

**URBACT Local Group for Preston and Lancashire
Emerging Integrated Action Plan (DRAFT 6)
For consultation**



Introduction

This Integrated Action Plan (IAP) for Preston and Lancashire is being developed as part of the activities of 'creating a good local economy through procurement' (Procure) network.

Procure¹ is a network of 11 partners², led by Preston City Council and funded through the URBACT III Programme³ which seeks to enable transnational exchange and learning between cities around a particular theme. The Procure network seeks to connect cities and build success around the theme of procurement, which is the process used by public authorities and commercial business to purchase goods and services.

The network was initially funded in September 2015 (see the baseline study⁴) and lasts until May 2018.

Over the course of the two years (from May 2016), Procure partners have met together (both at a transnational - European level and at a local level – through local stakeholder groups⁵) to discuss and explore a number of topics; with a core purpose of developing an IAP.

Procure partners agreed that the focus of the project at transnational and local level would be upon the following themes:

- *Responding to European and National level law;*
- *Spend analysis and developing a procurement strategy;*
- *Innovation in procurement: social and environmental criteria;*
- *Engaging and raising awareness with local businesses and SMEs;*
- *Monitoring impact;*

The IAP for Preston and Lancashire reflects on the knowledge and learning gleaned from transnational and local levels around the above themes and sets out our plan of actions for progressing procurement activities moving forward. It is shaped by: the challenges we identified in the baseline study, our existing processes and practices around procurement, what we have learnt through the network, and what we want to do and achieve moving forward.

¹ <http://urbact.eu/procure>

² <http://urbact.eu/interactive-map?network=7450>

³ <http://urbact.eu/>

⁴ http://urbact.eu/library?f%5B0%5D=field_network_reference_multiple%3A7450

⁵ <http://urbact.eu/urbact-local-groups>

Learning from the Procure network



Being part of the Procure network enabled Preston to learn from other cities and countries' practices and point of view on progressive public procurement, especially on:

- Changing mindset across an organisation about procurement as a tool to bring about social and environmental benefits
- Ways to engage local stakeholders in coproducing the Integrated Action Plan
- Practical examples of the use of social and environmental criteria
- How to structure an Integrated Action Plan to develop a common procurement strategy across different anchor institutions
- Engaging with local SMEs and developing a supplier database are essential to enable more local procurement
- Find a balance between apparent conflicting objectives, i.e economies of scale vs. SME availability paradox
- Importance of time in pre-procurement planning
- Methods of spend analysis for the purposes of the IAP

In terms of the good practices we learned from the transnational partners and from elsewhere, the following would be specifically relevant to Preston's Integrated Action Plan:

- Enabling innovation in procurement through reflecting community need in the design of services – Nagykallo, Hungary and Lublin, Poland
- Develop innovation partnerships through which procurement processes will be channelled – Almelo, the Netherlands
- Engaging with local SMEs through the local Chamber of Commerce – Satu Mare, Romania

The URBACT Local Group for Preston and Lancashire (ULG)

- Geography of representation**



The ULG builds upon the activities of a Preston Procurement Practitioners group which had been operating for two years prior to the ULG.

The latter was set up for the purposes of the Community Wealth Building project which looked primarily at procurement issues and opportunities within the Preston area with individual anchor institutions – public sector organisations. The issues included comparing strategies, sharing future procurement plans with a view to establishing collaboration possibilities, and generally looking to work in a more efficient and coordinated way where appropriate.

The geographical focus for both inclusion of anchor organisations and the destination of their spend, was not strictly defined at this stage, but activities were generally assumed to refer to procurement within the city boundary.

However, with the Procure project, the geographical footprint of the ULG representation was widened as partners who are based in Preston but are operating across the Lancashire County, e.g. Lancashire Constabulary, could not realistically be expected to focus attention on the Preston economy.

The local economy is also not limited to local district authority boundaries, and this is particularly true for Preston with a Functional Economic Area including two other district authorities, Chorley and South Ribble.

Moreover, institutional and governance arrangements justifies a focus at county level. Preston City Council operates in a two-tier system of local government, and thus shares responsibilities. It is reflected in Preston City Council’s relatively small procurement spend, currently around Euro 20million for both services (including waste, leisure services and building maintenance) and construction activities.



There is also pertinent connection to the newly formed Lancashire Combined Authority (currently operating in shadow form), as well as more procurement influence in a combined spend across Lancashire’s local authorities.

