

‘Best Councils to do business with’ contest

Entry Form

Local Authority Name: Surrey & East Sussex County Councils
Contact Name, Telephone and Email Contact details: . .
Entries and enquiries to: bestcouncils@bis.gsi.gov.uk Closing date: 22 February 2013 (17:00 hrs)

This competition will judge the actions and practices you have set in place to support small businesses in competing more successfully for your council's procurement business.

We are keen to hear examples of what you are doing, why it represents good or excellent practice, and what positive outcomes have resulted from your actions.

In FY2011-12, what proportion of your procurement spend and contracts were to small businesses?	What do you estimate this will be in FY2012-13?
SCC: 37%e/ESCC 38% *	SCC: 50% (£316m)/ESCC 38% (£169m) *

* Please note that Surrey and East Sussex both define small businesses as local to their county.

How do you recognise the value of small business suppliers in your procurement?

Please tell us:

- How you engage small businesses (including social enterprises and voluntary and community sector organisations) and their advisers, to understand what solutions they can offer your council.
- How you communicate strong encouragement to small firms that you are “open to their business”, including any actions you have taken to help develop the procurement capacity and capability of your local small business supplier base.
- How you design procurement competitions to optimise SME participation e.g. by breaking down contracts into lots, or defining an optimal contract size for the market.
- How your procurement strategy reflects the benefits of procuring from small businesses and how this informs your economic development strategy.

Response: (250 Words Max – expand box as necessary):

Surrey and East Sussex County Councils (SCC and ESCC respectively) have established a ground-breaking partnership to share best practice in procurement, including in working with local small businesses and voluntary organisations. Under shared management, both teams have an active local SME supplier engagement strategy via:

- Involvement in workshops to streamline tendering processes
- Market testing at a pre-procurement stage
- Input to shaping specifications, for example, supplier involvement in co-design for Adult Social Care services.
- A series of well-attended Federation of Small Businesses events
- local Chambers of Commerce events
- “Meet the Buyer” events,
- supplier networking events

There is a co-ordinated link to the VCFS (Voluntary Charity & Faith Sector) with a dedicated Procurement member for the VCFS, who has been involved in providing specific training to support and build capacity and knowledge for suppliers in their tender / grant processes and submissions.

Every procurement has its own strategic sourcing strategy setting out the value, size, risk, needs and market information in order to best deliver a contract package that best meets the requirements and delivers value for money. A mandatory gateway process ensures projects cannot proceed without consideration of its impact on local suppliers.

ESCC have introduced a top-up insurance scheme to support SMEs to increase Public Liability Insurance to required levels.

SCC's Procurement Strategy reflects the organisation's target of 60% local spend. Both organisations are also publicly committed to investing in and promoting skills development such as apprenticeships from spend with local suppliers.

How can small businesses find out about your Council's procurement opportunities?

Please tell us:

- How you engage with small firms about emerging opportunities in advance of a formal procurement exercise.
- How and where you advertise contract opportunities.
- What steps you have taken to improve supply chain participation from small suppliers.
- How you work with prime contractors to ensure SMEs have access to supply chain opportunities.

Response: (250 Words Max – expand box as necessary):

Suppliers are regularly engaged in pre-procurement planning and events including soft market testing and co-design where appropriate.

Contract opportunities are advertised widely via the Official Journal of the European Union, the South-East Business Portal, e-sourcing portals and corporate websites, and via social media such as Twitter, including re-tweeting published opportunities to each Council's followers.

Following feedback from small local businesses at FSB events, Surrey have made three public commitments to local suppliers:

1. Reduce cost of doing business with us
2. Improve our communications
3. Provide better access to opportunities

As a result, SCC have recently launched 'Supply2Surrey', a new site which uses a filtered Contracts Finder feed to promote every local contract opportunity from across the Surrey public sector to the county's business community, and offers information and help with bidding. This will include both EU and lower-value tenders or RFQs.

A county-based construction and build supply-chain supplier portal, Build East Sussex, was developed by ESCC in 2010 specifically to make it easier to do business with councils and their primary suppliers, which has seen over 800 local small suppliers register and over 700 work opportunities published to date. Building on the success of the portal, SCC has

launched its own Build Surrey portal in February 2013.

Large construction contracts include key targets for using local SMEs for sub-contracts, which can be advertised via the supplier portals.

How do you measure and account for your procurement with small businesses?

Please tell us:

- How you use data to challenge and improve procurement with small firms across your council's spend.
- Whether and how you make information on spend with small firms publicly available and easily accessible.

Response: (250 Words Max – expand box as necessary):

Both procurement teams have a mature approach to spend and market analysis, which provides detailed information on the profile of the supply base and the percentage of spend locally. This is used to develop Category Action Plans, which inform the strategic sourcing plan for each procurement project.

One example outcome of this process was the decision, approved by Surrey's Cabinet in May 2012, to switch £7.7m of lower value construction and maintenance projects from a single prime contractor contract to a panel of smaller, local suppliers, and to offer a further £15m of opportunities at a sub-contractor level.

The result was to establish a Small Works Panel that consists of around 130 pre-qualified local construction suppliers who will deliver building works under £75k. Medium-sized planned building construction projects covering project values between £75,000 and £1.5m are now being delivered by a specially-designed Local Area Construction Framework contract.

In Surrey the percentage of local supply chain spend is a key performance indicator for the procurement team, reported to the corporate board and cabinet. This has resulted in significant effort to identify opportunities for improving the share of local spend at a category level, and last year the county spent £316m with around 4000 local suppliers.

