



BRITAIN'S GENERAL UNION

CLOTHING AND
TEXTILE



SUPPLYING OUR PUBLIC SERVICES

conference report

THE GMB CLOTHING & TEXTILES CONFERENCE
THE BARBICAN CENTRE, LONDON, 1 NOVEMBER 2001



Lord Sainsbury

‘The textile and clothing industry is a priority sector for the DTI and the department is keen to help UK textile and clothing companies meet global challenges’

LORD SAINSBURY, PARLIAMENTARY UNDER SECRETARY, DTI



John Edmonds

‘The clothing and textile sector has lost more than 25,000 jobs in the past year alone but decline is not inevitable. However, staying as we are is not an option either.’

JOHN EDMONDS, GENERAL SECRETARY, GMB

INTRODUCTION

Each year around £1 billion of taxpayers' money is spent on textile and clothing products. Regrettably much of the manufacture is outside the UK and indeed the European Union. Moreover, the Textile and Clothing Strategy Group's report: A National Strategy for the UK Textiles and Clothing Industry had highlighted concern that the value for money criteria applied to public contracts had too often been interpreted as lowest price thereby making UK manufacturing uncompetitive.

Against this background, on 1 November 2001, The GMB convened the Supplying Our Public Services conference and exhibition, which was held in the Barbican Centre. **The conference sought to explore the public procurement opportunities for UK manufacturers.** This successful event was attended by more than 100 delegates and visitors including clothing and textile manufacturers, trade unionists, academics, central and local government officers and representatives from the various public procurement agencies.

This conference was supported by the DTI, the Textile and Clothing Strategy Group and the British Apparel Textiles Confederation. This GMB initiative was of major significance. For this was the very first time such a wide-ranging audience had been brought together to discuss the opportunities for UK manufacturers in clothing and textile procurement.

THE CONFERENCE

Des Farrell, GMB National Secretary for Clothing and Textiles chaired what turned out to be a stimulating and productive conference. The speakers were:

- LORD SAINSBURY, Parliamentary Secretary at the DTI
- JOHN EDMONDS, General Secretary GMB
- STEPHEN HUGHES, MEP (via video link)
- IRIS GRAY, HM Prison Service
- JAMES WALKER, Chairman James Walker & Sons Ltd
- COLONEL SILAS SUCHANEK, Defence Logistics Organisation
- MIKE DAVIS, Office of Government Commerce, Procurement Policy Unit

KEYNOTE SPEAKERS

‘Public sector contracts not only offered lucrative awards but UK companies had every opportunity to tender and to be successful in competing for them... public procurement offers a new method of sustainability in the face of intense global and domestic competition.’

THIS WAS THE KEY MESSAGE DELIVERED BY LORD SAINSBURY, PARLIAMENTARY UNDER SECRETARY AT THE DTI.

Lord Sainsbury

Lord Sainsbury opened by saying that the DTI were eager to support this GMB initiative. He said public procurement agencies have a crucial role to play in this exercise. Their purchasing decisions are governed by value for money guidelines outlined by the Treasury and by directives laid down by the European Community. The effect of these rules is to prevent any UK public procurer from pursuing a ‘Buy British’ policy. He acknowledged that a lack of understanding of the public procurement processes amongst suppliers often raised concerns that purchasers overlook the value for money criteria in favour of the cheapest tender.

The DTI, he added, had responded rapidly and positively to the Textile and Clothing Strategy Group’s report by calling two meetings: the first between senior DTI officials and the ten largest UK public procurement agencies and the second between these agencies and a number of UK textile and clothing suppliers. The aim of the meetings was to explore the scope, within the UK’s legal obligations, for improving the competitiveness of UK suppliers when competing for public sector contracts.

These meetings confirmed that public sector contracts not only offered lucrative awards but that UK companies had every opportunity to tender and to be successful in competing for them.

