

Social Firms UK Annual Conference
Shaping The Future: Supportive Employment, Successful Businesses
28 June 2006

WORKSHOP i: Procurement Opportunities
Facilitated by Julie Bremner and Nicholas Campbell-Watts

Notes by: Brenda Williams

Background:

Can opportunities in the delivery of public services be increased as a result of Article 19 from the EU Procurement Directive (reserved contracts for sheltered workshops) or other initiatives? A representative from the Office of Government Commerce (OGC) and an emerging Social Firm that already contracts with an NHS Trust debate the interpretation of this directive with the aim of clarifying this point.

Key Points:

A. Presentation by Julie Bremner

- The importance of Article 19 for both Social Firms with 50% of employees with disabilities and those with less.
- Article 19 can reserve contracts for disabled people organisations who are above the procurement threshold of £140,000.
- Contracts for less than £140,000 are not covered by Article 19 and can apply to enterprises with less than 50% employees with disabilities.
- At least one contract must be reserved per local authority/commissioning authority, and this is not widely known. This is an opportunity for Social Firms to raise awareness and create opportunities.
- Marketing opportunities with Supported Business Directory to enable Social Firms to be added: www.supportedbusiness.com
- Local authorities are required to publicise equality including proposals for procurement. Opportunity to ensure they are aware of their obligations and steer the agenda.

2. Observations

Local authorities should allow full cost of recovery of costs from tenders submitted by businesses employing disabled people to take into account of additional resources expended.

3. Delegate comments on adverse affects:

- Could encourage 'gettoization' of disabled people in large factory units
- Could marginalise individuals through lack of integration
- Social Firms should fight directive and not be part of it

4. Opportunities identified by delegates:

- Develop partnerships with existing contractors

- Identify niches within contracts for subcontracting
- Influence local agenda and increase contracting opportunities

B. Scotch Bonnet Catering: Presentation By Nicholas Campbell-Watts

Business - Caribbean food for hospitals

NHS Trust influenced meals contractor to subcontract for special Caribbean meals

High costs associated with setting up

Difficult to obtain finance through lending as institutions didn't understand model. Difficulties training people plus running a business. Identified need to find a full-time trainer

Business finance from reserves

Current staff operate/manage catering business

Little room for expansion plus will to build business

Currently running at significant deficit with no plans to pay back loan from reserves.

Q & A

Catering business a purchase-led process

Funding limited to utilising reserves

Distraction of developing business on core charity services

In hindsight, a franchise or acquisition a better route

Contractor to NHS accepted pressure from NHS under duress and is not interested in learning from experience

Opportunity

Meeting local authority objectives for diversity and equality in procurement

Examine local authority equal opportunities policies for inclusion of business with disabled people

Influenced design of products