

Procurement in Northern Ireland

factsheet

Devolution

The Northern Ireland Executive takes overall responsibility for procurement in Northern Ireland. EU procurement law and practice apply and are updated through local legislation and regulations as appropriate. There are also historic elements of continuing policy from Direct Rule such as the Treasury Taskforce guidelines on trade union involvement in PFI (hard copy available from the UNISON NI regional centre) and the 12 Principles of Public Procurement which can be viewed at www.cpdni/guidance-for-purchasers/12-procurement-principles.htm

Structures for public service delivery and procurement

Local councils in Northern Ireland are comparatively small and deliver a limited number of services. Council expenditure accounts for just 5% of all devolved expenditure. Health and social care services are delivered through an NHS trust model, with full integration of social service functions. Education, library and housing services are all delivered by non-departmental public bodies (quangos), and planning currently operates through a civil service agency.

The key source of procurement policy is the Central Procurement Directorate, accountable to the devolved executive through the Office of the First and Deputy First Ministers. Infrastructure funding is channelled through the Strategic Investment Board, a government owned company limited by guarantee.

UNISON lobbying and policy outcomes

- UNISON's approach to public procurement and infrastructure investment has always been to argue for equality of opportunity to be applied to the spending of public money. This should be done in a manner capable of changing the old patterns of inequality and discrimination in our society. This has also been the main focus of UNISON's highly successful challenge to privatisation in Northern Ireland.
- UNISON has achieved the repeal of the Northern Ireland Compulsory Competitive Tendering orders for local government and education, and the withdrawal of Northern Ireland version of the NHS market testing requirement for support services.
- UNISON has also helped to establish a consensus definition of procurement in public policy, appropriate for devolution, with input from the Irish Congress of Trade Unions (ICTU).
- An agreed policy on equality and sustainability in procurement has been implemented, again with UNISON and ICTU input. In particular, this requires the integration and mainstreaming of the Northern Ireland statutory equality duties (1998 Northern Ireland Act, Section 75) at all key stages of the procurement process. www.equalityni/archive/ECNIPublicSector0508.pdf
- The Code of Practice on the two-tier workforce has been modified as a result of negotiations between ICTU and the NI government. Modifications include strengthened guidance stating that employer breaches of the code may lead to disqualification from the tendering process for a future contract.
- UNISON's critique of the PFI model has led to the deferral and reconsideration of four major acute health

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PFI schemes, and the replacement of the PFI in Education with Design and Build only Framework Agreements.

- UNISON has campaigned for and obtained the following agreements in Northern Ireland on the exclusion of workers from PFI schemes:

A the exclusion of school cleaners and school meals workers from all Education PFI schemes (primarily on grounds of risk of adverse impact to equalities). Consequent local agreement for exclusion of caretakers in a major Belfast project.

B Devolved Executive policy requirement for the exclusion of domestics from all Health PFI schemes: UNISON continues to lobby for the exclusion of remaining soft and hard services functions.

Case study 1

Private Finance Scheme. New acute hospital, Enniskillen

Faced with a 'Pathfinder' PFI scheme for a new acute hospital in Enniskillen, UNISON campaigned in the following ways:

- agreed the application of Treasury Disclosure rights
- obtained disclosure of the Outline Business Case and challenged its application of Treasury Green Book, and campaigned against proposed bed reductions
- used the Section 75 equality legislation to respond to equality impact assessments and challenge the trust to adopt alternative policies to PFI
- interviewed short-listed consortia at stages 2 (c) and 3 of the Competitive Dialogue Procedure, and submitted detailed critiques of their policies and approach
- ensured the application of Executive policy on exclusion of domestics, and steered consortia and the trust to agreeing the exclusion of the remaining soft services staff, with particular reference to the trust's statutory duty on equality
- challenged at trust board level the failure of one consortium to adopt the two-tier workforce agreement
- achieved a revision of the outline specification to require an on-site laundry, and locally sourced fresh food
- This scheme is now 'on hold' following the credit crunch withdrawal of HSBC from the funding consortium

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Case study 2

Bringing privatised NHS support services back in-house

There has been no policy decision by either the devolved Executive or Direct Rule Ministers to do this as a matter of policy. The devolved minister of health issued a circular in 2001 which required trusts to make decisions on privatisation or in-house returns on the basis of value for money and equality.

In the seven privatised trusts, UNISON set up a partnership process to implement the circular. This included joint working with the local employer to deliver the following:

- equality impact assessments to identify adverse impacts from current privatised provision and contract renewal and equality gains from returning in-house
- baseline profiles of existing costs and service standards, market benchmarks for contract renewal, and projected costs of in-house returns
- joint reviews of current service delivery and options for improved working practices linked to job development and progression
- Options for savings through phasing the impact of in-house return costs.

On the basis of UNISON agreed reports on the above, six of the seven trust committees agreed to return services in-house, moving 1,100 – 1,200 workers off minimum wage on to NHS conditions, and with clinical and service delivery gains. The remaining trust is scheduled to return in-house next year.

Case study 3

Working with Best Value – a new school cleaning service for Belfast

While Best Value was ‘commended’ to education boards and councils in Northern Ireland, there has been to date no prescriptive or statutory guidance. UNISON has therefore sought opportunities to use specific reviews to promote UNISON objectives.

School cleaning in Belfast had lost 10% of schools to the private sector, and faced major privatisation given ongoing cost and quality issues. UNISON achieved a partnership structure for the union with local management and representatives of school principals to deliver a fundamental review.

Adopted and implemented recommendations from the partnership include:

- an agreed productivity increase with no compulsory loss of hours or posts
- a model for sharing savings with schools
- a major investment in training including a purpose built training centre with the capacity to deliver training to other education and health employers
- investment in equipment, uniforms and safety shoes
- properly planned individual workloads
- targeted and monitored service quality improvement plans
- the removal of privatisation threats, and the return in-house of previously outsourced schools.

Following the implementation in partnership of the previous recommendations, the in-house service was awarded public sector team of the year in the CIPFA Public Service Awards.

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