Therefore the group has been enlarged to host county-wide representation.



meetings;

The ULG includes, on a voluntary basis, representatives of local authorities and anchor institutions based in Preston Functional Economic Area, in Lancashire County as well as unitary authorities from Blackpool and Blackburn with Darwen. Private sector organisations from across Lancashire also joined the project to give the suppliers' side perspective and contribute to the shift to progressive procurement practices for the local economy.

The Integrated Action Plan is being developed through:

- ULG meetings;
- Agreeing a schedule of key tasks, e.g. Stakeholder Analysis;
- Participating in transnational

The ULG for Preston is coordinated by the Procurement and Building Manager at Preston City Council; together with the support of the Project Officer at Preston City Council.

• **Participation in ULG meetings from:**



Preston Functional Area	Public Sector	Lancashire County	Public Sector
	Education Institutions		Business representative organisations
	Private not-for-profit		Education Institutions
	<ul style="list-style-type: none"> • PCC Procurement • PCC Policy and Social Justice • PCC Planning • PCC Political representatives • South Ribble Borough Council 		<ul style="list-style-type: none"> • Police and Crime Commission • Lancashire Constabulary • Blackburn with Darwen Council • Blackpool City Council • Big Lottery Fund for Lancashire
	<ul style="list-style-type: none"> • University of Central Lancashire (UCLan Procurement and Academia) • Cardinal Newman College • Preston's College 		<ul style="list-style-type: none"> • Lancashire Enterprise Partnership (City Deal) • North&Western Lancashire Chamber of Commerce • Federation of Small Businesses (Lancashire and Cumbria)
	<ul style="list-style-type: none"> • Community Gateway (Housing association) • Preston Cultural Partnership 		<ul style="list-style-type: none"> • Blackburn College

The local economy

- **The City of Preston**

The City of Preston is based in North West England with its Functional Urban Area (FUA) having a population of 365,000 people. The FUA covers 3 local authority areas (Preston, Chorley and South Ribble) and is often referred to as Central Lancashire.



The FUA covers a total area of 458km², with the City of Preston having a core location within it.

The City of Preston has a population of 140,000, with the City experiencing a growing population over the last decade. The greatest proportion of Preston residents are in the 15-24 age bracket, reflecting the presence of the University of Central Lancashire (UCLAN). Projections suggest a further growth in population in the coming years.

Historically, the economy of Preston was based around both heavy and textile based industries. Like many cities in the UK, Preston has undergone a degree of economic restructuring and shifted from a focus upon manufacturing to one of services. Today, Preston is a regional service centre with a propensity of public services and retail functions. It is also home to industrial sectors such as aerospace, advanced engineering, and advanced producer services. Preston is home to over 5,000 enterprises, which is the largest number of all authorities in Lancashire. Preston is strategically well located for both rail (the West Coast Mainline) and road (the M6 and M55 motorways).



Preston's economic advantage as a service centre also affects its daytime workforce, with a significant number of people commuting into the city. Despite the perceived values of a service driven economy, there are challenges and Preston continues to perform below the North West England and Great Britain

averages when it comes to employment rate. The unemployment rate stood at 5.5% in September 2016; this however masks a further 7.5% who are out of work and claiming sickness related benefits. Low pay is also an issue for Preston residents, with those living elsewhere but commuting into Preston earning significantly more. In terms of health, life expectancy for both males and females is below the national average (77.4 versus 79.4 for males; and 81.3 versus 83.1 for females).

- **Lancashire region**

Lancashire has one of the largest local economies in the North of England, valued at over £23 billion, is home to over 40,000 businesses employing in excess of 600,000 people, and has a population of 1.4m. A large and multi-faceted area with a diverse geography, the county boasts a rich industrial tradition, set within a network of densely populated urban centres which are themselves surrounded by outstanding countryside and coastal fringes.



1 Credits: Collingwood Executive Search

Although Lancashire has experienced sustained growth in the last decade, with readily identifiable economic 'hotspots' such as the cities of Preston and Lancaster, the area's average performance still consistently lags behind that of the UK and neighbouring city regions. For example, between 2007 and 2011, Lancashire's economy grew by 4.4% compared to 6.5% nationally and 4.9% regionally; Lancashire's GVA per capita being 77% of the UK average⁶.

