

Report

Report to:	Executive Committee
Date of Meeting:	12 August 2020
Report by:	Executive Director (Community and Enterprise Resources) Executive Director (Finance and Corporate Resources)

Subject:	Supplier Development Programme – Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Update the Executive Committee on the Supplier Development Programme (SDP) and recommend the Council continue to host the Programme until further notice.
- ◆ In view of continuing support for the SDP, propose that the SDP officers employed by the Council on temporary contracts, and seconded to SDP, are made permanent.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that it be noted that the Supplier Development Programme continues to perform well since the arrangements to host the team within South Lanarkshire Council were implemented in 2014.
- (2) that the Council agrees continues to host the Supplier Development Programme (SDP) within the Planning and Economic Development Service until further notice.
- (3) that the posts of 1 SDP Manager and 2 SDP Officers be made permanent and added to the establishment of Community and Enterprise Resources.

3. Background

- 3.1. The Supplier Development Programme (SDP) is a business support initiative which aims to help Small Medium Enterprises (SMEs) improve their performance in winning contracts with public sector organisations through offering information, support and training events to help them compete in the tendering processes.
- 3.2. The Programme was founded initially by three local authorities (Glasgow, East Renfrewshire and South Lanarkshire) in 2005 and is set up as a not for profit company limited by guarantee. However, the Programme activities and running costs are now funded by the 32 local authority members' subscriptions, contributions from new member subscribers (other public bodies-see paragraph 4.1,) income generated through events and Scottish Government contributions.

- 3.3. The Programme is managed through a board of directors comprising elected members and senior officers from 12 member authorities. The current Board membership is noted in Appendix 1. Councillor Collette Stevenson is currently a member of this board of directors. The company and its operations are managed below board level by a hierarchy of regional management, stakeholder and executive groups, with the board membership representing a geographic balance.
- 3.4. Following an initial two year arrangement in which South Lanarkshire Council succeeded Glasgow City Council in 'hosting' SDP, the Executive Committee, on 14 April 2016 and in 28 March 2018, approved recommendations to extend this arrangement for a further 2 years, until June 2020.
- 3.5. SDP is accommodated within Planning and Economic Development Services, staffed by SLC employees who are seconded to the company, with costs recovered from SDP. The Council provides support services, governed by a Service Level Agreement.
- 3.6. The team comprising, 1 FTE SDP Manager and 3 FTE Officers, are employed by South Lanarkshire Council and seconded to the SDP, with fixed term contracts having been extended in 2016 and 2018. One officer transferred from Glasgow City Council in 2014 under TUPE and is therefore a permanent SLC employee. Due to the length of service, the other three officers have effectively acquired permanent employment status. The grading and employees costs are outlined in section 6 below.

4. Programme Update- Key Achievements

- 4.1. Since the Council took responsibility for hosting this initiative local authority membership increased from 26 to all 32 of the Scottish Councils. In addition, working with Scottish Government, there has been a concerted effort to encourage uptake of membership by the wider public sector. This has seen the following public sector bodies join the Programme:

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|----------------------------------|-------------------------------------|
| • Forestry and Land Scotland | • Scottish Fire and Rescue |
| • Highlands & Islands Enterprise | • Scottish Enterprise |
| • Historic Environment Scotland | • SEPA |
| • Registers of Scotland | • Strathclyde Partnership Transport |
| • CalMac | • Wheatley Housing Group |
| • National Records of Scotland | • Select |
| • Scottish Parliament | • Scottish Procurement Alliance |

Working across the public sector enables the Programme to support local authority procurement and economic development services to raise awareness of new contract opportunities across the wider public sector with SMEs and also to promote economic development support to businesses.

- 4.2. The Procurement Reform (Scotland) Act 2014 requires a contracting authority to consider how its procurement processes can facilitate the involvement of SMEs, third sector bodies and supported business, and how public procurement can be used to promote innovation. This requirement is a key component to the emerging Community Wealth Building Agenda which seeks to put the wellbeing of communities at the heart of local decision making and service delivery. Furthermore, following the effects of the global Coronavirus pandemic, it is clear that stronger, more resilient local economies can be supported by developing local supply chains, spending locally and retaining value and therefore employment within local areas. The SDP have a key role to support these ambitions.

