

Will the plans of the various parties regarding tendering and procurement affect how you vote in the forthcoming General Election? An independent review of the party manifestos from TfC.

Whether or not tendering and procurement are likely to continue under a new government must be a concern for all who are engaged in contracting with the public sector. If it is to continue what form will the processes take?

We have heard a number of stories recently (urban myths perhaps) about how procurement is likely to change post General Election. The one which is most frequently cited is that if the Conservatives form the next government public procurement will disappear. We then noticed that no one has looked at exactly what the three main parties actually say they will do. **As TfC is a non-campaigning, independent provider of evidence based information on tendering and procurement matters relating to health and social care** we decided to look at the manifestos of the Conservatives, Liberal Democrats and the Labour Party to see what evidence there is as to how procurement might develop post the General Election and under a Government formed by each party.

As public procurement is fundamentally driven by Europe-wide legislation, based on the Lisbon Amendment to the Treaty of Rome, we looked at what each of the three parties is describing in their manifesto as their stance regarding Europe. The position of UKIP is included as their position regarding Europe is clear.

Items in italics are comments from TfC. The parties are listed in alphabetical order

The Conservative Party

The Conservative Party has most to say about both Procurement and Europe

Procurement

Of the four, this manifesto includes the most information regarding procurement. It is very clear that under a Conservative government public sector procurement would continue. There are references to help for SMEs, which would include many health and social care providers. The definition of an SME places a limit on the number of employees at 250 and in terms of annual turnover small company is one that has a turnover of not more than £6.5 million medium-sized company has a turnover of not more than £25.9 million. There are no direct references to health and social care procurement but the references to ICT and MoD procurement provide an indication of the proposed trends.

Aim to deliver 25 per cent of government research and procurement contracts through SMEs by cutting the administrative costs of bidding.
Government procurement is a £200 billion a year market that can be used much better to stimulate enterprise and innovation. We will take steps to open up government procurement to small and innovative businesses by:

- publishing online all • government tender documents for contracts worth over £10,000 via the Supply2Gov website;
- creating a level playing field for open source ICT in government procurement; and,
- opening up contracts to SME s by breaking up large ICT projects into smaller components.



We will tackle wasteful government procurement projects by:

- strengthening the role of the Chief Information Officer to get a grip on government ICT projects;
- introducing a series of changes to ICT procurement to deliver better value for money;
- appointing senior private sector non-executives to departmental boards to deliver better value for money;
- publishing in full government contracts for goods and services worth over £25,000; and,
- increasing the accountability of EU spending by publishing details of every UK project that receives over £25,000 of EU funds.

Defence procurement by this government has wasted billions of taxpayers' money and left our Armed Forces under equipped and dangerously exposed. We will review the structure of the Ministry of Defence to reduce running costs by 25 per cent. We will reform the procurement process to ensure the delivery of equipment on time and on budget. Extend government procurement to small and medium-sized businesses by cutting administrative requirements.

It is not clear whether or not advertising on or access to Supply2Gov is to be free of charge. If it is to be cost neutral then it might be reasonable to expect that there will be costs for both purchasers and suppliers. Smaller providers might not welcome the implied requirement of the necessity to compete for contracts valued as low as £10,000.

Europe

How far the proposed plans extend to cover existing European legislation is not clear. Given that one of the founding principles of the Treaty of Rome (1957) was "ever closer union" and the Single Market Act (1986) underpins an agreement for the "free movement of goods and services" it is hard to see a reduction in the influence of European legislation short of withdrawal. It might be possible for change regarding new legislation although it might be necessary for the regulatory status quo to be maintained regarding existing regulation. Importantly the judgements of the European Courts might continue to have an effect

A Conservative government will change the law so that never again would a government be able to agree to a Treaty that hands over areas of power from Britain to the EU without a referendum. That would include any attempt to scrap the pound for the euro.

An open and democratic Europe

We will be positive members of the European Union but we are clear that there should be no further extension of the EU's power over the UK without the British people's consent. We will ensure that by law no future government can hand over areas of power to the EU or join the Euro without a referendum of the British people. We will work to bring back key powers over legal rights, criminal justice and social and employment legislation to the UK.

We will amend the 1972 European Communities Act so that any proposed future Treaty that transferred areas of power, or competences, would be subject to a referendum—a 'referendum lock'. A Conservative government would never take the UK into the Euro. Our amendment to the 1972 Act will prevent any future government from doing so without a referendum.

A Conservative Government will also introduce a United Kingdom Sovereignty Bill, to make it clear that ultimate authority over our laws stays in this country;

The recent case in the European Courts of Uniplex (UK) Ltd v NHS Business Services Authority underlines the need for the "accurate translation of the relevant EC law into UK law". This judgement has confirmed the primacy of European law. It is therefore unclear as to how the proposed legislation might work in the European context.