Today, the economic performance of Lancashire is more than 20% below the national average, in terms of GVA per resident. Without strategic interventions Lancashire's GVA gap with the rest of the country is predicted to increase. Although Lancashire's economy is predicted to grow by 27% over the next ten years, it will still fall behind the rest of the UK whose average growth is forecast to be 33%⁷. This will exacerbate the existing long-term trend and further deepen Lancashire's productivity and income gaps.

If Lancashire is to maximise its economic potential it will need to fully exploit its key innovation, skills, sector base and transport assets⁸.

The legal framework

Public procurement in the United Kingdom (UK) is based on national procurement legislation (Public Contracts Regulations 2015, revoking and replacing Public Contracts Regulations 2006), enacted from EU Directives (Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC).

The transition into national law was accelerated as the UK government was keen to take advantage of the increased perceived flexibility afforded by explicit reference (R67 3a) to social evaluation criteria within competitive selection. This

⁶ *Economic Forecasts for Lancashire*, Oxford Economics, 2013

⁷ *Economic Forecasts for Lancashire*, Oxford Economics, 2013

⁸ Lancashire Strategic Economic Plan – A Growth Deal for the Arc of Prosperity, March 2014



echoed the national approach to including social value within procurements as set out in national legislation (Public Services (Social Value) Act 2012), which requires public bodies to consider how the services that they commission and procure might improve the economic, social and environmental well-being of the area.

The UK government has demonstrated commitment to small and medium sized enterprises (SMEs) by introducing several initiatives designed to increase SME participation. These include the prohibition of the use of pre-qualification stages in sub threshold procurements, and also increased visibility of advertised opportunities through an open national register (Contracts Finder).

Additionally, most public sector organisations will have constitutions which contain mandatory processes and procedures, in order to maintain principles such as non-discrimination, equal treatment, transparency, proportionality and that of providing the best value for the organisation. This is achieved within Preston City Council through the use of thresholds which trigger a different procurement route. In this way, relatively low value procurements can be dealt with using informal quotes, thereby increasing efficiency, with a strong focus on value for money. Conversely, larger opportunities (over £75k) will be subject to open advertisements, and therefore introduce complete transparency and unlimited competition.

The impact of Brexit on the procurement regime in the UK is largely an unknown quantity, but is likely to take the form of one of the following systems:

- the UK will leave the EU but still be a party to the European Economic Area (EEA) Agreement. The EEA will apply the same rules on public procurement as the EU. This is also known as the “Norway option”. This option would be present a “business as usual” environment for public procurement with no change.
- negotiate a bespoke trade arrangement with the EU. This would invariably include public procurement provisions. It is likely that these would be very similar, if not the same as those under EU/EEA rules, again representing little or no change. This is known as the “Switzerland option”.
- the UK will not conclude any specific trade agreement with the EU. This will mean that UK trade will be based simply on commitments under the WTO agreements. This will be governed by the Government Procurement Agreement (GPA), and known as the “GPA option”. It is likely to represent limited change from a procurement process point of view.
- the UK may not commit to any trade agreements that constrain its regulation of public procurement ie withdraw from the WTO). This is unlikely in its approach, since the use of regulations (eg transparency principles) support the achievement of value for money and reduction in corruption, and has long been used by the UK independently of the EU eg Social Value

Act. In addition, trade agreements will be likely to insist on parity with their existing rules. From a procurement aspect, this would represent the biggest opportunity for process reform, but it is also the least likely because of the inertia of change to an existing working system.

Local policy

- **Spend analysis and Community Wealth Building initiative**



There has already been a collective effort in Preston to understand where spend goes with an initiative called 'Community Wealth Building' started in 2011⁹. The whole project sought to ensure that Preston residents and the Preston economy reaps maximum benefit from the investment which comes into the City.

The aim of the **spend analysis** exercise was mainly to understand how behaviours of procurement officers within anchor institutions can be changed, and importantly how the impact of anchor institution spend can be maximised.

A number of activities have been undertaken over the last five years.

Six anchor institutions undertook analysis of their procurement spend to understand the extent to which it is with Preston and wider Lancashire based organisations. The baseline position was of £747million (approx. €1billion) spent across all the anchor institutions, 5% was spent with organisations based in Preston and 39% in wider Lancashire.

When a similar cross organisational 2016-17 spend analysis was concluded in summer 2017, the spend within Preston had increased to 18%, whilst the spend within the wider Lancashire footprint had increased to 79%.

