



**Lancashire
Constabulary**
police and communities together

**THE CHIEF CONSTABLE AND THE POLICE AND CRIME
COMMISSIONER FOR LANCASHIRE**

PROCUREMENT STRATEGY

STRATEGY OWNER – POLICE AND CRIME COMMISSIONER

INTRODUCTION

Procurement is one of the key areas in supporting the Police and Crime Commissioner and the Chief Constable in the Constabulary's overall approach to the delivery of operational policing.

Procurement is the process through which the Constabulary buys goods, services and works from third parties and spans the whole purchasing cycle from identification of need through to delivery of the end product or service.

As at 31st March 2017, the Constabulary spend in the region of £46.1M per year on the procurement of products, services and works. Out of this £46.1M it would appear that £41.5M is covered by contracts leaving a total of £4.6M of expenditure that is scheduled to be reviewed.

Effective delivery of the Procurement Strategy will support the Police and Crime Commissioner's objectives within the Police and Crime Plan on which procurement is relevant to all, and the Constabulary in achieving its strategic objective of making best possible use of our resources.

PURPOSE

The aims of this strategy are to ensure that we achieve value for money and savings, whilst promoting the local economy where practicable. To ensure the Constabulary is equipped to meet its operational needs whilst ensuring that the Chief Constable and Police and Crime Commissioner are not exposed to unnecessary risk.

VISION AND VALUES

Our vision and values as set out in this Strategy illustrate the contribution that effective procurement arrangements can make to a wide range of operational policing requirements including:

- To support the delivery of innovative, cost effective and quality services to meet the policing priorities through a strategic approach
- To be modern, efficient and economically and socially responsible
- To procure and deliver quality value for money goods and services
- To support the principles of sustainable procurement and encourage local employment opportunities and local industry
- To support the implementation of the living wage and ensure that all employees work in a safe environment
- To consider social value at the point of when we review our services and consider how they are to be delivered in conjunction with stakeholders and bidding organisations.
- To support the Constabulary's Valuing Difference Strategy by using the procurement process to advance equality and diversity.

Where permissible these issues will be taken into consideration when we are inviting tenders.

PROCUREMENT KEY PERFORMANCE INDICATORS (AS AT 31ST MARCH 2017)

- £46.1M current expenditure on goods and services
- £41.5M of expenditure currently covered by contracts equating to 90% compliance
- £4.6M of expenditure to be reviewed
- Contracts managed/overseen by Procurement – 300+
- Savings generated by Procurement during 2016/17 – over £1.6M
- Local spend with suppliers in the North West region is 60%
- Collaborative spend with other public sector partners and frameworks is 69%
- Annual audit awarded Procurement function full assurance rating

OBJECTIVES

- To support operational policing and the objectives of the PCC's Police and Crime Plan
- Demonstrate best value in the goods and services we procure, and ensure through accurate specification that we only purchase what is necessary
- Demonstrate efficient processes that minimise the cost in the procurement and contract management processes
- Make savings on the goods and services we procure and reduce our costs by collaborating with other organisations
- Where practicable and permissible, increase the number of goods and services procured from local enterprises including small, medium and voluntary sector to contribute towards a sustainable procurement environment which stimulates business in the local economy
- Ensure customers and suppliers find it easy to do business with us because bureaucracy of our process is minimised
- Ensure that the services of the procurement unit are communicated effectively to customers with appropriate levels of consultation to deliver procurement projects in a timely fashion and develop inter- relationships
- To control procurement and manage expectations

- Demonstrate that as a unit we are cost effective and endeavour to be self-financing.
- Adhere to our obligations under the Public Sector Equality Duty by actively encouraging and supporting equality and diversity in the procurement process

HOW WILL WE ACHIEVE OUR OBJECTIVES?

Against a backdrop of severe cuts and dwindling resources, a new structure for Procurement Services has been agreed to ensure that we achieve our objectives.

- Establishment of a Strategic Procurement Board to manage, control, monitor and approve all procurement activity supported by a dedicated team with the expertise and drive to deliver procurement efficiencies
- To review all existing contracts with a planned programme of work with key timescales and centralise contracts not currently managed by Procurement including Estates, ICT, HR, Learning & Development, HQ Crime
- To utilise the national Bluelight Procurement Database (BLPD) to create a central contracts register and record all contracts demonstrating our commitment to transparency, forward planning and collaborative working practices
- Explore further collaborative opportunities with other forces, BT Lancashire Services, Crown Commercial Service and other public sector bodies in order to generate additional savings and ensure efficient use of resources
- Increase the use of collaborative arrangements in line with National Audit Office/Home Office has proposed that police forces achieve a target of 80% of expenditure on non ICT supplies and services to be covered by collaborative contracts. The aim is to achieve a target of 50 – 60% in the first 18 months and 75 – 80% within the next three years.
- Ensure legal compliance and reduce the Constabulary's exposure to risk by adopting a corporate approach to procurement and processes
- Be responsive to our customers' needs by developing inter-departmental working relationships and managing expectations by training and encouraging business areas to review spend on goods, services and works. We will brief senior managers in all departments to ensure they have an awareness of the legal requirements in respect of procurement.
- Ensure we achieve our Equality Objectives as set out in the Constabulary's Valuing Difference Strategy through integrating and enhancing equality and diversity throughout all procurement processes

