



House of Commons  
Committee of Public Accounts

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**Police Procurement**

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**Twenty-first Report of Session 2013–14**

*Report, together with formal minutes, oral and written evidence*

*Ordered by the House of Commons  
to be printed 17 July 2013*

**HC 115**

Published on 17 September 2013  
by authority of the House of Commons  
London: The Stationery Office Limited  
£10.00

## Committee of Public Accounts

The Committee of Public Accounts is appointed by the House of Commons to examine "the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit" (Standing Order No 148).

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The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

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### Committee staff

The current staff of the Committee is Adrian Jenner (Clerk), Claire Cozens (Committee Specialist), Sonia Draper (Senior Committee Assistant), Ian Blair and James McQuade (Committee Assistants) and Alex Paterson (Media Officer).

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## Summary

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Money is wasted when the 43 police forces in England and Wales pay widely varying prices for very similar items. The Police currently spend 13% of their income, amounting to £1.7 billion, procuring the items they need. Accountability for value for money requires up-to-date, comparable information—but the absence of good data on procurement makes it impossible to hold individual forces to account for their performance. The Home Office (the Department) has initiated projects to improve value for money in police procurement, but engagement by police forces has been poor—a result of both the limited evidence that the new approaches offer value for money and the Department’s failure to secure cooperation from individual forces. However, we recognise and welcome the new Accounting Officer’s willingness to get to grips with this subject.



## Conclusions and recommendations

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1. In 2010-11, the 43 police forces in England and Wales spent nearly £1.7 billion procuring a wide range of goods and services. The Department oversees the police service and central government provides most of its funding. The Department is responsible for providing Parliament with assurance on the value for money of police expenditure, but individual forces buy most goods and services independently. So there is an institutional tension between local autonomy and effective value for money in buying everything from uniforms to paper. The recently elected Police and Crime Commissioners are responsible for value for money locally. With reduced central government funding to police forces, both individual forces and the Department have recognised the need to make procurement savings, for example through more collaboration between forces.
2. **Greater collaboration between forces, and more consistency in their approaches, would improve value for money.** Despite some efforts by police forces to collaborate with each other, there remains an unacceptable variation in police forces' approaches to procurement. For example, prices paid range from £14 to £43 for standard-issue handcuffs and £25 to £114 for standard-issue boots. Even where items are identical, prices paid vary substantially, for example, by 33% for one type of high-visibility jacket. We recognise the autonomy of the new Commissioners and their local accountability for value for money. However, as the Department provides around 80% of funding to police forces, it remains accountable for this expenditure, and it has levers available to drive improvements.

**Recommendation:** *We welcome the commitment of the new Accounting Officer to secure better value for money, and urge him to use financial incentives with clear financial penalties to ensure police forces collaborate and purchase together so that they secure better prices and bigger savings through bulk buying.*

3. **The public's ability to hold police forces and Commissioners to account for their procurement spending is undermined by the lack of good data.** The data which individual police forces and the Department publish are usually produced late, to different standards, and presented in a fashion that makes it impenetrable to the public. Over one third of police forces failed to provide data on procurement savings to the Department. Even where national level data is produced by HM Inspectorate of Constabulary, it is difficult to compare the performance of individual police forces. It is of particular concern that Spikes Cavell, the specialist consultant collecting the data, was unable to collect unit cost data for procurement items. This information is a basic requirement if efficiencies and savings are to be secured. There is also scope for much greater transparency over the prices which individual forces pay for common police equipment, or for the cost of kitting out an average officer. The Department has pledged to carry out a consultation on what data is needed and how it can be published in a user-friendly way.

**Recommendation:** *The Department's consultation exercise should focus on making available to the public, in a timely fashion and force by force, spending data on standard items to enable comparison between forces, and to enable local electorates, the department and Parliament to hold the Police and Crime Commissioners to account for value for money.*

**4. Many police forces lack confidence in the Department's procurement initiatives.**

The Department has taken steps to improve police procurement, including: the setting up of specialist teams to provide procurement support; developing a national police procurement hub through which police forces can buy items; and, in a few cases, it has mandated the use of national framework contracts with suppliers. However, the Department's lack of good quality data on each force makes it difficult for the Department to target its support effectively and it has not developed compelling evidence to persuade forces of the benefits of using the police procurement hub or national procurement frameworks.

**Recommendation:** *The Department should develop its evidence base to demonstrate to police forces and Commissioners the potential benefits and savings from more collaborative procurement and from using the police procurement hub.*

**5. National framework contracts with suppliers can lead to significant savings through standardisation and bulk-buying, but do not cover enough goods and services and are not used by enough forces.**

National framework contracts are managed in some instances by the Department and in others by individual forces. Where forces themselves take the lead on introducing framework contracts there is likely to be greater acceptance and buy-in from other forces. But some items that would clearly suit national approaches, such as uniforms (the Prison Service saved 30% through moving to a national approach for uniforms) are not yet covered by national frameworks because forces have not been able to agree on simple items like shirts and uniforms. The Department has used its powers to compel forces to use national framework contracts on only three occasions so far.

**Recommendation:** *The Department should determine where the greatest benefits can be achieved through either standardisation or national procurement approaches and set a clear timeframe for forces to come to agreement on these. Where forces fail to reach an agreement the Department should be prepared to enforce standard specifications.*

**6. Use of the national police procurement hub by police forces is woefully below the Department's expectations, reducing the scope to make significant savings.**

By June 2012, the Department had expected that all police forces would be using its national police procurement hub, a dedicated online marketplace to buy police products. However, by January 2013, fewer than half of forces were using it. Only 2% of items were being bought through the hub, compared to the Department's target of 80% by the end of this parliament. The Department has promised to provide us with its plan, including milestones, for how it will turn round this current failure by police forces to procure collaboratively through the hub.

**Recommendation:** *The Department must act to accelerate progress towards its target for items being bought through the national procurement hub. It should set out in its response to this report actions to renew its strategy and in addition publish comparative data showing improvement in performance over time by each force.*

7. Whilst the cost savings that can be achieved through a much wider use of the hub should be prioritised, Police Forces should ensure that current suppliers and local SMEs are informed of the opportunities that could arise to businesses from being included as suppliers to the hub. We note that the current level of police force procurement from local SMEs stands at some 40% and efforts to improve the effectiveness of the Hub should not be at the expense of limiting opportunities for SMEs to be approved national suppliers to police forces.

**Recommendation:** *Police Forces should actively promote the supply opportunities that exist to SMEs engaging with individual forces and supplying the Hub.*

8. It is important that police forces recruit and train good procurement officers. There is already scepticism among police forces on the commercial competence of those working at the centre.

**Recommendation:** *The Department should report back on how it will ensure an appropriate level of commercial expertise at both the centre and in individual police forces.*

9. We welcome the Department's commitment to improve value for money from police procurement spending and its acceptance of the Comptroller and Auditor General's recommendations. We recognise that Commissioners have authority over local spending, but as the Department remains accountable for public money voted by Parliament it must take positive steps to achieve value for money and ensure good behaviours. We are also pleased that the Accounting Officer has written to Commissioners to establish relationships and set out his expectations on collaboration by forces, on timely submission of expenditure data, and to seek views on mandating the use of the national police procurement hub.

**Recommendation:** *The Department should report back to the Committee in a year's time on progress in responding to the recommendations of both this report and the Comptroller and Auditor General's report, the actions that have been taken locally, and the savings that have been achieved.*

# 1 Accountability and performance data

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1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Home Office (the Department) on police procurement.<sup>1</sup> Before our hearing, the Department had helpfully copied to us its letter to the Comptroller and Auditor General accepting the report's recommendations, and setting out the actions it would take to respond to them.<sup>2</sup>

2. The 43 police forces in England and Wales procure a wide variety of goods and services, ranging from uniforms and police cars to estate and facilities management services. In 2010-11, police forces spent nearly £1.7 billion on all goods and services (excluding ICT), representing around 13% of total force expenditure.<sup>3</sup>

3. The Department oversees the police service and central government provides some 80% of its funding. The Department is responsible for putting in place a system of assurance for the value for money of central government funding for police forces. It has chosen to delegate responsibility for assuring value for money in individual forces to the locally elected Police and Crime Commissioners. The Department has taken a role in providing leadership and support to help police forces improve their procurement and make the savings required following the 2010 spending review.<sup>4</sup>

4. Historically, police forces have bought most goods and services independently. To improve value for money in procurement, some forces have entered into collaborative arrangements with others, for example by merging their procurement teams. However, despite such collaborations police forces still buy a wide range of items independently, with significant differences in the prices paid. For example: for standard-issue handcuffs the prices paid ranged from £14 to £43; from £20 to £100 for high-visibility jackets; and from £25 to £114 for standard-issue boots. Even for identical specifications, the prices paid by different forces vary substantially; for example, a variation of 33% in the prices paid for the same high-visibility jackets.<sup>5</sup>