In monetary terms this means an increase in spend with Preston based organisations of £74,750,857.47, and an increase in spend with Lancashire based organisations of £199,688,679.96.

However, £128m is still leaking out of Lancashire economy.

2Credits: CLES Report - Updating the Spend Analysis, 2017, Collective analysis

⁹ <https://cles.org.uk/press-releases/community-wealth-benefits-locals-in-lancashire/>



Spend Analysis 2017

Centre for Local Economic Strategies in collaboration with Preston City Council

£616,863,091.08

is the total amount spent procuring goods & services by 6 anchor institutions 2016/2017. Compared to **£746,730,478.83** in 2012/2013.



Preston: a total of £112,337,690.64 was spent with organisations based in Preston (18.2% of total spend)

Lancashire: a total of £488,659,587.40 was spent with organisations based in Lancashire (equivalent to 79.2% of collective spend)

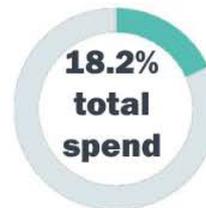
Preston statistics at a glance

2012/2013



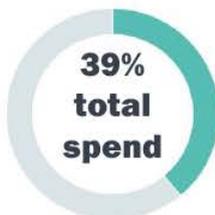
an increase in spend with Preston based organisations of **£74,750,857.47**

2016/2017



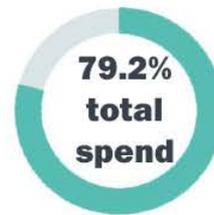
Lancashire statistics at a glance

2012/2013



an increase in spend with Lancashire based organisations of **£199,688,679.96**

2016/2017



For more information please visit www.preston.gov.uk/CommunityWealthBuilding



Further research has indicated that out of the spend across the institutions with the top 30 suppliers based outside of Lancashire (£98m), it is estimated that £58m (60.0%) is **potentially influenceable**. Furthermore, the sectors of **Works** – *Construction, Repair and Maintenance*, **Human Resources**, and **Consultancy** are the ones with the greatest amounts of potentially influenceable spend.

Highlighting the gaps within the local market thus creates opportunities for the institutions to look for new market providers or alternative models of supply, such as cooperatives. A support group for setting up **cooperatives**, the Preston Co-operative Development Network (PCN), has been recently created¹⁰.

A procurement practitioners group has been set up by the Community Wealth Building initiative to explore across the anchor institutions how they are changing practices and behaviour around procurement and how they can maximise benefit for Preston and Lancashire. This group formed the basis of the current URBACT Local Group.

- **ULG members policies**

Activities undertaken by the former Preston Practitioners, and more recently the members of the ULG, have contributed to an increase in spend repatriation.

- Link procurement to wider corporate priorities

- ✓ **Preston City Council** linked its procurement to its Fairness Agenda¹¹, which follows the principle that 'Preston is a city where working together we can be a fairer city; a city more prosperous for all our people'. As a step towards fairness, the Council committed to 'actively seek to keep value and wealth in the Preston economy by sourcing our goods and services in the area and applying social value criteria to all our procurement and contracting practices'.

The Fairness Agenda covers wider activities such as:

- a Living Wage Campaign (the Council is a Living Wage employer)
- the promotion and support of the creation and sustainability of ownership models which retain wealth in the Preston community and give people a greater say and stake in the organisations they engage with, such as co-operatives

- Reflect community need

- ✓ **Community Gateway Association (CGA)** undertook community engagement¹², followed by sub-regional framework use, to demonstrate social and economic benefit to the community e.g. Bungalow construction. Police has a regular community consultation practice in place – usually through commissioned firms which will be sent by Police

¹⁰ <http://clock.uclan.ac.uk/14526/1/Co-operative%20activity%20PrestonREPORT%20copy.pdf>

¹¹ <http://www.preston.gov.uk/thecouncil/about-preston-city-council/our-fairness-agenda>

¹² <http://www.communitygateway.co.uk/gateway-model>

to assess local areas' needs and then use it to improve services in the community, e.g. substance misuse programmes

➤ *Develop accessible portals*

- ✓ **Blackpool City Council, Preston City Council, Lancashire Constabulary, and Blackburn College** utilise portals to ensure opportunities are effectively advertised to local organisations. The multiplication of portals could however make effective SME monitoring more difficult.

