

PROCUREMENT OVERVIEW

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Head of Procurement

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Agenda

- Procurement and commissioning at NCC
- Where the money goes
- Savings levers
- Issues for committees

Procurement and commissioning

- Procurement centralised
 - Except for waste, construction
- Contract management largely decentralised
 - Except for social care
- Procurement and commissioning co-located
 - “commissioning hub”
- *Best Council to do Business With*
- Good relationship with Cabinet Office
 - Commissioning Academy
 - Aggregated procurement
- Longstanding membership of ESPO

Major procurements

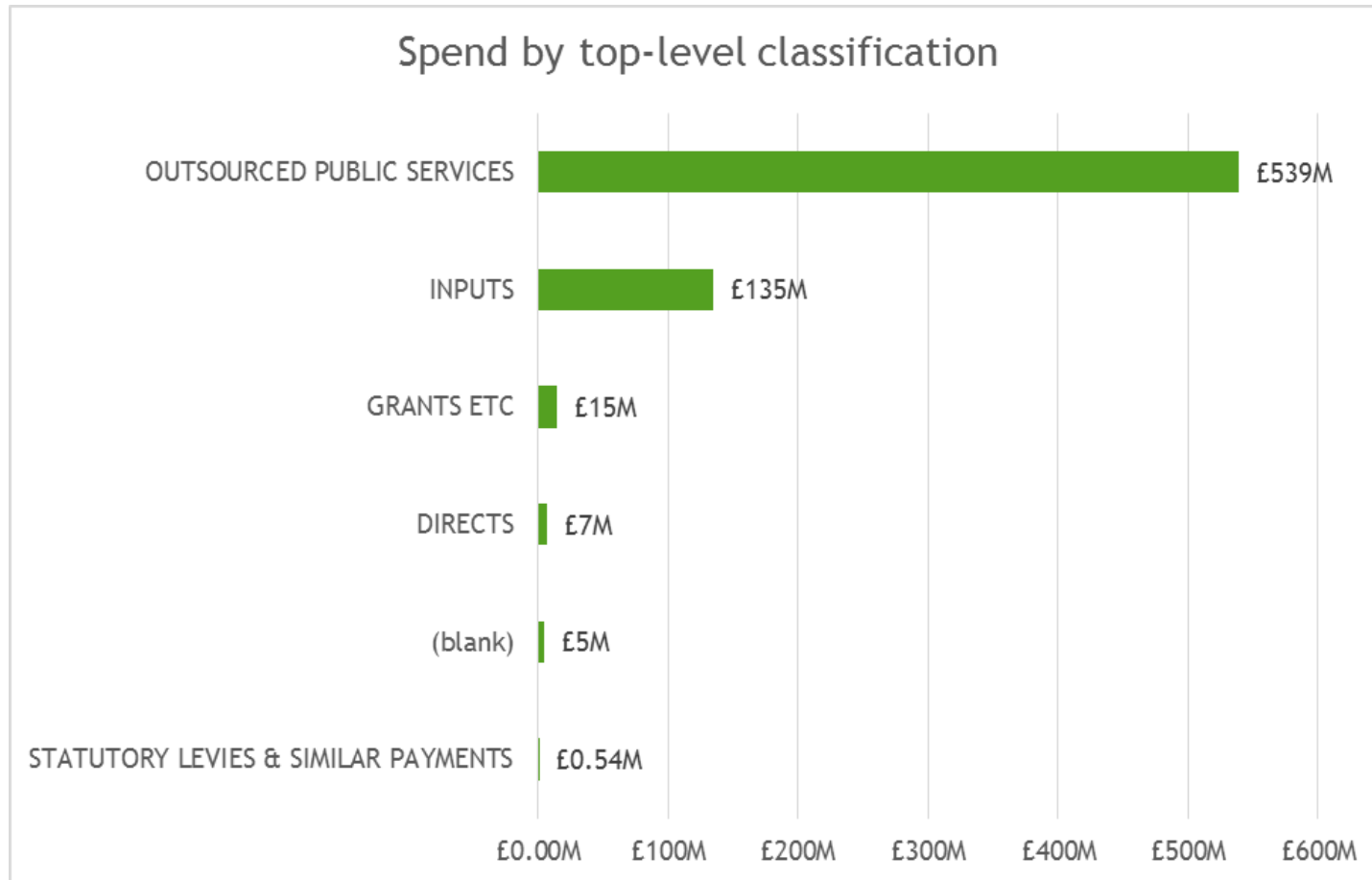
Tenders

- Children's centres
- Highways – three competitive dialogues
- DNA
- Sexual health

Negotiations

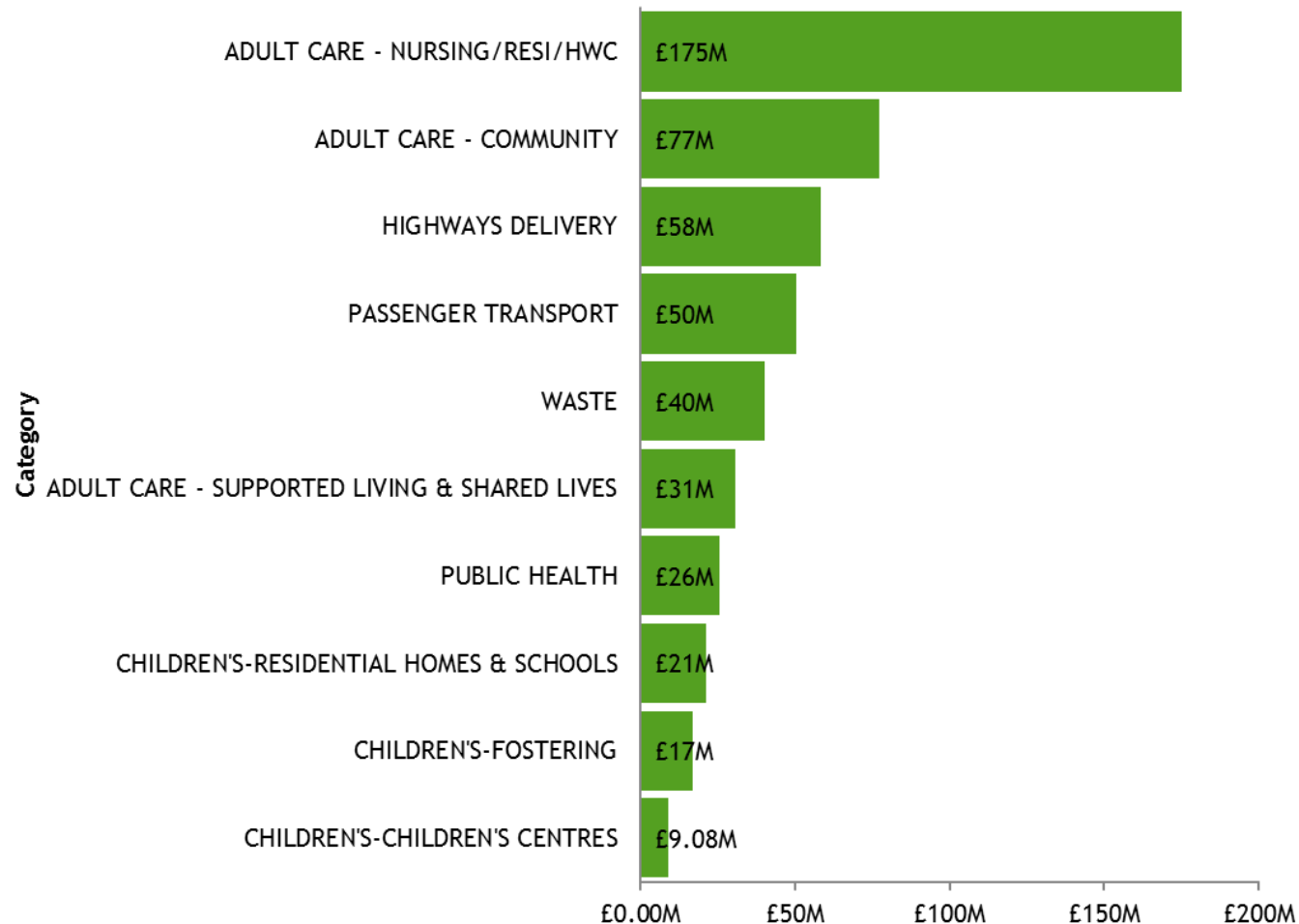
- May Gurney
- BT
- Norfolk Community Health and Care

