sector and better equips organisations in the future. As previously mentioned we believe contracting authorities should be proactively seeking to include third sector organisations in procurement processes, perhaps consideration should be given to how the Scottish Government can help support and build capacity within the third sector through

providing training or funding towards training to ensure individuals and organisations are well equipped to embrace this agenda.

Closing Statement

VAS welcomes the principles surrounding the Scottish Government's public service reform agenda and sees procurement reform as central to this discussion. We believe there is great potential throughout the agenda for changing Scotland for the better, creating more empowered communities which have a hand in the design, production and procurement of the services they receive. In order for this to become a reality it needs to be supported by robust legislation that creates the environment for change. We believe the procurement reform bill is a step in the right direction but as it stands does not yet create that environment which would, partly, force a change in practices to a social value, impact based, approach. We do however see scope within this Bill for substantial progress and look forward to working with the Scottish Government and the Scottish Parliament to achieve a successful and sustainable Procurement Reform Bill.