

File classification: SWYDDOGOL-DIM ANGEN MARC OFFICIAL - NO MARKING

OFFICE OF THE POLICE AND CRIME COMMISSIONER	
LEAD CHIEF OFFICER:	Nigel Stephens – Assistant Chief Officer Resources
TITLE:	Procurement Outturn Report 2018/19
DATE:	5th June 2019
TIMING:	Annual Report
PURPOSE:	For Monitoring
1.	<u>RECOMMENDATION</u>
1.1	The recommendation is for the Police and Crime Commissioner to monitor the report.
2.	<u>INTRODUCTION & BACKGROUND</u>
2.1	The purpose of this report is to present the work and development of the Procurement Department during the period 1 April 2018 to 31 March 2019.
2.2	The supplier spend line by line report run on FIRMS for the period 1 April 2018 to 31 March 2019 shows a total non-pay spend of £40,008,246.08 * <i>*This is the raw data which includes payments to other police forces, business rates expenses for specials etc.</i>
3.	<u>ISSUES FOR CONSIDERATION</u>
3.1	Savings achieved during the period 1 April 2018 – 31 March 2019* was £449,477.62 and these savings are reported to the Home Office on a monthly basis. <i>*The March 2019 figure is not agreed at the time of writing this report as we are waiting confirmation on reporting potential savings for New Mobile Phones, Data Devices and PEQF Contracts.</i>
3.2	The savings achieved are a result of new tenders, contract negotiations, scope reduction (i.e. reviewing and challenging requirements), demand management (based on usage), benchmarking and cost recovery (contract rebates).
3.3	Contracts processed and let by Procurement during the period include: 5 Quotation process – Value £67,971. 10 Local contracts – Value £309,275. 10 Contracts utilising national frameworks – Value £385,539. 5 Collaborative contracts - Value of £7,560,000

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	<p><i>(made up of total contract value for Gwent Police. Total contract value is the over the term of that contract e.g 4 years)</i></p> <p>Single tenders – 26 single tenders with a value of £1,527,3928 <i>(this includes the spend with Go Locum of £782,966)</i></p> <p>Contracts awarded during the period are for a wide range of Goods and Services.</p>
3.4	<p>The knowledge and use of the FIRMS procurement and ordering system is improving and this, in turn, has improved control (auditability and transparency) but at the same time has increased the administration process for the procurement function. The Procurement Assistant is responsible for Value for Money (VFM) coding of all requisitions and invoices as well as the new suppliers process to the finance system and a new process for the setting up of suppliers has been agreed between the Procurement and Finance Team. A review of these arrangements is being undertaken to ensure capacity is sufficient to meet demand.</p>
3.5	<p>The department continues to be involved in the New Headquarters (HQ) Project with the Procurement Assistant attends the user group meetings and the Head of Procurement attends the Board meeting.</p>
3.6	<p>General Data Protection Regulation (GDPR) GDPR came into force on 25 May 2018. Contract variations were drafted for all relevant contracts identified as being affected by the regulations. The process to check whether the regulations apply is now captured at tender stage as part of the force standard contract document. Staff are also checking the arrangements where it is not a contract using Gwent Police Terms and Conditions of Contract.</p>
3.7	<p>IR35 IR35 is a tax legislation that is designed to combat tax avoidance by workers supplying their services via an intermediary such as a limited company. A check was undertaken in September of the suppliers on FIRMS to identify any potential cases. Checks were undertaken on the highlighted suppliers and records of the checks are stored in the Procurement shared drive. New suppliers are being audited to check if IR35 applies.</p>
3.8	<p>Staff The department has been affected by change during the period with the Head of Procurement post becoming vacant on 21 December 2018 to which there was an opportunity for a secondment to a Senior Procurement Officer from South Wales Police. The post should be filled on a permanent basis in May 2019.</p> <p>The new Procurement Officer and Senior Procurement Officer were appointed in July and August 2018, respectively following the departure of staff from the posts earlier in 2018. Both team members have passed their probation and are now permanent members of staff.</p>

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3.9	National Future Commercial Operating Model. The National Commercial Board is progressing a programme to introduce a National Procurement Model for the police service. It is at the early stages but will look at creating national frameworks for goods and services that are common to the police forces and where a collaborative and national approach will be beneficial to all. The force will actively support this approach which seeks to release better value in all purchasing.
3.10	Agile Working The team have embraced the agile working and clean desk policy that the force now have in place.
3.11	BREXIT As part of an exercise with the procurement departments of South Wales Police and Dyfed Powys Police the team identified active contracts that were awarded by one of the three forces and potentially may have issues as a result of Brexit – deal or no deal. The collaborative procurement assistant made contact with these suppliers and has been monitoring responses. The lead forces or organisations who established the frameworks that we use have been responsible for establishing any issues or risks arising from BREXIT with the suppliers.
4.	<u>NEXT STEPS</u>
4.1	The procurement department will continue to provide an efficient and effective service to the Force and OPCC and support operational policing. Due to capacity of the team the work is prioritised using a risk based approach.
4.2	The department will continue to be an active participant in meetings and boards and fully support the Joint Police Procurement Unit, Southern Wales and the Procurement Strategy to drive out further cost and process efficiencies.
4.3	The scoping of a Joint Police Procurement Unit for all Wales forces / 3 southern Wales Forces /Gwent and South Wales will be undertaken and the structure and model for the team will be reviewed.
4.4	A permanent Head Of Procurement will be appointed by May 2019.
4.5	A report will be submitted to request additional staff resource within procurement to increase the opportunities for collaboration, cost savings and efficiencies. Extra resources could tackle the spend areas that are under £10k that is not currently being challenged, reduce the amount of spend via Single Tender, contract manage the current arrangements to establish if any savings and/or efficiencies could be made.

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4.6	A formal, documented IR35 check process between Procurement, Payroll and Finance will be put in place. In September 2019 an annual check will be undertaken on all suppliers on the FIRMS system.
4.7	Procurement will work with Finance to scope and introduce the NO PO / NO PAY process.
5.	<u>FINANCIAL CONSIDERATIONS</u>
5.1	There are no further financial considerations in relation to this report.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	The department is currently at full establishment but is under resourced to meet demand. Work is being prioritised to manage demand and support staff welfare.
7.	<u>LEGAL IMPLICATIONS</u>
7.1	There are no legal implications.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
8.1	This project/proposal has been considered against the general duty to promote equality, as stipulated under the Single Equality Scheme and has been assessed not to discriminate against any particular group.
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
9.	<u>RISK</u>
9.1	The staff capacity has resulted in a prioritising contracts. A review of the forward plan will continue to ensure that operational priorities are dealt with promptly. Risks will continue to be highlighted at the earliest opportunity.
9.2	To monitor the Brexit situation and mitigate any risk to Gwent's goods and services requirement.
10.	<u>PUBLIC INTEREST</u>
10.1	This report is available to the public.

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11.	<u>CONTACT OFFICER</u>
11.1	Sian Gunner, Head of Procurement (Interim) (Secondment)
12.	<u>ANNEXES</u>
12.1	None

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Office of the Chief Constable

I confirm that Procurement Outturn Report report has been discussed and approved at a formal Chief Officers' meeting.

It is now forwarded to the OPCC for monitoring purposes.

Signature:



Date: 07.05.19

Police and Crime Commissioner for Gwent

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

Signature:



Date:

6/6/19