It was also evident that for UK companies to compete successfully they would have to adopt a flexible and innovative approach to the requirements of the sector. In other words, UK companies must raise their game by instigating practices throughout their supply chain to enable them to respond to demands nimbly and efficiently. DTI has recognised the need to raise awareness among UK textile and clothing companies of the procedures and regulations governing public sector contracts. UK suppliers must understand the procedures involved in selling to government and must know where to find opportunities within the public sector.

SPECIFIC HELP

LORD SAINSBURY OUTLINED SPECIFIC MEASURES TO HELP THE SECTOR:

- The Office of Government Commerce (OGC) and the Small Business Service (SBS) had revised the ‘Tendering for Government Contracts’ booklet specifically targeting small businesses.

- The OGC and the SBS are working to produce internal guidance for procurement officials highlighting the economic benefits of procuring from smaller firms, underlining how effective competition can help secure increased value for money.
- The OGC, a number of procurement agencies and the DTI's Consumer Goods and Services Directorate have produced a good practice guide to public purchasing of textiles and clothing.

WIDER SUPPORT

Lord Sainsbury said that If UK suppliers are to win contracts, whether from public or private sector purchasers, they must be competitive.

THE DTI:

- Is currently supporting a £3.8 million Textiles and Clothing Industry Forum, a major supply chain initiative which is developing projects to promote world class best practice to improve the performance of the industry across the entire supply chain.
- has commissioned a study benchmarking the Italian clothing industry.
- is supporting a £2 million programme to promote training and re-skilling within UK textile and clothing companies.
- has established a network of dedicated textile and clothing contacts in government offices across the UK.
- has created a new website 'Government Support for the UK Textiles and Clothing Industry', offering a wide range of information.
- is supporting a series of regional roadshows: Textiles and Clothing Funding Unzipped which aims to bring programmes of support, both national and regional, to the companies themselves.

Lord Sainsbury said that together these initiatives make up a package of support aimed at delivering practical benefits to the companies that most need it. They are designed to increase competitiveness and promote new jobs while safeguarding existing employment, forming an on-going package of support which underlines the Government's on-going commitment to the sector to improve the sector's competitiveness.

Lord Sainsbury said the GMB conference offered UK textiles and clothing companies the opportunity to recognise the potential rewards which existed for them in this area. The conference also provided a forum to outline the rules which govern domestic public procurement. The potential for UK textiles and clothing suppliers is significant. It offers a new method of sustainability in the face of intense global and domestic competition. For its part, the Government will do all it can to help UK textile and clothing manufacturers compete more successfully.

In closing, Lord Sainsbury said that ultimately the main thrust for long term success must come from UK manufacturers themselves. The Government will support the textile and clothing industry every step of the way but industry must take the lead, respond positively and rapidly to global change and emerge poised to take on the challenges ahead.



John Edmonds speaking at conference

John Edmonds

John Edmonds, GMB General Secretary, began by emphasising the harsh economic conditions. Manufacturing was in recession, losing around three thousand jobs a week. John lamented the appalling waste of skilled clothing and textile sector jobs particularly those jobs shed as a result of Marks and Spencer's decision to source production from abroad. The sector was haemorrhaging jobs at an alarming rate, with more than 25,000 job losses in the past year alone. In his view, decline was not inevitable but staying as we are was not an option either.

The industry was now in a post-Marks and Spencer era. The way forward, he said, was for the industry to become design-led, producing high quality goods with shorter production runs. As a result, higher levels of training were necessary, different methods of work organisation had to be adopted and piece rate systems had to be abandoned. John pointed to developments in Italy which were a good example to what could be done in the UK. He suggested that the Italian experience should become our model for the future.

The GMB wanted the conference to underline the importance of public procurement to the industry. At present, there was little interest shown by suppliers. All too often, suppliers were too willing to find the rules and procedures too difficult. John acknowledged the Government's initiatives, particularly the redesigning of and timing of contracts. But there was a lot more to be done. Few UK suppliers had engaged in a dialogue with the MoD and the position was even worse in the NHS. John then spoke of the GMB's own efforts in seeking to achieve reform of the European Directive on Public Procurement.

