



Local Government
Third-Party Spend
2020/2021
Almanac

EY

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Introduction

EY and Oxygen Finance, in collaboration, are really pleased to be supporting another annual production of a Local Authority spend Almanac that brings together a view of expenditure across Local Government in England. Last year, the release of the inaugural Almanac helped raise awareness of how councils in England spend their resources with third parties. This opened discussions around how the sector can continue to collaborate together, and with other partners, to get the best possible value from external spend and demonstrate the positive impact good procurement can have on communities. This 2020/2021 Almanac continues to provide this key insight, now with the additional insights on how the COVID-19 pandemic has impacted spend patterns for Local Authorities compared to pre-COVID-19. It is now, more important than ever for Local Authorities to ensure they are getting value from their third-party spend, as this will be pivotal in ensuring continued compliance with public health measures, protecting the most vulnerable in our communities or supporting the recovery process, and helping the economy (and society as a whole) build back better post lockdown.

Local Government across England collectively reports spend over £64bn with suppliers to deliver services to communities. From contracts with care-home providers through to IT companies, this expenditure is essential to delivering the outcomes we all need.

The Local Government Transparency Code 2015 sets out the minimum requirement for Local Authorities to publish open data, including spend data. It ensures that data about how money is spent is accessible publicly and all expenditure exceeding £500 must be published. This creates a wealth of information and helps to understand national trends and variations in how Local Authorities spend their resources with third parties. Oxygen Finance has developed an Illuminator tool that aggregates and categorises actual invoice data disclosed by all Local Authorities in England. EY works directly with many Local Authorities to support them to drive value and efficiency from their third-party spend.

This is the second annual publication of the Almanac, covering spend between financial years 2018/2019 to 2020/2021 and includes a view of:

- ▶ Overall third-party expenditure across English Local Authorities.
- ▶ Category, council type and regional expenditure.
- ▶ Supplier expenditure trends.
- ▶ Insights into the impact of COVID-19 on third-party expenditure.

EY and Oxygen Finance encourage you to use this Almanac to compare and contrast your spend and apply learnings to support supplier collaboration.

“

“I am pleased to see this promised updated version of the Local Government spend Almanac which reflects spend across English councils for 2020/21 and usefully provides some insights into what councils needed to do differently with their supply chains as a result of the Covid-19 pandemic. Given the growing importance of good procurement within the public sector, highlighted in the Government’s Green Paper ‘Transforming Public Procurement’ it is imperative that council leaders continue to collaborate together, and with our wider partners, to achieve the best value we can.”

**A quote from Councillor Peter Fleming,
the Chair of LGA’s Improvement and
Innovation Board**

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1

Context and background

Context and background

The COVID-19 crisis has increased the financial pressures that most Local Authorities are facing. Together with the wider impacts on the economy and the resultant sustainability of businesses, it is now ever more important for Local Authorities to scrutinise the value they are getting from their third-party spend. Local Authorities need to be assured of resilience within their supply chains to allow them to meet their corporate objectives and deliver vital services seamlessly to their residents. This document covers spend both prior to and during the COVID-19 pandemic, and is based on quantitative data published by Local Authorities.

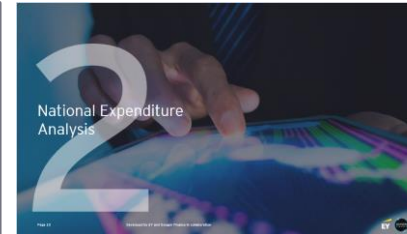
Some key highlights from this document include:

- ▶ **£187.9bn** has been spent with third parties by English Local Authorities in the last 3 years.
- ▶ **£64bn** was spent on third parties in 2020/2021, **40%** of this incurred within the Vulnerable Citizens and Public Health category, which is up from 37% from the previous year.
- ▶ Every category had a real term decrease in third-party expenditure over a three year period when accounting for inflation, bar Vulnerable Citizens.
- ▶ **£1,138** was spent with third parties per capita in 2020/2021, an increase of 6% since 2018/2019.
- ▶ **4.8%** (23.6bn) more was spent with Small and Medium Enterprises (SMEs) in 2020/2021 compared to 2018/2019. This accounts for approximately 37% of total third-party expenditure.
- ▶ **80%** of total third-party spend across England is with a relatively small number of suppliers (4,748).

Some further notable findings from this year's Almanac include:

- ▶ Local Authority third-party spend has increased by approximately 6% over the last 3 years, to £64bn in 2020/2021 - this is ahead of inflation over the same period but represents a lowering in the rate of increase.
- ▶ Although overall third-party expenditure is increasing generally, it is important to note in 2020/2021 expenditure will be impacted by the COVID-19 pandemic, driving increased spend in certain categories, and decreased spend in others, for example there is an increase in Vulnerable Citizens and Public Health spend, but a decrease in Professional Services expenditure.
- ▶ Whilst significant increases in spend are noted on Vulnerable Citizens and Public Health, there has been a major reduction in spending on Professional Services and Culture and Leisure, and a real terms reduction in spending on Highways and Transport, ICT and BPO (Business process outsourcing), Corporate, and Buildings.
- ▶ This indicates how Local Authorities have potentially responded to the COVID-19 pandemic, reducing spend on discretionary services such as Culture and Leisure, which could also be driven by the national lockdowns, and investing in areas supporting communities and individuals, through the Vulnerable Citizens and Public Health category spend. In particular, Safety Equipment, increased 68% when compared to the prior year 2019/2020.

Percentages are not adjusted for inflation



National Expenditure Analysis

Here we explore the national picture of third-party expenditure across England, including spend by council type, categories and a view of the COVID-19 impact.



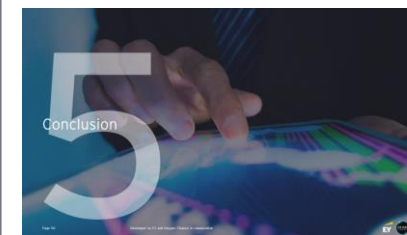
Regional Expenditure Analysis

This section explores third-party spending patterns across each of the English regions.



Supplier Analysis

In this section, we set out the 20 suppliers with the highest spend and the number of Local Authorities that spend with them.

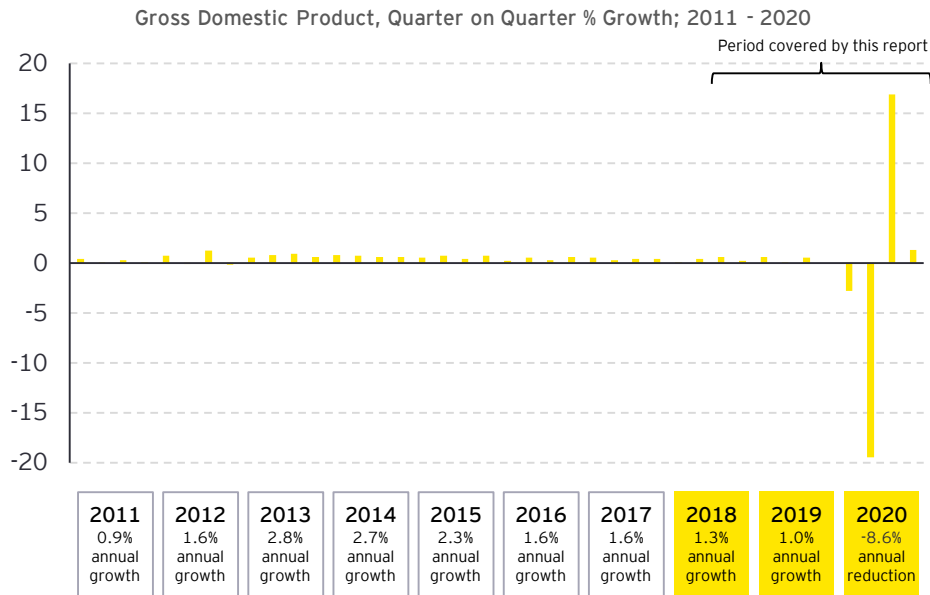


Conclusion

Here we set out some of the main conclusions that can be derived from the 2020/2021 Almanac.

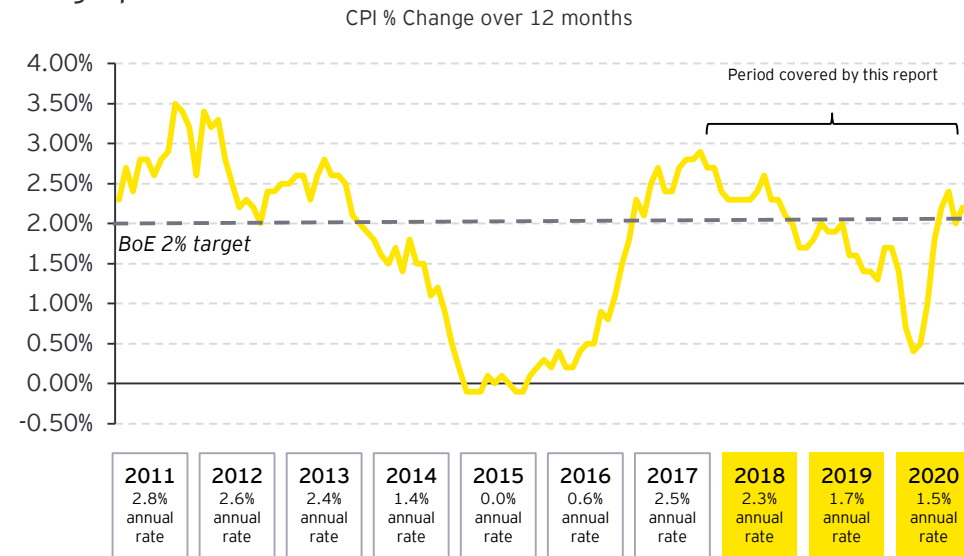
Economic context

This report considers a period of time when the UK's economic performance entered into unprecedented territory caused by the impact of Covid-19.



The graph above demonstrates the huge fluctuations in the UK economy's output, decreasing by a record 19% in Q2 of 2020. Despite it recovering to some degree in the following quarters, the economy was 8.6% smaller at the end of 2020 than it was at the end of 2019.

Consideration is applied to inflation over this period, noting that the Consumer Price Index (CPI) had fallen below the Bank of England's 2% inflation target in 2019. However, it rose sharply towards the latter half of 2020, with concerns about the rebounding of the economy driving up inflation.



The report considers expenditure on a nominal basis, meaning no adjustments have been made for inflation.

Local authorities in England spent £64bn on third parties in 2020/2021; here are some key insights...

£64bn
overall Local Authority
expenditure on third parties
(2020-2021)

Third-party spend is
up by **+1.5%**
compared to
2019/2020



40%
of total third-party spend is on
the Vulnerable Citizens and
Public Health category

+6%
increase on Vulnerable
Citizens and Public Health over
the last 3 years

24%
of total third-party spend is on
the Buildings category

£1,138
spend per capita
(+0.5% since 2019/2020)

Biggest spend areas across
Local Authorities are:

- ▶ Vulnerable Citizens and Public Health
- ▶ Buildings
- ▶ Highways and Transport
- ▶ Waste and Environment

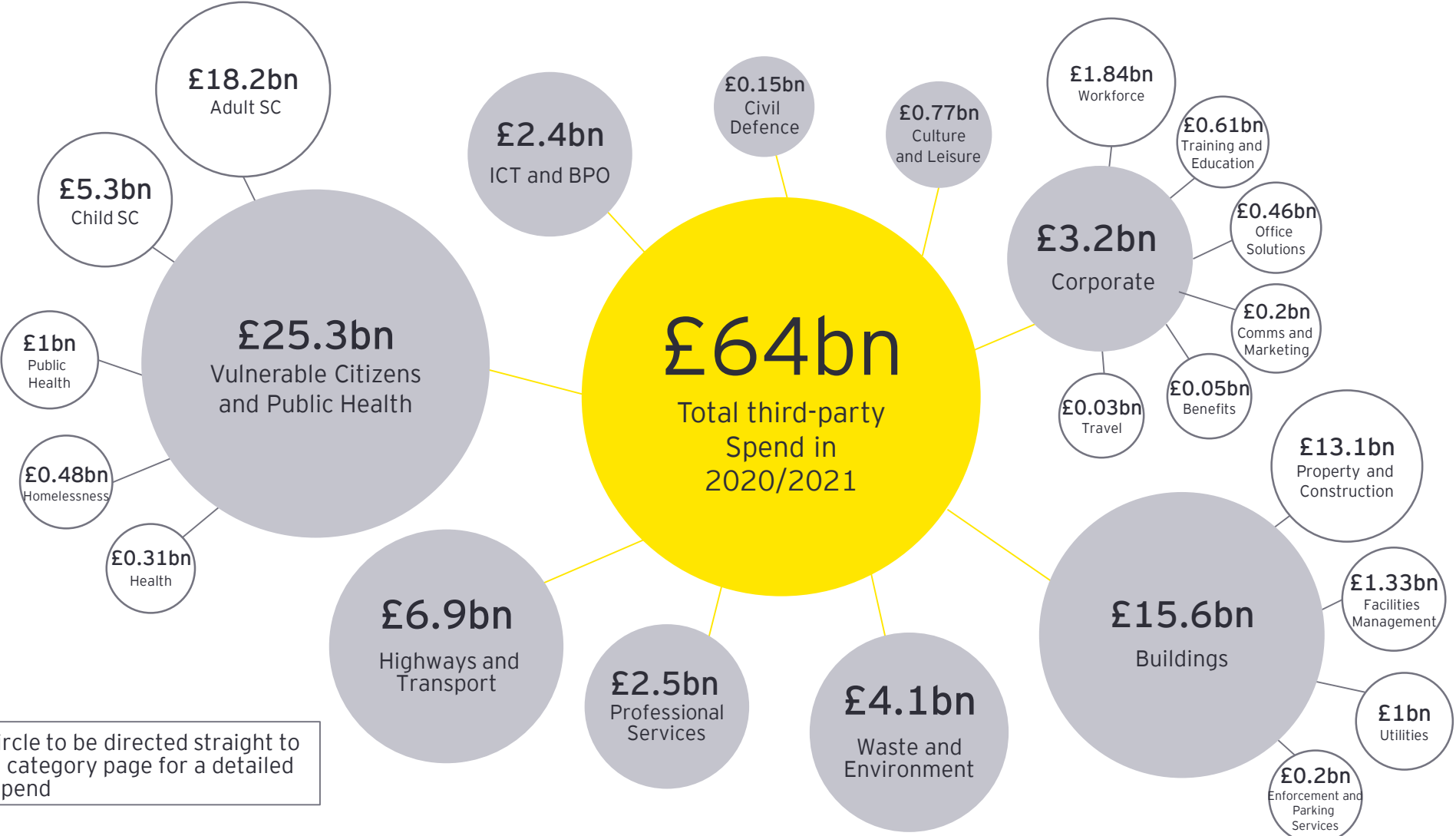


All categories of spend,
other than Vulnerable
Citizens saw a real term
decrease in spend when
comparing to
2019/2020

Categories with the 10
highest spend suppliers:

- ▶ Waste and Environment
- ▶ Highways and Transport
- ▶ Buildings

Of the £64bn expenditure, spend can be apportioned against nine categories, which can be further divided into sub-categories of expenditure...



Click each circle to be directed straight to the relevant category page for a detailed analysis of spend

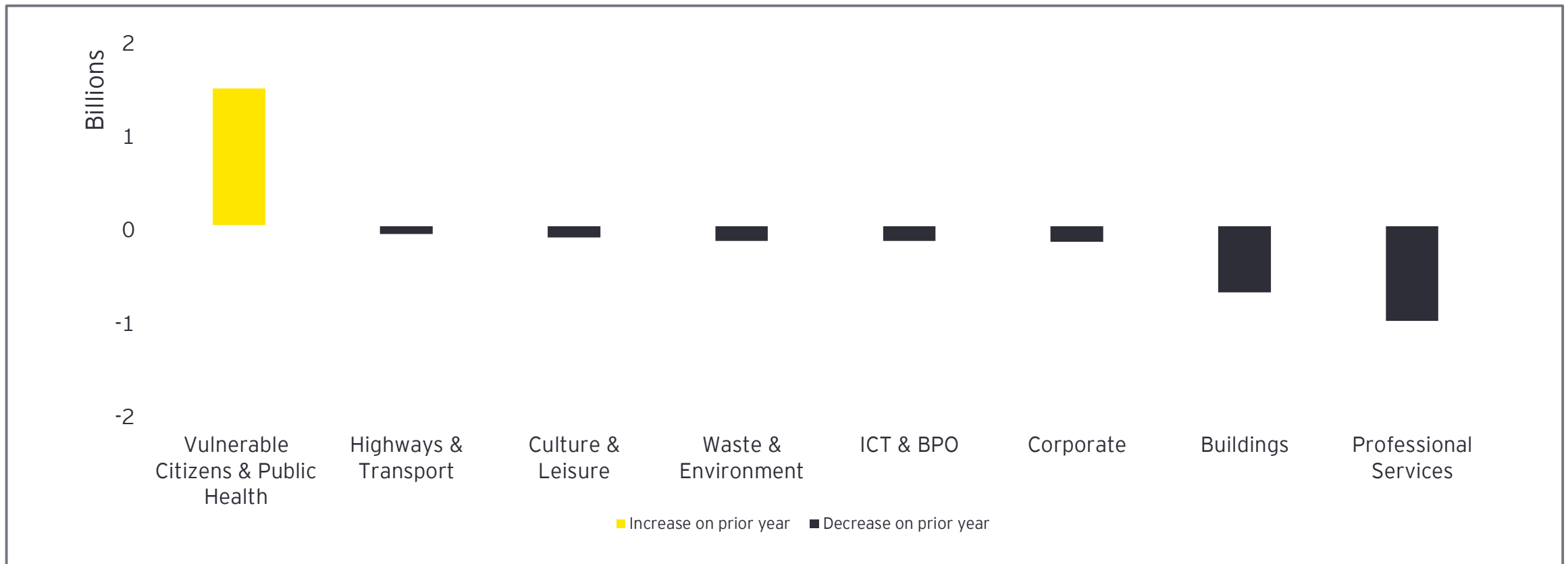
A proportion of spend is pending categorisation, therefore has not been apportioned to specific categories of spend shown in this image

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

All categories bar Vulnerable Citizens & Public Health have seen a decrease in spend in 2020/2021 compared to 2019/2020

While all categories have seen a real term decrease in third party spend between 2020/2021 and 2019/2020, Vulnerable Citizens & Public Health has seen an increase of approximately £1.5bn in spend. The Civil Defence category did also see a slight increase in third party spend; however, this was insignificant in absolute value and was much below the rate of inflation, hence why it has not been captured in the below chart. For further information on how category spend has been impacted in 2020/2021 compared to previous years, please refer to page 22.

