

SUPPLY CHAIN RESILIENCE & DIVERSITY INFO FOR APPOINTED COMPANIES

On 7 October 2020, Scottish Government published a procurement note on Supply Chain Resilience and Diversity in connection with both COVID-19 and EU Withdrawal, to remind public bodies of the practical steps that should be taken to support supply chains and help reduce the risk of disruption to supplies caused by supply chain vulnerabilities and surges in demand.

Although Cabinet Office has not, as yet, issued a procurement note for England, Wales and Northern Ireland, LHC believes that public bodies in the rest of the UK should take heed of the guidance and take steps to ensure they have identified higher risk supply chains, bottlenecks and vulnerable suppliers that need targeted action.

In line with the guidance and to ensure our Clients are confident with our approach, we are seeking to pro-actively inform LHC Appointed Companies to encourage them to identify and address the following vulnerable areas. By doing so and in anticipation of governments 'Build, Build, Build' agenda LHC and our Clients can be confident to expect positive responses from Appointed Companies to effectively meet call-off requirements, post EU withdrawal.

Supply of materials

- Do you have a comprehensive risk management process in place to ensure security of supply of materials, products or equipment essential to the delivery of the required product/service?
- If so, are the results and appropriate mitigation actions of this process included within your supply chain management, sourcing strategies and stock management?
- Where there is a risk of disruption to your supply chains, do you have multiple sources for the same 'at risk' product and/or components?

Demand increases

- Within your supply chains do you have measures in place to respond to volume demand fluctuations of your product or service?
- Do you have a process for identifying potential suppliers?
- Do you advertise sub-contracting opportunities through public portals?

Restricted freight travel

- Do you have measures in place to address possible restricted freight travel?
- Complexity or opaqueness of supply chains

Are your supply chains complex with multiple steps?

- If so have you identified or are you planning to identify shorter or less complex supply provision?

Reliance of production activities on low skill processes and low pay occupations.

Where manufacture, or service delivery is reliant on low skill processes and depending on the terms of the Deal/No Deal EU withdrawal, labour may be restricted.

- Have you identified a risk of reduction in workforce due to EU Withdrawal?
- If so, what measures have you put in place to ensure the maintenance of your offer under the framework?

If you have any suggestions or queries, do not hesitate to get in touch with Tim Oakley, Head Consultant at tim.oakley@lhc.gov.uk