

# North Lanarkshire Council Report

## Enterprise and Growth Committee

approval  noting

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## Supplier Development Programme

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### Executive Summary

The purpose of this report is to update Committee on the success of the Supplier Development Programme to-date and the important role it will place in supporting economic recovery in North Lanarkshire. The council is a member of the Supplier Development Programme (SDP) which provides free and accessible advice, support, information, training and events to help Scottish micro, small and medium sized businesses grow by winning more contracts with the public sector. SDP actively supports small and medium-sized businesses overcome barriers to winning public sector contracts through training and events. With 2,917 businesses registered with the Programme across Scotland during 2019/20 (up 55% from 1,879 in 2018/19), and North Lanarkshire accounting for just over 8% of these new registrations (240 businesses), the need to support businesses in securing new business opportunities with the council and other public sector bodies has never been greater. The scale of procurement spend by North Lanarkshire Council to drive forward the council's ongoing service requirements and also the council's ambitious growth plans will be a key component supporting the economic recovery from COVID-19 for the local economy. Ensuring that local micro, SME and third sector organisations have the skills and capacity to bid for procurement directly or as part of the supply chain will be critical to sustain and grow the North Lanarkshire business base and to safeguard and create local employment opportunities. SDP over the coming months will continue to play a vital role in providing these organisations with the tendering skills and knowledge required to bid for contracts directly or as part of the supply chain.

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### Recommendations

It is recommended that Committee notes the contents of this report and the important role the SDP will play in supporting Economic Recovery in North Lanarkshire

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### The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (5) Grow and improve the sustainability and diversity of North Lanarkshire's economy

## **1. Background**

- 1.1 The Supplier Development Programme (SDP) provides free and accessible advice, support, information, training and events to help Scottish micro, small and medium sized businesses grow by winning more contracts with the public sector. Support covers all aspects of public sector tendering from outlining the scale of opportunities, where to find them and how to win them.
- 1.2 As of 31 March 2020, the Programme had 16,219 registered SMEs including social economy organisations across Scotland. This represents an increase of 30% on 2018/19. All 32 local authorities are full members. Membership has been expanded over the last 3 years to include 12 government bodies, a housing association and a large corporate company.
- 1.3 SDP is funded by its membership contributions, ad hoc event income and since 2011, funding support from the Scottish Government.
- 1.4 North Lanarkshire Council is actively engaged in the programme and Councillor Brannan-McVey is currently Chair of the Board of Directors of the Supplier Development Programme.
- 1.5 SDP has a core team of 4 staff who are supported to deliver the Programme by local authority economic development, Business Gateway and procurement teams, the Scottish Government's Procurement Development and Construction Reform Division and buyers across its member organisations. SDP connects closely with other economic development and procurement networks including Business Gateway, Scottish Local Authority Economic Development, Scottish Local Government Procurement Forum and Scottish Enterprise.
- 1.6 Outcomes and supporting statistics from SDP's existing face-to-face and webinar training and events, including annual Meet the Buyer and North events, can be found at <https://www.sdpscotland.co.uk/media-reports/>.
- 1.7 The purpose of this report is to update Committee on how North Lanarkshire Council is utilising SDP to support local businesses.

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## **2. Report**

- 2.1 The key purpose of the SDP is to break down the barriers that have historically prevented small and medium-sized businesses from tendering for, and winning, public sector contracts. This is achieved through the delivery of a portfolio of support which includes group workshops, information and advice, and regional/national 'meet the buyer' events which provide a unique platform for suppliers and buyers to come together to explore new tendering opportunities.
- 2.2 With a combined expenditure of over £11 billion annually, the public sector in Scotland represents a major business opportunity for companies both large and small throughout North Lanarkshire. The council's Annual Procurement Report 2018-19 highlighted that the total procurement spend undertaken by the council between 1 April 2018 and 31 March 2019 was £442 million. Within this total spend, 67 contracts were awarded to 236 businesses, with a total value of over £205 million. More importantly, 53% of the businesses awarded a contract were based in North Lanarkshire, and the total value of the contracts awarded to local businesses was over £128 million. It should also be noted that 81% of businesses that were awarded a contract by the council are classed as Small or Medium-sized Enterprises (SMEs). As a proportion of the council's

total annual procurement spend, this represents 47% (a 3% increase over 2017-18). To summarise, a significant proportion of North Lanarkshire Council's annual spend on contract awards was won by predominantly small and medium-sized businesses based within the local authority boundary. The report illustrates the ambition of the council to build on this progress and further increase opportunities for locally-based SMEs to participate in, and benefit from, the council's procurement processes. SDP is an important tool in helping to achieve this ambition.

