



Welcome to the November edition of the South East Policy Unit Newsletter
 If you require further information on any of the issues raised in this edition please
 check out the SEPU website www.fsb.org.uk/se.asp or email sepu.policy@fsb.org.uk

Local Authority procurement findings

LA procurement Checklist

- £42 billion per annum spent by LAs on goods and services
- A quarter of LAs advertise all contracts on their websites
- 31 per cent of LAs have a pre-qualification questionnaire specially adapted for small businesses
- Only 12.5 per cent run training courses for small firms on the tendering process

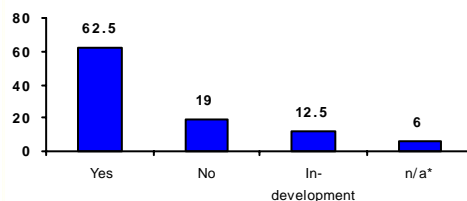
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In the UK, local authorities (LAs) spend around £42 billion per annum on procuring goods and services. The FSB has recently been highly critical of the fact that at present far too little of this money is spent with small businesses. However, LAs are coming under joint pressure from the Office of the Deputy Prime Minister and the Office of Government Commerce to increase the amount of their annual procurement budget spent with small businesses.

In order to understand how LAs have structured their procurement strategies so as to encourage small firms to bid for contracts, SEPU created a 'Local Authority Procurement Checklist', which was sent to the Chief Executive of every council in the South East. The checklist included a range of questions aimed at identifying how LAs had restructured their procurement procedures in order to make them more small business friendly. To date, 46 per cent of LAs have responded to the checklist and the early findings reveal some very interesting information.

Being able to learn about potential procurement opportunities is a key step for small businesses, and one of the most obvious sources of information would be their council procurement website. LAs were therefore asked whether they currently had a procurement section on their website. As you can see from the table below,

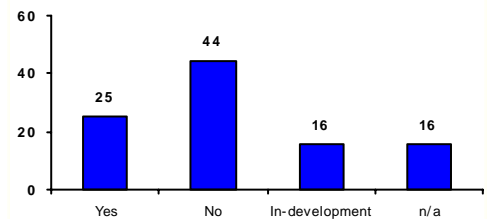


*n/a = not answered

over 60 per cent of LAs have a procurement website, and a further 12.5 per cent were

currently in-development.

However the website is only as good as its content, and it is important that LAs advertise **ALL** contracts on their website in order for small

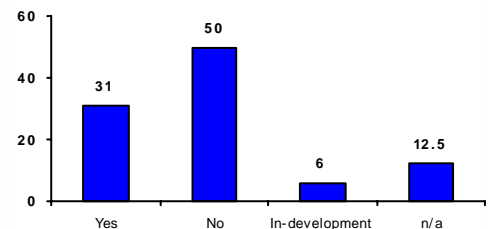


businesses to learn about potential tendering opportunities. The table above demonstrates that at present a quarter of councils currently advertise all contracts on their website, in contrast to the 44 per cent that do not.

One of the main proposals put forward in the recent FSB report 'Small Businesses and Public Procurement' was that:

"The pre-qualification paper work should be simplified and the accompanying information requirements should be relevant and minimal."

The survey findings revealed 31 per cent of LAs have a pre-qualification questionnaire (PQQ)



adapted for small businesses (see above), and a further 6 per cent were currently revising their PQQ to achieve this objective. Half of the LAs that responded to the survey did not have a PQQ adapted for small businesses.

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SEEDA RES review latest



The series of consultation events organised by SEEDA as part of the RES review culminated in the “Bringing It All Together” event held at Pinewood Studios on the 10 October.

It is clear from this event that we will have a far more focused RES with far fewer deliverable targets. The current RES has just over 70 deliverable targets that SEEDA monitor their progress against. The next RES will work towards the theory of doing less but

doing it better and instead of 70 measurable targets will have no more than 27 targets.

