

**M O P A C**

MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME



## **MPS-MOPAC JOINT AUDIT PANEL 4 October 2021**

---

### **Improving Commercial Capability across the MPS Update**

Report by: Director of Commercial Services

---

#### **Report Summary**

At the most recent Audit Panel, the MPS were asked to report to the October meeting on the implementation of the MPS's Commercial Functional Strategy and Commercial Blueprint. This report describes the ongoing progress on improving Commercial capability across the MPS. The report outlines improvements made to date and further planned improvements.

#### **Recommendations**

The Audit Panel is recommended to:

- a. Note progress made to date
- b. Note the plans for the remainder of the financial year

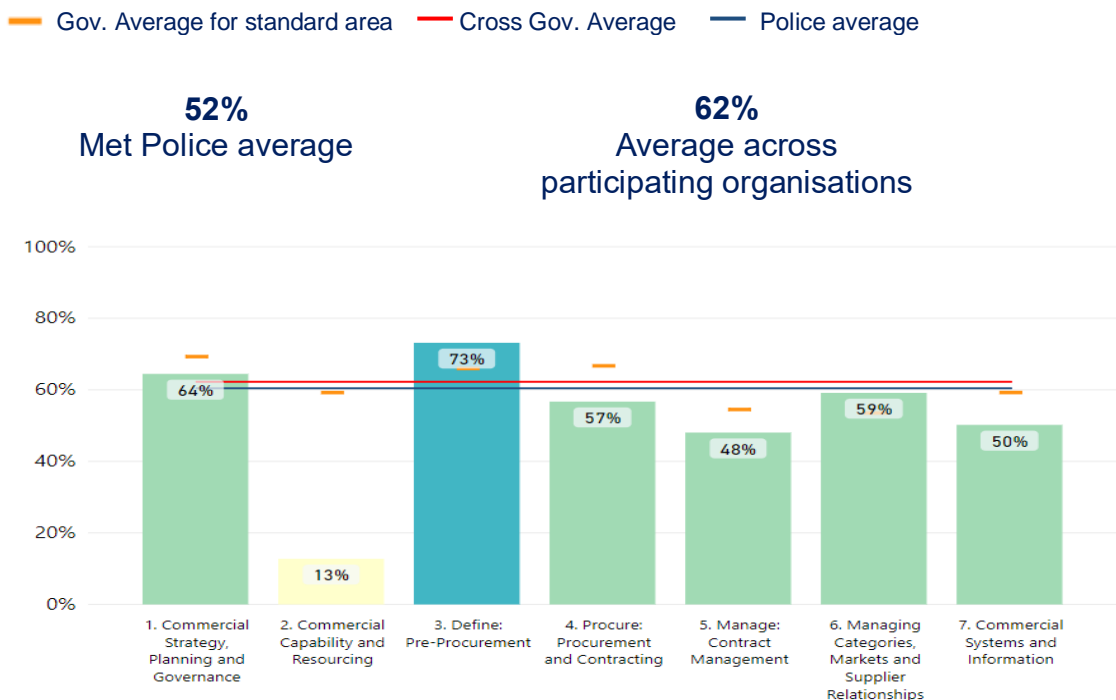
## Implementation of the MPS’s Commercial Functional Strategy and Commercial Blueprint

