

## My Interventions on the Public Procurement Motion (3)

Is there not also a strong national security argument for procuring all defence items in Britain and creating a more competitive market at home to have honesty on prices?

That is exactly right. One of the arguments for buying steel from, mainly, Sweden—and possibly from France—was “We do not produce steel of that quality here”, but if we do not provide the orders for that quality of steel, our plants will gradually stop producing it, and we will also lose the skills. That has been a constant row. The same has applied to trains. When I was a Transport Minister, Alstom came along, having taken over the Washwood Heath factory, and said, “Our problem is that when we go to corporate headquarters, we will be told that if we want to sell trains in France we must produce them in France, and if we want to sell trains in Germany we must produce them in Germany. Britain will buy from anyone; where do you think the investment goes?” That has been a regular theme.

During the period of Labour government—and I fear that it is probably still the same with this Government—we heard Ministers say, “We have to abide by these rules because otherwise we cannot expect other people to do so.” I say, “Join the real world, the world in which people do fight their corner, the world where people battle for their corner!” The real, deep irony is that the failure to protect our industry is also a failure to protect our industrial communities, and to protect not just the livelihoods but the life of those communities. We talk about left-behind towns, which are very much at the heart of this issue, but it has also happened to quite an extent in America. It drives a populist feeling that people decry, but which they have been instrumental in bringing about.

If the argument that we have to follow some theoretical rules, rather than be part of the practical world, was wrong previously, which it certainly was, it is even less sustainable now. What the Ukraine conflict has shown is the need for industrial capacity. When I say “industrial capacity”, I do not just mean a plant; I also mean trained personnel. I do not just mean scientists, high technicians and skilled trades—semi-skilled production workers with the ability to make the machines work and to turn materiel out are also a core part of this.

We have seen that drain and drift away, so when we are faced with an existential crisis and Ukraine is on the frontline for freedom against an aggressive and assertive Russia, it becomes incredibly difficult—regardless of whether we will the money out of the Treasury, which I accept is important—to get production ramped up because of the lack of skills throughout the economy. I accept that some of the equipment in the second world war was less technically advanced, but the allies were quickly able—America was astonishingly quick—to move civil capacity into war production.

Although we often focus on the “whizz bang” stuff—the hi-tech stuff—a lot of it is about good machining, which requires those abilities and that capacity.

When I argue for maintaining capacity in the UK, it does not mean that we should not co-operate with other countries, but we should do so on the basis of ensuring that our interests get dealt with as well, which will be mutually beneficial in the long run. If we are able to play our part, we will have that greater industrial capacity, but we cannot be the universal donor. We also have to have a degree of reciprocation and investment coming into the UK.

As I said, I accept that the changes introduced by the regulations are an improvement, but they have still not broken the psychological grip inside the civil service, which is not interested in industry and does not rate it, even in the face of the Ukraine crisis and the world dividing up into trade blocs. I am asking not for Britain to be an outlier, but for Britain to become part of the international community, behave like a normal country and have prosperity spread out much more across the country. I think it is called levelling up—we even have a Department that is supposed to be dealing with that.

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## [My Interventions on the Public Procurement Motion \(1\)](#)

Sir John Redwood:

Does the Minister think the regulations are duly simplified so that it is feasible for the self-employed and very small businesses to have access to contracts? Is there any provision for breaking down contract sizes so that the self-employed and small businesses have more opportunity?

Alex Burghart:

My right hon. Friend asks a pertinent question—one that was at the forefront of Ministers’ minds when the legislation was drafted and as it made its way through both Houses. A number of provisions in primary legislation are there specifically to increase the chances that small and medium-sized enterprises, which are more likely to be British, get a bigger share of the £300 billion-worth of public procurement. Those provisions include everything from the online procurement system that we are building—which will increase transparency and allow greater notification of pipelines, helping small and medium-sized enterprises to prepare for those procurements—to reduced red tape, which will take the burden off those SMEs and reduce their barriers to entry. We are hopeful that a lot of local businesses in his constituency and in mine will benefit from this landmark piece of post-Brexit legislation.