5. The Department accepted that it did not make sense to have the 43 police forces procuring goods in different ways. It agreed there is considerable scope for police forces to do more to standardise the items they buy and to buy at lower prices. The Department told us it is committed to making faster progress in improving value for money in procurement, including exploring how it could do so through building more explicit incentives into the funding grant to police forces to drive efficiency.<sup>6</sup>

6. The Department considers national procurement arrangements can yield significant benefits through standardisation and bulk-buying. It told us that the Metropolitan Police

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1 *Police procurement*, National Audit Office, HC 1046, 2012-13, 26 March 2013

2 Ev 19

3 C&AG's report, para 1

4 C&AG's report, para 3

5 C&AG's report paras 2.8, 2.16, 2.17

6 Qq 2, 6, 35, 85

Service is setting up a collaborative programme to buy police uniforms across forces, which it expects to generate savings of 15%. By comparison, the Prison Service achieved savings of 30% a year through agreeing a standard uniform specification across the service.<sup>7</sup> Other forces have also taken a lead in delivering procurement services nationally, for example, West Yorkshire Police runs a national contract for air support. However, the Department acknowledged that although the air support contract had been put in place and was available to all forces, some were not yet using it.<sup>8</sup> In the Department's view, national procurement arrangements are more likely to be used by forces when they are led by individual police forces, rather than led centrally. However, the Department acknowledged that forces have found it difficult to agree on the items they need, with disagreement even on the number of pockets required for police shirts and uniforms. This failure to agree has limited the number of agreements being used by all forces.<sup>9</sup>

7. The Department identified the independence of police forces as the main barrier to achieving greater collaboration and standardisation of items bought. In 2012, the election of Police and Crime Commissioners gave them control over local spending decisions and responsibility for decisions on procurement. The Department retains powers to compel forces to collaborate, or participate in national programmes to increase value for money, but accepted it has been reluctant to use them.<sup>10</sup>

8. The Department told us it has established direct relationships with Commissioners, and with chief constables and chief executives at individual forces, to discuss how to improve procurement. It mentioned five levers it has available to influence value for money locally: audit against their financial management code and fiduciary duty for regularity, propriety and value for money; direct relationships through private dialogue or, ultimately, the right to invoke reserve powers if a force is in crisis; HM Inspectorate of Constabulary inspection regimes; the pressure of the Department's funding mechanism; and their accountability to the public for delivering efficiencies.<sup>11</sup>

9. The 2010 spending review budgeted for central government funding of the police to reduce by £1.2 billion a year by 2014-15, or £2.1 billion in real terms; a 20% reduction. The Department believes the financial pressure on police forces is having a significant effect, forcing them to collaborate and make savings.<sup>12</sup> However, the Department acknowledged it has done little to use its funding of forces to improve their efficiency, for example, it does not reward those who have been successful in making savings. The Department confirmed it would review its funding formula this calendar year, to examine whether it can incentivise forces to make savings through collaboration.<sup>13</sup>

10. There are considerable shortcomings in the quality of the Department's data on police procurement. These concern the timeliness of production, the ease of making force by

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7 Q 9, 59

8 Qq 3, 78-81

9 Qq 3,89, 104-105

10 Qq 4, 12-13

11 Q 4, 61

12 Qq 55, 74; C&AG's report, para 1.4

13 Qq 45, 51, 53

force comparisons, and the lack of detail on unit costs.<sup>14</sup> The Department believes that, when operating fully, the national police procurement hub will collect data automatically on police forces' spending on procurement. However, it acknowledged this will not be useful for analysis until forces are buying enough items through the hub. In the interim, the Department has contracted with a separate company, Spikes Cavell, to collect procurement data from individual police forces.<sup>15</sup>

11. The 43 individual police forces collect and store data in different ways. As a result, Spikes Cavell has not been able to collect unit cost data. Some forces have delayed submitting data to Spikes Cavell, causing consequent delays to its overall data set. The data for 2011-12 were 13 months late. The Department confirmed it will examine how to improve the process for collecting procurement data from police forces.<sup>16</sup>

12. The Department, in line with Cabinet Office requirements, collects savings data each quarter from forces on a voluntary basis. However, in 2011-12 16 forces (37%) did not provide returns. This limits the Department's ability to assess whether savings are at anticipated levels overall, or whether savings opportunities are being fully exploited.<sup>17</sup>

13. The Department agreed that the availability of good quality data on procurement spending by forces is particularly important to enable the public to hold Commissioners to account. Clear and comprehensible information is needed on what each police force is spending, for the public to make meaningful comparisons. However, it is nearly impossible for the public to interpret and understand the range of data which individual Commissioners, police forces and HM Inspectorate of Constabulary currently publish. The Department told us it is launching a consultation on the annual data requirement for police forces. This will examine what data is required, how best to collect it and how to publish it in a user-friendly fashion.<sup>18</sup> Clear, understandable metrics, such as the standard cost of a uniform for an individual police officer, would make it easier for the public to see how well their force is doing compared to others.<sup>19</sup>

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14 C&AG's report, para 18

15 Qq 23, 30

16 Qq 26-28, 31

17 C&AG's report, para 3.6

18 Qq 4, 7-9, 55, 88

19 Qq 88-92

## 2 Improving standardisation and the take-up of national-level approaches

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14. The Department has implemented a number of national programmes to improve procurement by forces. It has established teams to provide specialist procurement support to individual forces, by region and by category of goods (for example, police vehicles and forensics services). While nineteen forces were generally happy with the support they had received from those teams, an equal number of forces expressed concerns. Forces had particular concerns about the timeliness in responding to requests and the overall capability of the Department's teams.<sup>20</sup>

15. The Department can use its powers to compel all forces to use certain procurement frameworks, in order to achieve economies of scale. In 2011, the Department set up three national frameworks which it made mandatory for forces to use. These covered body armour, police vehicles, and some ICT hardware and software. Police forces have expressed concerns about a lack of transparency and feedback regarding mandation. The Department has not introduced any further mandated frameworks, but has run a second round of consultation to identify other goods which might be suitable for national-level purchasing.<sup>21</sup>

16. The Department has implemented a national police procurement hub, an online marketplace which provides police forces with the ability to view supplier catalogues. Items included on the hub often have pre-approved specifications and agreed terms and conditions. This reduces the need for individual procurement tenders and helps with bulk-buying.<sup>22</sup> The Department told us it wants the hub to have a range of different options for forces to purchase at the best available prices.<sup>23</sup> It noted that a further benefit from forces buying through the hub is the automatic collection of data on their purchases. This should enable faster production of good data on procurement spending.<sup>24</sup>

17. The hub is not necessarily suitable for all purchases, such as local facilities management. But forces are using the hub much less than the Department had hoped. By June 2012, the Department had expected all police forces would be using the hub, but by January 2013 only 43% of forces were using it.<sup>25</sup> The Department told us that forces are currently buying only 2% of non-ICT items through the hub—a long way short of the Department's objective that, by the end of this Parliament, forces should be buying 80% of items through it.<sup>26</sup> The Department considered that some forces had experienced technical problems in integrating the hub with their business processes, and that some of these problems were genuine, while others just represented resistance to change. The

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20 Q 106; C&AG's report, paras 3.1-3.2, 3.11-3.13

21 C&AG's report, paras 3, 15-17

22 C&AG's report, paras 3.21-22

23 Q 85

24 Q 30

25 Qq 85, 96

26 Qq 36-39

Department told us that it has provided each force with £25,000 to help with the transition to new processes.<sup>27</sup> The Department told us that it had published details of forces' compliance with central initiatives designed to improve value for money.<sup>28</sup>

18. The Department has not been able to offer to forces compelling evidence of value for money from using the hub. This has contributed to the lower than expected take-up. Police forces have also not seen conclusive evidence of benefits from other forms of collaborative purchasing. Eleven police forces have reported incurring additional costs from using mandated national frameworks.<sup>29</sup> By the end of this summer, the Department is producing a plan setting out how it expects to increase the percentage of items which forces purchase through the hub and said it would provide us with a copy.<sup>30</sup>

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27 Q 96

28 Qq 40-44

29 C&AG's report paras 3.17, 3.24

30 Qq 36-39

# Formal Minutes

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**Wednesday 17 July 2013**

Members present:

Mrs Margaret Hodge, in the Chair

Mr Richard Bacon

Stephen Barclay

Guto Bebb

Jackie Doyle-Price

Chris Heaton-Harris

Meg Hillier

Mr Stewart Jackson

Sajid Javid

Fiona Mactaggart

Nick Smith

Ian Swales

Justin Tomlinson

Draft Report (*Police Procurement*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 18 read and agreed to.

