

a guide to procuring from social enterprises

more

for your money



More for your money – a guide to procuring from social enterprises has been produced by the Social Enterprise Coalition and the New Economics Foundation (nef). It was written by Jeremy Nicholls, Justin Sacks and Matthew Walsham, with editing and production management by Olivia Klevan.

The Society of Procurement Officers in Local Government (SOPOL) supports this document for all its members to use when deciding to innovate and create better procurement for the community.

Further copies of the guide are available from the Social Enterprise Coalition at www.socialenterprise.org.uk/procurement

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What's this guide about?

The guide explains:

- why you should consider buying goods and services from a social enterprise;
- what you can do to encourage social enterprises to successfully compete for contracts.

More for your money – a guide to procuring from social enterprises is a short guide to achieving better outcomes from public sector procurement and how social enterprises as suppliers can help you achieve this. It is primarily aimed at local authorities but the issues raised are relevant to any public body that purchases goods and services. If you are responsible for procurement decisions (including the financial or legal side), or involved in developing procurement policy, then this guide is for you.

It includes case studies that illustrate how contracting with social enterprises has benefited a range of local authorities. Although much of the guide refers to the procurement environment in England, the principles of successful procurement from social enterprises apply equally in Scotland, Wales and Northern Ireland, and this guide complements work taking place across the UK.

This guide does not suggest that social enterprises should have an unfair advantage over other suppliers in the bidding process. Rather, that social enterprises have a valuable part to play within the context of a diverse range of suppliers. Of course, they will have to prove this to you, the buyer.

This is only a short introduction to procuring from social enterprises but there are a range of resources available if you want to take the next step. The *Further resources* section (page 34) contains details of other publications and organisations that can provide specific information and advice.



What are social enterprises?

Social enterprises are businesses that trade with a social and/or environmental purpose. They operate across an incredibly wide range of industries and sectors, from social care and recycling, to fair-trade and farmers' markets. Well known examples include The Big Issue, Cafédirect and Jamie Oliver's restaurant, Fifteen.

Although every business is unique, there are a number of features that all social enterprises share. Core to every social enterprise is the trading of goods and services. Although grants are an essential source of start-up funding and capital for many social enterprises, and may in some cases supplement ongoing trading income, social enterprises are fundamentally about business approaches to achieving public benefit.

All social enterprises have defined social or environmental objectives. Many businesses would consider themselves to have social objectives, but social enterprises are distinctive because their social or environmental purpose is central to what they do. For example, whilst The Big Issue is a business, its overriding purpose is to address the problems of homelessness.

Social enterprises are also characterised by their ownership structures. Unlike most private enterprises, whose ownership is often determined by shareholder investment in the business, social enterprises can be owned by their users or customers, their employees, the wider community, trustees, public bodies, or a combination of different stakeholder groups.

There are many routes into social enterprise. Some social enterprises, like leisure trusts and social care providers, are created by externalising in-house local authority services. Others are set up from scratch by a social entrepreneur with a vision. Many social enterprises are charities, either trading in line with their core charitable purpose, set up as independent trading arms, or exempt charities such as industrial and provident societies. A lot of successful social enterprises have also emerged from the voluntary and community sector. But what all social enterprises share, however they were created,

is an enterprising, business-based approach to achieving social and environmental aims.

The social enterprise sector is extremely diverse, encompassing co-operatives and other mutuals, development trusts, community enterprises, housing associations, football supporters' trusts, credit unions, Social Firms and leisure trusts, among others. As a result social enterprises use a wide variety of legal forms, the most common of which are the limited liability company (either companies limited by guarantee or by shares) and the industrial and provident society (the form for co-operatives and community benefit societies). There is now also an additional form of limited liability company designed specifically for social enterprises, the Community Interest Company.



Aren't social enterprises always small?

No, some are very large indeed. For example the Co-operative Group turns over £7.8bn annually and Eaga Partnership, a worker-owned business that delivers the Warm Front programme, turns over £300m. There are also a growing number of social enterprises with multi-million pound turnovers and a strong track record in delivering contracts for local authorities. Examples include Greenwich Leisure Ltd, ECT Group and Sandwell Community Caring Trust.

While it is true that there are lots of smaller social enterprises, both the *National Procurement Strategy for Local Government* and the *SME Concordat* (developed as a result of the *National Strategy*) highlight the value for money SMEs often deliver. The good practice guidance accompanying the *Concordat* emphasises the range of benefits smaller providers bring. They can:

- often respond quickly and flexibly to customer needs;
- act as a source of innovation, ideas and products;
- offer cash savings, improved quality, service and effectiveness; and
- access hard to reach customer groups.

But if you're still not convinced, take a look at the case studies throughout the guide which demonstrate why some local authorities are working hard to give social enterprises a chance.



Picture: Richard Saker

Hackney Community Transport

‘Their willingness to innovate and adapt has provided a refreshing insight into the opportunities and benefits available through working with social enterprise.’

Camden Council

‘In a city where disadvantage and opportunity stand side by side, social enterprise is vital in achieving social and economic prosperity for everyone.’

Nottingham City Council

‘The Council expects all those delivering services on its behalf to share its ambitions and aspirations for local people... we believe that social enterprises are well placed to offer this.’

Tower Hamlets Council

Why buy from a social enterprise?

The National Procurement Strategy for Local Government sets out a range of strategic objectives and milestones for better local government procurement. The vision in the *National Strategy* is that by 2006 all local authorities will have adopted 'world class' practices in procurement, not least by:

- realising economic, social and environmental benefits for their communities through procurement activities;
- operating a mixed economy of suppliers, including small firms, social enterprises, minority businesses and voluntary and community sector groups; and
- stimulating markets and using buying power to drive innovation.

These messages have been reinforced in related guidance developed as a result of the *National Strategy*, including the *SME Concordat*, by the ODPM and the LGA, and *Think Smart...Think Voluntary Sector!* by the Home Office and OGC. For more details, see the *Further resources* section at the back of this document.

What the examples on the following pages demonstrate is that social enterprises can be a highly effective vehicle for local authorities looking to achieve the vision in the *National Strategy* and get more for their money. Not every solution will be right for your organisation, but hopefully the case studies will give a feel for what is possible.

Three areas where social enterprises may offer better value for money than other suppliers are:

1 meeting more than one objective with the same expenditure (see page 8);

2 having a competitive advantage in delivering particular goods and services (see page 14); and

3 delivering innovative solutions and stimulating new markets (see page 19).

1 Meeting more than one objective

Public bodies are increasingly required to achieve additional social and environmental benefits ('community benefits') through their procurement function to further their corporate objectives. The Audit Commission's 2002 report *Competitive Procurement* states that:

'...it is important...to take account of outcomes that are genuinely of strategic importance to the authority, so as to ensure that the outcomes sought from procurement are fully consistent with the authority's broader aims and objectives. These may include environmental and social concerns, so long as these are not handled in a way that discriminates against potential suppliers or are invested with disproportionate importance.'

The *National Strategy*, which requires public bodies to link their procurement strategies to their overall community goals (for example those set out in the *Community Strategy*), explicitly highlights the need to link procurement to local social, environmental and economic impact. It encourages local authorities to:

'...submit optional, priced proposals for the delivery of specified community benefits which are relevant to the contract and add value to the Community Strategy.'

There is also scope for going even further by integrating 'additional benefits' into the core contract specification itself.

