

MAKING SPEND MATTER

Strategic Procurement Plan Case Study

Schaerbeek

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INTRODUCTION

About Making Spend Matter

The **Making Spend Matter Transfer Network**¹ is one of 23 transfer networks funded through the **URBACT Programme**². Generally, the transfer networks are seeking to transfer an **URBACT identified piece of Good Practice**³ associated with integrated urban development to other cities across Europe.

In the case of Making Spend Matter, the identified good practice is around the process of public procurement and particularly a methodology called spend analysis which enables cities to measure where their procurement spend goes and subsequently work in cooperation with other partners and the market to progress the way in which they undertake procurement policy and practice.

The spend analysis good practice has been developed by the City of Preston in the United Kingdom over the course of the last seven years. Over the course of the last two and a half years as part of the transfer network, Preston has sought to transfer the principles and practice of the methodology to six other cities: Pamplona (Spain), Vila Nova De Famalicão (Portugal), Schaerbeek (Belgium), Kavala (Greece), Bistrița (Romania), and Koszalin (Poland).

About the Making Spend Matter Toolkit

The Making Spend Matter Toolkit (www.preston.gov.uk/makingspendmattertoolkit) brings together guidance and learning from the network to enable other public organisations and cities to start / continue their own strategic procurement journey.

The Toolkit comprises four parts:

- The first part explains how public organisations can take a more strategic approach to public procurement to help them deliver positive impact on their communities, economy and environment.
- The second part provides a spend analysis tool (produced by CLES, the Centre for Local Economic Strategies in the UK) and guide (produced by Making Spend Matter partners) to help cities analyse their procurement spend in terms of geography, sector and with different types of suppliers, and interpret their findings to help inform where changes can be made to procurement processes.

¹ www.urbact.eu/making-spend-matter

² www.urbact.eu/

³ www.urbact.eu/good-practices/home

- The third part provides tips and guidance through a series of Frequently Asked Questions (FAQs) and infographics on a range of topics from how to develop a strategic approach to public procurement, increase your engagement with SMEs, embed social and environmental criteria and measure the wider impact of your procurement activities.
- The fourth part provides practical examples on the topics highlighted in parts two and three and other activities which partners engaged in during the lifetime of the Transfer Network.

About these Case Studies

Each partner city has had the opportunity to participate in optional transfer activities in relation to the topics of advanced spend analysis, developing strategic procurement plans, business database development and SME engagement, and social and environmental criteria. These activities were either delivered through bilateral meetings between smaller groups of partners with the support of a Lead or Ad Hoc Expert, or bespoke one-to-one individual partner meetings with the support of the Lead Partner, Preston, and the Lead Expert. After these meetings each of the partners undertook further activities to implement what they had learned.

Each case study which follows here, covers one of the elements of the optional transfer which partners participated in according to their own contexts and needs. Engaging with Anchor Institutions⁴, the topic of one of the case studies, was not a separate activity in its own right, rather it was a golden thread running through the Transfer Network around the importance of engaging more widely with other institutions in order to maximise the impact of public procurement on place.

The case studies are designed to be practical in nature for cities who are undertaking their own procurement journey, whether they are just starting out or have already embarked on it. The case studies follow the same format, outlining the context of each city, why the activity is important to them, the barriers they faced, the activities they undertook, what worked well, what did not work so well, and lessons learned.

⁴ These are large, often public sector institutions, that are important because they spend a great deal of money buying goods and services, they employ lots of people, they own lots of land and assets, they often have democratic mandate, and they are unlikely to go anywhere.

Schaerbeek Context:

The Municipality of Schaerbeek is one of 19 municipalities which make up the Brussels Capital Region of Belgium. The Municipality is based in the North East of the Capital Region and is strategically well located, close to the city's Northern railway station.

Schaerbeek is the second largest of the municipalities in terms of population in the Brussels Capital Region and has a population of around 133,000. It is a dense area, with 16,000 residents per square kilometre.

The Belgian system of local government is relatively complex. The Constitution defines both subordinate and autonomous power for municipalities, in that on a day-to-day basis the Municipality of Schaerbeek acts as a representative of decisions taken at other authority levels (such as federal or regional level) and in autonomy for the benefits of its residents.

In economic terms, there are various clusters of economic activity across the Municipality. In 2017 there were over 8,600 registered VAT payers operating in Schaerbeek (including self-employed entrepreneurs), with the highest proportions being in the sectors of general commerce and construction.

In social terms, Schaerbeek is very diverse, and foreign nationals represent 36,5% of the population. Differences among neighbourhoods in Schaerbeek are perceptible: as an example, the median income for 2016 varies between less than 17,000 Euros and more than 23,000 Euros depending on the neighbourhood. Before Covid-19, the level of unemployment was slowly but steadily decreasing but this progress was negatively affected by the crisis. In July 2018 11,753 people were registered as jobseekers, and 11,091 jobseekers in August 2020, that being around 13% of the total of the Brussels Capital-Region.

