

## Green Paper: Transforming public procurement

### Young People's Health Partnership - combined consultation response

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#### Q1. Do you agree with the proposed legal principles of public procurement?

In principle, the Young People's Health Partnership (YPHP) supports the principles within the Green Paper *Transforming Public Procurement* to improve and simplify current procurement processes. We are keen to work in collaboration with public sector organisations to help to refine and improve their procurement processes. If designed and implemented correctly, procurement can contribute to reducing inequalities experienced by young people, which can be utilised as a positive tool within Covid-19 recovery planning. This section provides general comments applicable to proposed reform of the whole procurement process, with reference to implications for the voluntary, community and social enterprise (VCSE) sector.

With relation to the principles – “the public good, value for money, transparency, integrity, fair treatment of suppliers and non-discrimination” – we have concerns regarding practical interpretation of these, which relate to our general considerations.

There are specific barriers facing VCSE organisations within public procurement processes, despite many voluntary organisations being reliant on funding from public service organisations. NCVO highlights these barriers as:

- Lack of proper engagement with voluntary organisations at an early, pre-procurement stage to better understand the needs of service users and how to improve services
- Inappropriate use of different procurement approaches
- Increases in large scale contracts, which are inaccessible to many voluntary organisations
- Short procurement timescales, which do not reflect the complexity and the scale of the contract being tendered
- Contracts awarded on price, not value<sup>1</sup>

We believe that there is a need for cultural change among public sector bodies in order to better understand how the third sector operates and what procurement processes will best work to meet our needs. The Chartered Institute of Procurement & Supply (CIPS) have guidance and best practice for public sector procurement professionals on engaging with the third sector<sup>2</sup>.

We support NCVO's view that this Green Paper creates a one-size-fits-all approach for procurement, which does not recognise the difference between delivering public services to people and delivering other goods.<sup>3</sup> The proposals in this Green Paper do not go far enough to overcome the barriers the third sector faces within public procurement.

Procurement processes must be accessible and easy to navigate. Members of YPHP have found current processes difficult to understand and engage with, alongside there being a lack of transparency and accountability from organisations. As highlighted by the Local Government

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<sup>1</sup> NCVO. 2013. Making public sector procurement more accessible to SMEs.

<sup>2</sup> Chartered Institute of Procurement & Supply (CIPS). 2017. Engaging with the third sector. [Available online at: <https://www.cips.org/knowledge/procurement-topics-and-skills/strategy-policy/models-sc-sourcing--procurement-costs/engaging-with-the-third-sector/>]

<sup>3</sup> Young, R. 2021. 'Procurement Green Paper: Transition or Transformation'. London: NVCO [Available online at: <https://blogs.ncvo.org.uk/2021/02/04/procurement-green-paper-transition-or-transformation/>]

Association (LGA), small organisations with limited or part-time staff members may struggle to adequately complete funding bids and may benefit from more collaborative and flexible approaches.<sup>4</sup> It should be acknowledged that while short contracts and regular retendering processes are burdensome for voluntary organisations, it would be inappropriate to replace this with large, multi-year contracts that voluntary organisations would be unlikely to successfully compete against private organisations for. Therefore, there must be a range of opportunities available to voluntary organisations, which have flexible and adaptive processes.

We are particularly concerned about the added challenges experienced by organisations delivering youth services. Local Authorities traditionally fund youth services, but cuts to council budgets have opened up wide funding gaps for children and young people's services and the number of youth services are dropping. Funding to youth services by Local Authorities in England and Wales saw a real term decline of 70% between 2010/11 and 2018/19<sup>5</sup>, which has implications on the voluntary sector to fill the gap and the delivery of these services. These declines were pre Covid-19, which has had further impacts on the long-term sustainability of the finances of youth services. The National Youth Agency has warned that youth charities are "running on empty"<sup>6</sup> and there have been frustrations related to the delay of funding available from the Government's Youth Investment Fund.

Where funding for services is short, it is typically concentrated on young people in the most need, rather than provision and delivery of early-help, preventative services. We recommend that future procurement should prioritise investment in health promotion and prevention, rather than focusing on treatment of illness. Arguably, in light of the impact of Covid-19 on the lives of young people (mental health / wellbeing, loss of employment opportunities, upheavals to education) youth services should be funded to deliver a wider array of services to meet young people's multiple needs.

It is important that youth-specific funding is protected in the long-term. In general, there has been a shift away from youth specific commissioning towards all-age commissioning, which does not recognise the unique experiences of this age group and their needs are lost. While there have been attempts to include youth organisations in larger all-age contracts, the relative importance of youth specific work is diminished when situated within large, multi-partner contracts that have a broader focus and scope beyond young people. There have also been practical challenges in implementation, as the safeguarding of children and young people can be overlooked in all-age or adult contracts that also involved 16-18 year olds. As a result of these challenges and barriers, youth specific services have been lost in a number of areas; a worrying trend which must not be continued in the Covid-19 recovery phase, as we acknowledge the disproportionate impact of the pandemic on young people's education, employment and peer relationships.