➤ *Package contracts to make them more accessible*

- ✓ **Preston City Council** have broken contracts into smaller lots to make them more accessible e.g. for a sub threshold Reactive Maintenance framework
- ✓ **Lancashire Constabulary** took the opportunity of a repair and maintenance project to divide the tender into 11 contracts per sector (electricity, plumbing, etc.)

➤ *Streamline procurement documentation*

- ✓ **Blackpool, Preston, CGA, Constabulary, and Blackburn College** all have experience of simplifying documentation, and attempting to offer some familiarity through consistency
- ✓ National government has also streamlined documentation but it didn't always mean it was simplified

➤ *Use social and environmental criteria*

- ✓ **Preston City Council** have reviewed their procurement strategy in light of the Public Services (Social Value) Act 2012 and set thresholds for certain types of tenders. For example, tenders up to Euro 26k require three informal tenders. They also have factored in the costs of transport into evaluations, in order to represent environmental value for money
- ✓ **Blackpool City Council** developed a Suppliers Charter and a Social Value Guide
- ✓ **Lancashire County Council** has introduced a Social Value Framework for its spending which seeks to create local jobs and other benefits, such as apprenticeships, as part of every decision¹³. It has also developed a procurement strategy¹⁴.
- ✓ **Lancashire Enterprise Partnership** developed a 'Lancashire Skills and Employment Strategic Framework'¹⁵ in 2015 which approaches businesses by sector to look for needs and capacity. The Framework informs and underpins the investment decisions made in relation to discretionary funding (for example, ESIF funding and Growth Deal Skills Capital) and influences the use of mainstream skills and employment

¹³ <http://www.lancashire.gov.uk/media/898255/approved-social-value-policy-and-framework.pdf>

¹⁴ <https://council.lancashire.gov.uk/documents/s48627/Appendix%20A.pdf>

¹⁵ <http://www.lancashirelep.co.uk/lep-priorities/skills-employment/skills-and-employment-strategic-framework-2016-2021.aspx>

budgets. Stakeholders making use of these budgets in Lancashire are invited to set out how their delivery will contribute to achieving the Framework's priorities.

- Work with local business to test markets
 - ✓ **Blackburn College** uses a tenders portal called 'Intend' which invites local suppliers to comment on requirements and for below threshold
 - ✓ **Lancashire Enterprise Partnership** is an example of cooperative behaviour between SMEs and bigger companies
 - ✓ **The Constabulary and Lancashire County Council** organise regular suppliers' engagement events – also with Blackpool Police for a major capital build project
 - ✓ **Cardinal Newman College** developed a more mature understanding of supply chain

- Engagement work with business networks
 - ✓ **Federation of Small Businesses** supports SMEs per region, and as a federation, its members vote on the organisation's spend
 - ✓ **Lancashire Constabulary** engages with 3rd sector networks and organisations which receive funding from them or provide services for them, e.g. programme on substance misuse where Police commissions charities and discuss needs with them, and gets feedback

- Capacity building of social economy organisations
 - ✓ UCLAN is pioneering the development of new cooperatives which means local ownership of organisations and new jobs¹⁶.

- Embed apprenticeships, labour and social clauses
 - ✓ **Preston's College** has developed links between their contractors and students to provide on the ground learning in construction¹⁷.

- Developing supplier networks
 - ✓ Blackpool City Council: extension of the local suppliers base for seasonal needs, including with the AGMA (Greater Manchester Authority)
 - ✓ **The Chamber of Commerce**: specialist directories for sector specific supply chains, such as a shale gas supply chain web portal, and HS2 opportunities website¹⁸

- Continuous spend analysis and outcomes monitoring
 - ✓ **Community Gateway** has been measuring the wider impact of its work for a number of years using the LM3 tool¹⁹, which means every £1 they

¹⁶ <http://clock.uclan.ac.uk/14526/1/Co-operative%20activity%20PrestonREPORT%20copy.pdf>

¹⁷ <http://www.preston.ac.uk/eric-wright-learning-foundation-opens-at-prestons-college/>

¹⁸ <http://www.lancschamber.co.uk/business-support/contracts-and-tenders/>

¹⁹ <http://www.proveandimprove.org/tools/localmultiplier3.php>

spend brings an additional £1.08 benefit for Preston, as their spend with Preston businesses and people is then re-spent with local retailers.

