

**MOPAC**

MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME



**METROPOLITAN  
POLICE**

**TOTAL POLICING**

## **AUDIT PANEL**

### **Tuesday, 19 December 2017**

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### **MPS Commercial Outcomes**

Report by: The Director of Commercial Services.

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#### **Report Summary**

##### **Overall Summary of the Purpose of the Report**

This provides a progress report on the delivery of the five Commercial Outcomes that were discussed at the June Audit Panel and gives details of the commercial reporting that is being presented to PIB on a quarterly basis.

##### **Key Considerations for the Panel**

This report is for the Panels information.

##### **Interdependencies/Cross Cutting Issues**

There are no interdependencies with other reports/issues being considered by the Panel at this meeting.

#### **Recommendations**

The Audit Panel is recommended to:

- a. Note the quarterly commercial reporting that is being presented to PIB and that this is a work-in-progress that will be developed over the next 6 months
- b. Note current progress in delivering the Commercial Outcomes

## 1. Supporting Information

### ***Background***

- 1.1. The Audit Panel on 30<sup>th</sup> June 2017 discussed the MPS Commercial Outcomes which had been articulated from the 2015 Commercial Strategy in order to provide clear and simple objectives for the Commercial Services team over the next two years. The Panel requested a progress update in December on the Commercial Outcomes and details of how they are being measured / reported.
- 1.2. The Commercial Outcomes are;
  - Strong commercial capability and culture embedded across the MPS
  - Efficient comprehensive commercial service to support MPS operations and Transformation.
  - Effective Management of key contracts and the entire supply chain
  - Sustainable and growing revenue generated for the MPS
  - Meaningful additional savings for MPS identified and facilitated through the commercial team.

### ***Commercial Reporting***

- 1.3. A Commercial Performance report is presented to PIB on a quarterly basis. This is a 'work-in-progress' and the format and information will evolve over the next six months with a significant enhancement in March once PSOP goes live and additional MI analysis and reporting becomes available.
- 1.4. The performance report currently comprises;
  - Contract Management
    - Summary of the contract management implementation
    - Summary of key supplier performance summary
    - Performance dashboards for platinum suppliers
  - Spend through 3<sup>rd</sup> parties
  - Commercial savings / benefits
  - Commercial activity / procurement pipeline

### ***Commercial Outcomes***

- 1.5. Commercial Capability is being developed in three separate but interlinked strands; commercial capability for senior staff is being aligned with the Government Commercial Function (GCF) and MPS staff have recently attended the GCF Commercial Development Centre. An interim resource is developing a model career structure for junior commercial staff and the MPS has launched a development programme through the International Association of Commercial and Contract Management (IACCM) which will lead to internationally recognised qualifications. An analysis of training needs across the wider 'commercial family' will be undertaken in the New Year and the IACCM resources will be made widely available to meet any identified needs.

- 1.6. Efficient Commercial Service covers a number of activities to ensure that BAU (business as usual) is as effective as possible. These activities include, but are not limited to; review of commercial systems to enable the implementation of a procurement / case management / contract application, review of commercial TOM (Target Operating Model) in light of wider organisational changes, implementation of PSOP, spend analysis and effective reporting.
- 1.7. Contract Management has been a major focus over the past 6 months. The contract management team has recruited five additional staff, the Contract Management Framework and ICF (Intelligent Client Function) Principles document has been issued and syndicated with relevant business units, and enhanced reporting and governance has been implemented for seven of thirteen platinum suppliers with the remaining suppliers scheduled for January.
- 1.8. Revenue Generation: significant work has been undertaken to secure the 'statutory' income from TfL, Airports, Palace of Westminster etc, and to develop business cases to generate entrepreneurial revenue. The MPS is leading a national work-stream to enable more effective revenue generation across UK Policing
- 1.9. Savings: Commercial Services committed to the Budget Scrutiny Committee that they would deliver £1.4 million in cashable savings in FY18/19 and £3million in added-value (non-cashable savings) in addition to savings that would normally be expected from planned re-procurements that are reported to the Home Office on a quarterly basis. A Commercial Benefits Tracker has been developed that is proactively used by the commercial team to drive savings.

**2. Equality and Diversity Impact**

There are no additional equality or diversity impacts arising from this paper.

**3. Financial Implications**

This work has significant financial implications for the MPS but there are no additional implications arising from this paper.

**4. Legal Implications**

There are no additional legal implications arising from this paper.

**5. Risk Implications**

There are no additional risks arising from this paper

**6. Contact Details**

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**7. Appendices and Background Papers**

None