The voluntary sector has been adaptive to multiple changes over recent years within health and NHS commissioning arrangements – for example, changes to Clinical Commissioning Groups (CCGs), Sustainable Transformation Partnerships (STPs) and Integrated Care Partnerships (ICs), Primary Care Networks (PCNs) – however, there that further change will result in confusion and set back the positive progress which has been made so far. The Green Paper's focus is on the process of procuring specific contracts. We would welcome more scrutiny on broader commissioning arrangements, including strategic direction and responsibility for prioritising the commissioning of specific services over others. Alongside the environment of wider healthcare reforms (as outlined in

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<sup>4</sup> LGA. 2020. *Bright Futures: Our vision for youth services*. London: LGA.

<sup>5</sup> LGA. 2020. *Re-thinking local: youth services*. London: LGA.

<sup>6</sup> National Youth Agency. 2020. *Youth charities are 'running on empty'*.

the 2021 *Future of Health and Care White Paper*), we are concerned that lack of attention has been given for how best the voluntary sector can have a meaningful voice in informing and shaping commissioning, or their ability to deliver high-quality services with a context of ‘consolidation’ of healthcare provision.

**Q8. Are there areas where our proposed reforms could go further to foster more effective innovation in procurement?**

As discussed, we believe that reforms could go further in recognising the age-specific needs of funding youth services. In general, there has been a shift towards all-age commissioning, which does not recognise the unique experiences and needs of this age group.

**Q9. Are there specific issues you have faced when interacting with contracting authorities that have not been raised here and which inhibit the potential for innovative solutions or ideas?**

As discussed, the voluntary sector faces a number of unique barriers in engaging with public procurement processes. We believe that there is a need for cultural change among public sector bodies in order to better understand how the third sector operates and what procurement processes will best work to meet our needs.

**Q13. Do you agree that the award of a contract should be based on the “most advantageous tender” rather than “most economically advantageous tender”?**

Public sector procurement should be driven by value for money, rather than price. Voluntary sector organisations provide added value within the work they do - in the application of their mission, aims and values – which can be overlooked in tendering processes that are focused solely on costs. Currently, there is a heightened possibility that voluntary sector organisations are undercut by larger bidders, who do not necessarily provide the same quality of delivery.

Typically, voluntary organisations aim to improve the lives of specific groups or individuals within society, such as disadvantaged and marginalised groups who are excluded from traditional systems and services. Thus, voluntary organisations are experts at reaching and working with different health inclusion groups and those at most risk of poorer health outcomes. Organisations work very closely with the communities that they serve, fostering valuable knowledge and understanding of changes required to see improvements. The voices of services users are usually embedded within the work of voluntary organisations, with organisations usually having developed trusted and meaningful relationships, of which there is much value for contracts. This is particularly pertinent for youth services and organisations, where there are important safeguarding considerations.

Arguably, current processes based on price modelling prioritise projects or services that can most easily demonstrate economic benefit and impact. For example, within the health context, this can mean that funding is prioritised for areas deemed to be most important on adult life expectancy (e.g. diabetes) over more preventative aspects of young people’s health (e.g. sexual health, alcohol / substance use). There should be parity of importance between different aspects of healthcare and health outcomes.

Another benefit of voluntary organisations is that they are likely to collaborate with others in the sector to strengthen work, recognising the expertise and insight others can bring. Procurement processes that allow a wider view of arrangements could support more joined-up working between organisations.

We recommend that the sentiment behind awarding the “most advantageous tender” is strengthened to have a more explicit reference to how contracts account for social value, equality impact, environmental impact, workforce development and long-term sustainability. These priorities should be considered within the national context, but also the local context within which the organisation works. The Public Services (Social Value) Act 2012 takes into account the economic, social and environmental benefits of procurement policies. It plays an important role in addressing social, economic and healthcare inequalities within localities. Arguably, we have seen successful implementation of this within various settings but it is not standard practice as it is not always the cheapest option for organisations to take.

Though we welcome a shift away from tendering based only on price, it is important that application future processes are not expanded to become too onerous in order to account for new requirements. As discussed previously, voluntary sector organisations face unique challenges in completing bids (due to their size and capacity levels) and these issues should not be exacerbated.

**Q27. Do you agree that transparency should be embedded throughout the commercial lifecycle from planning through procurement, contract award, performance and completion?**

The YPHP supports efforts to embed transparency throughout procurement processes.

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**The Young People’s Health Partnership (YPHP)**

The Young People’s Health Partnership represents the interests of young people and young adults aged 10 – 25. We focus specifically on young people facing health inequalities. We are a partnership of six organisations with VCSE networks across England from the youth and young people’s health sectors.

- We support young people to exercise empowered and active voices
- We provide advice on how policies and services can affect young people differently, particularly marginalised groups.
- We increase understanding of good age appropriate care for young people and why it is important
- We focus on young people’s wellbeing and increasing understanding of effective prevention work
- We support the youth and young people’s health sectors to work in partnership with the health system

Together with AYPH the partnership includes: [Brook](#), [StreetGames](#), [UK Youth](#), [We Are With You](#), and [Youth Access](#). Our network is made up of over 1600 services and members around the UK.

For more information, please contact: [info@youngpeopleshealth.org.uk](mailto:info@youngpeopleshealth.org.uk)