Conclusions and recommendations agreed to.

Summary agreed to.

*Resolved*, That the Report be the Twenty-first Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report.

[Adjourned till Monday 2 September at 3.00 pm]

## Witnesses

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**Wednesday 5 June 2013**

*Page*

**Mark Sedwill**, Permanent Secretary, **Stephen Rimmer**, Director General, Crime and Policing and **John Fernau**, Commercial Director, Home Office

Ev 1

## List of printed written evidence

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1 Home Office

Ev 16: Ev 19

2 Spikes Cavell

Ev 18

# List of Reports from the Committee during the current Parliament

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The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

## Session 2013–14

First Report	Ministry of Defence: Equipment Plan 2012-2022 and Major Projects Report 2012	HC 53
Second Report	Early Action: landscape review	HC 133
Third Report	Department for Communities and Local Government: Financial sustainability of local authorities	HC 134
Fourth Report	HM Revenue & Customs: tax credits error and fraud	HC 135
Fifth Report	Department for Work and Pensions: Responding to change in jobcentres	HC 136
Sixth Report	Cabinet Office: Improving government procurement and the impact of government's ICT savings initiative	HC 137
Seventh Report	Charity Commission: the Cup Trust and tax avoidance	HC 138
Eighth Report	Regulating Consumer Credit	HC 165
Ninth Report	Tax Avoidance–Google	HC 112
Tenth Report	Serious Fraud Office–redundancy and severance arrangements	HC 360
Eleventh Report	Department of Health: managing hospital consultants	HC 358
Twelfth Report	Department for Education: Capital funding for new school places	HC 359
Thirteenth Report	Civil Service Reform	HC 473
Fourteenth Report	Integration across government and Whole-Place Community Budgets	HC 472
Fifteenth Report	The provision of the out-of-hours GP service in Cornwall	HC 471
Sixteenth Report	FiRe Control	HC 110
Seventeenth Report	Administering the Equitable Life Payment Scheme	HC 111
Eighteenth Report	Carrier Strike: the 2012 reversion decision	HC 113



# Oral evidence

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## Taken before the Committee of Public Accounts on Wednesday 5 June 2013

Members present:

Margaret Hodge (Chair)

Mr Richard Bacon  
Stephen Barclay  
Guto Bebb  
Jackie Doyle-Price  
Meg Hillier

Mr Stewart Jackson  
Fiona Mactaggart  
Nick Smith  
Justin Tomlinson

**Amyas Morse**, Comptroller and Auditor General, **Gabrielle Cohen**, Assistant Auditor General, **Louise Bladen**, Director, National Audit Office, and **Marius Gallaher**, Alternate Treasury Officer of Accounts, were in attendance.

### REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

#### Police procurement (HC 1046)

##### Examination of Witnesses

*Witnesses:* **Mark Sedwill**, Permanent Secretary, Home Office, **Stephen Rimmer**, Director General, Crime and Policing, Home Office, and **John Fernau**, Commercial Director, Home Office, gave evidence.

**Q1 Chair:** Welcome. We are hoping to finish by quarter to 4 if we can. The shorter the answers and the better the questions from us the more quickly we will get through. Thank you very much.

Can I put on the record our thanks for your letter, Mr Sedwill? It is really helpful to have a response before a hearing on the recommendations from the NAO. If you can pass to your other accounting officers that we think it is a good idea, and better than coming with new data to a hearing, we would be grateful.

**Mark Sedwill:** Thank you.

**Q2 Chair:** I start by drawing to your attention that in 2011—two years ago—the Department said that procurement by 43 different forces was indefensible. Today's Report makes for rather gloomy reading. Why have you not made more progress over the last couple of years on what seems a pretty straightforward and sensible notion to most of us?

**Mark Sedwill:** Thank you for the appreciation. Let me first say that I welcome the Report and, as you know from my letter, we will implement all of the recommendations. It was a really helpful piece of work by the NAO. You are absolutely right, however, to point to the distance we have yet to travel. You are absolutely right: the notion that 43 forces procure everything in myriad different ways—whether ICT or not—does not make sense. There are some interesting examples of that in the Report, and some even more prosaic examples such as same-spec A4 paper being procured at prices that vary by up to 13%. We had a look at that.

I am just setting out the scale of the challenge, which is because of the way that policing has developed over a long period, essentially as an entirely federated system. We are aiming to make faster progress now. Some elements of the work that we have already done

are beginning to bear fruit, but I recognise, as you suggest, Madam Chairman, that there is an awfully long way to go.

**Q3 Chair:** As I was reading the Report this morning, I was reminded—I think one of my colleagues remembered it—that Peter Gershon did a couple of reports on Home Office procurement. It was probably six or seven years ago. Somebody will tell me if my dates are wrong, but it was about six or seven years ago. He recommended that it might not be such a stupid idea for all forces to buy the same white shirts. In fact, you might argue that it might be a good idea for the fire service and the ambulance service to buy the same white shirts, too. What happened to that recommendation?

**Mark Sedwill:** As you know, we still face that situation. As in many circumstances like this, everyone agrees with the principles; everyone agrees that there should be if not one, then fewer uniform specs, right up until the moment you ask them to compromise on something that is dear to them. The Report highlights the number of pockets on uniforms, which does not make a great deal of sense to me, but for whatever reason, different police forces say it is important.

On the question of uniform, there is a concrete step. There will be a collaborative uniform procurement programme. It is run by the Met, and the SRO is an assistant chief at Bedfordshire. It will be a uniform service, so it will provide, from a collaborative national framework, a single supplier of uniforms to policemen. Others will remember the exact cashable savings that we believe will be achieved by that. Interestingly, it will also deliver uniforms to policemen, rather than them having to go to the local

supply depot to get one if one is damaged in an incident, which should also save police time.

You are absolutely right to point out that this is not new. This very disparate system is not new. All I can say is that I think we are now trying to get on top of it and we are beginning to make some progress.

**Q4 Chair:** What has changed is that you now have more independence with the police and crime commissioners, and in a sense localism has further entrenched the federalisation. If somebody says, "I've been elected. I have my mandate. I don't want a white shirt without a pocket," what can you do?

**Mark Sedwill:** Individual decisions, as you say, are down to individual police and crime commissioners and their forces. Indeed, they always were. Police authorities always had that autonomy. They were grant funded and police and crime commissioners are grant funded too. As you say, however, with the advent of police and crime commissioners, Parliament essentially entrenched the localism, and quite deliberately so. The white shirt is an example, but you are obviously driving at a much bigger point. There are several levers we have with which to influence that, but we cannot control the process, as it is in the end the commissioner's decision because they are accountable to the electorate. I will quickly run through the levers and I am happy to talk about any of them in more detail.

First, they have a formal fiduciary duty for regularity, propriety and value for money. They, their chief executives, their chief finance officers, the chief constable and the chief constable's chief finance officers all have that in legislation. It is in the financial management code of practice, and they will be audited against that by the independent auditors. The NAO are working with them at the moment on the code of practice in local government.

Secondly, we have the direct relationship between the Home Office and individual forces. That will range from informal private dialogue—in the case that you mention, I would expect it to be an informal private conversation to start with: "Do you really want to do this? Isn't it going to look a bit foolish in your local media?"—right the way through, in more serious cases, up to and including if necessary the Home Secretary invoking reserve powers if we think a force is in crisis, either financial or operational.

Thirdly, we have the inspection regimes. Her Majesty's inspectorate of constabulary already do value for money profiles. There is a wealth of data in there, including force comparisons on, for example, all their back-office functions. They compare like with like—so small rural forces with others. That data is not particularly user-friendly right now. We are talking to the inspectorate about making it more voter-friendly, but it is available to us, to the media and to political opponents and others in order to interrogate and press police and crime commissioners.

Fourthly, we have the funding mechanism. Just the sheer pressure of the fiscal squeeze is driving an awful lot of efficiencies, including in the new system with police and crime commissioners, so over three quarters of them are talking about collaborations with other forces, and half with other parts of the private

sector. Over three quarters are looking at systems changes using IT and so on.

Fifthly and most importantly—this is essentially where the rest come together—is the public scrutiny, the public accountability that an individual police and crime commissioner has to his or her own electorate. In the way that police authorities weren't, they are visible, and if they are to maintain front-line policing, which of course is the basis on which most were elected, they are going to have to squeeze efficiency in the back office and drive efficiencies in procurement and collaboration.

**Q5 Chair:** I have two more questions and then we'll move on. First, it seems to me that in the list of things you said, the best would be that you control the grant, so you could reduce the grant.

