



Southern Wales Forces Procurement Collaboration

Joint Commercial and Procurement Services

Annual Report

2020 | 2021

EXECUTIVE SUMMARY



In 2020/21 the three Southern Wales forces spent £128.2 million on goods, services and works of which 79% was spent collaboratively, a further increase compared with the 71 % figure for the previous year. Several new areas of collaboration have played a part in the increase but a large spend on major construction projects at Gwent and South Wales was the principal contributor.

Cost savings were delivered across Dyfed-Powys, Gwent and South Wales Police, totalling £5.27 million, of which £4.6 million are cashable savings. The forces contributed to the police procurement national target of £18.8million by 2021/21. Forces have exceeded the target by delivering £40.6 million savings in total.

South Wales Police and Gwent Police established the Joint Commercial and Procurement Services (JCPS) unit on 1st June 2020 with Dyfed Powys Police retaining involvement in the collaboration from a strategic perspective and continuing to lead some collaborative procurements. Embedding a new unit was particularly challenging during the pandemic whilst all staff were working remotely but good progress has been made to date.

A clear workplan put in place for goods, services and works requirements enables effective planning, with a Procurement Manager responsible for each of the two Categories. Working practices have been aligned and duplication removed in a range of areas to make best use of resources. The Ordering process across two forces has been aligned under Procurement. Two new Contract Management Officer posts were approved to manage a small number of key contracts based on contract value, complexity, risk and the resource level required to manage. The posts were filled in February 2021 and the postholders are engaging with key contract owners across the forces in order to upskill staff and provide commercial support. Improved

data analysis of Gwent expenditure and a monthly dashboard provide a better picture of performance and opportunities.

The Head of Commercial Services provides a clear link to the newly formed Bluelight Commercial. Bluelight are providing commercial support to forces and leading on national projects such as Fleet services and Professional services such as Contingent Labour, Insurance and Workforce Health and Wellbeing.

New areas of procurement collaboration this year include a contract for the provision of a **Pensions Administration** and Pensioner Payroll Service, a collaborative contract for **Vehicle Recovery Operators** led by Dyfed-Powys, **Waste Services** and a **Digital Evidence Management** system. Work is progressing in a range of new areas and contracts are expected to be let in due course. The joint unit has allowed the team to collaborate in additional areas of ICT and to reduce the number of licences purchased under single tender approval. Collaboration has been successful in relation to **Covert Vehicle Fitouts** and **Vehicle Livery** as well as a **Social Media Platform**. One of the challenges of pandemic that faced procurement was the sourcing of **PPE**. In the early months, this was an enormous challenge for all forces but was co-ordinated and successfully managed for the southern Welsh forces by Dyfed-Powys Contracts and Procurement Manager.

A **Procurement Skills package** is available to upskill officers and staff involved with spending force budgets. Procurement will work with Learning and Development Services to promote the training and make available more advanced Procurement training to upskill officers and staff with responsibility for force funds or for delivering projects which include expenditure. It is hoped to make the package available within Gwent in 2021.

A continued focus on **Contract Management** remains and to support client departments and those responsible for contracts operationally, the forces are working with Bluelight Commercial to offer fit for purpose contract management training. This will build on the training provided by an external provider in 2019.

Work by the Welsh forces on **Tackling Modern Slavery in Supply Chains** demonstrates progress against the Responsible Procurement Policy in the forces' Collaborative Procurement Strategy 2020-2025. An initial review of our supply chains has highlighted the potential risk of modern slavery in the categories of Information Communication and Technology, Construction, Cleaning, Waste Disposal Services and Uniform manufacture. Fully investigating supply chains is a sizable task particularly with limited resources, but the work commenced this year by examining 18 of the contracts identified as higher risk of human exploitation. Bluelight Commercial have confirmed that progress made by the Welsh forces shows them to be leading the way in this area. As anticipated in the 2019/20 annual report, we have delivered a list of outputs during 2020/21, including the development of tools within Procurement to use to progress the ethical supply chains work. Each force will publish a refreshed Modern Slavery Statement in early 2021/22 underpinned by a local Action Plan for each of the four strands identified. However, the work across Wales is a joint approach and progress will be reported at an All Wales strategic level.

In order to support our communities, the focus on **social value** is increasing. Social value allows us to change behaviours and work to protect the environment, workers' rights and mental and physical wellbeing. Procurement are working with Bluelight Commercial to trial a social value tool and the intention is to develop themes, outcomes and measures that are

relevant to policing and support our police and crime plans. The themes can be included in relevant procurements in order to deliver, monitor and measure social value proposed by our supply chain. The work on tackling modern slavery is one element of this work.

In addition to continuing to progress the Modern Slavery work, next steps will see Procurement continuing to contribute to value for money savings through effective specifications and procurement exercises, demand management, collaboration and consolidation.

Through Contract management and Procurement Skills training we will seek to upskill officers and staff across the forces.

Procurement will support the Welsh forces' collective response to an assessment of efficiency in policing.

We will work to find better solutions to ensure a manageable workload for the JCPS team, to prioritise effectively in order to minimise disruption.

