



One for the Archives

Mark Davis, Head of Procurement at LUPC Member The National Archives, shares his advice for embedding a strategic procurement approach.

The National Archives is a government department and an executive agency of the Ministry of Justice. As the official archive of the UK government and for England and Wales, we safeguard and make available to the public a vast collection of historical records dating back over 1,000 years.

Since the beginning of 2013, the procurement function within The National Archives has undergone a transformation through strengthening its commercial capability. Fundamentally, this was accomplished not by increasing the procurement function (which currently stands at 1.5 full-time staff) but by ensuring that the function has an appropriate range of competencies and commercial skills to make it lean but agile, responsive and, above all, effective.

Like other government departments, we have been impacted by the 2010 Comprehensive Spending Review reduction in funding, along with the additional reductions arising from the 2012 autumn statement and the 2013 Budget. However, through intelligent procurement we have achieved a further 1.3% saving on our overall budget. These savings have been identified against a robust cost baseline and all the savings identified have been validated, quantified and prioritised. Furthermore, the savings have been achieved by focusing on contracts where The National Archives was able to exploit its commercial leverage, resulting in £400,000 of savings overall.

While there is no one single factor which has led to The National Archives' success, these actions can be broken down into three areas: firstly, the unequivocal support from the executive team to provide clear leadership and enact culture change; secondly, effective relationship management with suppliers; and finally, the enhanced commercial capability within the procurement function, which moved from a tactical to strategic approach.

This strategic approach was underpinned by ensuring that The National Archives had in place key tools and processes. These include an effective contract management system, with close monitoring of supplier performance; a greater focus on demand intelligence, including the rationalisation of contracts; a clear understanding of the supply chain and associated risk; greater visibility and granularity of suppliers' costs; clear and concise sourcing strategies; and a better understanding of market intelligence to strengthen the commercial leverage of The National Archives.

Continuous learning is also crucial to ensure that The National Archives not only implements best procurement practice, but also disseminates and shares best practice to the wider procurement community.

The National Archives is a great supporter of LUPC and the work it undertakes. In the future, The National Archives recognises it will not be able to drive through further cost reductions and improve efficiencies through the supply chain without accessing the frameworks offered by LUPC.

Furthermore, switching to LUPC agreements will allow The National Archives to secure further savings as well as reducing the administrative costs of tendering ourselves.

The National Archives is committed to the relentless pursuit of securing value for money for taxpayers. However, it is important to stress that The National Archives' objectives are not just focused on making savings. The challenges in the future will be concentrated around achieving our targets in a cost-effective way, ensuring that we buy the right goods and services at the right price while ensuring that quality is not compromised.

So, in summary, The National Archives would argue there are six key components which contributed to our success and that other government departments can learn from. These are:

- Clear and effective leadership and direction from senior management;
- Expertise and commercial capability within the procurement function;
- Realistic but robust savings targets to reduce supplier costs;
- Ensuring all staff are commercially aware when they procure and are made accountable for their own savings;
- Supporting a culture where innovative thinking is actively encouraged;
- Improved relationships with suppliers.