**Royal Borough of Kensington and Chelsea**

**Local Supplier Support Project**

1. **Introduction**

Royal Borough of Kensington and Chelsea (RBKC) piloted a successful Local Supplier Initiative over the past 15 months, which it would like to take forward based on the success to date and taking into consideration the lessons learned during the journey so far.

The Local Supplier Support Project will aim to engage and support local small and medium size enterprises and facilitate their access to new business opportunities, including on major local developments and through key council contracts to maximise local social and economic value.

RBKC recently launched an ambitious [Our Council Plan](https://www.rbkc.gov.uk/newsroom/all-council-statements/our-council-plan), which outlines the key priorities and places emphasis on working with local businesses to maximise opportunities and deliver social investment. Adopting new values and following cross-cutting themes in its delivery approach, the council will be working towards making the borough a great place to live, work and learn.

Closely aligned to Our Council Plan is [Live, Work and Learn](https://www.rbkc.gov.uk/council-councillors-and-democracy/our-plan-successful-local-economy-%E2%80%93-live-work-and-learn) – Our Plan for a Successful Local Economy. The Business and Enterprise Theme proposes a series of actions to ensure that Kensington and Chelsea remains a competitive location for business and finding ways of supporting businesses to start, stay, develop and grow in the borough. This project will take forward the relevant actions as below and contribute to the overall implementation of Our Plan for Successful Local Economy.

***Action 39*** Assist SMEs to access and compete for contracts to supply goods and

services on local developments through the Local Supply Chain project:

• Identify local businesses in suitable sectors

• Provide information and support to businesses to become “tender ready”

• Engage with buyers and link businesses up with opportunities

***Action 46*** Adopt, implement and monitor delivery against the Council’s section 106

Supplementary Planning Document to secure employment, training and

supply chain opportunities arising from development sites across the borough.

1. **Background**

A Local Supply Chain Pilot has been running since July 2018. It has been successful in several ways and has provided good insight into local challenges and opportunities which we are hoping that this project will help address. Below are the key achievements and key issues identified.

Key findings and achievements

The pilot engaged just over 80 local SMEs (small and medium sized enterprises) in the construction and related sectors (see Appendix 1). A database of around 1,370 relevant companies was used and a range of methods employed, such as phoning, mailing, etc but the most effective way of engagement proved to be directly exploring the borough’s commercial and light industrial areas and talking to individual businesses. Around 12% of the SMEs engaged are local architect practices so relevant support for these businesses will need to be considered.

Royal Borough of Kensington and Chelsea operates a Procurement Code (Appendix 2) for qualifying s106 developments and has set a local procurement target of 10% for such developments. There is also a responsible procurement strategy being developed by the council with one of the objectives to enable local SMEs to access council contracts. Buyer engagement has utilised these and has focused on local key development sites with some engagement with council-led procurement. Appendix 3 shows the key buyers currently engaged.

Various successful events were held during the past 12 months with the largest being Meet the Buyer event in April 2019. Seven buyers attended with their commercial teams to discuss business opportunities within their supply chains. 60 delegates from 44 local SMEs. A third of the SMEs attending were either architects or designers indicating the strong representation of these services in RBKC. Approximately 90 meetings were held during the event. The buyers were asked to score the relevance of each SME they met to their project needs and keep a record of any follow up actions they intended to carry out (e.g. Follow up meeting, Tender enquiry, Referral etc.). 38% of the meetings scored 4 or 5 out of 5 in terms of the quality of their match with the buyers’ needs which is higher than the one third average for comparable Meet The Buyer events. A total of 20 tender invitations are expected to be sent out and follow up is ongoing.

The Pilot helped revise the s106 Local Procurement Code and approach and contributed to the most recent Supplementary Planning Guidance which was consulted upon in January 2019. Adoption of the new SPD is expected in September 19.

Key issues identified

* *Gaps in the supply chain*

There are many gaps in the local supply chain still to match with the standard construction packages being procured by the buyers. This is inevitable with a single borough initiative and it may be an idea to have a reciprocal arrangement with neighbouring boroughs to cross source suppliers when needed.

* *Repair & Maintenance*

There are however plenty of smaller companies doing repairs and maintenance and one strategy is to try and engage with more large property owners in the borough which can make use of them and welcome a local personalised service.

