

**Social Economy Enterprise Strategy 2009-2011
Consultation**

NICVA's Response

October 2009



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1. Background

- 1.1. NICVA (the Northern Ireland Council for Voluntary Action) is the umbrella body for the voluntary and community sector in Northern Ireland. It provides over 1,000 members with information, advice, training and support services on a wide range of issues, together with representation for the sector as a whole.
- 1.2. NICVA works to achieve progressive social change, based on equality and equity, working through a community development approach, to empower local communities to pursue their own needs and agendas.

2. Comments

- 2.1. NICVA welcomes the opportunity to respond to the Social Economy Enterprise (SEE) Strategy 2009-2011. Research by NICVA published in "State of the Sector V" puts a value of around £290m worth of income from trading activity of one kind or another in the voluntary and community sector. This represents 53% of the total income to the sector in 2006/2007.
- 2.2. It is clear that funding from social economy activity will need to increase in the coming years if the voluntary and community sector is to sustain and grow its activity in light of reducing income from grant-making sources which accounted for 33% of income in 2006/2007. The overall turnover of the voluntary and community sector in this period was £570m.
- 2.3. NICVA therefore welcomes the continued desire for the Northern Ireland Executive to sustain and grow SEE activity which most voluntary and community organisations can have an opportunity to engage in.
- 2.4. NICVA believes the Social Entrepreneurship Programme and the Rural Development Programmes will make valuable contributions to the development of the social economy enterprise sector. There are other programmes mentioned in the plan that will make a more indirect impact on the SEE strategy but it has been helpful to see these also referenced in the plan.
- 2.5. For our part NICVA will encourage the voluntary and community sector to engage more in social economy enterprise activity and provide advice, training and signposting on the same via our fundraising advice service where relevant. NICVA will also continue to work with the SEN and other social economy agencies to ensure information and advice is available to the voluntary and community sector.
- 2.6. NICVA recently provided evidence to the DFP committee on Public Procurement which is very relevant to this SEE Consultation so we have provided it as an Appendix and the end of this document.

3. Strategic Aims

- 3.1. NICVA agrees with the key strategic aims for the strategy to:
 - Increase awareness of the sector and establishing its value to the local economy;
 - Developing the sector and increasing its business strength; and
 - Creating a supportive and enabling environment.
- 3.2. NICVA welcomes the integrated approach of the SEE Strategy with DETI taking a lead on its implementation and working with other departments and agencies to build the SEE's capacity and capability.
- 3.3. While the strategy proposes an emphasis on developing the sector and increasing its business strength it also states "a general policy supporting the volume growth of SEEs is not needed". It is NICVA's view that volume growth of SEEs is an integral part of developing the sector and increasing its business strength and it must be a part of the SEE Strategy. We would want to see this added as an objective of strategy with relevant targets and milestones.

4. Strategy Timeframe

- 4.1. NICVA has however significant concerns about the effectiveness of the proposed Social Economy Enterprise Strategy as currently presented primarily due to the lack of clear actions, targets and milestones and the short period of effective implementation. Given the progress of social economy enterprise activity in other regions of the UK there is opportunity to add more practical actions and targets based on this learning and experience.
- 4.2. One major issue for NICVA about the SEE Strategy under consultation is that the period for the strategy is already significantly entered into. Given that the strategy runs from 2009 to 2011 and the consultation period will close in October 2009 - the final version of the strategy will therefore realistically only be finalised fully as we enter 2010. We appreciate that the document was drafted in 2008, however the strategy document should have been updated to reflect what has already been achieved and to allow the new economic climate to influence the plan.
- 4.3. It is unfortunate that so many of the areas for future action in the plan are already past. This makes the consultation on these areas essentially redundant. There has also been a missed opportunity to update the progress on these areas to incorporate learning into the strategy. NICVA is concerned that given the short term of the strategy period and its transitional nature that options for delivering the strategy beyond 2011 are not addressed within this interim strategy. Ideally the interim strategy should set in place milestones and targets for the development of the new SEE Strategy before the end 2011 so we can enter into 2012 with a clear strategic direction – and not another hiatus.

