



COMMISSIONING AND COMMUNITY SOURCING

A Discussion Paper in association with Koru

Chris Howells and Chris Yapp

JULY 2013





www.korusales.com



www.centreforwelfarereform.org

Contents

- Summary 2
- 1. INTRODUCTION 3
- 2. ARE ‘THE RULES’ REALLY THE RULES? 5
- 3. CAN WE REALLY DO THAT?10
- 4. WHY ARE WE DOING THIS?13
- 5. WHAT DO WE DO NEXT?16
- 6. CONCLUSION19

SUMMARY

In this paper, we address some of the barriers to developing community sourcing as a means of regenerating local communities socially and economically. We show that far from the accepted wisdom, commissioning and procurement has become a barrier to community sourcing, less from what is legally possible and acceptable and more from both a mistaken perception of what EU policy is and how it is practiced elsewhere in the EU, and an assumption that ‘biggest and cheapest is best’.

Over the last 30 years, the opportunity has been missed for commissioning and procurement to play a proactive role in shaping and developing the economic and social wellbeing of our local communities. We outline what can be achieved within **existing** EU rules and how changes in the law relating to UK local government over the last 10 years or more offer a new opportunity for local authorities to adopt community sourcing as an agent of economic and social change, and for social care in particular.

1. INTRODUCTION

Since the 1980s, the procurement rules for acquisition of public services in general, and local authority services in particular, have gradually grown to favour, large organisations and businesses. Successive governments have acknowledged the problem and introduced various initiatives over the years aimed at facilitating the ability of small companies and third sector organisations to successfully bid for and win public service delivery contracts. To date, very little progress has been made.

In *Community Sourcing and Social Care* (2013), we pointed out that at its most extreme, this has led to large scale outsourcing and the ‘hollowing out’ of local communities in terms of a loss of skills, reduction in employment opportunities, weakening of support for community organisations and inhibition of the ability to develop local solutions for social care. This tendency is a barrier to community sourcing and begs the question as to how community scale solutions can be developed, commissioned and sustained from the bottom up, whilst remaining within ‘the rules’.

In this paper, we argue that the reluctance to commission locally in the past is based on accepted practice owing more to historic convention and a restrictive interpretation of EU procurement rules rather than what is practically possible. Fear of judicial review and the costs of defending such action have sat alongside such conventions and served to stifle the willingness of local authorities to commission locally and the ability of local organisations to bid for, and win, the right to deliver services in their area.

The facts are intriguing. The Federation of Small Businesses (2012) points out that the UK has amongst the largest average contract values in the EU. In France and Germany, with larger populations and similar size economies, average contract sizes are significantly lower than the UK. Research by the EU itself supports this view. It shows that 20% of EU GDP is spent by different levels of government each year, of which 20% exceeds the EU value threshold for public procurement and becomes subject to EU procurement rules, (European Commission, 2012). This EU research is even more intriguing when the national breakdowns are given; of the estimated €440 bn. value of tenders for public procurement let in 2010, €109 bn., almost 25%, was attributed to the UK alone, more than France and Germany combined (our emphasis).

In practice, there has always been substantial freedom to flex the EU procurement regime in line with EU Policy Directives and Case Law, which, combined with a gradual increase in the powers available to local

authorities to reflect specific local objectives, offers an opportunity to pursue Community Sourcing as a strategy for local social and economic development.

Here we examine three perspectives which together can help shape a radically different approach to commissioning in health and social care:

- EU Procurement Rules
- General Powers of Local Authorities
- Social Value

We will examine the background and implications of each of these in turn and then provide some thoughts on how, considered together, they provide a solid basis for Community Sourcing.

2. ARE 'THE RULES' REALLY THE RULES?

At the outset, it is worth looking at the financial parameters in relation to commissioning and procurement by local authorities. Since 1st January 2012, EU Public Contract Regulations state that the contract value threshold beyond which EU Open tendering rules apply for services supplied to local authorities is €200,000 (£170,000 approx at time of writing). Below that level, local authority standing orders dictate the rules for procurement and typically, there are several layers of criteria based on contract value; these can vary from one local authority to another but a typical example would be as follows:

If value is more than £60,000 but less than EU Threshold (£170,000 approx.): procurement via tender using one of the following:

- Open
- Restricted
- Negotiated
- Selective from a standing list of suppliers

Negotiated tenders usually require written authorisation from the council's chief legal officer in consultation with senior officers and members as defined in the standing orders themselves.