**Mark Sedwill:** Indeed. The grant overall has been reducing.

**Q6 Chair:** Are you thinking of doing that?

**Mark Sedwill:** Ministers have committed us to review the basis of the funding mechanism. As you know, the funding mechanism—the grant at the moment, which makes up about 80% of police funding—is essentially demand based. It is based on population density, distribution and crime rates. One of the options we are exploring—this, of course, will be a decision for Ministers in Parliament—is whether we can build more explicit incentives into the grant to drive efficiency.

**Q7 Chair:** From the Committee's point of view, it seems the most obvious. I was just going to say, finally, that what I did this morning as well was look at a couple of police authorities and the information that they had put into the public domain on their procurement expenditure. I looked at Essex and Humberside. On the accountability side of this, trying to make head or tail of what it meant was impossible. Interestingly enough, with Essex, there are six pages about when they used Adecco, which presumably means for temporary staffing, and which you would think is shocking, but only because I happen to know that Adecco have done some recruitment in Barking and Dagenham do I even understand that they are a recruitment agency. It's a bit like when we looked at this for local government. It is more data dumping than an intelligent articulation of expenditure that would enable anybody, be it us as a Select Committee or a voter in Essex, to understand whether there is value for money—

**Mark Sedwill:** Madam Chair, I know you make it as a comment rather than a question, but I agree with it, if I may say so. This is something we are talking actively to the inspectorate about, in terms of their own analysis of value for money. As I said, they already publish value for money profiles on every force. They compare like with like. The police and crime commissioners want them to inspect against their own police and crime plans, most of which include value for money, so that is another element as well. But we are talking to them about how they present information that is less impenetrable than that but still quite hard work in a way that is voter-friendly,

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and they are working on that at the moment. The objective is to get, essentially, to where we are with the police and crime maps; you can go online and look at your area compared to a like area and look at VFM in the same way.

**Q8 Nick Smith:** I want to pick up on that last point about data impenetrability, because Mr Sedwill, as part of your comments, you talked about making the data more voter-friendly, but even from your last answer to the Chair, I didn't really get a feel for exactly what that means. How transparent will it be so that there can be good public scrutiny of the wastage of white shirts we have heard about, which sounds preposterous?

**Mark Sedwill:** They are now required to publish information on all procurements above 10,000. That is right, isn't it John? Yes, 10,000. We are looking at the inspectorate, because that is where we can compare like with like. The inspectorate already do value for money profiles, when they look at estates, ICT, procurement of uniforms and so on. They are already publishing like-for-like information, which is probably the best way of getting a comparison.

The other question is how will the independent auditors assess value for money, and that partly comes down to the code of conduct and the way they publish their information. You probably want to dig into data a bit more, but one of the issues in the Report is that the lateness of supplying data to us makes it very difficult for anyone, even if you can penetrate the data, actually to make a judgment. Not coincidentally, I suspect, those forces that had not done the 2011–12 data published it shortly after the NAO Report came out. That is just a little signal that transparency and the power of embarrassment do have some force.

We are launching a consultation next week on the annual data requirement with the forces and PCCs on exactly what data requirements we should have, how we do it without imposing a whole load more red tape and then how we publish it in a voter-friendly, user-friendly way on the website, and make use of it in inspections either by the NAO if they are thematic or by the inspectorate, if they are into individual forces<sup>1</sup>.

**Stephen Rimmer:** I have a point on HMIC, because it is already part of that material, which is much more user-friendly. Their report last year on the financial resilience of forces included quite a powerful list—in my view—against a whole set of key data streams around cost, output and outcome, and about where each force fitted within that overall. Where were the good performers? Where were the poor ones? Where were the outliers? It is in a relatively straightforward two-page schematic. I raise that because next month HMIC will be doing their next annual assessment of financial resilience in forces, and they are currently working with us on how to present it in an even clearer and more compelling way in terms of the data available now. HMIC are very well aware of the

importance of presenting the assessment in as user friendly a fashion as possible.

**Q9 Nick Smith:** If I were an average voter listening to those two answers, I would still be pretty befuddled. You will have to work really hard at making that data much easier to understand.

I accept that the Prison Service have looked at uniforms and procurement, and cut their costs by 30% across the country. Did you ask them how they did it?

**Mark Sedwill:** That is one of the examples that led to this collaborative procurement, which is being led by the Met, for uniform services provision, not just for uniform. As I said, it is the provision of uniforms. It is to achieve exactly that. There can be some variations. You can imagine that there are different requirements for a policeman in a rural area and for a policeman in an inner-city area, but there need not be the number of variations that there are at the moment. The managed service run by the Met is predicted to produce a 15% cost reduction in cashable terms for the uniform and a reduction in police time in going backwards and forwards to collect replacement items of uniform. It is building on that kind of example.

**Q10 Meg Hillier:** I am the MP for the distinctly unaverage area of Shoreditch. We keep hearing about data dumping and the inability of the public to interrogate it. I do not know, Mr Rimmer, whether you would be willing to consider collaborating with some of the brightest technical minds in Shoreditch on a serious pilot about how data could be available, so that ordinary members of the public can simply search it with an app or good web tool. You can make it better, Mr Rimmer, but it is still quite difficult for the average person to look at. If you are interested in that, I would be keen to work with you.

**Stephen Rimmer:** We will follow that up with you.

**Meg Hillier:** It's a solution.

**Nick Smith:** Other suppliers are available.

**Meg Hillier:** They are small and medium-sized enterprises, I have to say.

**Q11 Mr Bacon:** Would you like people with ostrich feathers fanning you as you drive through her constituency?

**Mark Sedwill:** In that case, she has a deal.

**Q12 Mr Jackson:** What comes through from the Report is that there seems to be a tension in terms of a permissive regime. The centre is basically saying, "We know what we should do, but we don't really know how to force these people to do it." Paragraph 18 of the NAO Report, which is quite striking, specifically says that "it is unclear how the Department can enforce these legal directives, and this has not yet been tested".

The other aspect is record keeping. It seems a bit particular. Spikes Cavell have been looking at standardisation of user-friendly data in Government, which has certainly been driven forward by the Cabinet Office for at least three years. We are still in a position where for many people it is gobbledygook: they do not understand what it means. In a previous Parliament, we wanted that pushed forward in local

<sup>1</sup> Note by witness: Consultation on the annual data requirement is initially with police forces, we are considering whether and at what state to engage PCCs in this consultation.

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government, because we wanted to find out, for example, why people in positions of influence in Reigate and Banstead were buying green wheelie bins for £500, whereas in Surrey Heath they were buying them for £400. The voters could then say, “What’s happening here?” and make a value judgment. It seems to me that unless it is meaningful and demonstrably simple to your average person, including people responsible for procurement, it is a complete waste of time.

That is an observation for you to come back on, but my substantive point is this. First of all, have you looked at the experience in the fire service of Firebuy, which was a pretty calamitous disaster? It was one of many in the fire service under the last Government, but Firebuy in particular was a shambles. What lessons have you learned from that?

The second and final point is about the capacity of commissioners and their staff to do smart procurement. I worry that we have gone from the old boys’ network—the gin and tonic and golf club police authority members—to mates of mates who have been made assistant policing commissioners. I support the police and crime commissioners. My maiden speech was on having a sheriff in Peterborough. It is not that rough, but they would support sheriffs. Do they have the capacity to make these decisions? What about the time lag, and what lessons have you learned from Firebuy?

**Mark Sedwill:** There are a lot of procurement staff around, but as the Report illustrates, capacity is uneven. There are a couple of things that we are seeking to help them with. On the ICT side, through the police ICT company, which is not proceeding as fast as we want it to but which will get going properly later in the year, we seek to provide them with more of that capability, those commercial skills and so on, to drive value.

There is a lot to be achieved in collaboration. The fact is that too many forces have their own commercial teams. There is no particular reason why they should do so. When we look at collaboration generally, we think that further savings could be driven in forces. If you look back at the HMC report last summer about policing and austerity, it says that there is still a gap between their plans and the savings required, and we reckon that gap could be pretty much closed by collaboration. That does not mean merging forces.

**Q13 Chair:** But what can you do about it? It is another one. If they don’t do it, can you fine them?

**Mr Jackson:** What is your sanction? You used the word “embarrassment”. With the best will in the world, unless you have a financial sanction—unless you say to these people, “Produce the data, as others are doing, or we’ll cut your grant”—they won’t do anything.

**Mark Sedwill:** As I said, we are looking exactly at whether we can build more explicit incentives—I think that is the word I want to use, but you will understand the point—into the funding mechanism, but that is a policy question not yet determined.

