

## West Midlands Police and Crime Panel

### Report of Panel Scrutiny of the West Midlands Police and Crime Commissioner's (PCC's) Procurement Strategy

*18<sup>th</sup> November 2013, 2pm, Solihull Civic Suite*

#### A Introduction

A.1 The aim of the session was to consider:

**Recommendations the Panel would like to make to the PCC regarding the development of his procurement strategy.**

A.2 Key questions were:

- What are the components of an effective procurement strategy?
- What social values should be included and can legally be included?
- How is value for money best achieved?
- How compliance is best achieved?
- What tools and levers need to be in place to achieve this – e.g. appropriate technology, collaboration?

A.3 We are pleased that the PCC asked for early input into the development of the procurement strategy which will shape purchasing and contract decisions for the West Midlands Police. The Panel conducted a quick mini scrutiny inquiry into the topic, and although there was not time to consider in detail what procurement arrangements were already in place, the Panel hopes that the principles it sets out in this report are felt to be supportive by the PCC as he develops the final strategy.

#### B Attendance

B.1 Members of the Panel in attendance were:

- Lionel Walker and Cllrs Cooper (Chair), Bird, Hossell, Jamieson, Mattu, Meeson, Moore, Phillips, Smith, and Tyler.

B.2 In addition to the Police and Crime Commissioner the following witnesses attended:

- Margaret Corneby, Chief Executive Black Country Chamber of Commerce
- Henrietta Brealey, Policy Advisor Greater Birmingham Chamber of Commerce
- Nigel Kletz, Assistant Director of Procurement, Birmingham City Council
- Mike Williams, Chief Finance Officer, Office for Policing and Crime
- Bob Jones, Police and Crime Commissioner

- Laura Gibb, Police Workforce and Efficiency Unit in the Home Office
- Wayne Hanson, Police Workforce and Efficiency Unit in the Home Office

B.3 The Panel is very grateful for all their contributions and honest reflection of the challenges and opportunities. It made for a valuable discussion.

## Key findings

B.4 There is already good work going on within the Police service. We understand that there are some constraints in the PCC's ability to control procurement e.g. legislative constraints, specialist requirements and collective and national procurement. In addition, some standardisation can be necessary for police effectiveness and safety – e.g. ensuring similar batons / firearms.

B.5 The Chambers of Commerce, representing local businesses suggested:

- It is important to break up contracts and to allow consortia to bid;
- Pre-qualification questionnaires have got too long and should be focussed on the areas that make a difference to the decision-makers;
- There is no standard approach taken by the public sector which can be time consuming for business; a unified approach would be helpful;
- Social value criteria need to be made clear;
- There needs to be on-going consultation and engagement with business, not just an occasional standalone event, to encourage businesses to get involved with the procurement process and to make sure potential suppliers are tender-ready with required company policies in place;
- Ensuring local businesses are aware of tender opportunities by publishing a plan/matrix of forthcoming contracts;
- It is possible to co-produce tenders with businesses and this can lead to good outcomes; and
- It would be good if the PCC made a commitment to endeavour to spend a high proportion of funds locally. However caution was also expressed about being too overtly protectionist in local spending activities.

B.6 Birmingham City Council's lessons were about the importance of senior sponsorship and the critical eye of scrutiny. The aims of a procurement strategy need to be aligned to the aims of the organisation. Specifications need to ensure the right product will be purchased. Internal processes need to balance speed and compliance. The contract management needs to be robust. There may be ways for different public sector organisations to be able to jointly commission services and do place based procurement together.

B.7 BCC has developed a charter for social responsibility to deliver social value through procurement. It includes issues such as local jobs, ethics, sustainability and the living wage. They would welcome the PCC's sign up to this.

B.8 The Home Office officials discussed:

- The value of the Cabinet Office publishing the details of contracts coming up;
- The need for tender documents to be realistic and not set out a desire for something not affordable;
- The importance of ensuring the public sector receives what it pays for and has contracted for;
- How transparency e.g. sharing data, such as prices can help achieve value for money; and
- Social value.

## C Principles

C.1 A number of principles follow which relate to issues discussed on 18 November 2013.

C.2 We have set out principles rather than recommendations as we are aware that some of these issues may already be in place or have been considered. The Panel's intent was to examine the issues with a fresh set of eyes and set out some issues for the PCC to examine. We envisage the Panel's principles could be used as a scrutiny checklist against the final strategy.