If value is more than £20,000 but less than £60,000: three written quotes from 'suitably experienced' organisations which meet 'best value' criteria as defined in standing orders.

If value is less than £20,000: lead officer uses his/her professional judgement to apply the most appropriate procurement process and keep a written record of what, how and why.

In all cases, a local authority's own Financial Regulations must be complied with to avoid amongst other things, accusations of fraud, corruption etc. In relation to Community Sourcing there is clearly room for manoeuvre, given that some of the services supplied in social care at local level for example may be of relatively low financial value in their own right.

It has been common practice to aggregate locally delivered services into larger contracts, partly on the basis that it would be more economically advantageous to the authority (usually defined as ‘least cost’) and partly to avoid legal challenge. ‘Block contracts’ for provision of domiciliary care would be one example. However, the local authority can devise its own thresholds provided they are clearly articulated and justified. Nuneaton and Bedworth Borough Council for example, raised the thresholds for simpler procurement processes to £100,000 under its amended Contract Procedure Rules (Standing Orders), thereby reducing the need for PQQs and affording a greater opportunity for small businesses to win council contracts (FSB, 2012).

In addition, annually renewed services typically have been aggregated over a number of years, as the accepted wisdom was that it was the total value taken over the projected life of the service – however long or short and indeterminate the length it might be – which had to be taken into account when establishing whether or not a procurement fell within one or more of the thresholds outlined above, irrespective of the need for review. So, an annual contract of say £40,000 with a small company or organisation could run quite happily for 3 or 4 years with both parties satisfied with performance, only to be confronted in year 5 with the ‘need’ to go to open tender as the 5 year total had breached the threshold. This ‘forced’ tendering process imposes additional costs and uncertainty on both the local authority and supplying organisation even where there is no question as to the quality or value for money of the service provided to date! These costs are never included in calculations of ‘best value’!

Both of these assumptions are more custom and practice than defined rules however. Some NHS commissioners for example, have started to treat annual contracts as just that, with the result that the value thresholds aren’t breached when viewed as a single contract for 12 months. More importantly, the EU itself is encouraging public agencies to break contracts down into smaller lots to encourage the use of smaller, local suppliers and indeed, revisions to the Procurement Directive may require contracting authorities to explain **why** they haven’t done so! Allied to some of the issues we address in the rest of this paper, this constitutes a powerful argument for the development of more creative, granular and flexible approaches to Community Sourcing.

In Client Earth’s recent series of briefings *Identifying Opportunities for Sustainable Public Procurement* (Weller et al, 2011) the legal implications for commissioning public services of the EU’s key policy objective of sustainable development were reviewed. Their arguments and sources are fully documented and we have referenced the full series at the end of this paper, but in essence they identify the three key principles of procurement

based on EU policy directives and legislation for sustainable development as follows:

1. Sustainable development comprises the interrelationship between the three ‘pillars’ of environmental, economic and social factors
2. No single one of these factors alone can be viewed as complete without consideration of its impact on, and impact by, any or all the others
3. The three ‘pillars’ are considered to be of equal weight in relation to public procurement of services

They go on to make the point that EU procurement rules limit how a public agency buys goods and services not what they buy. The key issue is that while the procurement of specific goods and services has one or more functional aims e.g. providing homecare services to the elderly, such services can be used to promote social, environmental and other societal objectives, not necessarily connected with the procured services’ functional ones. These latter objectives have been characterised as horizontal, i.e. they may cut across **all** functional goods and services procurement (for example see Figure 1 below):

