



**countysupplies**  
making buying easy



Children and Young People Select Committee  
12<sup>th</sup> January 2023

County Supplies

[www.hants.gov.uk/countysupplies](http://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

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## 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



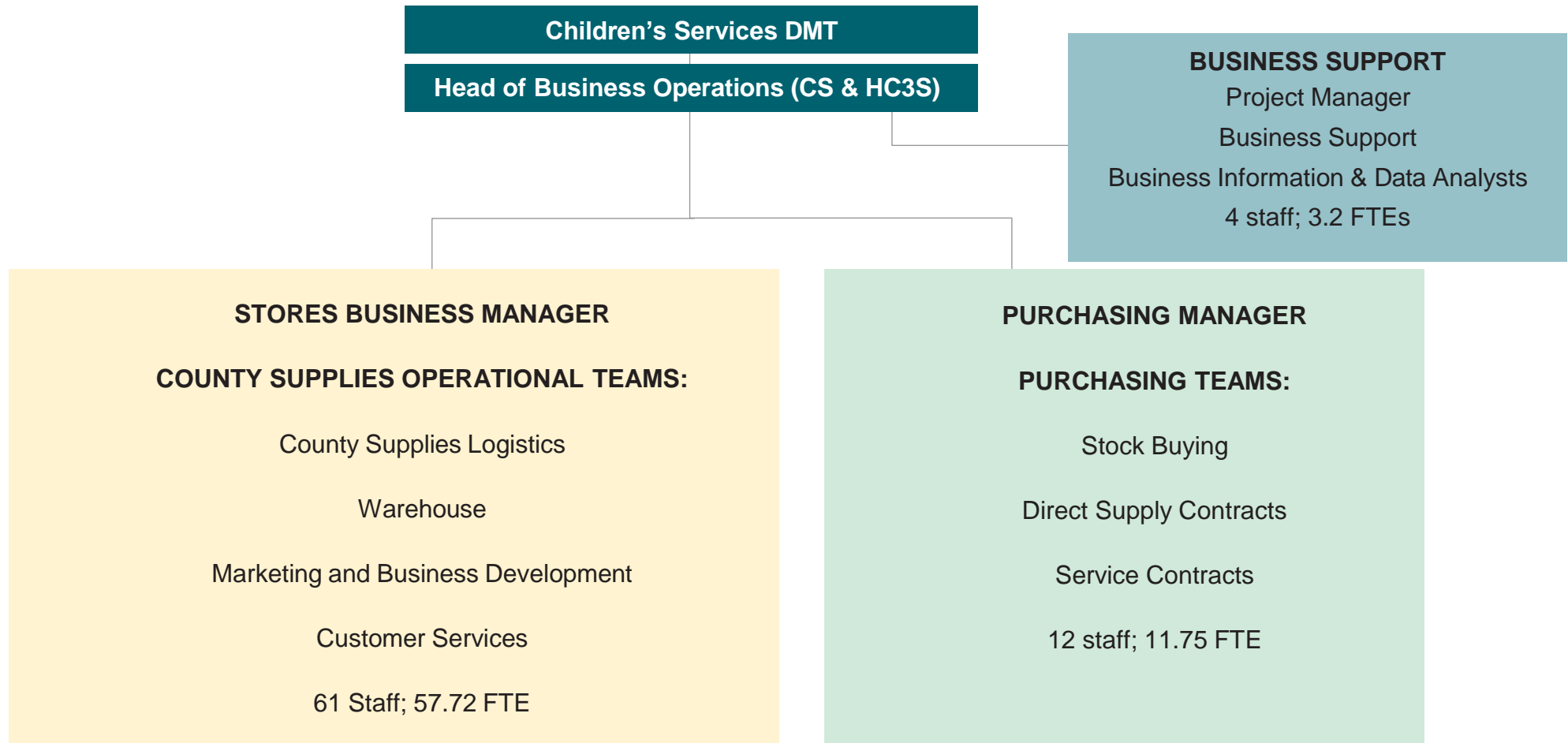
**£47.1 million**  
annual customer spend through our  
portfolio of direct supply  
framework agreements and contracts