For SEEDA the priority is to raise business productivity; and to do this they have identified five key drivers:

1. Enterprise
2. Innovation
3. Skills
4. Competition
5. Investment

SEEDA see the effective delivery of the five key drivers

as central to the new RES. Each of the key drivers is set against a specific measurable object e.g. for Enterprise the objective is that by 2016 the South East will be one of the 15 most entrepreneurial regions in the world. Progress towards this will be measured by the regions performance within the Global Entrepreneurship Monitor.

SEEDA are currently working on the consultation draft of the new RES, which SEPU will be submitting a formal response to.

Absenteeism project gets national backing



The FSB National Policy Committee has agreed to provide most of the funding for the SEPU absenteeism project from their special projects budget.

The study into the impact and management of absenteeism in small firms can now be commissioned. The research will be carried out in partnership with the South East Public Health Observatory

(SEPHO).

The aim is to have the first draft of the survey questions ready in time for the January 2006 SEPU committee meeting.

Following the approval of the questions, we intend to hold a trial of the questionnaire with two focus groups in order to identify any possible flaws in the survey.

Once the results of the focus groups have been analysed, the final version of the survey will be produced. The aim is to launch the on-line questionnaire during February or March 2006.

Once the data has been analysed, SEPHO will produce a final report containing key recommendations for addressing the problem of absenteeism in small firms.

Procurement training pays dividends



Trainer Paul Cooper of Protégé Management Ltd with delegates

Sponsored by City Growth Portsmouth, supported by Business Link Wessex, and organised by the FSB, forty small businesses from across Portsmouth and Fareham took part in a series of workshops designed to overcome some of the pitfalls that can be faced when tendering for public sector contracts.

The training session run by

FSB member Paul Cooper, provided an insight into local authority contracts and the tendering process. During the full day workshops delegates were advised on how to identify what public sector contracts exist and given advice on how to complete tender documents in a manner that positions their company as the best candidate for the job.

Feedback from the workshops was resoundingly positive and following the training one company, Steel Security Consultants Ltd of Fareham, has already won a significant contract that they admit they would not have won without the training.

More training sessions are already being planned, and further courses could also be held across the South East.

SEPU joins GOSE working group on health

Following a recent business breakfast meeting between Government Office for the South East (GOSE) and representatives from the main business support organisation, the main discussion topic was how health issues impacted upon businesses within the South East.

The business support groups including FSB, CBI, CoC and the Engineering Employers Federation were highly critical of the proliferation of high level strategic objectives which are meant to address health issues, but never really succeed in getting down to a level that engages business people. If businesses are to take the health issues seriously then what was needed was more small scale projects, developed to identify best practice, which in turn can be better

promoted to businesses looking for solutions to employee health problems.

As a result of this discussion, GOSE has asked these business groups to join an new working group which will have a remit to develop exactly these kind of small scale projects. GOSE will take the responsibility for identifying possible funding sources, and the business support organisation will help to identify specific projects and promote best practice solutions to their members.

The SEPU representative on the working party will be Roger House, and GOSE are currently working on organising the groups inaugural meeting when the full remit of the group will be finalised.



MEP's Briefing Notes Overhaul

Roger House has recently met with the new FSB Policy Development Officer for European Affairs Andrew Cave, to put forward our proposals for creating a new publication specifically focusing on the work of the FSB in Brussels.

At present SEPU produces an MEP's Briefing Notes which is largely drawn from the same source material as our highly successful MPs Briefing Notes. As a result of this it suffers somewhat from too much of a focus on FSB lobbying in parliament, and lacks the specific EU focus such a publication requires.

Andrew Cave has agreed to work in partnership with SEPU to create a new version of our existing publication which would then go out on a quarterly basis to MEPs across the South East.

However the plan is also to promote it to the other APUs so that we can deliver a uniform message to all MEPs across England with up-to-date information on the key lobbying work of the FSB at the EU parliament.

The first edition of the revamped MEPs Briefing Notes is due to be launched in the South East in January 2006.



Showing Local Authorities the way forward

The next stage of the SEPU procurement project will focus on gathering case studies on the best practice being developed by Local Authorities in relation to encouraging small firms to bid for public sector contracts.

