



countysupplies
making buying easy



Children and Young People Select Committee
12th January 2023

County Supplies



www.hants.gov.uk/countysupplies

Our Vision and Values

'Delivering best value for our customers'

County Supplies is a self-funding, non-profit making business unit.

We strive to be the supplier of choice for common use goods and services;
delivering a modern and enterprising service;
with the commitment and flexibility to meet the needs of our customers;
and continue to have a positive impact on the community of Hampshire.

Strategic Aims

Financial

- Provide good quality, value-for-money products and services
- We look constantly for opportunities to retain and grow our customer base
- Maintain and develop our knowledge of the mature and competitive market in which we operate
- Continue to work collaboratively with public sector partners where it adds value, increases purchasing power and delivers economies of scale.

Non Financial:

- We continue to review our business operations, to help to deliver efficiencies and improve our overall performance
- Exploit the benefits of the County Council's Smarter Working Programme
- We are committed to a sustainable future by helping our customers to buy sustainably, working collaboratively with suppliers and reducing our impact on the environment
- Continue to invest in the professional and personal development of our staff, whilst ensuring their wellbeing and enhancing their commercial skills to drive our long-term success.

What we do

Purchasing

- Contracting and buying for stock
- Frameworks agreements for direct supply goods
- Site specific service contracts

Main purchasing categories:

- food
- furniture
- hardware / janitorial
- stationery
- technology
- cleaning and catering services

County Supplies Operations

County Supplies Logistics

- Mail collection and delivery
- Recorded mail service
- Stores goods including rapid delivery service (emergency)
- Movement of school meals
- Distributions
- Ad hoc movement of items (e.g. pupil records, curriculum boxes, IT equipment, musical instruments)

Warehouse

- Picking and packing across 3,000 products
- Goods inwards, stock management and storage

Business Development and Marketing

- Customer liaison and retention
- Publicity and marketing campaigns
- Customer analysis
- Events and conferences

Customer Services

- First point of contact for customer support
- Customer account management

Facts and Figures 2021/22



£11.9 million

TOTAL ANNUAL INCOME



£9.7 million

STORES TURNOVER
FROM 3,000 STOCK
LINES



£1.2 million

INCOME FROM £47.1M
DIRECT SUPPLY
CONTRACTS



£190,000

CATALOGUE
ADVERTISING SALES
INCOME



£47.1 million

annual customer spend through our
portfolio of direct supply
framework agreements and contracts