**£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



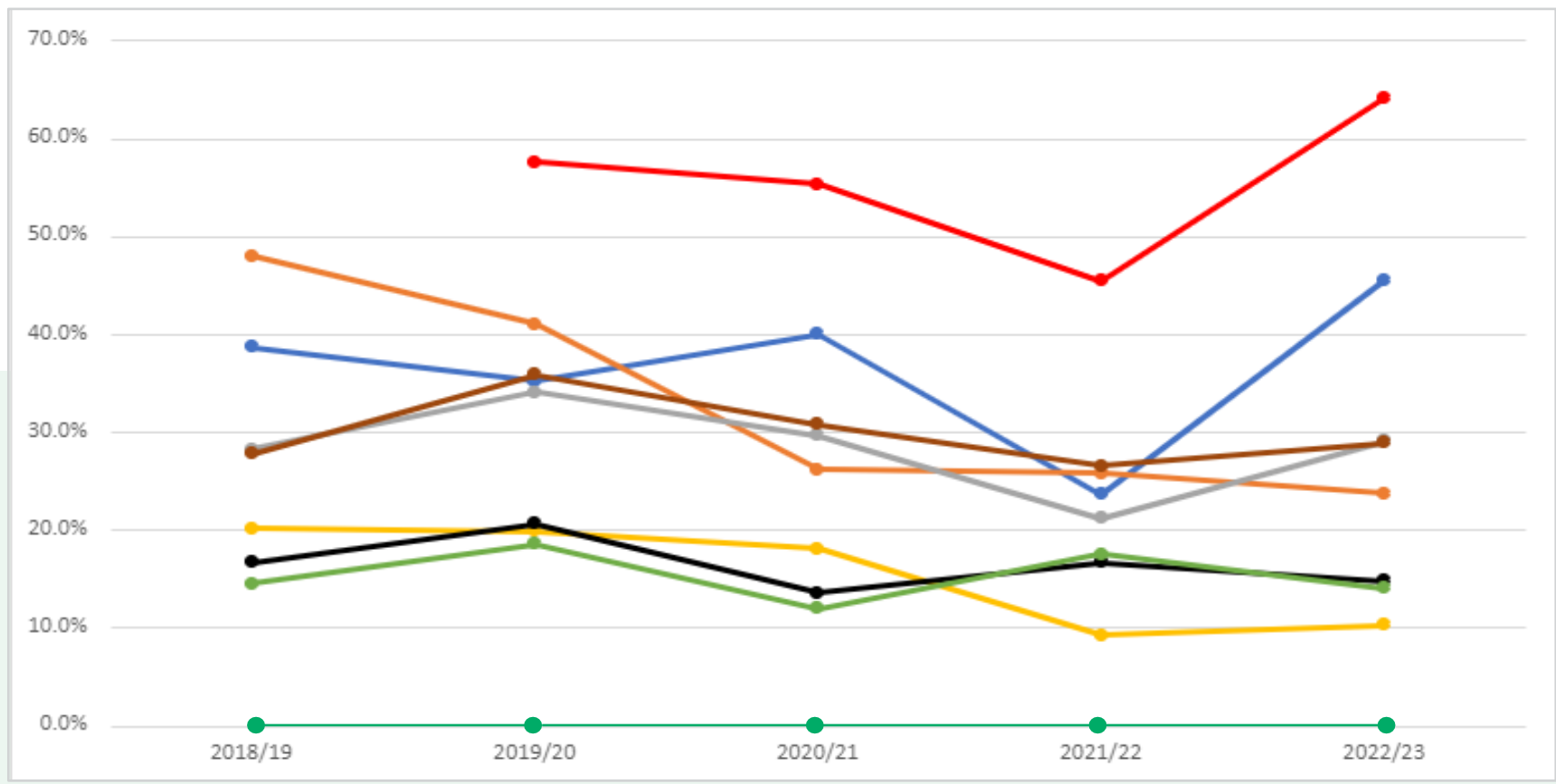
**223,417**

REDUCTION IN MILES  
IN YEAR 1

Saving over **£230,000** p.a.

