

Performance and Resources Scrutiny Programme 2024

Report to: the Office of the Police, Fire and Crime Commissioner for Essex

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1.0 Purpose of Report

To inform PRSB of the implications of the of the New Procurement Act. (PA2023) on the Force and the PFCC.

2.0 **Recommendations**

- To note progress on training undertaken by 7Force Commercial Services on the New Procurement Act
- To note the increased transparency requirements and the potential impact on administration.
- To note the benefits of the new Act may necessitate a more proportionate level of governance.

3.0 **Executive Summary**

The rules governing public procurement are changing - the new Procurement Act introduces several key benefits which go live on Monday 28 October 2024. The PA2023 will provide greater flexibility in terms of process and the ability to negotiate with suppliers but also an increased level of transparency. This paper sets out some of the key changes and their implications, where known.

the reduction in the number of procurement procedures

the ability for contracting authorities to design processes which are proportionate to the value and risk associated with a specific contract

4.0 **Introduction/Background**

The rules governing public procurement are changing - the new Procurement Act introduces several key benefits which go live on Monday 28 October 2024. The overarching aims of the legislation are:

- Value for Money;
- Maximising Public Benefit;
- Transparency;
- Integrity;
- Equal treatment of suppliers
- Remove barriers for SMEs
- Must have due regard for National Procurement Policy Statement (statutory duty)
 - Creating new businesses, new jobs and new skills in the UK
 - Improving supplier diversity, innovation and resilience
 - Tackling climate change and reducing waste.

The current Public Contracts Regulations 2015 were derived from EU Directives, whilst the new Act is focussed on UK requirements, albeit complying with the UK's membership of the World Trade Organisation.

This paper does not detail the actual process other than to highlight that currently contracts below £60,000 are 'self-serve' by the Forces and the PFCC, with guidance and support from 7FCS, and contracts over £60,000 are managed by 7FCS. The processes to establish those contracts are as set out in Contract Standing Orders and the PCR2015.

The key changes are as follows:

the reduction in the number of procurement procedures

the ability for contracting authorities to design processes which are proportionate to the value and risk associated with a specific contract

Increased grounds for excluding suppliers from bidding due to poor performance and also those suppliers that pose a risk to national security

The full procurement lifecycle is now regulated i.e. transparency is required at the design stage (pre-market engagement) and during the life of a contract as well as the procurement phase. Transparency requirements currently are limited to contract award information below £60,000 and up to 4 notices for a full tender over £60,000. The new transparency requirements could mean up to 13 notices throughout the life of a contract. These are identified at appendix 1.

The new regime will go live in October 2024

5.0 Current Work and Performance

The Cabinet Office are rolling out a comprehensive programme of learning and development for procurement and commercial teams. All 7Force Commercial Services staff are currently undertaking this training by mid-July. 7FCS are providing guidance in the form of briefing notes and developing training for non-commercial staff.

Knowledge drops are available for stakeholders via the Gov.UK website. The Official Transforming Public Procurement Knowledge Drops - GOV.UK (www.gov.uk)

The Cabinet Office continue to develop guidance on the new legislation and we expect direction on the current procurement transparency requirements in the Specified Information Order in light of PA2023 (no date confirmed yet).

6.0 **Implications (Issues)**

The specific impact for the Force and PFCC are:

1. Awareness of the need to publish additional transparency notices. Most notices will still remain with 7FCS for procurements over £60,000. However, the following notices fall into activities outside 7FCS:

Notice publication	Frequency
Contract details notice	Once, as soon as reasonably practicable after the contract is entered into.
Contract change notice	Once, when the below-threshold contract becomes a convertible contract and again if further permitted modifications are made.
Contract payments notice	Publish where one or more contract payment of £30k+ is made under a public contract (quarterly). *

* to enable this notice will require there to be changes to ERP systems so that payments reference the relevant contract.

Not all of these notices will be required from go-live. The Cabinet Office is releasing these in 3 phases. As further detail becomes available we can provide a more accurate assessment of who is best placed to publish these and how.

2. 7FCS will be reviewing and redesigning procurement processes to take advantage of the new flexibilities within PA2023 and to specifically address the overarching aims of value for money, maximising public benefit and the sustainability requirements in complying with the statutory duties within the National Procurement Policy Statement and removing barriers for SMEs. There are 3 areas of impact to note:
 - a. Regional procurement policy and strategy are due for review and refresh this year and will take into account the requirements of the new legislation. The Director of Commercial services will update these in consultation with the 7 Forces and Policing Bodies.
 - b. Contract Standing Orders are reviewed annually and these will also be updated in line with PA2023 for future agreement by the 14 Corporations Sole. It is not anticipated that the 'self serve' processes of obtaining quotes will need to change.
 - c. One of the issues of access to public sector contracts is the speed at which Contracting Authorities can award contracts. It is therefore recommended that local decision making processes are reviewed to ensure that they enable more agile procurement at lower contract value levels.

6.1 **Links to Police and Crime Plan Priorities**

Whilst this work has no direct link to Police and Crime Plan Priorities it does support the principles of reducing business crime and fraud by ensuring all procurements are transparent.

It also opens opportunities for collaboration when common areas of spend are visible across the Seven Forces.

6.2 Risks/Mitigation

With stricter criteria for supplier exclusion and a focus on national security risks, Procurement departments must intensify their due diligence. Implementing robust supplier assessment frameworks and remain vigilant about potential risks.

The Act extends procurement responsibilities beyond the awarding of contracts. Ensuring timely payments and monitoring supplier performance will require more rigorous contract management practices.

The Act introduces new notices and publication requirements throughout the procurement process. Some of these apply at £30k so will be the responsibility of the Forces.

6.3 Equality and/or Human Rights Implications

None.

6.4 Health and Safety Implications

None.

7.0 Consultation/Engagement

The Act has been communicated via the Commercial Executive Board and also via COG. A presentation was also provided to Essex Police Senior Leadership team on

7F will continue to issue briefing notes and to carry out training to those Force staff who undertake low value procurements (sub £60k)

8.0 Actions for Improvement

As set out in section 3 – Executive Summary, Section 5 – Current Work and Performance and section 6 - Implications

9.0 Future Work/Development and Expected Outcome

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