A number of actions which were scheduled to take place prior to the consultation being published raise a number of questions:

- 4.4. Has Invest NI commissioned and ongoing evaluation of the pilot programme of the Social Economy Fund as planned in early 2009. Are there plans for rolling the Social Economy Fund out as part of the SEE plan for all of Northern Ireland?
- 4.5. What are DSD's conclusions and recommendations on considering the findings and opportunities of the Northern Ireland Audit Office research which was due to be published early in 2009 into VCS involvement in public service delivery?
- 4.6. What has been the follow up by DHSSPS into the fact finding visit in October 2008 to study the development of social enterprise within the health and social care sector in England?
- 4.7. Regional Supplies Service in December 2008 intended to produce its Sustainable Procurement Action Plan to deliver sustainable development priorities within its portfolio of contracts so how has this affected the SEE strategy?

5. Departmental/Agency Objectives

- 5.1. The following comments relate to areas of the plan which NICVA would like to see addressed in the final strategic plan by the relevant department or agency.

6. Social Economy Network (SEN)

- 6.1. A key contribution to delivering the strategy is to be provided by the Social Economy Network and yet a reducing grant is only guaranteed until 2011. The funding arrangements for the SEN would need to be reviewed in 2010 to ensure that SEN is in a position to support the implementation of the interim strategy and the development of a new strategy through 2011 and beyond.
- 6.2. If there are circumstances where DETI is considering plans to reduce or discontinue funding to SEN then the interim plan should address how the objectives will otherwise be achieved given the integral role of SEN in the delivery of the strategy.

7. Department of Enterprise Trade and Investment (DETI)

- 7.1. DETI has stated it will support the work of the SSEI to build leadership, management and organisation capability in the sector – but how will it do this? Further detail on the activities envisaged in this area would need to be outlined.

8. Department of Health Social Services and Public Safety (DHSSPS)

- 8.1. The Department of Health Social Services and Public Safety (DHSSPS) and Health Trusts are some of the largest purchasers of goods and services from the voluntary and community sector (£114.8m in 2006/2007). Therefore the relationship the DHSSPS and Trusts have with the sector is fundamental to the success of many SEEs. The DHSSPS has made an obligation in the strategy to

“promote the use of SEEs within the Health and Social Care field”. The DHSSPS also states that “DHSSPS recognises that SEEs can deliver high quality services within the Health and Social Care sector while contributing to wider social, economic or environmental goals”

- 8.2. This action requires further actions, targets and milestones as a priority to ensure the policy is reflected in practice. The stated action of holding two workshops over the 2009 to 2011 strategy period does not go far enough to transform the current relationship between purchasers of services and the SEE sector.
- 8.3. Many voluntary and community organisations struggle to ensure departments and trusts implement government policies on full cost recovery and comply with “the Compact” and “Positive Steps”.
- 8.4. A priority for the strategy should be a specific task force to improve the relationship between Government and SEEs on public procurement and to start specifically with health and social care providers.

9. Department for Social Development (DSD)

- 9.1. DSD is responsible for an action to raise awareness of the social economy sector through mechanisms such as the Government Funding database and NI Voluntary and Community database.
- 9.2. On the first point NICVA is concerned that the Government Funding database in its current form is not a suitable vehicle for raising awareness. The Government Funding database is to the best of our knowledge not widely used by the sector given problems with its functionality and currency of content. The Government Funding database would need to be significantly updated and maintained if it would succeed in spreading awareness of the SEE sector which we would welcome for other reasons as well.

