



“THINK LOCAL” – ONE YEAR ON REPORT (October 2014)

1 The “Think Local” Context

The ‘Think Local’ Procurement Strategy 2013-2017 was launched to Bath and North East Somerset’s SME businesses in October 2013. The guiding principles behind the strategy are to open up more opportunities to businesses within the B&NES boundaries whilst at the same time being compliant with internal procurement requirements and the EU Procurement Directives by which the Council’s procurement activities are bound. This opening up of opportunities is taking place in an environment where cost savings and stringent and consistent contract management also prevail.

The strategy gives a mandate to encourage officers to actively engage with B&NES-based organisations as supporting the local economy is crucial to the development of our local area. It is not just the money spent with local organisations that is crucial but it is also the subsequent employment, training, and opportunities that this supports and creates. Indirect spend with local organisations is also important. There are some contracts, such as major construction projects, which might not be the right size for an SME; however, the use of local SMEs as sub-contractors plays an equally important part of the procurement mix.

Much is said about the EU Procurement Directives which govern the rules for public sector procurement. Yes, they do impose restrictions on the council’s ability to award contracts to whom they like without competition, but if local SMEs are willing to engage with the council then there are opportunities available. We cannot promise everything will go to B&NES organisations but we can work with organisations as part of our pre-procurement activities to ensure that they are in a good position to bid. Indeed the new EU Procurement Directive which is expected to come into force in early 2015 actively promotes this as a requirement of procuring bodies.



2 Outcomes since the launch of the Think Local strategy in October 2013

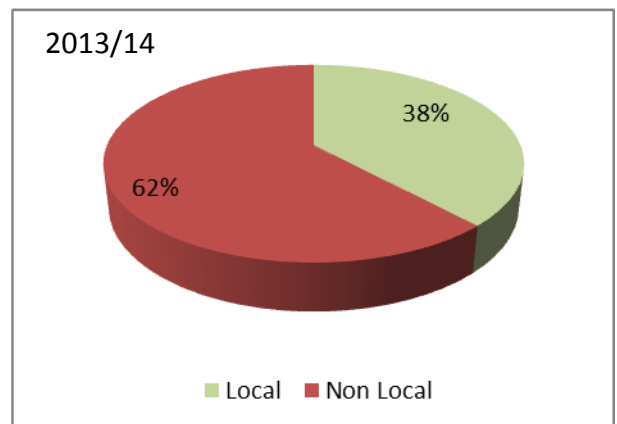
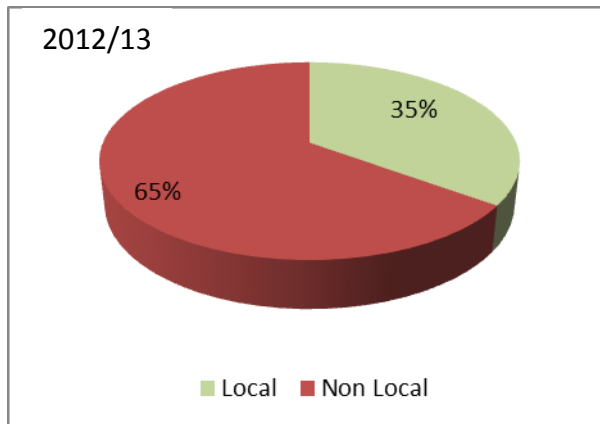
(i) Where we are spending our money

One of the key strands of the “Think Local” strategy is to improve the Council’s spending with local organisations and SMEs. We have had spend analysis tools for some time but it is only in the last couple of years that we have been able to use these to accurately analyse Council spend by different sizes of organisation, and to easily pin-point their location. In 2013/14 over 38% of our spend was with local B&NES organisations which means that close to £60 million is being spent in the local economy with the associated benefits of thriving businesses and employment opportunities. This figure gives us a solid baseline from which to grow. With increased supplier market development and improved procurement processes it is possible to increase this percentage year on year.

