



Partnering for Procurement: Making the Market Work for VCSEs

Speakers

**Catherine Newman,
Partner, Sharpe Pritchard**

**Christopher Luck CB MBE FRSA,
Chief Executive Officer, Shaw Trust, and
Chair of the BSA VCSE Forum**

**Claire Dove CBE,
VCSE Crown Representative,
Cabinet Office**

**Simon Turner,
Head of Supplier Relationship
Management, Sodexo**

**Graeme Fitzjohn,
Senior Business Development Manager,
Jobs22**

**Andrew O'Brien,
Director of External Affairs,
Social Enterprise UK**

In November 2022, the Business Services Association (BSA) partnered with BSA member Sharpe Pritchard to discuss the value of voluntary, community and social enterprise (VCSE) organisations in public service delivery at a VCSEs and Procurement Seminar.

Since 2016, the number of new VCSEs winning their first government contract has been steadily declining¹. The BSA VCSEs and Procurement Seminar brought together civil society, government, and industry to discuss how they can work together both to increase VCSE participation in delivering public services.

Catherine Newman, Partner at Sharpe Pritchard, and Christopher Luck CB MBE FRSA, Chief Executive Officer at Shaw Trust and Chair of the BSA VCSE Forum, opened the Seminar by underpinning the importance of VCSEs in supply chains as a key part of embedding social value and innovation in public service delivery across our communities.

Keynote Speech: Claire Dove CBE, Cabinet Office

Claire Dove, VCSE Crown Representative at the Cabinet Office, began her speech with an overview of her role, acting as an interface between the sector and government.

Claire presented on the significance of the [Public Services \(Social Value\) Act 2012](#) along with the importance of policy notice [PPN 06/20](#) for government commissioning. She outlined additional changes that have been implemented to support the VCSE sector's presence in Government procurement chains, including the ring-fencing of small contracts to assist the sector initially engaging and becoming a provider of goods and services. Further steps are being taken to support VCSE participation in service delivery, including a series of engagement sessions and the [VCSE Contract Readiness Programme](#). Claire highlighted that there is still much to do to ensure long-term success for the VCSE sector in public procurement, with an ultimate aim of having VCSEs featured in all Government departments' procurement chains. In order to support this ambition, a Cross-Government Taskforce has been formed to share best practices across Government. Claire outlined the importance of good quality data in VCSE subcontracting and categorisation so that both VCSEs and their clients can be engaged and supported, but also able to set and monitor targets.

An open discussion followed, during which attendees considered the barriers facing VCSEs looking to engage with public sector procurement, including the limited structural capacity and bidding experience of smaller VCSEs². Smaller organisations have also reported difficulties in balancing the additional resource requirements of engaging with public service procurement with maintaining a focus on their core organisation mission. Participants also discussed ways to support VCSEs to scale as well as how to bolster supply chain resilience. This included embedding greater longevity in the contracting system (such as lengthier contract terms, earlier market engagement, and long-sight pipelines), fostering partnership working practices between businesses and VCSEs, and prioritising the value of impact over lowest cost.

¹ Tussell (2021). *UK Public Procurement through VCSEs, 2016-2020*. The Department for Digital, Culture, Media and Sport. Accessed online: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1069635/UK_Public_Sector_Procurement_through_VCSEs.pdf
² See also: BSA (2020). *Policy Discussion Paper: Improving public procurement for SMEs and VCSEs*. Accessed online: <https://www.bsa-org.com/wp-content/uploads/2020/03/BSA-Policy-Discussion-Paper-Improving-public-procurement-for-SMEs-and-VCSEs.pdf>

Industry Panel: VCSEs in Supply Chains

Simon Turner, Head of Supplier Relationship Management at Sodexo, and Graeme Fitzjohn, Senior Business Development Manager at Jobs22, formed the Seminar's industry panel chaired by Christopher Luck. The panel was encouraged to share the industry's perspective of the challenges, opportunities, and successful strategies for working in partnership with VCSE organisations.

Simon Turner began by highlighting the value placed by Sodexo on the sector, outlined in their [Social Impact Pledge](#), and demonstrated by being a founding member of the Buy Social Corporate Challenge with Social Enterprise UK. He highlighted key challenges for industry when looking to partner with VCSEs. Examples included difficulties identifying VCSE organisations leading to reduced practical engagement; low visibility of VCSEs already working in their supply chain; collection of good-quality data from VCSEs; and the perception that larger organisations with financial stability can ensure continuity of supply more easily than VCSEs (see Sodexo's [Appetite for Action](#) campaign for further details on how this proved not to be the case within their supply chain over the pandemic).

Graeme Fitzjohn focused on the importance of locality and service co-design which allow Jobs22 to prioritise quality and performance. He described the role of prime contractors as providing links between VCSEs and local stakeholders so as to create partnership networks.

Both panellists then discussed challenges related to sector capacity as well as the perceived mismatch between local, specialised skillsets versus the business and soft skills required to effectively manage contracts. Simon and Graeme highlighted the usefulness of mentoring and sharing of knowledge and best practices for contract management between businesses and VCSEs. In the subsequent Q&A, attendees discussed the challenges of balancing price and impact priorities, particularly in the context of the perceived increased cost associated with contracting with VCSEs and SMEs³.

Presentation: Andrew O'Brien, Social Enterprise UK

Andrew O'Brien, Director of External Affairs at Social Enterprise UK, gave a presentation on social value in procurement and Social Enterprise UK's role in communicating with the growing market of VCSEs. He began by discussing the definitional challenge that exists with social value, distinguishing between core and added social value and their application in practice. He shared the [Buy Social Corporate Challenge](#), which encouraged industry to engage with a diverse supply chain, and supports social enterprises to scale.

Concluding Remarks

Finally, Christopher Luck provided closing remarks, thanked the speakers, and encouraged attendees to join the BSA VCSE Forum to contribute to the BSA's ongoing work on this subject.

³ See also: BSA (2020). *Policy Discussion Paper: Improving public procurement for SMEs and VCSEs*. Accessed online: <https://www.bsa-org.com/wp-content/uploads/2020/03/BSA-Policy-Discussion-Paper-Improving-public-procurement-for-SMEs-and-VCSEs.pdf>