10. Central Procurement Directorate (CPD)

- 10.1. CPD states it will deliver basic training in sustainable procurement to procurement practitioners, including the integration of equality and sustainable development into public sector procurement but is ‘basic’ training enough to ensure these factors are not completely outweighed by cost factors. This action would need to be more robust and state how many procurement practitioners will be trained.
- 10.2. The twice yearly report on Government Departments’ compliance with the guidance on integration and sustainable development priorities in procurement processes should be sent to key stakeholders for further dissemination when available including SEN and NICVA.
- 10.3. The Strategic plan should state a date by when the first annual report on the success of SEEs competing for the delivery of public service contracts will be published.
- 10.4. NICVA recently provided evidence to the DFP Committee on the issue of Public Procurement. The Evidence presented by NICVA on this issue is available in Appendix 1.

11. Department of Employment and Learning

- 11.1. DEL states that it will support organisations including SEEs. DEL would need to outline of how these activities are targeted to and accessible by SEEs
- 11.2. It would be helpful if the plan could outline what DEL is doing to professionalise the social economy sector through curriculum development and innovative programmes.

12. Other Stakeholders

- 12.1. The SEE Strategy could also take into account the learning from the DFP committee review of procurement, which particularly asked for impacts on SEEs. (See NICVA's evidence Appendix 1)
- 12.2. Other stakeholders within government with important roles to play on the delivery of an integrated SEE strategy are the Department for Regional Development and the Department of the Environment. NICVA would also encourage DETI to engage with other key stakeholders to develop the SEE. So for example lottery funders like the Big Lottery Fund and Unltd are seeking to support social enterprise and social entrepreneurship respectively. BIG is particular could be a key strategy partner for delivering the SEE Strategy.

13. Transfer of Functions to Local Councils

- 13.1. Although practical elements of developing the SEE sector will be transferred to local councils under the Review of Public Administration the main policy responsibility will remain with the Department of Enterprise Trade and Industry (DETI).
- 13.2. How DETI will implement the transfer of functions to local government ought to be included in the strategy from as early a date as possible to ensure as smooth a transition as possible.

Appendix 1:

Evidence to the Committee for Finance and Personnel Inquiry into Public Procurement

1.0 NICVA

- 1.1 As the umbrella representative organisation for the voluntary and community sector in Northern Ireland, the Northern Ireland Council for Voluntary Action (NICVA) has over 1,000 members. Full members, of which there are 945, are independent voluntary and community organisations. NICVA also has 78 subscribers to NICVA services. These include all District Councils in Northern Ireland and some statutory bodies which have an interest in or relationship with the voluntary and community sector
- 1.2 NICVA is an independent body with charitable status and is a company limited by guarantee. The organisation is owned by its members who elect the board of trustees or Executive Committee. NICVA offers comprehensive advice to member organisations on charity law, funding, finance, personnel and policy matters. With a dedicated communications team, NICVA works to ensure the sector is represented at every level, and that the voice of the sector is facilitated through the media and into the corridors of power.

2.0 Summary

- 2.1 Voluntary and community organisations experience barriers in the pre-qualification process and the resources it requires. The one-size-fits-all approach means they are going through the same processes for a small contract as would be required for a multi-million pound contract.
- 2.2 The transaction costs of the bidding process are high and meeting them is difficult for organisations which may be penalised by other funders for maintaining suitable reserves. High transaction costs also raise issues of value for money.
- 2.3 The added value which a voluntary sector provider brings to a contract may not be continued when the service is re-tendered, but no part of the process seems to take account of this.
- 2.4 The public sector is not good at focusing on outcomes; rather it focuses on financial information and processes. This means that audit and monitoring during the delivery of a contract can be invasive and disproportionate, as if a grant were being accounted for, rather than service being purchased.