1. PURPOSE AND RECOMMENDATION

The purpose of this report is to provide information on the activity and progress of Procurement and Commercial Services across the Southern Wales forces during the period 1st April 2020 to 31st March 2021. In particular, the report provides information on the Joint Commercial and Procurement Services (JCPS) unit for monitoring and reporting purposes.

There are no recommendations requiring a decision.

2. INTRODUCTION & BACKGROUND

A collaborative procurement unit was established across the forces of Dyfed-Powys, Gwent and South Wales in 2012. Since 2017, 4 posts have been funded to facilitate the collaboration. The unit has demonstrated real success. Collaboration grew from 53% of non-pay spend in 2010/11 to 71.4% in 2019/20, significant cost savings have been delivered and reported centrally on a regular basis, many new areas of collaboration have commenced, best practice shared and the unit has enabled joint working such as preparation for EU Exit, response to the crisis in the forensics services market, tackling modern slavery and planning for the ESN programme.

On 1st June 2020, following approval of a business case, South Wales and Gwent established a Joint Commercial and Procurement Services (JCPS) unit with Dyfed Powys Police retaining involvement in the collaboration from a strategic perspective and continuing to lead on some collaborative procurements. Further information about the new unit is provided in section 4 of this report.

In 2020/21 the three southern Wales forces spent £128.2 million on goods, services and works of which 79% was spent collaboratively, a significant increase from the 71.4% figure for last year. Gwent and South Wales spent £33.86 million and £72.87 million respectively with 81% of this spent collaboratively. Dyfed Powys's collaborative spend figure has increased by 9% to 69%.

The overall increase is attributed principally to a large increase in construction spend through collaborative frameworks but other new areas of collaboration and pursuing collaborative routes to market for existing demand have also played a part, as detailed in this report. As a result of the pandemic, the forces spent over £1.5 million on PPE purchased collaboratively, prior to the move to the free issue national PPE supply. One further factor contributing to the increase is an improved analysis of Gwent’s expenditure as a result of the creation of the JCPS unit.

20 suppliers accounted for 64% of South Wales spend, 76% of Gwent spend and 59% of Dyfed-Powys’s spend on goods, services and works.

A more detailed analysis of the year’s expenditure is shown in Appendix A.

3. ISSUES FOR CONSIDERATION

3.1 Procurement Related Cost Savings

On a national basis during 2020/21 police forces delivered cashable savings of £40.6 million (Q4 figure only does not includes March data) against a target of £18.8 million.

2020/21 Savings To Date



Total savings achieved since 2017/18 exceed £121.8 million against a target of £100 million set under the Collaborative Law Enforcement Project (CLEP).

Annualised Cashable Savings

Target = £100m cashable procurement savings by 2021

Total To Date = £121.8m

Q3 17/18 - Q4 18/19 £40.6m	19/20 £40.6m	Q1 20/21 £24.3m	Q2 20/21 £7.8m	Q3 2021 £5.5m	Q4 2021 £3.0m
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Note: Q4 20/21 is incomplete and consists of January and February only

The table below shows the savings reported by Force, including the savings reported by the southern Wales forces which compare favourably with other regions.

Annualised Cashable Savings By Force – 2020/21

Force	20/21 Q1 (£m)	20/21 Q2 (£m)	20/21 Q3 (£m)	20/21 Q4 (£m)
Avon and Somerset	0.17	0.10	0.37	0.00
Bedfordshire	0.34	0.01	0.07	0.00
Cambridgeshire	0.59	0.02	0.01	0.00
Cheshire	0.17	0.18	0.05	0.00
City of London	0.00	0.00	0.00	0.11
Cleveland	0.07	0.02	0.00	0.01
Cumbria	0.24	0.33	0.02	0.02
Derbyshire	0.00	0.23	0.00	0.04
Devon and Cornwall	0.29	0.02	0.25	0.62
Durham	0.18	0.01	0.25	0.11
Dyfed Powys	0.03	0.01	0.01	0.00
Dorset	0.09	0.00	0.18	0.00
Essex Police	0.40	0.04	0.31	0.00
Gloucestershire	0.14	0.15	0.10	0.00
Greater Manchester	0.00	0.00	0.00	0.00
Gwent	0.38	0.03	0.15	0.02
Hampshire	0.00	0.00	0.00	0.00
Hertfordshire	0.12	0.03	0.01	0.00
Humberside	0.24	0.02	0.00	0.00
Kent	1.21	0.04	0.21	0.00
Lancashire	0.19	0.20	0.13	0.13
Leicestershire	0.08	0.00	0.05	0.00