### 1. Reporting on improvements made, further planned improvements and activity with timescales for implementation

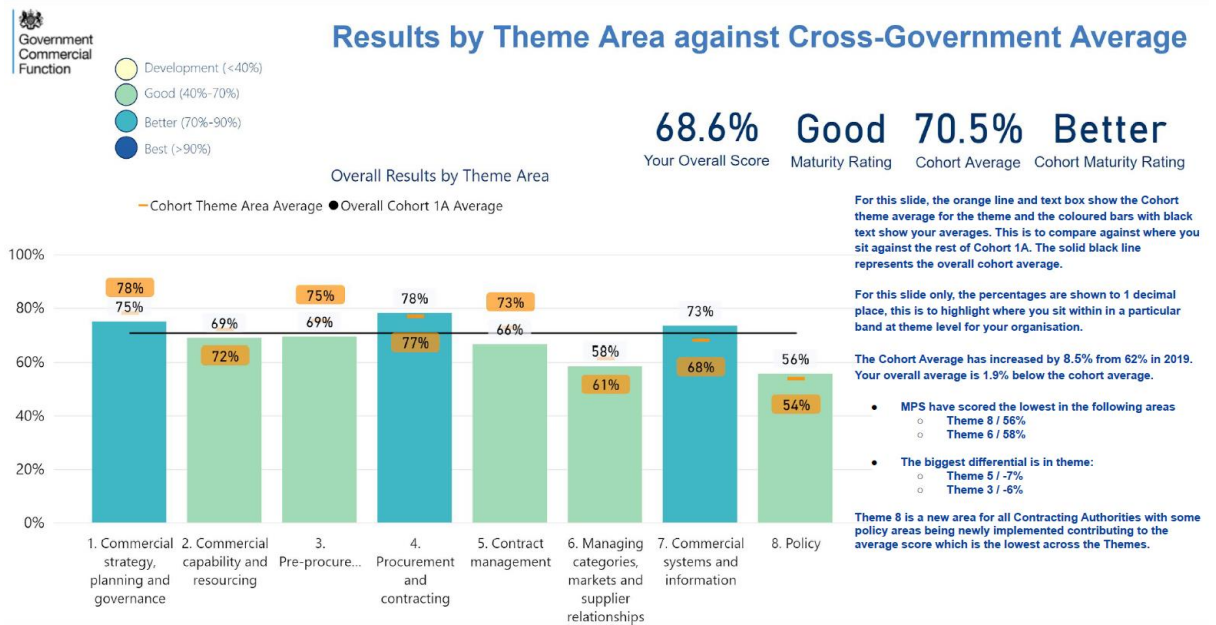
1.1. The last update to Audit Panel in July focused on the closure of audit actions surrounding specific historic procurement activities. Having achieved this, Commercial Services is committed to ensuring no future occurrences. A key enabler to support this ambition has been the launch of the Commercial Services handbook, providing detailed explanations on expected Governance and business processes both Commercial Services employees and the wider organisation.

1.2. This handbook will be refreshed quarterly to maintain relevance to the business environment and regulations it supports. The latest draft is included as Appendix 1. It will contain guidance on the use of G-Cloud that was highlighted as an area of concern in the Box Audit report.

1.3. One notable achievement since July has been our recent participation in the 2021 Functional Standards benchmarking exercise conducted by the Government Commercial Function. Our participation in 2019 highlighted the parlous state of MPS Commercial Services. The results were as follows:



1.4. These results were one of four areas of feedback that stressed the need for immediate change within Commercial Services. Whilst the transformative activities continue across the function, the changes and related benefits are starting to be recognised with the latest results showing the following.



1.5. An improvement plan is now being finalise to drive further improvements over the next 24 months. It should be noted that the MPS is the only organisation within the GLA family engaged in regular benchmarking and targeting the accreditation of its staff against recognised standards.

1.6. In addition to the aspirations stated, Commercial Services continues to enable and deliver both cashable and non-cashable benefits for the organisation.

**2. Details of the MPS’s Commercial Functional Strategy and Commercial Blueprint – implementation to date.**

2.1. Commercial Services continues to deliver against its four strategic themes for both annual and longer-term objectives described in its Functional Strategy. The four strategic themes are shown below.



2.2. Within Commercial Services, aspirations for FY21/22 include:

**1. Build a world class capability and team:**

- a. Attract, develop and retain commercial talent in Met Commercial Services
- b. Close the Commercial Lifecycle Management Skills gap across MPS

- c. Ensure Commercial Services is a function which ensures the wellbeing of its diverse workforce

## **2. Engaging effectively with our markets and suppliers**

- a. Align Supplier Segmentation across stakeholders to identify suppliers critical to the success of the MPS
- b. Implement recommendations and ways of working from the Outsourcing and Construction playbooks with our Strategic Suppliers
- c. Ensure that Commercial Services works with existing MPS customers to maximise its revenue opportunities

## **3. Improving and simplifying how we work**

- a. Embed continuous improvement through standards and best practice sharing
- b. Converge to simple and consistent processes and systems across MPS
- c. Improve the accuracy, accessibility and utilisation of commercial data

## **4. Realising positive outcomes through commercial policy**

- a. Commercial Services recognises its societal and environment impact
- b. Commercial Services supports the recovery of London after COVID
- c. Commercial Services supports its supply base through simplification and ease of access

### **2.3. Commercial Services achievements this year-to-date include:**

- Recruitment remains our number one objective for the year and suitable candidates continue to be hired. Specialist recruitment resource has been engaged with multiple campaigns underway across all category areas.
- Creation of our Contract register via our CLM system
- Creation and adoption of our new blended working arrangement in line with MPS guidelines
- Piloting of our new Supplier Relationship Management programme with 2 suppliers (Eurofins and Babcock)
- Further enhancements to our CLM functionality through the launch of Supplier Information and Supplier Risk modules
- Introduction of our 'Commercial Conscience' initiative to bring together Sustainability and Social value through Commercial activities
- Completion on our first Modern Slavery statement

A full list of Commercial Services objectives are contained in Appendix 2.

