



ESPO MANAGEMENT COMMITTEE – 7 MARCH 2013

AGENDA ITEM 9.

REPORT OF THE CONSORTIUM TREASURER

PUBLIC PROCUREMENT AND SMALL & MEDIUM-SIZED ENTERPRISES

Purpose of Report

1. The purpose of this report is to:
 - (i) Update the Management Committee on progress in respect of work undertaken by the Senior Officers Group (SOG) on public procurement and SMEs;
 - (ii) Request the Management Committee to approve the key priorities identified by SOG (attached as Appendix A to this report).

Background

2. The Management Committee considered a report of the Interim Director on 27th September 2012, the purpose of which was to consider the extent to which ESPO supported SMEs and how this support could be developed. Arising from discussion at the meeting the following key points were noted:
 - (i) There was general consensus that it was not appropriate to assign targets for the number of SMEs with which ESPO worked. It was, however, important to establish tender processes which were as accessible as possible to SMEs;
 - (ii) In noting that local authorities were major employers within their respective areas, it was suggested that, where appropriate, efforts should be made to ensure that local SME suppliers received support to ensure they could appropriately access contracts alongside larger suppliers based elsewhere;
 - (iii) It was suggested that the Chief Officer Group (COG), with support from the Senior Officer Group, should be asked to undertake work on further improving the accessibility of ESPOs procurement processes to SMEs; in particular to prioritise and move forward on

the top four or five possible actions referred to in paragraph 18 of the report;

- (iv) Members indicated that in particular the sharing of best practice should be considered as a high priority given that this action was unlikely to have significant resources implications. It was also important to ensure that Consortium Authorities shared a common definition of SMEs.
3. The Management Committee resolved that the Chief Officer Group be requested to undertake further work, including confirming the needs of Consortium authorities and the sharing of best practice, to prioritise and develop what it considers to be the most important of the possible processes listed in paragraph 18 of the report (attached as Appendix B), with support from the Senior Officer Group, to report on the outcome of this work to the Management Committee at its meeting in March 2013.
 4. The Senior Officer Group considered the feedback from the ESPO Management Committee at its meeting on 10th October 2012. At this meeting SOG: -
 - Noted the linkages of the SME work to the Social Value Act which was implemented from February 2013 and agreed that these 2 pieces of work needed to run in parallel;
 - Agreed to include engagement with SMEs/Social Value in the SOG work plan for 2013/14;
 - Agreed for the project to be led by Paul White of Warwickshire County Council with support from Paul White of Cambridgeshire County Council.
 5. The SOG work plan was approved by COG at its meeting on 14th November 2012.

Update on Progress

6. SOG considered the long list of potential priority actions at its meeting on 30th January 2013 and agreed what it considered to be seven key priorities for improving the accessibility of ESPOs procurement practices to SMEs (see Appendix A).
7. COG considered SOG's recommended key priorities at its meeting on 5 February and agreed to recommend to the Management Committee, for approval, implementation of the agreed priorities to form the deliverables within the SOG work programme for 2013/14 (section 5.2).

Resource Implications

8. The proposed work to be undertaken by SOG on Public Procurement and SME's forms part of its 2013/14 Annual Work Programme. Any incidental costs arising will be met through its proposed 2013/14 budget allocation of £25,000 for use by the Director on behalf of SOG to support delivery of its annual Work Programme.

Recommendation

8. That the Management Committee:
 - (a) notes the contents of this report;
 - (b) approves the priorities contained in Appendix A to this to form the Procurement and SME's deliverables within the SOG work programme for 2013/14;
 - (c) requests the Chief Officer Group to consider and report back to the Management Committee the outcome of SOG's work in 12 months.

Background Papers

9. Report of the Director to Management Committee, 27 September 2012 – Public Procurement and SME's.

Equal Opportunities Implications

10. The subject of this paper is how to remove the obstacles that restrict SMEs' access to public procurement processes and put them at a disadvantage to larger organisations, whilst ensuring compliance with procurement legislation, including the principle of non-discrimination.

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