Force	20/21 Q1 (£m)	20/21 Q2 (£m)	20/21 Q3 (£m)	20/21 Q4 (£m)
Lincolnshire	0.11	0.01	0.09	0.00
Merseyside	0.40	0.59	0.64	0.03
Metropolitan	7.74	2.35	0.00	0.00
Norfolk	0.48	0.19	0.06	0.01
Suffolk	0.33	0.14	0.12	0.00
North Yorkshire	0.26	0.07	0.05	0.00
North Wales	0.06	0.03	0.03	0.02
Northamptonshire	0.00	0.00	0.00	0.00
Northumbria	0.14	0.15	0.01	0.59
Nottinghamshire	0.00	0.00	0.00	0.00
South Wales	3.73	0.00	0.20	0.09
Staffordshire	0.04	0.02	0.07	0.00
South Yorkshire	0.65	0.04	0.01	0.00
Surrey	0.06	0.00	0.00	0.01
Sussex	0.17	0.01	0.05	0.28
Thames Valley	3.32	2.17	0.48	0.15
Warwickshire	0.29	0.39	0.18	0.00
West Midlands	0.21	0.16	1.07	0.01
West Mercia	0.15	0.01	0.01	0.01
West Yorkshire	1.31	0.03	0.23	0.72
Wiltshire	0.01	0.00	0.00	0.00

Note: Columns and rows may not perfectly sum due to rounding. Q4 is incomplete and consists of January and February only.



Cashable Savings reported by the Southern Wales Forces during the period 1 April 2020 – 31 March 2021 are summarised below

Procurement Savings 2020/21	South Wales	Gwent	Dyfed-Powys	Total
Cashable	£3,690,237	£588,427	£332,558	£4,611,222.00
Notional	£563,970	£100,280	-	£664,250
Total	£4,254,207	£688,707	£332,558	£5,275,472.00

Savings highlights for Gwent include £30,151 under the BP Free Fuel Scheme made available during the pandemic and £374,273 further savings as a result of the PEQF contract.

For South Wales, a further £2,676,168 saving was made under the PEQF contract, £136,114 under the BP free fuel scheme, £80,231 as a result of the new Human & Vehicle Telematics contract, in addition to savings for vehicle purchases under the national contract and improved pricing under a new Selected Medical Practitioner collaborative arrangement.

The new three force Vehicle Recovery Services contract, led by Dyfed-Powys, will deliver £92,128 and £55,055 respectively for Gwent and South Wales as well as savings for Dyfed-Powys. This is a complex contract and will require robust contract management.

The Welsh Procurement Card rebate for 2020/21 brought income back to the forces as a result of the Welsh Government public sector arrangement where all organisations benefit regardless of their size.

South Wales	£ 27605
Gwent	£ 4247
Dyfed-Powys	£ 13648
Total	£ 45500

The savings achieved are a result of new tenders, contract negotiations, scope reduction, demand management, benchmarking and rebates.

In addition, Gwent commenced the recording of **notional savings** this year, which compares the winning bid in a tender process with the *average* of bids received, thus demonstrating the value for money achieved through a procurement process. £100,280 savings were recorded, with larger savings coming from the IOSH training tender and the purchase of torches and electric bikes.

Notional savings for South Wales principally were attributed to the retender of the contract for Electrical Services, as well as through the procurement exercise for Banking Services, Protective screens during the pandemic and a wide range of other smaller savings.

Savings are reported to the Home Office on a monthly basis but responsibility for the management of collating this data transferred to Bluelight Commercial in 2021.

3.2 Demand for Procurement Services

The table below shows the number of new contracts with a value over £10,000 let by South Wales and Gwent during the period 1st April 2020 – 9th March 2021. Under the new joint unit, Gwent and South Wales Procurement commenced managing both forces' requirements based on a hybrid category management approach. A number of contracts include Dyfed-Powys requirements where the three forces are procuring collaboratively. In addition, Dyfed-Powys Procurement managed a number of collaborative contracts on behalf of the three forces, most notably Vehicle Recovery Services, Forensics and work under the ESN Project.

The contracts awarded are for a wide range of goods, services and works. The work on many contracts awarded during 2020/21 commenced in 2019/20. What is notable is the significant

increase in number of procurement projects in progress. The joint unit has been able to capture the demand more clearly and many projects have been accelerated, possibly due to increased productivity of officers and staff working at home and fewer interruptions during the working day. Some large projects such as progress with the Emergency Services Network (ESN) and new major construction build projects have increased demand. The table below illustrates this via a snapshot recorded in early March 2021.

The projects in progress include procurements in the pre-procurement phase, those out to tender, under evaluation, single tenders in progress and those at the preparation of tender specification and tender documents stage. The number of projects increased to 255 projects across two forces with 42 projects awaiting allocation to a procurement lead. As a comparison, at the end of 2019/20, Gwent Procurement were managing 45 projects in progress.

This has been a real challenge to the procurement teams with each Procurement Lead currently allocated 20-25 procurements to progress at any one time. The Dyfed-Powys team has also seen an unprecedented peak in demand for procurement services.

Snapshot as at 9.3.21		Contracts Awarded			Current Procurement Projects in Progress		
2020/21	Gwent	SW P	Joint Unit	Total	Category 1	Category 2	Total
Single Tender Contracts	20	46	3	69	13 single tender requests in March 2021		
Contracts	32	45	23	100	129	126	255
Projects to be allocated					26 (2 urgent)	16	42
							297

The joint unit has been successful in reducing the number of single tenders approved by letting contracts under suitable frameworks, particularly relating to ICT software.