John pointed out there was no point criticising the present public procurement regime as being unfair if the Government can counter that next to no-one is tendering for contracts. GMB was particularly angry that contracts placed within the European Union often were contracts fulfilled outside of the EU. Such contracts were difficult to monitor in respect of human rights and core labour standards. Since September 11th there were legitimate defence concerns about such contracts.

JOHN GAVE SOME POINTERS TO MANUFACTURERS AND SUPPLIERS:

- Quality was crucial
- After sales service was as important and necessary as delivery
- The supplier had to take due note of the customer

The GMB's aim was to build conference partnerships and would support the idea of a series of regional follow-up meetings. John's message was clear: opportunities were there for the taking but key changes need to be made.

VIDEO PRESENTATION

Stephen Hughes

Stephen Hughes MEP outlined his recent involvement in the European Parliament, in achieving amendments to public procurement directives. The outcome of the changes would be to make the processes easier for small companies to tender on an European Union wide basis. In future, public procurement contracts would promote best practice regarding equal opportunities, particularly disability related issues. Contracts would be subjected to scrutiny to ensure that there was proper and on-going respect for employment, social and environmental rules. Stephen highlighted the value of European public contracts. Goods and Services accounted for 15% of the European Union's gdp. This increased rose to 25% in some sectors. These were substantial sums of public expenditure.

Finally, as a GMB member, Stephen paid tribute to the Union's seven year lobbying campaign, which was now very close to becoming a reality, to exempt sheltered employment programmes such as Remploy from the European Union's competition law provisions.

CONFERENCE PANEL SPEAKERS



Iris Gray,
HM Prison Service

Iris Gray

IRIS GRAY EXPLAINED THE HM PRISON SERVICES PUBLIC PROCUREMENT ROLE. IT WAS TO DELIVER:

- Value for money
- Probity and propriety
- Purposeful activity for inmates
- Contracts that support the needs of the business

Annually, the Prison Service spent £5 million on officers' uniforms and inmates' clothing. Another £8 million was spent on textiles with contracts, ranging from £5,000 to

£500,000. Iris explained that a large percentage of the contracts were for sums below the EU threshold and therefore did not need to be open to European Union procurement rules. Regrettably, even though the Prison Service advertised in trade journals and through Chambers of Commerce there was usually not much response from UK manufacturers.

SHE EXPLAINED THE PRISON SERVICE'S EXPECTATIONS AS BEING:

- Competitive pricing and value for money
- Competitive lead times
- Products fit for the purpose
- Suppliers that were technologically capable
- Suppliers that were pro-active, innovative and flexible
- Companies that could guarantee a continuity of supply

IN RETURN THE PRISON SERVICE WOULD MEET SUPPLIERS EXPECTATIONS. THESE WERE:

- Clear and concise tender documentation
- Unambiguous specifications
- Clear service delivery requirements
- Key contacts with responsibilities
- Constructive feedback
- A successful working relationship

James Walker

James Walker, Chairman of James Walker and Sons, explained that his company had a great deal of experience supplying the public sector. His company was striving to retain skills and jobs in an industry ravaged by globalisation. At the same time he had no option but purchase threads from the Third World as there were no domestic producers.

James welcomed the news from Stephen Hughes, MEP, that the tendering process would become more user-friendly. In his view, public procurement offered real opportunities to UK manufacturers. However, he wanted to make some constructive criticisms of the problems he had encountered in the purchaser supplier relationship. James called for



James Walker,
Chairman of James
Walker and Sons

'fair play and honesty.' Echoing previous speakers concerns that value for money often meant the lowest price James said that manufacturers were entitled to money for value. Finally, James welcomed the GMB conference as an excellent initiative.

