



Report to:	Development Committee
Subject:	Procurement – programme of business support initiatives
Date:	20 November 2012
Reporting Officer:	John McGrillen, Director of Development, ext 3470
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1	Relevant Background Information
1.1	Members will be aware that, at the 4 September 2012 meeting of the Development Committee, an update report was provided on activities being undertaken to increase the value of local spend as well as background work to consider how the Investment Programme targets around access to Council procurement could be met.
1.2	An update on wider activities to increase local spend – such as the Construction Sales Growth Programme and Smarter Procurement Programme – was also provided. Both programmes have been working with a total of 60 companies over the last year and recent figures confirm that the new business won by participating companies has now reached £2.5million.
1.3	Members were also advised of legislative changes which now make it possible for councils to include non-commercial clauses in their contracts and it was confirmed that the appropriate approaches for implementing these were being explored.
1.4	At that meeting, Members asked that an update be brought to a future meeting of the Committee, outlining the programme of information, awareness-raising and capacity-building activities to be undertaken as part of this work, to help local businesses improve their opportunities of winning public contracts – including those from Belfast City Council.

2	Key Issues
2.1	<p>In order to increase the volume and value of public contracts being won by Belfast-based suppliers, a multi-layered approach is being proposed. This will include:</p> <ol style="list-style-type: none"> 1. <u>Information and capacity-building</u> <ol style="list-style-type: none"> 1.1. Workshops on “an introduction to procurement with Belfast City Council” 1.2. Capacity-building programmes to help companies improve the quality of their bids and to target appropriate opportunities 1.3. Improving the website to make it easier for companies to find out about upcoming opportunities

<p>2.2</p> <p>2.3</p>	<p>2. <u>Maximising and measuring the impact of procurement spend</u></p> <p>2.1. Developing a local multiplier model</p> <p>2.2. Corporate Procurement Services screen all tender opportunities to determine the appropriateness of inclusion of social clauses.</p> <p>2.3. Exploring the use of e-sourcing portal for all quotations</p> <p>3. <u>Improving access to council opportunities for small companies</u></p> <p>3.1. Developing a consortium toolkit</p> <p>3.2. Disaggregating and dividing tender opportunities into lots (where appropriate)</p> <p>3.3. Providing pre-tender workshops on key opportunities, to raise awareness of the opportunity and to allow companies to meet other potential suppliers.</p> <p>The proposed multiplier model will increase the understanding and help determine the baseline measurement of the net effect of Council expenditure. The expenditure is wider than procurement but includes other expenditure e.g. salaries and wages, direct payments etc.</p> <p>Additional details on each of the proposed activities are included in Appendix 1.</p>
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<p>3</p> <p>3.1</p> <p>3.2</p>	<p>Resource Implications</p> <p><u>Financial</u></p> <p>The costs associated with the activity are being met from budgets already approved within Corporate Procurement Service's and Economic Development Unit's budgets. Any additional requests for funding for the coming financial years will be presented to the relevant committees in due course.</p> <p><u>Human Resources</u></p> <p>Resources to deliver the proposed actions will be made available from cross departmental units including Corporate Procurement Service and Economic Development Unit. Where contracts are disaggregated Members should note that there may be additional management burden within departments. In evaluation whether to disaggregate or not, consideration to the capacity within the department to manage this will be addressed.</p>
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<p>4</p> <p>4.1</p>	<p>Equality and Good Relations Considerations</p> <p>No specific equality considerations. Workshops and activities will take place across the city.</p>
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<p>5</p> <p>5.1</p>	<p>Recommendations</p> <p>Members are asked to:</p> <ol style="list-style-type: none"> 1. Note the contents of this report 2. Approve the proposed approach to increase the value of local spend, in line with commitments set out in the Investment Programme.
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<p>6</p>	<p>Decision Tracking</p> <p>Further updates on activity will be presented on a six monthly basis and reports on how progress against targets set in the Investment Programme will be presented to the SP&R Committee.</p>
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Key to Abbreviations

CSGP - Construction Sales Growth Programme

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Documents Attached

Appendix 1 – Proposed Activities