- 2.5 Social clauses appear to be underused in Northern Ireland. There is enormous potential for them to drive social and environmental benefits. We provide examples of this in other places, including the Olympic Delivery Authority, and recommend social outcomes being tightly specified as part of the core deliverables of a contract. These considerations should be treated as seriously as other factors in the procurement process and this importance must be stressed to both purchasers and partners.
- 2.6 There is a lack of knowledge on the part of those responsible for procurement in public bodies about what the voluntary and community sector is and what it does. The sector is seen as a higher risk, cheaper option. In other parts of the UK major investment has been put into informing public procurement officials about contracting with the voluntary and community sector; the same should happen in Northern Ireland.
- 2.7 There are capacity issues within the voluntary and community sector. Aside from the issue of undercapitalisation and reserves mentioned above, there has never been any investment in Northern Ireland in preparing voluntary and community organisations to bid for contracts.
- 2.8 Northern Ireland should learn from the work done in Great Britain, including the Office of Government Commerce document *Social Issues in Purchasing* and the *Think Smart – think voluntary sector* guidance for contracting authorities

3.0 Voluntary and community sector experiences of procurement

- 3.1 Many voluntary and community organisations can be viewed as SMEs since they are tendering for business, providing employment and providing services in the local economy. NICVA has consulted its members on their experiences of public procurement from the perspectives of both tendering and of delivery and has found many common themes.
- 3.2 **Tendering**
- 3.3 Pre-qualification can be a problem. Organisations without a sufficiently large turnover or without a suitable history will not be able to pre-qualify – this creates barriers to entering the field. Voluntary organisations often submit joint bids and need to find suitable partners who will also pre-qualify successfully.
- 3.4 Resources required for pre-qualification are disproportionate for those only bidding for small projects. Requirements such as the need to demonstrate environmental certification are irrelevant for small projects such as short-term community consultation contracts. The requirements for small contracts are the same as for multi-million

pound contracts. A one-size-fits-all process places inappropriate burdens on smaller bidders and discourages diversity in bidders.

- 3.5 The introduction of the new Frameworks appears to be driving towards centralisation.
- 3.6 The status of CPD guidance is an issue – on one hand it is just guidance, but on the other auditors are likely to check if it has been followed and thus de facto it is mandatory.
- 3.7 The transaction costs of the contracting process are very high and this is a particular problem for not-for-profit organisations. Substantial resources must be put into even the earliest stages of a bidding process. This raises two issues – value for money and voluntary reserves.
- 3.8 Many voluntary and community organisations are undercapitalised. This is because it is difficult to raise additional money to retain as reserves and grant funders will penalise an organisation for holding even minimal reserves. The Charity Commission for England and Wales recommends that each organisation have an appropriate reserves policy – this may be 6-9 months in most cases. It is difficult for a voluntary or community organisation with limited reserves to make the investment required in competitive tendering, putting them at a competitive disadvantage with regard to the private sector.
- 3.9 The issue of value for money in using competitive tendering for all services is not straightforward. Aside from the recognised high transaction costs of any competitive process, public bodies seem to be using competitive procurement more to ‘cover’ themselves in case of future audit, than to achieve value for money. In one example, a voluntary sector body brought a project proposal to a public body with an offer of 40% contribution to the funding. The public body was in favour of the proposal but insisted on putting it out to tender. Since the proposing organisation was the only one in a position to deliver for 60% of the cost, they were the successful bidder. This unnecessary process was clearly not a good use of public money.
- 3.10 The clarification process has been found to be helpful and organisations have benefitted from the feedback they have received. This should be continued.
- 3.11 Where voluntary and community organisations deliver contracts, often to or with specialised user groups, there may be issues of continuity when the contract passes to another organisation. This is not a straightforward matter when, for example, an organisation delivering a contract has been able to provide added value by using the service delivery as training for people with mental health problems.
- 3.12 Experience of procurement seems to vary widely across public bodies,

with some staff very experienced and familiar with procedures and some less so. These latter need to rely heavily on CPD who are experts in the procurement process but not knowledgeable about the specific service or product being procured.

