

# Preserving the textile industry

**Public procurement offers a new method of sustainability...**

**P**ublic procurement of clothing and textile products costs the taxpayer around £1bn a year. Regrettably, much of the manufacture is outside the UK and indeed the European Union. In recent years, the clothing and textile sector has been decimated by globalisation, a most notable example being Marks and Spencer's decision to terminate long-standing contracts with local manufacturers, such as William Baird, and source products from the Third World.

The industry's decline continues unabated. It is haemorrhaging jobs. Over 25,000 were made redundant in the last year alone. Bland figures often mask the individual hardship and the communal devastation. Thousands of those made redundant have spent their working lives in the industry. Many live in small single employer communities. No job, no income means the public purse picks up the unemployment and housing benefit bills.

As the biggest trade union representing those working in the industry, the GMB has a duty to its members and the industry. That's why we have been actively engaging with the Textile and Clothing Strategy Group and the DTI, searching for innovative solutions to halt the sector's decline.

GMB asks whether taxpayers' money could be better used to support British clothing and textile manufacturing? Let's be clear, GMB is not advocating a narrow 'Buy British' campaign. Neither are we seeking support for a lame duck industry. For this is a sector with a distinguished record in product design, innovation knowledge and employment. Instead, we are arguing for a new arrangement between the procurement agencies and the manufacturers, in full compliance with European Union law.

Last year, GMB organised the Supplying Our Public Services conference, which explored the potential of public procurement opportunities for UK manufacturers. GMB believes that public contracts offer industry a way forward. We are not alone. The Textile and Clothing Strategy Group's National Strategy report, June 2000, called for closer working between government and industry to achieve better value for money in procurement, as well as maximising market opportunities for manufacturers.

**"The common law of business prohibits paying a little and getting a lot – it can't be done."**

John Ruskin, 19th Century Artist, Poet, Scientist and Philosopher

In his address, Lord Sainsbury, Parliamentary under Secretary at the DTI, told the conference that public sector contracts not only offered lucrative rewards but that British companies had every opportunity to tender for and to secure them. However, he quickly identified the key problem area. Purchasing decisions, Lord Sainsbury said, were governed by value for money guidelines but a lack of knowledge of the processes often led to concerns that public purchasers do not always apply value for money criteria.

Too often, value for money is overlooked in favour of the cheapest bottom line tender. Bottom line inferior quality procurement was, and remains, a common complaint from British manufacturers. One example was a Royal Navy contract awarded to a German company, which tendered at a lower price than a Scottish firm which was an existing supplier. The German company then subcontracted to a Turkish manufacturer. In the current

cut-throat globalised world, the Scottish firm then closed as a direct consequence of losing the contract. The taxpayer was left with the benefits bill. This case graphically demonstrates the danger of the bottom line Best Value approach. It also underlines an urgent need for joined-up government.

GMB welcomes recent steps to simplify the procurement procedures and the new guidance for small businesses and procurement officials. We agree with Lord Sainsbury that public procurement offers a new method of sustainability during a period of intense global and domestic competition. We also agree that British manufacturers must become more responsive to the needs of the public sector.

However, procurement officials must reject an out-moded interpretation of competition. A proper Best Value approach requires that comparisons made on cost and quality are fair and appropriate, with due regard to employment impacts. British firms, eager to supply our public services, should be treated fairly. British manufacturers deserve better treatment, our taxpayers demand Better Value.

Supplying Our Public Services report is available from: [www.epolitix.com/forum/gmb](http://www.epolitix.com/forum/gmb).



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