Using the LAs procurement checklist responses we have identified a number of possible case studies to gather. The first of the case studies will examine how some councils have managed to develop a successful policy of encouraging larger suppliers to identify smaller, local companies to sub-contract to.

The case studies will examine a number of key issues including the barriers encountered by LAs in developing the initiative, how they were overcome and how successful has the initiative been.

Debasish Sen, SEPU procurement spokesperson said: "Once all the case studies have been completed we will produce a definitive guide for LAs on how to develop innovative approaches to encouraging greater participation by small business in tendering for public sector contracts."



Debasish Sen, SEPU Procurement Spokesperson



Launching Barriers 2006

In the September edition of the SEPU newsletter we reiterated the importance of completing the Lifting the Barriers to Growth questionnaire. But how do we intend to use the data you have supplied?

The major difference for the launch of this edition is that we will be provided with the 6 key issues leaflet, much like the 6 key principles document used by the FSB during the general election. The key issues will highlight the 6 major areas of concern to FSB members in the South East.

When the launch events are held in the South East for the first time we will be given the both the findings for the South East, as well as data for each county. Having the county based figures ready for the initial launch will allow us to deliver a much more focused presentation of the findings.

Following the formal launch SEPU will be carrying out further analysis of the findings from the survey allowing us to prepare a series of briefing papers examining key aspects of the report in greater detail.

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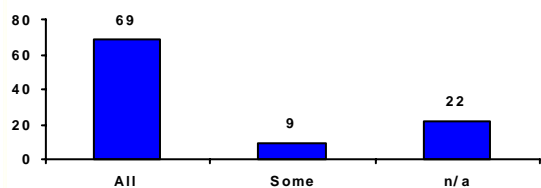
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For the latest news check out the sepu website at www.fsb.org.uk/se.asp

SEPU REPRESENTS OVER 33,000 SMALL BUSINESSES EMPLOYING 132,000 PEOPLE ACROSS THE SOUTH EAST

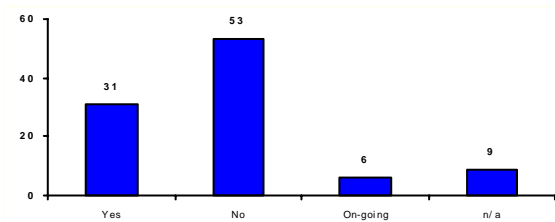
Local Authority procurement findings

An awareness amongst procurement managers of the benefits of buying goods or services from small businesses is crucial to any drive to increase the numbers of small firms bidding for public sector contracts. In light of this, it is encouraging to note that



when asked if procurement managers understand the benefits of buying from small businesses (see above) the majority, 69 per cent, stated that they did.

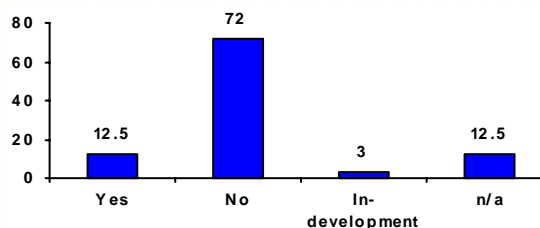
As the government offer procurement managers training courses on procuring from small businesses, we were interested to discover the current take-up level



of this training in the South East. The table above

shows that nearly a third of procurement managers have been on the government training courses, however, over half of respondents, 53 per cent, had not been through the training sessions

Training procurement managers is one part of the solution, but an equally important use of training is for Council run courses to help small businesses



understand the tendering process. Demystifying the procurement process is a crucial step to engaging small firms in bidding for contracts, however, as we can see from the table above, only 12.5 per cent of LAs currently hold such courses. The vast majority of LAs, 72 per cent, do not hold any training courses for small businesses.

From an analysis of all the responses to the procurement checklist we have identified those LAs with the best procurement practices to encouraging small firms to tender for contracts. The top performing council was Oxfordshire County Council, closely followed by West Sussex County Council, Chichester