



To: Economy and Jobs Policy Board

On: 18 March 2015

Report by: Director of Development and Housing Services

Heading: Supplier Development Programme (SDP) Update

1. Summary

- 1.1 This report provides an update on the operation and governance of the Supplier Development Programme (SDP).
 - 1.2 The SDP is a company created, owned and operated by a consortium of Scottish local authorities with the purpose of assisting Small and Medium-sized Enterprises (SMEs) to become more informed, aware and capable of tendering for both public and private sector contracts.
 - 1.3 Following an independent review, the SDP is currently engaged in a transformation process to ensure it is more responsive to the local needs of all areas of Scotland. This paper outlines the operational and governance arrangements proposed as part of that transformation.
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2. Recommendations

- 2.1 It is recommended that the Board
 - (i) Agrees that the Director of Development and Housing be authorised to continue the membership of Supplier Development Programme as a means of encouraging and supporting Small to Medium Enterprises in Renfrewshire to benefit from public sector business opportunities.
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3. Background

- 3.1 The Supplier Development Programme (SDP) has been in operation since 2006 and was established as a company in 2008. Renfrewshire Council was one of the early members of the programme and continues to be an active member. More than 300 SMEs in Renfrewshire have registered with SDP to receive free information, advice and training on a wide range of topics related to public procurement.
 - 3.2 At a national level, activity is co-ordinated by a small team funded by the programme. Originally the team was based within Glasgow City Council but recently relocated to South Lanarkshire Council. This team also hosts regular operational meetings attended by an economic development officer from each local authority member area.
 - 3.3 At a local level, the marketing and delivery of services is led by officers in Economic Development, with support from officers in Procurement. Through joint working with Procurement, both existing and potential suppliers to the Council are encouraged to access SDP services, assisting the supplier engagement process and ultimately improving the quality of tenders submitted to the Council.
 - 3.4 Each local authority member makes an annual financial contribution to support the delivery of the programme, the amount of contribution being determined by the size of the local authority.
 - 3.5 In 2014, the SDP began a comprehensive transformation of its activities and approach. This new model will seek to extend the geographical coverage of the programme to become a fully national initiative and to develop new services linked to the ever increasing importance of the digital procurement agenda.
 - 3.6 This approach has been fundamental to securing additional funding, of £360,000 over 2 years, from the Scottish Government through the Digital Scotland Business Excellence Partnership.
 - 3.7 Since the start of the transformation, the membership of SDP has risen to 30 of the 32 local authorities, with just Orkney Islands Council and Shetland Islands Council yet to join.
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4. Operational and Governance Arrangements

- 4.1 The transformation process proposes significant changes to the SDP's operational and governance arrangements. These are recorded in a

Memorandum of Understanding which sets out the expectations and intentions of SDP and its members. This is supported by an operating plan which details the annual programme of events and activities.

- 4.2 SDP is a company limited by guarantee owned by its members. It is proposed that there will be a board of 12-14 directors who will have overall responsibility for the running of SDP and the power to co-opt representatives from the Scottish Government and the SME sector as appropriate. There are currently 12 board members and a process for the appointment of additional board members is being agreed. An Annual General Meeting will receive the annual accounts, elect/re-elect the board members, appoint auditors and legal advisors, and agree the operational plan and budget for the forthcoming year.
- 4.3 The Board will be supported by a new Regional Officers Group comprising one nominated representative from each of the 16 Business Gateway area groupings. This will replace the existing officer group (comprising one member from each local authority) which has become unwieldy because of the increasing number of members. The representation for the Renfrewshire, East Renfrewshire and Inverclyde area will be rotated on an annual basis, with Inverclyde attending in the first year.
- 4.4 A Strategic Advisory Group will also be established to support the Board. This will include representatives of SDP member authorities and key external partner agencies including the Scottish Government, Business Gateway Operational Network, NHS Scotland, Scottish procurement Centres of Excellence, Scottish Chambers of Commerce and the Federation of Small Businesses.
- 4.5 The responsibilities of the SDP staff team will include the maintenance of the business database, co-ordinating the annual calendar of events (including the annual Meet the Buyer exhibition), managing the marketing campaign, developing digital activities, implementing a new Performance Management Framework and strengthening links with appropriate agencies, e.g. Scottish Government, buying agencies etc.
- 4.6 Each local authority member will promote SDP and its services within their area, participate in local events and support national events, contribute to website content, maintain and update details of registered local businesses and provide information required as part of the performance monitoring framework.

Implications of the Report

1. **Financial** – 2015/16 contribution of £5000 from existing revenue budget.
2. **HR & Organisational Development** – None
3. **Community Planning – Jobs and the Economy** – SDP provides services to businesses in Renfrewshire to support their continued growth and the creation of new employment opportunities.
4. **Legal** – None
5. **Property/Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights**
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** – None.

List of Background Papers

None

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