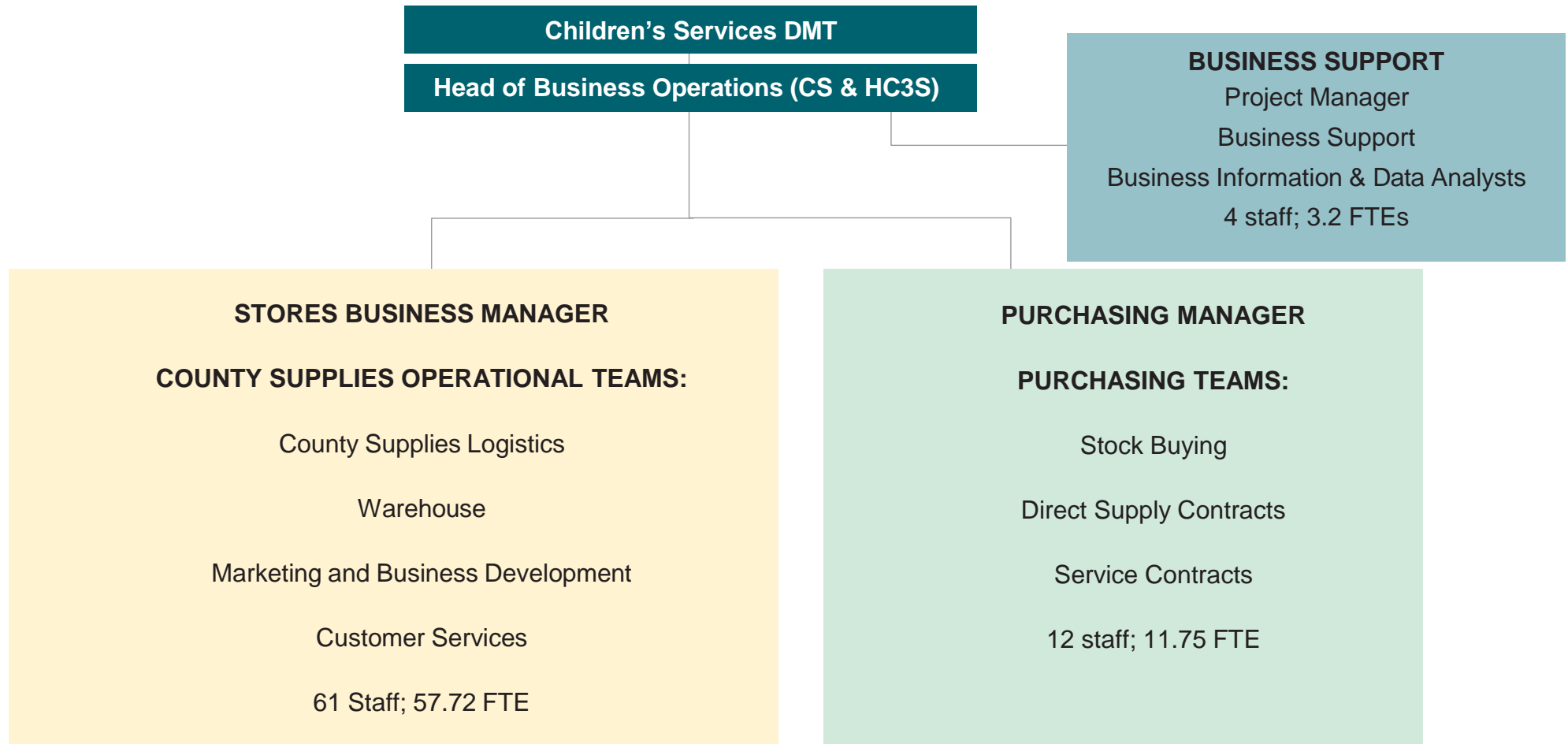


£275,000 p.a.

Contribution to
corporate support
services

Our Team:

78 team members; 73.17 full time equivalents (FTE)



Recent Achievements



Managing Multi-Functional Devices (MFDs)

Our fleet of MFDs (photocopiers) has increased to 5,236 machines.

65.7% of these were leased by external customers (e.g. borough and district councils, colleges and universities).



Contract Savings

Achieved **savings of £978,000 a year** through our collaborative portfolio of framework agreements. Benefitting all our customers including County Council departments, schools and external customers.



Food Contract Portfolio

Recently retendered our Dry, Chilled & Frozen Food framework agreement achieving a **price increase of only 5% compared to food inflation of over 16%**.

The contract is also used by **at least 6 other local authorities** in the region, accounting for over **20% of the £19 million** annual contract value .



HC3S School Meals

In 2021/22 County Supplies Logistics moved **199,398 school meals** from production kitchens to servery kitchens across Hampshire.



Supporting the Local Resilience Forum (LRF)

Worked in partnership with Emergency Planning and the LRF to run the personal protective equipment (PPE) store **providing essential support** in the storage and distribution of PPE throughout the pandemic. The centre was successfully decommissioned in October 2022.



Managing PPE Strategic Reserve

County Supplies continues to **store and manage the** County Council's **PPE Strategic Reserve stock** at its Bar End warehouse until the end of each item's useful life.

