

September 2017

Agenda Item: 6

**REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT &  
IMPROVEMENT**

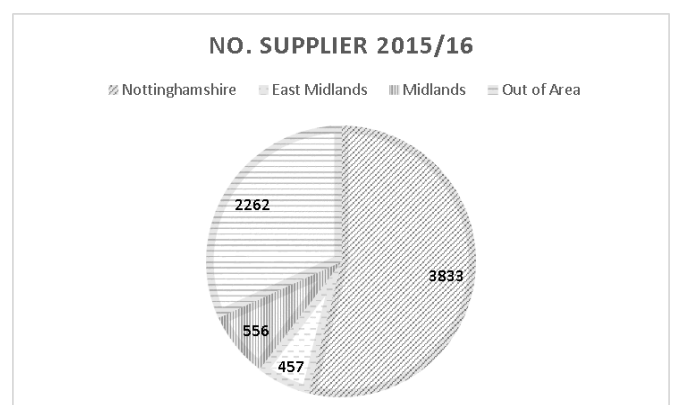
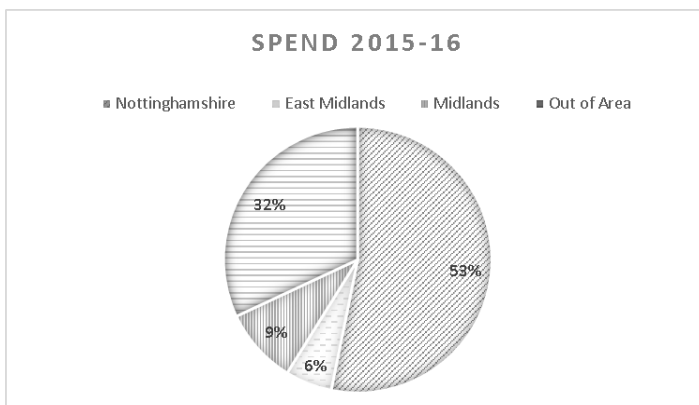
**SPEND ANALYSIS REPORT IN (LOCAL SPEND) AND OUT OF COUNTY**

**Purpose of the Report**

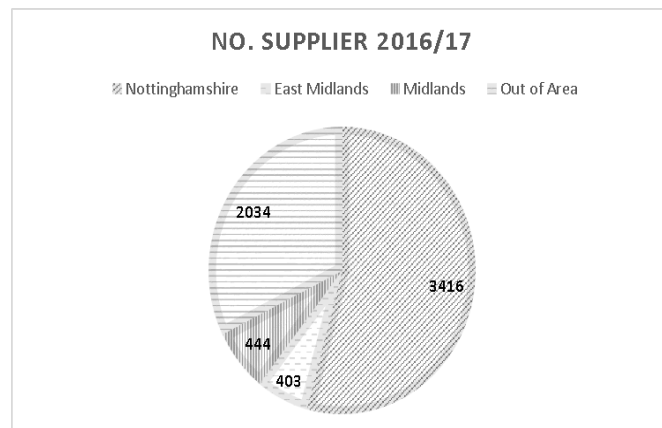
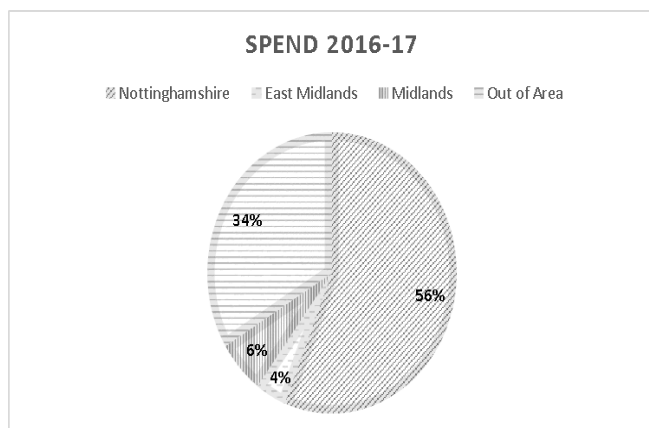
1. To provide Members with information relating to supplier spend both within and outside of the County boundary.

