

Appendix 2b – Economic Impact of Council procurement and other expenditure

Key aims of Local Multiplier 3

- To explore the geography of BCC's spend upon employees and suppliers
- To explore wider impact of spend including the re-spend of employees and suppliers
- To explore how boundary changes will benefit the Belfast economy
- To provide advice upon how local economic impact could be improved

CLES Recommendations 2013

GAP	RECOMMENDATION
A lack of commissioner to procurer relationship	<i>Promote the principles of the procurement strategy widely</i>
Promotion of the Procurement Strategy externally	<i>Develop a 'find it in Belfast/NI' platform</i>
Promotion of sub-contracting opportunities	<i>Develop progressive procurement training programme</i>
Training on sustainable procurement principles	<i>Target sectors for improved local spend</i>
Using targeted business intelligence	<i>Utilise business networks to promote opportunities</i>
Promotion of opportunities through business networks	<i>Widen scope of Smarter Procurement Programme and training</i>
Addressing the changing nature of community organisations	<i>Develop a systematic approach to social clauses</i>
A systematic approach and evidence of clauses in action	<i>Develop a suppliers network</i>
Continuous influencing of behaviour of supply chain	<i>Engage the voluntary and community sector in service design</i>
Influencing the behaviour of suppliers based in areas of deprivation	<i>Work with suppliers based in areas of deprivation</i>
Continuous monitoring of supplier contribution to wider outcomes	<i>Monitor economic, social and environmental outcomes</i>

BCC Expenditure 2013-2014

2013/2014	
Revenue	£57,388,638
Capital	£10,609,000
Employee (Gross)	£66,017,502
Grants	£12,772,133
TOTAL SPEND	£146,787,273

LM3 Headlines

For every £1 spent by Belfast City Council :

	2012-2013	2013-2014
Belfast	76p	83p
Post-LGR Belfast	80p	90p
Greater Belfast	102p	113p
Northern Ireland	135p	155p

LM3	2012-2013	2013-2014
Belfast level	£1.76	£1.83
Greater Belfast level	£2.02	£2.13

LM3 Headlines

Distribution of spend:		
	Capital, revenue, grant expenditure	Spend on Employees
Belfast	51%	48%
Post-LGR Belfast	53%	57%
Greater Belfast	61%	81%
Northern Ireland	87%	19%

- BCC Procurement Strategy:
 - To stimulate local economy through procurement:
 - Increase spend with SMEs by 3% by 2015
 - 10% increase spend with local suppliers to 60% by 2015

Revenue Suppliers

- £57.3 million spent with revenue suppliers
 - 47% spent in Belfast
 - 50% spent in post-LGR Belfast
 - 60% spent in Greater Belfast
 - 86% spent in Northern Ireland

Capital Suppliers

- £10,609,000 spent with capital suppliers
 - 23% of spend within Belfast boundary
 - 37% of spend Greater Belfast
 - 88% of spend in Northern Ireland
 - 48% of Belfast spend in Botanic

Grant Expenditure

- £12,566,453 was awarded in grants to organisations operating in Belfast.
 - 21% of Belfast spend in Shaftesbury
 - 17% of Belfast spend in Duncairn
 - 13% of Belfast spend in Falls

Spend on Employees

- £66 million (gross) spent on 3190 employees
- £49 million (net) spent on employees:
 - 48% of spend in Belfast
 - 57% of spend in post-LGR Belfast
 - 81% of spend in Greater Belfast
- Additional £4.5 million will be spent in Belfast boundary post-LGR
- 4.27% in Highfield
- 3.49% in Ladybrook
- 0.63% in Botanic

Supplier/Employee Re-spend

Suppliers re-spend in the £1 2013-2014:

36p	Belfast
45p	Greater Belfast

Employee re-spend in the £1 2013-2014:

29p	Belfast
42p	Greater Belfast