



Department for
Digital, Culture,
Media & Sport

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Small and Medium Enterprises Action Plan

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1. Objective

This document sets out the Department for Digital, Culture, Media & Sport's ('DCMS' or 'Department') action plan to contribute towards the Government's aspiration that 33% of total procurement spend will be with small and medium enterprises ('SMEs') by March 2022.

2. Background

Our Department operates at the heart of government on some of the UK's biggest economic and social issues. Our mission is to drive growth, enrich lives and promote Britain to the world. We champion innovation and creativity. From the Arts to Artificial Intelligence, a quarter of UK businesses are in our sectors, and are among the fastest growing of our economy. Emerging technology is opening up new possibilities for human endeavour and self-expression. But we need to harness it, create new norms for the online world and build a strong civil society so that the benefits are shared by all. Our actions over more than 25 years of DCMS have become woven into the fabric of our nation

SMEs are vital to the UK economy, driving growth, opening new markets and creating jobs, therefore their contribution is vital. As the source of innovation, they encourage competition and bring fresh ideas that challenge the status quo.

In March 2012, SME Champions were appointed in every central government department ('Departments'). The need was to drive and embed the SME programme within Departments and their Arm's Length Bodies ('ALBs'). SME Champions oversee and improve Departments' spend with SMEs through procurement.

In April 2018, the Prime Minister requested members of her Cabinet to nominate a Small Business Champion Minister. The Ministers support, develop and monitor Departments' SME Action Plans to ensure:

- SMEs are given a fair opportunity;
- Steps are taken to work towards the SME spend target; and
- Departments are supported in achieving their SME programme.

By 2022, the government plans that 33% of its spend on goods and services, will be with SMEs; either directly or through the supply chain.

This package of measures is designed to ensure that more businesses - including smaller firms - will be able to supply goods and services to the public sector, while also making public procurement more transparent. It also outlines the steps the Department will make to achieve the 2022 target.

3. Spend with SMEs

The SME spend target for the Department and its ALBs ('DCMS Family') is 33%.

Historically, the DCMS Family has consistently achieved high levels of spend both directly with SMEs, and indirectly (through the wider supply chain). The DCMS Family remains committed to meeting and exceeding this target, and this Action Plan will help enable us to continue to do so.

DCMS SME ACTION PLAN

Table 1: DCMS Family SME spend

Financial Year	Total Procurement Spend	Direct SME Spend (either actual spend or target spend)	Indirect SME Spend (either actual spend or target spend)	Total SME Spend
15/16	£428m	£182m	£13m	45.6%
16/17	£422m	£176m	£9m	43.9%
17/18	TBC	TBC	TBC	TBC
18/19	N/A	30%	3%	33%
19/20	N/A	30%	3%	33%
20/21	N/A	30%	3%	33%
21/22	N/A	30%	3%	33%

4. Strategy

The DCMS Family has historically seen positive performance in this area, mainly due to the nature of the DCMS Family's requirements, and has exceeded this target for the last 3 years, with forecasts suggesting we will also exceed this target for the 18/19 Financial Year. Our strategy to continue to meet or exceed the 33% target includes a number of ways we can actively engage SMEs and offer them assistance and guidance on how best to prepare, tender and stay up-to-date with our procurements so they can produce credible competitive tenders.

Our strategy aligns to four main themes:

- **Ease of engagement:** Making sure that SMEs are aware of how to access potential DCMS Family contracts and that the tender process is not unnecessarily complicated.
- **Confidence:** SMEs have the ability and confidence to tender for our contracts.
- **Adequate preparation:** SMEs are aware of our tenders at the earliest stage so they have time to prepare.
- **Understanding:** Further develop SME friendly documentation and processes to help reduce the cost to tender. Additionally, we will ensure that we are easily contactable, ensure good contract management, enhanced and accurate reporting and will endeavor to pay them on time.

These will be achieved through specific focus on the following activities.

4.1 Direct Engagement

We will engage SMEs through more accessible and personable techniques including organising sector specific, SME friendly supplier Open Days. These allow SMEs to engage with DCMS Family members directly in an informal way, hear about opportunities and ways of working, and have the opportunity to ask questions and provide feedback and suggestions. This will also give SMEs an opportunity to see DCMS Family's plans for the future, giving them an understanding of our direction of travel, and how their business can be a part of it.

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All our Open Days and supplier events will be published on the procurement section of the DCMS website¹, where suppliers will be able to obtain details and register for up and coming events.

We have appointed an SME lead in the Department and plan to expand the commitment to include separate SME leads for the Department's business areas and advocates across the DCMS Family to raise awareness and increase accountability.