- 3.13 Voluntary organisations, having submitted a compliant bid, often find they can suggest additional options which the tendering body had not included but which would improve the service. This is important for organisations who are not entering into contracts purely to make profit, but who want to see exactly the right service to meet the needs of users. In this way they can bring expertise and added value to the process.
- 3.14 Organisations who have received feedback on unsuccessful bids have found this helpful. This should be continued to enable organisations to develop in the process of submitting bids.
- 3.15 Since little procurement is undertaken jointly by departments, there is no way of recognising the 'joined up' benefits that a contract with one department may deliver to another.

4.0 Delivery

- 4.1 The public sector is not good on the whole at focusing on outcomes. It is easier to concentrate on financial information and process. Some departments insist on a very invasive relationship even after a contract has been signed. Rather than simply vouching that the service being purchased is being delivered, they demand information on many process issues (which would not be the case for a private sector provider) and may audit the same project up to four times per year.
- 4.2 Monitoring and audit requirements during project delivery may be disproportionate to the value of the contract, causing staff to spend public money designing systems for recording information and maintaining records for monitoring purposes (one NICVA member recently calculated that these used over 30% of the resources of the project). This is not balancing accountability with value for money.
- 4.3 Audit appears to be focused on issues that departments feel they might later need to defend and not on what is being achieved by the contract.
- 4.4 Organisations report experiences of goal posts being moved after a contract has been signed, without additional resources being made available.

5.0 Social clauses

- 5.1 Social clauses do not seem to be a common feature of contracts, despite much discussion, particularly around investment in

infrastructure. It might be more helpful to think of this issue in terms of clearly specifying social outcomes as part of the core deliverables of a contract, so that a contract outcome would specify, for example, involvement of users in design, planning and monitoring of a service.

- 5.2 NICVA would like to see procurement used to help deliver the sort of society we hope to create in Northern Ireland, for example, one that is more fair and equal; one with good relations; one which is free of paramilitary influence; one in which all people enjoy the benefits of economic growth and feel they have a stake; one in which people enjoy excellent public services; one in which public bodies are open and accountable to a local democratic government.
- 5.3 Government departments and their agencies have the power, as purchasers and contractors, to ensure that social and environmental considerations become an integral part of the procurement and delivery of any investment project.
- 5.4 Social and environmental considerations should be integrated into every step of the process and especially in the initial drafting of the specification or terms of reference. They should be treated as seriously as other factors in the procurement process and this importance must be stressed to both purchasers and partners. In any case the social and environmental issues that a contract should be impacting on, such as long term unemployment, equality of opportunity and gender issues and creating shared spaces, will be issues that Government already identifies as important priorities and form part of their requirements under Section 75 and New TSN.
- 5.5 Procurement could be used as a delivery mechanism alongside Northern Ireland's Anti-Poverty Strategy *Lifetime Opportunities*.
- 5.6 We note useful examples from other places, such as Raploch Urban Regeneration Company in Stirling, Scotland, which insists that contractors use local people, including young unemployed people and older jobless people, to renew the estate with legally binding "community benefit" clauses in contracts with developers. In a 10-year programme costing £120m, the scheme includes providing 900 new homes and building new roads, public squares and parks. The company decided 10% of jobs must go to local people, creating 225 jobs over 10 years. That means contractors, each year, must provide five apprenticeships, 10 jobs for semi-skilled operatives and 10 training places through legally binding guarantees. This is possible within EU laws outlawing anti-competitive behaviour since a contract can specify that x% of jobs must go to the long-term unemployed, or new entrants to the labour market, or people needing vocational training. The project has been welcomed as tackling skills shortages in the construction sector.