Spend difference by category from 2019/2020 to 2020/2021





National expenditure analysis

Introduction to national third-party expenditure data

- ▶ The impact of COVID-19 is clear, with a 6% increase in spend on Vulnerable Citizens and Public Health between 2019/2020 and 2020/2021 compared to a 5% increase in spend between 2018/2019 and 2019/2020. Within this there was a 17% increase on spend on homelessness between 2019/2020 and 2020/2021 vs only an 8% increase between 2018/2019 to 2019/2020, and the more than doubling of spend on personal protective equipment (PPE) between 2019/2020 and 2020/2021.
- ▶ Furthermore, national lockdowns have seen a significant reduction on Culture and Leisure services, with this category seeing a 9% reduction in spend from 2019/2020 (vs a 3% reduction between 2018/2019 to 2019/2020). In addition, there is a noticeable reduction on Professional Services spend at -28% from 2019/2020 (vs -11% in compared to 2018/2019 and 2019/2020).
- ▶ Spend by Combined Authorities continues to increase, with the recently formed West of England Combined Authority seeing the greatest increase over the last three years as a result of some major funding drawdowns.
- ▶ Despite urgent investment to equip the hybrid workforce, and allow working from home, ICT spend has still reduced. This is likely due to delayed major IT projects and the relatively insignificant spend on supporting employees in comparison to other categories.
- ▶ Spend on Vulnerable Citizens and Public Health continues its upward trajectory for the fourth year in a row, now accounting for over 40% of external spend for the first time. The Climate Emergency is having an impact with a significant uplift of over a third on hydro, wind and solar electricity generation.
- ▶ Approximately £5.9bn was spent with the 20 highest spend suppliers.



COVID-19 analysis

In this section, we look at the categories most impacted by the COVID-19 pandemic between financial year 2019/2020 and 2020/2021.



Council type expenditure analysis

Here we look at the third-party spending patterns of the different types of Local Authorities in England.



Category expenditure analysis

This section sets out third-party spending patterns over the last three years by category and sub-category.

Percentages are not adjusted for inflation

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

COVID-19 analysis

Tier three categories with the largest percentage increase and decrease in 2020/2021 compared to 2019/2020...

Local Government spend data is structured in to nine lead categories with sub-categories that sit beneath them and further 'tier three' categories that are beneath the sub-categories. This year we have seen some extraordinary changes in spending patterns within some of the sub-categories and a number of these have been highlighted below.



Tier three categories with largest spend increase in 2020/2021 compared to 2019/2020

Personal Protective Equipment (PPE)

Uniforms and Clothing
+262%
+£33.3mn

Safety Equipment
+68%
+£25.3mn

Health Consumables and General Supplies
+126%
+£21mn

Medical Equipment and Devices
+44.1%
+£11.3mn

Homelessness Service

Hotels
+162%
+£9.7mn

Homelessness
+17.7%
+£71.9mn

Misc.

Facilities - Cleaning
+14%
+£18.5mn

Cremation and Funeral Services
+33.2%
+£5mn



Tier Three categories with largest spend decrease in 2020/2021

Culture and Leisure

Tourism
-52%
-£12.8mn

Cultural Services
-23.6%
-£50.1mn

Employee Expenses

Travel and Subsistence
-46.7%
-£12.6mn

Exam Fees
-44.3%
-£2.5mn

Facilities Management

Catering
-25.4%
-£57.7mn

Utilities
-22.5%
-£302.1mn

Misc.

Logistics Transport and Storage
-65.1%
-£40.2mn

Legal Services
-48.94%
-£689.9mn

National expenditure analysis – Council type

Introduction to National Expenditure Data by Council Type

In this section, we explore third-party spend and variations at different levels of Local Government. The structure of Local Government varies from area to area. In some more rural areas of England, there are 2 tiers - county and district - with responsibility for council services split between them. London, and other metropolitan areas and some other parts of England, operate under a single tier structure with councils responsible for all services in their area.

In total there are 343 Local Authorities in England made up of 5 different types:

- ▶ Two Tier:
 - ▶ County councils – made up of 24 councils.
 - ▶ District councils – made up of 181 councils.
- ▶ Single Tier
 - ▶ Unitary authorities – made up of 58 councils, including the Isle of Scilly.
 - ▶ Metropolitan districts – made up of 36 councils.
 - ▶ London boroughs – made up of 34 councils, including the City of London Corporation and Scilly.

We also explore data from Combined Authorities (CAs) of which there are currently 10. These CAs are made up of a number of other councils working collectively under a separate legal entity, often used for projects that span traditional council borders such as transport, infrastructure and regeneration. As they are separate legal entities, these CAs can also spend with third parties directly.

All council types, bar District councils have seen an increase in third-party expenditure since 2018/2019.

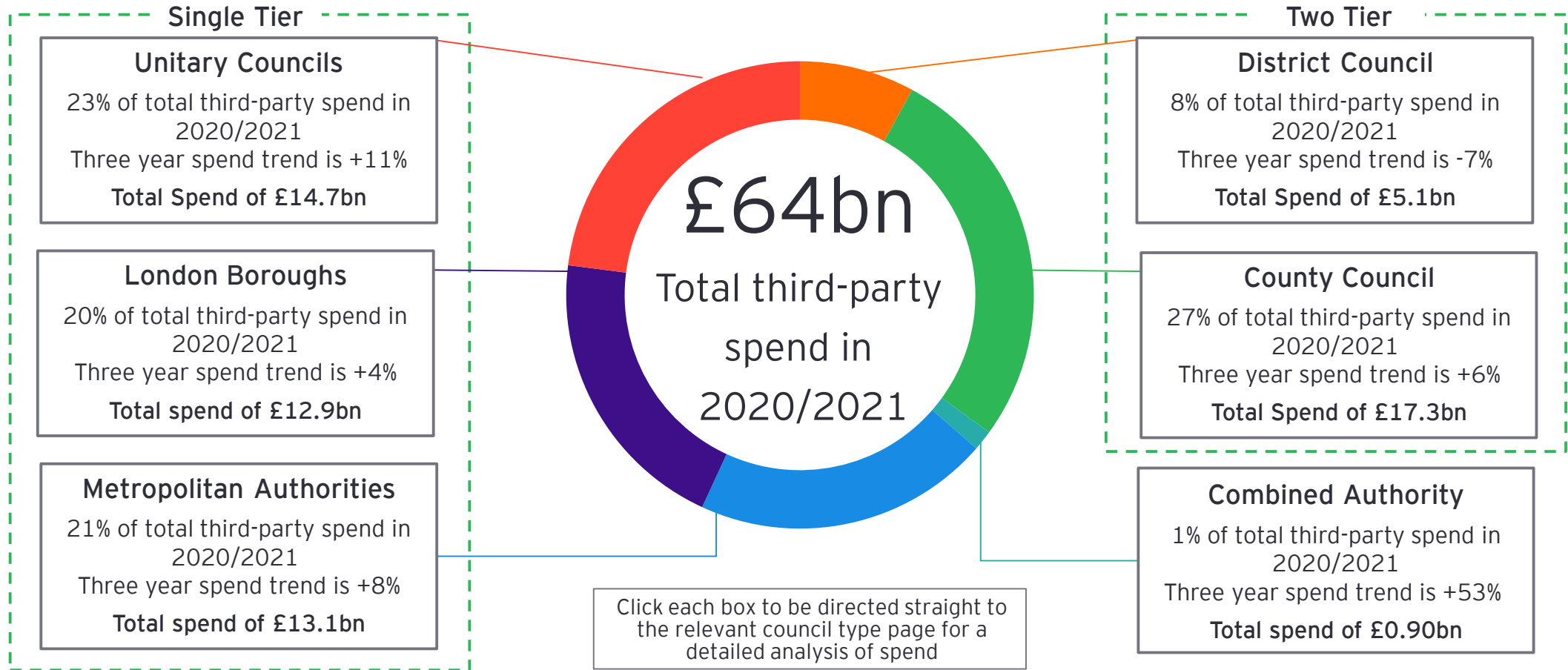
Despite London Boroughs having similar responsibilities to Unitary and Metropolitan councils, and far more concentrated geographies, London Boroughs spend approximately 25% more per resident with third parties than Unitary and Metropolitan.

Single Tier	Unitary	Unitary councils are responsible for all council services within their boundaries, covering large geographic and often rural areas*.
	Metropolitan	The same as Unitary county councils but focused on specific metropolitan areas*.
	London Boroughs	London Boroughs are Unitary councils within Greater London. They have similar responsibilities to Unitary, but some services are delivered London wide, e.g. home school transport*.
Two Tier	County	County councils deliver county wide services like transport, education, planning, social care, waste management and trading standards etc along side local services*.
	District	District councils sit within County council boundaries and are mostly responsible for local service delivery, such as refuse collection and grounds maintenance*.
	Combined Authority	Combined Authorities (CAs) are separate legal entities who spend in their own right, helping council cooperate on a regional basis*.

*Whilst the above descriptions have been taken from the [GOV.UK website](https://www.gov.uk), we appreciate that this may not be an accurate reflection of all Councils of these types.

The £64bn third-party expenditure in 2020/2021 can be apportioned against the six council types...

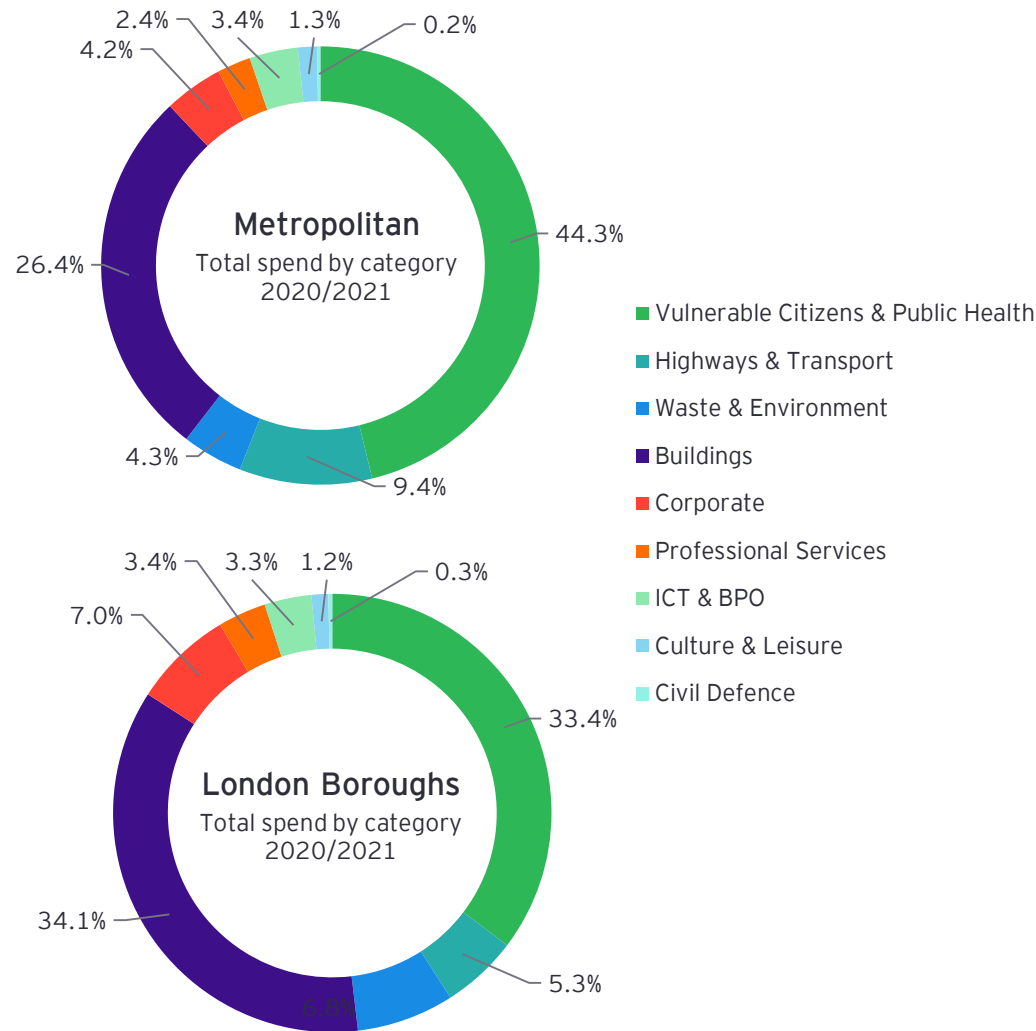
Whilst most councils, bar District councils, have spent with third parties broadly around the level of inflation, Unitary councils have increased expenditure at almost double the rate of inflation. This is in part due to several new Unitary authorities being created over the past few years and spend moving between the different types of councils as result. The increase in new Combined authorities are starting to see some significant spend of their own, primarily in infrastructure and transport projects, and this shows no signs of slowing down.



Percentages are not adjusted for inflation

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

This is how Metropolitan and London Borough councils spent with third-party suppliers in 2020/2021...



Commentary

Metropolitan:

- ▶ third-party spend in Metropolitan councils has increased by 8% since 2018/2019.
- ▶ The largest category of spend for Metropolitan council's in 2020/2021 was Vulnerable Citizens and Public Health, making up 44.3% of the total spend. This is consistently the highest category of spend for this type of council over the last three years.
- ▶ Only three categories had increasing expenditure since 2018/2019; Civil Defence, Vulnerable Citizens and Public Health and Corporate by 24%, 18% and 15% respectively.
- ▶ The per capita spend in Metropolitan councils has increased by 7% since 2018/2019, to £1,088 per capita.
- ▶ Metropolitan councils spent 36% of their total third-party expenditure on SMEs. Whilst the percentage of spend with SMEs has increased by 3%, the actual number of SMEs Metropolitan councils spend with has declined by 17%.

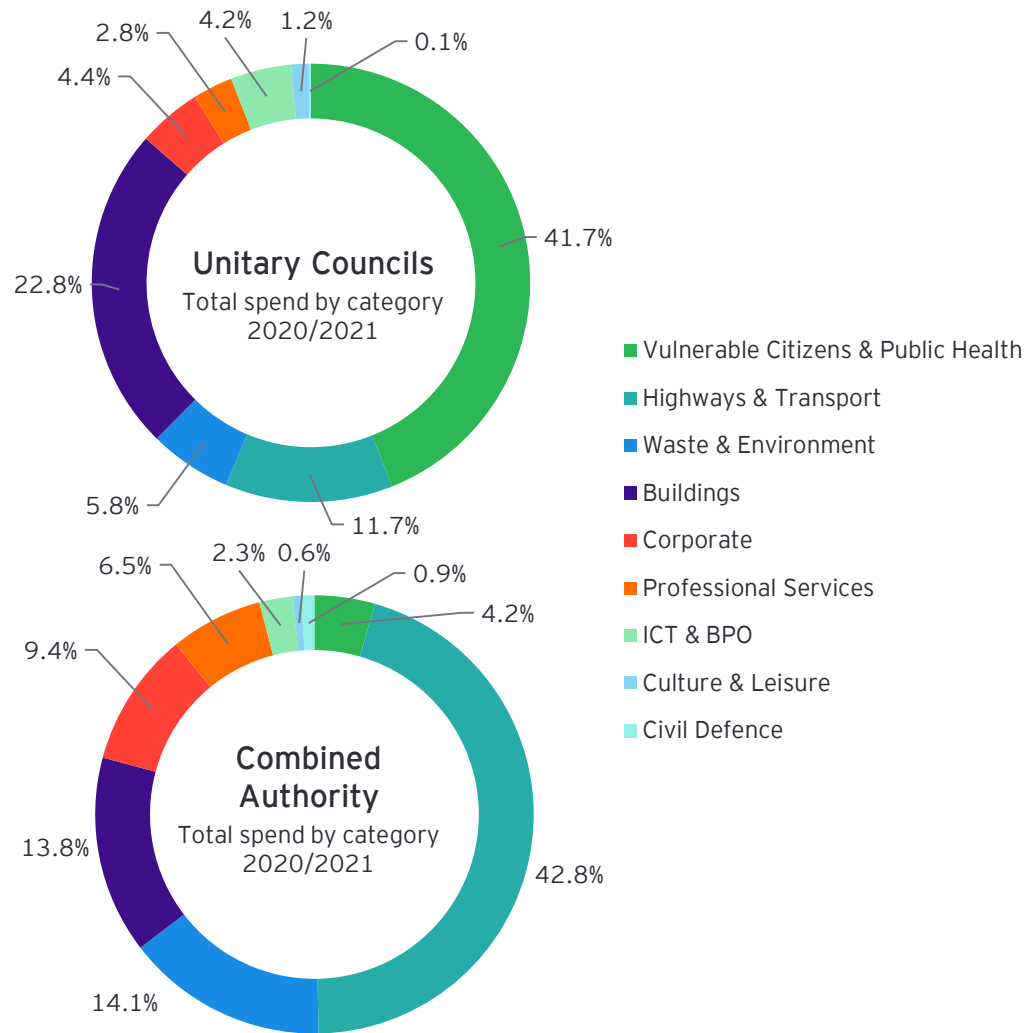
London Borough:

- ▶ third-party spend in London Boroughs has increased by 4% since 2018/2019.
- ▶ The largest category of spend for London Boroughs in 2020/2021 was Buildings, making up 34.1% of the total spend. This is consistently the highest category of spend for this type of council over the last 3 years.
- ▶ The expenditure with Professional Services, ICT and BPO, Highways and Transport, as well as Corporate has declined since 2018/2019 by 33%, 9%, 6% and 3% respectively.
- ▶ The per capita spend in London Borough Councils has increased by 3% since 2018/2019, to £1,437 per capita.
- ▶ London Borough Councils spent 34% of their total third-party expenditure on SMEs. The percentage of spend with SMEs has decreased by 2%, alongside which, the actual number of SMEs London Borough Councils spend with declined by 19%.

Percentages are not adjusted for inflation

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

This is how Unitary and Combined Authority councils spent against third-party suppliers in 2020/2021 ...



Commentary

Unitary councils:

- ▶ third-party spend in Unitary councils has increased by 11% since 2018/2019.
- ▶ The largest category of spend for Unitary councils in 2020/2021 was Vulnerable Citizens and Public Health, making up 41.7% of the total spend. This is consistently the highest category of spend for this type of council over the last 3 years.
- ▶ The expenditure within the Professional Services, as well as the Culture and Leisure category has declined since 2018/2019 by 41% and 16% respectively.
- ▶ The per capita spend in Unitary councils has increased by 6% since 2018/2019, to £1,073 per capita.
- ▶ Unitary councils spent 37% of their total third-party expenditure on SMEs. Whilst the percentage of spend with SMEs has increased by 7%, the actual number of SMEs Unitary councils spend with has declined by 15%.