Colonel Silas Suchanek

Colonel Suchanek represented the MoD's Defence Logistics Organisation with the aim of achieving 'smart acquisition' which he described as being 'faster, cheaper, better'. He echoed many of the points that had been made by Iris Gray, of the HM Prison Service, particularly those relating to competitive pricing and products being fit for the purpose.

DLO's annual spend on clothing for 450,535 personnel amounted to £97 million. Its strategic goal was to reduce output costs by 20% by 2005. Colonel Suchanek caused some concern amongst the delegates when he said that he did not think any UK manufacturer could deliver 'what he wanted, when he wanted it'. He also admitted that he would not have any problems buying one million white shirts cheaply from Marks and Spencer and having them dyed to the necessary specifications abroad.



Colonel Silas Suchanek

Mike Davis

Mike Davis represented the procurement policy team at the Office of Government Commerce (OGC). The OGC was an office of the Treasury established in April 2000. Mike's role was to explain to delegates UK domestic procurement policy and the EU and international procurement rules and developments. He explained that one of the central pillars of EC procurement rules was transparency. Mike questioned the efficacy of introducing social clauses into EU procurement rules. According to Mike, such a change would undermine transparency which would undoubtedly distort the public processes. He asked '...where do we then draw the line with all of the other worthy aims and issues?'



Mike Davis, (OGC)

QUESTIONS & ANSWERS SESSION

A Questions & Answers session followed the individual presentations. A lively debate ensued over a wide range of issues. One UK manufacturer said that if the UK industry collapsed there would then be no such thing as value for money—everything would be shifted abroad. Delegates welcomed news that the public procurement processes would be simplified. From their experience, the procedures were too bureaucratic and time consuming.

Many delegates were of the view that the Office of Government Commerce had no regard for ethical issues. Concerns were raised about products made by children and forced labour and that there was no effective monitoring. Some thought the Government should be taking the lead to prevent such imports. In the light of current events, post-September 11th, others suggested that there were clear security implications and overseas supply chains would need to be reviewed.

The general consensus among delegates was that the conference was an extremely positive event. Many manufacturers thought this was a long overdue development and thanked the GMB for pulling it together.

FUTURE ACTION

THE CONFERENCE ADOPTED A NUMBER OF PROPOSALS AND RECOMMENDATIONS

- The DTI should facilitate at regional level, smaller group meetings involving employers, trade unions and representatives from the public procurement agencies with a view to establishing manufacturing partnerships. These meetings to be more focused, concentrate on the specific requirements of a single agency, such as the NHS.
- The DTI should continue dialogue with the Treasury and the procurement agencies to ensure ‘joined up government’ in the field of public procurement.
- The DTI and procurement agencies must re-iterate to employers that ‘Best Value’ does not mean lowest price and that overall value to the tax payer must be considered.
- The Procurement agencies should consider ways of simplifying the tendering process and ensure that UK manufacturers are given a fair opportunity to tender for work. UK manufacturers should be made aware of tenders, briefed on requirements and thoroughly de-briefed should they be unsuccessful in the tendering process.
- Manufacturers must be flexible and innovative and be able to offer ‘complete packages’ from design to delivery to the procurement agencies.
- The GMB, DTI, TCSG, and BA&TC will continue to work together with a view to increasing the amount of publicity procured clothing and textile work manufacturer in the UK.
- The GMB intends to maintain its commitment to this agenda for change, and will continue to campaign at UK and EU level to protect UK clothing and textile jobs.
- The GMB shall monitor responses to the Conference Questionnaire which is enclosed as part of the Conference Report Pack and use its findings to influence policy makers.
- The GMB believes that the Barbican Conference provides a springboard for action that will benefit all the social partners and the UK taxpayer.

LIST OF EXHIBITORS

Department of Trade and Industry

Fit For The Future

Textile & Clothing Strategy Group

Defence Logistics Organisation (MOD)

HM Prison Service

UK Online for Business



BRITAIN'S GENERAL UNION

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