- 5.7 Likewise, Argent, developer of the £3.5bn regeneration project behind King's Cross St Pancras in London, which is delivering a new business and residential district embracing a range of facilities, has a binding agreement with Camden Council. This specifies a minimum 15% of jobs on the construction project will go to people from what it calls the "wider impact area" - in other words, locals and those from greater London. But in certain skilled areas this will rise to 30%.
- 5.8 NICVA also notes the equality and diversity strategy of the Olympic Delivery Authority in London. The ODA requires its contractors to collaborate in actively promoting race equality, disability equality and gender equality and to operate in accordance with all legislation on equality in employment, including preventing discrimination on the grounds of age, faith and sexual orientation. It requires its contractors to demonstrate practical implementation of equalities duties and legislation through: the development of an equality action plan, with suitably qualified and experienced personnel to oversee it; the operation of effective policies and procedures in relation to equal opportunities, recruitment, workplace harassment, reasonable adjustments and flexible working; the operation of effective equality monitoring; and the development and implementation of diversity training plans. The ODA has developed a balanced scorecard for evaluating potential contractors. Equality and diversity forms one element of the evaluation, as it is a necessary part of effective delivery of the programme. This means that all potential and actual bidders for ODA contracts are encouraged to address equality in employment issues. All companies unsuccessful at pre-qualification stage receive feedback on each aspect of the balanced scorecard, including the equality and diversity component. This feedback includes signposting to sources of information and guidance on how to further develop their equal opportunities practices.
- 5.9 We would also refer the committee to the report funded by the Joseph Rowntree Foundation *Achieving community benefits through contracts: Law, policy and practice*.

6.0 **Recommendations**

- 6.1 There needs to be more clarity around the circumstances in which competitive tendering is being used. Public bodies fund voluntary and community organisations via a range of methods including grants, grant in aid and contracting. However, within contracts there are competitive procurement processes, service level agreements and outcome agreements, all different in process.
- 6.2 As increased responsibilities pass to local authorities under RPA, voluntary and community organisations would like to encourage councils to continue to use them for service provision rather than move everything in-house.

- 6.3 There seems to be a lack of knowledge on the part of those responsible for procurement in public bodies about what the voluntary and community sector is and what it does. The sector is seen as a higher risk, cheaper option. In other parts of the UK major investment has been put into informing public procurement officials about contracting with the voluntary and community sector (for example, the work done by the Office of the Third Sector and Cabinet Office in England – see below) but nothing has happened in Northern Ireland. England also has a target for service delivery through voluntary and community organisations, but no such target exists here. This should be remedied.
- 6.4 The inability to account effectively for outcomes means that the public sector finds it difficult to recognise the added value being brought by voluntary and community organisations as the metrics simply do not exist to measure it. Investment should be made in developing suitable metrics to enable more intelligent procurement.
- 6.5 We are aware that for contracts below £100k, if two bids are the same on everything but price and one bidder is involving marginalised groups or individuals then that bidder can be given opportunity to reprice. There should be exploration of the scope to expand this within EU regulations, and to make it more widely known.
- 6.6 There are capacity issues within the voluntary and community sector. Aside from the issue of undercapitalisation and reserves mentioned above, there has never been any investment in Northern Ireland in preparing voluntary and community organisations to bid for contracts. This should now happen to create a level playing field.
- 6.7 We recommend consideration of the document *Think Smart – think voluntary sector*. This is guidance for contracting authorities issued by the Office of Government Commerce in 2004. It states: ‘The myth that the EC Procurement regime is a barrier to effective procurement from the VCS must be dispelled. Firstly, most contracts with the VCS [Voluntary and Community Sector] are likely to be in the field of social services, health, education and other community services. Such contracts, although subject to the EC Treaty principles of transparency and non-discrimination, are not subject to the full application of the EC procurement Directives, but to a lighter regime.’
- 6.8 The document lists the advantages of contracting with the voluntary and community sector as:
- **Established links with the community** – VCOs (voluntary and community organisations), especially locally based ones, although not necessarily large national providers, are often deeply embedded in local communities with a thorough understanding of the political and social environment in which they operate. They can be

especially skilled at drawing upon resources in the community and gaining local support for new projects.