**Information and Advice**

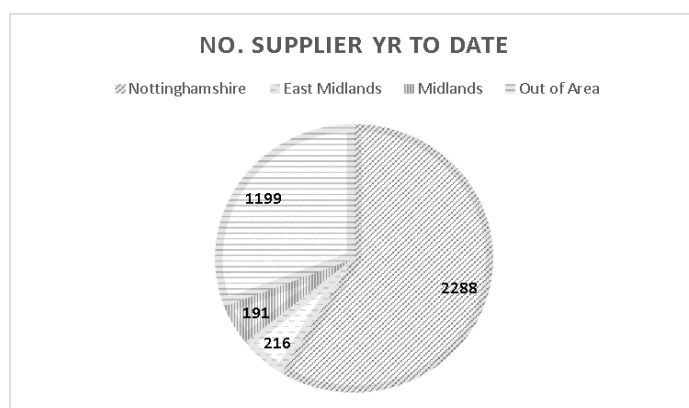
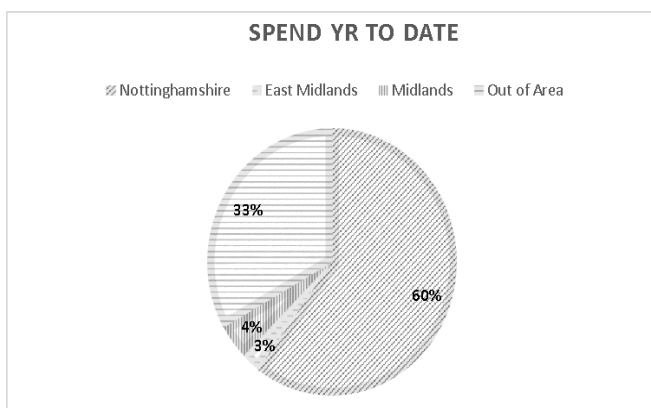
2. This report is based on supplier invoice spend recorded in BMS, by postcode. Analysis of spend covers the two year period, 2015/2016, 2016/2017, and year to date data from April to August 2017. The data used excludes, Individuals & Service Users, Foster Carers & Adoption Parents and Employees. The spend figures have been rounded and the percentages quoted are based on those adjusted figures.
3. 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.
4. The overall spend in 2015/16 was £615.244m the pie chart below illustrates the percentage split of this spend by category. 53% of spend was in Nottinghamshire, and the number of suppliers transacted within the year was 7,108, of this number 3,833 were Nottinghamshire based.



5. In comparison the overall spend in 2016/17 was slightly higher at £622.188m, and we see an increase in the local spend (56%) compared to the previous year. The number of suppliers transacted with in the year was lower than the previous, 6,297 however the percentage of these being locally based remains in line with the previous year.



6. Current year analysis from 1<sup>st</sup> April to 1<sup>st</sup> August 2017 show that based on the year to date spend of £264.655m the council is forecast to continue the trends of the previous two years averaging between 50–60% spend within Nottinghamshire.



7. It has to be noted that the data is based on postcode location and invoice payment, out of area spend does not necessarily mean that the suppliers are operating and providing their services out of Nottinghamshire, they may have a local delivery office and in some cases the payment address is likely to be a head office location.
8. Any care services delivered locally to Nottinghamshire residents has to have a registered office in Nottinghamshire and will employ local people to deliver the service, for example Agincare UK Ltd and Mears both provide Home Based Care services locally but their head offices are out of area.
9. We are working to increase the use of the local supply market. We undertake this through pre-market engagement events prior to commencing individual procurement projects. These events are aimed at those suppliers that may be able to deliver our requirements, and work with us in developing the service.

10. We also undertake wider generic Meet the Buyer events, these focus on public procurement processes, and seek to enable more organisations to feel empowered about tendering for locally-available work. We have two events planned for this year, one with a focus on Social Care providers in September and a wider open event in October. The October event will be a joint approach with East Midlands Chamber and other public sector partners.

## **Statutory and Policy Implications**

11. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working 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.
- 2) Members to comment upon the information presented and advise if any additional analysis work is required.

**Nigel Stevenson**

**Service Director – Finance, Procurement & Improvement**

**For any enquiries about this report please contact:**

Clare Winter - Group Manager, Procurement

### **Constitutional Comments (KK 06/07/2017)**

12. The proposals in this report are within the remit of the Finance & Major Contracts Management Committee

### **Financial Comments (RWK 07/09/2017)**

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

### **Background Papers and Published Documents**

14. 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