## **3. Challenges for Commercial Services**

- 3.1. The key objective for this financial year is the recruitment of the appropriate expertise into the function to enhance both its own commercial acumen in

addition to that of its stakeholder population. Commercial Services is seeking to recover from a headcount deficit where permanent positions remained vacant and a heavy reliance was placed on interim and contractor resources.

- 3.2. Progress is being made with a number of appointments already made this year and further recruits planned through the engagement with a specialist recruitment organisation. A number of appointments made include the transition of long-term interim employees to permanent positions and the hiring of three recent graduates who spent the 19/20 academic year with Commercial Services as industrial placements. It is worth noting that the entire cohort of industrial placements for 21/22 are female.
- 3.3. Whilst we remain confident in our ability to fill our vacancies, our progress is finding suitable candidates is facing strong headwinds. The challenges posed by COVID highlighted the profession and significant numbers of potential talent were captured through the mass recruitment activities undertaken by Test and Trace and Vaccine taskforce. There are over 1100 Commercial vacancies across the Whitehall estate alone. This has meant that talented individuals are limited and those less talented are inflating their prices to fill the available positions. Commercial Services remain committed to finding individuals who will enhance the function over the medium to long-term rather than fill a position with the first available candidate.
- 3.4. As already highlighted, Global challenges posed over the last 2 years have brought into sharp focus the reliance on extended Global supply networks and professional talent. The acquisition of PPE materials in 2020 has raised questions around supply security, Governance, value for money and supplier transparency. Further vulnerabilities have been exposed in 2021 with recovering demand, Global logistics and climate challenges providing medium to long-term challenges for recovering economies.
- 3.5. Commercial Services has already undertaken market analysis into shortages in building materials and logistics costs based on conversations held with our suppliers to understand the potential for additional costs for the organisation. We are also working with our colleagues across the organisation to determine the potential impact. An example of this analysis is included in appendixes 3a and 3b.
- 3.6. As demand intensifies and costs increase, we are also sensitive to the provenance of goods and services provided to the MPS. Certain suppliers may be tempted to lower their standards in their provision of goods and services to satisfy the high demand. Commercial Services is aware of such risks, launching our first Modern Slavery statement and working with our GLA peers to ensure transparency across our supply networks, share supplier insights and maintain standards.

#### **4. An ongoing commitment to Continuous Improvement**

- 4.1. There has been continual engagement between DARA and Commercial Services since the transformative activities began to support both the new operating model and ways of working (often referred to as the 'Commercial Blueprint') as well as in its implementation of capabilities to improve the Commercial acumen of the function and wider MPS (often referred to as the 'Functional Strategy').
- 4.2. Commercial Services is committed to a culture of continuous improvement, identifying opportunities in its processes, people and systems to refine its activities. It was therefore an important step in this progression that DARA reviewed functional progress as the first year of transformative activities neared completion.
- 4.3. This review occurred in February 2021 and its findings reported to Audit Panel. Commercial Services welcomes this external review as an essential checkpoint in its implementation of improved Commercial capability across the MPS. The report highlights a number of actions that have all progressed since the report was first published. It has been agreed by DARA and Commercial Services that progress is reviewed on a quarterly basis to drive resolution on the listed actions with the ambition of closing all of them by October 1st 2022.

#### **5. Equality and Diversity Impact**

- 5.1. Commercial Services is committed to driving equality, diversity and inclusiveness across the Function, the MPS, its supply networks and working practices. It has recently launched its 'Commercial Conscience' initiative to start to increase its contributions towards sustainability and social value activities within the MPS and for the benefits of Londoners.

#### **6. Financial Implications**

- 6.1. Management Board have approved further investment to enhance capacity in Commercial Services, with the expectation that these costs will be met in future years from savings delivered by stronger commercial activity. This is in conjunction with Finance. As has been stated in the update, inflationary challenges are emerging due to Global supply networks and we are engaging with our stakeholders at the earliest opportunity.

#### **7. Legal Implications**

- 7.1. There are no direct Legal Implications. However, we continue to drive awareness and acumen on Contract Management through accredited programmes for all commercial and wider MPS employees.

#### **8. Risk Implications**

- 8.1. The new Supplier Risk module launches in Q3. It will allow the MPS to record various supplier risks to build a profile of individual suppliers which can be tracked over time and provide Commercial Services the opportunity to

implement mitigations or actions plans if appropriate. Other risks highlighted with supply network vulnerabilities continue to be monitored.

**9. Contact Details**

Report author: Mark Roberts, Director of Commercial Services

**10. Appendices and Background Papers**

**Appendix 1:** MPS Commercial Handbook Proposed October 2021 Draft.pptx

**Appendix 2:** Commercial Services Objectives FY21\_22.xlsx

**Appendix 3a:** Executive Summary Building Materials Shortages market analysis August 2021.pptx

**Appendix 3b:** Building Materials Shortages market analysis August 2021.pptx