

# WIRRAL COUNCIL

## CABINET

18 OCTOBER 2007

### REPORT OF THE DIRECTOR OF FINANCE

#### SUPPORTED FACTORIES AND BUSINESSES

##### 1. EXECUTIVE SUMMARY

- 1.1. This report informs Members of the changes that have taken place within the legal framework for public procurement of supplies and service contracts provided by Supported Factories and Businesses, as set out within the European Union (EU) Consolidated Procurement Directive and the UK Procurement Regulations. The directives and regulations for all procurement activity are applied through the Contracts Procedure Rules.

##### 2. BACKGROUND

- 2.1. In July 2007 the Remploy Trades Union Consortium (consisting of GMB, Unite and Community), circulated a letter outlining the proposed closure of 43 of the 84 factories Remploy has across the UK (Appendix 1). The letter was addressed to Councillors, local government and NHS procurement officers, school governors and many others to seek support in engaging with Remploy to provide supplies and services wherever possible.
- 2.3. The letter is, however, misleading as it states that public bodies can award contracts to Supported Businesses, such as Remploy, 'without the requirement to go through the Best Value tender process'.
- 2.4. Guidance has been sought from the Office of Government Commerce (OGC) and the Supported Business Directory, a service developed to support changes in the EU Public Sector and Utilities Directives, allowing public authorities the scope to reserve and place public procurement contracts for supported factories and businesses. These organisations state that public bodies still have to undertake a competitive process but can reserve a contract for Supported Businesses by adding, within the contract notice placed in the European Journal, the phrase '**reserved for Sheltered Workshops under Article 19 of the Directive**'. In this way public bodies are stating that only organisations with more than 50% disabled employees can bid for this work from anywhere within the EU.

### **3. THE WAY FORWARD**

- 3.1. The Procurement Unit has, as a response to the letter, had several enquiries from Members and as a consequence has investigated the possibility of reserving a contract in the way described above for supported businesses.
- 3.2. I am proposing that the Council through the Strategic Procurement Group (SPG) assess areas of service and supply that would be suitable for such an arrangement. When such an area has been identified by the SPG, a report setting out the proposals will be presented to Cabinet.
- 3.3. Initial enquiries reveal that a service that Remploy offer in this region, which might possibly be progressed within the Council, is Waste Electrical Equipment Disposal.

### **4. FINANCIAL IMPLICATIONS**

- 4.1. There are none arising directly from this report.

### **5. EQUAL OPPORTUNITY IMPLICATIONS**

- 5.1. There are none arising directly from this report.

### **6. COMMUNITY SAFETY IMPLICATIONS**

- 6.1. There are none arising directly from this report.

### **7. HUMAN RIGHTS IMPLICATIONS**

- 7.1. There are none arising directly from this report.

### **8. LOCAL AGENDA 21 IMPLICATIONS**

- 8.1. There are none arising directly from this report.

### **9. PLANNING IMPLICATIONS**

- 9.1. There are none arising directly from this report.

### **10. MEMBER SUPPORT IMPLICATIONS**

- 10.1. There are none arising directly from this report.

### **11. BACKGROUND PAPERS**

- 11.1 Letter from the Remploy Trades Union Consortium - July 2007 (attached)

12. **RECOMMENDATION**

- 12.1 That Members agree to the identification of suitable contracts to be reserved for sheltered workshops.

IAN COLEMAN  
DIRECTOR OF FINANCE.

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