The contents I was describing would typically include the contact details for the contracting authority, the contract's subject matter, key timings for the procurement process, and various other basic information about a particular procurement that interested suppliers would need to know. The provisions also cover the practical measures that authorities must follow when publishing those notices, such as publishing on a central digital platform and handling situations in the event that the platform is unavailable.

Beyond transparency, the instrument includes various other necessary provisions to supplement the Act that will be relevant in certain situations. We provide various lists in the schedules so that procurers are able to identify whether certain obligations apply in a particular case, including a list of light-touch services that qualify for simplified rules, and a list of central Government authorities and works that are subject to different thresholds. The regulations disapply the Procurement Act in relation to healthcare services procurements within the scope of the NHS provider selection regime, which has set out the regulatory framework for healthcare services procurement since its introduction in January this year.

The regulations also set out how devolved Scottish contracting authorities are to be regulated by the Act if they choose to use a commercial tool established under the Act or procure jointly with a buyer regulated by the Act. The provisions of the regulations apply to reserved procurement in England, Wales, Northern Ireland and Scotland, and to transferred procurement in Northern Ireland. The Welsh Government have laid similar secondary legislation that will apply in respect of devolved procurement in Wales, and if the devolved body carrying out that procurement mainly operates in Wales, elsewhere.

The Government have consulted carefully with stakeholders throughout all stages of the reform process, and we published our response to the formal public consultation on these regulations on 22 March. That consultation was a great success, evoking a good response from the various representative sectors, and confirmed that the proposed regulations generally worked as intended. Many stakeholders urged that certain matters be clarified and explained in guidance and training, which is a key part of our implementation programme that is being rolled out across the UK. The Government response demonstrates that we have listened to feedback, and confirms a number of areas in which the consultation led to technical and drafting improvements.

Once the instrument has been made, contracting authorities and suppliers will need time in order to fully adapt their systems and processes before go-live. As such, the Government have provided six months' advance notice of go-live of the new regime before these regulations come into force, which will happen on 28 October this year.

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## My Interventions on the Public Procurement Motion (2)

Sir John Redwood (Wokingham) (Con):

It is difficult to come up with a good system that has the right balance, because the taxpayer's interest is very much in favour of economies of scale and availability, while the small business struggles to meet the possible volumes of a successful bid for a contract and to satisfy all the criteria that the large company finds easy to manage. I am grateful for the fact that the Minister and the Government generally have been thinking rather more about how small business and the self-employed can make a bigger contribution and how contracts can be broken down into more manageable sizes, both in primary legislation and now in the detail.

John Spellar:

The right hon. Gentleman is absolutely right on that, but very often the primes get the contract and subcontract to the SMEs and put on a huge on-cost and profit margin. Those SMEs are therefore never able to grow properly, and they are stifled, because Whitehall prefers to deal with very large conglomerates.

Sir John Redwood:

There will be that bias. Sometimes it is right, and it is always understandable, but Ministers and, above all, the senior officials implementing this new policy will have to bear that in mind. They will have to try to correct for the ease of going for a large company solution, where all the boxes will be filled impeccably and all the right things will be ticked, although that can lead to a contract disaster, because getting the electronic responses right is not the same as delivering the right good at the right price in all the right ways.

I have another worry. We are in an era of exciting and rapid change. Technology is changing even more quickly than over much of our lifetimes so far, as the Prime Minister was mentioning in his remarks this morning. None of us can be sure what opportunities artificial intelligence will produce in wider digitalisation, but we know that digitalisation will make an increasing contribution to, and have an impact on, service provision. So much of government is about the provision of personal services and administrative services, and so much of that can benefit from the intelligent application of these exciting new technologies, but they need careful handling.

The big problem in public procurement is when the innovators are moving so quickly that the invitation to bid is about things that are out of date; they are what the system has been used to handling and the state feels comfortable with. The state can define the old products and old services perfectly well, because it has experience of them, whereas maybe what is needed in certain

cases is the innovative product or service. I remember innovating in industry in the past. Often, we had to be willing to license a competitor of our own breakthrough, to give people comfort that there would be some competitive check on costs and availability. Such things are complicated to model and to build in to big procurement systems, such as the state. It means that the state tends to lag and the private sector makes much more rapid advances, because people take more risk and are prepared to change what they wish to procure when they see something better. In the case of the state things have to go through many committees and many memos, and it is probably easier not to bother or to wait a few years until something has happened.

