

Are we ready to meet the challenge?

CHANGE is the only constant as we wrestle with the consequences of a financial crisis that has left us with a mountain of public debt and a barely growing economy.

Now the General Election is decided we have a government that is determined to act promptly – it has already said it will cut spending rather than increase taxation as its principal way to reduce debt and reassure international money markets. Initiatives have already been cut with the Working Neighbourhood Fund taking a £49.9m cut, LEGI a £17.5m cut and the Local Authority Business Growth Initiative being stripped of its funding for all of 2010/11.

We can look forward to details of further cuts to regeneration budget at the emergency budget in late June on top of the £6 billion public sector wide cuts already announced – all this a mere six weeks after Mr Cameron's Liberal Conservative coalition took office.

We know there must be sweeping changes if the government is to keep its pre-election promise to protect front-line services while making the kind of savings to which it is now committed.

For the past year, civil servants and local government officers have been conducting pilot studies to develop radical new working practices in a number of councils across the country.

Artificial barriers, so rigorously defended by government departments and town hall directorates, are falling like nine pins as members of staff are being encouraged to think the unthinkable in terms of how they do their jobs.

Mr Cameron has appointed a minister for decentralisation, reflecting the enthusiasm of both coalition parties to devolve power from Westminster. But the coalition's ideas go far beyond any return to a pre Council Tax relationship between central and local government.

The Conservatives want to develop their 'big society' in which individuals will come together to do things that were previously done by government. According to Government Minister, Francis Maude, money will be forthcoming to capacity build these community organisations, but the criteria used to judge which initiatives are worthy of support are likely to be far more market-orientated.

Government will be looking for real value, not least because it must justify every penny to an electorate jaundiced by the savagery of cuts that are surely coming.

Against this background, Economic Development and Regeneration organisations must look to work with local government, community organisations and others to find innovative ways to promote, fund and deliver worthwhile projects.

Enter the Green Dragons

Innovative suppliers of sustainable construction encountered only friendly fire when they were subjected to the scrutiny of the Green Dragons in spring 2010.

The dragons took the form of procurement directors of major construction firms such as Skanska, Morgan Sindall, Bovis Lend Lease and Balfour Beatty with combined spending power of around £10bn. 12 small, companies based in South East England with innovative sustainable products or services in development or new to the market had 45 minutes with the dragons to explain their innovation and to understand how they can remove barriers to entry in the construction industry.

The dragons, representing the purchaser, were delighted with the event. "It was a real eye-opener for me to see what products are out there and how we need to make it easier for these ideas to enter our supply chain" said Graham Edgell, Group Procurement Director, Morgan Sindall. "Some of the products are a no-brainer" said Nigel McKay, Procurement Director, Bovis Lend-Lease "I plan to instruct my site services contractors to buy Flow Control fuel cans". Flow Control is a reinvented plastic fuel can that does not spill or give off air emissions; it is made by a family company on the Isle of Wight. "I can see us doing business with at least 4 of the 6 suppliers we saw today" said Danny Collins, Head of Procurement for Skanska's massive building division.

The event, which was funded as part of the Suscin project www.suscin.org.uk also highlighted barriers to entry and the difficulty small suppliers have in entering such a complex market. The opportunity to meet senior representatives from the industry was unique. They were advised on certification levels, the right route to market and how their products may be improved.

The next stage of the scheme is for the project delivery partners Action Sustainability www.actionsustainability.com and the Centre for Sustainable Design www.cfsd.org to shortlist 6 companies to enter into more detailed discussions about how to turn the momentum into tangible business for innovative sustainable suppliers in South East England. This will stimulate economic growth, create new jobs and improve environmental performance.

Crossing the water is good for business

OLD Father Thames has been an effective commercial barrier in London for as long as the city has existed. Today that barrier is more psychological than physical, but it still hampers trade.

The Cross River Partnership exists to stimulate regeneration and thereby increase employment. It covers an area bounded by four of the boroughs that border the Thames: The City, Lambeth, Southwark and Westminster.

Business to Business has been working with the partnership on Supply Cross River, a programme backed with money from the European Union Regional Development Fund that introduces the area's smaller firms to potential customers among its many larger ones.

David McAlpine, a member of the programme's steering group, believes it is helping to make smaller firms fitter to tender, giving them a better chance to win more work.

And Sachin Joshi from Guys & St Thomas' NHS Foundation Trust, one of the programme's potential buyers, likes the way it offers him suppliers that are hand-picked to meet his requirements.