- 2.3 North Lanarkshire Council is also committed to meeting its obligations under the Sustainable Procurement Duty, as set out in the Procurement (Scotland) Act of 2014. A key component of this involves the council providing procurement opportunities to local businesses as an enabler of sustainable and inclusive economic growth within the local authority area. SDP works with its member organisations, including North Lanarkshire Council, to build better procurement practices by promoting and enabling the adoption of sustainable procurement practises in line with the Sustainable Procurement Duty. SDP helps its members to design, facilitate and support the inclusion of opportunities for SMEs, social enterprises and social firms in their procurement processes, and helps to raise awareness of those opportunities. The council's Annual Procurement Report 2018-19 highlights some of the work in progress towards achieving the aims of the Sustainable Procurement Duty, for example :-
- 90% of valid invoices were paid within thirty days, getting cash into the economy as quickly as possible;
  - a range of Fair Work Practices were secured across 84% of council contracts, improving pay and conditions for those working in our supply chain;
  - 71% of businesses awarded a contract by the council were committed to paying workers engaged in the delivery of these contracts the Living Wage;
  - 42% of the contracts awarded also delivered community and social benefits.
- 2.4 Participation data contained in the draft SDP Annual Report 2019-20, due for release in late July 2020, provides evidence of steady, sustained growth in SDP engagement both locally and across Scotland. Nationally, 2,917 SMEs businesses and organisations joined the Programme during 2019-20, a 55% increase over the previous year, bringing the total number of registrations to 16,219. In addition, 1,817 individuals from 1,600 unique Scottish SMEs took part in 120 events delivered during 2019-20, including 76 workshops and 44 webinars. The Programme also supported 28 partner events and 23 external events.
- 2.5 During 2019-20 social media has played a significant role in the marketing and awareness-raising undertaken by the SDP team. The recruitment by SDP of a dedicated development officer for marketing and events in early 2019 bolstered the social media profile of SDP and significantly enhanced awareness of the Programme in the business community and enterprise network through platforms such as Twitter, Facebook, LinkedIn and YouTube. At the end of March 2020, SDP had 2,975 followers on Twitter (a 10% increase on 2018-19), 454 followers on Facebook (17% increase), and 623 on LinkedIn (904% increase). The increased social media profile is largely due to the activities of a dedicated marketing resource which has also directly assisted the promotion of SDP activities and objectives within North Lanarkshire during this time.
- 2.6 Focussing in on North Lanarkshire Council's contribution to these results, North Lanarkshire secured the third highest number of new business registrations to the Programme, with 240 new registrations in 2019-20. This is slight decline compared to 2018-19, although this may be due to two early engagement training events that took

place in March 2019, relating to a contract tendered via the council's Early Learning and Childcare service, which skewed the 2018-19 figures. These workshops were well-attended and helped local microbusinesses gain the skills and confidence to use the Public Contracts Scotland online portal to submit tenders for council child care contracts. Further SDP workshops in October 2019 provided similar support for taxi drivers and school transport providers tendering for a forthcoming NLC contract. Again these were events were heavily subscribed and contributed to the total of 240 new business registrations to the SDP in the last 12 months within North Lanarkshire.

- 2.7 The unique challenges presented by the Covid-19 pandemic have required the SDP to adopt different engagement techniques, most notably the substitution of traditional workshops for online webinars. Digital participation is therefore now the norm but has proven to be an equally successful approach, and in many ways offers a more convenient, flexible and interactive experience for busy entrepreneurs who lack the time and incentive to travel to and from a distant venue. An example of the Programme's adaptability and responsiveness concerns an SDP workshop aimed at North Lanarkshire taxi drivers and school transport providers wishing to tender for a school transport contract, which took place in late March 2020 shortly after the Covid-19 lockdown was announced. In response to the lockdown restrictions the event was successfully re-configured from a group workshop to a webinar format.
- 2.8 Despite the Programme's innovative approach there are limitations to the use of online media, as demonstrated by the postponement of the Lanarkshire Meet the Real Buyer event which was due to be held on 24 March at Ravenscraig Regional Sports Facility. More than 550 delegates had registered to attend this partnership event between NLC, SLC and SDP just before the coronavirus outbreak began. In addition to 47 information stands involving council services, procurement officers, category managers and external procurement organisations, five procurement-themed workshops were also scheduled to run throughout the 1-day event. Further discussions between NLC, SLC and SDP are planned in order to decide if the event should be re-scheduled for late 2020/early 2021, or re-formatted to allow for online delivery.
- 2.9 However the SDP has illustrated that even disruption to large-scale national networking and engagement events can be overcome. In addition to the Lanarkshire Meet the Real Buyer event, the Covid-19 pandemic also forced the cancellation of the flagship "Meet the Buyer 2020" national showcase event that was due to take place at the Edinburgh International Conference Centre in June 2020. This was scheduled to be a major expansion of the annual meet-the-buyer showcase, aiming to build significantly on the 1,100 delegates who attended the Meet the Buyer 2019 event on 13 November 2019 at Hampden Stadium. In response the SDP team organised an innovative interactive "Meet the Buyer 2020: Live Virtual Event" event on 2 June 2020, featuring two procurement webinars and a "Twitter Takeover" enabling suppliers to continue to engage with local authority buyers and to demonstrate that procurement in the public sector is still open and transparent. 123 suppliers pre-registered for the online event, and 162 tweets were sent by the public sector organisations that participated in the event. This generated a further 55,228 impressions and 1,591 engagements via Twitter. A total of 96 delegates registered for the webinars, equivalent to 82 unique businesses. The success of this online event, which was organised at relatively short notice, is further evidence of how SDP has met the current COVID-19 crisis with a forward trajectory through digital innovation in relation to training delivery and supplier engagement, despite the physical 2020 Meet the Buyer being postponed until 2021.