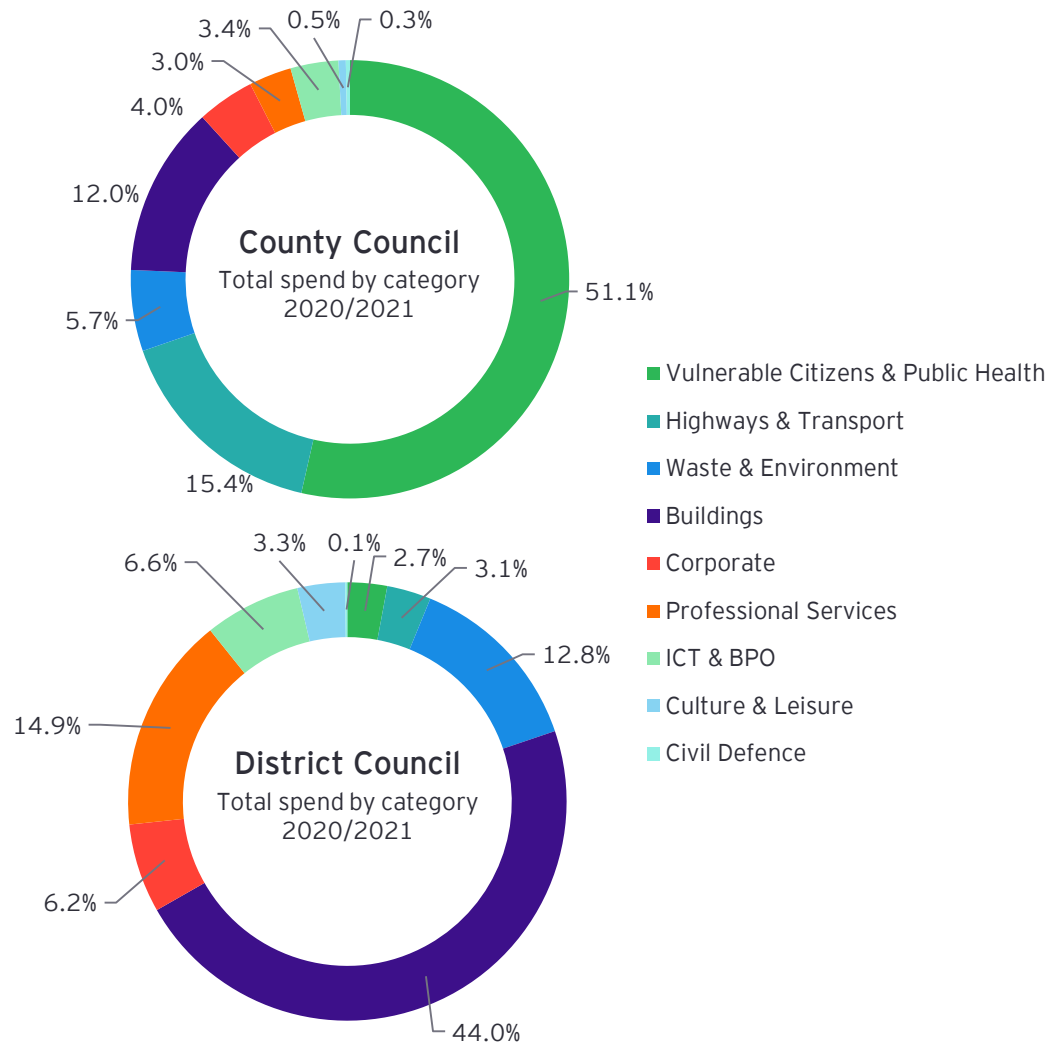
Combined authority:

- ▶ third-party spend in Combined Authority councils has increased by 53% since 2018/2019.
- ▶ The largest category of spend for Combined Authority councils in 2020/2021 was Highways and Transport, making up 42.8% of the total spend. This is consistently the highest category of spend for this type of council over the last 3 years.
- ▶ The only category to have declining expenditure since 2018/2019 is Culture and Leisure, by 15%.
- ▶ Combined Authority councils spent 28% of their total third-party expenditure on SMEs. Whilst the percentage of spend with SMEs has increased by 80%, the actual number of SMEs Combined Authority councils spend with has declined by 13%.

Percentages are not adjusted for inflation

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

This is how County and District councils spent against third-party suppliers in 2020/2021...



Commentary

County council:

- ▶ third-party spend in County councils has increased by 6% since 2018/2019 however some County councils have converted to Unitary councils during this period.
- ▶ The largest category of spend for County councils in 2020/2021 was Vulnerable Citizens and Public Health, making up 51.1% of the total spend. This is consistently the highest category of spend for this type of council over the last 3 years.
- ▶ The expenditure with Culture and Leisure, Corporate, Waste and Environment and Highways and Transport has declined since 2018/2019 by 23%, 4%, 2% and 1% respectively.
- ▶ The per capita spend in County councils has increased by 8% since 2018/2019, to £805 per capita.
- ▶ County councils spent 41% of their total third-party expenditure on SMEs. Whilst the percentage of spend with SMEs has increased by 12%, the actual number of SMEs County councils spend with has declined by 15%.

District council:

- ▶ third-party spend in District councils has decreased by 7% since 2018/2019.
- ▶ The largest category of spend for District council's in 2020/2021 was Buildings, making up 44% of the total spend. This is consistently the highest category of spend for this type of council over the last 3 years.
- ▶ All categories within District councils had declining expenditure, except for Civil Defence which increased by 12% since 2018/2019.
- ▶ The per capita spend in District councils has decreased by 5% since 2018/2019, to £236 per capita.
- ▶ District councils spent 34% of their total third-party expenditure on SMEs. The percentage of spend with SMEs has decreased by 13%, alongside which, the actual number of SMEs District councils spend with declined by 28%.

Percentages are not adjusted for inflation

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

National Expenditure Analysis - Spend Categories

Introduction to National Expenditure Data by Category

Expenditure has been apportioned by Oxygen Finance against nine categories where spend has been incurred with third parties either as revenue or capital spend. Overleaf we explore a summary of this spend on a national level, and provide further insight into each category. Some notable insights include:

- ▶ Total third-party expenditure has seen a 6.4% increase since 2018/2019, or an approximate 1.5% increase since 2019/2020, with spend now exceeding £64bn. There have been significant spend shifts across categories over the last three years, in part due to efforts to combat the COVID-19 pandemic.
- ▶ The categories with the highest percentage increase in expenditure in the last three years are Civil Defence and Vulnerable Citizens and Public Health with a 26% and 12% increase, respectively.
- ▶ The categories with the highest percentage decrease in expenditure since 2018/2019 are Professional Services and Culture and Leisure, with 20% and 12% decrease, respectively.
- ▶ This indicates how Local Authorities have potentially responded to the COVID-19 pandemic due to temporary closures due to lockdowns and diverting funding from discretionary services such as Culture and Leisure, and investing in areas to supporting communities and individuals, through the Vulnerable Citizens and Public Health category spend and in particular, Safety Equipment, increasing 128% over the last 3 years. The subcategories with the largest expenditure increase over the period are Adult Social Care and Children's Social Care, at £2bn and £642mn respectively.

Vulnerable Citizens and Public Health

Including Adults, Children's, Public Health and Homelessness

Civil Defence

Including Health and Safety, Probation, Emergency, Asylum and Migration

Culture and Leisure

Including Leisure, Libraries and Tourism

ICT and BPO

Including Back Office Admin, IT, Digital and Document management services

Professional Services

Including Legal Services, Financial Services, Insurance Services and Claims, Management and Transformation Consultancy, Pensions and Audit

Corporate

Including Communication, Marketing, Agency Staff, Office supplies, Travel and Benefits

Waste and Environment

Including Waste, Grounds Maintenance, Conservation, Farms and Cemeteries and Crematoriums

Highways and Transport

Including Infrastructure, Transport, Fleet and Street lighting

Buildings

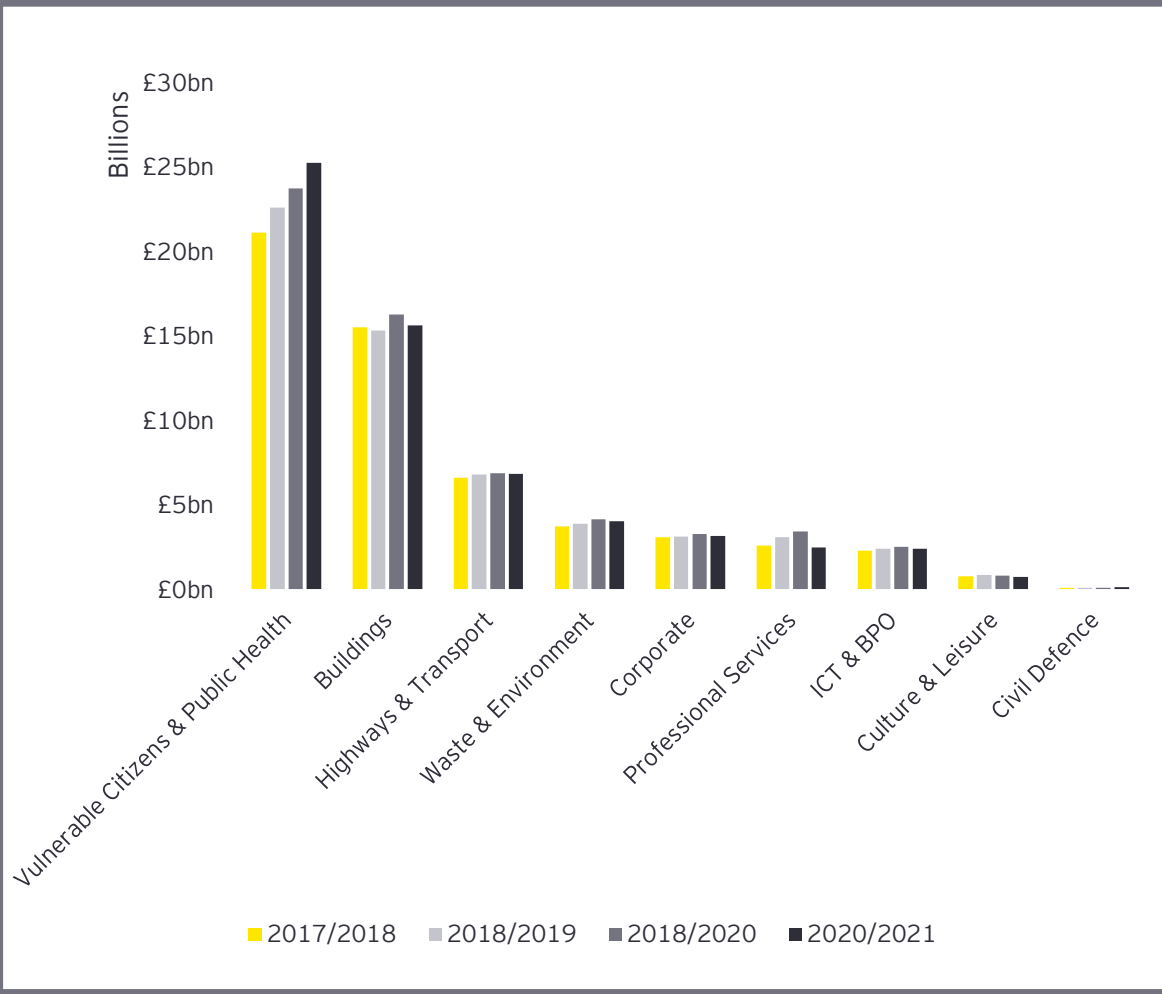
Including Property Construction, Facilities Management, Housing management services, Construction, Utilities and Parking

Percentages are not adjusted for inflation

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

How third party spend has changed in 2020/2021...

Third party spend across category from 2018/2019 to 2020/2021



Spend difference by category from 2019/2020 to 2020/2021



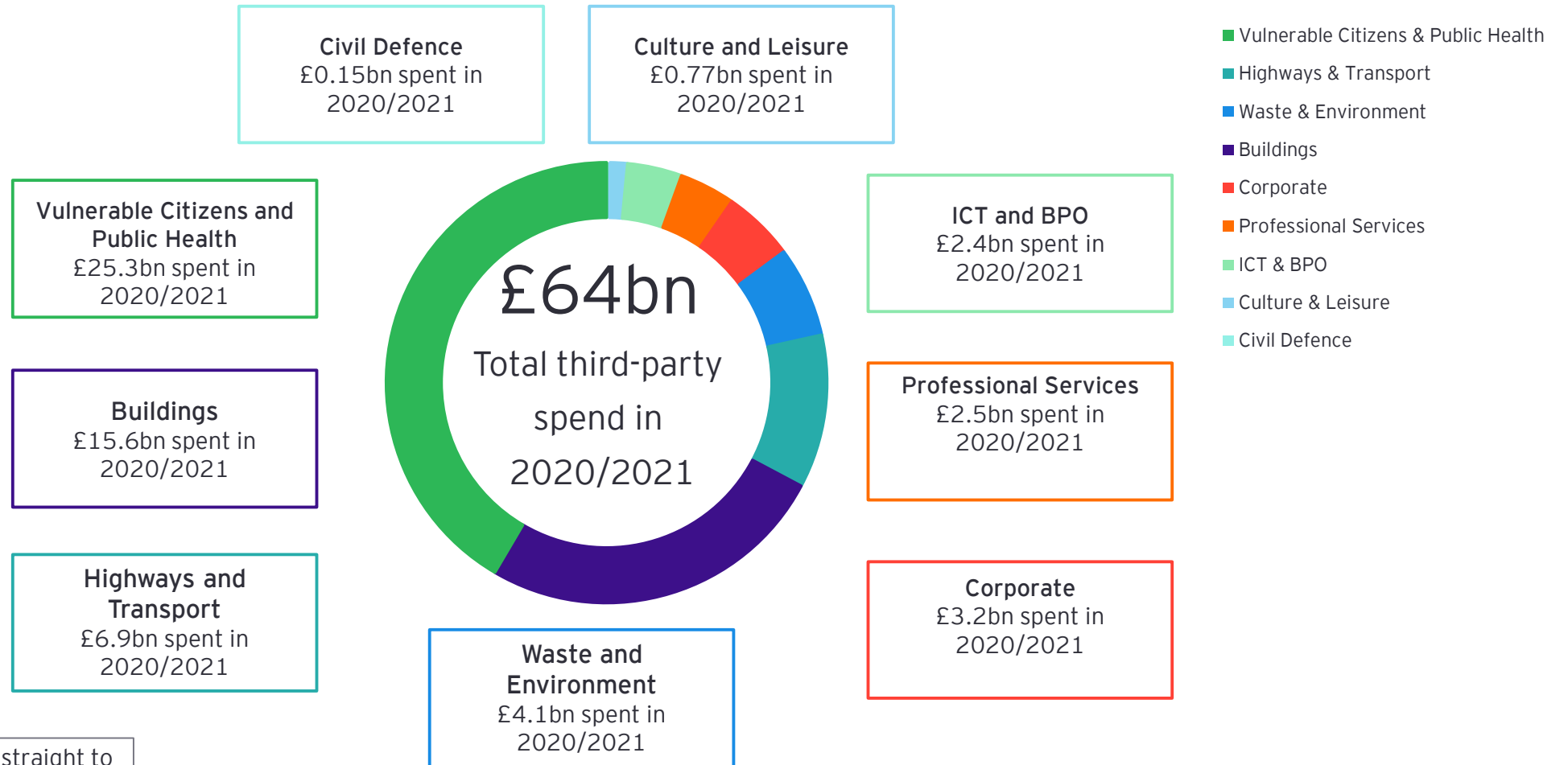
Commentary

- ▶ All categories of spend, bar Vulnerable citizens saw a real term decrease in spend, when accounting for inflation between 2019/2020 and 2020/2021. Whilst Civil Defence saw a slight increase in spend, this was insignificant in absolute value and was much below the rate of inflation.
- ▶ Vulnerable Citizens and Public Health spend has consistently increased year on year, it is up by £1.5bn in 2021/21 compared to 2019/2020.
- ▶ Building and Highways and Transport spend fluctuates year on year, representing the cyclical nature of project work and major investments, and has remained broadly flat.
- ▶ Spend has consistently fallen in all the following categories when comparing to a three year spend trend (2018/2019 to 2020/2021) and against previous year (2020/2021 to 2019/2020) : Waste and Environment, Corporate, ICT and BPO
- ▶ Professional Services and Culture and Leisure have continued to decreased in 2020/2021.

A proportion of spend is pending categorisation, therefore has not been apportioned to specific categories of spend in this chart

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

This is how spend was apportioned against each category in 2020/2021...



Click each box to be directed straight to the relevant category page for a detailed analysis of spend

A proportion of spend is pending categorisation, therefore has not been apportioned to specific categories of spend in this chart

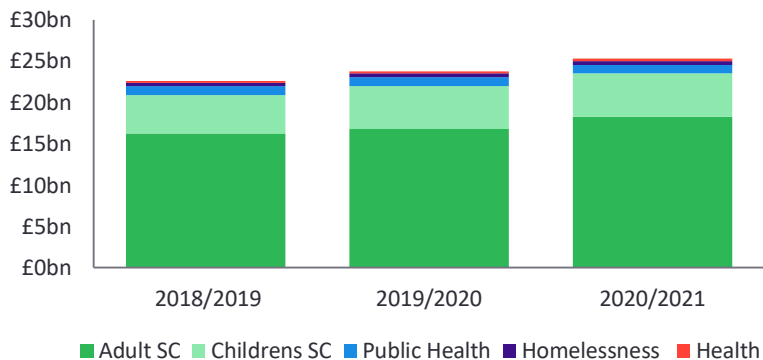
All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

Vulnerable Citizens and Public Health Category – a view of the last three years...

Category Headline Facts

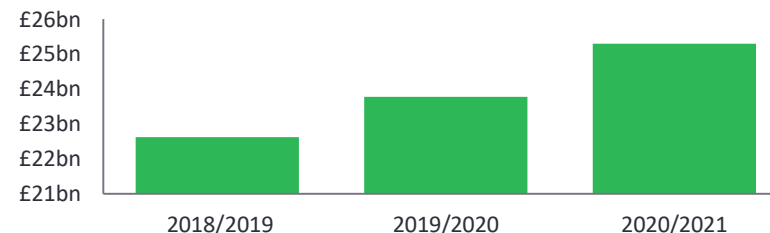
- ▶ Total spend (2020/2021): £25.3bn.
- ▶ The largest third-party spend area for Local Authorities nationally.
- ▶ Highest sub-category: Adult Social Care (£18.2bn).
- ▶ Residential and nursing care spend was 56% of total Adult Social Care spend in 2020/2021.
- ▶ Since 2019/2020 the spend on Vulnerable Citizens and Public Health is up by 6%.
- ▶ The 3 year spend trend is up by 12%.

Sub-Category Breakdown for 2018/2019 to 2020/2021



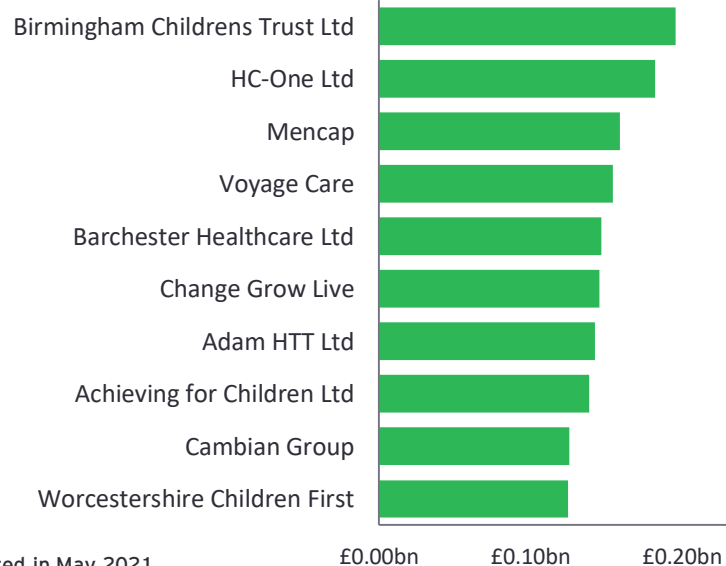
- ▶ Homelessness spend increased the most in the current three year period, increasing by 28% since 2018/2019.
- ▶ The amount spent on Public health with third parties since 2018/2019 decreased by 7%.
- ▶ The top 80% of spend (£18.6bn) is attributed to 3,117 suppliers.

Category spend over three years



The average annual increase over the last three years is 6%. The above chart shows significant changes in trend compared to the 'Category Breakdown' chart due to varied denominations being used in the Y axis.

Highest Spend Supplier Summary for 2020/2021



Commentary

Adult Social Care and Homelessness:

- ▶ Adult Social Care (ASC) continues to be the largest spend area for Local Authorities, consistently outpacing inflation. Between 2018/2019 and 2019/2020 ASC spend increased by 3.2% which can be explained by Council's having to meet demographic and market pressures.
- ▶ However, between 2019/2020 and 2020/2021 the increases in ASC spend nearly tripled to 9%. This is potentially directly related to impact that the COVID-19 pandemic has on the ASC sector, including increasing care packages cost, as well as emergency sustainability funding for providers.
- ▶ Increase in homelessness spend can be directly linked to arrangements to reduce the spread of COVID-19, by housing more rough sleepers.