Procurement expenditure

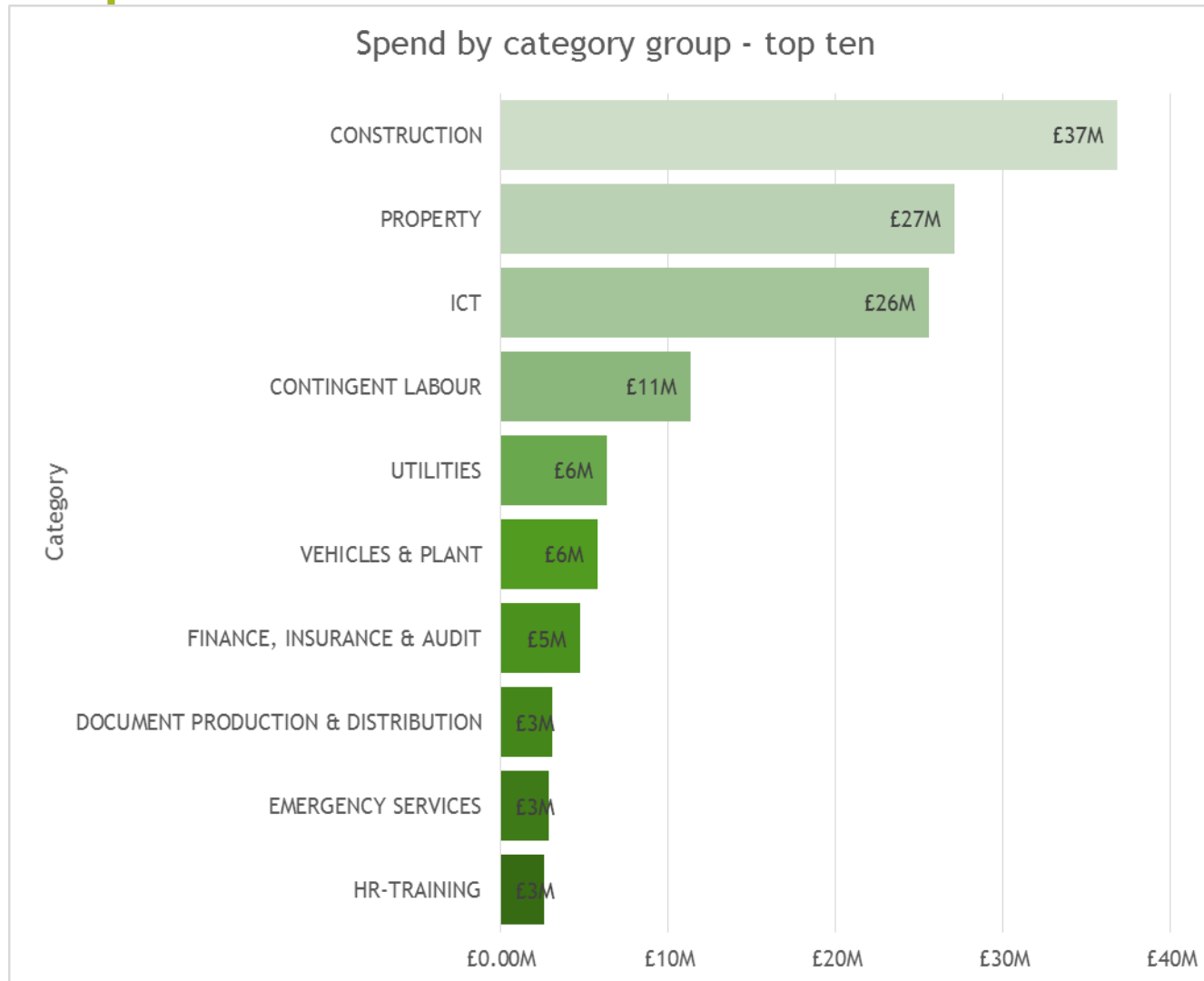


Outsourced services

Spend by category group - top ten

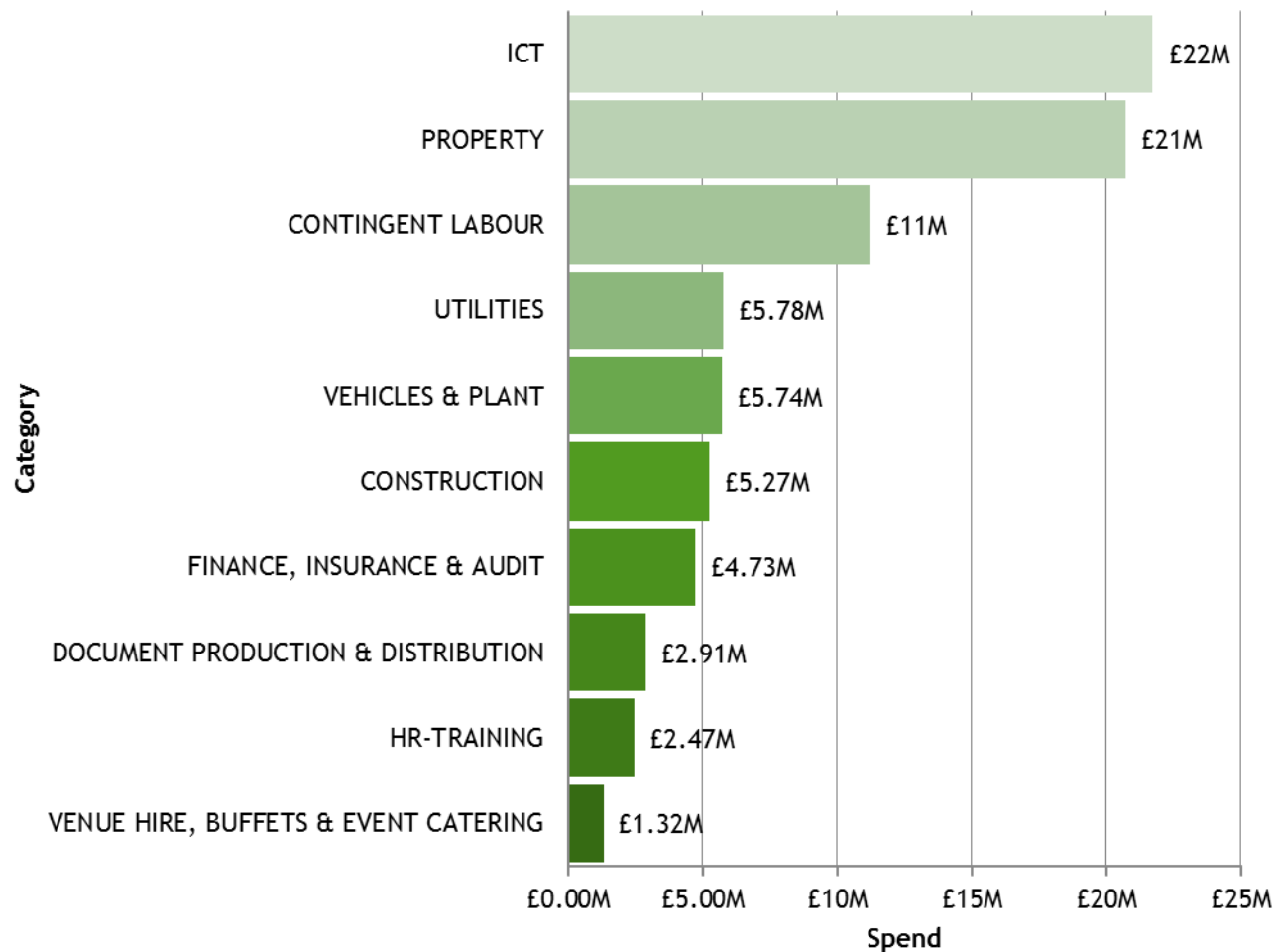


Inputs

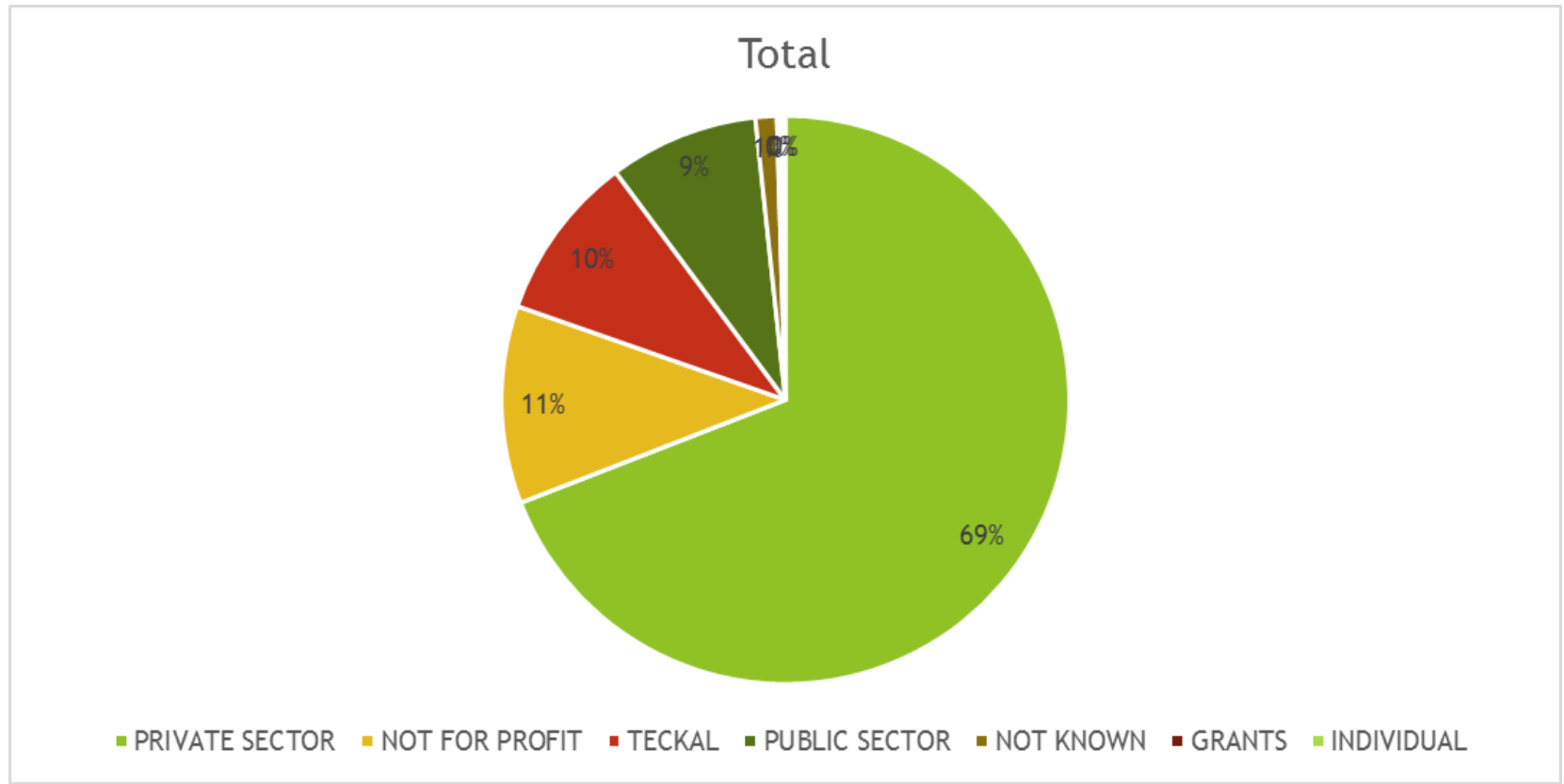


Inputs – NCC revenue budget

Spend by category group - top ten



Supplier category



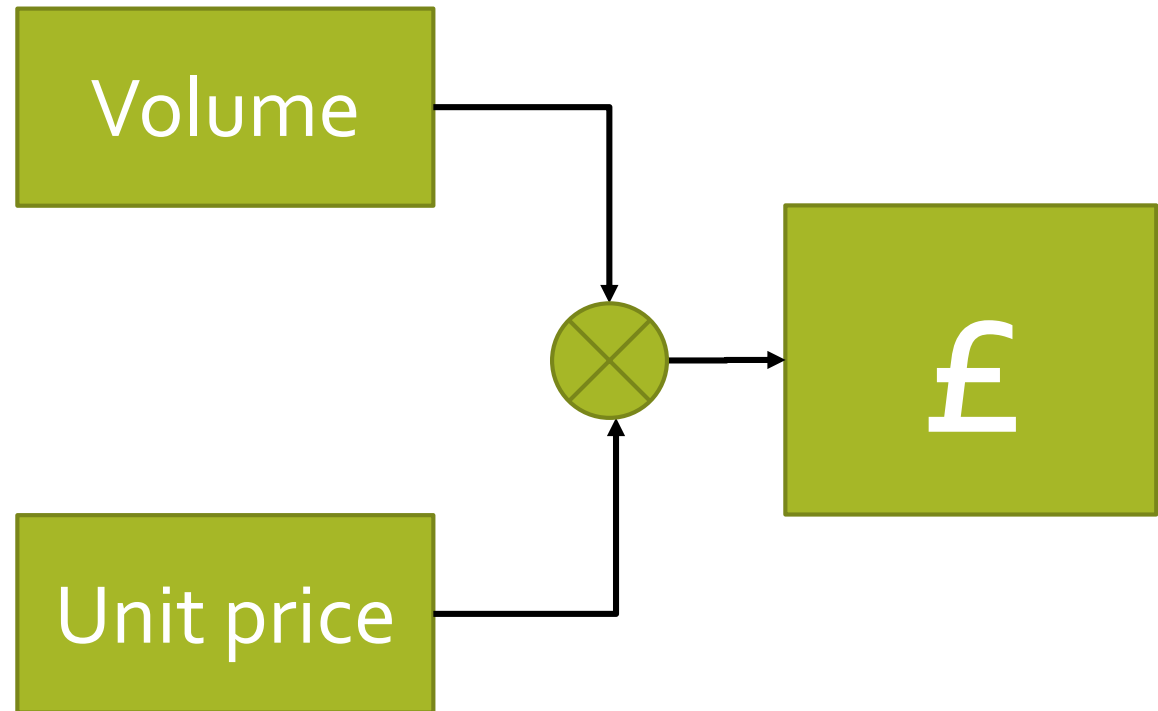
Micro business spend

