

19 March 2018

Agenda Item: 6

REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT

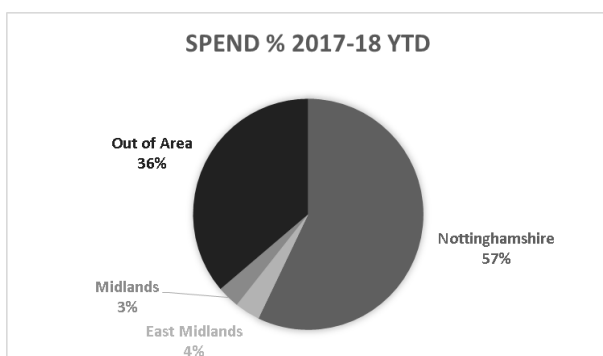
LOCAL SPEND AND SUPPLIER ENGAGEMENT

Purpose of the Report

1. To provide Members with updated information relating to supplier spend both within and outside of the County boundary following on from an original report presented in September 2017.
2. Provide members with an update on work that is underway and planned for engaging with the local supply markets.

Information

3. This report is based on supplier invoice spend recorded in BMS, by postcode. The report presents the current financial spend analysis for the financial year 2017/18. The data used excludes, Individuals & Service Users, Foster Carers & Adoption Parents and Employees. The spend figures have been rounded and the percentages quoted are based on those adjusted figures.
4. The information presented has been divided into four categories, Nottinghamshire Spend (Inc Nottingham City), East Midlands, Midlands, and Out of Area, and is illustrated in two formats by value and by supplier numbers



5. It was reported at the September 2017 committee that the local spend was predicted to be between 50-60% of overall spend by the end of the current financial year and the data presented in this report suggests that this will be achieved. The previous two financial years have seen a 53% and 56% local spend outcome.
6. The current running value of overall spend is £762,482m of which £414,987m is being spent within Nottinghamshire. Of this local spend approximately 19% of goods and services are being delivered by local voluntary organisations, SME's and Sole Traders. It is recognised that there is value in increasing the amount of work that is undertaken utilising the local supply market.
7. Historically Small to Medium Sized Enterprises (SMEs) and other organisations have faced a range of barriers in accessing procurement opportunities and in winning contracts. These barriers include suppliers viewing the procurement process, often, as overly bureaucratic, they do not have the capacity to bid for opportunities and compete with large business; and the belief that the process of procurement is being undertaken on the basis of cost thus ruling out the ability of SMEs to demonstrate their wider value.
8. Whilst the procurement regulations do not allow the direct award of contracts to local suppliers the procurement service aims to increase its engagement with this market with a view to encouraging more local suppliers to bid for NCC contracts, in 2018-19.

Current Supply Market Engagement

9. At present premarket engagement events are undertaken before each procurement project with local businesses and SMEs these involve them in the design of goods and services before a tender process formally commences.
10. The procurement team undertake regular Meet the Buyer Events the most recent event was in Partnership with the East Midlands Chamber on 6th March 2018.
11. Where possible contracts are broken down into smaller lots to encourage SMEs and local businesses to bid for work, in addition there is an increased focus on the use of the Dynamic Purchasing System which allows suppliers to apply to be part of an approved supplier list for a specific set of goods or service delivery as and when required.
12. NCC has its own local website for advertising contracting opportunities called Source Nottinghamshire, this approach to advertising locally is a joint one with the wider East Midlands.

Proposals Going Forward

13. There is a need to make improvements to the procurement webpages on the internet so that they are more accessible and easy to navigate for potential suppliers.
14. Work has started with a local bid writing firm to set up a supplier and buyer focus group to explore ways that we can both improve what we do.
15. Work has started with the Growth Hub to see how further engagement with our local suppliers can be achieved.

16. Exploring the design and delivery of some procurement workshops for local suppliers is underway.
17. The procurement service is starting to review and refresh the approach to Social Value in the procurement projects to enable SMEs and local businesses to properly demonstrate social value by applying greater weighting to it in the procurement process.

Statutory and Policy Implications

18. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) Members to endorse the approach to engaging the local supply market.

Nigel Stevenson

Service Director – Finance, Procurement & Improvement

For any enquiries about this report please contact:

Clare Winter - Group Manager, Procurement

19. Constitutional Comments (KK 06/03/2018)

The proposal in this report is within the remit of the Finance and Major Contracts Management Committee.

20. Financial Comments (SES 06/03/18)

There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

21. Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All