# Price Competitiveness

## Price Competitiveness Trend 2018-2023



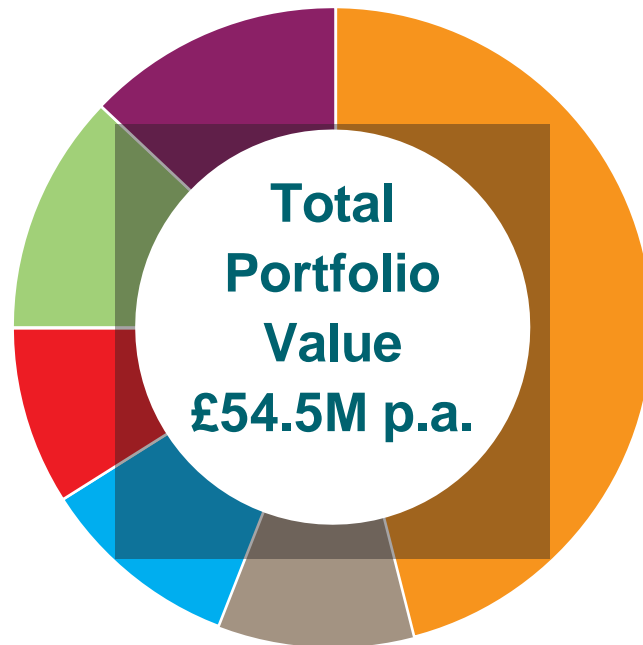
- GLS (Findel)
- The Consortium
- Kent
- YPO
- ESPO
- Amazon
- Herts Fullstop
- Average
- County Supplies



# Contracting Portfolio Overview

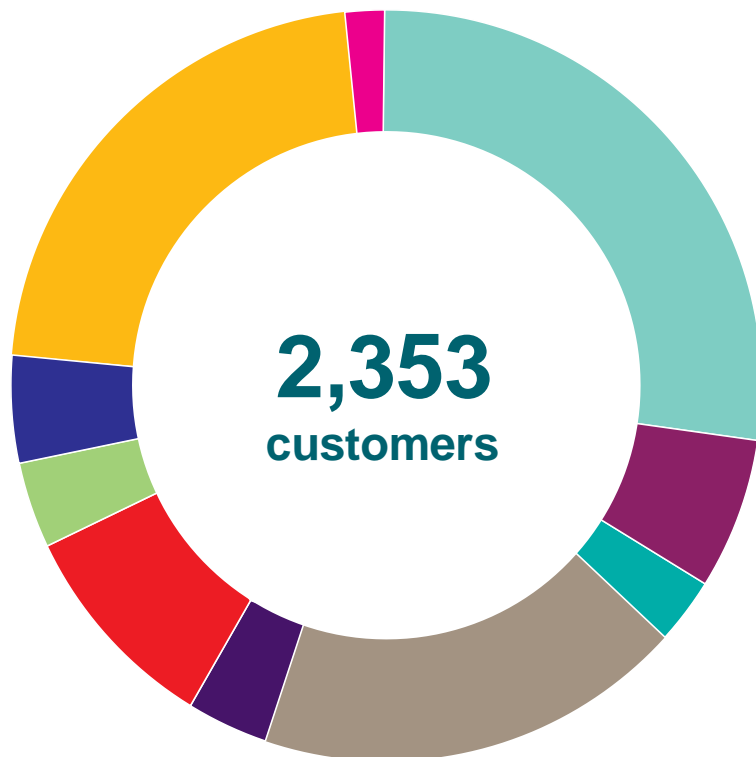
County Supplies manages a broad portfolio of contracts across six distinct categories of goods and services.

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

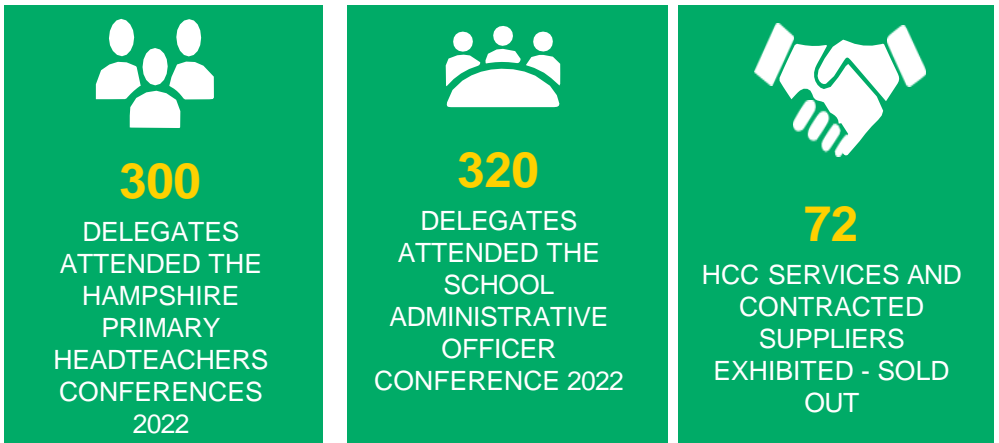
## Sales by Customer Category

	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%
	<b>£9,815,261</b>	<b>100%</b>

## 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