A number of south London firms are able to report commercial success, including:

May's Catering is based in Lambeth and specialises in supplying all kinds of food for special occasions. The company attended a capacity-building seminar organised by BtoB, from which it was referred to a supply chain adviser.

Mabel Arku-Nelson says one-to-one support available after the event encouraged her firm to consider the need to train additional people in the art of cake decorating.

She adds: "We are confident we can grow the firm over the next year and that will allow us to contribute to neighbourhood regeneration by offering extra work locally."

Bermondsey-based Woodrow Press already has clients north of the river, but it was specifically looking for work in the public sector when it attended a Supply Cross River 'Meet the Buyers' event organised by BtoB.

Paul Ramsay, the firm's sales and marketing manager, says: "Supply Cross River gives firms like ours the confidence to go forward with public sector organisations and make them part of our sales pipeline."

And the programme has clearly been effective as the printing firm has just won £50,000-worth of new contracts – one of them from the NHS.

Built to Achieve Conference considers the new financial landscape

THE THIRD sector will play a vital role in helping Britain's new coalition government to balance the nation's books without turning its back on those who need help.

Knowing that substantial financial cuts would be needed – whoever won the General Election – central and local government has spent the past year looking for more cost-effective ways of doing things.

At the same time, third sector organisations – charities and social enterprises – have become ever more important as a means of delivering community services.

But saving money remains crucial so sustainable new ways must be found to reduce costs without diminishing standards.

Working for Business & Enterprise North East (BE-NE), the organisation which delivers the Business Link service in North East England, BtoB is currently delivering "Built to Achieve" – Business Link's programme of free workshops in the North East region specifically aimed at social enterprises, voluntary and community groups.

The recent "Built to Achieve" conference in Durham offered third sector organisations (TSOs) the chance to explore routes to investment, innovation and growth. It attracted 179 people from 136 TSOs.

BtoB's Leanne Elliott, who organised the Business Link event says: "We were delighted with the response, which was nearly 50 per cent higher than the target we set ourselves.

"The day offered the chance to investigate alternative finance and funding options – and an insight into the latest thinking on public procurement. We were able to explore loan financing and the workings of charity banks, as well as introducing delegates to a number of national and regional investors.

"Craig Dearden-Phillips was our main speaker: he is one of the country's leading social entrepreneurs, probably best known as a founder of Speaking Up, a £7m UK social business that helps disabled people to have a voice.

"He is passionate about the social sector and believes organisations must maximise their potential for social good, believing strongly that the sector is set to grow enormously in the UK in the coming decade as the state cuts back."

For more information: www.builttoachieve.co.uk

Power to the people

United Utilities success in delivering a sustainable procurement strategy over the past two years has resulted in clear evidence of the impact of such a programme on the people within a busy supply chain department.

When the business-led Sustainable Procurement Task Force developed the Flexible Framework, the intention was to encourage organisations to develop a balanced approach to include all aspects of management necessary to deliver sustainable procurement. The objective of the "People" workstream is to ensure that people understand their responsibilities and are well equipped to deliver them. A recent company-wide staff survey bears this out:

United Utilities "do" sustainability because:

- It makes business sense – they get the lowest cost,
- Reputation – they can win new business and their customers sometimes demand it
- Talent – they can attract and retain the best people

After working with Action Sustainability on their £3.6billion 10 year capital programme, UU were clearly being successful at sustainability on cost and reputation – this is relatively easy to spot and measure; but with talent it is harder to define the benefits and measure progress.

One way is to ask your employees, every year UU runs an all-employee opinion survey (>8,500 people) and makes a donation to charity for every returned survey.

Here are some all-company scores compared with Supply Chain department scores (in red and bold).

- 1) They asked all employees did they think the company is socially responsible in the communities where we operate – 71% favourable response, **90% in Supply Chain.**
- 2) On whether they think the company is environmentally responsible, the response was 77%, **97% in Supply Chain.**
- 3) On whether employees know what action they can take to be environmentally responsible, the response was 78%, **90% in Supply Chain.**

These scores, particularly the last one, are a clear endorsement of the power of a well managed sustainable procurement programme. The whole UU supply chain team and many others have contributed to this achievement but special praise must be given to Kieran Brocklebank, whose professionalism and enthusiasm has driven this programme forward.

Action Sustainability is proud to have played a small part in helping to deliver this programme and Kieran's kind words are a reflection on our teams input.

"We are really pleased with the outcome and I wanted to thank everyone at BtoB and Action Sustainability for their work during the past year. They have all helped to make a positive difference."