- ✓ **Preston City Council** is now investing £4 million into the city as a result of re-directing its spend and doubling the proportion going to businesses based in Preston, from 14% in 2012 to 28% in 2016²⁰.
- **Lancashire Constabulary** now measures the impact that its spend brings to local people and business, for example through the development of its new headquarters in Blackpool, it aims to maximise the local benefit as a means of addressing poverty.

The purpose of the Integrated Action Plan would be to assist actors in further increasing the positive effect of the activities already being undertaken, and influencing behaviour to reduce spend leaking out of the local economy.

Challenges

The main challenge for Preston's ULG is the **leakage of spend out of the region**.

Related to procurement processes and adapting to the opportunities that the EU and national legislation offers, there are several challenges identified within the thematic focus of Procure:

Responding to European and National level law

- **Legal clarifications:** with greater flexibility comes greater risks and there is a need to understand better how to use the regulations and where it is possible to innovate

Spend analysis and developing a procurement strategy

- **Defining geography:** spend analysis was undertaken with individual anchor institutions within the boundaries of Preston for the purposes of the CWB project. However there is a need for a broader and regularly updated spend analysis across Lancashire institutions to get a better understanding of influenceable spend within the local economy which is considered at county level.
- **Internal capacity & budget constraints:** reduced budget means lower spending power but also lack of capacity to be able to innovate. This led Preston City Council to collaborate with other anchor institutions which have greater spending power combined together for greater impact
- **Link procurement to local priorities:** there is a desire to go beyond 'ticking the box' but still uncertainties on how and when to do this within the procurement process so that it has a real impact

Innovation in procurement: social and environmental criteria

- **Improve understanding of 'social value':** social value has been defined in very broad terms in the national legislation (Social Value Act, 2012). Even though there has been some efforts to define it within some anchor

²⁰ <http://www.preston.gov.uk/thecouncil/plans-and-spending/policies-and-plans/corporate-plan/>

institutions in Lancashire, and suppliers, especially SMEs, find it difficult to understand what was expected from them

Engaging and raising awareness with local businesses and SMEs

- **Local Supplier Awareness:** there is a recognised lack of knowledge among institutions of the local suppliers' base. This leads a crucial issue on how to establish a dialogue between buyers and suppliers outside of 'meet the buyer events'
- **Standardising documentation:** challenge in making sure that progressive procurement does not lead to more red tape

Monitoring impact

- **Monitoring benefits:** lack of capacity also means it is challenging for organisations to monitor the impact of procurement practices and whether suppliers committed to the delivery of added value

Setting focus and objectives

A '**Statement of Intent**' has been drafted as part of the **Community Wealth Building** work between Preston's anchor institutions.

Its vision: '***A long term collaborative commitment to community wealth building in Lancashire for influenceable spend***'

Its objectives:

- *To simplify the process of procurement in order to encourage a diversity of organisations to bid for opportunities;*
- *To actively reduce levels of spend leaking out of the Preston and Lancashire economies with consideration given on an anchor to anchor basis as to the scale of this reduction;*
- *To understand the Preston and wider Lancashire business base in more detail and collectively encourage businesses and social enterprises to bid for opportunities;*
- *To develop the capacity of Preston and Lancashire based businesses to bid for opportunities;*
- *To collectively raise awareness of procurement opportunities amongst Preston and Lancashire based businesses;*
- *To identify services where there is potential for cooperative models of delivery, i.e. encouraging organisations in developing cooperatives and economic alternatives which ensure wealth is more distributed and owned by the people who are producing the wealth*

This Statement of Intent provides a strategic guidance for this Integrated Action Plan which seeks to implement these principles further.

- **Overarching aim for the Integrated Action Plan for Preston and the wider Lancashire**

To build a common local economy strategy across anchor institutions from the region and develop knowledge and capacity of local suppliers.

In terms of change which the members of the ULG are seeking to realise as a result of involvement in the Procure network and through the co-production of the Integrated Action Plan, there are mainly three areas:

- More collaborative working with anchor institutions and supply chain organisations around procurement;
- Enhanced impact in economic, social and environmental terms for the Preston and wider Lancashire economies which would need to be measured;
- A local business base with greater awareness of procurement opportunities

- **Objectives**

Over the duration of the Procure project, the ULG has defined objectives to adopt progressive procurement practices:

Development of practitioner/anchor institutions awareness

1) Increase the amount of influenceable spend in the local economy

Influenceable spend is one which could potentially be delivered by Preston and Lancashire based suppliers in the future; with 'non-influenceable' spend being that tied up in national level procurement frameworks and/or products and services not necessarily available in the local economy.