SUPPLIER ENGAGEMENT

- The Constabulary is committed to ensuring that our suppliers and contractors share our vision and values and work with us to implement and deliver value for money in support of operational policing activities and the Police and Crime Plan
- We expect our suppliers to provide high quality goods, services and works to the Constabulary and demonstrate an ability to embrace sustainability, social value, equality and diversity throughout the workforce and supply chain
- We expect our suppliers to adhere to our values outlined in our Valuing Difference Strategy and will support them to do so. We will monitor and influence our suppliers on their adherence to equality and diversity
- We will minimise the administrative burden and cost to suppliers by offering electronic systems and processes such as <https://uk.eu-supply.com/login.asp?B=BLUELIGHT> for the publication and submission of tenders, adopting the national standard approach by all police forces thus reducing bureaucracy and increasing transparency.
- We will also publish our contracts plan via the national police procurement database at www.blpd.gov.uk and implement standard templates and documents across the North West Police Region to encourage small and medium enterprises to bid for contractual opportunities. This also fulfills the PCC's obligation in supporting transparency requirements.

PERFORMANCE, MONITORING AND IMPROVEMENT

- To deliver a more strategic and systematic approach to Procurement
- Enhanced compliance with relevant policies and procedures and robust risk management with particular regard to all statutory requirements in addition to the extraneous requirements set by other bodies.
- Embed a culture of stronger leadership and performance management
- Development of new strategies and approaches to deliver reductions in procurement and process costs
- Customer feedback on completion of any large/complex procurement processes will form an integral part of our monitoring and improvement processes.
- Management of risk
- Increase supplier diversity and monitor feedback based on equality and diversity, including but not limited to issues surrounding age, disability, gender identity and reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity

Social Value Policy

Office of the Police and Crime Commissioner for
Lancashire and Lancashire Constabulary

April 2017



**Lancashire
Constabulary**

police and communities together



1. Introduction

- 1.1. The Office of The Police and Crime Commissioner for Lancashire (OPCC) and Lancashire Constabulary recognises the important role they can play in enabling sustainable development through their procurement and commissioning activity. In 2016/17 we spent approximately £46 million via procurement activity. Through our approach to social value, we will integrate economic, environmental and social sustainability into our procurement and commissioning processes.
- 1.2. This policy outlines the approach that will be taken in order to ensure that all resources are used wisely, that we protect and enhance the environment whilst ensuring the efficient use of resources and delivery of value for money.
- 1.3. There is no 'one size fits all' model for achieving social value; it is an area where providers and commissioners nationally are learning about how best to achieve and evidence it.

2. What is Social Value?

- 2.1. The Public Services (Social Value) Act 2012 requires for the first time, all public bodies in England and Wales to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area. It asks public bodies to consider the ways that they could most benefit society as part of each decision made.
- 2.2. Social value requires commissioners to think about how they achieve outcomes in a more integrated way. Rather than thinking about services in isolation or in the short term, this approach requires commissioners to consider long term costs and sustainability and how inclusion of additional social value outcomes can potentially reduce pressures in other areas.

3. Aims and Objectives of the Policy:

- 3.1. The overarching intent of this policy is to ensure procurement and commissioning activity maximises social, economic and environmental benefit for the OPCC and Lancashire Constabulary while delivering value for money.
- 3.2. **Our aims are:**
 - 3.2.1. To further our sustainable procurement objectives to protect and enhance the environment, e.g. by reducing waste, limiting energy consumption and procuring materials from sustainable sources.

- 3.2.2. To promote the local economy by supporting micro, small and medium sized enterprises and the voluntary and community sector in Lancashire to thrive, and by doing so promote training and employment opportunities for the people of Lancashire.
- 3.2.3. To involve local people and organisations in how we meet the needs of local communities through the commissioning cycle and procurement process.

3.3. Objectives:

In order to achieve our aims we will:

- 3.3.1. Involve local people and organisations in determining social value outcomes by beginning engagement and/or consultation at the earliest possible opportunity in a commissioning/procurement process.
- 3.3.2. Agree proportionate and relevant social value outcomes with the marketplace at pre-procurement stage, and ensure that they are linked to OPCC and Police and Crime Plan priorities.
- 3.3.3. Apply a methodology that ensures a minimum of 2.5% of the quality element of the price/quality ratio will be allocated to social value, when it is identified in the commissioning/procurement process that additional social value outcomes are relevant and appropriate.
- 3.3.4. Work with internal staff, the marketplace and communities to improve understanding of social value, our Policy and evaluation methods.
- 3.3.5. Maximise local spend within both Lancashire and the North West region whenever permissible to do so.