* *Lack of basic Health and Safety accreditation*

Many of the suppliers in trades such as building, decorating, plumbing etc. are lacking the basic level accreditations such as CHAS and Constructionline which will help them get more commercial work.

* *One-to-One support and mentoring*

There has been little scope for in-depth meetings with individual businesses during the pilot phase. There is a need to meet companies with potential, understand their offer and capability, help them understand what the business support can do for them, assist them with getting the necessary accreditation and position them for market opportunities.

* *Multitude of Architects and Designers*

The borough is well endowed with architects and designers of all kinds. There is also the Chelsea Design Quarter in the Kings Road as well as Chelsea Harbour and Designers Guild. Such talent cannot easily find opportunities through this initiative as most buyers are identified when all technical services have long since been appointed by the developer.

1. **Project Description**

The project will play an important role in delivering key objectives of Our Plan for Successful Local Economy and will support actions within its three main themes of employment and skills, business and enterprise and planning and investment (check these are as per the published strategy). The main aims of the project will be to:

1. assist SMEs to access and compete for contracts to supply goods and services on local developments:
   * identify local businesses in suitable sectors
   * provide information and support to businesses to become “tender ready”
   * engage with buyers and link businesses up with opportunities
2. engage and support local SMEs through customised 1:1 sessions and business events to become involved in supplying goods and services to new buyers, including local developers, their supply chains and council procurement; this should include both construction and wider opportunities;
3. develop relationships with buyers and their commercial teams to secure opportunities for the local supply chain and to provide customised support for local SMEs, including mentoring, networking, accreditation and due diligence advice, etc.;
4. implement and monitor delivery against the Council’s section 106 Supplementary Planning Document to secure supply chain opportunities arising from development sites across the borough; ensure continuous evaluation and improvement of dlivery;
5. engage local architectural practices and other relevant professional services and explore creative ways to open up new opportunities. These could include the early stages of development planning, specialist panels, frameworks, etc.;
6. maximise local opportunities by developing partnerships (and using economies of scale) across borough boundaries where relevant and with key London-wide initiatives such as GLA Business Growth Hub, CompeteFor, etc.;
7. establish an effective system to broker a meaningful dialogue between local SMEs and buyers (developers, their supply chain and council contract managers) to increase local SMEs’ chances of being considered for tenders and successful contract awards;
8. put in place a marketing and communications plan to promote the programme and promote the SMEs who sign up for the programme;
9. ensure that all businesses are also included in the RBKC Business Guide online ‘Go Local’ listings guide which is under development;
10. the programme is linked into the established RBKC local business support eco-system;

In order to achieve the above main objectives, it is envisaged that the following principal areas of focus will be covered:

1. **Buyer engagement:** to engage and assist developers and their supply chains to comply with their s106 local procurement obligations as well as to engage local landowners, their suppliers and council contractors by targeting key procurements, establishing systems to effectively promote opportunities and enabling easy access to a pool of suitable local SMEs. To secure appropriate additional support for local SMEs, including mentoring. This element will comprise about 40% of the work.
2. **Supplier engagement and support:** to engage suitable local SMEs through a variety of means, including tours of the borough, briefings, workshops, events and to provide face-to-face individual support to increase their chances of successfully bidding for new opportunities. Develop a meaningful package of customised support, including help with accreditation, insight into successful tendering, mentoring and specific advice from key local buyers; to build an accurate database of SME suppliers in the borough, together with their company profiles, due diligence checks and other relevant information that will enable developers and their supply chain to consider them when tendering for goods and services. This element will comprise about 50% of the work.
3. **Wider partnerships and opportunities:** to develop links with relevant London-wide and local partners and initiatives to bring additional value to local suppliers and buyers and benefit from economies of scale (e.g. where joint events are run or existing systems used). This element will comprise about 10% of the work.
4. **Minimum Expected Outputs and Outcomes**

**Outputs**

1. SME businesses engaged and signed up to the programme - 150
2. developers, council contractors (and their supply chains) engaged – 25
3. architectural and other professional services actively participating - 15
4. SME businesses receiving 1:1 support - 50
5. tender invites – at least 30
6. successful tenders – at least 7
7. business events – 8
8. effective brokerage and monitoring system
9. marketing and communications plan

**Outcomes**

1. an effective engagement and support package for local SME businesses to enable them access to new opportunities
2. consistent engagement of local buyers (including council contractors) to raise the importance of local procurement in supporting economic growth in RBKC
3. efficient implementation and monitoring of s106 local procurement/social value commitments and opportunities to improve our approach and system
4. new tender opportunities identified and promoted locally
5. proactive approach to engaging with the many architectural and professional services in the borough and identifying appropriate support and action
6. meaningful input and addition to the already established RBKC local business support eco-system
7. **Duration and cost**

It is intended that this provision will operate over a 24-months period and bids should not exceed £50,000.

