

Scrutiny Review Panel – Briefing Note

At the last scrutiny review Panel, looking at support to small businesses, Members heard about a scheme operating in Waltham Forest whereby the Council awards around 50% of its contracts to local businesses.

Subsequently Members asked whether Haringey operates anything similar and if not whether the WF scheme would be worth considering for implementation here.

Consequently please could you supply a briefing note for the Panel members on what support Haringey gives to local businesses and any comments that you may have on the Waltham Forest scheme.

The attention of Haringey Council Members is drawn to the fact that procurement at Waltham Forest Council has been severely criticised for failure to comply with procurement regulations, their own internal governance arrangements and a general lack of transparency.

The following statement appears on the WF web site:

“In 2008, the Council published a number of audit investigations, which uncovered serious breaches in the Council’s contract rules by council officers.

As part of a commitment to put these matters right, the Chief Executive commissioned a high profile independent panel of experts to make sure the Council now has the right rules and procedures in place for spending public money”.

A WF improvement action plan was published in September 2009 and is currently being implemented.

Under these circumstances, it is not appropriate for Haringey Council to generally compare itself with Waltham Forest Council.

However, Waltham Forest Council did organise a recent “Meet the Buyer” event similar to one being planned by Haringey’s Corporate Procurement Unit and which is explained below.

There are very clear procurement regulations that prevent public sector bodies from awarding contracts in favour of suppliers based on geographical location. As a general principle, contracts must be advertised transparently and in an appropriate manner to encourage equality of opportunity and competition across the EC.

More recently, with effect of the 20th December 2009, a new EC Remedies Directive came into force and which significantly strengthens any bidders’ right to challenge a Council’s procurement decisions. These challenges can occur at any time before an award is concluded or up to 3 months (and longer in some circumstances) after an award and poses a real threat with serious consequences in terms of financial penalties and contracts needing to be terminated, if procurement procedures are judged to be non compliant.

The procurement strategy adopted by Haringey Council to-date has avoided any breach of regulations, and focuses effort “upstream” by helping local businesses to become “fit to compete” (on equal terms) for local government contracts.

During 2006/7, approximately 1,000 local businesses in Haringey and Enfield received support and training (of between 1&5 days each) to understand public sector procurement rules and to become better able to successfully bid for tenders.

In 2007/8, the Haringey (Trade Local) scheme was rolled out across London supported by funding from the London Centre of Excellence. A series of 10 workbooks were published on the Haringey web site for use by small businesses when preparing tender bids. Suppliers have provided feedback to say that they find these workbooks very useful. The documents are currently being reviewed and are due to be updated by the end of March 2010.

Over the intervening couple of years in the borough, Corporate Procurement have attended local business network events and also organised “Meet the Buyer” events to offer businesses the opportunity to hear from officers about upcoming contracts and to allow open floor discussion, questions and answers.

The latest “Meet the Buyer” event is planned for the 23rd February 2010 and will be similar to the event that Members of the Scrutiny Panel refer.

CPU is contributing £5k and has secured additional funding of £20k+ from Supply London to host a major event in Wood Green and to initially communicate with 3,000 local businesses.

The Haringey/Supply London agreement is attached for Members information.

Once potential bidders have been matched to opportunities that are due in the next 18 months, targeted invitations will be issued to attend the main event on the 23rd February.

20 local buying organisations (e.g. Tottenham Hotspur and North Middlesex Hospital) have agreed to join the Council to present real contract opportunities to local businesses.

Independent support arrangements are in place to help targeted local businesses to prepare their tenders.

It must be emphasised that whilst Corporate Procurement organise these events and provide general information and support; procurement officers must then remain detached once the tender notice is published and the competitive procurement process has begun.

Once the tender notice is issued, the duty of procurement officers is to achieve best value for the Council and local tax payers, and this outcome is realised through competitive bid evaluation.

In summer of 2009, the Council's contract register was published on the web site for the first time and this filters those contracts that are due to be let in the next 18 months. This feature provides advance notice to *any* supplier of pending contract opportunities and thereby affords them plenty of time to organise.

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