



STRATEGIC POLICING AND CRIME BOARD
21 December 2021

PROCUREMENT STRATEGY

PURPOSE OF REPORT

1. The purpose of this paper is to provide details of the joint Procurement Strategy between the Police and Crime Commissioner (PCC) and West Midlands Police (WMP) for the period 2022 to 2025. The strategy document is attached at **Appendix A**

BACKGROUND

2. The Force (acting on behalf of the PCC) spends up to circa £90m per annum recurring on procuring goods, works and services, along with a further £5m to £20m on the WMP2020 Change Programme. With the majority of the Change Programme now delivered we would expect lower change programme related costs, it is important that these public funds are spent in the most cost-effective manner.
3. In order to ensure that key priorities are delivered upon, a Joint Procurement Strategy for the period 2017 – 2020 was created and agreed by the SPCB in September 2017. Progress against the priorities have been reported annually to this Board.

JOINT PROCUREMENT STRATEGY WMP AND WMPCC 2022 - 25

4. This procurement strategy builds on the themes of both the previous strategy and requirements set out in the Commissioner's Police and Crime Plan 2021-25 and WMP's three-year strategy 'This Work Matters'.
5. Our overall procurement vision remains to deliver a high quality and cost-effective service which assists in the performance of the Force. Whilst delivering value for the people of the West Midlands and assists in the economic development of the region. Our vision going forward will however have a stronger focus on collaboration and the green agenda.
6. Our key aims will be to:
 - To make sure all commercial activity creates value for money.
 - To consider national priorities in local procurement activities around creating new businesses, new jobs and new skills.
 - To put in place competitive contracts, where we can drive efficiency and innovation.
 - Working in an ethical way with others create environmental, ethical and sustainable procurement.
 - We will drive efficiencies and improve performance through working with the supply chain through continuous improvement. This is aligned to with our Force strategy – This Work Matters.

7. This strategy recognises the progress made during the previous strategy period and will build on these achievements, in the following areas:

I. **Procurement Regulations** – our procurement strategies will largely remain the same and consistent with the Public Contract Regulations. The following changes to legislation, policies and practices have/will be factored into the Procurement Strategy and processes for 2022-25.

- **BREXIT:** UK Procurement law is subject to the Public Contracts Regulations 2015 (PCR2015) which transposed EU Procurement Directives into UK law. Whilst Brexit was some time ago, UK public bodies still need to comply with these until new regulations are agreed. In December 2020, The Cabinet Office issued a Procurement Green Paper for consultation which set out proposals for new UK regulations following Brexit. The closing date for this was March 21. In September, however, the Cabinet Office issued communications stating they do not expect new procurement regulations to be in place until 2023.
- **Government Regulation** - Whilst UK Procurement law is largely unchanged, the UK Government has issued permanent or temporary instructions or guidance via the National Procurements Policy Statement and Procurement Policy Notes. This included:

- **Procurement Policy Note (PPN) 10/20 Procurement after the transition period ended on 31 December 2020**

The main change to the existing public procurement regulatory regime was that from 23:00 on 31 December 2020, new UK public procurement opportunities were to be published on the UK e-notification service called Find a Tender service (FTS). The FTS meant new UK opportunities will no longer be sent to the Official Journal of the European Union (OJEU) or Tenders Electronic Daily (TED).

- **National Procurement Policy Statement June 2021**

This National Procurement Policy Statement sets out the strategic priorities for public procurement and how contracting authorities can support their delivery. Contracting authorities should act to ensure their procurement and commercial teams have the right capability and capacity to deliver the priorities in this National Procurement Policy Statement. This includes ensuring transparency in public procurement to support engagement with the market, allow proper scrutiny of procurement decisions and demonstrate good custodianship of public money. The priorities in this Statement are concerned with the core standards of procurement capability and delivery, as well as the additional social value outcomes that public procurement can support.

- **The Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2021**

This amendment sets out the revised financial thresholds for public procurements under certain regulations. Contracts with estimated values

over these revised thresholds must be published on the Government's Find a Tender service and the tender must be run in compliance with the appropriate procurement regulations. When they come into force on 1 January 2022, the Regulations will update the financial thresholds in the Public Contracts Regulations 2015 ("PCR"), the Concession Contracts Regulations 2016 ("CCR") and the Utilities Contracts Regulations 2016 ("UCR").

The thresholds have been reviewed and updated to ensure they continue to correspond with the World Trade Organisation's Agreement on Government Procurement. A key change applicable from 1 January 2022 is that the relevant thresholds are now inclusive of VAT.

- **Procurement Policy Note 05/21: National Procurement Policy Statement**

Asks all contracting authorities to consider the following national priority outcomes alongside any additional local priorities in their procurement activities:

- creating new businesses, new jobs and new skills;
- tackling climate change and reducing waste, and
- improving supplier diversity, innovation and resilience.

- **Transforming Public Procurement – Green Paper**

The Cabinet Office has published a green paper consultation on a new procurement regime to replace the current system of regulations established under the UK's membership of the European Union. The government proposes a single, uniform, set of rules for all contract awards, with sector-specific sections in areas such as defence or utilities.

The green paper recognises that current procedures can be "restrictive and create complexity and confusion for buyers and suppliers". It proposes new measures to create a digital platform for supplier registration ensuring bidders only have to submit their data once. The proposed new regime would be aimed at sending "a clear message that public sector commercial teams do not have to select the lowest price bid, and that in setting the procurement strategy, drafting the contract terms and evaluating tenders they can and should take a broad view of value for money that includes social value". Changes to the award criteria for evaluating final bids to encourage social value objectives could be introduced, the green paper said. Consultation closed in March 2021, we await further updates.

- II. **Social Value** – In line with the Police and Crime Plan achieving social value through procurement is a key priority. Social value is part of the assessment criteria for contract awards over £100k, for the core period of the contract. Going forward we will build social value performance and social value expectations into contract extensions.

We have the tools in place to set social value targets, however we recognise that more work is required to encourage our supply chain to think a bit more creatively about social value opportunities. We currently record social value achievements however we want to better define our expectations regarding reporting and delivery. As well as publicly report our successes in this area.

- III. **Contract Management** - In 2021 we rolled out an enhanced and improved supplier relationship management (SRM) framework. This SRM approach gives a framework with an internally and externally aligned governance structure. This helps manage relationships at all levels and within different functions. It will reduce the level of complexity and increase transparency on both sides. The framework focuses on supplier segmentation, governance, performance management and development.

We will continue roll out and embed this approach across our contracts. This will allow us to assign the right level of procurement resources, following a risk-based approach to deliver effective contract management. We will use the data we collect as part of the contract management process to better inform future decisions.

- IV. **Collaborative working** - We will work with BlueLight Commercial on our procurement pipeline to identify opportunities for better ways of procuring and to deliver procurement savings.
- V. **The Green Agenda** – To date the Force has delivered a number of procurement improvements and initiatives to support the environment sustainability and decarbonisation agenda. This has largely focused on the procurement of uniform, with regards to materials used and carbon neutral production. This work is very much in its infancy and we will work closely with our supply chain across the board develop this further. We will work with our Environment & Sustainability lead to support the PCC's and WMP's broader decarbonisation ambitions.

Next Steps

- 8. The Board is asked to consider and approve the Joint Procurement Strategy.