I do not have any easy answers. I understand that the Government and the Minister have the best of intentions, and they have come up with rules that they think are more flexible, but the proof of this pudding will be in the eating. I just emphasise that we need a system that is flexible enough to understand that sometimes it does not know what it wants, or does not know what is available, or that something that is available might be better than the thing people thought they wanted.

My final observation is that we have lost a lot of the self-employed in recent years for one reason or another, but the issues over tax status are part of the problem, with the toughening of the rules over IR35. I worry that a lot of self-employed people will struggle to get any work from the Government, because it is much easier for those procuring just to say, "It's too much hassle; we would be to blame if this person were taking liberties with the tax system, and although they say they are compliant and self-employed, we aren't so sure." Of course, someone can become genuinely self-employed only if they win enough independent contracts. If a big part of procurement is not allowing them to win state contracts, it is much more difficult for them to become genuinely self-employed.

Sarah Champion:

The right hon. Member makes a very good point. The self-employed have been telling me about the amount of administration they have to do even to be in the running. Also, they do not tend to find out about contracts. I hope that the regulations will extend their promotion and the length of time, and that the Government try to break down those contracts into smaller chunks, so that small British businesses can genuinely be in with a chance.

Sir John Redwood:

I entirely agree. That is where the more transparent and simpler system will be very good, and we should give that a good trial. I am concerned about someone who is genuinely self-employed struggling to prove that they are sufficiently self-employed, and whether the state would want to take less risk on that. Again, I would like the Minister to put a stronger case to the Treasury that, perhaps, to have more successful self-employed people working for the state under contract, we need to review how we enforce and police their tax status.

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## GB News Op ed None of the above

My website gets plenty of responses from people saying they do not want to vote for any of the main parties. The stay at home party had an overwhelming win in the recent Council, police and mayoral elections. Plenty of people on doorsteps move on from criticisms of the government to tell me they do not want Labour or Kier Starmer in office.

The 15% of the public who think climate change is the immediate and highest priority crisis of our times split their votes between Greens and Lib Dems, with Greens offering the more muscular way of getting people to make big changes in their lifestyles.

The rest of the electorate who are not ready to buy a battery car and do not want a heat pump talk about how much money they have after tax to pay the bills, worry about how younger family members will afford a home of their own and want to see improved public services.

Many feel let down by all the major parties over migration. The public sees what many MPs ignore or deny, that if you invite in a million or more people to live, study and work here every year you need to provide for them. After adjusting for the exit of maybe half a million others we still have increased our population by as much as 700,000 in a single year. All one million plus new arrivals need homes, healthcare and other public services. They may go to live in different places from the ones emigrants are leaving.

The main reason we are short of homes is the level of migration. Many new arrivals include people who lengthen NHS queues, whilst all need electricity, shops and other services. The UK has not kept up with all this extra demand. The government has now said it will make a substantial reduction in legal migration. Opposition parties talk of more safe routes for migrants and seem happy with high numbers of people coming in. The public is sceptical of whether numbers will be materially reduced to ease pressures on housing and public services.

Taking control of our borders was an important part of the Brexit campaign. The government needs to restore voter faith by delivering a big reduction in migration. Inviting people in to do low paid jobs keeps wages down. We need a higher productivity better trained workforce supported by robots and AI, not more cheap labour.

As we see visible progress this year with a more moderate migration policy more people might well want to vote. There will be an important choice to be made about sustainable migration levels. Failure to do so by those who are worried about this could leave us with a new government that believes in open borders and has no practical answers to the housing and public service problems that result.

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## My Visit to Oak Tree School



I visited Oak Tree School in Winnersh to meet the staff and thank them for the work they are doing with pupils with an Autism Spectrum Condition diagnosis and associated complex needs. It was interesting to learn about the curriculum, and the specialist personal development education and therapeutic programmes delivered by the school. Parents can also access support from a dedicated family support member of staff.

The school opened in September 2023 and it is already heavily subscribed so I was pleased to see that the buildings provide some growing room to accommodate extra pupils. At capacity, the school will provide places for 150 students from Year 1 to Year 13.