A Supply Chain champion will be appointed, who will form a network of supply chain advocates to drive behavioural change and provide single points of access and contact for suppliers, and to engage and drive the Supplier Code of Conduct²

4.2 The wider supply chain

We will monitor SME involvement in our supply chains to ensure we have the best possible data and information, which will help us to maintain indirect SME engagement, and to identify market and spend trends and areas where SME involvement is strong or weak.

Part of this area of work will involve developing ways in which we can incentivise key suppliers to sub-contract to SMEs further where possible.

4.3 Data and Analysis

We will develop better, more accessible, accurate and simpler reports and metrics. To facilitate this, we will continue to work with the Cabinet Office and our suppliers, to draw on the skills and experience across government and its suppliers, which in turn will enable the generation of better data and drive best practice.

We will continue to monitor and analyse SME participation and involvement in our supply chains through a combination of intelligence from the Cabinet Office and collaboration with our Tier 1 suppliers to ensure they have an equally robust understanding of SME involvement in their supply chains.

Recent changes to our terms and conditions make it a requirement for a prime supplier to report on the spend through its supply chain.

Working collaboratively with our suppliers, we will use the data and intelligence we gather to identify trends and measure movements in SME engagement across our supply chain, ensuring that this reporting is embedded into contract management practices across the department.

4.3 Process

We will continue to use various procurement techniques to ensure opportunities available to SMEs are maximised where possible, and look at where we can streamline our procurement processes.

¹ <https://www.gov.uk/government/organisations/department-for-digital-culture-media-sport/about/procurement>

² <https://www.gov.uk/government/publications/supplier-code-of-conduct>

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Pre-tender stage

At this stage these include the consideration of the use of the Crown Commercial Service's ('CCS') Frameworks as a default step in our procurement processes, which will enable us to continue to take advantage of the CCS commitment to make procurement more accessible to SMEs.

As part of their offer, CCS have created more Dynamic Purchasing Systems for a wider scope of supply, which greatly improves direct access to SMEs.

We will also actively promote and encourage the understanding and use of frameworks across the DCMS Family such as G-Cloud which offer an easy access vehicle to the SME supply chain.

Where possible, we will improve the visibility of our forthcoming procurement pipeline³ to enable early market engagement with specific sectors to increase SME interaction and opportunities for SMEs and removing barriers. This will also include:

- Gathering of market intelligence and identification of SME rich markets; and
- Introduction of obligations in contracts to ensure suppliers commit to aspirational targets and open their supply chain.

We will drive SME pre-market engagement, to inform the requirement and the procurement strategy. This will include opportunities to educate as required on government procurement processes to avoid possible disadvantages due to lack of understanding and awareness.

Feedback from SMEs at open days and events will be utilised to gather ideas and concerns from SME suppliers on possible improvements to our approach or barriers to be removed.

It is now a requirement that each procurement strategy effectively considers the SME agenda.

Tender stage

We will also continue to use Open Tenders where possible to open the market to a wide variety of suppliers, including SMEs.

Continuing to publish all of our opportunities on Contracts Finder will enable SMEs to see all of our contract opportunities, and we will publish Prior Information Notices for Official Journal of the European Union procurements where timescales allow.

Where possible we will ensure a sufficient period for response is allowed for in tenders to ensure SMEs are given an appropriate chance to reply and produce credible tenders, even when they are not used to public procurement practices

Contract stage

We have included clauses in our Standard Terms and Conditions which will commit prime providers to the SME agenda. We will also ensure that we communicate clearly our payment processes, and continue to embrace prompt payment.

³ The pipeline will be available at <https://www.gov.uk/government/organisations/department-for-digital-culture-media-sport/about/procurement>

Post procurement

Lessons learned are captured effectively and fed into the continuous improvement process.

4.4 Driving for improvement and innovation

We will continue to conduct reviews of procurement processes and documents to ensure SME friendliness, such as the Standard Terms and Conditions to allow greater flexibility and understanding.

Splitting large contracts into smaller contracts, including regionally based lots will be considered where possible to enable more opportunities for SMEs.

We will proactively seek and act on feedback from SMEs to improve the processes and drive innovation in procurement, and we will embrace effective sharing of information and best practice across government.

We will increase prime or major suppliers' awareness and involvement and encourage them to open up their supply chain to SMEs where possible. Alongside this, and where appropriate, we will ensure our prime suppliers advertise sub-contracting opportunities on Contract Finder.

Further, we will continuously review and improve the way we identify and communicate with SMEs.

This SME Action Plan will be updated on an annual basis.

**Department for Digital, Culture, Media & Sport
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