Whether they are delivering a recycling contract while tackling long-term unemployment, or cross-subsidising community transport with profits from mainstream bus services, social enterprises frequently deliver multiple outcomes across a wider range of objectives than a traditional, narrower approach to service delivery. Some forward thinking local authorities have recognised that this kind of joined-up approach to service delivery can offer genuine value for money.

Liverpool City Council's waste management contract with **Bulky Bob's** (see page 10) enabled the Council to get a more efficient service while developing local jobs, promoting social inclusion, and saving the Council money. In Nottingham, **NECTA** (see page 12), is a construction company with a difference, helping ensure that local communities benefit from Council building contracts.

In other cases, social enterprises may be delivering additional benefits that go well beyond the terms of the contract. **Hill Holt Wood** (see page 16) for example, has contracts with local authorities, schools and the Learning and Skills Council to work with excluded youths. It uses this money to cross-subsidise less profitable services, such as keeping the 34-acre community woodland available and usable by the public. The award-winning **Hackney Community Transport** (see page 22) runs three mainstream London bus routes that are consistently rated in the top three of all London bus route operators. The company ploughs profits from these contracts into

its community transport services which operate across nine London boroughs.

In most cases it is in the interests of both the public body and the social enterprise to recognise and reward any additional benefits within the contract itself. It is perfectly legal to do so but lateral thinking is needed on both sides of the equation. See the *What you can do* section for more suggestions on creative approaches to community benefits and advice on how to get the ball rolling.

Efficiency

A strategic approach to securing wider social and environmental benefits from procurement can actively contribute to other key strategies and targets, for example the efficiency agenda. The Office of Government Commerce notes that ‘efficiency does not equate to lowest cost and there should therefore be no conflict between the efficiency agenda and environmental and social issues in purchasing.’ This publication goes further and demonstrates that where public bodies think long-term and take a holistic approach to social, environmental and economic factors, they can deliver significant benefits in terms of value for money.



ECT Group

Liverpool City Council

Services supplied

Bulky waste removal and recycling by FRC Group/ Bulky Bob's

Background

In 2000, Liverpool City Council had come to the end of its bulky waste removal and recycling contract and was concerned with how it would continue to deliver the same or more extensive service under budgetary constraints. The Council had used a 'per collection' payment system with the previous contractor. However, with more calls than expected they needed to find an economical way to promote a widespread service without going into debt.

Politicians in the Council were interested in working with the social enterprise sector and began speaking with the FRC Group, which had a track record of providing socially-minded business solutions to social and environmental issues. Underpinning all their services are training and employment opportunities for the long-term unemployed. However training such as this, while effective, would understandably cost more than a mainstream approach that provided no such opportunities.

The negotiations and contract

A joint approach between departments within the Council helped provide the solution. The funding for the bulky waste contract was split into two contracts: one contract explicitly for the delivery of bulky waste removal and recycling funded by the Council, and one contract for the delivery of vocational training for hard-to-reach people, such as the long-term unemployed, funded by local Neighbourhood

Renewal Fund money. This enabled Bulky Bob's, the bulky waste subsidiary of FRC Group, to compete and win the contract because, unlike its mainstream competitors, it could combine mainstream service delivery and vocational training very efficiently.

The payment structure the Council agreed with Bulky Bob's maintained payment per collection for the first two years of the contract moving to an annual lump sum thereafter. By 2002, when the contract shifted to a lump sum payment, Bulky Bob's was receiving more than 50,000 calls per year (over 200 calls per day) but they have delivered on the same budget as the Council was previously paying for 29,000 calls. In fact, according to David Hodnett, Environmental Manager for Regeneration at Liverpool City Council, the Council 'has just been audited, and they found that this new contract is working out cheaper than the previous one!'

Benefits for Liverpool City Council

Liverpool City Council has managed to provide a wider service for the same amount of money. The Council has also reduced its landfill costs. Bulky Bob's is required to recycle at least 30% of what it collects; it currently recycles 36%. With a landfill tax credit of £18 per tonne, the Council has saved over £15,000 in the last year from the increased reuse and recycling of bulky waste alone.

Since June 2000, through the Liverpool Contract, Bulky Bob's has also recruited around 20 long-term unemployed people. Each trainee gains on average 5 qualifications during their time at the company and 70% have gone on to another job.



‘There is a general feel-good factor that the public has, knowing that their old items are going to help out less fortunate people and also about the fact that we are getting unemployed people into jobs.’

Then there are the additional benefits from Bulky Bob’s approach to the contract. ‘There is a general feel-good factor that the public has,’ David explains, ‘knowing that their old items are going to help out less fortunate people and also about the fact that we are getting unemployed people into jobs.’ This knowledge fosters a more cooperative spirit and David continues that, ‘People make the extra effort, which is why we’ve seen such high call rates.’ And Bulky Bob’s has delivered a better service, for example agreeing to collect items from inside the home. David remarks, ‘On their own initiative, Bulky Bob’s agreed to go inside the house and get stuff, obviously as long as the client signs a disclaimer

about damages.’ David further explains, ‘Under a traditional contract arrangement the response would be “we can only collect from the front” or “if we have to go in it will cost more.” That’s the difference.’

The service provided by Bulky Bob’s has been so exceptional that the Council is now discussing extending the contract.

Case study:

Nottingham City Council

Services supplied

Construction, refurbishment and grounds maintenance by NECTA.

Background and contracts

Under the City Challenge initiative of the 1990s, Nottingham City Council ran a number of regeneration projects in the St Ann's area of the city. One of these involved a construction training programme for local people centred around the development of a self-build community centre.

When City Challenge came to an end, the Council was keen to build on the success of the programme. Not only was it a useful regeneration tool, getting local, long-term unemployed people into work, but it helped address a recognised skills shortage in the building industry. As a result, they helped create NECTA (Nottingham Environmental Construction Training for All) to deliver social inclusion through construction programmes. Formed in 1998, NECTA has the twin aims of enabling the socially excluded to enter the labour market and facilitating the creation of a skilled construction workforce.

All the work done by NECTA is carried out by a mixture of qualified craft operatives, apprentices and trainees working towards NVQ Level 2 in a variety of trades including carpentry and joinery, bricklaying, painting and decorating, and groundworks. Initially, a large majority of its contracts were on Council sites, for example at St Anns Phase 10 where NECTA refurbished a large housing estate. More than 500 trainees and apprentices worked on the site, carrying out environmental improvements such as railings, fencing, heavy landscaping and footpaths.

In 2002, the Council changed its procurement policies to include community benefit within all construction tenders and contract documents. As a

result, contractors working on their behalf are now required to address training issues alongside other obligations such as those around equality and diversity. NECTA has provided the training element of many of those contracts. At the same time it began diversifying its range of contracts, delivering as both a prime- and sub-contractor for a wider range of public bodies and private construction businesses.

Recent developments

Recently, NECTA has had to adapt to a decline in programmes to help the long-term unemployed. This coincided with the cancellation of a number of cherished contracts and has proved a tough challenge for the company. As a result it has refocused and broadened the range of its programmes to reach other client groups.

NECTA now places a greater emphasis on the 14-19 agenda and this has led to changes in the kind of work the company undertakes. While long-term unemployed adults can work as trainees on a commercial building site, Health and Safety legislation and insurance restricts what 14-19-year-old trainees can do. As a result NECTA has increasingly turned its attention to property refurbishment – ideal for this age group because the properties are self-contained construction units and the work gives trainees skills that are currently in high demand in the building sector.