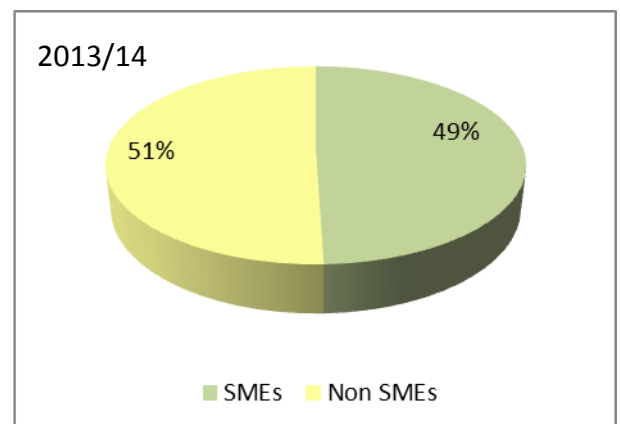
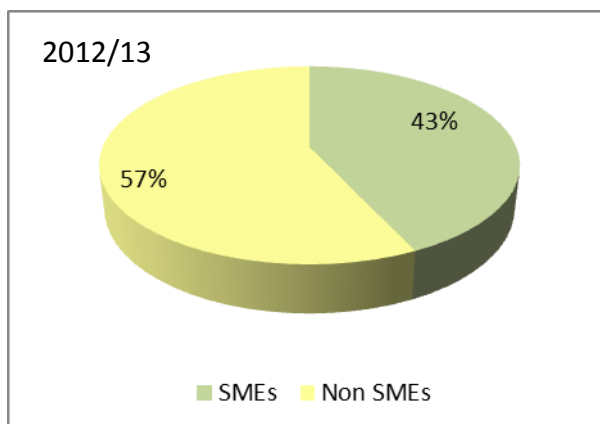
In terms of spending on SMEs overall this is at almost 50% of our spend and the proportion of the number of SME suppliers we have is approximately 81%. This means that the majority of our suppliers are SMEs but that some of the major spend and contracts are delivered by large organisations. What we are unable to ascertain from our data is what is the level of sub-contracting to local and/or SMEs. For example, the contractor for a major construction project will often use local organisations to deliver part of the project and this will have a benefit to the local economy. The use of local subcontractors was an important part of the £34 million project to regenerate Keynsham including the building of the new Civic Centre.



Proportion of Council business with local suppliers:



Proportion of Council business with SMEs:





(ii) Co-Working Hub, Guildhall, Bath

This dynamic space on the ground floor of The Guildhall in Bath has now been open for just over a year and offers a mixture of creative work space and meeting rooms, designed for those working in either the tech or creative industries. It caters, primarily, for the micro end of SMEs and, with B&NES input and support, makes this an important hub for these organisations offering a welcome base for the organisations with the added benefits of flexible workspace and networking with like-minded people.

(iii) Home to School Transport – Taxi provision

Another recent success is the development of a Dynamic Purchasing System (DPS) for the contract for taxis for home to school contract. This method of letting a fully procurement-compliant process will allow small taxi operators to join in the contract, subject to certain service quality requirements being achieved, during the term of the contract. In essence this means that small operators will not be excluded from the contract as they would have been previously. It will provide an improved service for getting children who need this service to and from school using the best provider for their individual situation.

(iv) Local Food Strategy

The Council is putting the finishing touches to its local food strategy. At the heart of the strategy is the promotion of a combination of healthy eating and use of producers and suppliers in the B&NES area through a framework which encompasses social, economic and environmental sustainability. The strategy is cross-cutting across the health, local economic development, procurement and community engagement teams, rather being the remit of just one team. This strategy will provide even greater impetus to the drive for using local suppliers to provide catering and food products across the Council's catering portfolio including school meals.

(v) Selling to the Council Guide

The fully revised and updated Selling to the Council Guide will shortly be available from the Council's website – we are waiting for the new EU Procurement Directive to be transposed into the UK legislation (which is imminent) so we can include those important changes and will be consulting with the local business community prior to final publication. This comprehensive Guide outlines the ways in which the Council procures goods and services. It should be the first port of call of any organisation wishing to do business with the Council.



