

# **Small businesses to be supported by council spending**

**The Council is a major employer and procurer of goods and services necessary for them to deliver over 700 services to the people of Edinburgh.**

**Now it will prioritise that spending with small businesses as the city recovers from the Covid-19 pandemic in an effort to boost the local economy.**

The Council's Economy Strategy includes encouraging growth in small and medium sized enterprises (SMEs), cooperatives and social enterprises. Last year the council spent £156 million with small business, which is almost 23% of the total procurement spend.

As Small Business Champion, Cllr Lezley Marion Cameron explained she wanted to know what the size and impact of the Council's spending in small and medium sized enterprises (SMEs) was. This motion was agreed by the council in November 2019

The report which has just been issued sets out details of that spending. The council will adjust its procurement processes to deal with any barriers that SMEs and social enterprises face in bidding to supply goods and services both to the council, and to their wholly owned Arms Length External Organisations (ALEOs), which include EICC, Edinburgh Leisure, and Marketing Edinburgh). They will be given feedback at the bidding stage if they are unsuccessful. There will also be engagement workshops and events held to help small business.

Cllr Cameron said : "We are also keen as a city to influence

and encourage our third party suppliers, where we can, to adopt and follow best practice with regards to sustainable supply chains, and the sourcing of locally made, or grown or designed goods, produce and services.

“It is heartening to know that 47% of our total core spend of £634.8 million with third party suppliers during 2018/19 was with SMEs. Also, that the Council’s percentage of procurement spend with local enterprises during the same year was 41.8%, (an increase from 37.6% in 2017/18)

“Whilst Council must adhere to strict legislative rules, our Sustainable Procurement Strategy 2020-2025 objectives aim to direct our spending towards economic, environmental and social outcomes which support good growth.

“This strategy will also enable the Council to tackle the significant additional challenges we now face, ( i.e. COVID19, Brexit, the related recession forecast) and in building resilience and recovery into the Edinburgh economy.

I hope the decision by the Policy and Sustainability Committee to agree a target of third party supplier spending of 25% with SMEs, is welcomed by these businesses.

The [report](#) comes as the Council reaches a new milestone in the [Coronavirus Business Support](#) funding it is distributing to businesses.

Over £104m in grants has now been issued to more than 8,200 business owners. This is in addition to £874,000 which has been issued to almost 600 newly self-employed workers since 30 April 2020, with more applications in progress. The funding comes from The Scottish Government but is managed by the local authorities across Scotland.

Council Leader, Adam McVey, said: “Small and local businesses are the lifeblood of our city and getting them back up and running is one of the key priorities of our Adaptation and

Renewal Programme as we move into the next phase of lockdown and as Edinburgh recovers from the pandemic. We will continue to increase support through our procurement processes and to consider other ways in which we can encourage the return of small business across Edinburgh in all industries, including hospitality and tourism.

“The measures discussed at Committee are complemented by other activity such as the regulatory work we’re doing to make licencing more flexible for businesses and by the Spaces for People programme which has been designed to encourage residents to come and spend time in the city, supporting local businesses while doing so. Coordinated measures like these show how critical it is that activity implemented through the Council’s different strands of work are joined up properly.”