

North Yorkshire County Council

Transport, Economy and Environment Overview and Scrutiny Committee

23 January 2013

Economic Development Covering Report

1. Purpose of Report

This report asks the Committee to note the information in this report and consider, question and comment on the information provided within the presentations on the day.

2. Background

The Transport, Economy & Environment Overview and Scrutiny Committee decided to devote a committee meeting to Economic Development. As the subject area is so wide the lead members took the further decision to split the consideration of Economic Development over two meetings.

The meeting on 23rd January 2013 will consider:

Economic Development - Part 1

- Local Enterprise Partnership – Stimulating sustainable business growth
- Highways and economic development
- How the County Council's procurement activity supports the economy of North Yorkshire

The meeting on 17th April 2013 will consider:

Economic Development – Part 2

- Skills
- Apprenticeships
- Superfast North Yorkshire (Broadband)

3. Economic Development - Part 1 – 23 January 2013

Presentation	Officer	Approx Time
<p>Local Enterprise Partnership – Stimulating sustainable business growth</p> <p>Content:</p> <ol style="list-style-type: none"> 1. The state of the economy <ol style="list-style-type: none"> a. International & National issues b. Local economy c. Changing structure & jobs market 2. What we are doing about it <ol style="list-style-type: none"> a. LEP <ol style="list-style-type: none"> i. Supporting Small Businesses ii. Major Growth Opportunities <ol style="list-style-type: none"> 1. Potash 2. Food and Environment Research Agency 3. Drax 4. Inward Investment iii. Strong Voice for Business 3. The Opportunity arising from the Autumn Statement 	James Farrar	10:45 – 11:30

Highways and economic development Content: <ul style="list-style-type: none"> • Local Transport Plan • Local Plans • Local Sustainable Transport Fund • Infrastructure Delivery Steering Group • Transport and the Local Enterprise Partnership • Encouraging a pro-economy mindset 	Barrie Mason	11:30am - 12:00
How the County Council's procurement activity supports the economy of North Yorkshire Content: See Annex 1	Geoff Wall	12:00 - 12:30

4. Recommendation

The Committee is recommended to note the information in this report and comment on the information provided within the presentations.

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Date: January 2013
Report presented by: Lorraine Laverton
Background documents: None
Annexes: Annex 1 How the County Council's procurement activity supports the economy of North Yorkshire

**TRANSPORT, ECONOMY AND ENVIRONMENT
OVERVIEW AND SCRUTINY COMMITTEE**

23 JANUARY 2012

**How the County Council's procurement activity supports
the economy of North Yorkshire**

SOME INFORMATION ON OUR PATTERNS OF SPENDING

The following information is based on some spend analysis carried out on 2010/11 expenditure with our core suppliers for spend over £1,000 during that year.

(a) Analysis of overall spend with Small and Medium Sized Enterprises (SMEs)

Size of organisation	Percentage of overall spend	Amount spent £m	Percentage of suppliers used	Number of suppliers
Small	30%	73	66%	2,046
Medium	32%	77	21%	651
Large	38%	92	13%	403
Total	100%	242	100%	3,100

Small is an organisation with less than 50 employees (or if unknown, turnover less than £5.6m)

Medium is an organisation with between 50 and 249 employees, or if unknown, turnover above £5.6m but less than £22.8

Large is an organisation with more than 250 employees (or if unknown, turnover greater than £22.8m)

(b) Analysis of spend where locality information is available

Locality	Percentage of overall spend	Amount spent £m
Local, ie within NYCC	42%	97
Other Yorkshire and Humber	22%	52
Elsewhere	36%	83
Total	100%	232

Locality information is based on the address to which payment is made. This may mean that some local firms are actually branches of national / multi-national organisations.

Payment to an address outside North Yorkshire does not necessarily mean that the worker providing the service works outside the County area.

(c) Additional analysis of the local spend of £97m

Size of organisation	Percentage of overall spend	Amount spent £m	Number of suppliers
Small	45%	44	962
Medium	34%	33	120
Large	21%	20	32
Total	100%	97	1,114

HOW DO WE LET LOCAL BUSINESSES KNOW WHAT WE WANT TO BUY?

- By compiling a Forward Procurement Plan for all contract opportunities over £10k (excluding individual packages of care and individual transport arrangements).
- By having a contract register, on same basis as above, that indicates where we are contracting now.
- By putting our tender opportunities linked to the above on our e-tendering system, YORtender. This means that we provide a 'one stop shop' to draw opportunities to the attention of the market.
- None of above are specific to local businesses – but assist them.
- The e-tendering portal is a regional initiative so local businesses also have way of accessing information on the requirements of other local authorities in North Yorkshire and the wider region.

WHAT OTHER ENGAGEMENT ACTIVITY TAKES PLACE?

- Working with partners, including the Chamber of Commerce, Federation of Small Businesses (FCSB), North Yorkshire Forum and in conjunction with District Councils, we put on Doing Business in North Yorkshire (DBINY) events, four times in the current programme.
- These aim to demystify/explain our procurement processes and share information on future opportunities.
- We have other engagement events – for example a social care event this month aimed at local social care providers.
- We publish a Doing Business document on the internet.
- We have supported other networking approaches, eg BuildNorthYorkshire (see below).

WHAT MORE CAN WE DO?

- There are issues about take up of engagement events. Relatively small numbers attend DBINY. We will keep under review, and following a discussion at the Corporate Procurement Members Working Group this month, Members of that Group continue to support initiatives of this sort. Money is in the procurement budget for 2013/14 to continue a similar programme next year.
- Higher cost initiatives such as BuildNorthYorkshire are no longer sustainable.

ARE THERE WAYS WE CAN SUPPORT SECTOR INITIATIVES MORE EFFECTIVELY?

- This might be the way of the input of time or in kind support rather than meeting the full costs of an event.
- Current examples have included attending events organised by the FSB.

CAN WE BE MORE PROACTIVE IN AWARDING WORK TO LOCAL BUSINESSES? ARE THERE CONSTRAINTS?

- European procurement rules mean we cannot positively discriminate in terms of local or SME organisations.
- How can we ensure that we achieve value for money at a time of budget constraint?
- We need to consider the impact of initiatives of this type on both the prime cost of the service and any costs of administration /contract management

However:

- The specification of the requirements needs to be written in a way that does not artificially restrict competition including local interest.
- Breaking down into smaller lots if appropriate. These are likely to be more attractive to smaller local organisations.
- Sustainability factors in the evaluation process may assist local firms.

REMEMBER

Many of our services are provided by local people even if the organisation employing them is not local, or is not an SME. This keeps employment and earnings in the local economy.