- 2.10 Within North Lanarkshire Council there are considerable opportunities to build on the early engagement model that has proven so successful when applied to child care and school transport contracts recently tendered by the council. Clearly suppliers in some sectors are more familiar with tendering requirements and processes than others – suppliers to construction contracts such as new build or refurbishment contracts being a good example. However there is much scope for SDP to work with a broader range of council services in order to encourage greater participation from within their respective local supplier bases, hopefully resulting in a greater number of local companies winning NLC contracts thereby directly supporting the local economy. Key to ensuring this outcome will be improved cross-team engagement and communication to ensure that SDP is at the forefront of the decision-making process undertaken by NLC category managers and officers when drafting tender opportunities.

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## **Conclusion**

- 2.11 The Supplier Development Programme is a valuable tool linking both the council's procurement and economic development activity. The exceptional economic challenges that the pandemic has created for North Lanarkshire, compounded by the unprecedented restrictions on trading, mean that the business case for participating in SDP is now stronger than ever. SDP can help business owners explore new markets and help them gain the skills and knowledge to seek out public sector contracts and tender more confidently and professionally. In close collaboration with local authorities and other public sector partners, SDP has a clear role to play in aiding economic recovery and helping local businesses shift back into growth as they emerge into a trading environment which is quite different from that they were familiar with prior to Covid19.
- 2.12 The value of support is illustrated by the feedback received during 2019-20 from participants in SDP's core workshops and webinars, with 88% of SME participants across Scotland indicating that they were more likely to bid for public sector contracts after attending. SDP can help local small businesses identify opportunities which they may have previously considered beyond their reach due to lack of tendering skills, insufficient procurement knowledge, or simply not knowing where or how to begin their procurement journey.

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## **3. Equality and Diversity**

- 3.1 Fairer Scotland Duty  
No assessment required.
- 3.2 Equality Impact Assessment  
No assessment required.

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## **4. Implications**

- 4.1 Financial Impact
- North Lanarkshire Council contributes £10,000 per annum as its membership fee for the Supplier Development Programme. This is met from existing revenue budgets.

#### 4.2 HR/Policy/Legislative Impact

- There are no HR implications.
- The commitment to work closely with the Supplier Development Programme is reflected within the Council's Procurement Strategy. SDP assists the council to build the capacity of local suppliers to bid for council contracts and helps to promote procurement opportunities to local businesses. SDP seeks to help its members to design, facilitate and support the inclusion of opportunities for SMEs, social enterprises, supported businesses and social firms in their procurement processes, and helps to raise awareness of those opportunities.

#### 4.3 Environmental Impact

- There is no environmental impact.

#### 4.4 Risk Impact

- In the absence of the SDP, there is a clear risk that local businesses would lack access to knowledge, resources and expertise designed to help them take the first steps into tendering for public sector contracts, or to take their existing tendering skills to new levels. To small businesses concerned that they lack the competency or capacity to engage with the public sector, the procurement landscape appears complex and intimidating. The SDP guides small businesses through the procurement maze and provides them with the tools and confidence to tackle each stage of the procurement journey. Without SDP membership, the council would lack a dedicated resource to provide tendering support for the business community, and as a result levels of participation in council tenders amongst SMEs risk declining, with fewer local businesses engaging in public sector procurement and the resultant negative impact on growth of the local economy.

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### 5. Measures of success

- 5.1 To grow the number of businesses in North Lanarkshire who are participating in the Supplier Development Programme, and increase the number of local SMEs either winning public sector tenders or securing new business by engaging with the public sector supply chain as a sub-contractor.

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### 6. Supporting documents

- There are no supporting documents.



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