



Local Government market trends update

November 2019



CELEBRATING 35 YEARS OF INNOVATION & EXCELLENCE

Introduction

Local government is a huge and diverse market, as local authorities require everything from vast regeneration projects to personal care for individuals. Contract values range from £4bn to just a few hundred. In this report, we consider only those contracts with a stated value of over £100,000. The sector offers the opportunity for procurement professionals to work together with supplying organisations in almost every conceivable sector to support the delivery of public services, boost efficiencies and drive better value for money.

At BiP Solutions, we have spent 35 years bringing buyers and suppliers together. Over 250,000 private sector businesses in the UK alone, including 20% of companies listed on the FTSE 100 Index, rely on BiP's expertise to help them grow. We offer a number of innovative solutions to support you through all stages of your procurement journey. This includes our market intelligence solution, [Tracker](#), which offers the largest public sector tenders and awards database in Europe, including countless local government opportunities. Tracker delivers private and public sector contract opportunities and awards, market intelligence, spend analysis and market leads at the click of a button.

We also bring buyers and suppliers together at a series of high-profile events. The Local Government Procurement Expo (LGPE) is the UK's premier gathering of local government procurement personnel, while the nationwide series of Procurex events draw together procurement professionals and leading suppliers to engage, learn and network, while exploring the latest procurement initiatives.

In our latest local government report, which follows on from October's issue as part of our ongoing BiP Inform series, we take a deep dive into who's spending and where. We look at which suppliers are winning contracts and the buying organisations that are providing current opportunities within this huge marketplace.

This report covers data from September*, the most recent month for which full figures are available.

Key highlights for September:

- Total spend for September was £13,484,184,796, an increase of 88.58% on August
- 572 notices were published with a further 677 contracts awarded. The number of awards fell by almost 27.5% compared to August
- The top spending buyer during September was Denbighshire County Council, with a combined awards value of £4,011,565,000
- The top supplier during September was Reed Specialist Recruitment Ltd, which won a single award worth £3bn from YPO
- The region which awarded the most contracts was Yorkshire and the Humber (87)

We hope you will find this report of interest. If you would like to find out more about how BiP Solutions can support you on your procurement journey, please do get in touch via the contact details on the last page of this report.

** All data taken from BiP's Tracker Market Intelligence tool covering the period 1 to 30 September 2019. All details correct at time of publication.*

Local Government Market Overview

– who is spending and where?

During the month of September, 572 contract notices and 677 contract award notices were published by local government. While the number of contract notices is almost identical (579 were published in August), the number of awards published dropped steeply from August's 863. In contrast, the total value of contracts awarded increased by 88.58%. In August, total spend was £7,150,369,546, whereas in September it was £13,484,184,796, largely thanks to a few high-value contracts. The £4bn North Wales construction framework mentioned below and a £3bn contract awarded by YPO for consultancy and professional services together add up to almost the whole August spend, and more than account for the increase in September.

In Figure 1, we list the top ten buyers by combined awards value. The top ten combined awards values ranged from just over £4bn to just over £248m.

Denbighshire County Council was the biggest spender. Its £4bn-plus outlay was split between just three contracts. Two of them were very modest in value, totalling just over £11.5m, while the vast majority of the spend – £4bn – came from a multiple supplier framework for which Denbighshire County Council was the lead authority but which also included Conwy County Borough Council, Flintshire County Council, Gwynedd County Council, Wrexham County Council and Anglesey County Council. These six North Wales authorities awarded 32 places on this framework for regional construction projects. Despite the huge total value of the contract, it is interesting to note that the buyers were keen to encourage SME participation, saying in the description: "Regional lots are included to maximise SMEs' opportunities to be part of the framework." This shows that even contracts that, at first glance, appear to be beyond the reach of smaller businesses may offer potential opportunities.

Darlington Borough Council awarded the most contracts in September. Of the 19 contracts it awarded, all but two were worth less than £1m and only one had more than one supplier. They covered a range of requirements from telephony to vehicle conversions, but the majority were for health and social work services, in particular day placement services. The statutory requirement for local authorities to provide a range of social care services perhaps explains why the buyers with the highest volume of awards both this month and in August largely awarded social care contracts.