Transport and Distribution Review Outcomes

Recent merger of HTM courier service with County Supplies delivery service



8

VEHICLE REDUCTION
FROM CSL FLEET



6.26

REDUCTION IN GRADE C
FULL TIME STAFF



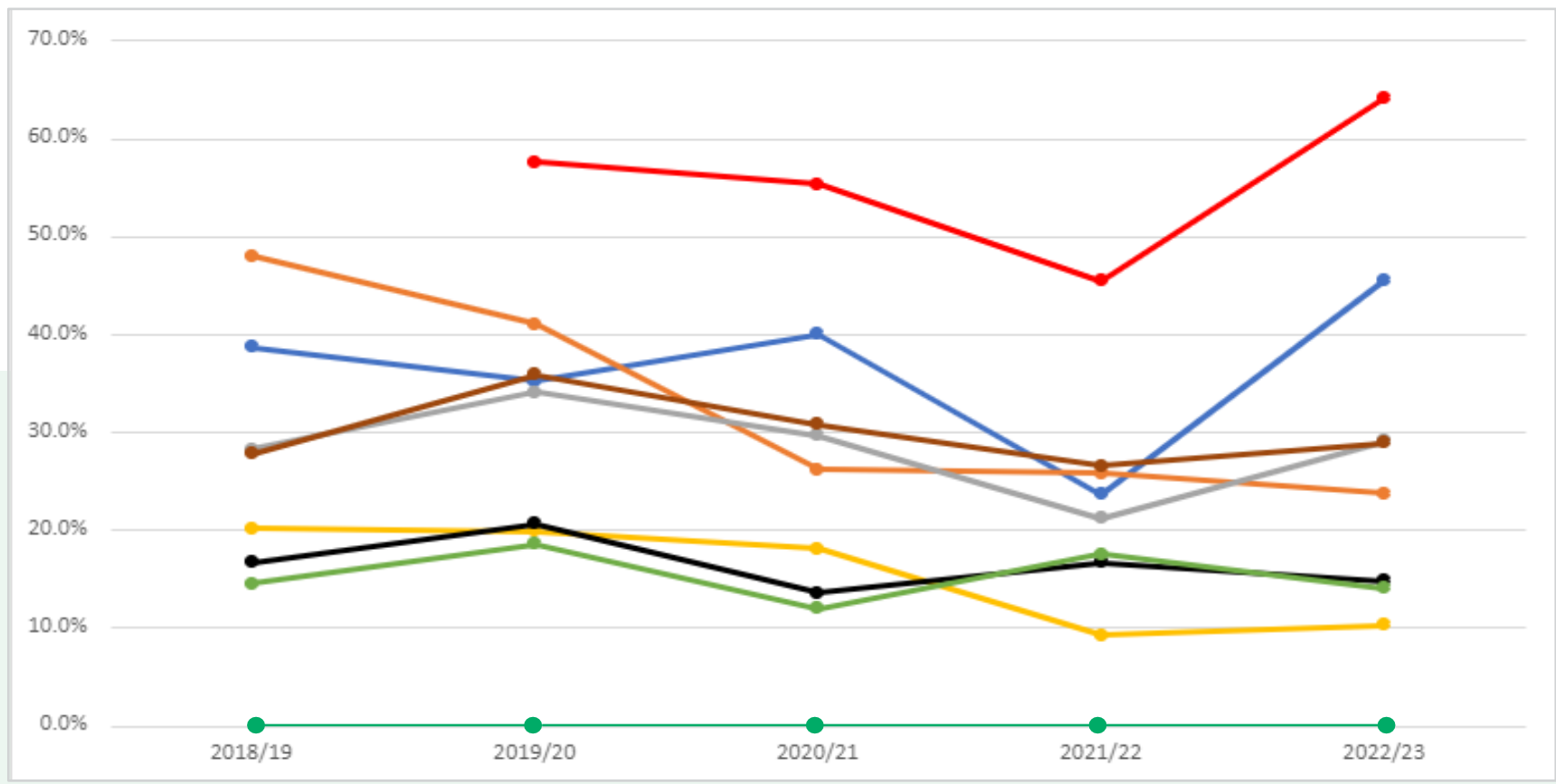
223,417

REDUCTION IN MILES
IN YEAR 1

Saving over **£230,000** p.a.

Price Competitiveness

Price Competitiveness Trend 2018-2023

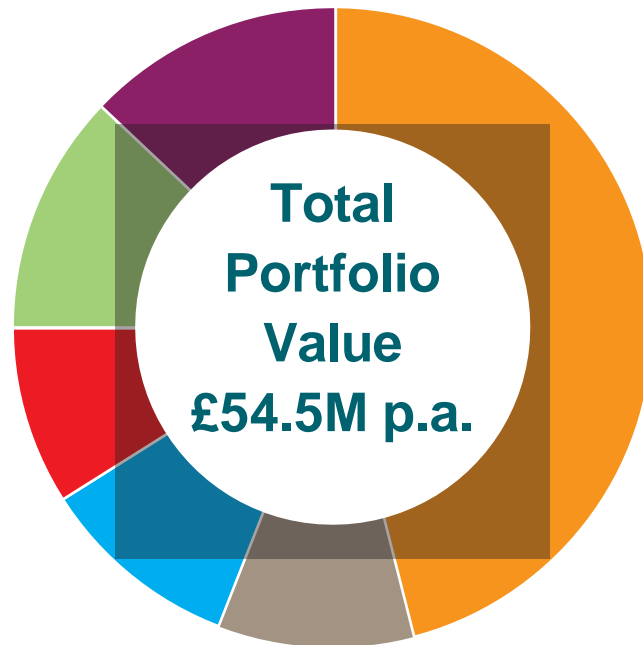


- GLS (Findel)
- The Consortium
- Kent
- YPO
- ESPO
- Amazon
- Herts Fullstop
- Average
- County Supplies