Spend Data is published via each Council's website in line with the Government's best practice transparency requirements.

How do your procurement, bidding and contracting processes support small businesses?

Please tell us:

- What actions you have taken to ensure quicker, simplified and less costly processes are in place for smaller procurements below EU thresholds, including any specific approaches for the lowest value contracts.
- How you promote innovation and access from new entrants to the market
- What policy you have on prompt payment for small business, including small contractors in supply chains.
- Whether and how you investigate poor procurement practice and hold procurement staff to account.

- How you offer constructive feedback to unsuccessful bidders to help them improve future bids.

Response: (250 Words Max – expand box as necessary):

Both councils have actively defined a minimised set of standard requirements for tenders, and selection criteria, including insurance levels and required levels of past experience, are based on an assessment of risk specific to each tender. ESCC also operate a top-up insurance scheme for suppliers able to SMEs to achieve required levels of public liability insurance.

Supplier networking events allow for the opportunities for suppliers to meet, engage and find new opportunities for collaboration and the development of consortia, as was the case with the award-winning transformation of Surrey's youth services.

Both Councils have committed to the principles of a prompt supplier payment policy, providing suppliers with clear and easily accessible guidance on payment procedures and expecting lead construction suppliers to adopt the code through their own supply chains.

Poor procurement practices are investigated. Examples of poor practice would be thoroughly investigated via peer review or internal audit, depending on the severity. A culture of openness and learning from each project is in place, including training and knowledge sharing sessions which look to address the underlying reasons for anything falling short of best practice. A comprehensive personal development plan is in place for everyone in the procurement teams.

Suppliers are given information on their bids as standard regardless of contract value, which includes written information and the offer of a verbal debrief focussed on the areas of relative advantage and the characteristics of the winning bidder. This enables areas of improvement to be clear for future bids.

What have you learnt from your procurement approach with small businesses that could most benefit your Local Authority peers?

Response: (100 Words Max – expand box as necessary):

Go out and meet local firms. Have a programme of regular events which include networking time as well as constructive input.

Establish a clear and public set of commitments which directly address areas that make a real difference to small local suppliers, and be prepared to stand up and be accountable for delivery of improvements.

Involve small businesses directly in developments – for example Supply2Surrey has an SME rep on its steering group.

Provide the tools small businesses need to bid for contracts, and give this a local flavour.

Make local economic development through public sector supply chains a measured priority.

What's your next big thing to help small businesses increase their chances of winning more of your contracts?

Response: *(100 Words Max – expand box as necessary):*

Building active networks with local firms is essential. We need their expertise and innovation to deliver better services. We're using a multi-channel approach – using supplier portals for lower-value opportunities, regular network meetings, social media to stay informed etc.

Creating social value through local suppliers provides an opportunity to foster apprenticeships and work experience placements for young people. Surrey have a target to provide 150 apprenticeships through contracts in 2013/14.

We are increasingly collaborating with districts and boroughs and the wider public sector to develop a joined-up approach to local businesses, offering a consistent and straightforward path to gaining new work.

Is there anything else you wish to add to support your application?

Eg you may wish to expand on a particular example of excellent practice that you have set in place and/or provide a short case study on where you have achieved better value for money by contracting with a small business.

Response: *(500 Words Max – expand box as necessary):*

Three case studies of successful projects follow:

Surrey County Council's Youth Services Contracts:

Surrey's Youth Service have a target to ensure all young people are in education, training or employment by 2015. The council decided to completely re-design the service, and re-procured through an outcome-based commissioning process.

Procurement led a series of provider events to outline the commissioning intentions, generate interest and encourage competition in the marketplace. Providers became an adjunct to the cross-functional team and their feedback informed the final models proposed. The outcome was the creation of a more diverse and vibrant market, greater collaboration between suppliers, and increased complexity of the services they can provide. Eleven Voluntary Sector providers successfully won more than thirty contracts. We also had bids from schools partnering with colleges and from private sector providers collaborating with voluntary sector providers. Districts and Boroughs also decided to bid for the first time.

This new approach realised the benefits of large and financially viable organisations working with agile SMEs with knowledge of the local communities across fifty contracts with nine providers.

East Sussex County Council – Build East Sussex

The 'Build East Sussex' county-based construction and built asset supply chain portal launched in February 2010, and since then more than 800 local and SME businesses have registered with the portal and over 700 works opportunities have been advertised.

The main contractors in the IESE framework contract for which ESCC are the lead authority have used the portal to advertise sub-contracts. These contractors, some of whom are SMEs themselves, identified a 17% increase in the use of local SMEs as a result.

The new replacement for this contract has added a specific lot for contracts up to £75k aimed specifically at local SMEs, which also includes wider social value benefits such as training and skills development and support.

East Sussex County Council – Commissioning Grants Prospectus

ESCC and the local NHS recently published the third annual commissioning grants prospectus. This brings together approximately £3.5m of investment from Adult Social Care, Children's Services, Public Health, Safer Communities and the local NHS to improve the health and wellbeing of local people through initiatives that target social capital. The approach has been recognised nationally and locally as a way of commissioning added social value in a proportionate and streamlined way, incorporating this into the award decision equally alongside cost and quality.

Commissioners invite local organisations to 'meet the commissioner' events both to shape the required service outcomes and the prospectus and to explain the applications process, and the Councils for Voluntary Services also run 'clinics' to help with the application process. Commissioners then work alongside a client carer panel to make the awards. In 2012, 22 grants totalling nearly £7.5m were made to local bodies supporting a range of initiatives from mental health support and daytime opportunities to key work support for families with multiple and complex needs.