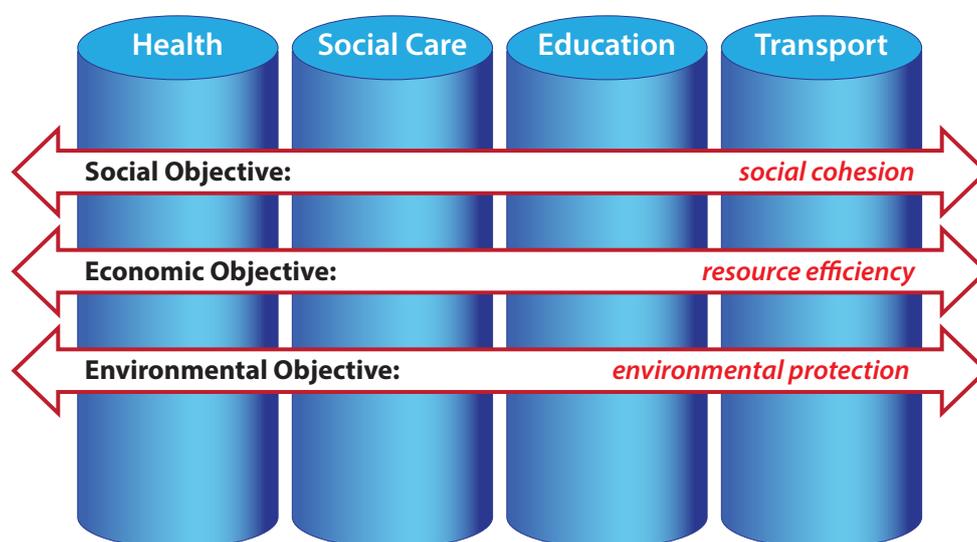


Figure 1. How horizontal objects can cut across functional goods

Further, while the criteria for evaluating competing bids must be made clear in the interests of transparency, the purchasing authority is free to define the substance of the contract in any way that meets the public's needs, including those criteria promoting 'horizontal' policies. As a result, a policy relating to quality of local employment for example could be said to support sustainability objectives in both social and environmental terms – social cohesion, low carbon footprint (Environmental Protection).

The recognition of 'horizontal' objectives in public procurement is supported by EU jurisprudence. Weller et al. (2011) note that in the Beentjes (1988) case the CJEU ruled

“...that a specific condition relating to the employment of the long term unemployed was permissible provided that this condition was notified to the bidders in the tender notice.”

This principle was elaborated upon, in the Wienstrom (2003) case, where

“The Court emphasised a contracting authority's discretion to define criteria to determine the most economically advantageous tender, and that a criterion chosen by a contracting authority can be struck down only where it is shown to violate the principles of equal treatment, transparency, or proportionality, and not merely upon a contention that a contracting authority's balance between various horizontal and functional policy objectives should be struck differently.”

More critically, not only did the Court uphold the contracting authority's freedom to define the criteria for awarding a contract, but also the weighting of those criteria. The key point to note is that CJEU insists that the horizontal criteria must be 'linked to the subject matter of the contract'. In practice, this means that a criterion should clearly lie at the intersection between the functional and horizontal objective, i.e. serve both objectives, and that its purpose be clearly stated.

In relation to community sourcing, these principles and rulings are potentially liberating. Since sustainability rests on one or more of the 'three pillars – social, environmental and economic', and those pillars constitute horizontal policy objectives of equal weight to the functional requirements of a service, then the contracting authority is free to use a range of criteria in pursuit of local policy objectives and the weighting applied to those criteria, provided the reasoning is made clear at the outset.

Interestingly the CJEU has consistently ruled that the 'most economically advantageous tender' **does not** rest on direct price alone. Case law clearly

identifies that fulfilment of horizontal objectives in the widest interpretation of what is economically advantageous to an area may be deployed, and that the weighting applied to the ways in which such objectives are met, are at the contracting authority's discretion. This is an important clarification for reasons which will become clear in relation to both the General Powers of local authorities and Social Value.

