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The Women's Budget Group response to the Green Paper on Transforming Public Procurement

The Women's Budget Group (WBG) is an independent network of leading academic researchers, policy experts and campaigners. We produce robust analysis and aim to influence the people making policy. We also work to build the knowledge and confidence of others to talk about feminist economics by offering training and creating accessible resources. The Women's Budget Group is independent and not-for-profit.

Our response focusses on the principles covering public procurement and tax transparency.

Principles covering public procurement.

The Women's Budget Group welcomes the inclusion of legal principles into legislation governing public procurement. However, there is a failure to recognise that the delivery of services for people needs a different procurement response from the purchase of products.

We endorse the joint response to the Green Paper from Imkaan, Women's Aid and End Violence Against Women Coalition which covers the provision of specialist violence against women services. In particular, we agree that public procurement is not an effective way to ensure the delivery of these life saving services to the women who need them. Violence against women services require collaboration in order to meet the often complex needs of victims/survivors. Competitive tendering undermines this collaboration and has led to specialist providers being replaced with large generic organisations, which often lack understanding of the causes and consequences of violence against women.

More generally, we are disappointed that in the public good principle includes no mention of the importance of using public procurement to promote equality.

In particular we are concerned that there is no mention of the Public Sector Equality Duty (PSED) in the document. Ensuring equality requirements are met at every stage of procurement is integral to promoting equality in public authorities' work and service delivery. The PSED provides the framework to do this.

The PSED provides crucial guidance for public bodies, requiring them to have 'due regard to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act; advance equality of opportunity between people who share a protected characteristic and those who do not and; foster good relations between people who share a protected characteristic and those who do not. It also requires public authorities in England to publish information to show compliance with the PSED annually as well as publishing equality objectives, at least every four years.

The Equality and Human Rights Commission's guidance, *Buying Better Outcomes* (2013) shows how commissioning and procurement can be used 'as a way to advance equality and, where appropriate, achieve wider social benefits, such as creating training and employment opportunities.'ⁱ

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The EHRC guidance refers to the Public Services (Social Value) Act 2012 and highlights the close link between equality and other social and economic outcomes. It also covers very similar ground to the current consultation, for example discussing how public authorities can use their purchasing power to increase the availability of targeted recruitment, training and support to disabled people in the workplace; support social enterprises or minority owned businesses; and open up supply chains. Making explicit the link between the PSED and the Social Value Act would put equality at the heart of procurement, and strategies for economic development more generally. This is a real missed opportunity.

Gender equality and public procurement

Gender equality should become a core component of procurement strategy, much in the same way that creating jobs or reducing carbon emissions is becoming. In order for this to happen it needs to be thought about at the commissioning stage, so people who are designing services think about how gender equality can be embedded into tender documents, in decision-making and monitored as part of service delivery.

The PSED, (which includes sex as a protected characteristic) can be a powerful tool for ensuring that this happens. Under the PSED public authorities that outsource basic services have an obligation to ensure that the legal requirements set out in the PSED are passed on and carried out by the provider. This creates opportunities to embed gender equality into the procurement cycle.

The Women's Budget Group recommends that public bodies should carry out an impact assessment at each stage of the procurement process, including when considering whether to go out to tender. Equality criteria should be built into contracts and there should be ongoing monitoring of the impact of the contract on equality.

Importance of transparency on tax

We endorse the submission by Fair Tax Mark on the importance of transparency on tax and beneficial ownership as a consideration in procurement.

We fully support the introduction of beneficial ownership data as a procurement consideration. As well as aiding Government's anti-corruption priorities, it is also a key indicator of good corporate tax conduct.

We believe that beneficial ownership data and other 'good' tax conduct measures can and should be more effectively considered given their contribution to enabling better identification and mitigation of financial and corruption risks by contracting authorities.

We suggest that allowing 'good tax conduct' to permeate public procurement across the UK, provides the UK Government with an excellent opportunity to further advance both its corporate responsibility, transparency and anti-tax avoidance credentials.

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We suggest that introducing tax conduct criteria, to include public disclosure of beneficial ownership and the fullest possible financial statements, as well as a tax policy, should be made a condition of contract award. Additionally, we suggest that centralised scrutiny of supplier beneficial ownership and financial reporting data (where complexity can be an indicator of poor financial standing) would assist with identification of corruption and financial risk. Such analysis is essential at both a subsidiary and parent level.

ⁱ Equality and Human Rights Commission, 2013 *Buying Better Outcomes* <https://www.equalityhumanrights.com/en/publication-download/buying-better-outcomes-mainstreaming-equality-considerations-procurement-guide>