Rob Wadsworth, Economic Development Team Leader at Nottingham City Council, is impressed with the way NECTA has dealt with recent challenges: 'There have been a lot of changes at NECTA recently in response to both a change in the local economy and the priorities of local partner organisations. A lot of the traditional construction skills that NECTA previously specialised in are no longer in high demand. They've proven to be a very flexible organisation and this bodes well for the future.'

Benefits to the Council

Currently NECTA employs around 30 staff, 12 apprentices and 40 trainees. On average over 50% of its trainees go on to get jobs in the construction



‘NECTA’s client groups are amongst the most disadvantaged in the City. It is the key organisation for supporting people from these communities into employment in the construction industry’

industry after their training. Many of them have progressed to employment within the local authority, addressing the Council’s own skills shortages. In addition to construction related experience, trainees also learn other skills such as numeracy and literacy, with the majority passing national tests. ‘One of the key things we do is give people employment skills,’ says Howard Platts, NECTA Chief Executive. ‘We work with lots of people who have been excluded in various ways and teach them timekeeping and attendance, team working and how to take instruction – a whole variety of transferable skills.’

Some 40 to 50% of NECTA’s trainees are from an ethnic minority background, compared to a national average of only 2.8%, and 40% are ex-offenders. Rob

notes, ‘NECTA’s client groups are amongst the most disadvantaged in the city. It is the key organisation for supporting people from these communities into employment in the construction industry’.

NECTA is also beginning to access other hard-to-reach groups, for example a new programme for 2006 focuses on young people excluded from school. As Rob explains, ‘NECTA are now proficient at dealing with young people not in education, training and employment: those referred through the Probation Service; and people from area-specific schemes such as New Deal for Communities. We are also exploring how they can play a role in supporting people on Incapacity Benefit back to work, a key priority in our Local Area Agreement’.

2 A competitive advantage in certain areas

In some cases social enterprises may simply have a competitive advantage in the delivery of particular goods and services. Examples where this may be the case include: where the service meets the needs of a specific group who are hard to reach or would particularly benefit from a high level of trust between provider and user; and where it is very hard to specify the softer nature of the service in a contract (such as in support for disabled people and elderly care).

Many social enterprises have particular knowledge of, sensitivity to, and expertise about, the communities in which they work. As a result, they may be better placed than competitors to engage with people from disadvantaged or excluded communities. The *SME Concordat* recognises this competitive advantage, suggesting for example that 'social enterprises and those operating in the

voluntary and community sector, may have better access to hard to reach customer groups.' The **Tower Hamlets Community Recycling Consortium** (see page 18) illustrates how contracting with a consortium that includes local residents has enabled the local authority to meet recycling targets despite the problems associated with doorstep recycling services for high-rise housing. Meanwhile **Hill Holt Wood** (see page 16) and its alternative approach to engaging with excluded youths has helped address anti-social behaviour and given the young people involved an opportunity to develop vocational skills that fit their needs and interests.

In areas such as social care, child care, health and leisure, social enterprises delivering high quality, user focused services are particularly visible. Many involve both users and staff members in the way that projects are managed and services developed. Profits are ploughed directly into service provision, better staff training and other improvements. See the box opposite for just a few of the success stories from the social care sector.

Sandwell Community Caring Trust



Social care success stories

Sunderland Home Care Associates provides personal care and domestic services to hundreds of people in need. It promotes independence and enables older, frail and disabled people to stay in their homes for as long as possible. Since it was set up in 1994, SHCA's hours of service have grown from 400 hours per week to 3,500 and its turnover is now more than £1.5m a year. The 160 employees own the company, share in some of the profits and participate in decisions. The result is an amazingly low staff turnover of just 3.5%. SHCA is building on this success by replicating the model across the north of England.

Community Foster Care provides a competitive local alternative to placing children in out-of-area foster care organisations. Created in response to a nationwide shortage of foster carers, CFC aims to address the shortfall, keep fostered children within their communities and regenerate disadvantaged areas. In just five years it has created over 100 foster care jobs within deprived areas of Gloucestershire, fostering over 300 children, many with challenging behaviour. CFC is currently embarking on an ambitious social franchising programme to replicate its models across the UK.

Sandwell Community Caring Trust provides care and supported living to older people and adults with disabilities. The Trust has achieved impressive savings for the Council – for example an elderly care home cost £452 per week per person to run in 1997, and seven years on the cost was just £313 per person per week. Crucially, this has been achieved without sacrificing quality or staff pay and conditions. Staff still enjoy local

authority terms of employment and Sandwell CCT came sixth in the 2005 *Sunday Times 100 Best Companies to Work for* – with a staff turnover of just 3% the company had the happiest employees of all 100 companies.

Future Health & Social Care based in Birmingham supports vulnerable members of the community by providing access to housing, education, training and employment. Working mainly with black and ethnic minority communities, the 180 staff at FHSCA provide a broad range of services including care accommodation for mental health sufferers, supported homes for ex-offenders and accommodation for asylum seekers. FHSCA has an annual turnover of £3.4m and was the top-placed social enterprise in the 2003 & 2004 Inner City 100, the index of the UK's fastest-growing inner city enterprises.

SCA Community Care Services is a leading care provider in the south of England that provides domiciliary care, support work, day care and transport services for older people and people with disabilities. SCA holds 45 contracts for the delivery of social care, operates an annual turnover of £6m and employs 550 staff and 75 volunteers. The company is continuously looking to improve and diversify its services. For example, it has recently set up SCA Healthcare, which is working with six PCTs in Hampshire to address the shortage of NHS dentists on the south coast. The first two dental practices will be open by the beginning of 2006.

Lincolnshire County Council

Service supplied

Youth development and education supplied by Hill Holt Wood.

Background

In 2001, central government required Local Education Authorities (LEAs) to find ways to provide full-time education for young people excluded from school. For Lincolnshire County Council, that meant inspiring 240 youngsters, some involved in anti-social behaviour, to commit themselves to giving learning another try. Sue Fenton-Smith, Head of Emotional and Behavioural Support Service at Lincolnshire County Council, and others at the Council decided to start a programme to address young peoples' needs, called Solutions 4. Sue needed to find different educational environments that would encourage the youngsters to attend. 'We knew it was no good expecting these young people to go back into a setting that still had the parameters of normal school,' notes Sue, 'they'd kicked against that, and we needed to find something that was different.' Fortunately, the team at Solutions 4 found out about community woodland Hill Holt Wood (HHW).

HHW is a 14-hectare woodland situated on the Lincolnshire and Nottinghamshire border. Its owners bought the woodland in 1995 and turned it into a community-controlled social enterprise that employs 14 people. In an area where two-thirds of businesses employ less than five people, this makes HHW one of the larger businesses in the county. HHW operates a self-sustaining woodland using traditional crafts, while incorporating modern techniques that are beneficial to the environment. It had previously run some educational workshops as part of the New Deal

Environmental Task Force but nothing as formal as off-site schooling.

The negotiations and contract

The first step was to assess the interest and capacity of HHW to deliver a Solutions 4 scheme. It didn't have formal experience working with young people, so the Council trained the on-site staff in behaviour management and other relevant issues. There is no set curriculum for Solutions 4 schemes, so the Council and HHW co-developed a curriculum that was flexible and accountable to central government standards. HHW currently works with 24 students, offering a combination of education and vocational training, as some of the young people will go on to higher education while others will go into jobs. The key is that HHW offers an alternative setting to normal school. 'It's about opening their minds to what they could be successful with, and that's also where vocational achievement comes in', says Sue. The teachers are skilled craftsmen, 'And because they're skilled in something interesting to the youngsters they really get respect that way.'

