

## **Appendix 1**

### **Draft Procurement Pledge for Local Authorities**

#### **Background:**

Council spend in the private sector is worth over £62bn each year – councils recognise the need to maximise the opportunities that procurement provides in ensuring value for money, and in helping support their local economy. This is particularly so as councils wrestle with an average 28% reduction in their funding during the current Spending Review period, as well as the wider economic downturn.

The changing landscape of council contracting arrangements includes increasing numbers of shared service arrangements and pooling of resources. Reductions in funding mean that councils are seeking better value for the tax payer as services are reconfigured, and there is more co-production with citizens and the voluntary sector.

Any initiative that helps procurement to drive efficiency savings, achieves better outcomes, and makes it easier for councils and local providers to do business by reducing bureaucracy and simplifying processes has the support of the sector.

#### **Local Government Procurement Pledge:**

Local government will use all efforts to use procurement to help:

- Deliver value for public money
- Drive local economic growth and regeneration
- Provide inclusive services through a diverse supplier base.

To this end we pledge to increase our efforts:

- to promote and implement procurement processes that are less bureaucratic and burdensome,
- to build our skills, capacity and expertise in procurement
- to engage effectively with users, citizens and partners to ensure that the goods and or services being procured meet their needs and where appropriate involve them in the procurement process
- to engage effectively with suppliers through market days, pre-procurement dialogue, and provide transparent feedback, making them aware of trading opportunities and securing their input and expertise
- to engage with the Chambers of Commerce and Small Business Federation, voluntary sector representatives, and other representative trade & industry bodies
- to seek feedback from suppliers and use this learning to further improve procurement processes.

### **Procurement support from the LGA:**

As part of our wider work we will support councils to use procurement more effectively in a number of practical ways, including:

- Identifying and promoting current good practice – building on the work done through the Quick Wins and Big Wins strategies; encouraging councils to drop Pre Qualification Questionnaires (PQQ's) for contracts under £100k; and encouraging councils to advertise their contract opportunities on Contracts Finder and regional portals.
- Co-ordinating and facilitating a 'voice' for the sector through the National Advisory Group for Local Government Procurement
- Encouraging greater collaboration and joint procurement by local authorities – including providing support to 8 category management projects involving 70 local authorities
- Help in navigating EU procurement legislation and regulation through publications such as 'Buying into Communities'

### **Support from Government**

On behalf of the sector the LGA would like to work with the Cabinet Office and central government to help improve all public procurement.

Public procurement is highly regulated particularly by the European Union and over the years the European procurement rules have become more and more complicated. We need help from government to put the power of procurement back into the hands of local government.

There are many aspects of the current procurement "culture" that we think can only be challenged and changed collectively by us, including reducing the risk averse approach to public sector procurement.