The above socio-economic challenges are tackled with different policies aiming at increasing the residents' wellbeing, both at the municipal and regional level. As an example, important investments are being made in the part of Schaerbeek's territory designated as an Urban Regeneration Zone, seeking to improve resident's quality of life and stimulate new economic development dynamics.

Why focus on strategic procurement plans:

A strategic procurement plan provides a long-term view of where the Municipality would like to be in relation to procurement. It would enable the setting of priorities and milestones for all those involved in the procurement process, create ownership and enable integration with other organisational strategic plans. It would also clearly demonstrate the wider role procurement plays in responding to the socio-economic challenges highlighted above and the investments within the Urban Regeneration Zone.

Barriers / Challenges:

The Municipality, however, has faced a number of barriers and challenges in realising their goals:

- Capacity / resources – Covid-19 impacted significantly on timescales as the Municipality's focus turned to combatting the pandemic;
- Integrating the time for strategic planning in busy daily schedules of the different actors / stakeholders within the Municipality, so that they could be actively engaged in the process;
- Collecting, sharing and proactively use data on the Municipality's expenses via public procurement, as the responsibility is shared across different teams using different software solutions;
- During the 2.5 years, some URBACT team members left the Municipality, others got new responsibilities, new members arrived, thus bringing the need to adapt the team's goals and schedule;
- The wish was to co-create the strategic plan with commissioners of tenders and colleagues who have expertise in public procurement, strategic and operational objectives. The restrictive measures taken in response to the pandemic limited the possibility for interaction and had an impact on the project's schedule.

Actions taken:

The Municipality of Schaerbeek has undertaken a number of actions to progress the development of a Strategic Procurement Plan. It has:

- Used the Basic Spend Analysis to provide the quantitative information so that they understand how much is spent with suppliers, who they are, and what the practices are;
- Undertaken a gap analysis to provide more in depth understanding both quantitative and qualitative about the object of both current and likely future tenders, goods and services and types of procedures used, in order to define priorities going forward;
- Started to identify what the priorities may be through the lenses of sustainability (economic, social and environmental), linkages with other strategic plans, the impact of actions compared with the effort needed to include sustainability, and visibility for the citizens / public (i.e. their understanding of what the Municipality is trying to achieve with sustainability);
- Agreed the component structure of the strategic procurement plan – legislation, context, governance, strategic and operational objectives, action plan and monitoring;
- Organized an internal online consultation (25 participants) to allow commissioners of tenders and colleagues who have expertise in public procurement to give their input on the content of the strategic plan;
- Keep the Aldermen, Mayor, and Financial Director updated on the evolution of the project, and to receive feedback on the plan's proposal.

What worked well:

- Having monthly meetings with the URBACT team to share tasks and agree on objectives;
- Having the support of external experts (from URBACT or through public procurement) to define the objectives, structure, and methodology of the strategic plan;
- Highlighting the value of the previous experiences and lessons learned, as the Municipality already had experience on implementing social and environmental clauses in its procurement;
- Working on common definitions;
- Being a team composed of members of different departments strengthened the cooperation and mutual understanding;
- Linking the public procurement strategic plan to other completed / in progress strategic plans (on sustainability, on climate, on diversity...) to work on coherence of objectives and actions;
- Getting inspiration from the other cities of the Making Spend Network (tools, approach, motivation).

What worked less well:

- Working on common tools to record and analyse data: there is a strong will to go in that direction, but it requires a wider approach (not limited to procurement) and more efficient technology;
- One of the initial goals was to link the procurement strategic plan to the work done on property management, that would allow to foresee and streamline necessary investments and procurement for goods and services; the work on property management plan is complex and it depends on the work of colleagues that are not directly involved in the URBACT ULG, so the team decided at the end of 2019 to focus on recurring tenders to identify priorities and where the municipality can have more leverage to implement changes to strengthen sustainability;
- The separation of political competencies among different levels of power makes it complicated for the Municipality to involve other institutions in the work on public procurement; this was particularly relevant when working on strengthening the relation with SMEs and the will to build a business database;
- Limited time and resources: schedules are busy, and the pandemic put a hard toll as public procurement was highly affected;
- The interaction outside the municipality: the economic constraints related to the pandemic are both a motivation to work on having a positive impact on local economy and a barrier as the firms have other priorities;
- Digital meetings are less motivating than in-person interactions, especially when it comes to co-construction and brainstorming;

Lessons learned:

- Working on sustainability in public procurement contributes to the goal of approaching expenses wisely for the benefit of all citizens of current and future generations, making the Municipality a responsible consumer;
- Always start with reliable and clear data;
- Agree on common definitions of concepts and objectives;
- Build on previous experience and knowledge;
- Define how changes can benefit the daily work of colleagues;
- Do not be afraid to define long-term goals as some changes require time and dedication;
- Ask the experts and be open to inspiration;
- Be open to learning new skills and adapt in how to manage online meetings, keep motivation through remote work and improve digital skills in general.



Making Spend Matter is a network of 7 European cities, funded through the URBACT III Programme and the European Regional Development Fund, exploring how spend analysis can be used as an evidence base to improve public procurement and deliver wider benefits to communities and places.