A good example of the use of this flexibility in EU procurement rules from the recent past comprises the Dutch schools building programme. In this case, local commissioners insisted that building work begin within a very short timescale in each case - typically 6 weeks from award - and that it be completed within a fixed timescale - ready for opening the next school year. This gave an advantage to local building companies since their plant and labour were based locally and they were better able to respond quickly and meet the tight deadlines. As a result, almost all the new builds were done locally and within budget, keeping the majority of resources and expenditure within the community rather than it leaking outside to other parts of the Netherlands or beyond. Such an approach can have huge local economic impacts through the multiplier effect and we return to this theme below.

3. CAN WE REALLY DO THAT?

The origins of local authorities' general powers are contained in the Local Government Act 1972. Drawing on 19th century case law, S111(1) of the '72 Act gave local authorities power to do anything

"..calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions."

However, the 1972 Act only allowed local authorities to do something which was 'expressly permitted' under a relevant statutory code; otherwise it could be seen to be acting beyond its powers (*ultra vires*). In recent years, the provisions have been steadily modified and extended. For example, the Local Government Act 2000 (s. 2) allowed local authorities the power to "do anything" which an authority considered would be likely to achieve:

"...the promotion or improvement of the economic well-being of their area, of the social well-being of their area, or of the environmental well-being of their area."

Woolly though this might first appear, it's interesting to note the parallels between this general power and the notion of the 'horizontal' policy objectives in EU procurement directives and case law! And since 2000, local authorities' powers have been further extended to cover charging for discretionary services e.g. green waste collection, parking, and trading for commercial purposes, provided those purposes relate to carrying out their ordinary functions (Local Government Act 2003). A good example of an authority's willingness both to charge and trade is Oxford City Council, whose commercial trading activities now cover housing repairs, legal services and planning, for example, in collaboration with small, local private sector companies.

The Localism Act 2011 has taken the general powers of competence of local authorities in a wholly new direction. Providing it does not break any other law, a local authority now has the power to take the reasonable action it needs 'for the benefit of the authority, its area or persons resident or present in its area'. DCLG itself stated in May 2011:

“..it is important that the general power should not only increase local authority powers, but increase the confidence of local authority officers and members in the scope of those powers”

Dobson, 2011

More to the point, local authorities can use this general power without reference back to central government. In his paper on the subject for the LGA, Dobson (2011) points out:

“...it is incongruous to expect local public services to be driven from the bottom-up whilst retaining a system where Parliament continues to specify council’s powers on (a) piecemeal basis, and thus sets the boundaries for local innovation.”

The major change from previous legislation is that the Act allows a local authority the freedom to do anything that an individual with full legal capacity might do, not just within the local authority area but anywhere inside or outside the UK! It can charge for new discretionary services on a cost recovery basis even where there is no pre-existing statutory authority, but more interestingly, it severs the link between commercial trading and relevant statutory functions, extending what a local authority can do in relation to profit, efficiencies and local choice, provided it does so through an appropriate corporate entity.

A good example of the latter is the decision of Cheltenham and Cotswold District Councils to set up a jointly owned limited company to provide refuse collection services to both district areas and potentially beyond. Even more interesting is that the company is formed from in-house refuse collection operations which, in market testing, were shown to be more efficient and cost effective than the existing private sector operators in relation to the requirements and specifications of both councils. A good example of community sourcing!

Dobson (2011) goes on to point out that:

“The competence power will also now enable local authorities to step in and facilitate the meeting of local needs where the market is unable because it is commercially unviable to do so.”

Perhaps more importantly, this provides the legal power to form new types of partnerships with other agencies and bodies and deliver more creative solutions than hitherto. What local authorities cannot do is to change their

governance model or responsibilities regarding the way in which they discharge their functions, e.g. through committees, officers, etc., or to charge for, or trade in, services for which they have a statutory duty:

“...in summary local authorities must act reasonably and within the proper ambit of statutory discretion, fairly, consistently with their fiduciary duty (i.e. to manage public resources in the manner of a trustee) and conformably with any relevant statutory purpose.”