Children's Social Care and Public Health:

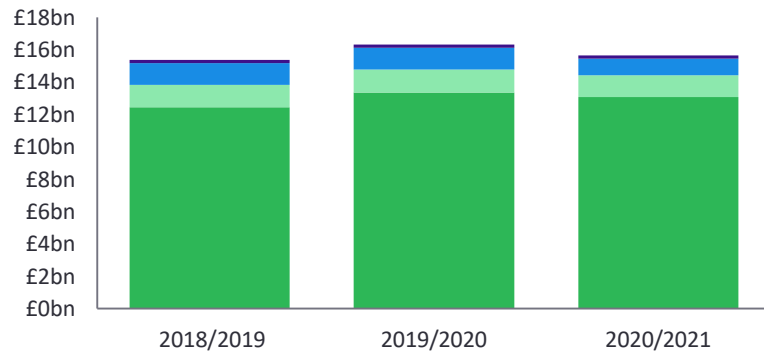
- ▶ third-party expenditure related to Children's Social Care has increased by 14% over the last three years, driven by an increase in demand for statutory support. Placements costs for children with Special Educational Needs and Looked After Children are rising as demand exceeds capacity. There is an increase in the number of children social care providers in the highest spend list when compared to the last almanac.
- ▶ There was a 6% increase in public health spend from 18/19 - 19/20, this fell dramatically by 12% between 19/20 - 20/21. This was primarily driven by reduced spend on DaAT (Drug and Alcohol Treatment) and GUM (Genitourinary medicine) services.

Buildings Category – a view of the last three years...

Category Headline Facts

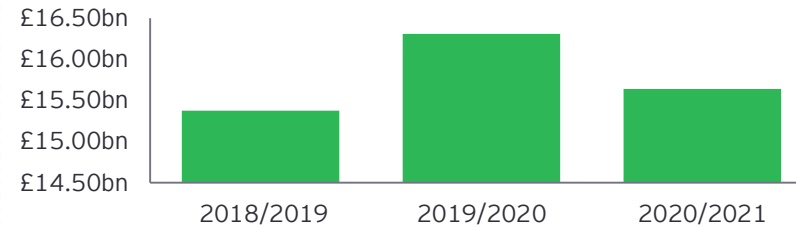
- ▶ Total spend (2020/2021): £15.6bn.
- ▶ Highest sub-category: Property and Construction (£13.1bn).
- ▶ Since 2019/2020 the spend on Buildings is down by 4%.
- ▶ The 3 year spend trend is up by 2%.

Sub-Category Breakdown for 2018/2019 to 2020/2021



- ▶ The amount spent on Utilities since 2018/2019 decreased the by the highest proportion, by 23%.
- ▶ The top 80% of spend (£12.8bn) is attributed to 1,565 suppliers.

Category spend over three years



The average annual increase over the last three years is 1% The above chart shows significant changes in trend compared to the 'Category Breakdown' chart due to varied denominations being used in the Y axis.

Highest Spend Supplier Summary for 2020/2021



Commentary

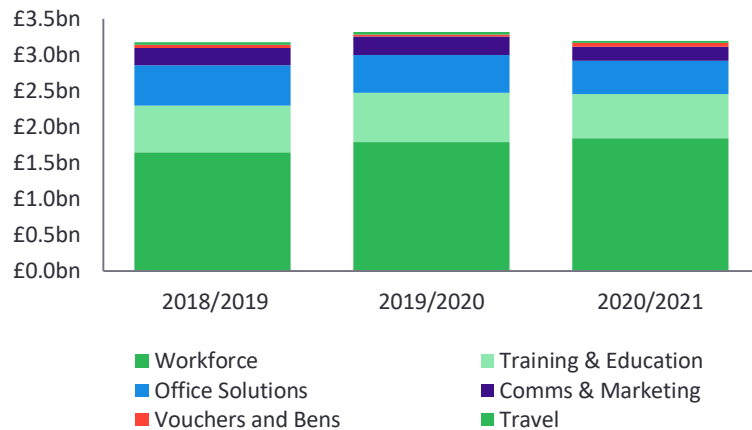
- ▶ The ten highest spend suppliers remains static, for a second year running, primarily large construction firms and house builders.
- ▶ The effects of hybrid working and asset rationalisation across the sector will reduce spend on corporate assets, but this is likely to be offset by increased capital spending to support regeneration, capital programme investment and construction schemes and levelling up struggling town centres.
- ▶ The impacts of BREXIT, social distancing and enhanced cleaning due to COVID-19, with a move to living wage in most authorities are likely to cause above inflationary FM costs, with some industry estimates upwards of 20%.
- ▶ Over 300 councils have declared a climate emergency, so spend increases in the pursuit of Net Zero are forecast, followed by a further reduction in utilities spend. This year alone saw an increase in Solar, Hydro and Wind generation projects of 34.6%.
- ▶ Despite increasing energy cost per unit, overall spend has reduced significantly, by almost a quarter. This has been influenced by a number of factors, including the effects of national lockdown and councils consciously reducing investments consumption in line with climate change commitments.

Corporate Category – a view of the last three years...

Category Headline Facts

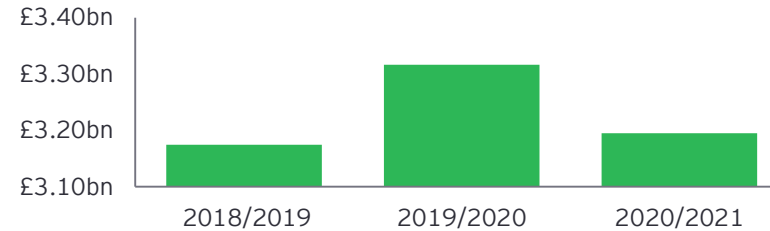
- ▶ Total spend (2020/2021): £3.2bn.
- ▶ Highest sub-category: Workforce (£1.8bn).
- ▶ Since 2019/2020 the spend on Corporate is down by 4%.
- ▶ The 3 year spend trend is up by 0.7%.

Sub-Category Breakdown for 2018/2019 to 2020/2021



- ▶ Vouchers and Benefits increased the most within the category, at 19% since 2018/2019.
- ▶ The amount spent on Travel since 2018/2019 decreased the most, by 20%.
- ▶ The top 80% of spend (£2.5bn) is attributed to 417 suppliers.

Category spend over three years



The average annual increase over the last three years is 0.4%. The above chart shows significant changes in trend compared to the 'Category Breakdown' chart due to varied denominations being used in the Y axis.

Highest Spend Supplier Summary for 2020/2021



Commentary

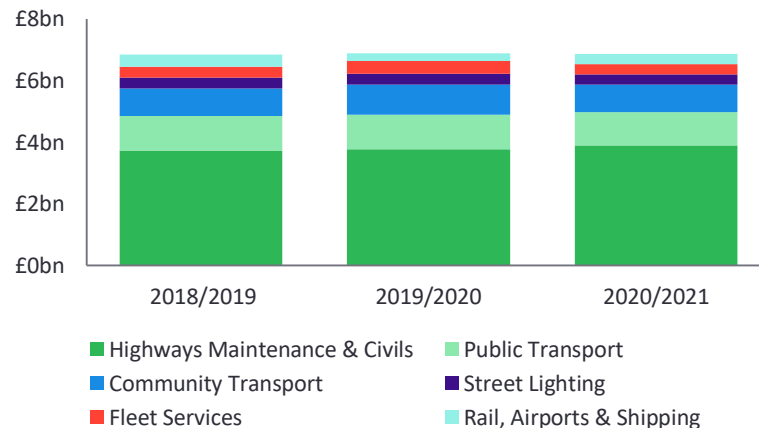
- ▶ The employment of workers through temporary agencies has remained the largest Corporate sub-category in 2020/2021, as in 2019/2020. This has increased slightly compared to 2019/20 at 3% or £53mn. Many Local Authorities have continued to challenge the value for money of temporary workers, but there is a clear underlying business need to retain a mixed employment model.
- ▶ There are well-documented workforce challenges across social care that have continued, or further impacted by COVID-19, including pressures in the recruitment and retention of social workers, and a reliance on agency workers provided by third parties.
- ▶ The top six suppliers in this category are all national temporary agencies.
- ▶ Training and Education has reduced in 2020/21 from £686.1mn in 2019/2020 to £614.1mn (10%). This is likely to be as a result of increased working remotely due to lockdown conditions, meaning staff have not attended as many face-to-face courses.
- ▶ Finally, Office Solutions, which includes operational categories such as postage and couriers, office furniture and office supplies has reduced by £67.7mn. This continues the trend from 2018/2019 to 2019/2020 is likely to be partly as a result of new working patterns across the last year.
- ▶ It should be noted that the £47mn paid to London Councils in 2020/2021 relates to subscription and fees.

Highways and Transport Category – a view of the last three years...

Category Headline Facts

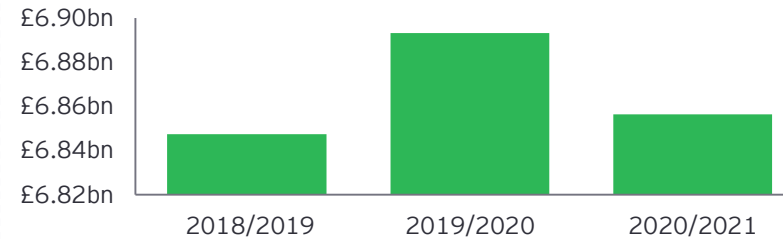
- ▶ Total spend (2020/2021): £6.9bn.
- ▶ Highest sub-category: Highways Maintenance and Civils (£3.8bn).
- ▶ Since 2019/2020 the spend on Highways and Transport is down by 1%.
- ▶ The 3 year spend trend is up by 0.1%.

Sub-Category Breakdown for 2018/2019 to 2020/2021



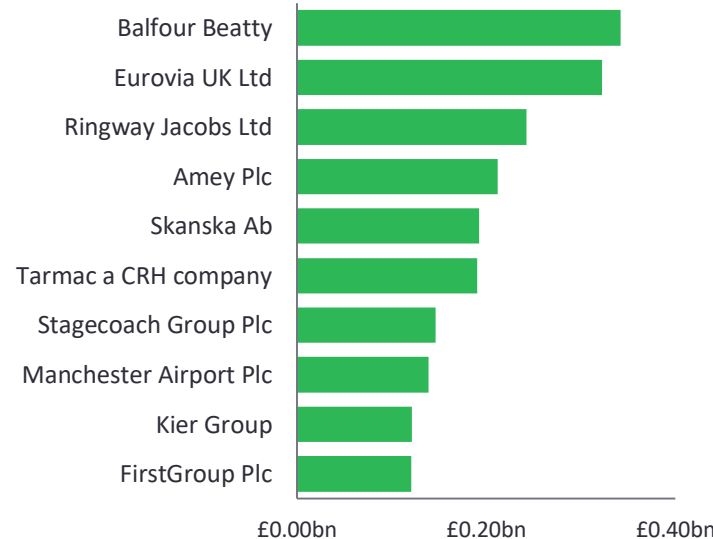
- ▶ Highways Maintenance and Civils category went up the most in percentage terms within the category, at 4.4% since 2018/2019.
- ▶ The amount spent on Rail, Airports and Shipping since 2018/2019 decreased the most, by 19%.
- ▶ The top 80% of spend (£5.6bn) is attributed to 579 suppliers.

Category spend over three years



The average annual increase over the last three years is 0.1%. The above chart shows significant changes in trend compared to the 'Category Breakdown' chart due to varied denominations being used in the Y axis.

Highest Spend Supplier Summary for 2020/2021



Commentary

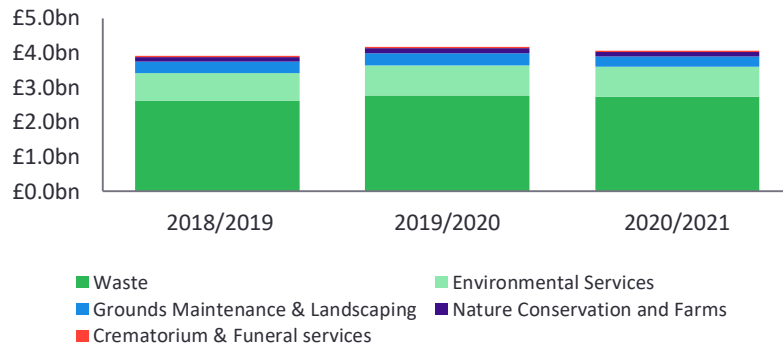
- ▶ Highways Maintenance and Civils, accounting for approximately 57% of Highways and Transport spend, has been consistent over the past three years.
- ▶ Spending on Public Transport (primarily supported bus services and rail services) has reduced slightly, in line with a pre-COVID-19 fall in bus mileage and passengers. However, spending has largely been maintained in 2020/2021, as part of COVID-19 support measures to the transport industry.
- ▶ Spending on Flexible Community Transport increased from 2018/2019-2019/2020, but reduced significantly in 2020/2021 due to lockdowns.
- ▶ There has been significant spending in all years on Rail Infrastructure and Airports, driven by investment in new rail stations to support housing developments (e.g. Greater London, and airport expansion projects in the South East and North West).
- ▶ New major infrastructure and transport projects driven by the recently created combined authorities are making up for reductions by other types of council.

Waste and Environment Category – a view of the last three years...

Category Headline Facts

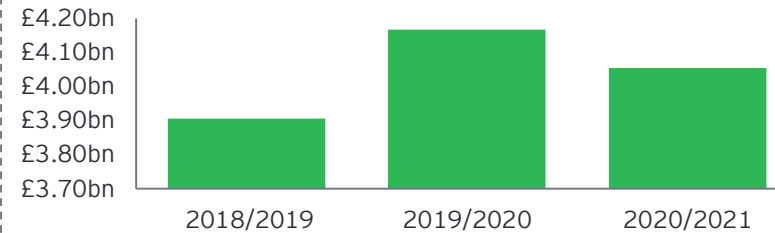
- ▶ Total spend (2020/2021): £4.1bn.
- ▶ Highest sub-category: Waste (£2.7bn).
- ▶ Since 2019/2020 the spend on Waste and Environment is down by 3%.
- ▶ The 3 year spend trend is up by 3.8%.

Sub-Category Breakdown for 2018/2019 to 2020/2021



- ▶ Crematorium and Funeral services had the biggest percentage increase, at 13% since 2018/2019 and 9% since 2019/2020, albeit on a relatively low spend base.
- ▶ Grounds Maintenance and Landscaping was the only subcategory that decreased over the period, decreasing by 13% over the last 3 years.
- ▶ The top 80% of spend (£3.5bn) is attributed to 316 suppliers.

Category spend over three years



The average annual increase over the last three years is 2%. The above chart shows significant changes in trend compared to the 'Category Breakdown' chart due to varied denominations being used in the Y axis.

Highest Spend Supplier Summary for 2020/2021



Commentary

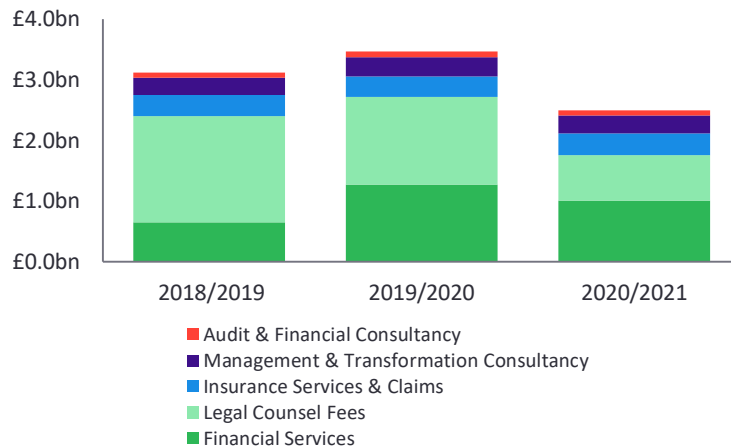
- ▶ Council Waste expenditure is predominantly focused upon the collection and disposal of household waste, hence, the cost is closely tied to population size/growth. COVID-19 has impacted behaviours resulting in greater volumes of household waste being generated, due to people staying at home. As a result councils have forecast that expenditure on waste services will likely increase in line with tonnage growth.
- ▶ The observed decrease for 2020/2021 is likely due to the temporary closure of Household Waste Recycling Centres (HWRCs) and suspension of collections of green waste and other environmental services which was a common response to the pandemic lockdown periods.
- ▶ Treatment costs for residual waste remain tied into long term contracts linked to existing energy from waste facilities, there are a small number of councils currently procuring facilities that will entrench this position as overseas offtake remains an unlikely long-term solution.
- ▶ Environment Services expenditure reflects the collection and treatment of other materials and a number of councils taking on new contracts to comply with regulations. Noting the slight decrease in 2020/2021 is tied to COVID-19 impacting the availability of services, this can be expected to increase beyond 2019/2020 levels as normal operating conditions resume.

Professional Services – a view of the last three years...

Category Headline Facts

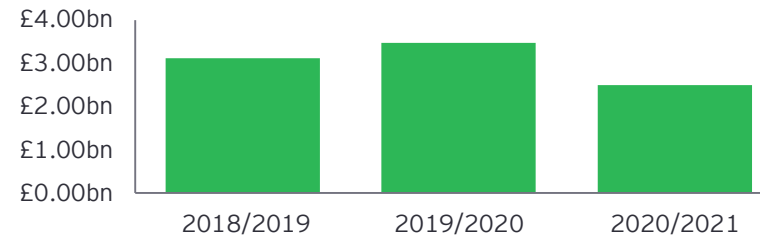
- ▶ Total spend (2020/2021): £2.5bn.
- ▶ Highest sub-category: Financial Services (£1.0bn).
- ▶ Since 2019/2020 the spend on Professional Services is down by 28%.
- ▶ 3 year spend trend is down by 20%.

Sub-Category Breakdown for 2018/2019 to 2020/2021



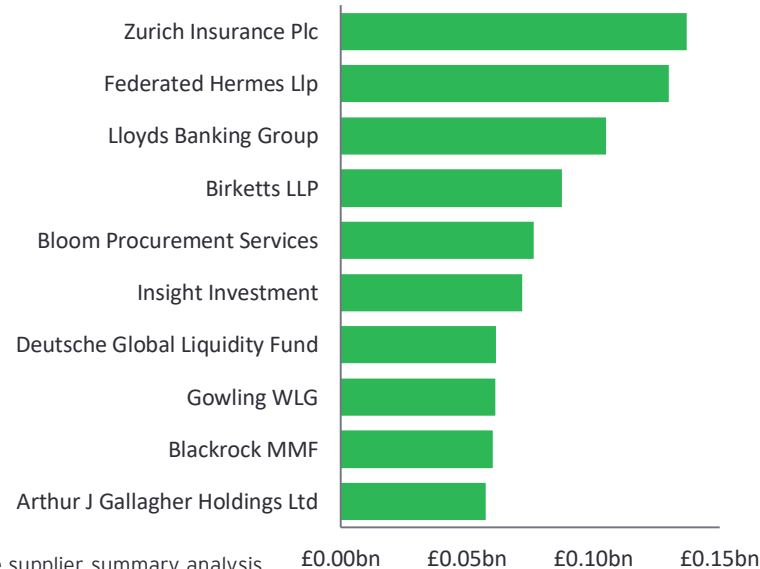
- ▶ Financial Services increased the most in percentage terms from the category, at 54% since 2018/2019.
- ▶ The amount spent on Legal Services since 2018/2019 decreased the most, by 57%.
- ▶ The top 80% of spend (£2.3bn) is attributed to 293 suppliers.

