



**North Tyneside
Council**

Briefing Note

To: Overview & Scrutiny
Co-ordination &
Finance Committee

Author: Sarah Heslop
Head of Commercial and
Procurement

Date: 9 October 2023

Title of Briefing: Commercial and Procurement Information

Purpose of the Report

Cabinet agreed the Procurement and Commercial Strategy in March 2022. Bi-annually Cabinet receive details of forthcoming tender opportunities together with an update on social value, this has been received well and maximised social value from our supply chain. This Procurement and Commercial Strategy is the background document that underpins the service. This report seeks to provide an overview of the procurement service.

Information (Facts and Figures)

Year	Spend	No. of suppliers	NTC suppliers	TTWA suppliers
2022/2023	£338m	3910	847 (21.66%) £86.14m (25.49%)	1432 (36.62%) £139.5m (41.27%)
2021/2022	£289.1m	3814	829 (21.73%) £71.58m (24.76%)	1410 (36.96%) £118.1m (40.85%)
2020/2021	£306.2m	3443	752 (21.84%) £62.22m (20.32)	1268 (36.82%) £106m (34.62%)

Whilst the number of suppliers within North Tyneside is now stabilised, the percentage of spend within the Borough is steadily increasing. This is mirrored with suppliers within the Travel to Work Area.

The increased spend highlights costs in supplies and materials which was highlighted as a strategic risk, inflationary pressures in lease costs and the waste contract have also increased our spend. Major projects such as the transport interchange have also increased spend.

In the last year the team issued a staggering 1148 tenders/mini competitions across the Authority and Combined Authority.

Some Key Achievements

- Both 2021/2022 and 2022/2023 saw major commercial discussions. This saw the return of services to the management of the Authority from both Capita and Equans.
- The launch of the new social value criteria, weighting and scoring mechanism was welcomed and has added significant value to the Borough, this is now reported to Cabinet twice a year.
- The new contract management toolkit is being embedded within all services, feedback is generally positive and has helped our commercial footing with suppliers.

Key Areas for Progress

In 2023/2024 key areas for progress will include:

- Implementation of the OPEN system (this is the Authority's electronic tendering portal which is now delayed to September 2023);
- Working with legal and democratic to review governance around delegations, empowering heads of service;
- Increased transparency – workplans and trackers for contracts, quarterly meetings to recommence within directorates.

Action Plan Progress

Attached is the action plan setting out the areas for development and our progress against the plan. This is broken into 6 key areas within the organisation. An update against progress is provided, there are no major concerns at this time in achieving the strategy and action plan targets.

The LGA have updated their Procurement Strategy and added 3 new themes. They are:

- 1) Showing leadership – engaging key stakeholders and partners
- 2) Behaving commercially
- 3) Creating social value

The Procurement and commercial strategy includes the above, whilst commercial activity for local authorities is limited and our focus is on delivering high quality, value for money services there is opportunity for income generation through the Schools Service Level Agreement.

Key Procurements

2022/2023 saw some key ICT procurements being undertaken. We have commenced work on a Dark Fibre Solution and procured a Unified Housing System. The team will continue to work to procure an ERP solution.

2023/2024 will focus on Adult Social Care, the Extra Care Schemes and Residential Care home contracts will be procured.

Looking further into the future, waste will be our next major procurement, a working group will be established to oversee this project.

2027 will see the end of the Authority's strategic partnerships with Capita and Equans, the team will work to incorporate this into the Medium Term Financial Plan. I will work with relevant Directors on the Exit Strategy for both contracts. PFI contracts will come to an end and exit strategies will be developed.