Dobson, 2011

In other words, they have to continue to act within Public Law. However, within that constraint, which would apply to individuals as much as businesses and public bodies, Dobson affirms that local authorities can exercise this general power of competence for any purpose provided:

1. They have a clear business case comprising resources, cost, affordability, RoI, benefits, risks and mitigation
2. The decisions are rational and use the authorities’ resources prudently
3. The legal basis for the decisions is specified

In relation to Community Sourcing, this opens up a much richer opportunity to partner with, participate in, or deploy local resources to support service delivery or even remodel what ‘services’ actually mean. In a recent review of Local Area Coordination initiatives in the UK for example, Broad (2012) cites a case in Gloucestershire comprising a partnership between local groups and individuals to design and implement support for the elderly in a community, reducing pressure on carers and helping to prevent or delay the point at which traditional mainstream services might be needed.

4. WHY ARE WE DOING THIS?

The Public Services (Social Value) Act 2012 is the most recent innovation in the developing framework for procurement and commissioning. The duty this now imposes on commissioners requires them to consider when either procuring **or making arrangements to procure** (our emphasis):

- how what is being proposed to be procured might improve the economic, social and environmental wellbeing of the relevant area (and this is the authority's own area - or combined areas if it is a joint procurement - in which it "primarily exercises its functions");
- how, in conducting the procurement process, it might act with a view to securing that improvement (although the Act makes it clear, in order to remain in line with EU law, that anything under this limb must be relevant and proportionate in respect of the proposed contract);
- whether they need to undertake any consultation about the two limbs of the duty as set out above. (Ramshaw, 2012)

It's important to recognize that any procurement or commissioning process, from a full OJEU tenders to contacting a person in relation to an unsolicited offer, must consider how this duty will be discharged. In other words, social value can apply to all contracts let by a local authority. There are a couple of interesting points to note. First, factors of economic, social and environmental well-being are determining factors in discharging the duty under the Act. Second, the horizontal objectives of EU procurement law can be used to support the definition of social value **locally**, i.e. the area in which the procurement takes place. For example, you can consult with the people for whom the service is being designed in order to identify what they consider to be of most social value and how best to discharge the duty.

What's more 'social value' is not defined any more clearly than that contained in the Act so there is scope for local interpretation. Ramshaw (2012) points out that Social Enterprise UK defines social value as:

"...looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract. Social value asks the question: 'If £1 is spent on the delivery of services, can that same £1 be used, to also produce a wider benefit to the community?'"

This definition changes current accepted practice and definitions of ‘best value’ in procurement and commissioning from the direct (usually least) cost of purchasing a ‘functional service’ to identifying the **additional** community benefits - social, economic or environmental – which could flow from the purchasing process, i.e. the ‘horizontal’ policy objectives for the area. This definition also seems to be more closely aligned to the CJEU’s definition of ‘most economically advantageous’ outlined above.

To some extent therefore, this approach could be said to reinforce in UK law, the importance given in EU procurement jurisprudence to the importance of horizontal objectives in the acquisition of specific functional services. Pre-dating the Act, the national project led by NHS North West suggested a number of ways of commissioning deliberately for social value, for example a mental health service employing people with a history of mental health problems to deliver the service. Social value would be delivered through improved well being for those employed through enhanced job prospects and reduced social isolation, (NHS/CPC, 2010).

The Social Value Act provides a framework for a new approach for local authority commissioning and procurement professionals. Ramshaw (2012) provides a simple checklist for local authorities and their commissioners and procurement officers to use in determining how to discharge the new duty:

1. Define clearly the key social values for the authority and its stakeholders – partners, citizens - and make them explicit
2. Document the social values and determine how best to consider them in practice
3. Get commitment from senior officers and members
4. Align standing orders, procedures and procurement rules with the duty to consider social values and set out the steps commissioners must use to ensure compliance – drawing on the work of bodies like NAVCA or Social Enterprise UK for example
5. Review any standard impact assessment forms or processes to make sure the reference to the Act is recorded
6. Make sure the guidance is publicly available
7. Where necessary, train the relevant staff to reinforce the authority’s commitment to the new duty and how it fits with EU procurement obligations

The fit with EU procurement relates to how, not what, is procured and provided the process is transparent, proportional and equal, the application of social value appears to support the EU’s definition of the ‘three pillars’ of sustainable development at local level referred to above.