The Labour Party

The manifesto has surprisingly little to say on either procurement or Europe.

Procurement

The comments on procurement extend the trend which began with "savings as a direct result of procurement" which emanated from the Gershon Report "Releasing Resources to the Front Line" published in July 2004. This set out responsibility for delivering efficiencies with central departments, which it is expected will, in turn, cascade these efficiency saving commitments to health trusts, local councils, police, other public bodies and on to service providers. The intention was to create a public service efficiency delivery chain.

£950m saved through collaboration and efficiency in back office functions and procurement and £500m from quangos and central budgets. Continuing to cut bureaucracy and inefficiency in procurement, and public procurement will in future give priority to local people. *The Manifesto does not spell out exactly where the savings are to come from other than general references to efficiency and back office functions. Might these savings actually mean a loss of the jobs?*

Europe

Comments relating to Europe are even more sparse and take the form of general statements

We are internationalists too: only co-operative global action – including a strong European Union

A strong Britain in a reformed Europe

We are proud that Britain is once again a leading player in Europe. Our belief is that Britain is stronger in the world when the European Union is strong, and that Britain succeeds when it leads in Europe and sets the agenda for change.

It is difficult to know if this means that the party plans more or less integration of European legislation into UK law and thus how far and fast competition will be driven..

The Liberal Democrat Party

The manifesto has little to say about either procurement or Europe

Procurement

These are all of the references that our search of the manifesto found. No indication of whether or not public sector procurement would continue under a Liberal Democrat government, what the priorities might be, or what competition for public sector contracts might look like

Better government IT procurement

Review all major defence procurement projects.

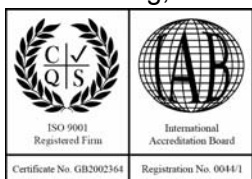
Reinvigorate Franco-British and wider European defence co-operation to ensure procurement costs are kept low.

We will use government procurement policy to expand the market for sustainable and fair-traded products.

Europe

The following comments from the manifesto appear to indicate that a Liberal Democrat government would result in a deeper integration into Europe and from this emanates full compliance with directives. This is likely to lead to enhanced competition from European companies and other bodies together with the primacy of the European over the UK Courts .

Liberal Democrats believe that European co-operation is the best way for Britain to be strong, safe and influential in the future



We are committed to an in/out referendum the next time a British government signs up for fundamental change in the relationship between the UK and the EU. We believe that it is in Britain's long-term interest to be part of the euro. But Britain should only join when the economic conditions are right, and in the present economic situation, they are not. Britain should join the euro only if that decision were supported by the people of Britain in a referendum.

It is not clear what a "fundamental change" might include; a new procurement Directive for example

UKIP

As the party which has as its clear aim the intention to withdraw from the European Union we wondered what the manifesto actually states on the two subject areas.

Procurement

The word Procurement is not mentioned in the manifesto itself, but there is a target which might impact on public sector procurement. A policy document makes a single statement with no expansion or explanation

Aim to reduce the public sector to the size it was in 1997, cutting many unnecessary quangos and non-jobs over five years.

Economic Policies Document page 14

"public sector procurement [accounts] for at least fifteen per cent of total demand [for business services]" Appendix 4 to this document sets out a list of the "non-jobs" referred to in the manifesto.

Europe

Withdrawal from the European Union is the reason for existence of UKIP, and many are likely to agree. What is not explained is how much of the existing legislation would remain in force after withdrawal For example, would competition law requirements continue in this country for securing public or private sector contracts?

Withdrawal from the European Union (EU) political superstate is central to UKIP's message. Scrap up to 120,000 EU directives and regulations that impact on the UK economy. In particular, UKIP would repeal the forthcoming AIFM Directive that threatens hedge funds in the City of London, and the Temporary Workers Directive that threatens Britain's flexible economy. UKIP would also scrap the EU's proposed direct taxes and make sure financial regulation is returned to UK control.

This might be interpreted as saying that as the Directives 2004/18/EC and 2007/66/EC would no longer apply, neither would the competition articles in the Treaty of Rome as amended by Lisbon

Check this for yourself

The following are the links to the manifestos of the three main parties. type "procurement" into the find box and following the highlighted links; then type "Europe" into the box and follow the links.

http://media.conservatives.s3.amazonaws.com/manifesto/cpmanifesto2010_lowres.pdf

<http://www2.labour.org.uk/uploads/TheLabourPartyManifesto-2010.pdf>

http://network.libdems.org.uk/manifesto2010/libdem_manifesto_2010.pdf

<http://www.ukip.org/media/pdf/UKIPManifesto2010.pdf>