Police and crime commissioners are not formally accountable to me, of course; they are formally

accountable to their electorates. That was an explicit decision of Parliament.

**Q14 Fiona Mactaggart:** One in 100 people in my constituency voted in that election.

**Mark Sedwill:** I know. I sometimes find myself in the position where I, as the official, am the one arguing in favour of democracy in a parliamentary Committee. They do have scrutiny by the police and crime panels, and there is a good example of this: London is a bit further ahead—I know that it is bigger and different—because the deputy mayor for policing and MOPAC have been in place for longer. They have fortnightly sessions in which the police and crime committee of the GLA do actually give the deputy mayor and the commissioner a hard time over exactly these issues: their reforms to the estates and how they are delivering efficiencies.

Part of it goes to your question, Mr Jackson, and the earlier questions about data. Our objective is to get to the point where, like with the police and crime maps, an individual citizen can make a judgment about whether their police force is essentially adopting best practice, in terms of value for money, against reasonable comparisons; small rural forces compared with each other, for example.

But, actually, the more powerful tool in most political life is to provide the data that the media can interrogate and political opponents can interrogate to use as a point of pressure on them. I think that the police and crime panels will become an important vehicle for that; in a sense, they will perform, at the local level, the function that this and other parliamentary Committees perform.

**Q15 Chair:** On Spikes Cavell, how much have you paid them?

**John Fernau:** The forces pay £25,000 a year—

**Q16 Chair:** Each force?

**John Fernau:** Each force does.

**Q17 Mr Bacon:** £25,000 a year?

**John Fernau:** Yes.

**Q18 Chair:** That is a lot of money. How on earth can they be so stupid as not to collect unit costs?

**Mark Sedwill:** They do collect costs.

**Q19 Chair:** Unit costs. You are paying—I do not know the arithmetic—

**Mr Bacon:** It is more or less £1,075,000.

**Q20 Chair:** Thank you. So, they are paying over £1 million and they do not even collect unit costs.

**Mark Sedwill:** There is a tension here between imposing more and more red tape on forces—

**Q21 Chair:** No, it is not red tape; this is basic—

**Mark Sedwill:** I agree. We will be talking—including to the NAO and others—about this annual data requirement which at the moment is collected by Spikes Cavell. They collect a lot of transaction and procurement data.

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**Q22 Chair:** What I am really suggesting to you is that you have a contract with some experts who are not clever enough or sensible enough or commonsensical enough to say, “Actually, it might be helpful to have unit costs.”

**Stephen Rimmer:** Just to add, HMIC are keen to push as far as possible on unit costs, but—

**Q23 Chair:** Yes, but how many years have you had Spikes Cavell there?

**Stephen Rimmer:** Three or four years. There is a real issue about—

**Louise Bladen:** Since 2007, so that is six years.

**Q24 Chair:** Since 2007. And they do not collect unit costs and they have not thought about recommending that to you?

**Mr Bacon:** And they have had £6 million.

**Stephen Rimmer:** There is a real issue about how much data, certainly from an HMIC perspective, you can accumulate, given the huge variation in forces<sup>2</sup>—

**Q25 Chair:** It might have been a discipline to make them collect the information in a comparable way.

**Stephen Rimmer:** The comparable basis that HMIC do provide, which is useful, which is not the same as unit cost, is on per head of the population. That gives you some measure which starts to get you into comparisons.

So, for example, the Met and the Mayor’s office for policing and crime have been very upfront in saying, “Our per head of population cost is something like £366. That is way over the average, which is something like £190. We are determined to drive costs down to that average level.” That is a big statement based on another way of looking at the data, which, clearly, they certainly feel has a substantial level of ambition.

**Q26 Chair:** I hear that, and that is good, but would you accept that if you are spending over £1 million on these guys to give you the data to enable you to get better value out of the money that you spend, it would be sensible, somewhere along the line, to have insisted on unit cost from them?

**Mark Sedwill:** Let me take that away. I do not know whether there is an angle to this that I am missing. It does sound sensible to me. Let me take it away.

**Q27 Mr Bacon:** What is Spikes Cavell’s professional discipline? They are analysts and consultants of some kind, but what do they call themselves?

**John Fernau:** They are a spend analytic company. They will analyse an organisation’s enterprise resource planning systems, or accounts payable, and categorise an organisation’s spending—

**Q28 Chair:** So they should have thought of that.

**Mark Sedwill:** I think that they also do this for the Government Procurement Service, not just for us.

**Mr Bacon:** So they are procurement consultants.

**John Fernau:** The Government Procurement Service uses a rival company called BravoSolution, and we are changing the police method to BravoSolution as well. That has the capability to track unit prices. It is just whether, within the red tape constraints, we can get that data.

**Q29 Mr Bacon:** In a way that Spikes Cavell does not?

**John Fernau:** Yes.

**Q30 Mr Bacon:** It amazes me that we buy all this stuff from a firm that really cannot give us what we need.

**Mark Sedwill:** One of the things, by the way, we are seeking to do with the procurement hub is to replace the need to collect data separately by essentially collecting it automatically. When police forces start using the hub effectively and procure through it, the data will be collected automatically as it would be by Amazon, eBay or other such hubs and as Proserve, which is the Government Procurement Service’s, does.

**Q31 Mr Jackson:** With the best will in the world, it is hardly real time, is it? You admit in the report that 37% of forces do not comply with the requirement to deliver data for 2011–12. You said to the Comptroller and Auditor General in the letter that, 13 months on from this data having been collected, they would be collated and presented. I suppose the question is: how is procurement under the auspices of the Home Office different from, say, collection of data on accident and emergency. We know that there has been an improvement in performance in accident and emergency recently, but it was very poor three months ago. If we are able to collect real-time information in a huge organisation like the NHS, why can we not collect a relatively small amount of information on police force procurement through the Home Office much quicker, if not in real time?

**Mark Sedwill:** Essentially, I agree that data return for 2011–12 was not acceptable. We now have them, but it is way too late. We hope both to have and to have analysed 2012–13 data by October, and to have a proper analysis by then. Through the consultation we are launching now of the data requirement, we want to try to put in a more effective but also streamlined data requirement that is more timely than in the past. I recognise that those are commitments rather than evidence, and one point about the report is that we will implement the recommendations. Obviously we haven’t yet, but we are making a start and some of the problems and gaps that we face have been identified. Part of the issue is that, unlike even the NHS—as you said, it is a massive organisation—policing is not a single organisation. It is 43 different organisations with very different cultures. The Met alone has 300 IT systems. There are hundreds of others elsewhere and many of them are not interoperable. It is not so much a federated system at the moment as a fragmented one, to use your word, Madam Chair.

<sup>2</sup> Note by witness: Payments to Spikes Cavell. The cost of Spikes Cavell’s surveys has been £470k in total for four surveys (2007, 2009, 2010–11 and 2011–12). Each of these surveys was commissioned centrally and the costs were paid for centrally, by the NPIA for the first three surveys and by the Home Office for 2011–12.

**Stephen Rimmer:** To add to that, one reason why we are confident about the October timing is that our relationship with the new players in the police landscape, particularly the chief executive and finance officer, is now well established in a way that, frankly, last year as the police authorities wound themselves out of existence, was not there. I am not making excuses about the past, but we have much more assurance that we have a level of understanding with the new governance arrangements that will deliver that data in a much more timely fashion.

**Q32 Mr Jackson:** Will you write to us about the comparison with Firebuy if you feel that—

**Mark Sedwill:** Sorry, I missed that. Yes, certainly.

**Louise Bladen:** To clarify, we have a figure in our report comparing this particular arrangement with that.

**Mark Sedwill:** When I was here for the first time in this job, you were talking about mobile technology in policing, and the BlackBerrys that were bought for everyone. We are deeply wary of any centrally driven procurement of that kind that does not have with it the business change component to deliver the benefits, because you do not deliver the benefits just by buying stuff.

**Q33 Mr Bacon:** So having a line in a speech at a party conference, for example, would not be enough to authorise expenditure—you would want a business case as well.

**Mark Sedwill:** Indeed.

**Mr Bacon:** That is very reassuring. What could possibly go wrong?

**Mark Sedwill:** But not only that, Mr Bacon; I am insisting that business cases are much more rigorous on this question. I looked recently, for example, at the Airwave business case, which came to my door, and that is a very big contract—£0.25 billion—

**Mr Bacon:** A quarter of a billion? I thought it was £2.9 million—

**Mark Sedwill:** A year.

**Q34 Chair:** In preparing for today, I came across a 2011–12 central purchase for rubber bullets. Does that ring a bell with you?