Birmingham City Council provides a good example of the way in which social value can be constructed from policy down to implementation. Specific policies have been developed to support the City’s high level core commitments; for example, ‘tackling inequality and deprivation’ is supported by the City’s Living Wage and Buy Birmingham First policies.

These provide a sound framework for achieving social value and the procurement process has been modified to support these policies as follows:

- “Ensuring that tenders are advertised in places and by methods which maximise the chances of them being seen by ‘small suppliers’ (the term Birmingham City Council uses to cover all kinds of small businesses, including social enterprises and third sector providers).
- ‘Disaggregating’ contracts (i.e. splitting contracts up) so that they are not too large for smaller providers to be able to service.
- Ensuring that financial, insurances, reserves or other thresholds are not set so high that they inadvertently preclude smaller suppliers.” (Severn, 2013)

A guide as to how this approach can be used creatively is exemplified in a recent contract to provide community-based luncheon club services for elderly residents. A voluntary sector development body - The Digbeth Trust – won the contract. It supports a consortium of predominantly small, church-based luncheon clubs which would otherwise probably be too small to bid for local authority contracts. Under this contract, the Trust provides central contract management to the consortium, helps members to build capacity to help improve long-term sustainability and works with them to identify other health and wellbeing outcomes their services can help achieve, (Severn, 2013).

5. WHAT DO WE DO NEXT?

The question is where to start and how? A good place to start is to consider what social value could mean at local level and translating it into what constitutes ‘sustainability’. Both EU law and practice, and UK policy (Localism Act, Social Value Act) now encourage, if not mandate, procurement and commissioning bodies to use social, economic and environmental objectives for local areas as criteria for defining services and their acquisition within those areas, and to break contracts into smaller lots to encourage local suppliers.

One approach to constructing a framework for defining social value for a local authority would be to adopt Duffy’s (2011) idea of developing citizenship at community level. He suggests six practical conditions which cover: individuals having control over their own lives and goals, the means to shape their own lives, a secure home, and the need/ability to help and be helped by fellow citizens. In terms of developing sustainable communities, it is hard to argue with these conditions as a basis for establishing social value, community by community, translated into measures to support community sourcing of specific services or sub sets of those services.

Further, the Social Value Act offers local authorities the opportunity to consult with local communities on what such framework would mean for them, for example in relation to the services they require and how they might be delivered in their area.

This consultative approach takes a leaf from some of the most successful companies in the world. Essentially, if you want to improve what you are producing and delivering to your customers, ask the people who are doing the producing, delivering and receiving at the sharp end, since they have first hand, practical knowledge that you need.

More generally, a commitment to building citizenship to sustain communities can use all three of the EU’s ‘pillars’. For example, social value could suggest that delivery be locally based deploying both paid and voluntary personnel, organized locally to define and meet local needs with the community. Sustainability could be couched in terms of increasing economic activity/participation (paid and unpaid), reducing unemployment and underemployment, skills development for the young, reducing/eliminating rent arrears and evictions, reducing energy usage and cost to the community, reducing need for/cost of travel etc.

It’s important to remember in this context that definitions of ‘best value’ and ‘most economically advantageous’ do not solely or necessarily relate to

least, direct cost of procuring or commissioning a product or service. The thrust of both EU and national policy is to encourage local authorities and other public bodies to widen their definition to make the best use of both current and future resources – social, economic and environmental.

But how do we create a ‘level playing field’ as far as price is concerned? The retention of the business rate by local authorities for example, provides an opportunity to define one element of social value in terms of local contribution. The local authority could insist that bid costs include local contribution, so an out-sourcer who took jobs out of an area would have to be cheaper by at least the tax base rather than just cost parity. This criterion could be helpful to small, third sector bodies as well as local businesses, which might not have the efficiency of the bidding engines which large out-sourcers possess. Provided the criteria are balanced and published up front, they will meet the EU procurement rules.