1. **Award Criteria**

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| **Section**  Section questions | **Value of question to section** | **Value of section to overall score** |
| 1. **Your Proposal**   Set out how your will deliver the Local Supplier Support Project. Your response should include the following: |  | **30%** |
| 1. How will you attract and support local SME businesses to be able to access new tender opportunities? What customised 1:1 support and what business events do you intend to deliver and why? | 30% |  |
| 1. Describe your approach to engaging local buyers across sectors, e.g. local developers, local authorities. How would you secure new tender opportunities for local businesses and how would you secure additional benefits such as mentoring, workshops, accreditation advice, networking from these buyers? | 25% |  |
| 1. How will you go about proactively engaging local architecture and other professional services to form effective partnerships and develop an appropriate support offer for these local businesses? | 25% |  |
| 1. How would you ensure that the project achieves its outputs and outcomes and enhances the existing RBKC local business support eco-system? To respond to this question comprehensively, you are expected to familiarise yourself with the current local business support offer and events, co-ordinated by the council and key local partners engaging with businesses. | 20% |  |
| 1. **Track Record of working with Buyers and Suppliers (local SMEs) and brokering successful relationships** 2. Provide details of your organisation’s past experience of engaging businesses (suppliers and buyers) and running successful local buying initiatives. Please include data evidencing:  * Numbers engaged * Numbers of successful outcomes (tenders won and contract amount) * Over what time period * Other relevant outcomes that demonstrate innovation and add value | 35% | **30%** |
| 1. Describe the needs of SME businesses and buyers and how your proposal will be able to meet them. Please respond in reference to the 10 main objectives as outlined on page 3 of the brief and the 3 principal areas of focus on page 4. | 35% |  |
| 1. What will be the issues specific to the local area that might affect successful delivery and how would you tackle them? How will you ensure that SME businesses from across the borough have fair and equal access to the project? | 30% |  |
| 1. **Creativity and Innovation** 2. The pilot which ran for the past 15 months identified key issues which this project will be expected to address. An overview of the pilot and a summary of the issues is provided in section 2.0 Background of the specification. How will you approach these issues and how would you use this learning to enhance future delivery? 3. What added value (including economic and social value) will your organisation bring to this project, for example additional funding, complementary services, etc? 4. What innovative practices will you bring to this project to address some of the more ambitious aspects of this project (in particular objectives 3, 5, 6 and 10) | 40%  30%  30% | **10%** |
| 1. **Management of the Service** 2. Set out how the service will be managed. Give the names, qualifications, experience and job roles of all staff who will be delivering the service. Provide an organisation chart showing clearly those who will be involved in this proposal, the relationships and lines of management responsibility for these roles and who will have responsibility for this contract. | 40% | **30%** |
| 1. How will you manage performance and assure quality of the service? What internal monitoring processes will you use to ensure that all outputs and outcomes are met? | 30% |  |
| 1. What capacity is there within your organisation to ensure continuity of service in the event of staff leave, sickness or absence of key personnel? | 15% |  |
| 1. What evidence will you obtain and retain to demonstrate SME business and buyer eligibility and outcome evidence? Provide evidence of your ability to accurately complete and return monitoring information by Council deadlines. | 15% |  |
| 1. **Due Diligence – Forms and Polices**   The Qualification Envelope contains a number of questions and forms that we require you to answer or complete. Not all will be applicable to all providers. | **NOT SCORED** | **NOT SCORED** |

1. **Reporting arrangements**

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| **Reporting to:** | Albena Karameros, Economic Development Team |
| **Location:** | Flexible – including locations on key development sites and council offices as directed |
| **Frequency:** | Quarterly reports, annual evaluation and ad hoc meetings as required |
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