The Solutions 4 sites seek to create an open and supportive environment for participating young people. 'They don't wear uniforms and there are smoking breaks, though we support them in kicking the habit,' explains Sue, 'they don't get excluded if they come on-site with drugs, and if they've been involved with the police due to violence or if they've got an anti-social disorder, we work through that with them.' Such openness may shock many LEAs, but the success rates of Solutions 4 show that it works.

Benefits to Lincolnshire County Council

Sue notes, 'We're only in the third year of the project and the youngsters haven't moved on yet, but already we've recorded excellent attendance rates.' While quantifying a decrease in crime is difficult, police departments across the county have openly offered strong support for the programme because it



“It’s not like school, not boring. The people we work with understand us and the staff here really care. I love it even when it rains.”

seems to be contributing to a reduction in crime and anti-social behaviour. ‘What I am certain about,’ notes Sue, ‘is that those youngsters that come onto the project are less likely to be involved in antisocial behaviour because we know they’re involved in the programme 25 hours a week and therefore must not be on the street as much as before.’ Many of the young people coming from difficult home lives have demonstrated markedly calmer behaviour after participating in training schemes at HHW.

Another impact that will be felt in several years is the development of a skilled workforce within the county. ‘Especially in Lincolnshire, where the skills are not always there,’ explains Sue, ‘we get a lot of youngsters coming from the south to do trade work.’ So all of the young people coming out of the

Solutions 4 programme with accreditation will then become part of a skilled workforce in the community. ‘Now all we need to do is educate local businesses that NVQ3 is equivalent to GCSE in other subjects,’ Sue points out, ‘and they’ll feel comfortable taking them into employment.’

Many of the young people that HHW works with through Solutions 4 would otherwise be placed in provision outside the county. In addition to the difficulties associated with relocating the young person outside his/her home area, the provision can be extremely costly, averaging £70,000 per annum. By providing a number of opportunities and locations for Solutions 4 within Lincolnshire, the LEA can save money and achieve better results.

Case study:

Tower Hamlets Council

Services supplied

Recycling provided by Tower Hamlets Community Recycling Consortium (THCRC).

The negotiations and contract

Tower Hamlets Council is an enthusiastic supporter of what social enterprises can achieve through the delivery of services. As Damian Roberts, Head of Equalities and Inclusion, explains, 'In working on behalf of our residents, the Council expects all its partners and those delivering services on its behalf to share our ambitions and aspirations for local people, our commitment to excellence and equalities in the delivery of public services, and to have a genuine commitment to partnership working. We believe that social enterprises are well placed to offer this.'

The Council needed to find a way to address government targets for doorstep recycling, something that is inherently difficult in Tower Hamlets where 83% of housing is high-rise. It decided that a Third Sector commissioning strategy (working in partnership with local community groups) was the best way forward for tackling the problem.

With an enthusiastic Council supporting the process, a number of organisations came together, including the Tower Hamlets Environmental Trust, the London Recycling Consortium and Islington Waste Savers, all of whom have experience of community recycling going back several years. This consortium of local residents, green campaigners and a recycling business (now known collectively as THCRC) won the £5.5m contract in a competitive bidding process. An important issue for the Council was the



need for the contractor to demonstrate local knowledge and cultural sensitivity if the doorstep recycling levels were going to help address government targets.

Benefits to Tower Hamlets Council

THCRC succeeded in raising the recycling rate from 3.5% to 8.3%, is on track to exceed 10% later this year. It has achieved a participation rate of 65% – significantly higher than the rate for residents of low-rise housing – while at the same time creating over 100 jobs, 95% of which have gone to local people in the borough. 60% of the staff are from the local Bengali population who constitute around 50% of residents. THCRC currently services 45,000 households and is on course to cover all 80,000 residents with the doorstep service.

Damian is enthusiastic about what THCRC has been able to achieve, commenting, 'The energy, drive and commitment of the THCRC staff has been outstanding. They have helped to realise our goal of delivering a high volume service that achieves strong participation from residents, is configured around the needs of our diverse communities and is delivered by a workforce drawn from the communities they serve.' He adds, 'This has enabled THCRC to achieve unprecedented performance levels and generate a level of energy and excitement locally that is not usually associated with this type of service.'

3 Innovate and stimulate new markets

The *National Procurement Strategy for Local Government* requires local authorities to:

‘Stimulat(e) markets and us(e) their buying power creatively to drive innovation in the design, construction and delivery of services.’

Social enterprises have a strong track record in innovation and market making – whether it’s moving fair trade into the mainstream or pioneering new methods of service delivery. **ECT Group (see page 20)** pioneered kerb-side recycling and, as the case study shows, they are continuously looking for ways to deliver ground-breaking, innovative services.

Hackney Community Transport (see page 22), who have contracts with nine boroughs in London, in addition to its contract with London

Buses, is a leader in developing inclusive transport solutions.

In the leisure sector, leisure trusts such as Greenwich, Coventry and Wycombe have taken partnership working a step further. As well as delivering high quality leisure services for local authorities, they are looking to primary care trusts, local education authorities and community organisations to create joined-up solutions. Coventry Sports Trust, for example, works with NHS Trusts across Coventry on a number of projects, including the development of exercise programmes for older people to prevent falls in the home, and a programme of activities for obese children and their families.

Stimulating innovation and new markets requires an imaginative and proactive approach from public bodies as well as the social enterprises. For more information see the *What you can do* section.

‘Local authorities should... stimulate markets and use their buying power creatively to drive innovation in the design, construction and delivery of services.’

National Procurement Strategy For Local Government

Ealing Council

Service supplied

Full waste minimisation solution supplied by ECT Group. Services include: refuse and recyclables collection, recycling, street cleaning, civic amenity site management, and clinical and bulky waste.

Background

Ealing Council's relationship with ECT Group goes back about 25 years, when the voluntary service council allocated grant money for the establishment of Ealing Community Transport in order to compensate for budget cuts in public transport provision. The Council and ECT Group have both evolved, and ECT Group now encompasses not only Ealing Community Transport but also a range of waste minimisation services serving Ealing and other councils within and outside London.

The Council started contracting with ECT Group for recycling services in 1997, when ECT Group was awarded a contract for kerbside recycling. During this contract, ECT Group developed a new model for kitchen waste removal, the first of its kind in the UK. Andy Bond, Managing Director explains, '... We secured some funding from London Remade to pilot a scheme and it found its way into our major contracts; you just put your kitchen caddy out along with the kerbside recycling.' The Council took notice of this innovation, and when the time came to re-issue the tender in 2001, ECT Group won with flying colours. This time, the Council added garden waste to the list of ECT Group's responsibilities.

During the next contract, ECT Group again pushed the boundaries of waste minimisation. In combination with its other contracts, it developed a

GIS system to link socio-economic status to recycling behaviour. 'Recycling is not a universally used service,' explains Andy, 'usage is fundamentally a product of socio-economic factors, so we determined that if we started measuring those factors then we could become more efficient, kind of like "waste sociology".' This GIS system has enabled ECT Group to deliver an increasingly efficient service to its clients, including Ealing Council.