Community Sourcing has the potential to deliver against both best value and most economically advantageous criteria as well as community sustainability. We can look at this in two ways. First there is what we would call cost avoidance; that is making an assessment of the amount of money saved by procuring or commissioning services which help to sustain people within their local communities and give them the opportunity to become citizens. The Department of Education’s *Family Savings Calculator* is a good example and has been extensively used in local social care initiatives.

Second, we can put a value on the economic benefit of Community Sourcing by measuring the local economic impact. This may be more difficult, but there are tools available. One such was published by the New Economics Foundation. Based on action research, it allows the economic benefit to an area of sourcing products and services locally to be measured, (Sacks, 2002). The case studies quoted found that a high proportion of public money spent on local suppliers tended to stay within the locality through the ‘local multiplier’ effect. The tool – *Local Multiplier 3* – was developed for local authorities, small businesses and community groups to use to measure the benefits of local or community sourcing as opposed to more traditional sourcing methods and processes.

Northumberland County Council for example, used the tool to measure the impact of local sourcing and found that in addition to value of the initial contracts, local suppliers in Northumberland re-spent on average 76 per cent of their income from contracts with local people and businesses, while suppliers from outside Northumberland spent only 36 per cent in the area. (NEF, 2005), This meant that every £1 spent with a local supplier was worth £1.76 to the local economy, and only 36 pence if it was spent out of the area, which made every £1 spent locally worth almost 400 per cent more. To translate this to a national level they calculated that a 10% increase in the

proportion of councils' annual procurement spent locally would mean £5.6 bn. extra circulating in local economies in the UK each year!

The idea that public spending can achieve multiple benefits locally and especially in disadvantaged areas has now effectively been captured in both the Localism and Social Value Acts. It affords the opportunity to tackle regeneration and sustainability locally. As the New Economics Foundation (NEF) pointed out:

"...it makes sense economically, socially and environmentally to find local sources of expertise and goods wherever possible.

According to government figures, the UK public sector spends £125 billion delivering goods and services each year, yet to date, there has been no systematic approach to ensuring that this public spending also delivers public benefits. NEF's guide shows that:

- If just 10 per cent more of everyday public sector spending was steered locally in the country's most disadvantaged areas, this would amount to £12.5 billion income injected into those areas in just a single year - almost 15 times more than the £835 million currently spent on regeneration in the UK.*
- UK public bodies - including local authorities, hospitals and schools - can deliver regeneration by developing solutions to local problems that promote local economic linkages.*
- The process of developing local solutions raises capacity and expertise of local people and enterprises, turning money spent locally into a vehicle for regeneration."*

NEF, 2005

6. CONCLUSION

In our previous paper, *Community Sourcing and Social Care*, we drew parallels between the growth of ‘public’ services and institutions at local, grassroots level in the 19th Century in response to pivotal changes in national economic and social dislocation, and the development of community sourcing in a variety of forms as a response to equally large economic and social dislocation at the start of the 21st Century, (Yapp & Howells, 2013).

Seen as a barrier to the development of Community Sourcing, it is clear to us that the old certainties regarding tendering and the rules, which date back to the 1980s, have been steadily eroded by policy and legislation in both Brussels and Westminster over the last 30 years. The approach to public procurement and commissioning in the UK to date is changing, and indeed has to change, to respond both to the economic climate in which it operates and the growth in, and nature of, the demand for services.

While under immense financial and budgetary pressure, local authorities have both the means and opportunity to support the development of Community Sourcing through their commissioning and procurement policies.