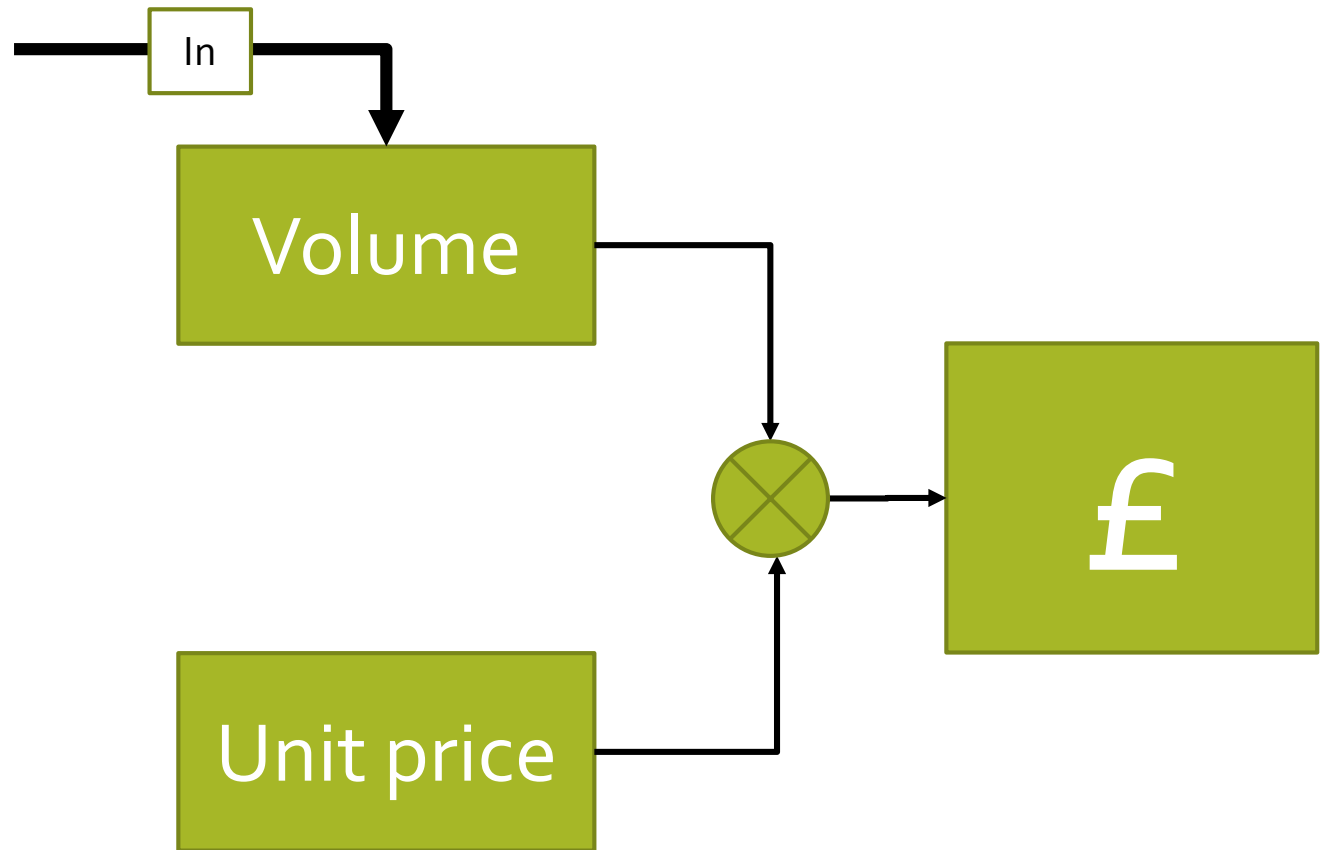
Top-tier average: 12.5%

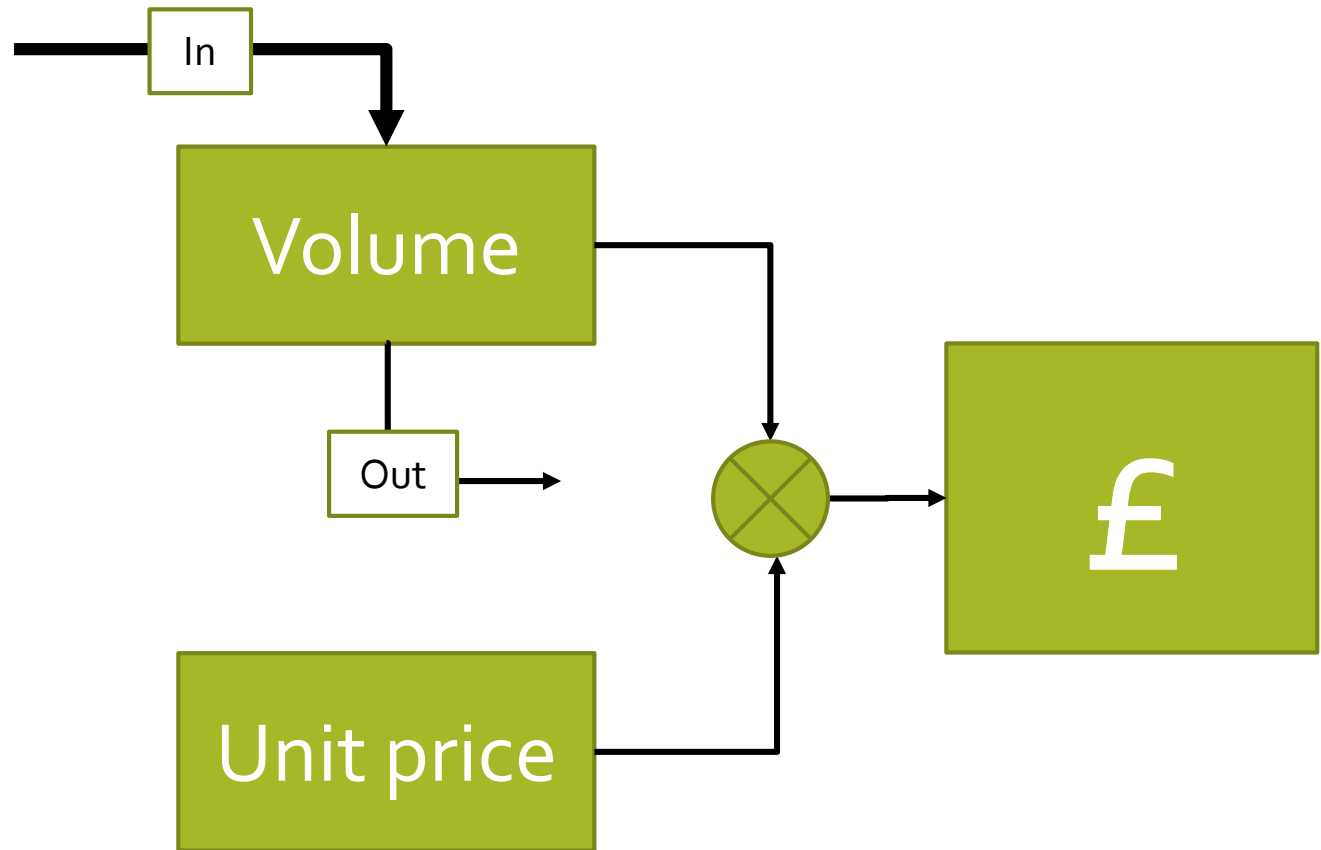
| | | |
|----|---|--------------|
| 1 | Monmouthshire County Council | 25.6% |
| 2 | Council of the Isles of Scilly | 25.4% |
| 3 | Royal Borough of Windsor and Maidenhead | 21.9% |
| 4 | Stoke-On-Trent City Council | 21.7% |
