

# **Cabinet**

**8 April 2021**

## **Establishment of a Dynamic Purchasing System for Business Support Services**

### **Recommendations**

That Cabinet:

- 1) Approves the establishment of a Dynamic Purchasing System to facilitate the delivery of a range of business support services and programmes in support of the County Council's Covid-19 Recovery Plan and the Economic Growth Strategy.
- 2) Approves commencing with the procurement and delegates authority for the Strategic Director for Communities to negotiate, and to enter into, all contracts on terms and conditions acceptable to the Strategic Director for Resources.

### **1.0 Background and Key Issues**

- 1.1 The County Council commissions (and manages or delivers) a wide range of business support services and programmes, and we also support a small number of partner organisations with their activities. This includes start-up support, a range of support for established businesses and specialist support for Warwickshire's priority sectors. It also includes a number of new activities and programmes established in the last 6-12 months to support the immediate recovery phase of the Covid-19 Recovery Plan.
- 1.2 The Council has used a range of commissioning routes for these services and programmes. This includes different procurement routes (both above and below the Public Contract Regulations thresholds) and supporting partner organisations with their work via grant or service level agreements as well as internal delivery.
- 1.3 It is appropriate that the Council now considers its approach to commissioning future business support services and programmes. There are a number of reasons for this:
  - The Council agreed a new Economic Growth Strategy in early 2020. This includes priorities and high-level actions around supporting business and our priority sectors.
  - The Council has ambitious plans to support economic recovery via its Covid-19 Recovery Plan. This includes new programmes and activities such as the proposed Warwickshire Recovery and Investment Fund

(WRIF) which will require additional, specialist expertise to support its delivery.

- The establishment of the Investment Funds including the Place Shaping and Economic Recovery Fund.
- A number of our current business support services and programmes are time-limited and due to end within the next 9-12 months.
- Others were established quickly in response to the Covid-19 crisis via the quickest possible procurement route and they are also due to come to an end. Moreover, Covid-19 has demonstrated the need for the Council to be able to act quickly to establish new support programmes and to be able to support a wider range of sectors.
- It is well recognised, both pre-Covid and during the pandemic, that some service needs are difficult to scope in advance and demand can vary quite significantly. Certain contracts and funding agreements can be scaled up quickly if/ when required. However, others can be limited by the value or scope of the original procurement exercise and contracts have to be re-tendered. This is time-consuming and expensive in terms of officer time. It can also leave gaps in service.
- Finally, the Government recently announced more information about new funding programmes including the Levelling Up Fund, the Community Renewal Fund and the UK Shared Prosperity Fund (UKSPF) designed to replace the European Structural Funds. All three funds envisage a key role for local authorities.

1.4 There are also new procurement routes available to the Council. This includes Dynamic Purchasing Systems which typically last for five years. The initial requirements for joining a DPS can be simpler than other procurement routes. Suppliers can also join at any time during the lifetime of a DPS which allows new entrants to a market to apply without having to wait until contracts are re-procured. Finally, a DPS allows for multiple smaller contract lots and work packages which makes it attractive for both the procuring body and suppliers including smaller suppliers.

## **2.0 Options and Proposal**

2.1 Do nothing – This option would involve the Council continuing to use its existing procurement approaches and routes when current services and programmes come to an end or new ones need establishing. However, this would not address the issues of speed and officer time identified above. It also would not give the Council the flexibility it needs across a range of sectors and specialisms to deliver its ambitious plans for the recovery and future growth of the Warwickshire economy.

2.2 Establish a DPS – This option would involve the Council establishing a DPS for Business Support Services. A single procurement exercise would give the Council the ability to extend a number of existing projects and programmes when they come to an end and also to commission a range of new activities in support of the Covid-19 Recovery Plan, the WRIF and the Economic Growth Strategy. In particular, a DPS would give the Council the ability to respond quickly and flexibly as service needs emerge and change. Finally, it would

ensure the Council is well positioned to take advantage of – and lead on – future Government funding programmes.

- 2.3 It is recommended that Cabinet supports the establishment of a Dynamic Purchasing System to facilitate the delivery of a range of business support services and programmes in support of the County Council's Covid-19 Recovery Plan and the Economic Growth Strategy. It is also recommended that the Council commences with the procurement quickly as a number of services and programmes are due to end and potential new requirements (e.g. in support of the WRIF) are emerging.
- 2.4 Work is ongoing to finalise the exact scope of the new DPS. However, it is expected that it will cover start-up support, business support, the specialist access to finance advice needed to support delivery of the WRIF and support for Warwickshire's priority sectors.

### **3.0 Financial Implications**

- 3.1 There are no direct financial implications with the establishment of the DPS (other than officer time in Economy & Skills, Strategic Procurement and other services such as Infrastructure & Sustainable Communities). In some cases, there are also no new additional financial requirements as the DPS will be used to deliver future services and programmes that are funded by existing budgets (whilst making some savings in terms of officer time). There is also no requirement to use the full range and scope of services in a DPS once it has been established.
- 3.2 However, there are clearly wider financial implications arising from a decision to establish a DPS. In some cases, budgets will need to be identified to deliver priorities and actions in the Covid-19 Recovery Plan or any new activities to support the Economic Growth Strategy. Any new investment by the Council is expected to be funded by the Place Shaping and Economic Recovery Fund. All new investment will be subject to approval and considered in the context of the Medium-Term Financial Strategy.
- 3.3 In addition, opportunities for Government and other external funding will continue to be explored along with the potential to align and integrate activities commissioned by the Council with those of our partners. This could include giving certain, identified local partners the ability to make use of the Council's DPS.
- 3.4 It is expected that expenditure via the DPS will be £0.2 to £0.4 million per annum. However, it could be higher depending on the final scope and the future delivery arrangements for new Government funding programmes.

### **4.0 Environmental Implications**

- 4.1 The establishment of a DPS for Business Support Services will not have a major impact on the environment. However, it will give the Council greater

ability to support businesses including supporting the growth of the low carbon economy

## 5.0 Timescales associated with the decision and next steps

5.1 The procurement will commence in April. It is expected that the DPS will be established in June and that it will be in place for five years.

## Background Papers

None

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