BIBLIOGRAPHY

- Arrowsmith, S and Kunzlick, P (Eds) (2009) *Social and Environmental Policies in EC Procurement Law: New Directives and New Directions*. Cambridge, Cambridge University Press.
- Broad, R (2012) *Local Area Coordination: From Service Users to Citizens*. Sheffield, The Centre for Welfare Reform.
- Case 31/87, Gebroeders Beentjes BV v Netherlands (1988), ECR 4635. (Beentjes)
- Case C-448/01, EVN and Another v Austria (Stadtwerke Klagenfurt AG and Another, intervening) (2003), ECR I-14527. (Wienstrom)
- Dobson, N (2011) *Power to make a difference - The Localism Act 2011: a General Power of Competence*. London, Local Government Association.
- Duffy, S (2011), *Real Welfare Reform*. Sheffield, The Centre for Welfare Reform.
- European Commission (2012) *Annual Public Procurement Implementation Review, 2012*. Commission Staff Working Document, Brussels, 9.10.2012 SWD(2012) 342 final.
- Federation of Small Businesses (2012) *Local Procurement: Making the most of small businesses*. London, Federation of Small Businesses.
- New Economics Foundation (2005) *Buying local worth 400 percent more, Summary of collaboration with Northumberland County Council*, released 7th March 2005, www.neweconomics.org
- NHS North West and CPC Ltd (2010) *Pan Regional Social Value Commissioning Project Final Report 2010*. Manchester, NHS North West.
- Ramshaw, D (2012) *Are you ready for the Public Services (Social Value) Act 2012?* in *Local Government Lawyer*, May 2012.
- Sacks, J (2002), *The Money Trail: Measuring your impact on the local economy using LM3*. London, New Economics Foundation and The Countryside Agency.
- Severn, A (2013) *Social Enterprise and the Public Services (Social Value) Act 2012: A policy briefing for social enterprises & third sector organisations*. Birmingham, Birmingham and Solihull Social Economy Consortium.
- Yapp, C and Howells, C (2013) *Community Sourcing and Social Care*. Sheffield, The Centre for Welfare Reform.
- Weller, C, Meissner Pritchard, J and Maitre, E (2011) *Identifying Opportunities for Sustainable Public Procurement 1-8*. Client Earth Briefing Series: www.clientearth.org/sustainable-public-prcurement-briefings

ABOUT US

Chris Howells is Managing Director of Koru Services Group, focusing on business and service improvement from a customer's perspective in both public and private sectors. Following a successful career in local government with experience in policy, finance and infrastructure planning and development, Chris joined ICL (now Fujitsu) as Client Director in their local government division. Besides managing a number of key accounts he grew a new business, both at home and abroad, for Cyberskills, a community based approach to introducing and exploiting new technologies by and for communities. In later years, Chris was worldwide Sales Director for customer relationship management before leaving Fujitsu in 2001. In his career, Chris has lectured on a guest basis at several universities including, Loughborough, Edinburgh and Sheffield and contributed to and co-authored books on geographic information systems and policy analysis.

Chris Yapp is Senior Adviser: Public Policy to the Koru Services Group, specialising in Innovation, Scenario Planning and Public Policy. Chris has 30 years background in the IT Industry. He has expertise in network technologies and the impact on organisations and public policy. He has worked in local and central government, education, health, creative industries and digital inclusion. Chris is a Patron of NACE and a Leading Thinker for the Network Education Trust. He is an Associate of the Think Tank, DEMOS and a Trustee of HumanITY and World e-citizens. He is a Past Trustee of the School for Social Entrepreneurs and a Past Director of the Internet Society (England) and of the UK-Committee of the UK-Canada Colloquia. Chris is a Senior Associate Fellow of the Institute of Governance and Public Management at Warwick Business School and a Fellow of the British Computer Society, for whom he blogs on socio-technical futures. He is also a Fellow of the Royal Society of the Arts. Chris has written and contributed to a number of books on education and technology themes. His speaking engagements have included the Royal Society, British Council, Club of Rome, World Bank, UK and the EU.

www.korusales.com

PUBLISHING INFORMATION

Commissioning and Community Sourcing © Chris Howells and Chris Yapp 2013.

Figures 1 © Arrowsmith and Kunzlick 2009

Designed by Henry Iles

All rights reserved.

First published July 2013

ISBN download: 978-1-907790-52-2

25 pp.

No part of this paper may be reproduced in any form without permission from the publisher, except for the quotation of brief passages in reviews.

Commissioning and Community Sourcing is published by The Centre for Welfare Reform.

The publication is free to download from:

www.centreforwelfarereform.org



Download this report from
<http://bit.ly/com-mission>



Published by The Centre for Welfare Reform
www.centreforwelfarereform.org

design: henry iles & associates / design@henryiles.com