

# Supply Management

## What is it?

- A large proportion of Government ICT is outsourced to the private sector. While this increases our pool of resources and improves efficiency, Government has not always managed relationships with suppliers effectively.
- The supply management workstrand builds on the work already undertaken by the CIO Council, the Cabinet Office and private sector partners, to deliver a step-change in the efficiency and effectiveness of outsourced Government ICT. This will incorporate delivery of the ICT Procurement strategy for Government, which will provide the procurement vehicles that enable implementation of Government ICT.

## Why?

At £16 billion per annum, the UK public sector is the largest single ICT marketplace in Europe. In 2006 the CIO Council instigated the 'Supply Management Initiative' (SMI). The objective of the SMI was to enable the Government to become a world class ICT purchaser, driving up performance, value and capability.

The supply management work programme will:

- reduce the length and time and cost for the procurement process for government ICT.
- reduce the costs of government ICT by 20% overall. ICT spend across government is highly concentrated with the top 20 suppliers representing over 70% of spend. A key component of the SMI was the establishment of a Strategic Supply Board (SSB), which comprises a sub-set of the CIO Council and the key ICT suppliers to government. A strategic objective of the SSB is to reduce the costs of government ICT by 20% overall and in the case of the total cost of government desktop provision by up to 40%.

## How?

- A more dynamic, higher performing public sector ICT marketplace that will drive efficiencies and support cross Government working and reuse of existing assets through the Applications Store for Government
- Improved procurement times and delivery outcomes

- The Cabinet Office and the CIO Council are now working with the ICT industry to develop a revised programme of work to address the challenges of increasing requirements for better commercial outcomes and delivery within tightening economic circumstances.
- Supply Management will transform government buying arrangements and leverage total government spend.

## **Contact**

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