| 5 | Vale Of Glamorgan County Council | 21.5% |
| 6 | Shropshire Unitary Authority | 21.3% |
| 7 | Salford City Council | 21.3% |
| 8 | Dorset County Council | 20.2% |
| 9 | North East Lincolnshire Council | 20.0% |
| 10 | Nottinghamshire County Council | 19.9% |
| 11 | Wigan Metropolitan Borough Council | 19.9% |
| 12 | Thurrock Borough Council | 19.8% |
| 13 | North Lincolnshire Council | 19.2% |
| 14 | Darlington Borough Council | 19.0% |
| 15 | Brent London Borough Council | 19.0% |
| 16 | Norfolk County Council | 18.6% |
| 17 | Birmingham City Council | 18.5% |
| 18 | Surrey County Council | 18.4% |

Savings levers

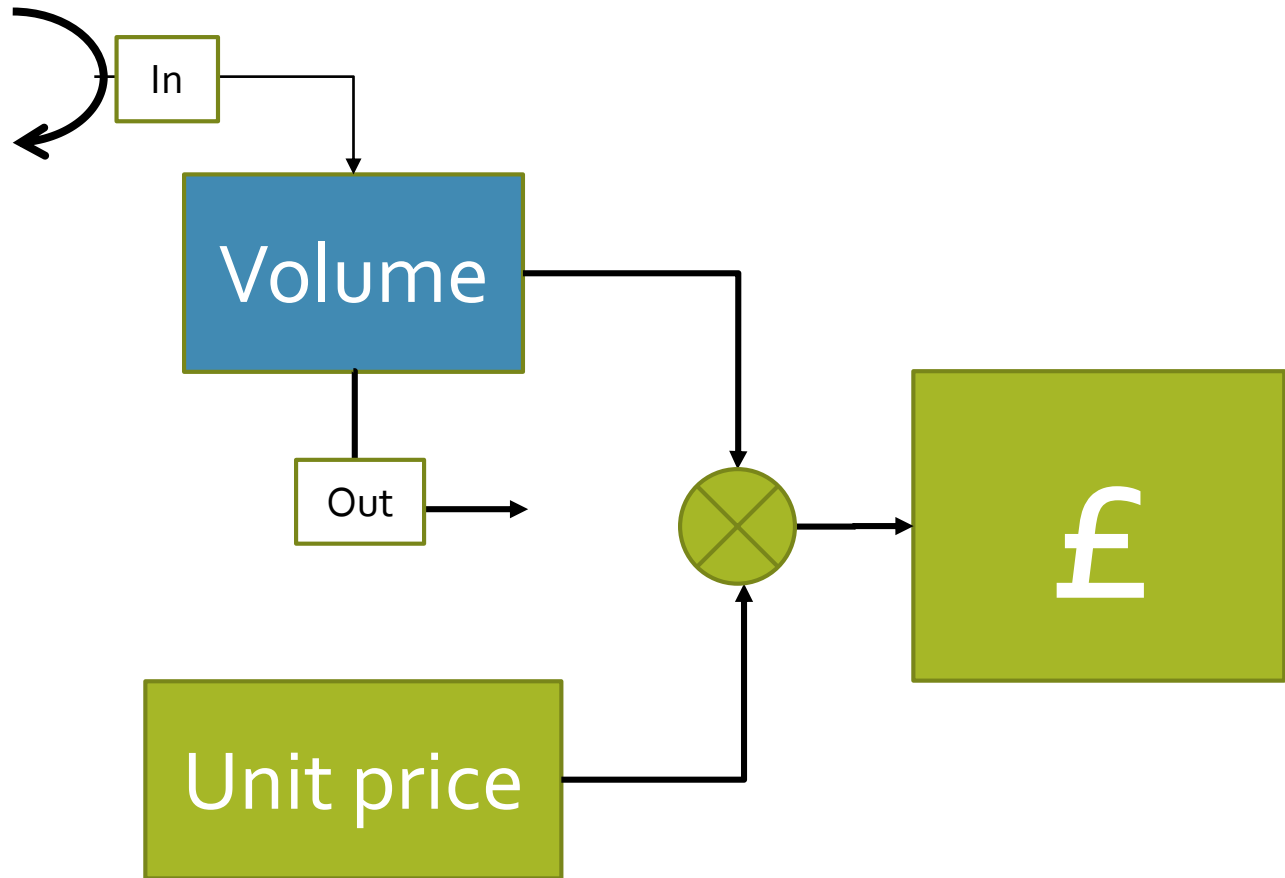
- Demand
- Utilisation
- Mix
- Unit price
- Rightsourcing

