



**Federation of Small Businesses**  
The UK's Leading Business Organisation

**KEEP TRADE  
LOCAL™**

## Small Business Friendly Procurement Charter Declaration of Support

This charter is designed to promote positive procurement between small businesses and local authorities. Following an FSB report '**Local procurement: making the most of small businesses**' the FSB identified the barriers that small businesses face when accessing local and national procurement. This charter makes 15 best practice recommendations to encourage a better procurement process for local small firms.

### Strategy and Policy

- Adopt a procurement strategy that explicitly recognises the significant benefits of procuring from local small businesses, without compromising your legal stipulations.
- Have an economic development strategy that takes into account the needs of the existing local economy, and a procurement strategy that is based on a comprehensive analysis of spend.
- Actively consider how much of each procurement decision should be assigned to social value considerations.
- Within your procurement strategy set out how you will ensure best practice is followed and how you will monitor progress.
- Break down contracts into smaller lots wherever practical.

### Spend Analysis

- Have mechanisms in place to record and analyse where, and with which businesses, your money is spent. This should include measuring the size of enterprise – medium, small or micro.
- Ensure you have initiatives that support local SMEs with the tender process (i.e. training opportunities and supplier pre-engagement activity) and develop the potential of a local small business supplier base.
- Monitor and take account of the local economic impact of your key spending decisions.

### Process Simplification

- Use a relevant national, regional and sub-regional portal to advertise your procurement opportunities wherever appropriate to do so.
- Ensure the use of selection requirements is proportionate and based purely on the needs of the contract.

### SME Engagement

- Ensure you have initiatives that support local SMEs with the tender process and develop the potential of a local small business supplier base.
- Provide detailed, specific and timely feedback to all businesses that request it, under the provisions of the Remedies Directive 2009, in order to improve a business's bidding capabilities.
- Ensure that regular training opportunities and supplier pre-engagement activity is available for small businesses in their area.

### Payment Practices

- Pledge to pay suppliers on time to agreed terms and actively seek opportunities to reduce the payment time.
- Use contract clauses to ensure that prime contractors pass on the council's payment terms to their subcontracted suppliers, and that the subcontracted suppliers likewise pass on terms throughout the supply chain.

Local Authority: .....

FSB Region: .....

Position: .....

FSB Chairman: .....

Signed: .....

Signed: .....