(vi) Internal Collaboration – better links between the Council’s teams and departments

One of the most common causes for concern is the perceived, and sometimes actual, lack of joining-up of activities of the different teams and departments within the Council itself. This is one of the issues that the “Think Local “strategy aims to address. Accordingly, over the last twelve months, progress has been made in this area with the Corporate Procurement Team having greater input into, and overview of, the procurement activities throughout the Council. The team are now involved in key areas of procurement across the Council. Over the next twelve months this involvement will continue to increase.

(vii) Social Value Toolkit

Under the Public Services (Social Value) Act 2012 the Council is required to consider how it can increase the ‘well-being’ of the area through procurement of its services. Well-being relates to the improvement that can be made to the social, economic and environment aspects of the area. One of the ways that this is being achieved at B&NES is the development of the Social Value Toolkit which is designed to increase the number of apprenticeships, employment and training opportunities that can be achieved through specific contracts. Historically this has related to apprenticeships within construction contracts but, through the toolkit, the Council is aiming to increase the scope across a range of contracts. This will improve the delivery of the contracts and provide vital employment opportunities for those eligible to benefit from the initiative.



3 Next steps - priorities

(i) Training of B&NES officers

Over the next twelve months, the Council is rolling out further training for all Council officers who are involved in commissioning and procurement. This is particularly pertinent with the imminent changes in the procurement regulations. Whilst officers have received initial awareness sessions on the “Think Local” strategy and its implications, the importance of the full adoption of the Think Local strategy will form part of the training content.

(ii) Collaboration and working in partnership

As previously mentioned the Corporate Procurement Team is embedding good practice across the Council and identifying champions and areas of excellence. A key activity in respect of the delivery of the “Think Local” strategy is the Buy Local Buy Social initiative [<http://www.buylocalbuysocial.com>] in conjunction with the local Social Enterprise Network. The aim of this initiative is to inspire, educate and equip organisations to deliver social value and to develop local supply chains through their procurement activity, not only within the Council but within other public sector bodies in the area as well.

(iii) Developing better evaluation and measurement tools

The Council are already improving their IT and analytical systems and, over the coming twelve months, these will be further enhanced. Whilst the Council has baseline information on spend for the past financial years, these improved systems will enable the Council to develop meaningful targets and report on those targets on a year-on-year basis. For example, measuring social value and the impacts of well-being are difficult due to their ambiguous nature: however better systems will enable metrics for measuring this type of target to be developed. This is a priority for the Council. For example, metrics will include how we are progressing against our “Think Local” strategy particularly with regard to our commitment to using B&NES-based organisations.

4 Other initiatives supporting Think Local

So, what else is supporting the “Think Local” strategy? The focus for the first year of the “Think Local” strategy has been on improving internal processes. For the next year, the internal focus will obviously continue but there will be a greater emphasis on how we engage with B&NES-area organisations. The Buy Local Buy Social initiative is one clear example but the Council is also taking a longer term approach. As of Autumn 2014 there is planned programme of ‘meet the buyer’ events which will be primarily based on specific contract opportunities; basic procurement training (for SMEs who are new to engaging with the Council) through a series of drop-in



sessions; improved guidance which will be disseminated through the Council's website; and stronger links with organisations such as the Federation of Small Business. All of the activities are designed not only to improve the visibility of the Council's procurement activities and how local business can get involved but, just as importantly for the Council, how B&NES can get to know the organisations which make up its supply market, their strengths and the issues which affect them.

5 How organisations can get involved

We do understand that it's not always easy to get in contact with the Council and get through to the right person first time. The Corporate Procurement Team has a dedicated email address – procurement@bathnes.gov.uk – through which organisations can contact the procurement team.

We urge all organisations who feel they might want to supply the Council to register on the e-procurement portal – www.supplyingthesouthwest.org.uk – as contracts are advertised through this portal. When registering organisations will be asked to select categories which relate to the organisation's business and when an opportunity is put on the portal which relates to that category the organisation will get an automatic alert.

Attending one of our supplier engagement events will give organisations the most detailed information on a specific contract opportunity basis. These will be held prior to a contract being advertised and will give organisations an opportunity to feed into the process. To make sure they have the best chance of being invited to such an event, organisations should register on the e-procurement portal (see above) as we use this as one of our sources of information on potential suppliers.