**Mark Sedwill:** Fortunately not, I suspect.

**Q35 Chair:** Does it ring a bell with you? Half a million pounds on rubber bullets bought centrally that turned out not to pass UK safety standards. The theory is that it makes sense to buy something, but the practice is that if you do not have the skills and competencies there, you will simply waste megabucks, instead of bucks.

**Mark Sedwill:** Exactly. I think, Chair, that there is an important thought there, which is that completely centrally driven procurements run exactly that risk. This Committee spends so much time looking at where procurement in other areas has gone wrong and wasted megabucks. We are in the reverse situation: too much of the procurement is too fragmented and we are not getting any economies of scale. There is something about a critical mass that does not overdo the economies of scale argument and so end up with

monopoly-type behaviour, which is where you can end up with this kind of problem. That is what we are wrestling with in this complex landscape.

**Q36 Stephen Barclay:** Can you clarify what percentage of items will be purchased through the hub?

**Mark Sedwill:** At the moment, it is only 2% of non-ICT items. That is behind where we want it to be. The objective is to get to 80% by the end of the Parliament. I recognise that that is quite a step up. The hub is well proven technology that is used elsewhere, so it is not a big IT programme.

**Q37 Stephen Barclay:** What are we expecting in 12 months' time? It is always more reassuring to have an interim milestone.

**Mark Sedwill:** It is. I am sorry that I cannot give you the answer today, but one of the pieces of work that I have commissioned is that by the end of the summer I want a programme with milestones and a trajectory that I am confident in, because I am not yet confident that I have that.

**Q38 Stephen Barclay:** Can we have a note when that is there?

**Mark Sedwill:** Yes, for sure.

**Q39 Stephen Barclay:** Can we just have some reassurance that there will not be a huge spike in the final few months before 2015 in terms of that?

**Mark Sedwill:** Yes.

**Q40 Stephen Barclay:** So the objective is 80%. Can you clarify that the other 20% will be purchased locally?

**Mark Sedwill:** Even quite a lot of local purchase could go through the hub, but the hub is not suitable for every single purchase.

**Q41 Stephen Barclay:** On that, will you be collecting data as a separate process?

**Mark Sedwill:** Yes. The hub should automatically collect data on what goes through it and, through the Bravo data collection, we should have data on the whole thing.

**Q42 Stephen Barclay:** For the 20% not purchased through the hub, is there not a risk that we will have the same 37% lack of compliance?

**John Fernau:** The secondary purpose of using Bravo as well as the procurement hub is that you have the complete view of all spend. You know exactly what is compliant and what is not compliant. Following our approach—nudge therapy or name and shame—you can identify what is not compliant.

**Mark Sedwill:** Mr Barclay, that is one of the reasons why I wrote personally to all the PCC chief executives. It was the same kind of letter that I would write to a sub-accounting officer, although they are not sub-accounting officers, to remind them that it is an obligation. As I mentioned in answer to the Chair's first question, we would aim in that dialogue between the Home Office and the PCC chief executives to

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remind them—if necessary, publicly—that they need to comply.

**Q43 Stephen Barclay:** I may have missed this, but have you published which chief constables have been very good and complied and which have failed?

**Mark Sedwill:** We did not do that this time.

**Q44 Stephen Barclay:** Would you be willing to publish that?

**Mark Sedwill:** Let me take it away. I would like to think about doing so in future as a sanction.

**Q45 Stephen Barclay:** Why not now? We do not have it in the funding formula and the Government are committed to open government. I suspect there is no personal incentive in terms of a bonus for compliance. Why do we not reward the ones that have complied and publish their names so that we can praise them? It brings an interesting aspect to the conversation for the MPs of the police forces that tell us about the difficulties they face but do not comply.

**Mark Sedwill:** Let me take it away. I would need to check that Ministers are content with that, but I entirely take the point.

**Q46 Chair:** Will you write to us on that in the next week, so that we have it in time for the report?

**Mark Sedwill:** Yes, of course.

**Q47 Stephen Barclay:** Finally, I do not want to get fixated on the issue of a white shirt, but it is an easy example. What is success on that issue and when will we have it?

**Mark Sedwill:** Success is forces all buying all their uniform from this collaborative programme; that being supplied to individual officers either at their place of work or at home, rather than them having to go down to the kit store; and, whether it is one or a few different white shirts or other pieces of uniform, that being a genuinely best value for money, best price procurement.

**Q48 Chair:** And the saving?

**Stephen Barclay:** Is it that the white shirts, of which there will be various ones with different pockets and so on, are coming from one supplier?

**Mark Sedwill:** It is off one framework, but not necessarily from one supplier.

**Stephen Rimmer:** And the timing for that should be 2014.

**Q49 Stephen Barclay:** When in 2014?

**Stephen Rimmer:** We have not got a fixed month for it.

**Q50 Mr Bacon:** It is amazing. I remember Charles Clarke, when he was Home Secretary, which was a little while ago, talking about white shirts. You know how the Government infrastructure service works now: instead of doing big IT projects, they get a little group of people, send them away and say, “You have got 12 weeks to figure this out.” I reckon that in 12 weeks you can figure out the perfect white shirt. You would have pockets here, pockets there and pockets in

the middle of the back—pockets wherever you wanted them. You could make everyone happy and then come away and say, “That is the one.” Why, in seven or eight years, have we not done that?

**Mark Sedwill:** Because chief constables are the ones who get to choose the white shirt.

**Mr Bacon:** It is very obvious. We have had this issue with the Norfolk chief constable. He said that Suffolk wasn’t in the slightest bit interested in talking about collaboration on uniforms. I remember that conversation; it was about five years ago. The chief constable has sadly just left—to run your new crime agency, actually. He is a very good man and I am sorry that he is leaving. He said to us recently that Suffolk is now much more willing to talk about it. Why? Because you guys are doing this with the budget. That is what makes the difference.

**Q51 Stephen Barclay:** Which brings me to the final point I wanted to raise. When will the decision be taken on incentives going into the funding formula?

**Mark Sedwill:** That’s really down to Ministers. We have committed to a review, and it would not be right for me to commit to when they want to take the decision or announce it to Parliament. What is the timing on the review, Stephen?

**Stephen Rimmer:** We are currently conducting a review during the course of this year, but Ministers will then—

**Q52 Chair:** This calendar year? This financial year?

**Stephen Rimmer:** This calendar year. However, we think that Ministers will be unlikely to take any longer term decisions about the overall funding formula at this stage.

**Q53 Stephen Barclay:** But will it not be for the 2015–16 spending review? I would have thought that that would be the logical time to take a decision.

**Stephen Rimmer:** That is for Ministers really.

**Chair:** It could be 2014–15, actually.

**Q54 Stephen Barclay:** To me, that is the crux of this debate. We can have frameworks and we can have hubs, but where you have a big framework, there is always a worry that it favours the big suppliers and the innovators cannot come in. Once people get on to the framework, they are less cost effective. We are seeing that at the moment with IT in schools, which is not working as it should. The whole crux of this is what levers you have on the behaviour of chief execs. That is either their individual, personal bonuses, or it is the funding that their forces get.

My frustration is that at the moment I do not get a sense that we are rewarding those who are successful, and we are therefore not incentivising the behaviours. That is why it was not a flippant point about publishing the names; it is not just about being critical of those who have not, but about praising those who have. I do not think that we are celebrating those who are changing, and human behaviour is such that often, therefore, people will not change. To me, unless we are going to have personal bonuses for successful chief execs, which is unlikely, the key to this is the funding formula. Frankly, we could have this debate

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in 12 months' time and be in exactly the same position.

**Mark Sedwill:** There is one other point. I agree with much of what you say, Mr Barclay. Of course, chief execs do not work for us; they work for the police and crime commissioners, and they would determine whether or not they get a bonus.

**Q55 Stephen Barclay:** Yes, but you determine their money.

**Mark Sedwill:** The police and crime commissioners are accountable to the electorate. I do not think that we should underestimate the degree to which public scrutiny, transparency and the media are points of pressure here as well. However, as I said at the beginning, the funding mechanism—the sheer fiscal pressure that they are under anyway, just in order to be able to maintain policing—is having a significant effect, and there is the possibility of—

**Q56 Stephen Barclay:** What if there was a recommendation from this Committee, for example, if colleagues were minded? I suspect that perhaps they are. From listening to your evidence, Mr Sedwill, I get a sense that there is an openness to this as a recommendation. In what way can the Committee support greater urgency in driving this forward? I accept that it is a ministerial decision, but I think that Parliament and the PAC giving a view can have an influence. Perhaps you could talk through in what way a recommendation could support us achieving that.