New contracts were awarded for wide range of goods, services and works.

- Contracts include Estates contracts such as Waste Services in collaboration with Devon & Cornwall Police, the Destruction of Confidential Waste and Furniture for new buildings and Intruder Alarms.
- Gwent and South Wales have signed up to the National Uniform Managed Service (NUMS) Lite agreement. Other key contracts were awarded for Police Pensions Administration and Pensioner Payroll Services, Driver Rehabilitation courses, ANPR, Banking Services, Appropriate Adults services, Forensics Services and Fleet contracts including Vehicle Livery and a number of Vehicle purchases.
- Contracts were awarded to support the work of the Digital Services Division such as the fitting of Telematics boxes to vehicles, a new Digital Evidence Management System and Single Online Home.
- The joint unit has reviewed, awarded, extended an unprecedented number of ICT contracts since June 2020. This involves close working with ICT but the demand to

support contracts for hardware and software products is vast and the joint unit is struggling to support this.

3.3 Collaborative Procurement Progress

New areas of procurement collaboration have been progressed this year, some of which were anticipated in the 2019/20 annual report.

- A contract for the provision of a Pensions Administration and Pensioner Payroll Service was awarded on a collaborative basis for the first time, on behalf of South Wales, Gwent and North Wales forces. The contract is for an initial five-year term with the opportunity to extend for a further two years.
- A new collaborative contract for Waste Services was awarded for South Wales and Gwent, in collaboration with Devon & Cornwall Police, commencing 1st April 2020.
- The procurement of a collaborative framework was identified as an opportunity for the three Southern Wales Forces, with the aim of achieving improved service and commercial benefits. The contract commenced on 1st April 2021. The Vehicle Recovery Service Contract requires the services of Vehicle Recovery Operators (VROs) for the Statutory recovery of vehicles, these services are provided through a Managing Agent. This contract also includes the Movement of Police Vehicles. The Commercial element of the contract involves collection of Statutory Fees by the VROs, along with payment by forces of non-statutory fees and for movement of police vehicles. It is anticipated that savings will be in the region of 13% for non-statutory fees. The contract has also allowed for a change to the contract administration fee payable to forces. This element will increase by approximately 50% in total (the percentage increase per force varies dependent on previous model).
- Social Media is increasingly the primary tool used by members of the public to engage with the Police. With a wide array of options for engaging and increasing numbers of Force social media accounts in use, it is vital that Forces mitigate this significant reputational risk through the acquisition of an appropriate social media management platform, which affords content control and monitoring control over the force's social media presence. Legislative changes in December 2020 brought in a requirement for monitoring of official channels. The national Digital Public Contact programme have developed a new Target Operating Model for Social Media. This takes into account the future changes in legislation and the imperative for policing to adapt in the next year to 18 months. This Target Operating Model cuts across the whole of policing. There are national support/toolkits to be able to deliver this requirement, in addition to support and learning from other Forces to assist in implementation. Gwent and Dyfed Powys Police collaborated for this requirement, Gwent already had an existing contract, but this was a new requirement for Dyfed.
- The Forensic Medical Services tender will include SARC services and whilst there has been some delay to the process, preparation is underway for a three-force collaborative tender process.

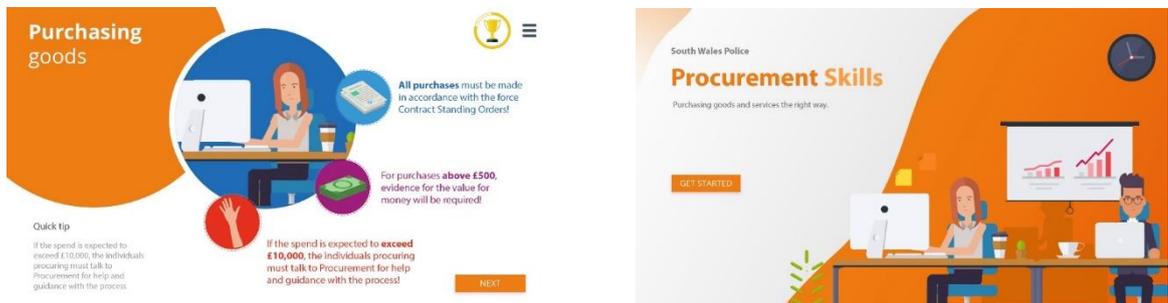
- A procurement for a Digital Evidence Management system, NICE Investigate provides a one-stop shop to allow officers and staff to conveniently build and manage their digital evidence for each case. Gwent have piloted the system with positive feedback. South Wales will launch the app in Summer 2021.
- New collaborative contracts have been let for Covert Vehicle Fitouts and for Vehicle Livery.
- A replacement contract Travel has been awarded for the three southern Wales forces under a collaborative framework.
- Cleaning services are more suitable for a local procurement but there is a national cleaning specification available and this will be the basis for the South Wales police requirement due for award in the next year.
- One of the challenges of the pandemic that faced Procurement was the sourcing of PPE. In the early months, this was a very challenging exercise for all forces, but was coordinated and managed very successfully for the southern Welsh forces by Dyfed-Powys Contracts and Procurement Manager who acted as the regional procurement lead working in conjunction with the South Wales Regional Distribution Centre. The Central Regional hub for Policing PPE transferred to Department of Health and Social Care from October 2020 and updates are provided by Bluelight Commercial. Stock is free issued to forces based on regular forecasts.
- The spend analysis has identified further potential areas of collaboration such as Multi Functional Devices, Static ANPR Camera Maintenance, Drinking Water and Welsh Language Translation. These will be considered in due course.