The negotiations and contract

In 2004, Ealing Council decided to pull together all of its waste-related contracts into one large contract focused on waste minimisation. Given the size of the contract, an advertised cap of £12m, the Council advertised the tender in the Official Journal of the EU and received back a number of proposals, primarily from the top international waste management businesses. Earl McKenzie, Head of Waste and Recycling at Ealing Council explains, 'We set up the criteria to reflect quality and price at a ratio of 60:40 due to the flexibilities we sought in the contract.' From a financial perspective, ECT Group's proposal came in at £1m less than the next lowest tender. From a quality perspective, Earl explains, 'The other tenders had strengths but did not stretch or innovate to the extent required by Ealing at a time of root and branch organisational change. Crucially, ECT Group best demonstrated understanding of the integrated nature of the contract which is not the traditional set of separates but is recycling and waste led; ECT Group understands waste minimisation, which is what 60% of the contract is really about.'

Not only was ECT Group's proposal cheaper and higher in quality, it was also clearer. 'What's great



‘We don’t get complaints from customers or lose customers and no other contractors come near to ECT as far as quality is concerned.’

about the ECT Group contract is that it’s 100% transparent; nothing hidden in there,’ adds Earl, ‘ECT Group put in relatively few caveats, which is where costs can really add up later because the price is only good if an exact set of conditions stay the same.’ Since the Council was seeking a flexible partner that would adapt over time, demonstrating the ability to alter services based on changing needs was crucial.

Benefits to Ealing Council

As well as being the cheapest proposal, there are other economic benefits to ECT Group’s proposal. As a result of its work, the Council has saved money in landfill costs and gained savings in recycling credits.

‘In comparison to other contractors the Council has worked with, we’ve found that the quality of staff training at ECT Group is better because there’s more continuity and staff retention,’ Earl adds, ‘we don’t get complaints from customers or lose customers and no other contractors come near to ECT Group as far as quality is concerned; I believe this is the opinion of the other local authorities as well.’ It’s not always easy or possible to quantify achievements like staff retention or quality control, but ECT Group’s growing success testifies to their importance.

Camden Council

Service supplied

Accessible transport services (PlusBus, ScootAbility and Travel Training).

Background

Camden Council is one of nine London Boroughs to contract with Hackney Community Transport (HCT) to provide accessible transport services. Established in 1982, HCT was among the first urban community transport organisations. In the early nineties, HCT started delivering small-scale contracts for local authorities; from the school run to transporting patients to hospital appointments. It now delivers some much larger contracts, for example it handles transport for the social services and education departments for three London boroughs. The largest education contract is worth £3m and employs more than 120 people.

A major step forward for the company was winning contracts to deliver mainstream London bus routes. It currently runs three routes that carry 1.8 million passengers a year and is consistently rated in the top three of all London bus route operators. John Barry, Head of Network Development at London Buses, comments, 'We have to focus on the things that we want HCT to achieve for us, which is to run bus services to excellent quality standards, but it does matter to us what allows them to do it. I'm sure their community background helps them to achieve their targets.'

All the profits from running the tendered services are locked into the company and are used either to subsidise HCT core services, or to develop innovative ways to meet an identified need. For example, last

year HCT earned £295,000 in performance bonuses. And as Dai Powell, HCT's Chief Executive, explains 'When we get our bonus, I can go to the board and say "How do you want to spend it? More training? More mobility?" They choose'.

Each separate service has its own user forum, which reports to a management board made up of service users and appointed representatives. HCT's bottom-up structure ensures that company always retains a local focus and ethos even when bidding for contracts as far afield as north Wales and Burnley.

The contract

In Camden itself, HCT delivers three services: PlusBus Hail & Ride, ScootAbility and Travel Training. PlusBus Hail & Ride is a local fixed route bus service that links areas of high deprivation with local shops, health centres, day centres etc. and is designed for people unable to use mainstream public transport. The service is timetabled and operates on a fixed route. ScootAbility is a service where the Council delivers mobility scooters on a short term loan to people who cannot use public transport to enable them to get out and about independently. Travel Training is for people with learning difficulties helping them to use mainstream public transport independently, thus enabling people to have a better quality of life.

Andy Kemp, Accessible Transport Team Manager in Camden Council's Environment Department is enthusiastic about HCT's work, 'Our partnership with HCT has helped facilitate social inclusion for Camden residents, and their willingness to innovate



‘Their willingness to innovate and adapt has provided a refreshing insight into the opportunities and benefits available through working with social enterprises.’

and adapt has provided a refreshing insight into the opportunities and benefits available through working with social enterprises. We have worked with HCT both as project partners and service commissioners, and found them responsive and sensitive to our needs and aspirations.’

The ‘added value’ that HCT delivers is clearly one of the reasons it is so successful in winning local authority work because with 20 years experience

working with vulnerable and disabled people, it has the ability to deliver transport solutions that are in tune with service users’ needs. That’s very appealing to local authorities. Indeed, HCT has even begun assisting local authorities in drawing up tenders to ensure that, whoever delivers them, the needs of socially excluded people who will use the transport are met.

What can you do?

If you want to know how you can:

1 Find out what already exists

See page 25

2 Build a supply base
See page 26

3 Take a strategic approach

See page 28

So, we've given you an idea of some of the benefits of procuring from social enterprises. But what can you do to get social enterprises competing for contracts? This chapter sets out a number of different ways to get the ball rolling – from simply finding out what social enterprises exist locally, to adopting a truly strategic approach.

Of course, not all of the ideas will be relevant to your organisation. However, what is clear from the case studies is the importance of a proactive, imaginative approach on both sides of the equation, and the rewards it can bring.

This is only a brief overview of the different options; wherever possible we've suggested where to go for further information and advice (the *Further resources* section at the end collects this all together for easy reference).

1 Find out what already exists – quick wins

A good starting point is to find out about social enterprises that operate locally and what is already happening in your area. Does someone else in your organisation have responsibility for social enterprise, for example in the Regeneration or Economic Development teams?

Talk to local social enterprise networks and regional/national social enterprise organisations (see the *Further resources* section for contact details). These are an important source of information and advice, and can provide you with information on social enterprises that operate in your area – some may even be doing specific work on public procurement (see box on right). It is also worth talking to whoever has responsibility for developing social enterprise in your Regional Development Agency or devolved administration.

There may be some quick wins at this stage, particularly for goods and services under the EU-threshold. Where you have identified social enterprises that can fulfil a need, find out whether or not they are already on your approved suppliers list. If they are not, contact them, explain the benefits and invite them to apply. While you're at it, make sure your supplier approval process is friendly to new suppliers. Many local authorities close their approved supplier list altogether, stopping any other business from doing work with the council.

BEST Procurement

BEST (Benefiting the Economy and Society Through) Procurement* is a major initiative led by Social Enterprise East Midlands. It aims to make significant advances in the value of business done between the public sector and social enterprise. It is:

- a programme of supplier development for social enterprises;
- a partnership of public sector bodies testing innovative approaches to achieving broader public benefit through mainstream expenditure; and
- a clearing house of market intelligence on (East Midlands) public sector demand and the supply of sustainable business solutions.

The programme will provide in-depth evidence in response to key questions such as 'how can the public sector become more efficient and more responsive at the same time?' and 'what added value do social enterprises offer as suppliers?' Practice developed by the partners will be widely disseminated in the form of tools and reports and findings used to support further work on achieving public benefit through procurement. More information is available at www.seem.uk.net

*The programme is part-funded by the European Social Fund under the Equal Community Initiative Programme.