**Mark Sedwill:** Your recommendations are for you. The issue with funding is that it is politically very delicate, not only at national but at local level. I think we discussed this in response to a question from you last time. Even though the formula would have varied funding to forces under the current system quite substantially, Ministers decided to apply a dampener to the degree that every force essentially took the same percentage hit. That was because there was so much change going on with the advent of police and crime commissioners and with the fiscal squeeze. They felt that it was necessary to do that.

That was an operational and a political judgment. It is important to keep in mind that sort of fact as well. Ministers have already essentially had the option to make some quite significant shifts in funding just on the old demand-led basis, and have chosen for good reasons to damp it and maintain cross-cutting. I would urge the Committee to be sensitive to that side as well as the incentive side.

**Q57 Chair:** We will come back to that. I was going to bring in Amyas and then a queue of people. Before we leave the shirts, what is the saving?

**Mark Sedwill:** It was £15 million if I remember. Let me have a look.

**Chair:** On shirts.

**Mark Sedwill:** Oh, on shirts. That was on uniforms. It was £15 million on uniforms.

**Q58 Chair:** Which is what: 20%, 30%? What is it?

**Mark Sedwill:** Apologies. It was not £15 million. It was 15% cost reduction. Uniform spend is about—

**Louise Bladen:** £8 million on uniform. If you saved what the Prison Service saved, which was 30%, we thought that would be about £2.6 million on uniform.

**Q59 Chair:** So, at the moment you are only putting forward a scheme that saves half what the NAO thinks you could save.

**Mark Sedwill:** Well, we think the managed service is going to achieve that 15%. The NAO is drawing a benchmark with the Prison Service and saying if we were able to do as well it would be 30%. The Prison Service is a unified service in a different world. The NAO might want to comment.

**Q60 Chair:** Do you want to comment? You are actually saying uniforms, aren't you?

**Louise Bladen:** Across uniforms in the whole of the Prison Service it is standardised, yes.

**Q61 Chair:** I think we are saying to you, "Go away and think. Be more ambitious."

**Amyas Morse:** I have just a couple of quick points. Let us not lose sight of the fact that almost 50% of the expenditure by the police forces is property-related. You really can't lose sight of that. It is great talking about saving on uniforms and stuff but we have got to go after the big bucks as well, haven't we? I am sure you have that in mind.

This is the other thing. I appreciate the difficulty and I thank you for welcoming our Report and recommendations. It might help to supplement that with some expression of being prepared to approach this with a rigorous attitude. I think it has been a very reasonable debate so far. I think it could do with being a little bit more demanding and driving in tone from the Department, frankly. If you were willing to deploy that you might get further with it. While waiting no doubt for Ministers to have their say, you might achieve quite a lot of incremental effect just by pushing people a bit harder.

**Mark Sedwill:** I entirely take that point. We are doing so. We have already seen all the PCCs, all the chiefs and all the PCC chief executives just in the past few weeks. I think that is the first time that has happened. This topic was at the heart of those discussions. Quite a lot of what I hope we can do is drive this, frankly, in private, and allow them to take the public credit for it. They will be the ones making the hard choices and they should do so, but I entirely take the point.

**Q62 Nick Smith:** I was just looking at figure 2 and the notable sub-categories of spending. The chunkiest bits of spend are on property management and building: together that is over £150 million a year. In Blaenau Gwent we have got a pretty good police service, although the police and crime commissioner has sacked the chief constable there today, which is very sad. Nevertheless, in recent years they have shut quite a number of local police stations. Because this is a chunky item, how confident are you that you are going to be getting good value for money about management of buildings and estates? I think there are lots of properties out there that could be quite costly if they are not dealt with sooner rather than later.

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**Mark Sedwill:** Quite a lot of police and crime commissioners have this as part of their efficiency plans. London is the example I am most familiar with, but I am sure there are others and I am happy for us to provide more detail if we can get it. In London, one of the three big components of their efficiency programme is a programme that they have referred to as “Bobbies, not buildings”. That is designed to try to reduce the number of buildings they have in London from 500 to 300, and to take about a third out of the space that they occupy. I am sorry, I cannot remember the exact figure for the area, but we will give it to you. In London, in particular, property is a very valuable commodity.

Some other forces are doing some quite innovative things here. Instead of having a police station that people go to, for example, they have something that is almost the modern version of the TARDIS police box, namely police points within other places such as shopping centres and so on. I think most of them would recognise this is a way of driving savings without having to cut front-line police services.

**Stephen Rimmer:** Just to add, I think it is one of the striking areas. There are a number of police and crime commissioners coming in who have looked not only at the police station end but at the headquarters end and said, “This is not a particularly efficient way of operating.” Some have cancelled projects that they were asked to sign off because they did not believe they were value for money. Some, such as Humberside and Northamptonshire, are looking at a shared headquarters facility with the fire service, for instance. There is a range of perspectives with different capabilities from the PCCs, but some of them, in our view, seem to be particularly focused on a much more rigorous approach to estate management than police authorities in the past might have taken.

**Q63 Nick Smith:** I get what you are saying about policing being delivered in different ways, public sector hubs and so on. All that is terrific, but you have not really got a very good answer about what you are doing about downsizing a lot of estates costing a lot of money across the country.

**Mark Sedwill:** It goes back to the fundamental point, which is that it is for them to decide to do this, not us. They have savings targets—

**Q64 Chair:** But you are the accounting officer, Mr Sedwill.

**Mark Sedwill:** I know that.

**Chair:** We keep reminding you that you have to account to us and, through us, to the public for whether or not there is value out of the money that is given to the police.

**Mark Sedwill:** I accept that, and I know we have talked about it, but as you know, I have to operate as accounting officer within the powers that Parliament has granted. Police and crime commissioners are grant funded—

**Q65 Chair:** Which is why you need to use your powers.

**Mark Sedwill:** But quite a lot of those levers, as I set out at the beginning, are levers rather than formal powers.

**Q66 Stephen Barclay:** But it is using them. For example, we, as Members of Parliament, are levers. Our chief constables will come and tell us how tough times are, and they are, but it is useful in those conversations for us to say, “But why aren’t you maximising your savings in this area that the Home Office have told us.” At the moment, you don’t tell us—we don’t have that information—and therefore that is just one of a number of levers that is not being used.

**Mark Sedwill:** I accept that, but I think that goes back to this point about transparency as a lever and making sure that we have the data, so that if you have that conversation with the chief constable—with my local chief constable, say, in Avon and Somerset, I would be able to look at the HMIC data, compare Avon and Somerset with other small rural forces and say, “On this, this and this you are doing pretty well, but on these areas you seem to be more costly than other forces. Why is that?” Those data already exist, although they are not that accessible at the moment. The information is provided, it is entirely open and it is all on the HMIC website, but at the moment you have to go and interrogate it. We want to get to a position where it is easily accessible and there in front of you.

**Q67 Nick Smith:** On estates management, can you let us have the most recent document on what you are asking police forces across the country to do with this huge downsizing that is taking place?

**Mark Sedwill:** I can write to you if you like. Just to be clear, we are not specifically giving police forces a target or a strategy on estates management. Ministers are very clear that we have done away with targetry on police outcomes, and they do not want us to reimpose targetry on the back office. I gave you the example of the Met. They have a savings target of about £0.5 billion, and they have identified that reducing their estate is an important component of achieving that target. But it is for them to make that judgment.

**Q68 Chair:** How many chief executives earn over £100,000?

**Stephen Barclay:** Do all of them?

**Chair:** The chief execs, not the commissioners. I think it is more than—

**Mark Sedwill:** We can get it for you.

**Q69 Chair:** There is a lot of money going out on this. The Suffolk chief exec is on nearly £103,000, and I think there are probably six or seven on £100,000. It would be interesting to know how many are on more than £80,000. Probably most of them are over £80,000. They earn a lot of money, not for having the most enormous set of responsibilities, and not yet delivering the savings in this back office way that everybody wants.

**Stephen Rimmer:** Can I put that in context? The overall costs of PCCs and their offices—the Home

Affairs Committee referred to this recently—is calculated to be about 0.6% of police spend costs.

**Q70 Chair:** How much is it in cash?

**Stephen Rimmer:** I can't give you the cash figure off hand.

**Q71 Chair:** We are looking here for a £200 million saving. I bet that the costs, not of the PCCs themselves, but of their extensive offices—Suffolk is one, and Greater Manchester is ridiculous, with 45 people—way outweigh the savings that you are hoping to get from the back office.

**Mark Sedwill:** There is perhaps one thing I should say in defence of the 43 police forces. They have made very significant savings over the spending round period already.

