

Championing Social Value

Brendan Hurrell

Job Title: Corporate Procurement Manager
Organisation: Inverclyde Council
Time in Post: Three Years



Background

Brendan joined Inverclyde Council in 2010 as its Corporate Procurement Manager.

He was a member of the first ever Partners for Change Programme in Scotland. This is a tried and tested process of securing better local outcomes through improved collaboration with the third sector. The programme is supported by the Ready for Business programme with funding from The Scottish Government.¹ Brendan found this process and the learning that came out has informed his current approach to procurement within Inverclyde Council.

Responsibilities

He is responsible for tendering, supplier management, and supplier development. As Procurement Manager for Inverclyde Council, he oversees £90M of spend which accounts for 35% of the Council's total budget. Included within this spend are contracts on behalf of: Inverclyde Community Health and Care Partnership (CHCP); Education (through Scotland Excel); Roads; and Chief Executives.

He and his colleagues are currently involved in mapping the profile of public service tenders in Inverclyde. £20m of the overall £90m of Council spend is

invested in the local area. The mapping exercise will compare the following:

- the list of suppliers on file with those that have tendered for Council contracts, including the third sector
- those successfully tendering with the Council and also with other public sector agencies
- those successfully tendering with the NHS, Fire Brigade, Police, but not with the Council
- and those unsuccessful with public sector tenders

Personal attributes

As a former IBM employee Brendan is aware of the impact that the decline in the electronics sector is having on Inverclyde. He is therefore very committed both to the Council's approach to targeted recruitment and training and to working with the third sector to create jobs in other service sectors. However he is aware that targeted recruitment and training on its own cannot be relied on to arrest current depopulation, as there is no guarantee that workers recruited and trained will stay in Inverclyde.

Enablers

Brendan feels that the size of Inverclyde Council contributes to excellent lines of communication, and that Directorate plans and KPIs reinforce the Council's commitment to closer working with the third sector around agreed outcomes.

¹ <http://readyforbusiness.org/wp-content/uploads/2013/01/cs-Inverclyde-PfC-2.pdf>

He sees opportunities for extending the contributions that the third sector makes to public services. Some current examples include:

- Unity Diner, a social enterprise, which provides canteen facilities for Inverclyde Council staff
- Parklea, which employs people with learning disabilities.

There are, he suggests, opportunities for the CHCP to contract with organisations to provide employment and training for some of its clients. Potentially this could provide better outcomes for individuals plus potential budget savings. He is also keen to discuss with services opportunities for supported businesses where there is a training potential. One option might be placing trainees with the Council but paid for by a supplier - potentially this could be a partnership between a private sector supplier and a not for profit organisation.

Challenges

Difference in language used. He finds that the difference in language used by commissioning and procurement professionals can be challenging. Commissioners see the client as being key, while traditionally procurement professionals see the pound sign as the bottom line.

Community Benefit Clauses (CBCs) are contractual clauses which can be used to build a range of economic, social or environmental conditions into the delivery of public contracts. CBCs can be viewed as contributing to the Best Value and sustainable procurement agendas, and allow organisations to contribute to the achievement of outcomes which benefit their communities by specifying contractual requirements which seek to deliver such wider social benefit.

However with the introduction of Public Social Partnerships (PSPs)² and CBCs³ he

² <http://readyforbusiness.org/programme-offering/public-social-partnerships/>

feels there is the opportunity to look at the commissioning process as a whole - looking at both decreasing the budget and at the same time increasing quality. He is attempting to promote such ideas through the designated procurement officers forum, which CHCP contract management team members also attend.

Achieving transparency. He finds that sometimes there is externally a perception that there are favoured organisations. While it is in the nature of commissioning that local suppliers can almost seem part of the Council, it is difficult to ensure lines of demarcation are in place - so that third sector organisations in particular are aware that as suppliers they need to manage the KPIs within their contracts.

Promoting tendering capacity. He has found that in some instances it might not be advisable to ask third sector organisations to tender for work - both from a cost point of view and also because they may not have the necessary skills. However this begs the question as to why a third sector organisation should get a piece of work over a private firm, especially where there are local employment issues involved. So the approach he has developed is to work on a case by case basis by bringing all parties involved to the table.

Achievements

Community Benefit Clauses (CBCs). Brendan is proud of Inverclyde Council's track record as one of the first councils in Scotland to pilot the community benefit process. The learning in terms of best practice that came out of this pilot was included in the Scottish Government case studies.⁴

³ <http://readyforbusiness.org/programme-offering/community-benefit-clauses/>

⁴ <http://www.scotland.gov.uk/Resource/Doc/212427/0056513.pdf>

The Council has also actively promoted CBCs through its partners:

- Riverclyde Homes - took over the Council's housing stock in 2006. It has followed a similar process to that of the Council in terms of targeted recruitment and training
- Riverside Inverclyde⁵, an urban regeneration company, has since 2008 used CBCs to invest in the local economy.

Specific CBC examples from Riverside Inverclyde's Agreement for Targeted Recruitment and Training, include:

- Increasing to a benchmark minimum of 10% of person-weeks to be delivered to local new entrants to construction;
- The innovative introduction of "goodwill" clauses seeking contractors to actively and competitively consider members of Inverclyde Construction Forum (ICF) as subcontractors;
- Increasing the weighting of the evaluation of community benefits submissions in tenders to a landmark 15% of the total score;
- Creating parameters that every contract with a minimum of 3 months' duration and a minimum value of £1M must have community benefits applied.

Brendan with other officers and directors within the Council and partner organisations meet regularly to discuss procurement contracts and to make sure that "they are not pulling from the same pot" as far as targeted recruitment and training go.

Partners for Change. This followed the commitment by the Council to re-engineering its commissioning processes. Following a series of workshops facilitated by Ready for Business, involving the Council, the CHCP, CVS Inverclyde⁶ and a selection of suppliers The Council is now looking with the CHCP at potential spend streams. A more open relationship has also been established with CVS Inverclyde.

⁵ <http://www.riversideinverclyde.com/>

⁶ <http://www.cvsinverclyde.org.uk/>

Most improved Commissioning Council.

He is especially proud that in line with the recommendations of the McClelland report in 2006, Inverclyde Council has improved its procurement capability from 4% to 47% and is the most improved Council over last few years in terms of getting buy in from all services, and its overarching approach to procurement.

Ambitions

Brendan is convinced that thinking around community planning, employability, the demographics of the area, fall in population, need to come into the commissioning pot. He is therefore interested in current discussions around the potential of a Public Social Partnership (PSP) in conjunction with the CCP focusing on learning disabilities.

He is also aware that CBCs at the moment tend to be concentrated on the construction industry. Inverclyde Council can only build so many new schools - once the infrastructure is in place there are no further employment opportunities. So the Council in conjunction with its partners has to now concentrate on growing indigenous industries, whether third sector or private sector.

With an ageing population most of the Council's spend is now on social spend. He is therefore interested in exploring whether there is an opportunity to create more jobs by supporting services such as care and supply and all the ancillary services.

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