Top 10 Buyers by Combined Awards Value



Figure 1

Top 10 Buyers by Volume of Awards

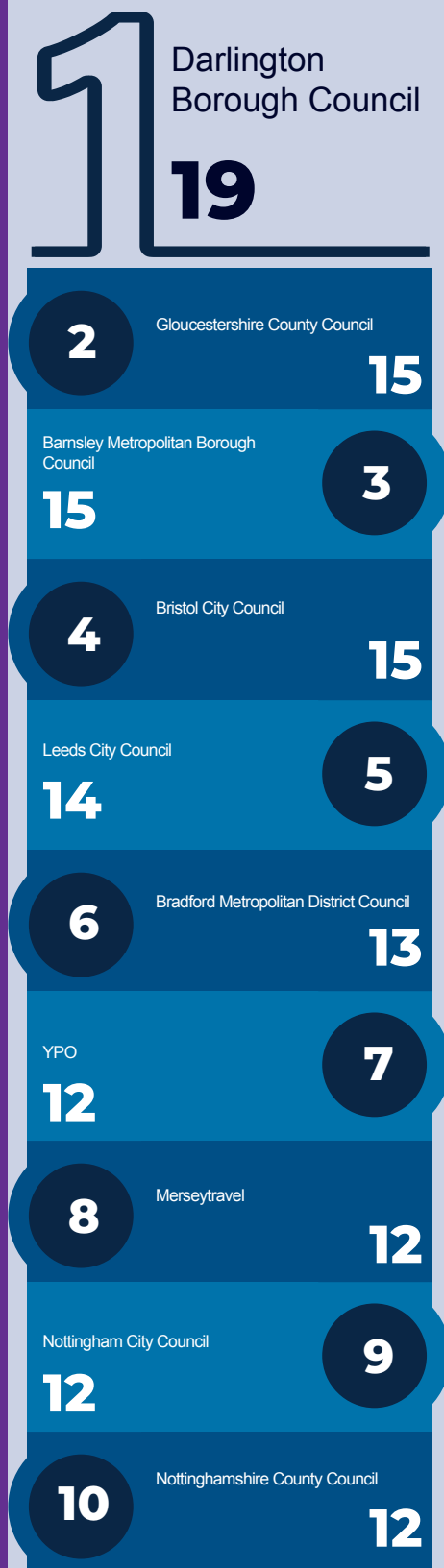


Figure 2

Top Suppliers by Combined Awards Value

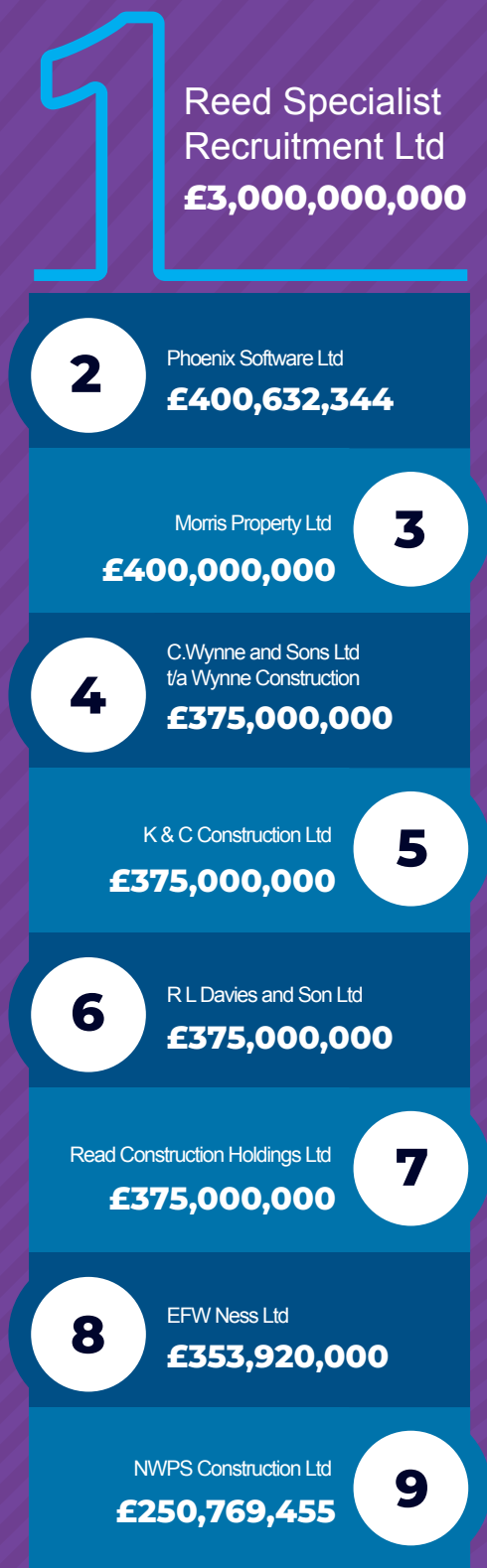


Figure 3

Local Government Market Overview

Supplier opportunities

Figure 3 details the top suppliers by combined awards value. Heading this list is Reed Specialist Recruitment Ltd, which won a single supplier contract from YPO worth £3bn to deliver a "managed service provision (MSP) for consultancy and professional service requirements. The managed service provider will support the delivery of consultancy projects and/or professionals into all public sector requirements." In second place is Phoenix Software Ltd, which won two contracts, one for data centres and their management and maintenance with YPO, the other with London Borough of Waltham Forest for information security services. The other suppliers in the list won places on the £4bn regional construction framework issued by Denbighshire County Council and other North Wales authorities, mentioned above. This contrasts with August, when most of the top suppliers by awards value were residential care providers.