Contracting Portfolio Overview

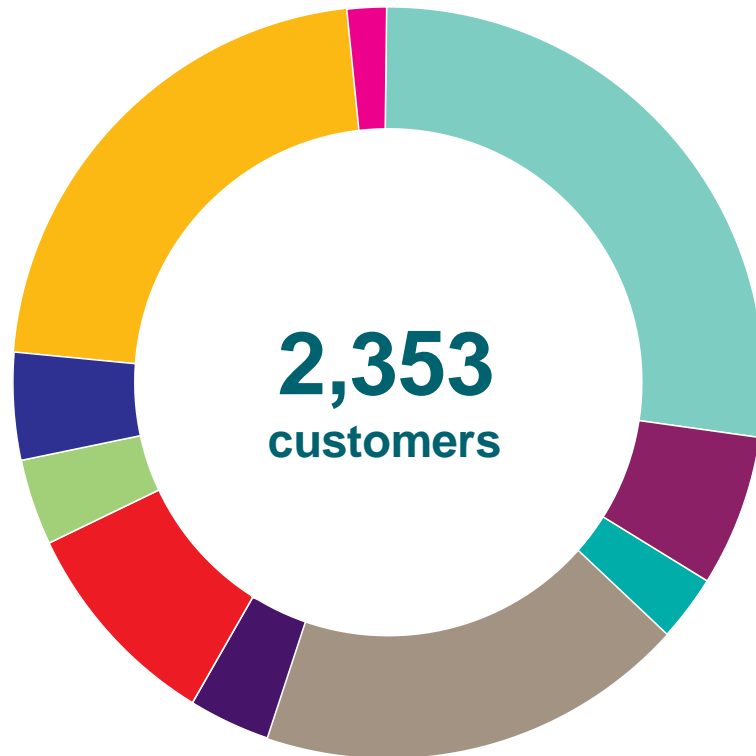
County Supplies manages a broad portfolio of contracts across six distinct categories of goods and services.

The turnover split across these contracts is presented below.



- **Food:** 46% £24.8 million
- **Furniture:** 10% £5.5 million
- **Hardware:** 10% £5.5 million
- **Stationery:** 9% £5.3 million
- **Technology:** 12% £6.4 million
- **Cleaning and Catering Services:** 13% £7.0m

Our Customers



County Supplies Customers

- **Primary Schools:** 658 customers (27%)
- **Secondary Schools:** 158 customers (7%)
- **Special Schools:** 70 customers (3%)
- **Nursery/Pre-Schools/Children's Centres:** 432 customers (19%)
- **Further and Higher Education:** 78 customers (3%)
- **HCC Depts:** 225 customers (10%)
- **Social Care:** 80 customers (3%)
- **Unitary/District/Parish Councils:** 113 customers (5%)
- **Voluntary & Community Organisations:** 495 customers (21%)
- **Other:** 44 customers (2%)



2,353 customers
from across
education, local
authorities, police, fire
and third sector
organisations



100% of Hampshire,
Portsmouth and
Southampton schools
and academies are our
core customer group



66% of total stock
sales is from our core
customer group



Education customers
account for **59%** of
our customer base
and **77%** of all stock
sales in 2020/21

Customer Insight

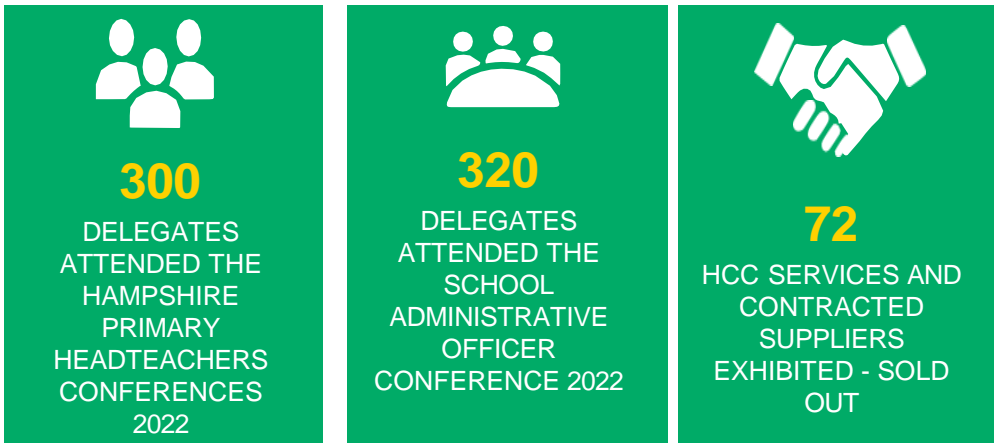
Sales by Customer Category

	Sales value	%
Education	£7,571,150	77.1%
Adult Care Home	£934,148	9.5%
HC3S	£391,974	4.0%
Voluntary Sector	£206,149	2.1%
Police	£126,971	1.3%
All Other Customers	£211,250	2.2%
Adult Day Services	£184,408	1.9%
FM	£74,087	0.8%
Fire	£52,417	0.5%
Children's – Other	£41,214	0.4%
Children's Home	£21,493	0.2%
	£9,815,261	100%

