



Lancashire
Constabulary

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Audit & Ethics Committee

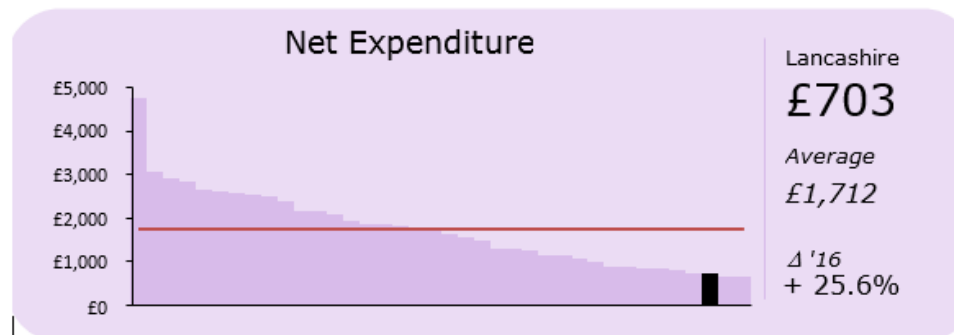
Procurement

Team structure & benchmarking



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- The team consists of a Procurement Manager and 4 Procurement Officers and in terms of the recent CIPFA Benchmarking FY2018/19 shows that Lancashire are considerably below the average net expenditure for delivery of a Procurement Service



Graphs per Total Force Gross £'m Expenditure

	£'k	£/£m TGE	Avg.	All Forces
Sourcing	£40 k	£140	£490	£7,883 k
Contract management	£61 k	£213	£426	£5,249 k
Procurement process	£100 k	£350	£797	£9,337 k
Total Net Expenditure	£201 k	£703	£1,712	£22,469 k

Spend Analysis

2017-18



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An analysis was carried out on Spend Data for 2017-18 which returned the following results:

- £72m Third Party spend per annum, of which £7.3m was uncontrollable e.g. capital financing, payments to other forces, collaborations with partners, rents, payments to local authorities, staff expenses etc
- £64.7m was considered to be controllable spend, of which £60m was contract compliant, £2.6m was non compliant and £2.1m relating to spend under £10k per annum wasn't analysed
- Total analysed controllable spend represents 93% contract compliance

Spend Analysis

2017-18



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Spend Category	On/Off Contract Spend		Grand Total	% Non compliant /Off contract spend
	Non compliant/off contract	Compliant/on contract		
ANIMAL RELATED	27,995	122,581	150,575	19%
BUSINESS SUPPORT	206,649	752,240	958,889	22%
BUSINESS TRAVEL	28,784	446,983	475,768	6%
CATERING	13,560	544,328	557,888	2%
CRIMINAL JUSTICE	109,614	6,013,032	6,122,646	2%
EQUIPMENT	79,058	887,435	966,493	8%
ESTATES	679,195	26,446,653	27,125,848	3%
FINANCIAL		767,839	767,839	0%
FLEET	132,561	6,429,943	6,562,503	2%
GENERAL	14,153	81,652	95,805	15%
HR	66,128	2,535,512	2,601,640	3%
ICT	901,669	11,925,611	12,827,279	7%
L&D	75,990	419,774	495,764	15%
LEGAL	75,306	180,090	255,396	29%
SCIENTIFIC	30,327	1,429,623	1,459,951	2%
UNIFORM	136,737	994,065	1,130,802	12%
Grand Total	2,577,726	59,977,361	62,555,086*	*Does not include £2.1M unanalysed

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Spend Analysis Journey

KPI comparisons : 2013-14 to 2017-18



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	2013-14	2014-15	2015-16	2016-17	2017-18
Total Non Pay Spend (£)	£47m	£48.5m	£54.5m	£50.6m	£72m
Uncontrollable Spend	£7m	£4.3m	£12.3m	£4.5m	£7.3m
Controllable Spend (£)	£40m	£44.2m	£42.2m	£46.1m	£64.7m
Spend under £10K	(£1.8m)	(£1.7m)	(£1.6m)	(£1.9m)	(£2.1m)
Contract Compliance (£)	£34.4m	£38.5m	£37.1m	£41.5m	£60.0m
Compliance (%)	86%	87%	88%	90%	93%
Local Spend (NW) %	52%	54%	56%	60%	71%
Collaborative Spend (%)	n/a	58%	68%	69%	76%
Procurement Savings	n/a	£1.8m	£1.8m	£1.6m	£2m

Collaborative Law Enforcement Programme (CLEP)



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- Home Office and Policing led programme
- To drive further savings (£102M) through better procurement focusing on high spend category areas
- To embed the principles of collaboration, standardisation and aggregation in the procurement of goods and services
- Key CLEP categories including Fleet, ICT, Uniform, Estates, Forensics, HR, Language Services and Legal Services
- To determine a new commercial structure for national contracts

CLEP - Local delivery and savings for Lancashire



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- Fleet – 22 forces collaborated by agreeing standard specifications for various vehicle groups and aggregating volumes resulting in a saving of £113K on vehicle requirements over a two year period
- Vehicle hire – collaborative procurement process with GMP & Merseyside to aggregate requirements resulting in £33K per annum saving due to reduced hire rates
- Language services – collaboration of all 6 NW forces and West Midlands Police resulting in a contract award with savings of £5K per annum
- Forensics – Collaboration through the West and South Coast Consortium resulting in savings of £189K per annum
- Uniform – Collaboration with all 43 Police forces to agree national uniform resulting in national specifications for key items eg shirts which resulted in a saving of £7K per annum

CLEP – Local delivery and savings for Lancashire



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- ICT – Microsoft Enterprise Agreement – used an alternative framework than that recommended by the National Enabling Programme resulting in savings of £314K . However, when this is due for renewal we may be faced with increased costs if specific national frameworks/programmes are mandated
- It should be noted that reported savings have had an influence on costs e.g. price negotiation from old contract to new contract, usage reduction, specification de-scoping etc. Therefore all procurement savings may not necessarily result in a budget reduction.
- Lancashire Constabulary are consistently in the top 10 out of 43 forces for total savings reported and have one of the smallest procurement teams

Social Value



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- Social value policy launched in 2017 with a supplier toolkit launched in 2018
- Embedded within procurement processes and included in weighted tender evaluation criteria
- Collaboration with other Lancashire anchor institutions to embed principles and share best practice
- In 17/18 - 71% of third party spend was in the North West and 60% of this spent with suppliers within Lancashire

Social Value – Making a difference locally



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- West new build - fully supportive of the local economy with 50% spend within 20 miles of the site and 85% spend within 40 miles of the site
- Reactive Repairs & Maintenance Framework – awarded to 26 suppliers based within the North West with 14 of those based in Lancashire
- Real living wage implemented within all key service contracts from April 2018
- Minor refurbishment projects – utilising a collaborative framework via LCC utilising Lancashire suppliers