



THE MORAY COUNCIL

SMALL & MEDIUM ENTERPRISE STRATEGY

2014-2019

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Introduction

The following Small and Medium Enterprises (SME) Strategy details the Procurement Team's aim of reducing barriers and improving communication with SMEs in order to make it easier to do business with The Moray Council and the actions we will take in support of this.

Background

The Moray Council Procurement Strategy 2010-2014 states:

“Moray Council is committed to helping small and medium sized enterprises better compete for public sector contracts. We recognise that we can make a significant contribution to sustainable economic growth by reducing barriers to public contracts and making it easier to do business.

Where applicable supply chain aspects will be reviewed to ensure that the local economy and social benefits are derived from the council's considerable buying power. We will embrace guidance offered by the Highlands and Islands Enterprise Small Business Unit, the Moray Chamber of Commerce and the Moray Business Gateway to facilitate supplier development activities, encourage diversity and promote innovation. We maintain regular contact with local organisations such as Moray Small Business Club and Moray and Keith branch of the Federation of Small Businesses.”

The procurement strategy outlines our continual review and improvement programme. We achieve this through seeking feedback and implementing changes within our processes, training, guidance and supplier communication. This has resulted in a number of Supplier Development actions in previous years with SME's in mind but without the formal structure contained within this strategy.

Current Position

Below are details of percentage spend with SMEs over the last 3 years.

Year	Small Company	Medium Company	Size Not Known*	Moray Total	UK Average
2011/12	15%	37%	2%	52%	49%
2012/13	13%	33%	6%	46%	47%
2013/14	14%	28%	5%	42%	Not known

Although our spend with SMEs has decreased over the past 3 years, this seems to be in line with the UK national average, however last year it did fall short of the Scottish Local Authority average spend with SMEs of 53%. This SME strategy details actions we are taking to reverse the trend. *Each year the size classification of a company may increase or decrease, which added to the size not known percentage, may go towards explaining the 3 year variance in figures.

(Source: Spikes Cavell & Co)

The table below details percentage of business awarded to SMEs over the last 3 years and includes quick quotes, tenders, frameworks and mini competitions.

Year	SME Awards
2011/12	82%
2012/13	83%
2013/14	72%*

* Our increasing use of frameworks has skewed this figure.

(Source: Public Contracts Scotland Advertising Portal)

Actions Taken to Reduce Barriers

As mentioned above Moray has been active in our attempts to support all suppliers and in particular SME's and these include:

- The Moray Council were one of the early adopters of the National Supplier charter
- Use of lotting strategies where applicable
- Payment terms of 30 days as standard
- Early adopters of Public Contracts Scotland (PCS) advertising Portal and the PCS Tendering portal. PCS Advert and Quick Quote together with PCS Tender are all embedded within our procedures and being used across departments. This gives greater access to our opportunity for all registered suppliers
- Use of PCS Tender as a means of electronic tendering itself – tender exercises are maximising the use of the pass/fail qualification stage where possible - this gives clarity to tendering suppliers of our requirement.
- Host/take part in events and surgery/workshops relating to specific tenders encouraging SMEs to register on PCS and bid for Moray opportunities.
- Meet the Buyer events are held where appropriate - both specific to a requirement and general for all Council opportunities (April 2014).
- The Councils central buying team have been trained in the use of PCS Supplier Finder - a tool to help identify non contracted suppliers. This supports the sourcing of items under our contracted threshold of £5,000 where our regulation calls for a quote rather than a contract.
- Where this Quick Quote process is used it has been mandated that where possible among the suppliers selected, 1 must be local.
- Moray has adopted the standard Pre-qualifying questionnaire (PQQ) which facilitates consortium bids and this in turn has encouraged SMEs to bid locally.
- In order to reduce the burden of administration for smaller companies, we only use Pre Qualifying questionnaires where necessary.
- Moray has joined the Supplier Development Programme and will support the development of a localised training programme.

- Moray Procurement Champions have been established within the Corporate team for all of the corporate social responsibility issues including:
 - environmental
 - economic
 - community
 - third sector.

The remit of the Champion is to inform strategies and procedures for their theme and to act as a point of reference for individual procurements, whilst liaising and supporting various stakeholders.