Figure 4 shows the top ten suppliers by volume of awards won. Exeter-based New World Timber Ltd won 60 contracts in September, all of which were lots on a Dynamic Purchasing System issued by Bristol City Council for timber for the council's joinery workshop. The total value of this DPS was £458,803, of which New World Timber won £339,854. The suppliers in Figure 4 won contracts with a wide range of total values, from AECOM's £27.8m over 12 awards to J Scadding and Son, whose 19 awards were worth a total of £107,620. This shows that, as well as contracts worth billions of pounds, local government also offers opportunities for local companies to win smaller contracts or lots.

Suppliers by Number and Combined Value of Awards

Number of Awards		Value of Awards
60	New World Timber Ltd	£339,854
26	Rainbow Taxis Ltd	£10,913,580
19	J Scadding and Son Ltd	£107,620
12	AECOM	£27,812,086
12	Dudley College	£786,885
11	Associated Radio Taxis	£4,617,284
11	Swinburne Maddison LLP	£4,370,861
11	Ward Hadaway	£4,370,861
11	Bevan Brittan LLP	£4,111,720
11	Laird Grass Machinery Ltd	£305,076

Figure 4

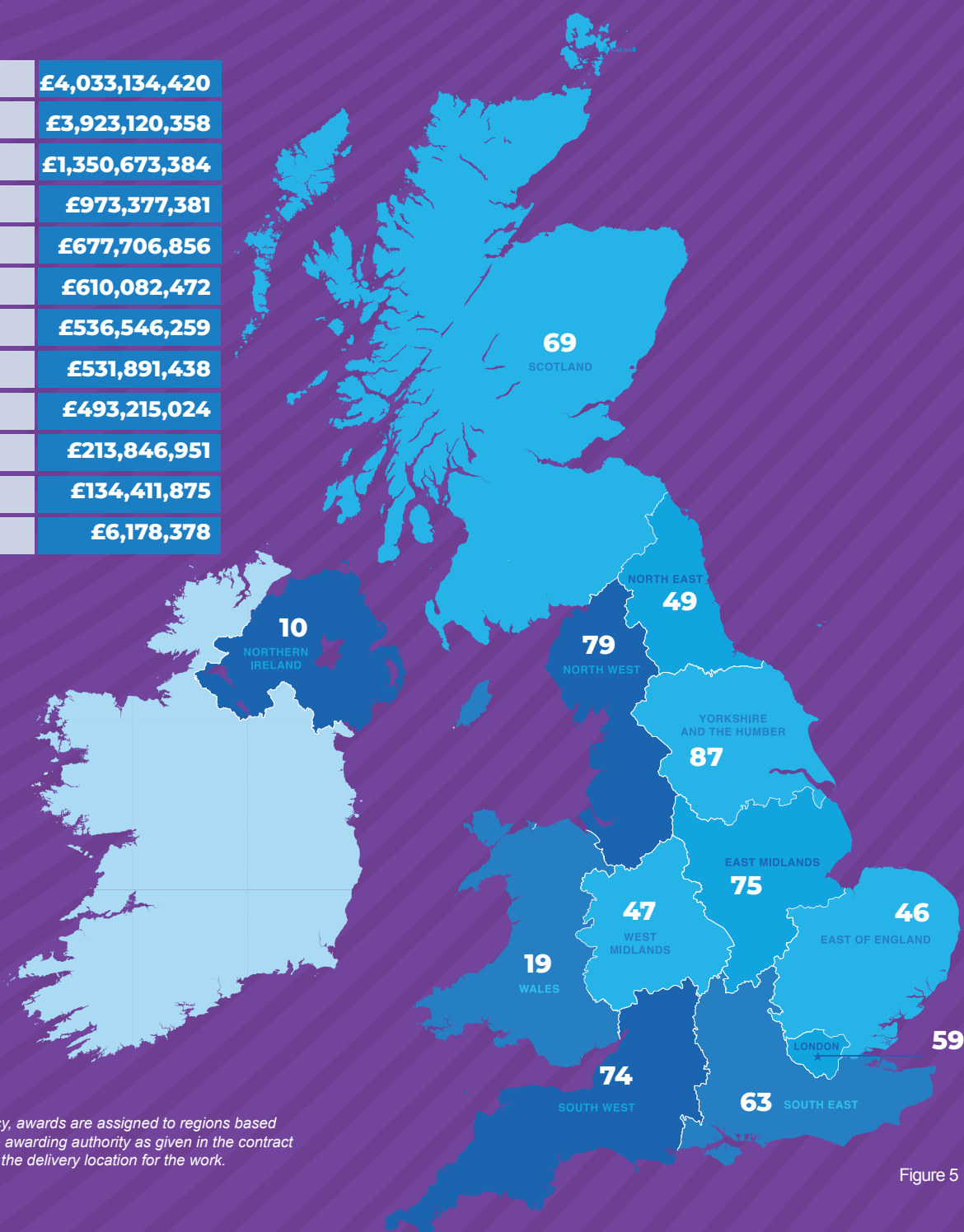
Regional overview

Figure 5 shows a considerable variation in the volume of contracts awarded across the regions of the UK in September. While Yorkshire and the Humber awarded 87 contracts, Northern Ireland awarded just ten. Of the 87 contracts awarded in Yorkshire and the Humber, 12 were issued by YPO, a large buying consortium, which was also responsible for eight out of the ten most valuable contracts awarded in the region in September.

One of these YPO contracts, for managing consultancy and professional services, was worth £3bn, and is largely responsible for Yorkshire and the Humber's second place in the listing for

regions by value of spend. In contrast, 51 of its 87 contracts were worth less than £1m. The dominance of a single contract is even more marked in Wales, where just 19 contracts were awarded and where the regional construction framework issued by Denbighshire County Council and other North Wales authorities accounted for £4bn of the region's total £4,033,134,420 spend, with the second most valuable contract awarded in Wales in September worth £11m.

Wales	£4,033,134,420
Yorkshire and the Humber	£3,923,120,358
East of England	£1,350,673,384
North West (England)	£973,377,381
South West (England)	£677,706,856
London	£610,082,472
West Midlands (England)	£536,546,259
Scotland	£531,891,438
East Midlands (England)	£493,215,024
South East (England)	£213,846,951
North East (England)	£134,411,875
Northern Ireland	£6,178,378



*On Figure 5, for consistency, awards are assigned to regions based on the postal address of the awarding authority as given in the contract award notice rather than by the delivery location for the work.