3.4 Contract Management and Training

In addition to the letting of procurements, a key element of the procurement cycle continues to be Contract Management. This year has seen a further expansion in contract management activity, such as in relation to Cleaning Services and Hard FM contracts. The team are supporting client departments in their ownership of contracts, building supplier relationships to better ensure that our contractors do what they have promised under contracts and ensure the forces achieve better value for the public purse. Due to the restrictions of the pandemic, it has not been practical to deliver another round of Contract Management training, but work has commenced with Bluelight Commercial to develop contract management training for contract owners within the forces who have responsibility for contracts on an operational basis. Bluelight Commercial are expected to offer further contract management training for procurement professionals. In the short term, the Government Commercial Function Foundation training modules have been made available at no cost to Procurement staff and other officers and staff in the forces with who are heavily involved with contract management, such as within Estates.

The Procurement Skills e-learning package, developed in conjunction with South Wales Learning Development Services, went live this year. The package is at Practitioner level to upskill officers and staff who have involvement in spending force funds. Officers and staff frequently lack business skills and are not aware of the requirements of procurement in the

public sector and of the importance of demonstrating and delivering value for the public purse. It is expected that the package will be introduced within Gwent in 2021.



Preparation is underway to deliver supervisory and senior management level training to South Wales and Gwent officers and staff, to build on the skills learnt at Practitioner level and to provide essential skills for those responsible for spending larger amounts of funding and therefore involved in the commissioning cycle.

3.5 No PO No Pay – Gwent policy

A No PO No Pay policy in Gwent commenced in February 2020 following a trial in the second half of 2019, to encourage good practice of raising requisitions prior to agreeing to purchases and to ensure suppliers are paid more promptly. This policy was put on hold during the pandemic and the current compliance level is shown below.

Percentage of Transactions Covered by Purchase Order	%
2020/21	34.4%

Gwent Non-Pay Spend covered by a purchase order	
2019/2020	42.06%
2020/2021	64.2% NB. This figure is skewed by several large payments relating to Gwent HQ construction project

3.6 Suppliers on the FIRMS system

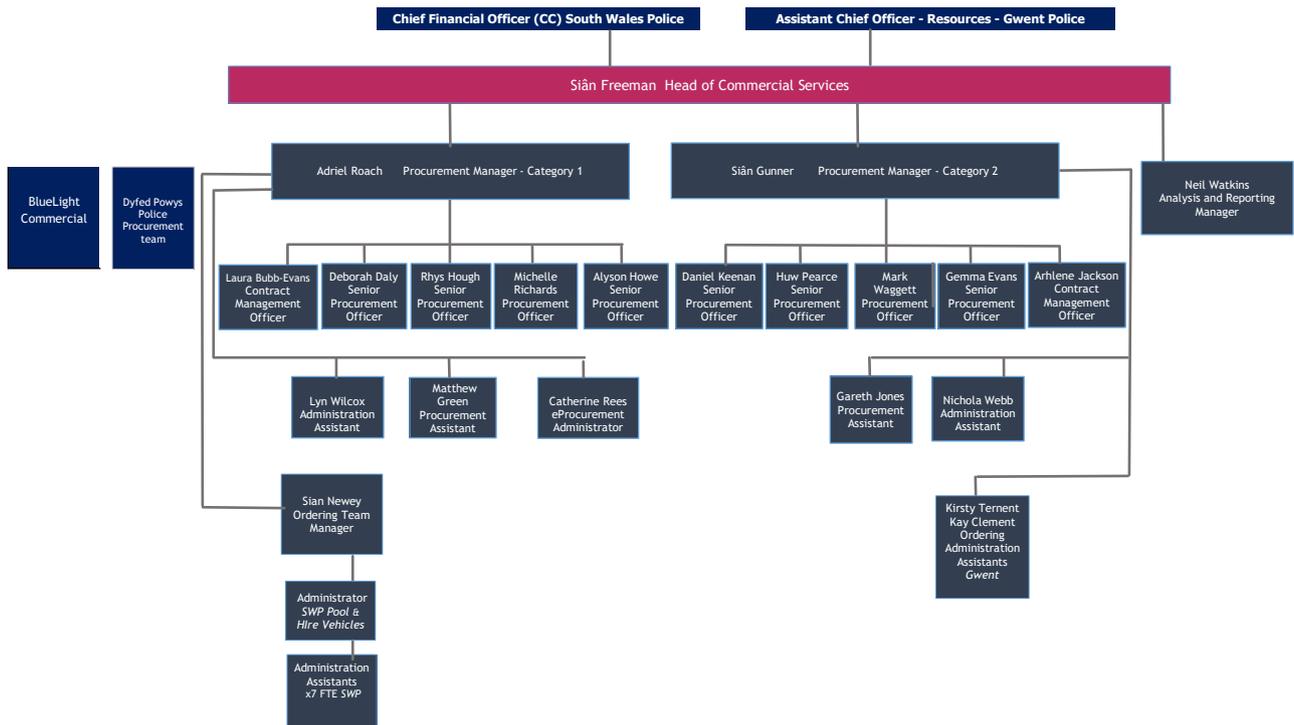
The number of new suppliers set up during 2020/21, for Gwent was 222. This was a similar number to the previous year. 184 suppliers were deactivated on FIRMS as a result of a regular cleansing exercise.