Communication Improvements Made

In order to engage with SMEs Moray has considered the various ways of communicating with suppliers actions taken to date include:

- Carried out Market sounding regarding current operation and future developments by way of Prior Information Notices (PIN), User Intelligence Groups (UIGs) and engaging with the market at an early stage seeking out and encouraging innovation.
- Future buying intentions were advertised by issuing a Council wide Prior Information Notice in March 2014 forewarning the market of our requirements
- A Procurement Moray facebook page has been created and is updated regularly to inform, signpost and communicate with suppliers and other stakeholders.
- 2 way communication is encouraged at various stages of procurement is used to gain improvement suggestions via standstill notices, contract management meetings, internal and external scorecards. Where a scorecard results in a low score a procurement officer will be allocated to support our Departmental officers with the development of an improvement plan.
- We signpost support organisations via the Procurement Internet page, Facebook, debrief communication and to speculative sales callers.
- Where ever possible we signpost supply chain opportunities via category A and B contracts.
- All contracts are advertised and award notices are published on Public Contracts Scotland portal. In addition this portal is also to raise awareness of

council procurement activity and where appropriate, specialist journals are also considered

- Provide a single point of contact between the Council and all suppliers via a central procurement helpline and email address
- Offer debriefs to unsuccessful suppliers to help with future bids as well as successful suppliers with the aim of improving service received.
- Carry out regular updates on our Procurement internet page to give guidance to suppliers and links to relevant national sites.

Strategy 2014 - 2019

Our strategic approach targets three key improvement objectives:

- To reduce any influencers that create barriers to SME access to bid for formal competitive tenders in Moray and in the wider geographical landscape
- To improve the way in which we communicate with SME's
- To maintain if not increase the amount of business we carry out with SME's

We will achieve these objectives through a variety of activities and realistic actions which are detailed in the Strategy Action Plan in APPENDIX 1 and are complimented by robust monitoring and review processes. All Targets will be reviewed and reported to CMT and Heads of Service on an annual basis.

This strategy is aimed to run in tandem with the Procurement Strategy which has been extended pending the implementation of the Procurement reform (Scotland) Act. Annual reviews will be carried out to ensure that the action plan is in line with national and local developments and the results are as anticipated.

Reference Material

In order to inform the development of this document we have referred to our own Council Procurement Strategy and other influencing reference documents including:

- Audit Scotland Procurement in Councils Report of April 2014
- FSB Best Practise Procurement Model Gap Analysis Tool,
- Procurement Reform (Scotland) Act

- Procurement Capability Assessment
- Flexible Framework of the Scottish Sustainable Procurement Action Plan.
- Communications with Business Gateway, Moray Chamber of Commerce, Federation of Small Businesses, Suppliers, Moray's Third Sector Interface and our own Economic Development section have also informed this strategy.

Strategy Action Plan

APPENDIX 1

Action	Target	Update
Reduce Barriers		
Supplier PIN Event	Host 2 within the lifetime of this strategy	Hosted event April 2014 "Grab yourself some Business"
Attend/support events of partners	As appropriate	Moray Third Sector interface hosted an event facilitated by Ready For Business, Our Third Sector Champion was asked to present October 2013
Hold procurement specific roadshows and surgeries.	As appropriate	Maintenance and Reactive repairs 4 supplier roadshows September 2014. Surgeries to be held October 2014
For quick quote exercises mandate where possible the inclusion of at least 1 SME where available.	July 2015	
Supplier finder to be utilised to aid finding SMEs when selecting suppliers for quick quote exercises and for requirements below the value of £5,000	July 2015	
Review content of Procurement internet page	July 2015	
Assist partners to Promote the Supplier Development Programme as an associate member	July 2015	

Be involved in the co-ordination of supplier development locally by our membership in a small working group consisting of Moray Economic Development Section, Business Gateway and Highlands & Islands Enterprise	Supplier Development Forum meet at least biannually	Initial meeting of Supplier Development Forum held October 2014.
Continue to offer debriefs to unsuccessful suppliers to help with future bids and successful suppliers to improve service received. Investigate use of PCS Tender debrief facilities.	July 2015	
Actively increase research into innovative supply ideas and increase opportunities for suppliers to offer innovative supply ideas. Amend procurement strategy guidance and training modules 2 and 3.	July 2015	
Report performance against SME participation in procurement exercises. Report % spend and awards with SMEs to P & R Committee.	July 2015	
Investigate spend reports to gain a better understanding of the make of up each commodity and feed this into procurement strategies where relevant.	July 2015	
Consider payment terms of contractors with sub-contractors (Investigate FSB suggested clause and how others are intending to manage) Prior to implementation of new regulations	July 2015	
Community benefit clauses to be considered promoting use of the supply chain particularly SME involvement and contribute to local outcomes and national priorities.	July 2015	

Improve Communication		
Review the Moray Council Procurement Communication Strategy with suppliers and external support organisations in mind. Consider current methods of communication, frequency and effectiveness.	July 2015	
Strengthen links with Moray Business Gateway, Moray Federation of Small Businesses, Moray Chambers, Highland and Islands Enterprise to gain market intelligence and to reach potential new suppliers.	July 2015	
Continue to raise awareness of procurement activity particularly our use of PCS – promoting the need for registration using all communication methods, PCS itself (PINS and Adverts), Internet Page, Facebook page, hosting and attending local events.	On going	
The Community Care section holds meetings to share ideas, issues, training and best practice with partners and service providers. This will be considered for any other commodity area with a strong local marketplace. Investigate spend reports to inform lead officers of other potential target areas.	July 2015	