2 Build a social enterprise supply base

At its simplest, engaging with social enterprises and letting them know you're a willing customer could be all they need to start bidding for work. However, a more proactive approach may be required if you are engaging with social enterprises that have not considered supplying the public sector before, have limited experience of competing for contracts, or have concerns about the costs and time involved.

As long as no individual enterprise gains an advantage in competing for a specific contract, it is perfectly legal to work with social enterprises to help improve their ability to respond to contract opportunities. There are a number of ways in which you can do this, many of which will be familiar to anyone trying to encourage procurement from SMEs. For example:

- work with social enterprise support organisations and networks, as well as other business networks like the local Chamber of Commerce, to raise awareness of the opportunities for suppliers and encourage social enterprises to bid for contracts;
- arrange regular 'meet the buyer' days, as they are a good way to engage with social enterprises in your area;
- ensure that social enterprises are aware of upcoming opportunities and encouraged to bid for advertised tenders. Early information about what contracting opportunities are coming up and open advertising of opportunities are essential steps to improving access, so publicise contracts as widely as possible in accessible media, using electronic and other networks. Where contracts exceed the EU thresholds they can still be advertised locally provided no extra information is given in the advertisement and the advert is placed no earlier than the notice in the Official Journal of the EU;
- examine your financial regulations and other contract requirements as they can be a significant barrier for many social enterprises. For example, a requirement of several years trading history excludes younger social enterprises. There are risk management issues to consider but it is important that any conditions are proportionate to the risks associated with a contract, and it is often possible to relax requirements for lower-value contracts where relatively little risk is involved;
- think carefully before aggregating contracts – as the *SME Concordat Good Practice Guidance* points out, 'very large contracts may pose significant barriers to entry to small firms, or those wishing to diversify into the market. A combination of the evolving strength of incumbents, size of contracts and high bid costs can lead to a less competitive marketplace.' Further advice on aggregation is available in the OGC's *Smaller supplier...better value?*;
- encourage social enterprises to explore sub-contracting opportunities, particularly for very large contracts. Publish details of prime contractors and contracts on your



website and organise ‘open supplier meetings’ where potential prime contractors and sub-contractors can get together. It is even possible to encourage prime contractors to work with social enterprises to achieve additional social and environmental benefits through their supply chains. Alternatively, consortia bids are another way in which small businesses can tackle large procurements (see **Tower Hamlets Council, page 18**); and

- provide feedback to social enterprises that made it to the shortlist but didn’t win the contract. You can also direct the enterprise to relevant support, so that it can compete more effectively next time. Nottingham City Council, for example, reviews tenders where social enterprises were unsuccessful in order to explore the scope for refocusing the wording of contracts, and provide business support where appropriate (see box overleaf).

Back-office supplies

Many of the examples featured in this guide are of social enterprises delivering front-line public services, but there is scope for transforming the back-office too. Fair trade tea and coffee from Cafédirect or chocolate from the Day Chocolate Company tastes great – not least because producers in the developing world get a fair deal. High quality, low cost office furniture and equipment is available from Green-Works, diverting thousands of tonnes from landfill, while creating training and employment. Or there’s recycled paper and office supplies from Paperback, the UK’s only paper merchant specialising in recycled paper. And you can make an impact with back-office services too. You could source mail and packaging from Pack-IT, cleaning from Greenboro and catering from Rolls on Wheels – all three are Social Firms providing paid employment for people with learning disabilities. So no matter what you’re buying, social enterprises can help you get more for your money.

3 Take a strategic approach

The ideas outlined above are steps that all public bodies can and should take. However, many of the local authorities featured in this guide have gone even further and taken a truly strategic approach to the delivery of goods and services through social enterprises. How you choose to proceed will be dependent on your local circumstances and every public body will be different.

Nottingham City Council

As with many larger cities in the UK, Nottingham has a two-speed economy with a vibrant city centre co-existing with estates of disadvantage and structural economic problems. Both social enterprise and the impact of public sector procurement are seen as key policy tools in redressing this balance.

Much of Nottingham City Council's early work on procurement from social enterprise centred on construction (through the Council's City Wide Construction team), and the purchasing of homecare services. Lessons learnt from these sectors have been used to broaden the scope of social enterprises delivering commercial services to the Council and over the past two years new social enterprises have entered the supply chain in information technology, housing maintenance, grounds maintenance and consultancy services. The City Council now has a Social Enterprise Team

Social enterprise friendly procurement

Some local authorities have developed specific frameworks for working with social enterprises. **Sheffield City Council (see box opposite)** has a strategy in place for expanding opportunities for social enterprises in the procurement process, including sub-contracting with partner organisations. **Tower Hamlets Council (see box opposite)** has developed a new commissioning framework and code of practice accompanied by a capacity building programme that examines options for consortium bids.

who broker relationships between social enterprise suppliers and purchasers within the Authority, giving social enterprises a gateway through the often complex bureaucracy of local government procurement.

Many social enterprises offer discounted goods and services to the Council's staff through a 'Staff Savers' scheme including access to cultural facilities, discounted use of internet cafes and refurbished IT equipment. For the Council's larger offices, a dry cleaning collection and delivery service involving a social enterprise is also under investigation.

Much of Nottingham City Council's current and future plans regarding social enterprise and procurement are linked to their being partners in BEST Procurement, a programme led by Social Enterprise East Midlands (see page 25). A number of partners in the region are sharing best practice and identifying areas of opportunity.

Tower Hamlets Council

Tower Hamlets Council has developed a new commissioning framework and code of practice, which it has used to commission a range of different services from social enterprises – and other third sector organisations – including innovative packages of social care, direct youth service provisions, and a £5.5m contract to deliver community-recycling services.

Social enterprises have to demonstrate that they can deliver the Council's service priorities more effectively than the competition. They must also participate in the Council's performance management arrangements. However, outside of any specific procurement, the Council offers a wide range of assistance to social enterprises wanting to increase competence in bidding for services, including a capacity building programme – covering areas such as financial systems, IT, HR policies and governance. It also gives advice and guidance on bidding, open briefings to potential service providers and offers support in forming consortia.

The Council has recently published a resource pack for social enterprises. This provides practical advice on legal structures and sources of funding and advice. It is targeted at individuals or organisations wanting to develop or expand their own social enterprises.

Sheffield City Council

In April 2004 Sheffield City Council adopted a policy for expanding opportunities for social enterprises through public procurement. The initial aim was to improve links between the achievement of the Council's social inclusion and economic regeneration objectives with its mainstream spending activity, by providing improved opportunities for social enterprises. The policy has now been developed further to reflect the National Procurement Strategy's drive towards the achievement of a mixed economy, incorporating a range of third sector suppliers.

The Head of Procurement Partnerships and Programme Management within Sheffield City Council leads on the implementation of the policy, the key themes of which are to:

- improve the range, quality and accessibility of information available to all potential contractors;
- raise awareness and understanding of the value and capabilities of social enterprises;
- develop contracting processes that legitimately incorporate the consideration of relevant community benefits;
- enhance the Council's policy framework to support the involvement of social enterprises in public procurement; and
- use the Council's influence with partners to generate enhanced opportunities for social enterprises.

Social and environmental benefits – creative thinking

Your organisation's corporate strategy and its links to the procurement strategy will be a critical factor in any creative approach to social enterprise. These are essential documents because they provide the framework for further action; whether it's including community benefits as part of the core requirements of a contract, or working with social enterprise SMEs as part of a broader strategy to develop a diverse supply base. Some factors may be beyond your control. For example the political support for social enterprise that catalysed Liverpool City Council's work with Bulky Bob's. But if there's support in the community strategy, such as an aspiration to tackle unemployment and skills shortages that working with social enterprises could help deliver, you can use it to galvanise colleagues – in your department and across the organisation – to develop truly innovative approaches to service delivery.

