

Title:	Small Business Friendly Concordat
On:	Executive – 10th July 2006
By:	Director of Development and Asset Management
Portfolio:	Economy
Status:	Report

STRATEGIC FACTOR CHECKLIST

The Council's Corporate Management Team has confirmed that the Strategic Factor Checklist has been applied to the development of this report, and there are no key issues, over and above those set out in the body of the report, that need to be brought to Members' attention.

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Members endorsement of a procurement concordat between the Council and businesses in Derwentside.

2.0 BACKGROUND

- 2.1 The Council is already committed to delivering the National Procurement Strategy that amongst a range of issues, asks local authorities to adopt a small and medium sized enterprise (SME) friendly procurement concordat. The purpose of the concordat is to set out the actions that local authorities will take to make their contracts more accessible to SMEs. The concordat should be focused on small businesses of less than 50 employees. Although a voluntary arrangement, the Government has strongly encouraged all local authorities to sign up to a concordat
- 2.2 The aim of the Concordat is to set out what small firms and others supplying the Council can expect when tendering for contracts. It is not intended that smaller suppliers automatically be given a competitive advantage when tendering for Council contracts as result of the Concordat, but it does set out what steps can be taken to ensure all suppliers are treated equally. The Concordat also sets out the standards that public sector buyers should expect from their suppliers.
- 2.3 The Concordat represents a commitment to encourage and develop competition in local government markets in order to increase value for money and to encourage those businesses who have traditionally found it difficult to supply to local authorities. This will include small businesses, social enterprises and voluntary and community organisations.

2.4 A full version of the Derwentside Small Business Concordat is available under Corporate Procurement on www.derwentside.gov.uk

2.4 In summary, the Derwentside Concordat states that:

- The Council has published a Corporate Procurement Strategy
- The Council has produced a number of guides to encourage small businesses to supply the Council.
- The Council produces a contract register highlighting up and coming supply opportunities.
- The Council advertises contract opportunities on it's website, newspapers, trade journals and through NEPO (North East Purchasing Organisation)
- The Council produces a list of current suppliers through a Buyer Profile.
- The Council has standardised tender documentation to keep the process as simple as possible.
- The Council offers feedback to suppliers to encourage improvement for future tender opportunities
- The Council has published a complaints procedure.
- The Council will ensure suppliers are paid in no more than 30 days.
- The Council will require suppliers to pay sub-contractors in no more than 30 days.

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3.0 RELEVANT MATERIAL CONSIDERATIONS AND OPTIONS

3.1 The ability of the Council to complete a Small Business Concordat illustrates the significant progress it has made in becoming more open to small businesses in terms of it's procurement of supplies and services. This has been recognised by the Derwentside Business Network who have agreed to complete the Concordat on behalf of the businesses of Derwentside and who have stated that the commitment from the Council is real and is welcomed by local businesses.

3.2 The Concordat recognises an ongoing and evolving relationship between the Council and small businesses and makes it clear that the Council will build on it's track record and continue to develop support services to ensure local businesses can compete effectively in the local and national economy.

4.0 RECOMMENDATIONS AND REASONS

5.1 In consideration of the above, it is recommended that the Council endorses the Derwentside Small Business Concordat.

The reasons for this recommendation are that:

- The Derwentside Small Business Concordat has the support of the Derwentside Business Network and provides a significant opportunity

for the Council to demonstrate it's support for small businesses in the area.

- The completion of the Concordat is not an end in itself but will form the basis of continued effective working between the Council and small businesses in Derwentside.

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