4. The Principles of the Policy:

The following principles underpin our policy:

4.1. Creativity

To use social value as a platform to encourage innovation both within and external to the OPCC and Lancashire Constabulary.

4.2. Flexibility

To embed flexibility and a 'can do' approach to social value to secure the best outcomes by opening up the commissioning/procurement process to a broader range of organisations and businesses.

4.3. Collaboration

To develop a shared vision for social value between the OPCC, Lancashire Constabulary, communities, stakeholders and organisations and businesses to benefit the whole County. To promote collaboration within the OPCC and Lancashire Constabulary so that procurement processes impact on shared priorities for the County.

4.4. Leadership

To ensure key messages are effectively communicated and progress is monitored with strong leadership, guidance and coordination, making sure the OPCC and the Lancashire Constabulary delivers an effective social value policy.

4.5. Sustainability

To recognise longer term social value outcomes over quick wins.

4.6. Equality

To ensure that groups with protected characteristics participate in the shaping, delivering and monitoring of our social value policy.

- 4.7. The Public Services Act requires public bodies to consider social value in service contracts (and contracts for goods or works where there is a service element) above a prescribed financial threshold. However our implementation of the duties in the Act will be as wide as practicable so that we can achieve maximum impact.
- 4.8. This policy does not set out a single approach to the creation of social value in Lancashire. However, social value will be considered during the commissioning cycle and procurement process of all contracts, including those that are below the EU Procurement Thresholds. Proportionate and relevant social value requirements will always be included in contracts.
- 4.9. Engagement with people and communities is vital to encourage innovation and ensure services are well designed for the people who use them. Engaging and consulting at the earliest opportunity will enable us to find out what the potential social benefits could be and to learn about benefits that we may not have considered. Knowing what local providers can offer also avoids the OPCC and Constabulary asking for outcomes which are not relevant or proportionate to what their business or organisation can deliver. It also helps us to take into consideration the needs of smaller providers.
- 4.10. Commissioners are required to determine social value outcomes in discussion with providers at pre-procurement stage. Outcomes should be proportionate and relevant to a contract and linked to the priorities in the OPCC's Police and Crime Plan.

5. Social Value and the Priorities contained within the OPCC's Police and Crime Plan

Under the Public Services (Social Value) Act 2012, the Police and Crime Commissioner for Lancashire has a duty to seek social value in contracts. This is done by considering:

- How the goods, services or works being procured might improve the economic, social and environmental well-being of the Lancashire area.
- How added social value can be secured through the procurement process and in fulfilment of the resulting contract.

Examples of added social value may include:

- Championing fair employment practices, such as paying the Living Wage.

- Supporting employment opportunities and training provisions such as apprenticeships.
- Sourcing items such as food stuffs, ICT and uniforms from ethical sources.
- Helping businesses particularly small ones, get fit to compete and win contracts.
- Encourage improved practices with our suppliers to promote equal life chances for all.
- Initiatives to reduce the significant negative environmental impact of goods and services.
- Pioneering responsible procurement to deliver improved quality of life and better value for money for our people, our businesses and our County.

Parallel to this, the Crime Plan for Lancashire reflects the views of local communities, local authorities and other agencies across the region and outlines 4 priorities for policing:

1. Protecting Local Policing
2. Tackling Crime and Re-offending
3. Supporting Vulnerable People and Victims
4. Developing Safe and Confident Communities

If you are successful in any tender and are awarded contract status, you will be expected to actively support the Commissioner to achieve the above aims, including any specific outcomes your company will deliver.

These outcomes must be at no additional cost to awarded contracts.

6. How will social value be achieved?

- 6.1 Consider social value at the pre procurement and commissioning stage
- 6.2 Apply appropriate weighted criteria within the quality aspect of any procurement process
- 6.3 Encourage local suppliers to engage and apply for tendering opportunities
- 6.4 Encourage local suppliers to attend meet the buyer events to promote social value and sustainable services within the local economy
- 6.5 Promotion of procurement toolkits to internal and external stakeholders to embed social value in the procurement of goods and services

7. Evaluating Our Approach

- 7.1. We will evaluate the impact of this Policy to show how we are delivering on our aims and objectives. As part of this, we will conduct an annual review of the Policy in line with our Procurement Strategy and the way it is applied. We will also further develop our understanding and use of different evaluation techniques to show which interventions are successful in producing positive social, economic and environmental outcomes in Lancashire.