5 SDP Key Achievements

- 5.1. From 1 April 2019 to 31 March 2020, 2,917 Scottish SMEs registered with SDP Scotland, bringing the overall total to 16,219 SME suppliers, with 1,177 companies in South Lanarkshire now registered, a 44% increase from 2019.
- 5.2. Examples of where the Programme has delivered webinars and supported business to tender throughout the year are set out below:
- Using Public Contracts Scotland Tender (PCS-T) and Tender Procedures - South Lanarkshire Education Resources – Education Services to Procured Service Agreement (PSA)
 - SLC Passenger Transport Services Framework - PCS-T training
 - Tender Procedures and Dynamic Purchasing System (DPS- a flexible electronic procurement framework which enables buyers to add additional suppliers more simply) - South Lanarkshire Education Employability Training
 - SLC -Bidder information session for Passenger Transport Services
 - Introduction to Tendering - South Lanarkshire – face to face event at Low Parks Museum
 - Tender Procedures and the European Single Procurement Document (ESPD) – South Lanarkshire Social Work Carers
 - Provision of Adult Carers and Young Carers Support Services - South Lanarkshire
 - In conjunction with North and South Lanarkshire Councils, SDP had scheduled a second Pan-Lanarkshire Meet the Real Buyer event in March 2020, which had attracted 551 bookings. However, this had to be postponed due to the Covid 19 restrictions.
- 5.3. SDP has agreed strategic, measurable outcomes which continue to be positive and are reported on a quarterly and annual basis to the Scottish Government as part of its grant conditions. To this end, SDP contributes to the Scottish Government's "Wealthier and Fairer" policy, which aims to ensure that, "We live in a Scotland that is the most attractive place for doing business in Europe."
- 5.4. In summary, the delivery of the work of the SDP, since it has been based in South Lanarkshire, continues to be a success, continuing to deliver on the various objectives set including increasing membership of public bodies, and increased company registrations. Therefore, given the continued success of the SDP in 2018-2020, it is proposed that the Committee agrees that the Council continues to host this programme until further notice.

6. Employee Implications

- 6.1. The current arrangement will continue with the programme management team staffed by four South Lanarkshire Council officers on a secondment basis and costs recovered from SDP Limited. One of these officers is a permanent employee of the Council having transferred in 2014 under TUPE. The remaining three officers are on fixed term contracts.
- 6.2. It is proposed therefore that three posts be added on a permanent basis to the establishment of Planning and Economic Development Services and the contracts of officers be made permanent.

6.3.

Post title	Number of posts	Grade / SCP	Hourly Rate	Annual salary (excluding on-costs)	Gross salary (including on-costs 30.3%)
Supplier Development Programme (SDP) Manager	1	Grade 4 level 5	£26.18	£47,776	£62,252
SDP Officer	2	Grade 3 Level 4	£21.25	£38,779 Total £77,558	£50,529 Total £101,058

6.4. If, at any time, an alternative host authority is established, then it is likely the posts would be subject to transfer under TUPE. If these posts were not considered to transfer under TUPE, or the Programme was discontinued, the Council will be responsible for either redeploying these officers or meeting the costs of redundancy payments.

7. Financial Implications

7.1. All employee costs relating to the four posts and the costs associated with hosting and operationally managing the posts will continue to be met from SDP budgets. The Council has a Service Level Agreement in place with SDP.

7.2. The Council's subscription of £10,000 for SDP membership will continue to be met from the Community and Enterprise budget at the current level.

8. Climate Change, Sustainability and Environmental Implications

8.1. By continuing to support the procurement of goods and services from local supply chains this helps support the local economy and employment, reduces the transport carbon outputs of longer supply chains and therefore contributes to reducing

9. Other Implications

9.1. The SDP board continues to be satisfied with the performance of the team and the progress made in expanding the programme since 2014 and has confirmed it wishes to continue with the existing arrangements.

9.2. There is the possibility of the Programme failing to meet its objectives on behalf of 32 member authorities and a reputational risk to the Council if the Programme does not continue to be delivered in a consistent manner. This risk can be minimised by South Lanarkshire Council continuing to host the SDP and maintaining oversight via the Council's robust performance monitoring and management procedures.

9.3. Should South Lanarkshire Council cease to host the SDP, depending on whether it is transferred to another authority or public body or cease to operate altogether, officers may be subject to TUPE transfer or potential redundancy. The Council would require to meet the costs of redundancy should this path be followed. However, it is the Council's policy to redeploy employees whose post has been made redundant and would therefore seek to retain the employees in some capacity within the Council.

10. Equality Impact Assessment and Consultation Arrangements

10.1. This matter does not require an equality impact assessment to be undertaken.

10.2. Consultation has been undertaken with SDP Board as noted in paragraph 9.1 above.

Michael McGlynn
Executive Director (Community and Enterprise Resources)

Paul Manning
Executive Director (Finance and Corporate Resources)

28 July 2020

Link(s) to Council Values/Objectives

- Support the local economy by providing the right conditions for growth, improving skills and employability.

Previous References

Executive Committee Reports : 14 May 2014, 14 April 2016, 28 March 2018

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Steve Keating, Economic Development Manager
Ext: 5191 (Tel: 01698 455191)
E-mail: stephen.keating@southlanarkshire.gov.uk

Appendix 1

Supplier Development Programme, Board of Directors July 2020

Local Authority Area	Name
Dumfries and Galloway Council	Cllr Andrew S Wood
Dundee City Council	Karen Lawson
East Ayrshire Council	Cllr Gordon Jenkins
East Renfrewshire Council	Cllr Anthony Buchanan
Edinburgh City Council	Paula Deegan
Falkirk Council	Peter Reid
Fife Council	Pamela Stevenson
Glasgow City Council	Jackie Hill
Inverclyde Council	Stuart Jamieson
Moray Council	Diane Beattie
North Lanarkshire Council	Cllr Heather Brannan-McVey – Chair
South Ayrshire Council	Councillor Peter Henderson- Acting Chair
South Lanarkshire Council	Cllr Collette Stevenson
Scottish Government	Scott Bell – Resigned July 2020