The *National Strategy* explains that tender invitations should include a requirement for bidders to submit optional, priced proposals for the delivery of specified community benefits, as long as they are relevant to the contract and deliver the Community Strategy.

Potential contractors could therefore be asked to show how they would engage service users, staff, and the community in the operation of the service, and this could be included in the evaluation criteria, as long as the aspiration is set out in the Community Strategy or is an approved objective for the service.

However it is possible to go further, as the **Liverpool** case study illustrates (see page 10). By considering what additional benefits may be obtained from provision by a social enterprise in advance of the tender, they can be included as part of the core contract specification. This is not putting social enterprises at any unfair advantage, as any private business may also meet this part of the specification.

'Councils can work with the private sector to discuss possible options for service delivery before advertising the contract opportunity. This may provide councils with alternative options for service delivery that they may not have had previously. This should, however, be done in such a way to maintain open and fair competition and ensure that no one potential tenderer is advantaged.'

Again, where you are looking for a fresh approach to an old problem both the **Liverpool** and **Ealing** case studies (see pages 10 and 20) illustrate the advantages of involving stakeholders in drawing up the contract specification, including appropriate consultation with potential suppliers. As the Audit Commission's *Competitive Procurement* report highlights:

'For some services, such as refuse collection, it might be that the market appears to be developed and well understood. However even in this area it is necessary to talk to potential partners to find out what sort of additional benefits might be derived in, for example, delivering recycling targets or helping with educational campaigns.'

We would buy from social enterprises but UK and European procurement rules make it very difficult

It is for you to decide what to buy, set the specification, and then follow UK policy to achieve best value and EC policies to ensure an open market. We are not saying you should give social enterprises preferential treatment. Rather, that in thinking through your procurement strategy you may well find that these organisations can contribute significantly to achieving best value and so should include them on tender lists or find ways to encourage them to tender.

All the approaches highlighted in this document are legal. What they clearly show is that there is much more scope for added-value public procurement than is currently being exploited. This is in line with the *National Strategy*, which

requires all local authorities to be innovative in their approach to securing wider social and environmental benefits, and the new EU Consolidated Procurement Directive which expressly provides for the inclusion of social and environmental considerations in procurement contracts.

For more detailed discussion on legal issues see *Proactive procurement – Achieving quality services and implementing policy objectives by procurement from social enterprises*, available from provide@cooperatives-uk.coop

Since every contract is different – and the possibilities of building in multiple objective additions is very wide – there can be no standard set of simple criteria against which a procurement officer can easily test a forthcoming contract to see how effectively it might be delivered by a social enterprise. Therefore, you will need to be creative in order to work out what additional benefits could be built into the contract and whether all of these benefits would be best delivered by the same contractor, or whether some aspects would be best delivered separately.

Finally, any community benefits included in the contract must form part of the evaluation criteria, and if an interview is part of the selection process it is important that the tender panel includes people with knowledge of all aspects of the specification and criteria. If not, there is a risk that even though social and environmental issues have been incorporated, they will not be given due consideration at the final hurdle.

Conclusion

The makings of a beautiful relationship...

The awarding of a contract really marks the beginning, not the end, of the relationship. One of the distinctive features of the case studies is the importance all the social enterprises and local authorities attach to a positive relationship after the contract has been awarded, with both parties exploring ways in which service delivery can be improved. Lincolnshire County Council and Hill Holt Wood work closely together to develop and adjust the curriculum offered to ensure students' needs are met; Bulky Bob's and Liverpool City Council are discussing new ways of working; and Ealing Council's open-book contract with ECT Group means the focus is on an ongoing partnership.

David Hodnett, Liverpool City Council's Environmental Manager for Regeneration, has been impressed with Bulky Bob's enthusiastic attitude. The Council has been able to use Bulky Bob's for last minute work that would have otherwise cost a lot more to deliver, such as the delivery of wheeled bins and, as David explains, 'We are currently looking at adding evening or weekend collections since customers can't always be at home during business hours; we might need to make a

nominal charge for this enhanced service, but it would help out a lot of people.'

Earl McKenzie, Head of Waste and Recycling at Ealing Council is equally impressed by ECT Group's solutions-oriented approach. Building on the success of ECT Group's open-book contract with a neighbouring council, in which the organisation helped dramatically increase the recycling rate for the same amount of money, the contract Ealing Council awarded is taking a similar policy. The open-book system looks more like a partnership approach, with each organisation looking at how best to achieve the desired outcome, assessing financial implications and adjusting the price after testing out new ideas. 'If we're going to get the best out of anything, then we have to have a genuine partnership because things change around a lot, such as weekly collections and recycling,' notes Earl.

This kind of positive experience is the hallmark of all the relationships between social enterprises and local authorities featured in this guide. And while it won't always be easy, an increasing number of local authorities are finding that the rewards of procuring from social enterprises more than justify the effort.

Checklist

1 Are you working with social enterprise networks and other business networks in order to increase the number of bids you receive from social enterprises?

2 Do you know what work other people in your organisation are doing around social enterprise?

3 Do you know what social enterprises operate in your area? How many are on your approved supplier list, and are there any obvious gaps?

4 Are local social enterprises aware of upcoming opportunities and encouraged to bid for advertised tenders? Are you running regular 'meet the buyer' days?

5 Have you considered how your financial regulations and other contract requirements may act as a barrier and how you could change them?

6 Are you carefully considering all the different options before aggregating contracts?

7 Have you taken a strategic look at how social enterprises could help you deliver your corporate objectives? Would a strategy for social enterprise help you achieve this?

8 Could you take a more creative approach to achieving wider social and environmental benefits through your procurement process? Could social enterprises help in achieving this?

9 Are there opportunities for joint working with other departments within your organisation, or with other parts of the public sector such as the NHS?

10 Are you providing feedback to social enterprises whose tenders are unsuccessful and directing them to sources of support?

Further resources

Listed below are a range of organisations and useful publications where you can get further information and advice. For additional resources visit www.socialenterprise.org.uk/procurement

Social Enterprise Organisations

UK-wide

Community Action Network (CAN) – works to develop, promote and support social entrepreneurs.
Tel: 0845 456 2537
www.can-online.org.uk

Community Transport Association (CTA) – promotes excellence in community transport.
Tel: 0870 774 3586
www.communitytransport.com

Co-operatives^{UK} – the central organisation for co-operative enterprises in the UK representing the interests of their member co-operatives.
Tel: 0161 246 2921
www.cooperatives-uk.coop

Development Trusts Association – the national umbrella body for development trusts.
Tel: 0845 458 8336
www.dta.org.uk

Social Enterprise Coalition (SEC) – the UK's national body for social enterprise.
Tel: 020 7793 233
www.socialenterprise.org.uk/procurement

Social Enterprise Unit (SEnu) – part of the DTI Small Business Service.
www.sbs.gov.uk/socialenterprise

Social Firms UK – creates employment opportunities for disabled people through the development and support of social firms.
Tel: 01737 764 021
www.socialfirms.co.uk

Sports & Recreation Trusts Association (SpORTA) – representing Leisure Trusts, non-profit distributing organisations that manage sport and leisure centres open to the general public.
Tel: 020 8317 5000
www.sporta.org