Recent Business Development Target: Isle of Wight Schools



Conferences and Events



Key Performance Indicators

KPI – financial	2021/22 Actual	2022/23 Forecast	2023/24 Target
Income	£11.9m	£12.5m	£13.0m
Surplus	£472,662	£344,000	£302,000
Purchasing Turnover (Stores)	£7.5m (issue value £9.7m)	£7.8m (issue value £10.3m)	£8.1m (issue value £10.6m)
Purchasing Turnover (Non-Stores)	£40.4m (income £1.1m)	£47.1m (income £1.1m)	£48.0m (income £1.2m)

KPI – customer service levels	2021/22 Actual	2022/23 Forecast	2023/24 Target
Stores Service Level: top 400 lines	98%	98%	98%
Stores Deliveries: parcels delivered on specified day	94%	97%	>99%
Stores Deliveries: parcels delivered within 1 day	99%	98%	99%

Climate Change and Sustainability – recent achievements



Fleet

- All vehicles meet Euro Cat 6 Emissions – **improved fuel efficiency by 6%**.
- All delivery fleet vehicles run on hydrotreated vegetable oil (HVO) – **90% net annual reduction in Co2 emissions**.



Building upgrades

- Increased our **energy efficiency** by fitting solar panels to generate our own energy, upgraded our heating system and installed new windows.



Packaging, Waste and Recycling

- In 2021/22, if it couldn't be reused, we **recycled 11.3 tonnes of cardboard and 6.5 tonnes of shrink wrap**.



Procurement

- **64% of contracts include strong sustainability KPIs** for suppliers, which equals **5% of the award criteria**.
- **20% of all stock lines** have sustainable credentials.



Printing

County Supplies annual catalogue **print run reduced by 4%** for 2023/24 edition and by **32 pages per copy**.



Climate Change Programme

- Leading on the Product Lifecycle Workstream.
- Engaging and supporting the Food and Travel and Transport Workstreams.
- HWRC re-use programme.

Climate Change and Sustainability

Service Priorities and Quantifiable Targets

By the end of 2023

- Achieve further savings by reducing duplicated deliveries by up to 20%.
- E-commerce platform embedded and further 10% reduction in printed catalogue production.
- County Supplies Logistics fleet reduced by a further 2 vehicles.
- 78% of contracts let by County Supplies will focus on strong sustainable KPIs for suppliers.

By the end of 2025

- 100% of contracts let by County Supplies will focus on strong sustainable KPIs for suppliers.
- At least 10% of our delivery fleet to be electric vehicles.
- Advertising space to be sold on the e-commerce platform and further 10% reduction in printed catalogue production.



Major Projects 2022/23

E-Commerce

- Current web shop is over 12 years old, is out of support and uses old technology.
- New solution procured. The successful contractor is '24/7'.
- The new solution will provide a modern, secure and engaging online ordering platform for all customers.
- Project aims:
 - Improve the customer journey
 - Innovate our digital offer
 - Increase our market share
 - Assist with maintaining our financial self-sustainability.
- County Supplies is leading the project implementation supported by IT and SAP colleagues, with a target go-live of July 2023.



Traded Services Online

Project vision:

To provide a modern digital solution which enables existing and new customers to navigate to one place to access all traded services and provide improved customer insight and customer relationship management.

- ❑ County Supplies leading on this cross-cutting project for the County Council's traded services.
- ❑ Initially focused on services to schools.
- ❑ Future phases may extend to other customer groups.
- ❑ Key benefits:
 - Improved web presence
 - Greater visibility of all traded services in one place
 - Consistent digital offer and customer account
 - Secure customer login to access all purchased services and content
 - Improved customer insight
 - Assist with upselling and cross-selling
 - Customer self-service.
- ❑ 18 traded services, across 4 directorates, in phase 1
- ❑ Target go-live: April 2023.

Key Business Risks and Mitigation

- Highly competitive marketplace – focus on price and customer service
- Outdated online shop front – e-commerce project
- Increasing costs (due to inflation, on-going Brexit impacts, post-pandemic raw material / product shortages, labour shortages) – continuous focus on efficiency, effective buying arrangements and price negotiation

Medium Term Priorities to 2025



E-Commerce, Phase II



Succession and People Planning



Further Digital Improvements



Maintaining and Growing Our Customer Base



Maintaining our Focus on Continuous Improvement



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