



SURF
Scotland's Independent Regeneration Network

SURF : sharing experience : shaping practice

The Scottish Government Procurement Reform Bill Consultation

Comment from SURF

Like the Scottish Government, SURF is concerned with helping to ensure the best use and coordination of all resources and activities in support of community regeneration.

Resources such as the £6m People and Communities Fund and the £50m SPRUCE Fund are therefore welcome. However, the deployment of the £9.2bn public procurement budget clearly has far greater potential for delivering the sustainable community regeneration goals that the Scottish Government and SURF's member organisations both share.

As the Executive Summary of the consultation document notes:

“Public sector spending on goods and services across Scotland amounts to over £9 billion per year. Good public procurement is a vital contributor to growing the economy and done well it can be an effective lever in supporting delivery of the Government’s priorities whether that is job creation, infrastructure development, strengthening our communities or supporting our transition to a low carbon economy.”

As Scotland's cross-sector regeneration network, SURF has recently submitted its response to the Scottish Government's welcome consultation towards a Community Empowerment and Renewal bill. We have also been closely involved in the Achieving a Sustainable Future National Regeneration Strategy, and are contributing to the 2012-13 Town Centre Review and the SCDI-supported Scottish Cities Alliance.

Additionally, SURF recently completed a year long exploration of the nature and extent of the links between infrastructure investments and the beneficial social outcomes that are conventionally claimed to arise from them. The results indicated a need for further enhancing cross-sector understanding and cooperation, and for greater dissemination of examples of best practice in order to maximise the benefits of public investment. SURF will be taking this work forward in 2013.

Within its limited staff and time resources available, SURF is not able to make a full formal response to the Procurement Reform Bill. We do, however, welcome the Scottish Government's considerations of how existing arrangements might be improved. We would like to offer a specific comment that we would welcome the opportunity to discuss further:

Scale and Best Value

In the recent and continuing recession, it is understandable that consideration will be given to achieving efficiencies of scale. The Scottish Government has made a number of initiatives in that direction in recent years.

Since 2006, SURF has been promoting greater awareness and debate on the impact of the 'Hub' procurement initiative. This has seen the corraling of capital spend procurement, particularly in the field of health and education, into five HubCos.

With the more recent support of the Scottish Futures Trust, these independent HubCo are based on regional 'territories' of approximately 1m residents each. They are operated under the majority ownership of selected private sector developers with exclusive long-term contracts for service delivery in the five areas which cover the whole of Scotland.

In SURF's 2011 pre-election manifesto for 'Delivering Community Regeneration in Hard Times', we responded to the mounting concerns of our members on the local impact of this 'economies of scale' approach. We advocated that the incoming Scottish Government administration should:

"...review whether the Scottish Futures Trust's bundling of public sector procurement through the Hub initiative is limiting reasonable opportunities for smaller Scottish businesses to win contracts, survive and thrive as drivers of local economies."

The present administration is wisely concerned with reconsidering what represents 'best value' in the current recession and the most efficient means of supporting beneficial outcomes in economic, social and physical regeneration across its key policies. This being the case, the present review of public procurement processes should include more consideration of the actual impact of the Hub procurement initiative; currently this influential model is referred to only briefly in the substantial consultation paper. SURF would be happy to assist the promotion and content of that consideration in and beyond the current formal consultation process.

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