

delivering**change**

Procurement & Partnership

Doing it right. Making it work

[Foreword and Introduction]

An NLGN collection: edited by Eleanor Southwood

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introduction

1 why procurement matters

Dan Corry

The New Local Government Network is an independent think tank focusing particularly on two things. One is about modernisation and change in local government and in local services more generally. The other is about encouraging government to decentralise and to empower local government – something we have done much work on under the heading ‘New Localism’. The reason NLGN were so keen to hold a conference on this issue and to publish the proceedings is that doing procurement, especially with partners, and doing it well, is critical to both these agendas, and it is becoming more so.

What then are some of the current pressures pushing procurement up the agenda? The first factor which has always been present and remains so, is central government’s suspicion of the ability of local government to be efficient and to be innovative. I spent far too many of my years working in a variety of different Whitehall departments, and this suspicion is the very strong view of most civil servants. A lot of ministers, even those who have worked in local government, or were councillors – or maybe because they worked in local government or were councillors – also have a deep suspicion that local government will not be up to procurement, and certainly that difficult concepts like procuring partners is just beyond them. Indeed this is a subset of the general distrust in the capacity and ability of local government to deliver nationally that bedevils attempts to allow local government to play the role in our society that New Localism would demand.

The second factor is that the Government is on the warpath on the efficiency issue. The most obvious manifestation of this is the Efficiency Review being carried out jointly by the Cabinet Office and the Treasury. They are doing this partly because the money is starting to get tight, but also because when they look at fairly crude tables that show the extra financial inputs that have gone into public services and compare them to the extra outputs they got out, it looks like productivity is actually going down.

NLGN thinks it is good that government is getting tough on efficiency. Probably the great pouring in of money to the public services over the last years – I know it doesn’t always feel like it

from the local government point of view – does mean that tough choices have not been made in many services and it is probably right that councils should be under pressure to do that now. But you can see in some of the consultation that the Review team have put out – as well as various leaks of their reports – that there is a desire to go towards standardisation in procurement, particularly in back office but elsewhere as well. There are some good things in that, as there are difficulties, and NLGN put in quite a strong submission to the Review, arguing for them to be sensible.¹ What seems very likely is that efficiency and value for money will appear in the new rounds of the CPA – perhaps with individual attention given to ability on procurement.

The third factor comes much more from local government itself, particularly the better councils but also across the CPA tables, were they are trying to find ways of spending money more efficiently – not least because of the council tax issue which is acute. Certainly elected members will be very aware of the issue and however much they blame central government, legitimately or not, they know that their local electorate will not be massively interested if the council tax always rises steeply. So they will be looking for savings in procurement. Better councils are certainly always looking at the possibilities and opportunities for delivering services in partnerships of various kinds. So skills in procuring partnerships becomes a vital part of their skill set and knowledge base.

The last factor, which is a pressure coming from both central and local government, is the need to make services more responsive to individual users. This involves doing away with any concepts of one size fits all and moving towards concepts like choice – a theme on which NLGN has done a major research project.²

There are therefore a number of important pressures which means that procurement – the way we procure partners, what we actually want to procure – has become much more important. We had the Byatt report, and in a sense that has turned into the national procurement strategy, which I think is very important. There is a danger of turning procurement into all things for all people, a fault the National Strategy slightly falls into. So, procurement is supposed to revitalise your community by using small firms in the voluntary sector; it is supposed to drive efficiency; it is all about e-procurement; and there’s a little bit about everything in there. A classic government document.

¹ *Efficiency Review: releasing resources to the front-line* (November 2003). Available in the ‘Consultation Responses’ section of NLGN’s website: www.nlgn.org.uk

² Lent, A and Arend, N (2004) *Making Choices: how can choice improve local public services?*, London: New Local Government Network

Nevertheless, it is an important step, and it brings procurement up the agenda for most people.

What this collection tries to do is to look at a number of the issues. Some are about councils working across boundaries, which NLGN has published work on³ and a co-author of that work, Ian Roxburgh and other contributors to this collection write here about working across service boundaries within a locality. There are many issues about procuring partners, and how you do it with the private sector, but also increasingly the voluntary sector – something the Government is increasingly encouraging. The legal issues often cause problems, and we've certainly argued that they need some changing. Luckily there are some moves afoot to deal with some of these, as Helen Randall writes. And as she emphasises, while there are all sorts of European problems that's no excuse for not trying. Crucially, the role of members in the whole procurement issue must be emphasised. It is hard to have radical agendas in this area if you are not taking members with you – an issue addressed here by Bryony Rudkin.

It is reasonably fair to say that no person became a councillor because they were inspired by more efficient procurement. It is pretty rare that you will see on election material, "Vote for us, we offer you better procurement and better partners". Equally, many officers hope to get through a career without ever being involved in such 'grubby', and supposedly technical issues.

But if councils are to deliver services that people want and to do it efficiently, then good procurement is absolutely crucial, and it is vital that we push this further up the agenda. It is clear that nobody in local government can now keep away from these issues leaving it to the procurement experts or the partnership gurus. While not everyone needs to be experts they need to be up to speed with the issues and this collection aims to give everyone – from senior officers through to cabinet members, from backbenchers through to middle management – a feel for this agenda. I hope you enjoy reading this collection.

³ Roxburgh, I and Arend, N (2003) *Crossing Boundaries: new ways of working*, London: New Local Government Network

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Since the Local Government Procurement Taskforce, chaired by Sir Ian Byatt, published its hard-hitting recommendations in June 2001, procurement has shot up the national agenda. With the Government's Efficiency Review putting enormous pressure on the value for money agenda, no-one working in local government - experienced or otherwise - can afford not to know what the latest thinking is, not least in the area of procurement partnering.

Procurement & Partnership: Doing it right. Making it work is an NLGN collection of essays providing a comprehensive examination of the procurement process. With wide-ranging contributions from key figures within central and local government, and the public, private and voluntary sectors, it provides tools to enable those working in procurement to get the best out of the process and deliver better services to citizens up and down the country.

The report is the fifth publication in NLGN's 'Delivering Change' series, which aims to help senior officers and elected members learn from practical evidence of change and encourage them to respond positively to the local government modernisation agenda.

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