- **Understanding the needs of specific client groups** and real passion, focus and commitment to action on a specific issue. Greater capacity to reach and earn the trust of excluded or disadvantaged groups. This is often facilitated by recruiting those with direct experience of the user perspective.
- **Independence and freedom from institutional pressures** – VCOs are generally not constrained by complex structures and rules. They are independent and driven by their charitable aims rather than the search for improved profit margins. This can make them enthusiastic, committed, and especially flexible and responsive to customers needs.
- **Innovation** – the VCS is well placed to offer fresh and innovative solutions. They may be less risk averse and have a stronger motivation, through their charitable aims and objectives, to identify better ways of doing things.
- **Responsiveness** – VCOs may be highly focused on particular services or sectors of the community making them alert and responsive to changes in those markets.
- **Economies of scale** – because some VCOs are often specialists in a particular field, they can provide services in a way which benefits from economies of scale.
- **Niche markets** – many VCOs survive by supplying highly specialist services which private sector suppliers find unattractive or outside their competence.

6.9 In terms of the barriers to involving the sector in procurement it lists many of the issues that NICVA members have identified including:

- Lack of early and effective consultation with the VCS in the development of policy, programmes and strategies, leading to poorly packaged or unattractive procurements.
- Failure to properly assess VCOs' capabilities and to consider them as serious contenders. Insufficient recognition given to their strengths and skills. Public sector procurers too risk averse and worried that VCOs lack the resources, organisation, and business skills to deliver.
- Difficulty in finding out about contract opportunities and who to approach about becoming a supplier. VCOs often lack knowledge and experience of Government procedures and have great difficulty in breaking into the market.

- Trend towards use of large scale contracts, such as national or regional frameworks, and rationalisation of the supplier base, rules out many VCOs. Difficulty in forging alliances with prime contractors prevents them from playing a support role in the supply chain.
 - Complex and costly pre-qualification and tendering procedures with unrealistic timescales, prescriptive specifications and excessive contract terms. Means invitations to tender can be consigned to the 'too difficult' pile.
 - Lack of a level playing field in procurement, particularly relating to the unwillingness of some procurers to accept full cost recovery, including management charges, in VCO tender prices.
- 6.10 In relation to the issue of pre-qualification the *Think Smart* document advises that “*Pre-qualification criteria should be carefully chosen to avoid unnecessary ruling out at this stage of competent suppliers. Whilst it is important to select suppliers that are financially sound and capable of delivering the solution, this does not necessarily mean the largest suppliers with the most extensive track record.*”
- 6.11 Another Office of Government Commerce document *Social Issues in Purchasing* suggests that staff should be trained in/made aware of social issues “*Eg if the user requirement was to build a hospital, a contracting authority’s awareness of regional neighbourhood renewal issues might lead it to consider locations in certain deprived areas in order to facilitate their regeneration*”. Both guidance documents advocate making procurement opportunities widely known and ensuring they are accessible to small and medium business, social enterprises and the voluntary sector. “*Encouraging increased competition through assisting these kinds of bodes should help deliver value for money benefits for contracting authorities and at their best these kinds of organisations can provide innovative, responsive and cost effective solutions to the kinds of outcomes sought by public bodies through procurement. Bodies such as social enterprises and voluntary organisations may often be placed well the deliver certain types of contract eg services to deprived sections of the community*”.
- 6.12 Additionally in Great Britain, a National programme for Third Sector Commissioning has been established with funding from the Cabinet Office. It attempts to ensure that government bodies and councils follow the guidance in three main documents: the *Compact Code of Good Practice for Funding and Procurement* (Commission for the Compact, 2003), *Small Business Friendly Concordat* (Office of the Deputy Prime Minister, 2005), and the eight principles of good commissioning (Cabinet Office, 2006, paragraph 30). It works partly through training public sector commissioners and procurement professionals on the role of the voluntary and community sector. We

recommend that the Committee consider this work and recommend similar training in Northern Ireland.

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