The evidence that this objective has been met would be calculated by the proportion of total influenceable procurement spend with local businesses.

In order to achieve this, a couple of actions need to be undertaken by anchor institutions:

- Regular spend analysis (this would provide the baseline for a target to be met) and analysis of gaps in the existing local business market
- Link corporate objectives to procurement needs
- Develop/update a Lancashire-wide directory of local businesses and improving visibility of local suppliers on specialist directories

2) Increase the use of social value in procurement

Innovation in procurement and specifically embedding social considerations and criteria into the process has been identified as a challenge by the ULG and this objective seeks to address this.

The aim is to use procurement better to address related local issues, which would be evidenced by anchor institutions referring to social value policy within in their standard procurement documentation.

The following actions would help anchor institutions achieve this:

- Undertaking capacity building on social value as there is a need to better understand the concept, where it can be applied and how to monitor it
- Develop a social value/community charter for suppliers to equally improve understanding on how to deliver social value

A Buyers Guide would be produced to enable buyers to achieve these objectives and commit to the set of actions proposed above.

Development of supplier awareness

3) Increase number of SMEs and local businesses bidding for public contracts

The following actions would work towards this objective:

- Organise hybrid events which combine 'meet the buyer' and capacity building activities to answer to a greater variety of needs from SMEs and local businesses
- Target better 'meet the buyer' events to specific sectors and procurement needs
- Improve signposting to procurement opportunities and encourage signing up to existing portals
- Commitment from anchor institutions to aim for 'prompt payment' would send the right message and could attract more SMEs to bid for public contracts
- Standardise selection questionnaires and look for further feedback from businesses and specifically SMEs on any issues related to the documentation and the ease of the procurement process

For the long term, the ULG would like to look at the opportunity to create a universal list of member's portals and/or a unique Lancashire wide procurement portal.

4) Increase the amount of direct spend re-invested back in the local economy

This is an aspirational objective to be further discussed with the ULG. This would be evidenced by the proportion of supplier re-spend on local employers and local suppliers of their own.

Some actions could be implemented such as:

- Facilitating/encouraging suppliers' days and networks
- Encouraging businesses to target suppliers in areas of deprivation

A Suppliers Guide will be produced to implement the actions proposed above.

	Specific objective	Result indicator				Actions	Output indicator	Risk	Resources
		Type	Baseline	Target	Source				
Buyer awareness	Increase the amount of influenceable spend in the local economy	Annual spend within Preston by anchor institutions	18% (2016)	22% (2020)	Combined spend analysis*	Common procurement strategy - "Buyers Guide"	Nr of partners adopting strategy	Medium-availability of members to meet and create strategy and needs strategic endorsement; ongoing management of the strategy	Staff time (group, communications teams), Marketing costs (publication, branding)
		Annual spend within Lancashire by anchor institutions	79% (2016)	85% (2020)	Combined spend analysis*				
	Increase the use of social value in procurement	Annual nr of opportunities including social value evaluation issued by anchor institutions	10 (2016)	30 (2020)	Anchor institution report	Create a common procurement strategy- to incorporate into "Buyers Guide"	Nr of partners adopting Preston anchors procurement strategy	Idem	Staff time (group, communications teams), marketing costs (publication, branding)
						Create supplier info/guidance/ toolkit for social value	Nr of suppliers receiving social value guidance	Low – Manchester and Lancashire SV toolkit as models	
Supplier awareness	Increase nr of SMEs and local businesses bidding for public contracts	Annual number of SMEs bidding for anchor institutions opportunities	100 (2017)	500 (2020)	Anchor institution report	Organise meet the buyer/ supplier day events	Nr of suppliers attending supplier days	High – need financial resources and lead to organise events	Event organisation and budget
	Increase the amount of direct spend re-invested back in the local economy	Annual spend within Preston by suppliers	30,4% (2016 PCC)	35% (2020)	Anchor institution report	Organise meet the buyer/supplier day events	Nr of suppliers attending supplier days	Idem	
		Within Lancashire	44,2 % (2016 PCC)	60% (2020)	Anchor institution report				