Figure 5

DISCOVER MORE

UK local government contacts, contracts, events & project leads with BiP Solutions

Ingenium

The UK's largest and most accurate public sector contact database, containing every decision maker and influencer in granular detail. At a moment's notice, Ingenium can provide a detailed cross-section of any public sector audience. Powered by this database, we can provide you with managed push-based marketing solutions that drive early engagement from your ideal audience.



www.my-ingenium.co.uk

Procurex

Procurex brings together public procurement professionals and industry-leading suppliers. These one-day events provide exhibitors and attendees from the public and private sector with an opportunity to engage across a range of interactive and educational keynote talks, training sessions, supplier engagement opportunities and more. Each event is focused around supporting the latest public procurement initiatives and objectives relevant to that country.

The programme of Procurex events covers Scotland, England, Wales and Ireland. The next Procurex event is Procurex Wales, officially supported by NPS and Welsh Government, which will take place at the Motorpoint Arena on 18 March 2020.



www.procurexnational.co.uk

Local Government Procurement Expo (LGPE)

LGPE brings together local government procurement professionals and industry-leading suppliers. Officially supported by the Local Government Association as well as leading buying organisations, this one-day event provides exhibitors and attendees from the public and private sector with an opportunity to engage across a range of interactive and educational training sessions, supplier engagement opportunities and more. LGPE is focused around the National Procurement Strategy and how local government can perform against the key objectives outlined within. LGPE 2019 will take place on 28 November at the Novotel London West, Hammersmith, London.



SUPPORTED BY
Local Government Association

www.localgovexpo.co.uk

Tracker Intelligence

Tracker Intelligence helps you find, bid for and win more public and private sector contracts. Tracker offers the largest public sector tenders and awards database in Europe. It delivers private and public sector contract opportunities and awards, market intelligence, spend analysis and market leads at the click of a button. Stay one step ahead of your competitors and get personalised support to grow your business with Tracker.



www.trackerintelligence.com

For more information Freephone 0845 557 1324



BiP Solutions – Bringing buyers and suppliers together for over 35 years