### ***Principle 1 : Supporting the Local Economy – A Key Aim***

- i. We note the PCC's Procurement Objectives set out paragraph 12 of the PCCs Procurement Consultation and Strategy report. We think it particularly important that care is taken to maximise the impact upon the local economy. We understand that some skills / expertise are not available locally and the PCC would then look to wider UK and, if possible, have a principle that only procure overseas as a last resort. The PCC should:
  - Set a target for local procurement; and
  - Ask questions such as "What value does the organisation add to the local area?" and give weighting to this.
- ii. If tenders are broad they should not rule out consortiums bidding. This maximises local businesses opportunities to work together. It is also important to have a range of big and smaller contracts providing smaller firms the opportunity to bid.

### ***Principle 2: Outcome Focussed***

The strategy needs to deliver the services and tools for the Police to do their job, at the right time:

- i. Organisational strategic objectives and procurement objectives need to be aligned;
- ii. Expectations and specifications need to be realistic; and
- iii. A whole life cycle approach needs to be taken – including issues such as repairs and disposal.

### ***Principle 3: Forward Planning for Procurement***

- i. Securing the best product will be aided by ensuring the market is aware of opportunities and companies can register and know of opportunities coming up by doing any or all of the following:
  - Publishing a regular forward plan/matrix of tenders
  - The service having a good, accessible web site
  - Continuing to use the bluelight portal
  - Working with the existing "find it in" web sites developed by local authorities
- ii. In addition, supply chains should be required to use these approaches too.

### ***Principle 4: Making Effective Use of IT***

Applying IT creatively throughout the procurement process can deliver real benefits, ranging from advertising tenders, e-tender systems, e-auctions, e-catalogues and e-invoicing.

- i. The procurement portals obviously need to be supported by good IT infrastructures;
- ii. This should also help companies complete pre-qualification questionnaires and tender documents, through for example, of a standard approach to key information which can be automatically completed if required; and
- iii. If a digital by default approach is taken it is important to ensure that there are no unintended consequences as not all companies are up to speed with IT. Off-line access points and events will also be required.

### ***Principle 5: Engage with Partners***

- i. Effective communication, engagement and consultation with stakeholders is important:
  - Work with Chamber of Commerce, Third Sector organisations, officers and Members to ensure local businesses and organisations are aware of the PCC's Procurement Strategy and of forward procurement plans;
  - Develop mechanisms to ensure on-going engagement with these bodies;
  - Ensure clarity and consistency about what businesses and organisations are required to do;
  - Before the strategy is launched hold seminars to support local businesses (in partnership with Chambers of Commerce and Third Sector support agencies).
- ii. The PCC also needs also to understand local communities' needs, priorities and wishes, through wider engagement.

### ***Principle 6: Collaborative Public Sector***

There are further opportunities to both improve value for money and to meet the social, economic and environmental objectives by stronger working across the public sector in the region by:

- i. Working with others to explore the feasibility and benefits of a single portal for flagging procurement opportunities coming up;
- ii. Looking at opportunities for “vertical procurement” – procuring services for places with, for example, health services and local authorities;
- iii. Investigating opportunities for improvements and savings through shared back office services and systems; and
- iv. Looking at what local authorities and other local organisations can deliver on behalf of the West Midland Police (with a budget coming with it).

We are informed that these last two issues could lead to radical savings.

### ***Principle 7: A Contract Management Process that Delivers***

It is important to ensure processes are in place with sufficient skilled officers to support this to ensure compliance and value for money, making sure the tax payer receives what has been paid for.

## **C Recommendation: Consultation of Strategy**

- i. Wider consultation will be key to getting the quality of the strategy right. The PCC will need to consult local companies on the development of the strategy, not just as a one off, but keeping business and third sector organisations engaged at all steps.
- ii. The Panel would like to know the actions the PCC proposes to take and anticipated timescales involved.

## **D Recommendations for the Joint Leaders**

D.1 In addition to the above principles and recommendation, the Panel considered there to be a role for the Region’s authorities to support the procurement process. The Chair of the Panel will ask the Joint Leaders to consider the following requests:

- i. Holding a joint summit to develop a more unified way to procure and work with local businesses.
- ii. Seeing if there is an opportunity to develop and combine procurement forward plans (or matrix) so local companies can go to one place to find out what contracts are going to be tendered.

## E Next steps

- E.1 We would welcome a response from the PCC on these principles; the recommendation regarding consultation; and the next steps the PCC is taking to develop his procurement strategy, including how the Panel can assist further and get feedback on impact of this report

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