

# **EAST AYRSHIRE COUNCIL**

**CABINET – 17 December 2008**

## **SUPPLIER DEVELOPMENT PROGRAMME**

**Report by Depute Chief Executive/Executive Director of Corporate Support**

### **1. PURPOSE OF REPORT**

- 1.1** To seek Cabinet approval for a nominated officer or Elected Member from East Ayrshire Council to become a director of the Supplier Development Programme (SDP).

### **2 BACKGROUND**

- 2.1** The Supplier Development Programme was established in September 2005 by a consortium of 4 councils, Glasgow, South Lanarkshire, North Lanarkshire and East Renfrewshire as a pilot project aimed at improving the performance of businesses. East Ayrshire Council became part of the programme in April 2007 and there are now 13 other councils involved in the project.

- 2.2** The Supplier Development Programme is a business support initiative which aims to assist our small and medium sized businesses to significantly improve their awareness, knowledge and ability to pursue public sector procurement opportunities. The programme is targeted at those businesses who wish to consider procurement as a means of growth or diversification and those who wish to improve or expand their current performance within the public procurement market.

- 2.3** The principal objective of the Supplier Development Programme is to encourage and assist access to the public procurement market via a developmental programme geared to the specific needs of SMEs. The main priority is to build awareness and to provide education and training opportunities. This would ideally prepare participating businesses to reach the stage required to tender for public contracts whilst delivering transferable business skills, improving the overall competitiveness and profitability of participating businesses.

- 2.4** The programme is delivered through a number of different mechanisms

- A free quarterly newsletter B-Link is sent to all business on the database;
- A range of events are held to raise awareness and improve the ability of small businesses to compete. Seminars and training programmes are organised both centrally and also in the local area. There are currently

nearly 100 companies from East Ayrshire registered on the Supplier Development Website who are able to attend any events;

- A dedicated website [www.sdpscotland.co.uk](http://www.sdpscotland.co.uk) provides information, advice and training guides. The website includes a database of registered companies who will be encouraged to inter trade and to put together collaborative tenders.

## **2.5** Some of the events that have been organised are:

- Meet the Buyer is held annually in Glasgow where companies can meet the buying personnel from up to 20 public sector organisations;
- Food Sector – Supplying to Local Government. This event was held in the Park Hotel in Kilmarnock;
- A Guide to Public Procurement – an event jointly organised by East Ayrshire Council and North Ayrshire Council held at the Gailies Hotel in Irvine;
- Love Me Tender (training in procurement) in association with the Intellectual Assets Centre in Glasgow and Ayr

## **3. LIMITED LIABILITY STATUS**

**3.1** The current members of the Supplier Development Programme have made the decision to set up a limited liability company as a vehicle to take the programme forward. The registered name of the company is Supplier Development Programme, company no. SC342650. Limited liability status gives the programme a number of advantages which include:

- Limited liability status allows the programme to revenue generate from the private sector which could include advertising in b-link or on the website, corporate sponsorship of events or charging the businesses for specific events.
- The income generated will be put back into the programme to allow more intensive training to be given to the business eg one to one mentoring.
- Probity in management of the assets of the partners.
- A limited liability company makes it easier to deal with potential private sector sponsors who want to know that the partnership is properly set up and auditable and subject to legal consequences if procedures are not carried out correctly.

## **4. POLICY AND COMMUNITY PLANNING IMPLICATIONS**

**4.1** The main aim of the Supplier Development Programme is to improve the overall competitiveness and profitability of local businesses which contributes to the achievement of the aims of the East Ayrshire Council Community Plan. Improving Opportunities Action Plan – Aim 1 of the improving opportunities thematic plan: To grow existing and new businesses and support investment and business location.

## **5. RISK MANAGEMENT IMPLICATION**

- 5.1** It is considered that there are no risk management implications associated with the proposal in this report.

## **6. FINANCIAL IMPLICATIONS**

- 6.1** Contribution is made to the annual operating budget of the Supplier Development Programme. This contribution allows businesses from the East Ayrshire Council area to attend events, seminars and conferences free of charge. The annual contribution of £4,000 is funded from the business grants budget. As there are nearly 100 companies actively involved in the programme this represents very good value for money.
- 6.2** If events are organised in East Ayrshire the council would be expected to meet the cost of the venue and catering which would be met from existing resources.

## **7. LEGAL AND PERSONNEL IMPLICATIONS**

- 7.1** The council's nominee to serve on the board would be required to complete the necessary registration documentation with companies house.
- 7.2** There is no additional personnel implication beyond the commitment of the time given by the existing business support team.

## **8. RECOMMENDATIONS**

- 8.1** That Cabinet:

(1) agrees that East Ayrshire Council should seek to become a member of the Supplier Development Programme Limited;

(2) nominates a representative from East Ayrshire Council as a member of the board of directors of the Supplier Development Programme.

**ELIZABETH MORTON**

**Depute Chief Executive/Executive Director of Corporate Support**

BACKGROUND PAPERS

Nil

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**For further information, please contact JOHN SPOONER, Business Development and Tourism Manager, on Extension 6143.**

28<sup>th</sup> October 2008 / jrs

APPENDIX OF CURRENT MEMBERS:

Glasgow City Council  
South Lanarkshire Council  
North Lanarkshire Council  
East Renfrewshire Council  
East Ayrshire Council  
North Ayrshire Council  
South Ayrshire Council  
West Dunbarton Council  
East Dunbarton Council  
Angus Council  
Perth & Kinross Council  
Inverclyde Council  
Fife Council  
Renfrewshire Council