In South Wales, the number of new suppliers added to FIRMS was 269 was with 344 suppliers deactivated on FIRMS.

4.0 COLLABORATION

4.1 Joint Commercial and Procurement Services

Whilst the southern Wales forces collaborated under a Strategic Lead with a small number of collaborative posts since 2014, a business case was approved in March 2020 to further develop collaborative working. The new joint unit went live on 1st June 2020, creating a new structure for the strategic procurement teams and transferring responsibility for Gwent's Ordering team to Procurement. Dyfed Powys retains involvement from a strategic perspective and will manage some key procurements. The structure of the joint unit is illustrated below:



Dyfed Powys Current Structure



South Wales and Gwent have aligned contract management, ordering processes and working practices. A joint workplan has been developed and the responsibility for the goods, services and works has been divided into two primary categories.

Category 1 – Adriel Roach				Category 2 – Sian Gunner			
Estates & Hard FM	ICT, Telecoms & Digital Services Division	Fleet	Health	Corporate Services & Soft Management	Victim & Custody Services OPCC Commissioning	Professional & Operational Services Learning & Development	Uniform & Equipment Firearms

Each category is managed by a Procurement Manager based at South Wales and another at Gwent, under the Head of Commercial Services. Recruitment has proved difficult during the pandemic, but four new strategic procurement roles and an administrative assistant are now filled.

The benefits realised during the initial period of the joint unit include:

- A clear workplan across goods, services and works categories with a Procurement Manager with ownership for each category
- Alignment of working practices and documentation
- Alignment of the Ordering process
- Sharing best practice
- Removal of duplication thus making best use of resources
- A clear link to Bluelight Commercial to maximise the benefits to the force
- Appointment of two new Contract Management Officers who will manage a small number of key contracts based on contract value, complexity, risk and the resource level required to manage. They will engage with key contract owners across the forces in order to upskill their competency.
- A reduced level of risk by establishing better contract arrangements and reduced contract leakage.
- Improved data analysis of Gwent expenditure and a monthly dashboard
- Cashable and other procurement related savings
- 104 files for new procurements let by the joint unit have been set up since its inception in June 2020.

Additional benefits are anticipated in 2021/22 with the unit up to full complement.

4.2 Bluelight Commercial

Bluelight Commercial (BLC) was formally established on 1st April 2020. The vision of BLC is to be the trusted partner and 'Go To' commercial service, working with blue light organisations to deliver value through commercial expertise and innovation, ensuring the responsible and sustainable use of public resources.

The Head of Commercial Services is the main point of contact with BLC for the southern Wales forces, but other Procurement Leads have been involved in specific workstreams. The move to meetings via Microsoft Teams has improved attendance at national fora and it has been practical for the Procurement & Contracts Manager for Dyfed Powys Police to attend sessions

and engage directly with BLC. Wayne Welsby, the BLC representative for the Welsh force has attended regular meetings with the southern Wales forces to ensure our priorities are represented within BLC and to keep us abreast of BLC activities.

Dyfed Powys have enlisted BLC's support in the tender exercise for an E-Sourcing Platform.

The three forces have engaged with BLC in relation to a Health in Custody working group, a SARC working group and contracts under the Fleet pillar.

Each force has signed a Customer Agreement with BLC with sub agreements to be signed for each procurement where a commitment is required, such as for the national vehicle tender.

The BLC Operating Model is illustrated below



The areas progressed this year include the following:

- **Fleet and Aviation** - a new national fleet tender is expected to be awarded in April 2021; BLC are leading the procurement process for leasing of NPAS aircraft; a framework has been awarded for In Car CCTV.
- **Professional Services** – an aggregated national procurement is due to be launched in April 2021 for Contingent Labour with good savings opportunities; additional work is progressing related to Selected Medical Practitioners, Occupational Health and Police Insurance.
- **Operational Services** – Healthcare Services, a National Uniform Category Strategy; Body Armour and Language Services
- **Estates** – BLC is establishing the national picture on construction services, energy usage and furniture

In addition to taking over responsibility for the central recording of forces' procurement savings, BLC is working with the forces to develop a Social Value Action Planning Tool to measure social value delivered through procurement projects and is working with the Head of Commercial Services on tackling modern slavery within supply chains. The Welsh forces have made good progress in this area but in order make best use of limited resources, we are working to understand how BLC can assist with the 'heavy lifting' such as investigating supply chains common to forces nationally and understanding the progress made by our higher risk suppliers.

