Throughout this time the situation was further exacerbated by a shift in public sector procurement, largely driven by central government, to using national and large regional framework agreements for publicly funded contracts up and down the country. The procurement process adopted favoured larger companies (even for projects of relatively small value) by focusing on higher company turnover alongside evidence of large numbers of completed relevant projects. This effectively locked out most of the region's long established smaller firms since, totally contrary to the government’s stated aim, to increase the involvement and award of public contracts to SMEs, few could fulfil these criteria given the recent trading conditions in the region.

Apart from the negative impact this had on SMEs, it also impacted the local supply chain and significantly reduced the number of training opportunities available to young people, further aggravating the skills shortage.

It was for these reasons that senior regional representatives of four industry organisations decided to get together to form an alliance in order to create one voice which could speak up for those SMEs contracting companies and so the Construction Alliance North East – CAN for short- was born.

Together the four organisations, comprised of the Northern Counties Builders Federation (NCBF), Civil Engineering Contractors Association (CECA), National Federation of Builders (NFB) and Federation of Master Builders (FMB), currently represent some 500 companies, employing 100,000 people representing a combined annual turnover of £3bn.

CAN was legally formed last October and is hosting its official launch on 11th March 2016 with a special event at Ramside Hall, Durham with guest speaker, James Wharton MP.
The key aims and objectives of the alliance are:-

- to increase local and regional contractors’ opportunities to bid for work procured by local public bodies
- to offer advice and support to local public bodies who wish to ensure greater SME involvement in the projects
- to raise awareness of the skills shortfalls with local public bodies with the aim of increasing the number of apprenticeships offered by local SMEs working in partnership with them
- to maximise the economic benefit of wealth generated by local contractors within the local communities managed by the local public bodies
- to ensure that the local public bodies’ targets on fair payment terms are achieved, including supply chain payments and, most importantly,
- to encourage local public bodies to consider/implement procurement reforms to enable local contractors, particularly SMEs, an easier route into a sustainable pipeline of work.

We appreciate that this will take time however CAN will be working hard on behalf of its members to make every effort to bring about these changes.

This has included developing a strategic PR campaign to raise awareness in the media about CAN and its aims. This has resulted in meetings with a number of local journalists from the Journal and the Northern Echo and some great coverage.

Additionally, we felt it was important to meet face-to-face and to that end have adopted a proactive approach, engaging directly with local MPs and perhaps more importantly local procurement organisations such as NEPO as well as local authority procurement officers.

Whilst it is early days and with only a handful of meetings having taken place, the feedback CAN has received so far is extremely encouraging. Each and every person we have spoken to understands where we are coming from and is supportive of our aims. We are buoyed by this positive reaction.

Chi Onwurah, the MP for Central Newcastle, was the first MP to sit down and talk with our representatives. Chi met with CAN’s vice chair, Chris Dancer and committee member, John Milichap.

Mid-region Sunderland City Council was the first local authority to meet with CAN. Sunderland is already seeing benefit from promoting a Buy Sunderland First approach and the forward thinking council which is already going to great lengths to support regional companies.

Four years ago the council started to monitor its procurement activities in order to identify whether SMEs and regional suppliers were bidding for and winning tenders. Since that time the council has seen a significant increase in the percentage of non-OJEU contracts being awarded regionally.

Council Leader, Councillor Paul Watson, said: “This success has been achieved by championing the added value of using local suppliers and driving through changes to our processes, which help local suppliers win contracts.

“As a local authority we share CAN’s concerns with regard to ensuring that regional SMEs get a fair opportunity to bid for work. To date, we have introduced a number of practical changes including adopting a Supplier Charter, publishing forward opportunities, maintaining a database of local suppliers to guide the sourcing of quotations, establishing dedicated resource to undertake market engagement activities to gain local and regional market intelligence which is used and shared throughout the council, delivering a comprehensive procurement training programme to suppliers and prospective bidders of contract opportunities around procurement best practice, removing the need for a financial assessment for lower risk/value procurements, holding pre-procurement supplier briefings locally, simplifying our Pre-Qualification Questionnaire (PQQ), engaging with bodies such as CAN, and monitoring our performance in this regard.

These changes have led to a significant increase in contracts being awarded to local firms.

“I wish CAN well in its endeavours and would encourage other local authorities to engage with the alliance. Securing the best services and value for money from local companies is key to supporting the growth of the local economy.”

In the south of the region, committee members Jack Redfern and Jeff Cutting met with Michelle Gray, head of procurement at Redcar and Cleveland Council.

Most recently it was Nick Brown MP who sat down with CAN’s chair Jeff Alexander. Other meetings scheduled to take place in the coming months include Helen Goodman MP for Bishop Auckland and Iain Wright MP for Hartlepool with many others agreeing to meet up.
WHO IS BEHIND CAN?

The Construction Alliance North East board comprises the following members:

- **Jeff Alexander**
  Chair, NCBF
  07725 602194

- **Chris Dancer**
  Chair, CECA
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- **Douglas Kell**
  Director and secretary, CECA (North East)
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- **Steve Laurence**
  FMB
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- **Janet Ramsey**
  NCBF
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- **Jeff Cutting**
  NFB / NCBF
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- **Jack Redfern**
  NCBF
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- **Neil Ramsey**
  NCBF
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- **John Millichap**
  NFB
  07584 015915

- **Julian Weightman**
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Construction Alliance Northeast is supported by the following four organisations:

- **NCBF**
- **CECA**
- **FMB**
- **NFB**

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