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|--|----------------------|--|---|----------------|
| Directorate | Reference | Savings proposal | | |
| Finance & Governance | FGS003 20+ | Procurement Savings Opportunity Assessment | | |
| Service area | Lead officer | | | |
| Corporate Procurement | Richard Tibbatts | | | |
| Theme | Savings type | | | |
| Procurement | General efficiencies | | | |
| Brief description of the service | | | | |
| The role of Corporate Procurement is at a very high level 3-fold: | | | | |
| 1) Enabling better outcomes for citizens; | | | | |
| 2) Saving the Council money and; | | | | |
| 3) Keeping the Council legally compliant from a procurement perspective. | | | | |
| The PWC work package will complement the BAU work undertaken by Procurement by conducting an independent review of Council expenditure. | | | | |
| Budget information | | Employee Information | | |
| 2019/20 budgets | £m | Planned employee numbers before new proposals | | FTE |
| Employees | | 2019/20 | | N\A |
| Other expenditure | 300.000 | 2020/21 | | N\A |
| Income | | 2021/22 | | N\A |
| Net budget | 300.000 | 2022/23 | | N\A |
| Capital 2019/20 - 2023/24 | | | | |
| How does the service contribute to the Council's Plan and its priorities? | | | | |
| Corporate Procurement both leads and supports purchasing and contract negotiation across the council. Working within each directorate the service indirectly contributes to each council priority, and through policy and project work such as the Birmingham Business Charter for Social Responsibility and its work with the Living Wage Foundation, directly contributes to ensuring that Birmingham is an entrepreneurial city to learn work and invest in. | | | | |
| Description of the savings proposal | | | | |
| A full review of all council revenue expenditure on supplies and services was commissioned during 2019/20. The results of this review indicate a strong likelihood that savings can be achieved through a rigorous programme of reprocurement and renegotiation of revenue funded contracts. On the finalisation of the review an implementation plan will be drawn up, in consultation with service providers, that drives a category and/or contract size targeted approach to deliver savings in price and potentially specification where appropriate. | | | | |
| Level of savings or income expected from the proposal | | | | |
| | | 2020/21 | 2021/22 | 2022/23 |
| | | £m | £m | £m |
| Net savings | | (3.000) | (4.500) | (6.000) |
| Investment required (for Invest to Save proposals only) | | | | |
| Use of Invest to Save Reserve (negative of the line above) | | | | |
| Proposed repayment plan to Invest to Save Reserve | | | | |
| Net benefit to the Council | | (3.000) | (4.500) | (6.000) |
| Identified risks and dependencies | | | | |
| There is a risk that the findings from the PwC WP2 project are not accepted or taken forward by the business. As such there is a dependency on service areas to embrace and support delivery of any findings. | | | | |
| There is also a risk the there is insufficient resources within procurement to deliver the identified savings. | | | | |
| Workforce implications of the proposal | | | | |
| Year | FTE | Headcount | How will staffing implications be managed? | |
| 2020/21 | 0.00 | 0 | Workforce implications cannot be identified until the PwC findings report is delivered, reviewed and with WP2 findings agreed for implementation. | |
| 2021/22 | 0.00 | 0 | | |
| 2022/23 | 0.00 | 0 | | |
| 2023/24 | 0.00 | 0 | | |
| Equalities information | | | | |
| Identified equality impact | None identified | | | |