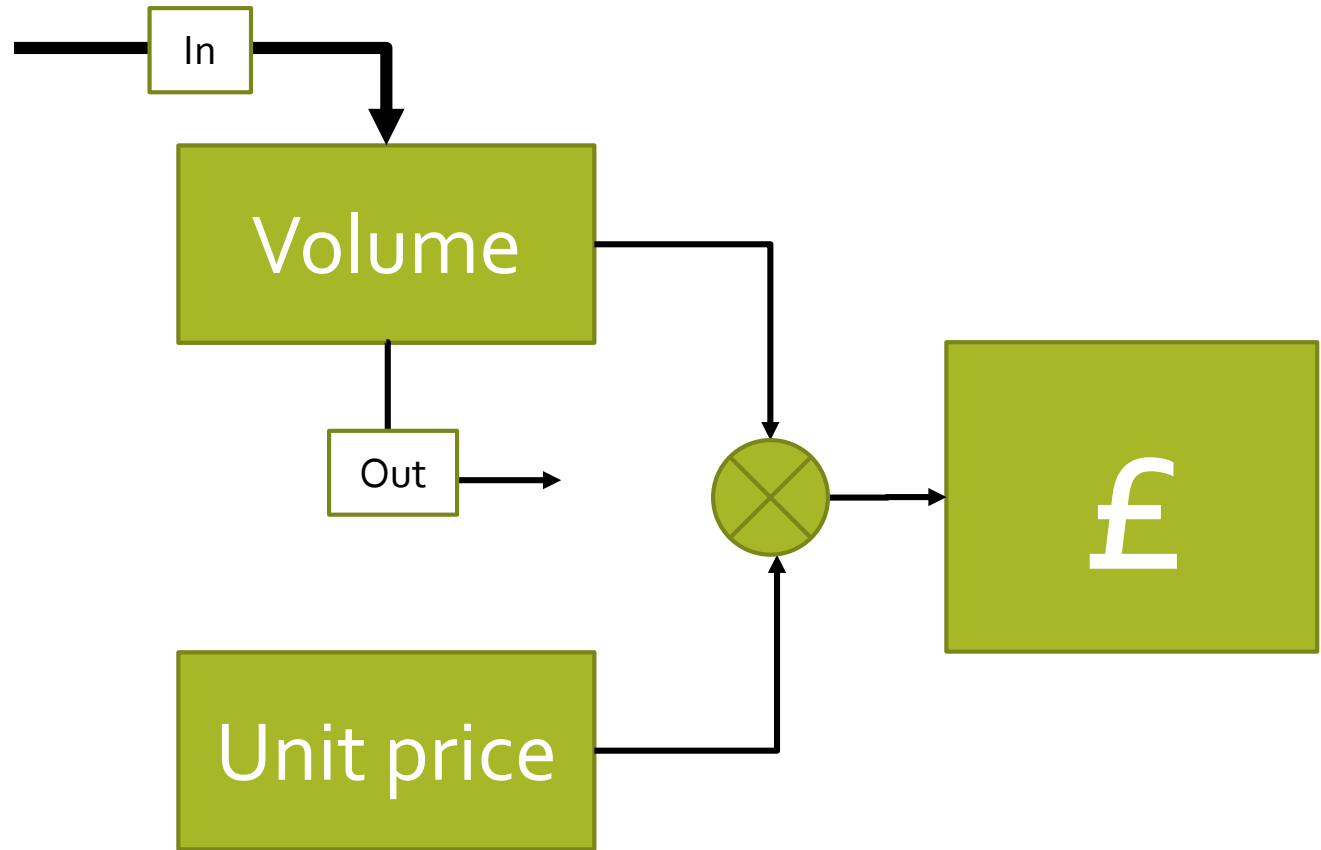


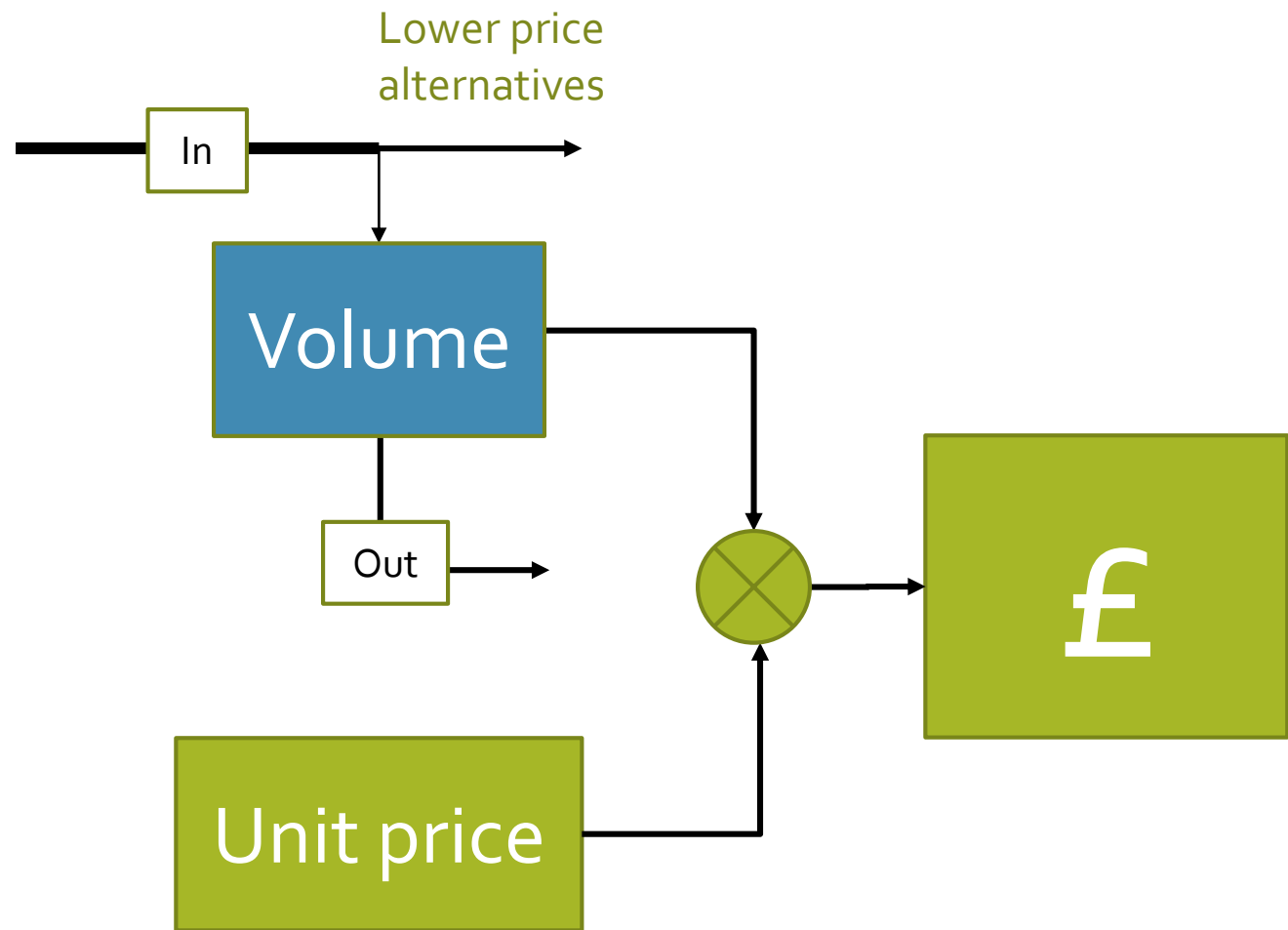


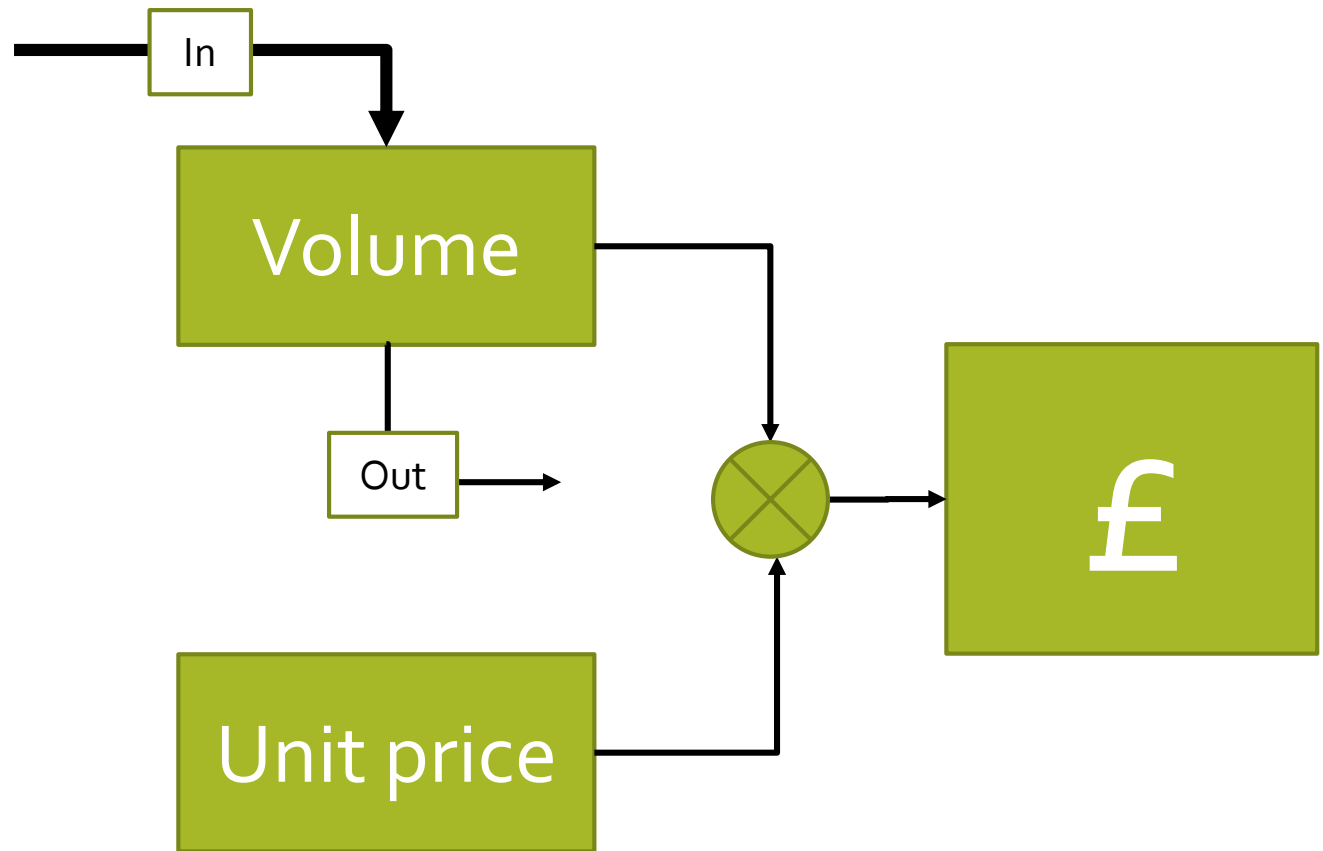


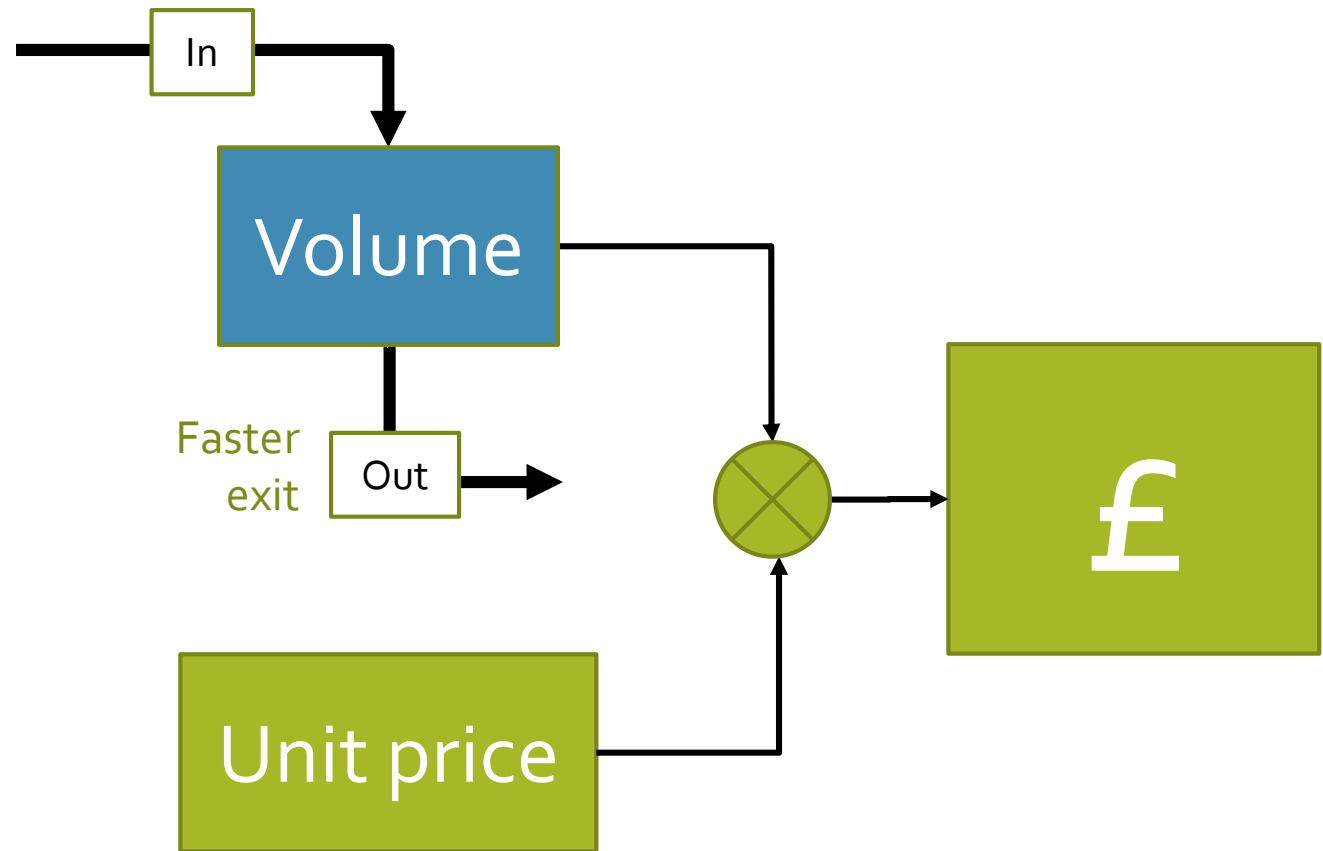
- Prevention
- Rationalisation
- Utilisation of in-house and block-purchased capacity
- Contract management



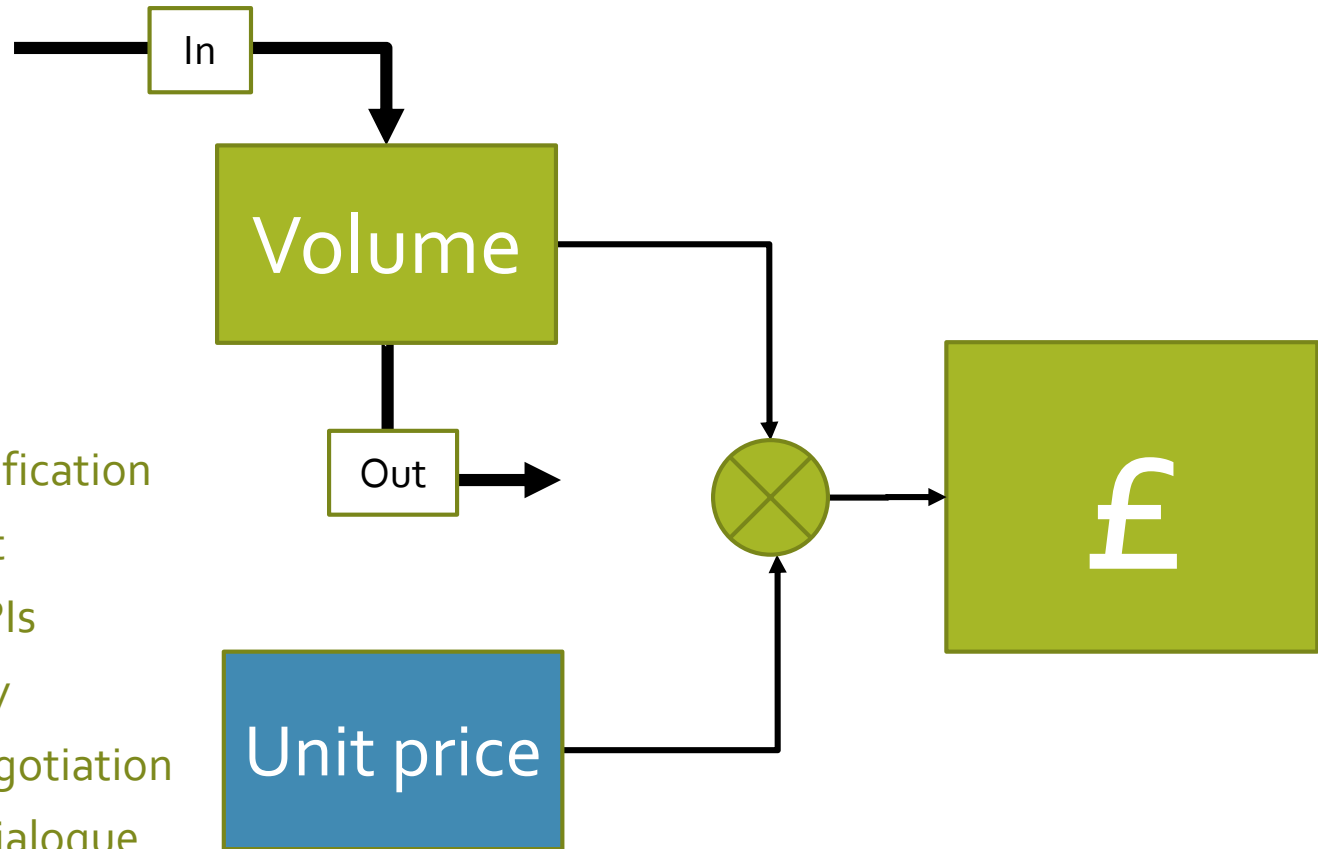








- Changed specification
- Whole life cost
- Meaningful KPIs
- More flexibility
- Open book negotiation
- Competitive dialogue
- Tenders
- Auctions
- Optimisation



Questions as the savings proposals mature

- What are the relevant spend categories? Are budget papers focusing on the most important ones?
- Is the savings hypothesis clear?
 - Demand, utilisation, mix, unit price, right-sourcing
- What will the effect on the public be?
- Is the maths clear?
- Are the things which will drive the savings being measured? Does the committee feel it is receiving the right information?
- Is there enough capacity to implement the changes needed?