4.3 Tackling Modern Slavery in Supply Chains and Sustainable Procurement

In 2017, the Police and Crime Commissioners and Chief Constables for the four police forces in Wales signed up to the Welsh Government Ethical Employment in Supply Chains Code of Practice. Each force is fully committed to address unethical and illegal employment practices in supply chains and published a Modern Slavery Statement underpinned by an Action Plan to deliver the commitments within the Code.

The work received a new momentum as a result of an All Wales workshop, chaired by Umar Hussain on 30th October 2020 and attended by representatives from a wide range of areas across the four forces. Our approach to identifying and tackling ethical supply chain issues by implementing the Welsh Government Ethical Employment in Supply Chains Code of Practice across the force and supply chain focuses on four strands:

- **Enforcement** – improving Intelligence gathering through compliance with the Code of Practice
- **Ethical Procurement** – promoting the development of ethical supply chains in the delivery of contracts for the police service in Wales
- **Employment** – All Wales working to a common policy with buy-in across the organisations impacting mainstream and day to day business
- **Environment** – The public in Wales is not a bystander and reports exploitation in all its forms

Modern slavery extends far beyond our national borders and risks are increased with complex supply chains. Whilst tackling modern slavery is a policing priority for each force, the Welsh forces recognise that modern slavery can extend throughout our supply chains and that we have a responsibility to address this through procurement practices. Our supply chains are varied and complex. An initial review of our supply chains has highlighted the potential risk of modern slavery in the following categories:

- Information communication and technology
- Construction
- Cleaning and Waste Disposal Services
- Uniform manufacture

Fully investigating supply chains is a difficult task especially without the resources available but we commenced the work this year by looking into 18 of the contracts identified as higher risk due to their industry type, the nature of the workforce, supplier location, commodity type and the level of our expenditure. To expedite this, Gwent and South Wales engaged the services of Jeff Norman, a modern slavery consultant, to work with us on a project to kick start the supply chain investigation work. Suppliers were scored ranging from Barely Achieving Compliance to Leading on Human Rights Innovation. We will use the assessment to progress their response as part of regular contract management activity.

The outputs of the project will be shared across the Welsh forces to make the best use of limited resources to investigate our supply chains based on where the greatest risk of human exploitation may be found. We are working with Bluelight to tackle modern slavery nationally in police supply chains, as described in section 4.2 of this report.

Bluelight Commercial have confirmed that progress made by the Welsh forces shows them to be leading the way in this area.

As anticipated in the 2019/20 annual report, we have delivered a list of outputs during 2020/21, including the development of tools within Procurement to use to progress the ethical supply chains work. A Supplier Risk Assessment tool will assist procurement staff in identifying the level of risk based on the strategic risk and labour specific risks; a Supplier Assessment Questionnaire (SAQ) will allow us to assess existing suppliers and establish a baseline for new supplier's post contract award.

4.4 Sustainability and Social Value

In order to support our communities, the focus on Social Value is increasing. Social Value allows us to change behaviours and work to protect the environment, workers' rights and mental and physical wellbeing.

From January 2021 under Procurement Policy Note 06/20, social value should be evaluated and measured in tender bids where the requirements are related to the subject matter of the contract. To facilitate this, the forces are working with Bluelight Commercial to trial a social value tool and assist with its development. Both the joint unit and Dyfed-Powys have volunteered pilot projects for the trial. The intention is to develop themes, outcomes and measures that are relevant to policing and support our police and crime plans. The work on tackling modern slavery is one element of this work.

4.5 Brexit

In 2020, Bluelight Commercial commissioned research to aid police forces in assessing the level of supply chain disruptions and financial impact in the event of a no-deal Brexit in England and Wales. The scope included Clothing (Uniforms), Telecommunications, Interpreters and Translation, Forensic Services, Fuel, Occupational Health, IT hardware, vehicle parts, IT Software, Electricity, Healthcare Consumables, and Construction. The report used a combination of primary and secondary research conducted by the BLC team and an external consultancy, Smart Cube. The findings were communicated to relevant areas of the forces.

In March 2021, BLC published a further Brexit impact analysis report in relation to specific supply chains, changes in importing requirements and key changes to VAT returns and the importance of clearly establishing buyer and seller responsibilities.

There are plans to set up a 'repository of Brexit implications' for forces to centrally record requests received from suppliers seeking price or other contract variations as a result of Brexit. This will enable BLC to share intelligence with all Forces, on a sector and supplier level.

4.6 Welsh Procurement Policy Statement

The Welsh Government published an updated Welsh Procurement Policy Statement (WPPS) in March 2021. The WPPS sets the strategic vision for public sector in procurement in Wales. Whilst policing is not devolved to the Welsh Government, the forces have been supportive of the principles of the previous WPPS and our action plan going forward will support the delivery of the updated policy principles. As the foreword to the WPPS states, the key to delivery of the WPPS will be through continued collaborative working.