Category spend over three years



The average annual change over the last three years is -8.5%. The above chart shows significant changes in trend compared to the 'Category Breakdown' chart due to varied denominations being used in the Y axis.

Highest Spend Supplier Summary for 2020/2021*



* Large investment spend from single Local Authorities has been removed from the supplier summary analysis

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

Commentary

Legal:

- ▶ Legal Counsel fees has taken a significant reduction in 2020/2021 of £690mn which has continued the trend from 2018/2019 to 2019/2020 which fell by £299mn.
- ▶ There are a number of factors that could be contribute towards this reduction including the continued pressure on fees paid to legal firms, capacity of inhouse departments to respond to requirements, and less major projects requiring additional commercial and legal fees.

Financial:

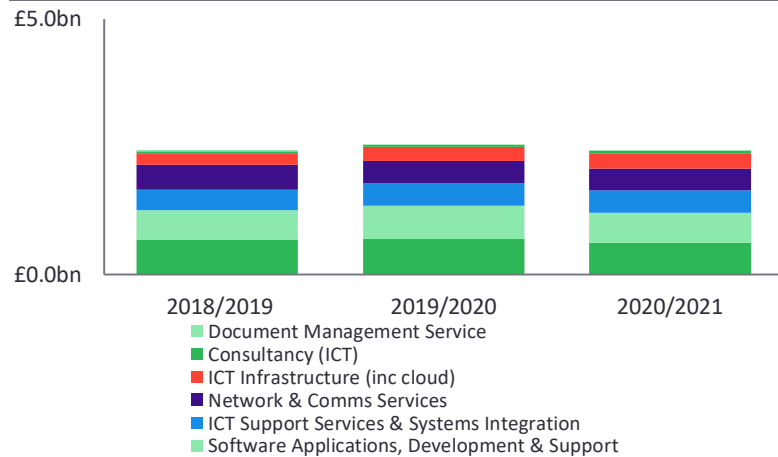
- ▶ The spend on Financial Services continues to be driven by a small number of transactions related to pension services. As with the increase from 2018/2019 to 2019/2020. The reduction in expenditure in this category in 2020/2021 does not reflect a structural reduction in expenditure.
- ▶ A number of neutral vendors are used for procuring a range of professional services, and temporary workforce, e.g. Bloom Procurement Services. They will therefore have an additional supply chain that sits behind the total expenditure.

ICT and BPO (Business Process Outsourcing) Market – a view of the last three years...

Category Headline Facts

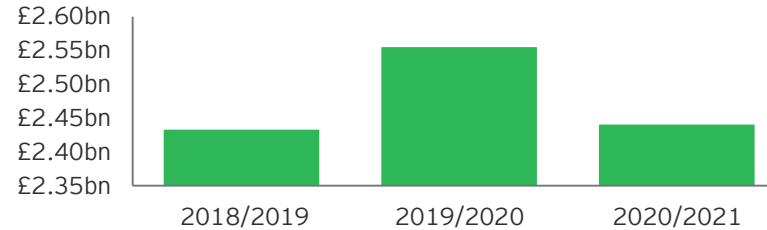
- ▶ Total spend (2020/2021): £2.4bn.
- ▶ Highest sub-category: Back Office Admin Services (£625mn).
- ▶ Since 2019/2020 the spend on ICT is down by 4%.
- ▶ The 3 year spend trend is up by 0.3%.

Sub-Category Breakdown for 2018/2019 to 2020/2021



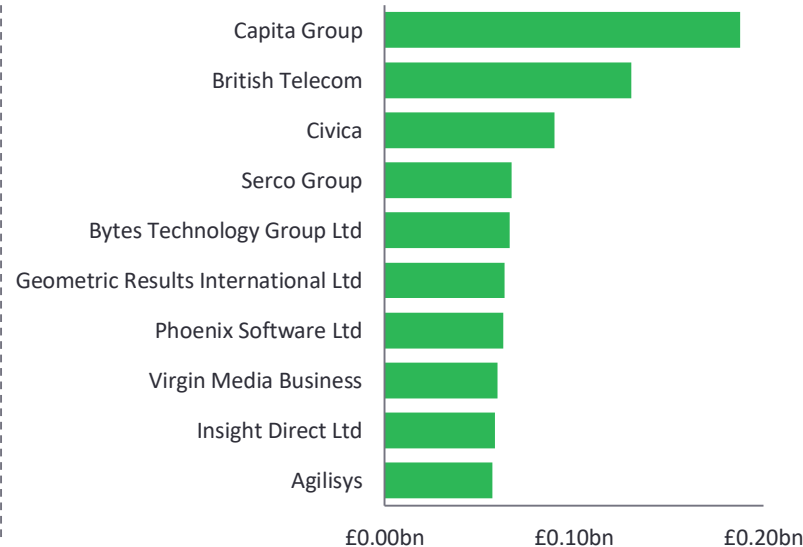
- ▶ ICT Infrastructure increased the most from the category in percentage terms, at 39% since 2018/2019.
- ▶ The amount spent on Network and Comms Services (ICT) since 2018/2019 decreased by the highest percentage, by 12%.
- ▶ The top 80% of spend (£2.0bn) is attributed to 257 suppliers.

Category spend over three years



The average annual increase over the last three years is 0.3%. The above chart shows significant changes in trend compared to the 'Category Breakdown' chart due to varied denominations being used in the Y axis.

Highest Spend Supplier Summary for 2020/2021



Commentary

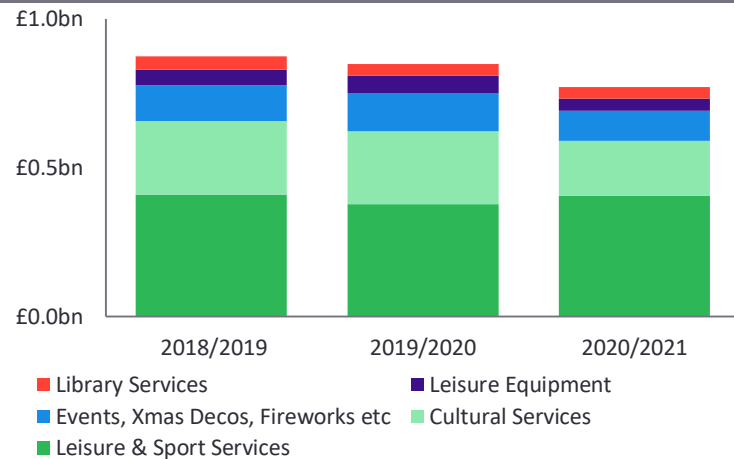
- ▶ Whilst the overall trend in the last 3 years shows a slight increase, year on year ICT Category spend has reduced by 4.5% (£110mn). This can primarily be attributed to the overall council prioritisation of spend in relation to COVID-19.
- ▶ The last three years have seen a consistent and targeted drive to move more applications to the cloud. ICT Infrastructure expenditure has increased by 39% over the last three years - 11% from last year alone. Many Local Authorities made targeted investment in Infrastructure to support staff working from home. This is set against a context of reductions in most other spend categories. The majority of Local Authorities have a cloud first strategy. This, aligned to the requirement to support hybrid ways of working, will likely result in spend continuing to be prioritised in this area.
- ▶ Many Local Authorities are renewing, or are in the process of upgrading core front office and back office (ERP) systems. Spend in this category is likely to increase in the next few years. This is in part a response to the move to the Cloud but also being driven by:
 - ▶ obsolescence in current technology stack (once in a generation refresh);
 - ▶ Need to increase Financial resilience; transparency and control and have the ability to flex their workforce to address operational priorities;
 - ▶ Incorporating disruptive digital technologies including AI, Blockchain and Machine Learning.

Culture and Leisure Market – a view of the last three years...

Category Headline Facts

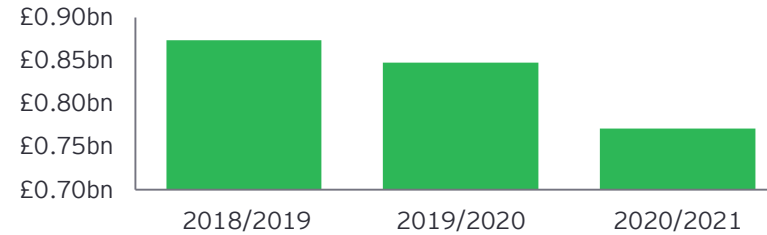
- ▶ Total spend (2020/2021): £772mn.
- ▶ Highest sub-category: Leisure and Sport Services (£404mn).
- ▶ Since 2019/2020 the spend on Culture and Leisure is down by 9%.
- ▶ The 3 year spend trend is down by 12%.

Sub-Category Breakdown for 2018/2019 to 2020/2021



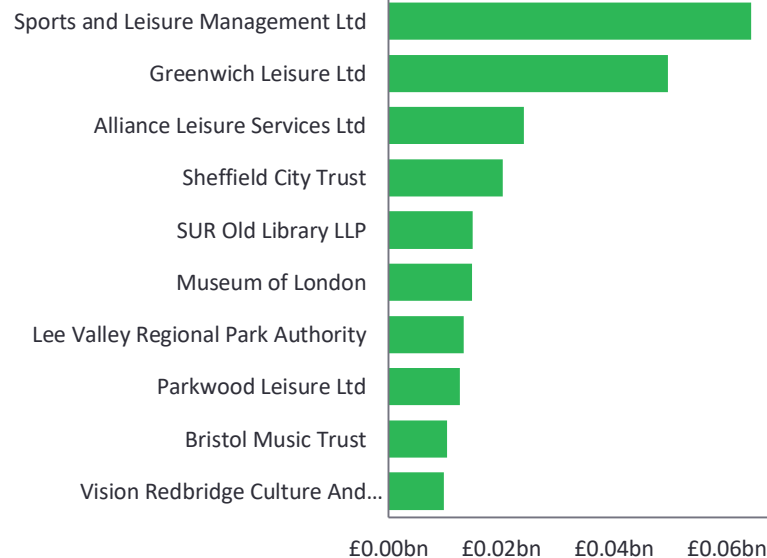
- ▶ Spend decreased across all subcategories between 2018/2019 and 2020/2021.
- ▶ The amount spent on Cultural Services since 2018/2019 decreased by 25%.
- ▶ The top 80% of spend (£0.5bn) is attributed to 137 suppliers.

Category spend over three years



The average annual change over the last three years is -6%. The above chart shows significant changes in trend compared to the 'Category Breakdown' chart due to varied denominations being used in the Y axis.

Highest Spend Supplier Summary for 2020/2021



Commentary

- ▶ Spending on Culture and Leisure Services declined by 9% year-on-year, representing a drop of over £76mn.
- ▶ Leisure and Sport Services expenditure is the biggest category by far, making up more than half of overall spending (approximately 52%).
- ▶ Whilst total spend on Leisure Equipment fell significantly during the year by over 30%, total spending on all Sport and Leisure remained stable at £446mn, representing a rise of 2% on the previous year and reflecting the continuing movement towards greater investment in health and fitness.
- ▶ When looking at Cultural Services and Events, overall spend across the two reduced 24% during the year.
- ▶ Over the last three years Library Services expenditure has declined by 16%, this is consistent with the national trend for library closures and transfer of assets to local communities.
- ▶ The top ten suppliers accounted for 29% of overall spending in 2020/2021, marginally up compared to their 25% share of spending in the previous year.



Regional Expenditure Analysis

Introduction to Regional Expenditure Data

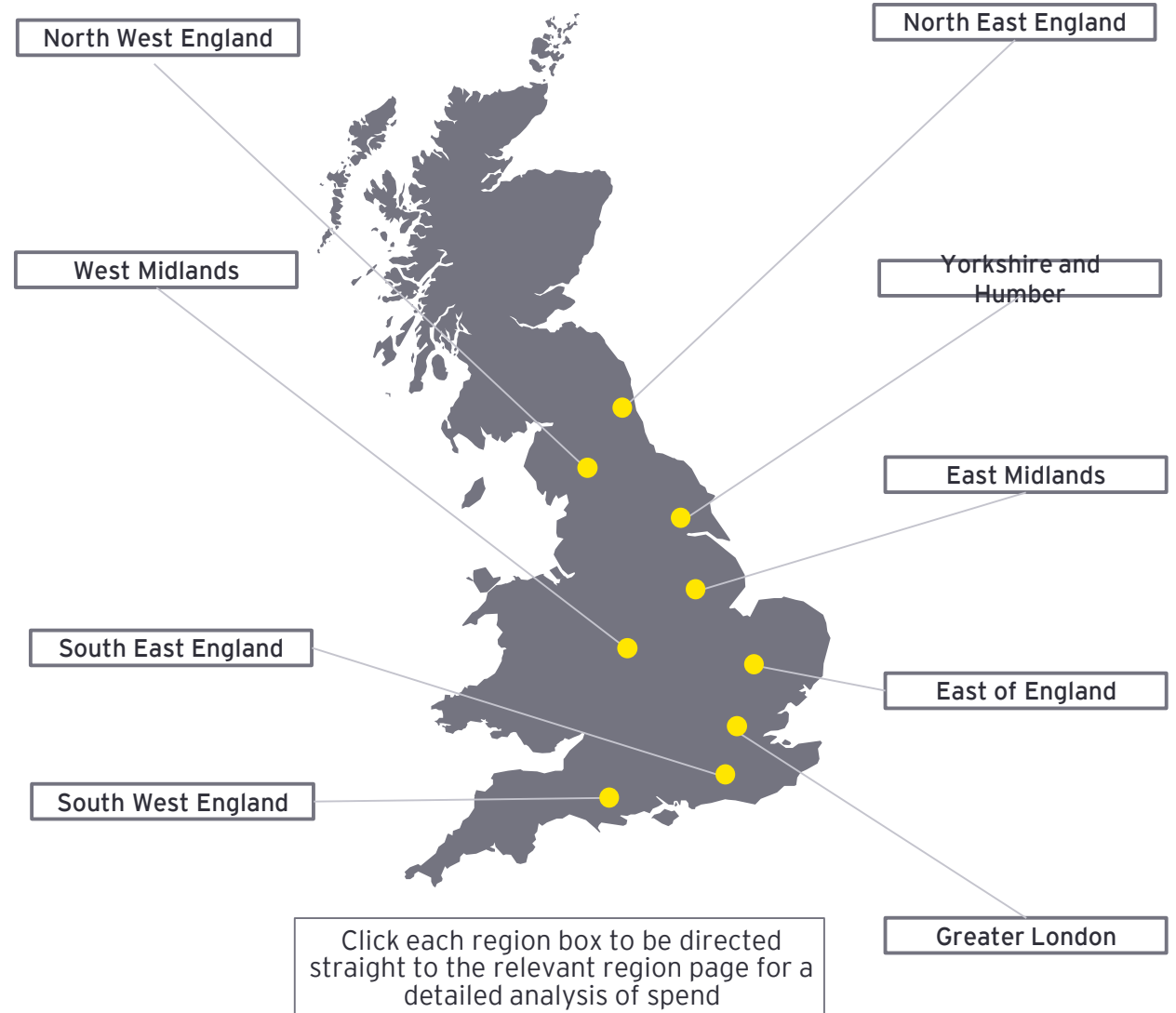
This section explores the spending patterns of each of nine regions across England, including the spend per capita and the spend with small, medium, enterprises (SMEs).

There are some significant regional variations in expenditure with third parties. Some notable findings are:

- ▶ Yorkshire and Humber has had the highest growth with an increase of 13% over the last three years. This was driven by Vulnerable Citizens and Public Health expenditure which increased 26%, (£577mn) over the last three years, followed closely by a 21% increase in Highways and Transport, accounting for £118mn.
- ▶ The North West has seen a third-party expenditure increase of 1% from 2018/2019, however this continues to be significantly below inflation over the past three years. The Buildings category saw the largest absolute spend decrease of £262mn over the last three years, this is a 14% decrease in this category of expenditure.
- ▶ North East England is the only region to have seen a decrease in spending from a three-year period, by 4%.
- ▶ Consistent with spend in 2019/2020, Local Authorities in the Greater London region have the highest per capita third-party spend compared to the other regions, spending £1,437 per capita.
- ▶ 7 out of 9 regions saw an increase in spend in the Vulnerable Citizens and Public Health category compared to spend in 2019/2020.
- ▶ The Professional Services category saw a decrease in spend in 4 out of 9 regions compared to spend in 2019/2020.

*Percentages not adjusted for inflation

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021



This section explores third-party spend across nine English regions

North West England

12% of total third-party spend in 2020/2021
Three year spend trend is +1%
The third-party spend per capita is £1,049
Total spend of £7.7bn

West Midlands

10% of total third-party spend in 2020/2021
Three year spend trend is +15%
The third-party spend per capita is £1,084
Total spend of £6.4bn

South East England

16% of total third-party spend in 2020/2021
Three year spend trend is +4%
The third-party spend per capita is £1,144
Total spend of £10.5bn

South West England

9% of total third-party spend in 2020/2021
Three year spend trend is +10%
The third-party spend per capita is £1,027
Total spend of £5.8bn

North East England

4% of total third-party spend in 2020/2021
Three year spend trend is -4%
The third-party spend per capita is £1,003
Total spend of £2.7bn

Yorkshire and Humber

9% of total third-party spend in 2020/2021
3 year spend trend is +13%
The third-party spend per capita is £1,087
Total spend of £6.0bn

East Midlands

8% of total third-party spend in 2020/2021
Three year spend trend is +11%
The third-party spend per capita is £1,067
Total spend of £5.2bn

East of England

11% of total third-party spend in 2020/2021
Three year spend trend is +7%
The third-party spend per capita is £1,112
Total spend of £6.9bn

Greater London

20% of total third-party spend in 2020/2021
Three year spend trend is +4%
The third-party spend per capita is £1,437
Total spend of £12.9bn



The East Midlands region spent £5.2bn on third parties in 2020/2021; here are some insights...

£5.2bn

overall regional spend
(2020/2021)

**3 year spend trend
up by 11%**



**Highest spend
suppliers:**

- ▶ Derby Homes Ltd
- ▶ Federated Hermes LLP
- ▶ Galliford Try Plc
- ▶ Balfour Beatty
- ▶ Via East Midlands Ltd

When compared to
2019/2020...

**Vulnerable Citizens
and Public Health** saw a
£169mn increase (+10%)
Professional Services
saw a **£140mn decrease**
(-23%)

£1,067

spend per capita 2020/2021

**Biggest spend
categories across the
region are:**

- ▶ Vulnerable Citizens & Public Health
- ▶ Buildings
- ▶ Highways & Transport
- ▶ Professional Services
- ▶ Waste & Environment

£1.8bn

SME expenditure
2020/2021

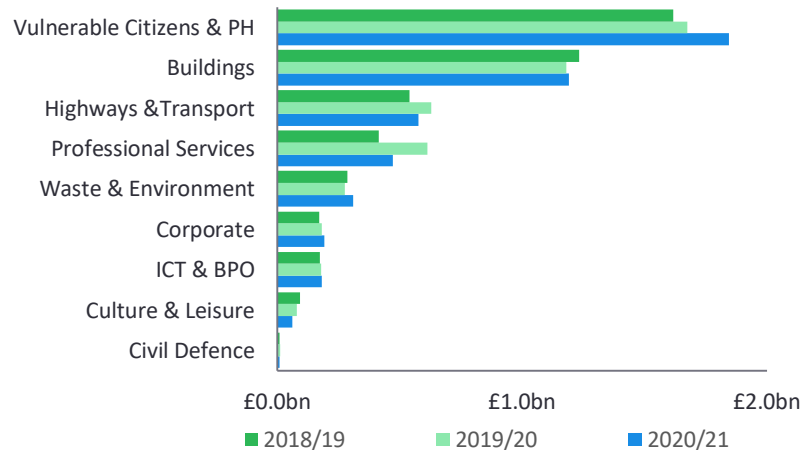


East Midlands - a detailed view of third-party expenditure for the region...

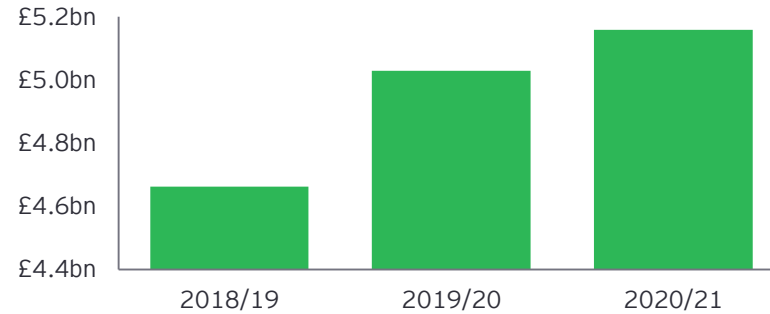
Regional Headline Facts

- ▶ Total third-party spend for 2020/2021 in the East Midlands was £5.2bn.
- ▶ Vulnerable Citizens and Public Health is the highest category of spend for the East Midlands with a total of £1.9bn spent in 2020/2021. This is a 14% increase since 2018/2019.
- ▶ Buildings has seen the largest absolute spend decrease of £40mn in the last three years, this is a 3% decrease in this category of expenditure.
- ▶ Most high spend suppliers (7 out of 10) in this region are apportioned against the Highways and Transport and Buildings category.

East Midlands spend breakdown by category for 2018/2019 to 2020/2021



Regional third-party Spend Over Three Years



Suppliers Summary for 2020/2021*



Commentary

- ▶ There has been an 11% increase in overall third-party spend in the East Midlands region since 2018/2019.
- ▶ The third-party spend per capita in the East Midlands has increased by 13% between 2018/2019 and 2020/2021, from £945 to £1,067 per capita. This is the 6th highest per capita third-party spend in comparison to the other regions.
- ▶ The East Midlands has seen the largest spend increase over the last three years on Vulnerable Citizens and Public Health, at 14%, this is £228mn in absolute spend.
- ▶ The decline in Buildings and Culture and Leisure expenditure accounts for a £40mn and £32mn reduction in spend for the region over the last three years.
- ▶ Compared to 2019/2020, Vulnerable Citizens and Public Health saw the largest absolute increase in expenditure at £169mn, and increase of 10%, where as Professional Services saw the largest absolute decrease in expenditure at £140mn, a decrease of 23%.
- ▶ This region is spending 35% of its total third-party expenditure on SMEs.
- ▶ The third-party spend with SMEs has increased by 6% to £1.8bn since 2018/2019.
- ▶ Of the total spend in the region, 3.1% was spent with other public authorities, trusts or companies.

* Large investment spend from single Local Authorities has been removed from the supplier summary analysis

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

The East of England region spent £6.9bn on third parties in 2020/2021; here are some insights...

£6.9bn

overall regional spend
(2020/2021)

Highest spend suppliers:

- ▶ Norse Group Ltd
- ▶ Ringway Jacobs Ltd
- ▶ Eurovia UK Ltd
- ▶ Kier Group
- ▶ Birketts LLP

£1,112

spend per capita 2020/2021

£2.7bn
SME expenditure
2020/2021

3 year spend trend
up by 7%



When compared to
2019/2020...

**Vulnerable Citizens
and Public Health** saw a
£39mn increase (+1%)

Professional Services
saw a **£287mn decrease**
(-59%)

Biggest spend categories across the region are:

- ▶ Vulnerable Citizens & Public Health
- ▶ Buildings
- ▶ Highways & Transport
- ▶ Waste & Environment
- ▶ Corporate

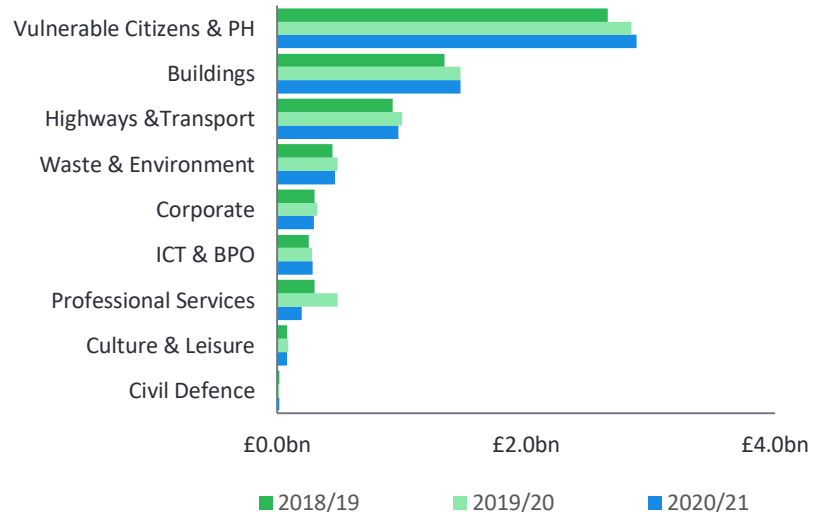


East of England – a detailed view of third-party expenditure for the region...

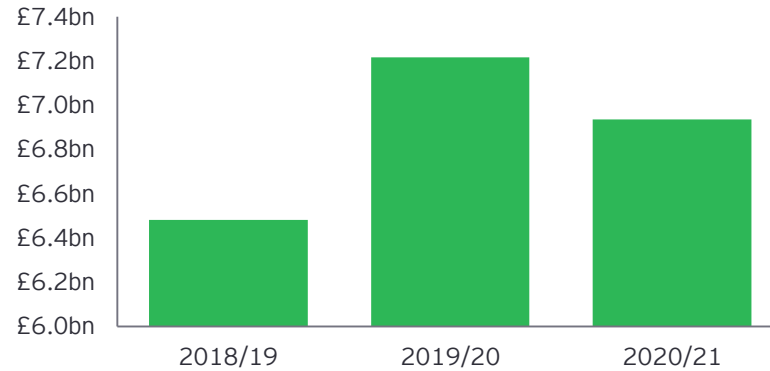
Regional Headline Facts

- ▶ Total third-party spend for 2020/2021 in East of England was £6.9bn.
- ▶ Vulnerable Citizens and Public Health is the highest category of spend for East of England with a total of £2.9bn spent in 2020/2021. This is a 9% increase since 2018/2019.
- ▶ Professional Services has seen the largest absolute spend decrease of £104mn in the last three years. This is a 35% decrease in this category of expenditure.
- ▶ Most high spend suppliers (4 out of 10) in this region are apportioned against the Highways and Transport category.

East of England spend breakdown by category for 2018/2019 to 2020/2021



Regional third-party Spend Over Three Years



Suppliers Summary for 2020/2021



Commentary

- ▶ There has been a 7% increase in overall third-party spend in the East of England region since 2018/2019.
- ▶ The third-party spend per capita in the East of England has increased by 9% between 2018/2019 and 2020/2021, from £1,017 to £1,112 per capita. This is the 3rd highest per capita third-party spend in comparison to the other regions.
- ▶ East of England has seen the largest spend increase over the last three years on Vulnerable Citizens and Public Health, at 9%, this is £228mn in absolute spend.
- ▶ Within this region Professional Services has seen the largest absolute decrease in expenditure over the last 3 years at £104mn, a decrease of 35%.
- ▶ Compared to 2019/2020 Vulnerable Citizens and Public Health saw the largest absolute increase in expenditure at £39mn (1%), where as Professional Services saw the largest absolute decrease in expenditure at £287mn (59%).
- ▶ This region is spending 38% of its total third-party expenditure on SMEs.
- ▶ The third-party spend with SMEs has increased by 9% to £2.7bn since 2018/2019.
- ▶ Of the total spend in the region, 5.6% was spent with other public authorities, trusts or companies.

All data insights are sourced from Oxygen Finance's Illuminator Portal as extracted in May 2021

The Greater London region spent £12.9bn on third parties in 2020/2021; here are some insights...

£12.9bn

overall regional spend
(2020/2021)

Highest spend suppliers:

- ▶ Lewisham Homes Ltd
- ▶ Veolia Group
- ▶ West London Waste Authority
- ▶ Matrix SCM Ltd
- ▶ The Barnet Group Ltd

£1,437

spend per capita 2020/2021

£4.4bn
SME expenditure
2020/2021

3 year spend trend
up by 4%



When compared to
2019/2020...

**Vulnerable Citizens
and Public Health** saw a
£113mn increase (+3%)

Buildings saw a **£178mn
decrease**
(-4%)

Biggest spend categories across the region are:

- ▶ Buildings
- ▶ Vulnerable Citizens & Public Health
- ▶ Corporate
- ▶ Waste & Environment
- ▶ Highways & Transport

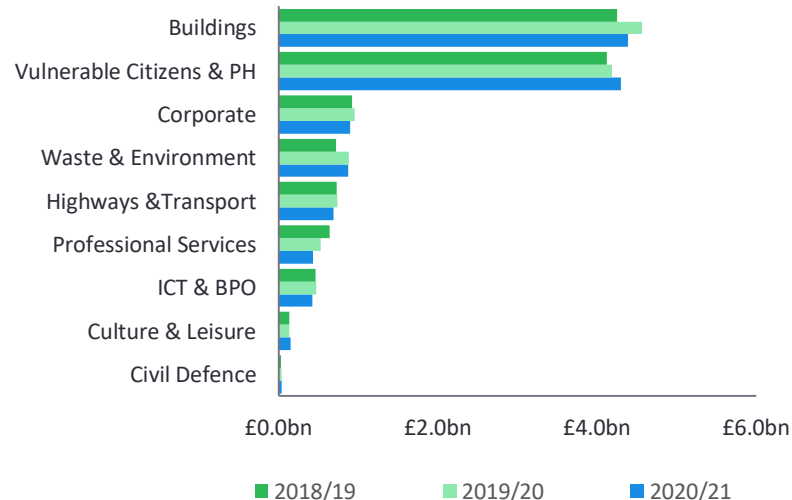


Greater London – a detailed view of third-party expenditure for the region...

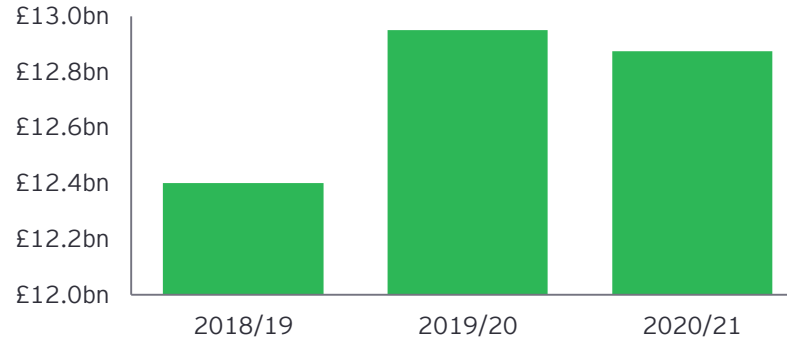
Regional Headline Facts

- ▶ Total third-party spend for 2020/2021 in Greater London was £12.9bn.
- ▶ Buildings is the highest category of spend for Greater London with a total of £4.4bn spent in 2020/2021. This is a 3% increase since 2018/2019.
- ▶ Professional Services has had the biggest decline in third-party spend, by £210mn (33%), since 2018/2019.
- ▶ Most high spend suppliers (4 out of 10) in this region are apportioned against the Buildings category.

Greater London spend breakdown by category for 2018/2019 to 2020/2021



Regional third-party Spend Over Three Years



Suppliers Summary for 2020/2021



Commentary

- ▶ There has been a 4% increase in overall third-party spend in the Greater London region since 2018/2019.
- ▶ The third-party spend per capita in Greater London has increased by 6% between 2018/2019 and 2020/2021, from £1,351 to £1,437 per capita. This is the highest per capita third-party spend in comparison to the other regions.
- ▶ Greater London has seen the largest increase on third-party expenditure over the last three years on Vulnerable Citizens and Public Health, at 4%, this is £180mn in absolute spend. third-party spend on Waste and Environment and Buildings has also seen a substantial absolute spend increase since 2018/19, increasing by £158mn and £131mn respectively.
- ▶ Within this region Professional Services has seen the largest absolute decrease in expenditure over the last 3 years at £210mn, a decrease of 33%.
- ▶ Compared to 2019/2020, Vulnerable Citizens and Public Health saw the largest absolute increase in expenditure at £113mn (3%), where as Buildings saw the largest absolute decrease in expenditure at £178mn (4%).
- ▶ This region is spending 34% of its total third-party expenditure on SMEs.
- ▶ The third-party spend with SMEs has decreased by 2% to £4.4bn since 2018/2019.
- ▶ Of the total spend in the region, 7.7% was spent with other public authorities, trusts or companies.

The North East region spent £2.7bn on third parties in 2020/2021; here are some insights...

£2.7bn

overall regional spend
(2020/2021)

3 year spend trend
down by 4%



Highest spend suppliers:

- ▶ SUEZ Environment
- ▶ Kier Group
- ▶ ESH Investments Ltd
- ▶ Aura Project Company Ltd
- ▶ HC-One Ltd

When compared to
2019/2020...

**No categories saw an
expenditure increase**

**Highways and
Transport saw a
£116mn decrease (-31%)**

£1,003

spend per capita 2020/2021

Biggest spend categories across the region are:

- ▶ Vulnerable Citizens & Public Health
- ▶ Buildings
- ▶ Highways & Transport
- ▶ Waste & Environment
- ▶ ICT & BPO

£1.1bn

SME expenditure
2020/2021

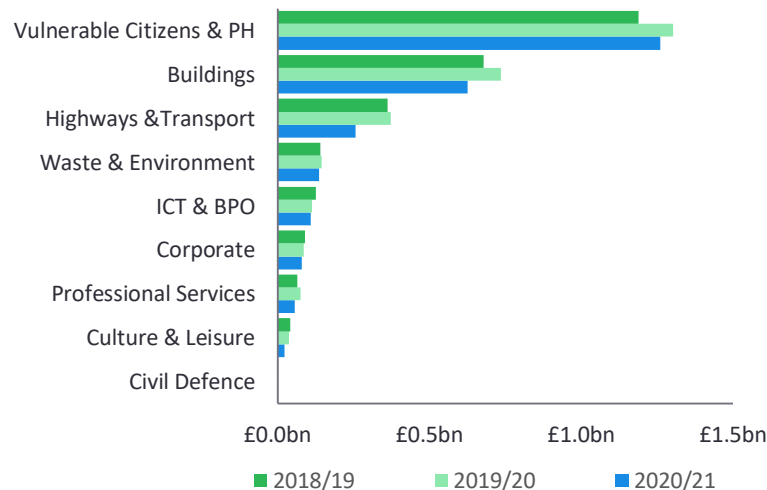


North East England - a detailed view of third-party expenditure for the region...

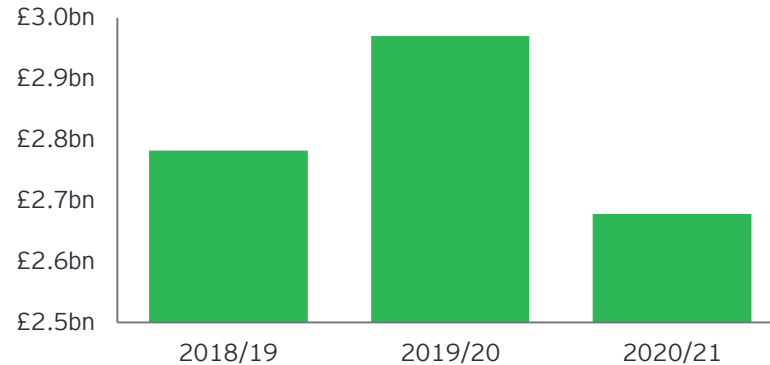
Regional Headline Facts

- ▶ Total third-party spend for 2020/2021 in North East England was £2.7bn.
- ▶ Vulnerable Citizens and Public Health is the highest category of third-party spend for North East England with a total of £1.3bn spent in 2020/2021. This is a 6% increase since 2018/2019.
- ▶ Highways and Transport has seen the largest absolute spend decrease of £104mn in the last three years. This is a 29% decrease in this category of expenditure.
- ▶ Most high spend suppliers (4 out of 10) in this region are apportioned against the Buildings category.

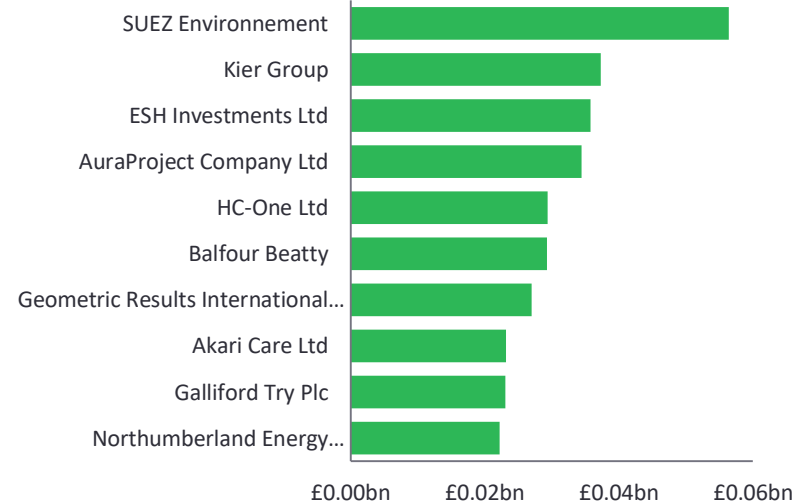
North East England spend breakdown by category for 2018/2019 to 2020/2021



Regional third-party Spend Over Three Years



Suppliers Summary for 2020/2021



Commentary

- ▶ There has been a 4% decrease in overall third-party spend in the North East England region since 2018/2019.
- ▶ The third-party spend per capita in North East England has decreased by 1% between 2018/2019 and 2020/2021, from £1,014 to £1,003 per capita. This is the lowest per capita third-party spend in comparison to the other regions, and the only region to have decreased spend per capita across the 3 years.
- ▶ North East England has only seen an expenditure increase over the last three years on one category; a 6% increase on Vulnerable Citizens and Public Health (£73mn).
- ▶ Within this region Highways and Transport has seen the largest absolute decrease in expenditure over the last 3 years at £104mn (29%). North East England has also seen a substantial decrease in absolute spend on Buildings at £52mn (8%).
- ▶ Compared to 2019/2020 all categories saw an expenditure decrease, out of these, Buildings saw the largest absolute decrease in expenditure at £116mn (31%).
- ▶ This region is spending 40% of its total third-party expenditure on SMEs.
- ▶ The third-party spend with SMEs has decreased by 0.2% to £1.1bn since 2018/2019.
- ▶ Of the total spend in the region, 2.9% was spent with other public authorities, trusts or companies.

The North West region spent £7.7bn on third parties in 2020/2021; here are some insights...

£7.7bn

overall regional spend
(2020/2021)

3 year spend trend
up by 1%



Highest spend suppliers:

- ▶ Manchester Airport Plc
- ▶ SUEZ Environment
- ▶ Stockport Homes Ltd
- ▶ Transport for Greater Manchester
- ▶ Balfour Beatty

When compared to
2019/2020...

**Highways and
Transport saw a £94mn
increase (+11%)**

**Buildings saw a £213mn
decrease
(-12%)**

£1,049

spend per capita 2020/2021

Biggest spend categories across the region are:

- ▶ Vulnerable Citizens & Public Health
- ▶ Buildings
- ▶ Highways & Transport
- ▶ Waste & Environment
- ▶ Corporate

£3.1bn

SME expenditure
2020/2021

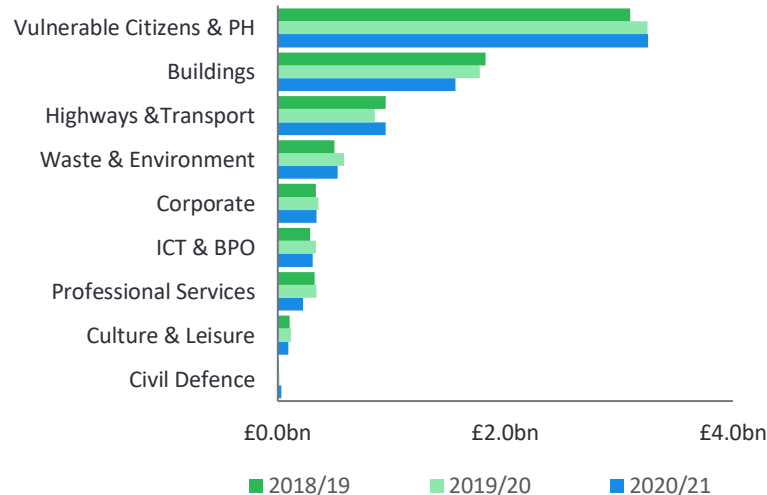


North West England - a detailed view of third-party expenditure for the region...

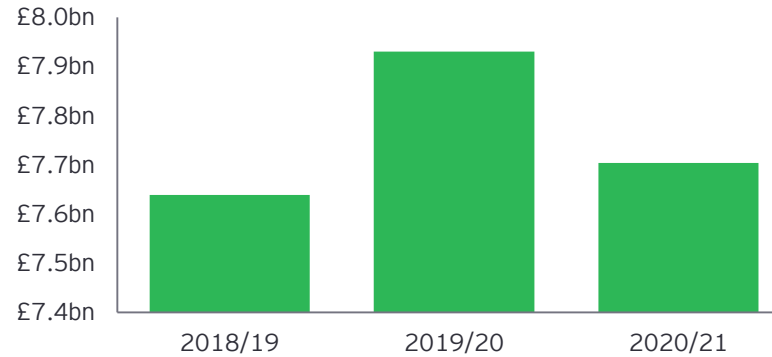
Regional Headline Facts

- ▶ Total third-party spend for 2020/2021 in North West England was £7.7bn.
- ▶ Vulnerable Citizens and Public Health is the highest category of spend for North West England with a total of £3.3bn spent in 2020/2021. This is a 5% increase since 2018/2019.
- ▶ Buildings has seen the largest absolute spend decrease of £262mn in the last three years. This is a 14% decrease in this category of expenditure.
- ▶ Most high spend suppliers (6 out of 10) in this region are apportioned against the Highways and Transport category.

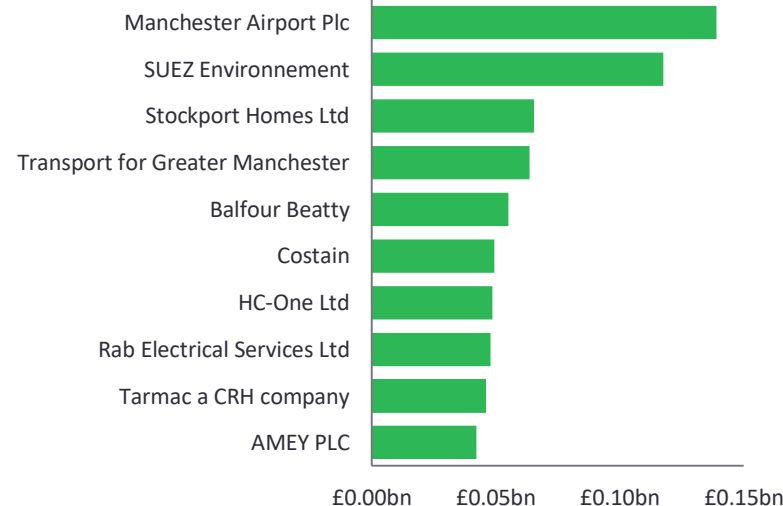
North West England spend breakdown by category for 2018/2019 to 2020/2021



Regional third-party Spend Over Three Years



Suppliers Summary for 2020/2021



Commentary

- ▶ There has been a 1% increase in overall third-party spend in the North West England region since 2018/2019.
- ▶ The third-party spend per capita in North West England has increased by 3% between 2018/2019 and 2020/2021, from £1,020 to £1,049 per capita. This is the 7th highest per capita third-party spend in comparison to the other regions.
- ▶ North West England has seen the largest increase on third-party expenditure over the last three years on Vulnerable Citizens and Public Health, at 5%, this is £158mn in absolute spend.
- ▶ Within this region Buildings has seen the largest absolute decrease in expenditure over the last 3 years at £262mn (14%). North West England has also seen a substantial decrease in absolute spend on Professional Services at £104mn.
- ▶ Compared to 2019/2020 Highways and Transport saw the largest absolute increase in expenditure at £94mn (11%), where as Buildings saw the largest absolute decrease in expenditure at £213mn (12%).
- ▶ This region is spending 40% of its total third-party expenditure on SMEs.
- ▶ The third-party spend with SMEs has increased by 6.3% to £3.1bn since 2018/2019.
- ▶ Of the total spend in the region, 6.4% was spent with other public authorities, trusts or companies.

The South East region spent £10.5bn on third parties in 2020/2021; here are some insights...

£10.5bn

overall regional spend
(2020/2021)

Highest spend suppliers:

- ▶ Kier Group
- ▶ Veolia Group
- ▶ Skanska Ab
- ▶ Victoria Square Woking Ltd
- ▶ Enterprise Plc

£1,144

spend per capita 2020/2021

£4.2bn
SME expenditure
2020/2021

3 year spend trend
up by 4%



When compared to
2019/2020...

**Vulnerable Citizens
and Public Health** saw a
£399mn increase (+11%)

Professional Services
saw a **£143mn decrease**
(-18%)

Biggest spend categories across the region are:

- ▶ Vulnerable Citizens & Public Health
- ▶ Buildings
- ▶ Highways & Transport
- ▶ Professional Services
- ▶ Waste & Environment

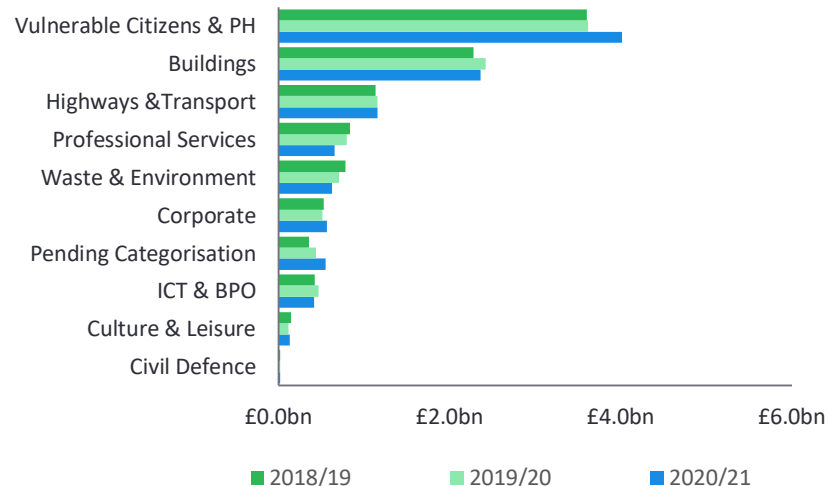


South East England - a detailed view of third-party expenditure for the region...

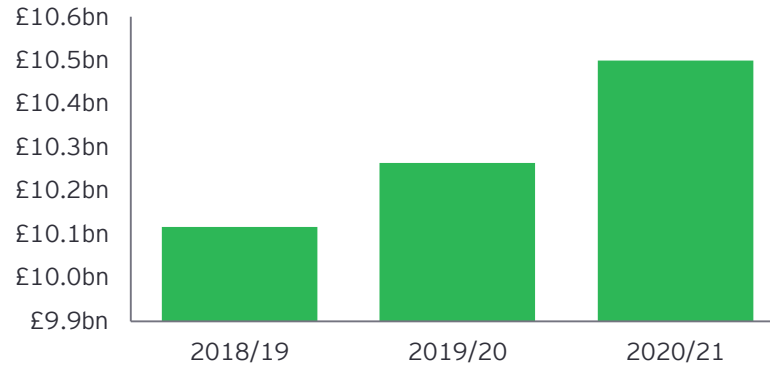
Regional Headline Facts

- ▶ Total third-party spend for 2020/2021 in South East England was £10.5bn.
- ▶ Vulnerable Citizens and Public Health is the highest category of third-party spend for South East England with a total of £4.0bn spent in 2020/2021. This is an 11% increase since 2018/2019.
- ▶ Professional Services has had the biggest decline in third-party spend, by £181mn (222%) since 2018/2019.
- ▶ Most high spend suppliers (3 out of 10) in this region are apportioned against the Buildings category.

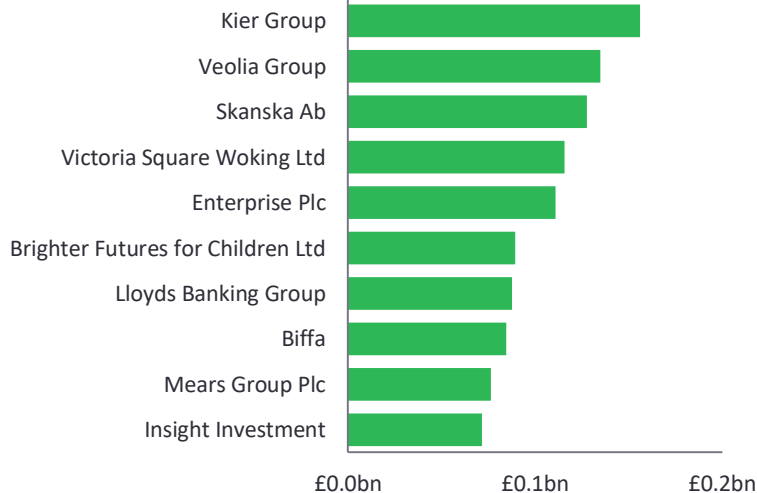
South East England spend breakdown by category for 2018/2019 to 2020/2021



Regional third-party Spend Over Three Years



Suppliers Summary for 2020/2021*



Commentary

- ▶ There has been a 4% increase in overall third-party spend in the South East England region since 2018/2019.
- ▶ The third-party spend per capita in South East England has increased by 7% between 2018/2019 and 2020/2021, from £1,069 to £1,144 per capita. This is the 2nd highest per capita third-party spend in comparison to the other regions.
- ▶ South East England has seen the largest spend increase over the last three years on Vulnerable Citizens and Public Health, at 11%, this is £413mn in absolute spend.
- ▶ Both Professional Services and Waste and Environment have seen a significant absolute spend decrease in the last three years, at £181mn (22%) and £157mn (20%) respectively.
- ▶ Compared to 2019/2020 Vulnerable Citizens and Public Health saw the largest absolute increase in expenditure at £399mn (11%), where as Professional Services saw the largest absolute decrease in expenditure at £143mn (18%).
- ▶ This region is spending 40% of its total third-party expenditure on SMEs.
- ▶ The third-party spend with SMEs has increased by 4% to £4.2bn since 2018/2019.
- ▶ Of the total spend in the region, 4.2% was spent with other public authorities, trusts or companies.

The South West region spent £5.8bn on third parties in 2020/2021; here are some insights...

£5.8bn

overall regional spend
(2020/2021)

3 year spend trend
up by 10%



Highest spend suppliers:

- ▶ Skanska Ab
- ▶ Cormac Solutions Ltd
- ▶ SUEZ Environment
- ▶ Kier Group
- ▶ Viridor Waste Management Ltd

When compared to
2019/2020...

**Vulnerable Citizens
and Public Health** saw a
£248mn increase (+11%)

Corporate saw a **£59mn
decrease**
(-20%)

£1,027

spend per capita 2020/2021

Biggest spend categories across the region are:

- ▶ Vulnerable Citizens & Public Health
- ▶ Buildings
- ▶ Highways & Transport
- ▶ Waste & Environment
- ▶ ICT & BPO

£2.2bn

SME expenditure
2020/2021

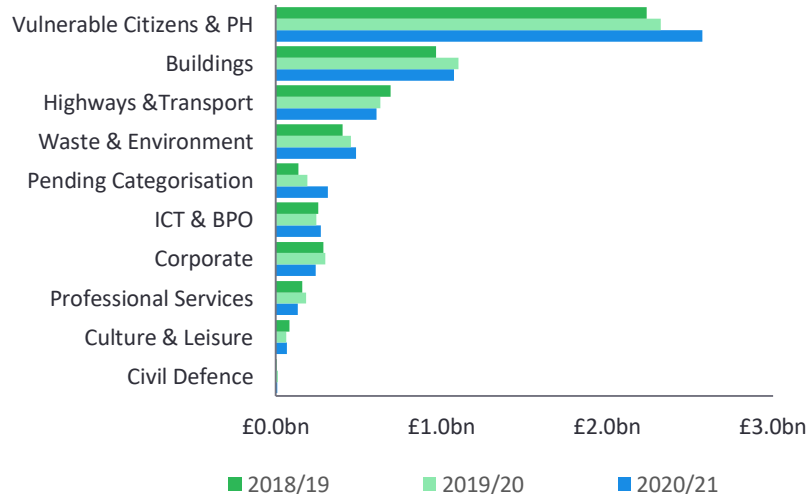


South West England - a detailed view of third-party expenditure for the region...

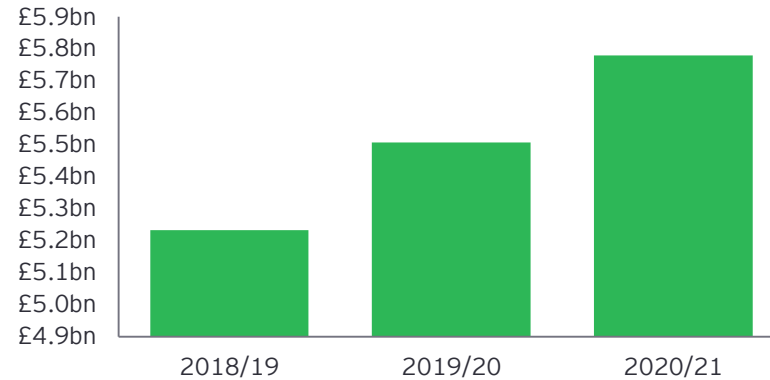
Regional Headline Facts

- ▶ Total third-party spend for 2020/2021 in South West England was £5.8bn.
- ▶ Vulnerable Citizens and Public Health is the highest category of third-party spend for South West England with a total of £2.6bn spent in 2020/2021. This is a 15% increase since 2018/2019.
- ▶ Highways and Transport has seen the largest absolute spend decrease of £86mn in the last three year. This is a 12% decrease in this category expenditure.
- ▶ Most high spend suppliers (6 out of 10) in this region are apportioned against the Highways and Transport and Buildings category.

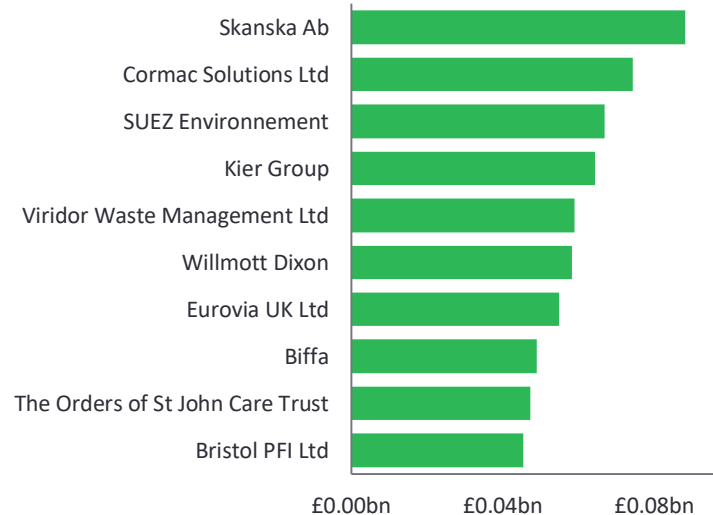
South West England spend breakdown by category for 2018/2019 to 2020/2021



Regional third-party Spend Over Three Years



Suppliers Summary for 2020/2021



Commentary

- ▶ There has been a 10% increase in overall third-party spend in the South West England region since 2018/2019.
- ▶ West of England Combined Authority saw a substantial increase in expenditure over the last three years as a result of some funding drawdowns.
- ▶ The third-party spend per capita in South West England has increased by 13% between 2018/2019 and 2020/2021, from £910 to £1,027 per capita. This is the 2nd lowest per capita third-party spend in comparison to the other regions.
- ▶ South West England has seen the largest increase on third-party expenditure over the last three years on Vulnerable Citizens and Public Health, at 15%, this is £335mn in absolute spend. third-party spend on Buildings and Waste and Environment has also seen a substantial absolute spend increase since 2018/2019, increasing by £108mn and £82mn respectively.
- ▶ Highways and Transport has seen the largest absolute spend decrease, with spend decreasing by £87mn over the past three years.
- ▶ Compared to 2019/2020, Vulnerable Citizens and Public Health saw the largest absolute increase in expenditure at £248mn (11%), where as Corporate saw the largest absolute decrease in expenditure at £59mn (20%).
- ▶ This region is spending 39% of its total third-party expenditure on SMEs.
- ▶ The third-party spend with SMEs has increased by 12% to £2.3bn since 2018/2019.
- ▶ Of the total spend in the region, 5.1% was spent with other public authorities, trusts or companies.

The West Midlands region spent £6.4bn on third parties in 2020/2021; here are some insights...

£6.4bn

overall regional spend
(2020/2021)

3 year spend trend
up by 15%



Highest spend suppliers:

- ▶ Birmingham Children's Trust
- ▶ Balfour Betty
- ▶ Worcestershire Children's First
- ▶ Amey Plc
- ▶ Wates Group

When compared to
2019/2020...

**Vulnerable Citizens
and Public Health** saw a
£213mn increase (+10%)

Professional Services
saw a **£52mn decrease**
(-22%)

£1,084

spend per capita 2020/2021

Biggest spend categories across the region are:

- ▶ Vulnerable Citizens & Public Health
- ▶ Buildings
- ▶ Highways & Transport
- ▶ Waste & Environment
- ▶ Corporate

£2.2bn

SME expenditure
2020/2021

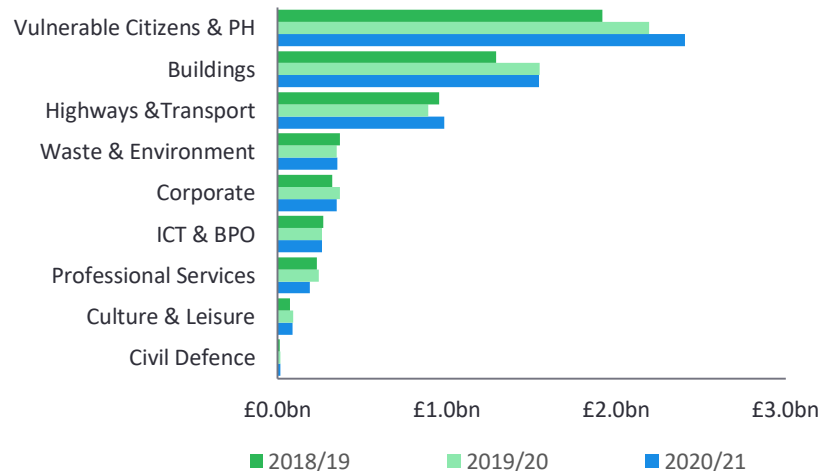


West Midlands - a detailed view of third-party expenditure for the region...

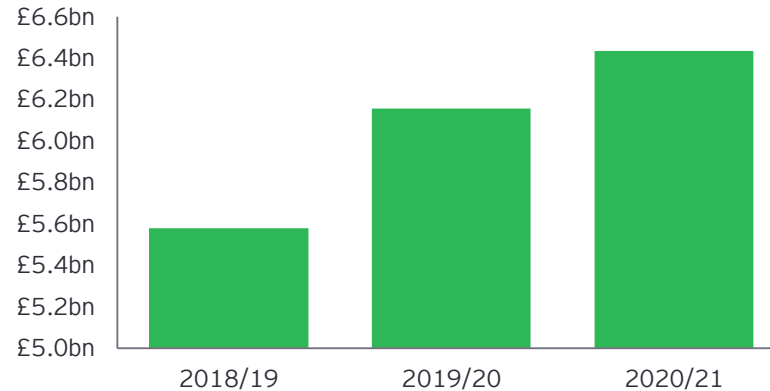
Regional Headline Facts

- ▶ Total third-party spend for 2020/2021 in the West Midlands was £6.4bn.
- ▶ Vulnerable Citizens and Public Health is the highest category of third-party spend for the West Midlands with a total of £2.4bn spent in 2020/2021. This is a 25% increase since 2018/2019.
- ▶ Professional Services has seen the largest absolute spend decrease of £40mn in the last three years. This is a 17% decrease in this category expenditure.
- ▶ Most high spend suppliers (4 out of 10) in this region are apportioned against the Buildings category.

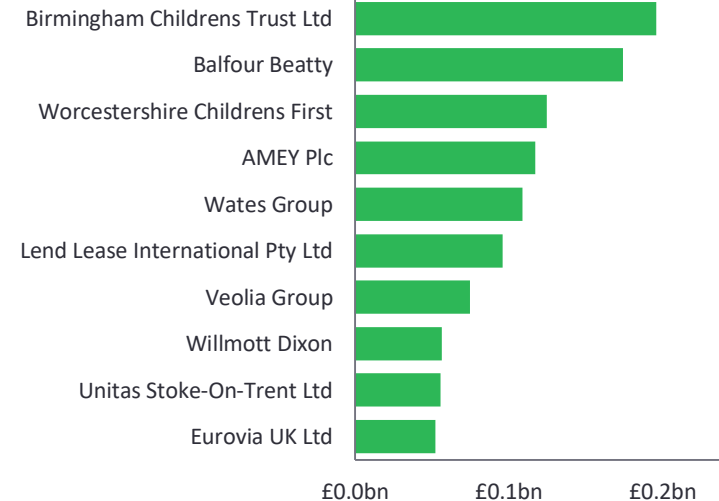
West Midlands spend breakdown by category for 2018/2019 to 2020/2021



Regional third-party Spend Over Three Years



Suppliers Summary for 2020/2021



Commentary

- ▶ There has been a 15% increase in overall third-party spend in the West Midlands region since 2018/2019.
- ▶ The third-party spend per capita in the West Midlands has increased by 18% between 2018/2019 and 2020/2021, from £922 to £1,084 per capita. This is the 5th highest per capita, third-party spend in comparison to the other regions.
- ▶ The West Midlands has seen a 25% increase on Vulnerable Citizens and Public Health expenditure over the last three years, contributing £486mn more in absolute spend. Buildings third-party expenditure has also increased by 20% since 2018/2019, contributing an absolute spend increase of £253mn to the region.
- ▶ Within this region, Professional Services has seen the largest absolute decrease in expenditure over the last 3 years at £49mn (17%). The West Midlands has also seen a £14mn and £10mn decrease in absolute spend on Waste and Environment and ICT and BPO respectively.
- ▶ Compared to 2019/2020 Vulnerable Citizens and Public Health saw the largest absolute increase in expenditure at £213mn (10%), where as Professional Services saw the largest absolute decrease in expenditure at £52mn (22%).
- ▶ This region is spending 34% of its total third-party expenditure on SMEs.
- ▶ The third-party spend with SMEs has increased by 9% to £2.2bn since 2018/2019.
- ▶ Of the total spend in the region, 7.7% was spent with other public authorities, trusts or companies.

The Yorkshire and Humber region spent £6.0bn on third parties in 2020/2021; here are some insights...

£6.0bn

overall regional spend
(2020/2021)

3 year spend trend
up by 13%



Highest spend suppliers:

- ▶ Doncaster Children's Services Trust
- ▶ ENGIE
- ▶ Amey Plc
- ▶ Npower Ltd
- ▶ Henry Boot PLC

When compared to
2019/2020...

**Vulnerable Citizens
and Public Health** saw a
£380mn increase (+16%)

Buildings saw a **£77mn
decrease**
(-5%)

£1,087

spend per capita 2020/2021

Biggest spend categories across the region are:

- ▶ Vulnerable Citizens & Public Health
- ▶ Buildings
- ▶ Highways & Transport
- ▶ Waste & Environment
- ▶ Corporate

£2bn

SME expenditure
2020/2021

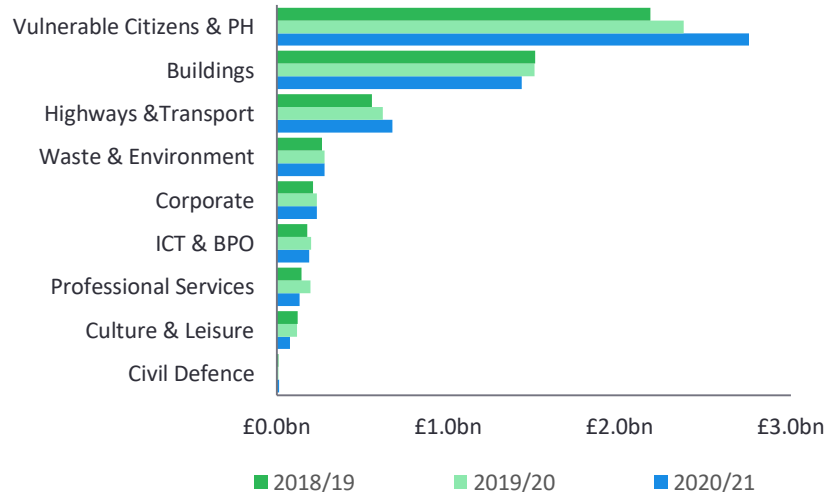


Yorkshire and Humber England - a detailed view of third-party expenditure for the region ...

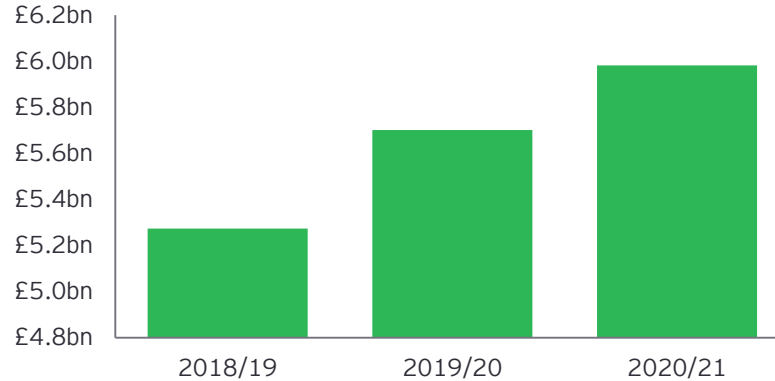
Regional Headline Facts

- ▶ Total third-party spend for 2020/2021 in Yorkshire and Humber was £6.0bn.
- ▶ Vulnerable Citizens and Public Health is the highest category of third-party spend for Yorkshire and Humber with a total of £2.8bn spent in 2020/2021. This is a 26% increase since 2018/2019.
- ▶ Buildings has seen the largest absolute spend decrease of £80mn in the last three years. This is a 5% decrease in this category expenditure.
- ▶ Most high spend suppliers (7 out of 10) in this region are apportioned against the Buildings category.

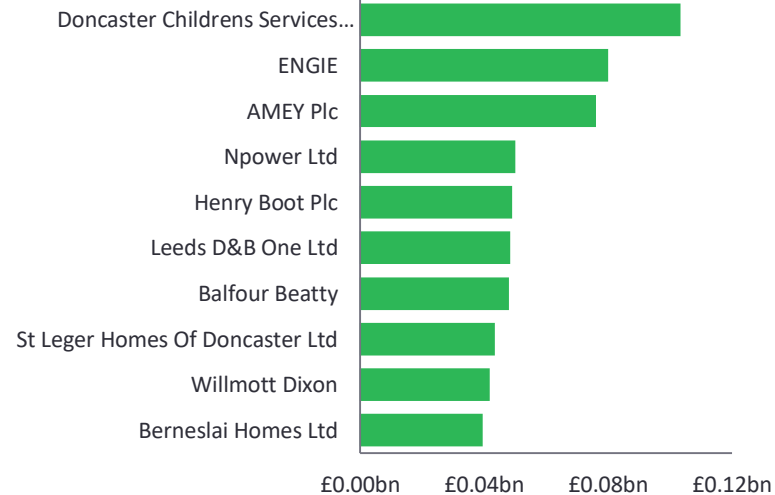
Yorkshire and Humber spend breakdown by category for 2018/2019 to 2020/2021



Regional third-party Spend Over Three Years



Suppliers Summary for 2020/2021



Commentary

- ▶ There has been a 13% increase in overall third-party spend in the Yorkshire and Humber region since 2018/2019.
- ▶ The third-party spend per capita in Yorkshire and Humber has increased by 15% between 2018/2019 and 2020/2021, from £944 to £1,087 per capita. This is the 4th highest per capita, third-party spend in comparison to the other regions.
- ▶ Yorkshire and Humber has seen Vulnerable Citizens and Public Health expenditure increase by the most at 26%, with an absolute spend increase of £577mn. This was closely followed by a 21% increase in Highways and Transport, accounting for £118mn.
- ▶ Within this region, Buildings has seen the largest absolute decrease in expenditure over the last three years at £80mn (5%). Yorkshire and Humber has also seen a £45mn and £8mn decrease in absolute spend on Culture and Leisure and Professional Services respectively.
- ▶ Compared to 2019/2020, Vulnerable Citizens and Public Health saw the largest absolute increase in expenditure at £380mn (16%), where as Buildings saw the largest absolute decrease in expenditure at £77mn (5%).
- ▶ This region is spending 33% of its total third-party expenditure on SMEs.
- ▶ The third-party spend with SMEs has increased by 3% to £2bn since 2018/2019.
- ▶ Of the total spend in the region, 3.5% was spent with other public authorities, trusts or companies.

4 Supplier Analysis

The 20 Suppliers with the highest spend in 2020/2021

Supplier	Dominant spend category 2020/21	£ spent by LA's in 2020/2021	Position change from prior year
Veolia Group	Waste & Environment	More than £550mn	≡
Balfour Beatty	Highways & Transport	More than £450mn	↑
Kier Group	Buildings	More than £450mn	↓
Eurovia UK Ltd	Highways & Transport	More than £350mn	↑
Amey Plc	Highways & Transport	More than £350mn	↓
Willmott Dixon	Buildings	More than £300mn	↓
SUEZ Environnement	Waste & Environment	More than £300mn	≡
Matrix SCM Ltd	Corporate	More than £300mn	≡
Wates Group	Buildings	More than £300mn	↑
Skanska Ab	Highways & Transport	More than £250mn	↑
Morgan Sindall Plc	Buildings	More than £250mn	↑
ENGIE	Buildings	More than £250mn	↓
Ringway Jacobs Ltd	Highways & Transport	More than £200mn	↓
Biffa	Waste & Environment	More than £200mn	↑
Norse Group Ltd	Buildings	More than £200mn	↑
Serco Group	ICT & BPO	More than £200mn	↑
Capita Group	ICT & BPO	More than £200mn	↓
Birmingham Children's Trust	Vulnerable Citizens & Pubic Health	More than £150mn	○
FCC Environment	Waste & Environment	More than £150mn	↑
Tarmac	Highways & Transport	More than £150mn	○

Commentary

The table on the left shows the 20 highest spend suppliers across all categories. From this we can see that the Highways and Transport, Buildings and Waste and Environment category suppliers dominate the highest supplier list. Many of these supplier may be prime suppliers that have a supply chain, or subcontractors that sit beneath them.

The 20 suppliers with the highest spend in 2020/2021 are largely the same as the previous year, with a few exceptions:

- ▶ Although there was not an increase in their spend, Birmingham Children's Trust and Tarmac are two of the 20 suppliers with the highest spend in 2020/2021.
- ▶ Total spend with the 20 suppliers exceeds £5.9bn, this is approximately 9% of the total third-party spend in 2020/2021.

Key: Position change for suppliers illustrating a relative spend comparison to other suppliers

≡	No change to position as 20 suppliers with highest spend
↑	Supplier position has increased
↓	Supplier position has decreased
○	Supplier was not in the 20 suppliers with highest spend in 2019/2020

The 20 Suppliers by highest number of Local Authorities they worked with in 2020/2021

Supplier	Dominant spend category 2020/21	Number of Local Authorities supplier works with	Position change from prior year
Civica	ICT & BPO	334	↑
Royal Mail Group Ltd	Corporate	314	↓
Citizens Advice Bureau	Vulnerable Citizens & Public Health	297	↑
Capita Group	ICT & BPO	295	↑
British Telecom	ICT & BPO	293	↓
Vodafone	ICT & BPO	290	↓
Idox Plc	ICT & BPO	277	▬
Zurich Insurance Plc	Professional Services	273	↑
Northgate Public Services	ICT & BPO	226	↑
British Gas	Buildings	219	↑
Insight Direct Ltd	ICT & BPO	212	↑
Npower Ltd	Buildings	209	↑
SSE Plc	Buildings	207	↑
E.ON UK Plc	Highways & Transport	198	↑
Age UK	Vulnerable Citizens & Public Health	194	↑
Phoenix Software Ltd	ICT & BPO	191	○
Savills Ltd	Buildings	188	○
Flowbird Smart City	Highways & Transport	186	○
Virgin Media Business	ICT & BPO	184	○
ONE51 ES Plastics	Waste & Environment	184	○

Commentary

The table on the left shows the 20 suppliers that have more than £10mn spend with multiple Local Authorities across all categories.

- ▶ Compared to 2019/2020, Electoral Reform Services, Quadiant, HM Courts and Tribunals services and Grant Thornton are no longer in the list of 20 suppliers by number of Local Authorities they work with.

In addition to what is shown in this table, 216 suppliers that had revenue in excess of £10mn, had spend from 50 or more Local Authorities.

Key: Position change for suppliers illustrating a relative comparison to other suppliers

▬	No change to position as 20 suppliers with highest spend
↑	Supplier position has increased
↓	Supplier position has decreased
○	Supplier was not in the 20 suppliers with highest spend in 2019/2020

5 Conclusion

Conclusion

Local Government across England collectively reports spend over £64bn with suppliers to deliver services to communities. From contracts with care-home providers through to IT companies, this expenditure is essential to delivering the outcomes we all need. Councils are still facing real-term cuts, whilst dealing with significant rises in demand for local public services, and unprecedented pressures due to the COVID-19 pandemic and associated recovery.

It is now more important than ever for Local Authorities to scrutinise the value they are getting from their third-party spend. There is no doubt, dealing with the COVID-19 pandemic has presented great challenges to Local Government. Authorities were forced to reconceptualise how they worked with partners and suppliers to provide cost effective services that met the needs of local residents, whilst enforcing necessary public health measures and balancing the optimal allocation of resources to ensure the continuity of service delivery. However, along with this unparalleled time of challenges, came great opportunities for changes and improvements, for innovations and creative solutions (particularly around reimagining the social care offer, and improving services through using digital technology and data). The fact that third-party spend for Councils' increased by approximately 1.5% from £63bn in 2019/2020 to £64bn in 2020/2021, which is just over the rate of inflation, is testament to how Local Authorities have responded to this period of uncertainty. As the sector (and society as whole), starts to move into the recovery phase, this is an opportune time for Local Government to review its spending behaviours in more detail, and to adopt and embed examples of best practice into business as usual procurement and commissioning activity at a national, regional and local level.

We hope that all Local Authorities across England will look at the analysis within this Almanac and use it to compare and contrast their own trends in third-party spend. As with the previous Almanac, we will be looking to follow up with a webinar to provide further commentary and market insights, and we would welcome you to get in touch with any questions and observations in relation to this document.

Appendix

Assumptions and Limitations

This slide sets out limitations and assumptions in the data and analysis:

- ▶ All data collected for this document is provided by Oxygen Finance and was collated from the Illuminator tool.
- ▶ For the purposes of this Almanac, quarter four (4) of financial year 2020/2021 (01 January 2021 to 31 March 2021) has been extrapolated based on the spend trend of the previous two years due to the comparatively lower percentage of data released by Local Authorities when this almanac was compiled.
- ▶ Data for this document is a point in time collected from the Illuminator tool in May 2021. The fourth quarter of 2021 has been extrapolated based on the previous two year's spend data to illustrate the likely final spend for 01 January 2021 to 31 March 2021.
- ▶ Data for population and per capita spend has been sourced from the Office of National Statistics (ONS).
- ▶ Data in this document were apportioned against categories based on Oxygen Finance categorisation at the point of collection.
- ▶ A proportion of spend (5%) is pending categorisation, therefore has not been apportioned to specific categories. This means on some of the slides categories shown will not in some circumstances add up to the total of £64bn.
- ▶ The spend data includes redacted data which covers direct payment spend.
- ▶ The supplier pareto of the top 80% of spend is based upon suppliers that have been categorised as suppliers against specific spend categories by Oxygen Finance in their Illuminator tool only.
- ▶ Expenditure and trend percentages in this document are absolute and have not been adjusted for inflation.
- ▶ For the purposes of this document, SMEs are defined as suppliers with either fewer than 250 employees or turnover less than £25mn as per DueDil.
- ▶ 'Tier three' categories refer to categories that sit under the sub categories identified for each category.

Further Information



If you would like to learn more about this 2020/2021 spend Almanac or wish to have a more detailed conversation about your particular category, region or organisation, please get in touch with us:

Kevin Ward

E: kward@uk.ey.com

T: +44 7944 933214

Simon Whittle

E: simon.whittle@oxygen-finance.com

T: +44 7931 529149

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Oxygen Finance Ltd, 4th Floor, Cathedral Place, 42-44 Waterloo Street, Birmingham, B2 5QB

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