English regions

North East Social Enterprise Partnership (NESEP) – working to create a vibrant social enterprise sector in the North East.
Tel: 0191 270 4565
www.nesep.co.uk

RISE – the voice for South West social enterprise, supporting the development of sustainable social enterprises in the region.
Tel: 01392 473 465
www.rise-sw.co.uk

Social Enterprise East Midlands (SEEM) – works across all sectors in the East Midlands to enable social enterprise to develop and grow.
Tel: 0115 845 6434
www.seem.uk.net

Social Enterprise East of England (SEEE) – promotes, celebrates and shares social enterprises' successes and assists in implementing best practice throughout the East.
Tel: 01727 813 401
www.seee.co.uk

Social Enterprise London (SEL) – the heart and voice of the social enterprise sector in London promoting community, best practice, advocacy & development.
Tel 020 7704 7490
www.sel.org.uk

North West – contact Dave Hollings, Co-operative & Mutual Solutions.
Tel: 01254 706 939
dave@cms.coop

Yorkshire & Humber – contact Janette Cawcutt at Yorkshire & Humber Regional Forum.

Tel: 0113 200 1383
janette.cawcutt@
regionalforum.org.uk

West Midlands – contact Andrew Collier at West Midlands Centre of Excellence.

Tel: 01527 839200
acoller@wmcoe.gov.uk

Sub-regional and local social enterprise bodies – there are a number of sub-regional and local social enterprise support bodies across the UK. For more details of organisations in your area visit www.socialenterprise.org.uk/

Scotland

Social Economy Unit – the Unit is working with partners across the public sector to address issues relating to social enterprises and procurement.

Contact: Geoff Pope
Tel: 0131 479 5328
geoff.pope@
communitiesscotland.gsi.gov.uk

Scottish Social Enterprise Coalition (SSEC) – a collective voice for social enterprise in Scotland, SSEC promote and represent the needs of social enterprises.

Contact: Antonia Swinson
Tel: 0131 557 1516
www.ssec.org.uk

Forth Sector – as well as setting up and running social firms, Forth Sector has a wealth of experience in relation to procurement and is leading an initiative to develop ‘public-social partnerships’ with local authorities in Scotland.

Contact: Kevin Robbie
Tel: 0131 539 7374
www.forthsector.org.uk

Highlands and Islands Social Enterprise Zone (HISEZ) – has specific expertise in relation to procurement in a rural context.

Contact: Clive Sheppard,
Development Worker
Tel: 01463 715533
clive.sheppard@socialfirms.org.uk

Wales

Contact Simon Harris, Chief Executive, Wales Co-operative Centre.

Tel: 029 2055 4955
www.walescoop.com

Northern Ireland

Contact the Social Economy Agency.

Tel: 028 7137 1733
www.socialeconomynetwork.org

Public Procurement Bodies

Improvement & Development Agency (IDeA) – working in partnership with all councils to develop the sector, the IDeA has developed a suite of procurement services to support councils in improving procurement.

Tel: 020 7296 6880
www.idea-knowledge.gov.uk

Local Government Association (LGA) – exists to promote better local government by putting local councils at the heart of the drive to improve public services.

Tel: 020 7664 3131
www.lga.gov.uk

Office of Government Commerce (OGC) – works with government to improve procurement and project/programme management and with suppliers to make the government marketplace more efficient and attractive to business.

Tel: 0845 000 4999
www.ogc.gov.uk

Office of the Deputy Prime Minister (ODPM) – government department responsible for local government. Aims to improve delivery and value for money of local services.

Tel: 020 7944 4400
www.odpm.gov.uk

Public Private Partnerships Programme (4ps) – the local government procurement expert, providing advice, guidance and skills development to local authorities undertaking projects, procurement and partnerships.
Tel: 020 7808 1470
www.4ps.co.uk

Regional Centres of Excellence – the first line of support and guidance on procurement, partnering and efficiency in their region, the nine Centres of Excellence have been established to support the implementation of the *National Strategy* and the delivery of council efficiency targets.
www.rcoe.gov.uk

Small Business Service (SBS) – an executive agency of the Department of Trade and Industry, the SBS has a number of policies and programmes to promote SME access to public procurement.
Tel: 020 7215 5000
www.sbs.gov.uk

Society of Procurement Officers in Local Government (SOPO) – advises local authorities across the UK on all purchasing and supplies matters of national/general interest, and represents its members on other bodies to promote the society and its aims. It provides area networks and forums and produces guidance on best practice.
Tel: 0141 332 8247 ext. 327
www.sopo.co.uk

Useful publications

Aggregation – is bigger always better?, Office of Government Commerce, 2004, available from www.ogc.gov.uk

Competitive Procurement – learning from audit, inspection and research, Audit Commission, 2002, available from www.audit-commission.gov.uk

Joint Note on Environmental Issues in Purchasing, OGC and DEFRA, 2003, available from www.orgc.gov.uk

Government: Supplier and Customer?, Better Regulation Taskforce & Small Business Council, 2003, available from www.brtf.gov.uk

National Procurement Strategy for Local Government, ODPM, 2003, available from www.odpm.gov.uk

Public spending for public benefit, Justin Sacks, nef, 2005, available from www.neweconomics.org

Proactive procurement – Achieving quality services and implementing policy objectives by procurement from social enterprises, Co-operatives^{UK}, Social Enterprise East of England & Anthony Collins Solicitors, 2004, available from provide@cooperatives-uk.coop

Small Business (SME) Friendly Concordat: good practice guidance, ODPM, LGA & Small Business Service, 2005, available from www.odpm.gov.uk

Smaller Supplier...better value?, OGC & Small Business Service, 2005, available from www.orgc.gov.uk

Social Issues in Purchasing, OGC, 2006, available from www.orgc.gov.uk

Sustainability and Local Government Procurement, IDeA, 2003, available from www.idea-knowledge.gov.uk

Think smart...Think Voluntary Sector, Home Office & OGC, 2004, available from www.orgc.gov.uk

Resources for Social Enterprises

Public Procurement: A Toolkit for Social Enterprise – in 2003 the Social Enterprise Unit at the DTI produced a toolkit to give social enterprises across the UK access to the best possible information and advice on how to win government or public sector business.

The toolkit is available from www.sbs.gov.uk/socialenterprise

Also see **www.supplyinggovernment.gov.uk** an Office of Government Commerce and Business Link website with advice on selling products and services to government in England.

This guide has been produced as part of the SEC national Mainstreaming Partnership which is funded by the European Social Fund under the Equal Community Initiative Programme, and the DTI Small Business Service.



The Social Enterprise Coalition (SEC) is the UK's national body for social enterprise. As the voice of the sector, SEC provides a platform for showcasing the benefits of social enterprise. We share best practice and influence policy in order to create an enabling environment for social enterprise. To find out more visit:
www.socialenterprise.org.uk

The New Economics Foundation (nef) is an independent think-and-do tank that inspires and demonstrates real economic well-being. We aim to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environment and social issues. We work in partnership and put people and the planet first. To find out more visit:
www.neweconomics.org

The Society of Procurement Officers in Local Government (SOPo) advises local authorities throughout England, Wales, Scotland and Northern Ireland on all purchasing and supplies matters of national/general interest, and represents its members on other bodies to promote the society and its aims. It provides area networks and forums and produces guidance on best practice. To find out more visit: www.sopo.co.uk