The ten principles include:

- **Collaborative** procurement activity in Wales to maximise long term sustainable social and economic value outcomes
- Raising the **long-term** standing and profile of the procurement profession and its role as an enabler for procurement policy
- **Preventing** climate change by prioritising carbon reduction and zero emissions through more sustainable and responsible procurement
- Increasing stakeholder **involvement** to support innovative and sustainable solutions
- Improving the **integration** and user experience of digital solutions and applications
- Promoting value-based procurement to deliver optimum **long-term** outcomes for Wales

5. NEXT STEPS

Next steps are to further embed and progress the work of the Joint Commercial Services and Procurement unit, to deliver the Southern Wales forces collaborative procurement strategy 2020-2025 and to deliver best value including by continuing to engage with and take advantage of the support offered by Bluelight Commercial.

The work to tackle modern slavery in our supply chains will continue to be progressed within each force, led by the Chief Financial Officer who is the appointed Ethical Champion. A refreshed Modern Slavery Statement will be published in early 2021/22 by each of the Welsh forces, underpinned by a local Action Plan for each of the four strands identified. Delivery of the actions will be monitored at regular Task and Finish Groups. The work across Wales is a joint approach and progress will be reported at an All Wales strategic level. The Action Plan is shown in Appendix B.

The Head of Commercial Services will monitor the take up of the Procurement Skills package available to upskill officers and staff involved with spending force budgets. Procurement will work with Learning and Development Services to promote the training and make available more advanced Procurement Skills training for officers and staff with responsibility for managing budgets or delivering projects which include expenditure. Through this training and Contract Management training we will seek to upskill officers and staff across the forces.

Procurement will continue to contribute to value for money savings through effective specifications and procurement exercises, demand management, collaboration and consolidation.

Procurement will support the Welsh forces' collective response to an assessment of efficiency in policing.

We will work to find better solutions to ensure a manageable workload for the JCPS team, to prioritise effectively in order to minimise disruption.

6. FINANCIAL CONSIDERATIONS

The savings opportunities during a financial year depend on the contracts tendered and whether a budget is set for a new project to act as a benchmark for the outcome of a procurement process.

During 2019/20, as discussed above the savings delivered were substantial, as summarised below:

Procurement Savings 2020/21	South Wales	Gwent	Dyfed-Powys	Total
Cashable	£3,690,237	£588,427	£332,558	£4,611,222.00
Notional	£563,970	£100,280	-	£664,250
Total	£4,254,207	£688,707	£332,558	£5,275,472.00

The cost of the 16 strategic procurement posts, as shown in the business case for the JCPS unit is £634,924 p.a. across Gwent and South Wales. In addition, 4 posts are funded by the 3 southern Wales forces to facilitate collaboration, at a cost to each of the forces of £67,448. The total cost for Gwent and South Wales is £384,910 each. Whilst savings are only one benefit measure of the procurement unit, it is clear that the savings generated outweigh the costs.

7. PERSONNEL CONSIDERATIONS

There are no personnel considerations in relation to this report

8. LEGAL CONSIDERATIONS

There are no legal considerations in relation to this report

9. EQUALITIES & HUMAN RIGHTS CONSIDERATIONS

This report has been considered against the general duty to promote equality, as stipulated under the Joint Strategic Equality Plan and has been assessed not to discriminate against any particular group.

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.

10. RISK AND AUDIT

Risks are recorded on local risk registers and escalated as necessary.

TIAA, the current provider of internal audit services to the Welsh forces, carried out a number of internal audits to review various aspects of Procurement during 2020/21. Audits included an appraisal of the effectiveness of the new arrangements for delivery of a strategic for Procurement across the Welsh Police Organisations and a test for potential significant counter-fraud exposures due to non-compliance with the procurement arrangements or ineffective segregation of duties. Both audits provided **Substantial Assurance**.

11. PUBLIC INTEREST

In producing this report, has consideration been given to 'public confidence'? **Yes**

Are the contents of this report, observations and appendices necessary and suitable for the public domain? **The report is suitable for the public domain with the exception of Appendix A.**

Media, Stakeholder and Community Impacts: **No impacts**

12. LEAD CHIEF OFFICER

Umar Hussain, Nigel Stephens and Edwin Harries, Chief Financial Officers

13. APPENDIX - SPEND ANALYSIS

The charts in Appendix A provide an analysis of non-pay spend for the period 2020/21

- 3 Force spend dashboard for 2020/21
- 2 Force - South Wales and Gwent - spend dashboard for 2020/21
- Top 20 Suppliers across 3 forces
- Goods and Services spend breakdown by collaborative arrangement
- Top Spend categories – South Wales and Gwent and 2 force combined
- Top 20 Supplier Spend by Force
- Goods and Services Spend compared with the previous year – 2 Force

The joint unit will develop the spend dashboards during 2021/22 to better communicate procurement performance measurements.

14. CHIEF OFFICER APPROVAL

I confirm this report has been discussed and approved at a formal Chief Officers' meeting.

I confirm this report is suitable for the public domain excluding appendix A.

Signature:  **Date:** 28/04/2021

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: