ABSTRACT: This report seeks the continuation of a Council programme adopted in 2008 to assist the local business community to be better prepared for bidding for public sector contracts.

1. RECOMMENDATIONS
1.1 It is recommended that the Committee:
   (i) Note the progress made under the Supplier Development Programme (SDP) since its introduction in 2007;
   (ii) To endorse the decision to continue membership of the SDP to support the local business community on an ongoing basis; and
   (iii) Note that a further report will be submitted to the committee to update on progress and monitoring results.

2. BACKGROUND
2.1 Reference is made to Article 29 of the minute of meeting of the Infrastructure Services Committee of 4 March 2008, which records that the Committee agreed:-
   (i) to note that the Council was now a partner in the Supplier Development Programme; and
   (ii) to note the activities to be undertaken to support the local business community.

3. INTRODUCTION
3.1 The SDP is hosted by Glasgow City Council and designs, develops and supplies a range of business support activities. This includes the provision of advice, information, training and funding support with the aim of assisting small and medium-sized businesses (SMEs) to become more informed, aware and capable of tendering for new additional public and private sector contracts. This is delivered through the SDP website and a programme of events.
3.2 An Events Journey, made up of four stages (Awareness Raising, Self-Diagnostic, Readiness, Opportunities) allows a business which has never tendered to gather information, diagnose whether or not the market is right, and if so get tender ready and then to access opportunities. Businesses can register free for the programme.
3.3 Participating councils (the partners) have various responsibilities, including leading in local events where agreed with the SDP, sharing some event costs and embedding the SDP as part of their Business Support Services.
4. BACKGROUND

4.1 Angus Council’s participation in the SDP started on 1 December 2007 with a commitment until end-March 2010. The costs of participating in the programme were £1,000 for the four months December 2007–March 2008 and £3,000 for each financial year thereafter. These costs were met from the Economic Development Division’s revenue budget in each respective year.

4.2 In September 2010, Angus Council signed a Memorandum of Understanding (MOU) with Glasgow City Council recording the expectations and intentions of the SDP and its members. The memorandum is not intended to be a legally-binding document or give rise to contractual rights and expectations. It is simply a record of the understanding between the two parties.

4.3 The memorandum is to be reviewed annually and can be updated if necessary. The annual fee remains £3,000 and payment for the financial year 2011-2012 is due at the end of June 2011.

4.4 The Head of Economic Development and Environmental & Consumer Protection will continue with participation by Angus in the SDP as part of the division’s operational plan for 2011-2012 and 2012-13 with the annual cost of £3,000 being met from the Economic Development Revenue Budget for 2011/12 and 2012/13.

5. DEVELOPMENTS IN THE SUPPLIER DEVELOPMENT PROGRAMME (SDP)

5.1 By September 2010, the number of local authorities participating in the SDP had increased from the 12 registered in March 2008 to 19, including Dundee City Council, which had become a partner that year. By end-February 2011, Edinburgh City, Midlothian and West Lothian Councils had become partners increasing the number of local authorities to 22.

5.2 By end February 2011, the total number of companies that had registered for the SDP was up 4,370, including 104 in Angus six of which were registrations from the third sector. Further events and promotion from within the division are being proposed to help increase the number of companies registered for the programme.

5.3 In Angus, businesses are positively encouraged to register by the Economic Development Business Advisors and the SDP has been successfully embedded as part of the Business Support Services offered. The involvement of the Angus Social Economy Partnership has been to promote the event to local voluntary sector / social economy organisations.

5.4 An assessment and evaluation of the SDP regarding the future operation of the Programme is currently being undertaken by the Dundee Business School, University of Abertay. Preliminary indications from the above study include:

- The majority of existing SDP partners are satisfied with their involvement
- Local Authority members have consistently identified a likely positive impact on jobs in their area, but these have been difficult to quantify
- An SDP business model based on private sector (Business) subscriptions would not be sustainable.

5.5 As part of the on-going improvements to the programme, the SDP team has been looking at brand awareness and trying to standardise all the materials. The new marketing leaflets produced are for use at SDP events.

5.6 SDP has arranged for the monitoring and updating of information of SDP suppliers to be outsourced due to increasing pressure on budgets and resources within local authorities. This will provide the critical information required to measure the benefits and make improvements to the programme.
5.7 As part of a current Audit process, SDP is also compiling a list of success stories across Scotland of companies that have successfully tendered in the Public Sector and have utilised the SDP.

6. PROGRESS TO DATE IN ANGUS

6.1 Since 2007, a series of free events have been open to businesses and the third sector in Angus and Tayside. Angus Council has been involved in six events (excluding associated workshops) and the number of Angus businesses and enterprises that have attended is estimated at 242. Not all businesses-enterprises went on to sign up to the SDP and some attended more than one event.

6.2 From feedback after the events, there is strong support from local businesses for both the Awareness Raising events (Meet the Buyer/Guide to Procurement) and the Readiness/Getting Tender Ready events (Love Me Tender). These events were initiated by the agencies and organisations that hosted them but not all were run in conjunction with the SDP.

6.3 There is no empirical evidence as yet that Angus companies have successfully tendered as none had replied to the recent SDP request for feedback. It is clear however that the events offered have been well supported. Given the lobbying on procurement by the Federation of Small Businesses (FSB) and Chamber of Commerce both of whom have significant member numbers in Angus it is felt that this initiative should be continued for another two years.

7. ON-GOING PARTICIPATION BY ANGUS COUNCIL

7.1 Under the terms of the MOU, Angus Council has the option after September 2011 to cancel or renew its membership to the SDP.

7.2 To deliver a similar business support programme in house/internally would be far more costly and entail recruiting a dedicated resource within Economic Development or Corporate Procurement.

7.3 It is recommended that Angus Council continues its membership for the financial years 2011/2012 and 2012/2013 and that this service should be offered by Economic Development. To get maximum benefit, the in-kind support and service provided by Angus Council will be promoted more pro-actively.

7.4 Angus Council’s future participation in the programme can be assessed once the final results of the service review mentioned in section 5 are issued. From the preliminary results, the SDP appears to be achieving those things that it has set out to do, which is to assist SMEs to prepare and bid for public procurement contracts. The system provides the council with an assured process for enabling local companies to participate on an equitable basis.

7.5 An example of a more pro-active service is a proposal recently put forward by Tayside Procurement Consortium’s: Tayside Collaborative Procurement Opportunities Group for the delivery of an Awareness Raising “Meet the Buyer” supplier development event on a collaborative and commodity/supply sector-specific basis targeted at a local level (at Tayside-located SMEs in particular). This activity would be consistent with the partners’ economic development and procurement strategies as well as with national strategies (e.g. the Scottish Sustainable Procurement Action Plan).

7.6 It is recommended that a partnership event held in conjunction with the SDP could be supported by the Angus Economic Development Partnership (AEDP) and its equivalents in Tayside. The content would be informed by recent AEDP-supported initiatives, such as the “Survive and Thrive” event outcomes.
8. FINANCIAL IMPLICATIONS

8.1 The budget for the SDP for 2011-2012 is £330,000. The cost to Angus Council is at present £3,000 per annum. To this sum must be added the in-kind costs from partners (e.g. the mailing, hosting of events, provision of refreshments). The contribution of £3,000 per annum plus the in-kind and nominal costs can be met from the Economic Development Revenue budget in 2011/2012 and 2012/2013.

8.2 Examples of contributions expected from the local authorities in 2011-2012 are: Glasgow City Council £25,000, Aberdeenshire and Fife Councils £7,000 each, Dundee City Council £5,000, and Angus and Perth & Kinross Councils £3,000 each. The Scottish Government is expected to provide a contribution of £7,000 bringing the total to £155,000 to which the in-kind contributions of £175,000 would be added.

9. HUMAN RIGHTS IMPLICATIONS

9.1 There are no Human Rights implications arising from this report.

10. EQUALITIES IMPLICATIONS

10.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required.

11. SINGLE OUTCOME AGREEMENT

11.1 This report contributes to two of the fifteen local outcome(s) contained within the Single Outcome Agreement for Angus:

- We live in a Scotland that is the most attractive place for doing business in Europe (sustainable business growth is achieved);
- Our public services are high quality, continually improving, efficient and responsive to local people’s needs (resources are used effectively).

12. CONSULTATION

12.1 The Chief Executive, Director of Neighbourhood Services, Head of Law and Administration and Head of Finance have been consulted on the contents of this report.

13. CONCLUSION

13.1 By retaining membership of the SDP as the vehicle for assisting the local business community to become better at prepared for bidding for public sector contracts, Angus Council would not only demonstrate its support for the small and medium-sized business community within Angus but also do so in a cost-efficient manner and potentially have an influence in broadening the scope of the SDP.

ERIC LOWSON
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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.