**Q72 Chair:** We don't know, because they are gross, not net. We can all make a gross saving by saying, "I have stopped my one flight to the States," but the net saving—

**Mark Sedwill:** I don't mean individual PCCs' expenses; I mean the forces as a whole. The overall saving that has been imposed has been very substantial. HMIC looked at it last year when they did "Policing in austerity", and they concluded that forces had managed to maintain the policing impact while reducing very substantially the police cost. For the record, it is worth noting the success that forces have had. That, of course, was before PCCs came in with their own value for money aspect.

**Q73 Mr Bacon:** It does prompt the question that if they were able to reduce the impact, what was going on for the previous 10, 20 or 30 years? If what you have just described is a success, what was it before?

**Stephen Rimmer:** The point that I was going to make was that 0.6% compares with 0.75% of police spend costs for police authorities. In a declining budget, PCCs are spending less at the moment on their overheads than their predecessor bodies. That is, from our point of view, an encouraging trend towards focusing more on front-line delivery.

**Q74 Chair:** We are coming back to this, aren't we?

**Mark Sedwill:** I want to pick up that point. They are having to make some quite uncomfortable choices. You mentioned earlier that a few years ago Norfolk and Suffolk had the luxury of collaborating if they felt like it. They don't any more. They know that they really do have to collaborate. Those two forces, although they retain separate chiefs and separate PCCs, are in effect merging a huge amount of their service. It is not just their back-office operations, but their front-line operations. We are seeing that kind of collaboration elsewhere, and I hope that we will see more of it. I know, Madam Chair, that we have spoken separately about this, and it is an area that the Committee might want to come back to in due course.

**Stephen Barclay:** I thought it was just 25 forces that are collaborating.

**Q75 Meg Hillier:** Can I just pick that up, and go back to property? It is not just about property sales, is it? Surely it is about the value for money of the service. One of the criticisms I have of the police is that you phone up and get bad service because the front desk reception is bad. Are there any drivers that you are using from the Home Office through HMIC or whatever to say that if you are going to get rid of premises, it is not just about the money, but about improving the service? The premises are the least of it in some ways, at least in terms of money. What drivers are you using to provide an incentive to improve service as well?

**Mark Sedwill:** There are two. We have not yet mentioned the College of Policing, which is a very important development in policing. They do look at front-line operational services. You will have seen recently that there was the question of transparency during arrest. They look at tricky policy issues like that, but they also look at best practice in delivery and best practice in back-office and mid-office services. The inspectorate will inspect against all those things. We are seeing some collaboration between forces on call centres and other services of that kind, including with other public sector bodies.

The Committee has rightly identified that the overall fiscal pressure, however we tweak the incentives within it, is driving forces to collaborate and to streamline.

**Q76 Meg Hillier:** But my point is that they can sell properties and save money, and they can streamline and make things better, but if they are providing a rubbish service on the telephone or at the front desk to begin with, all those cuts could be an excuse for continuing that rubbish service and not actually driving a more effective service for the public. So you walk into a police station now—most of us would probably find this, dare I hazard—as an MP, and you ring up from your mobile the chief constable or borough commander's office because you have to queue up behind so many people in reception that it would take you half an hour. That is not just in my borough, but quite common. What is the driver to ensure that that sort of silly thing is not happening and that, as a part of the savings, the capital and other things, you are driving a better quality of service?

**Stephen Rimmer:** Going back to the developing way of probing value for money across each force, one of the things that HMIC already does against cost and work force data is that it maps that against user satisfaction as one of its key outcomes. Already described is a series of outliers, which, to go back to Mr Barclay's point, enables MPs and others to ask the question of their force and PCC, "Why are you an outlier on user satisfaction even though you seem to be reducing your estates cost quite significantly? What is the problem there?"

**Q77 Meg Hillier:** I think that that is only part of the answer, because for a lot of people, with customer service, there are lots of issues and you are not going to get most of the people most of the time. Can we move on to IT procurement? That is quite key to the data. We will not go back over the

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embarrassment of the BlackBerrys. If an officer is carrying a PDA, and that is then plugged into the right sort of system locally in the force, that can presumably provide you, if the architecture is right, with real-time information about procurement and usage, depending on what you are interrogating the system for. Is there any central work being done on that, to make the IT systems much smarter for data collection?

**Mark Sedwill:** We may need to come back to you if this does not answer the question. The primary purpose of those IT systems—the Airwave replacement of the police radio—is transformational. I remember that Mr Barclay asked me about IT systems and the transformational impact last time. It is to enable police officers to do their job without going back to the station to upload data. I do not know that we have procurement data from that, but we would be able to make a judgment, for example, about the saving of police time. Policemen themselves are not involved in procurement, so I think we are talking about a different dataset.

**Q78 Meg Hillier:** In police HQ though, there will be those data—the sort of stuff that the Chair was showing us. At the moment, you are not very comprehensive, but in time, with the right tweaks, could that be something that could provide you with real-time information, so that you can jump on people—chief constables or PCC—pretty quickly?

**Mark Sedwill:** I genuinely do not think that it will be real-time in that way, because procurement and contracts do not generally operate that way. I take your point; clearly, over data generally, not only do we need comprehensive and comparable data, they need to be timelier than they were in the past. I think we have covered that topic, and I entirely accept that point. That is exactly what we are seeking to achieve. Each of the forces essentially operates different business processes at the moment, which is why many of them are finding the transition to use central frameworks like the hub quite challenging—it just does not fit with the way they do things so far. So we have a long way to travel until you reach the point at which we would be confident that we were getting real-time purchasing and procurement information that would enable us to follow up in the way that you wish. But I think we will have it for the bigger sums of money, and we will be able to make those judgments through the data we get. In particular, do not underestimate the impact of HMIC inspections on the police; they do take them very seriously. If you talk to a policeman or a chief officer about HMIC, when HMIC come in and take a look at their force's overall performance, that is a serious part of their year.

**Meg Hillier:** We will quiz you more on that when we come to it. On other big kit, in my previous incarnation as a Minister, I once temporarily became an expert on helicopter procurement. Has anything improved since the basket-case scenario that I uncovered by accident because I had to answer questions about it?

**Mark Sedwill:** Yes. There is now a national air support contract, which, again, is not run by the Home Office; it is run by West Yorkshire. It is designed to

provide, essentially, a national air support service, because that is one of the areas where obviously logistics mean it makes sense for forces to be able to share. They can share over long distances because of the nature of it. So there you have a collaborative programme.

**Q79 Meg Hillier:** Does it save money?

**Mark Sedwill:** Yes, it does. I can't remember how much.

**Q80 Meg Hillier:** Can you let us know? There is a little case study in that.

**Stephen Rimmer:** It is early days. Not all forces are yet into the new framework, but it was not mandated.

**Q81 Chair:** So they haven't bought in?

**Stephen Rimmer:** No, there is a roll-out process. Wiltshire, for example, has specific problems with its current aircraft provision that will mean that it will take longer than most of the other forces to get into line.

**Q82 Meg Hillier:** Does any chief constable still have a fixed-wing aircraft that we know of, and if so, why?

**Stephen Rimmer:** No, I don't think so.

**Q83 Meg Hillier:** It would be good if you could confirm that that has also been scotched, as it was rather a vanity project.

**Mark Sedwill:** We shall say no, but we will write back to you if we are wrong. Not that we are aware of.

**Meg Hillier:** Finally, are you doing any collaborative procurement with the MOD on helicopters? Obviously you are not going to have the same kit as them.

**Chair:** Do you think that is a good idea, Meg?

**Q84 Meg Hillier:** Well, maybe. If the Home Office has begun to get it right, maybe the MOD can learn from them. They are the two bits of Government—maybe there are others—that are buying helicopters.

**Mark Sedwill:** I don't know that we are buying a lot of new helicopters: this is about providing a service that is mostly already there. Clearly, collaborative procurement is a big issue across Government generally. I think you have had Bill Crothers and Stephen Barclay—sorry, apologies; I wish—Stephen Kelly before you on that. As you know, collaborative procurement is a big issue for Government generally. We are very much up for any area that we can pursue with it.

**Q85 Justin Tomlinson:** I want to focus on encouraging economies of scale through buying. With the monetary frameworks, the Report says that 11 forces, or 25%, said that they had actually incurred additional costs. On page 34, the Report talks about how we slip down to 43% of the forces using the hub, and we are not getting the savings. This is what I cannot understand: to me, the potential is fantastic, because you have economies of scale, but there is always some local knowledge, as Stephen Barclay said, so why don't we have a system whereby the hub

has the best known price, negotiated through economies of scale, and you have to check that, and check that your purchase is at least cheaper? If it is, then go and buy local—and, by the way, let the hub know so that we can let others know. If you do it that way, you will always be driving savings.

It is a bit like when you do the competitive tendering and you have to go out for three bids: you have to check against the hub, and if you get it lower, then, great, let us know and we will share that with everybody else, rather than forcing some who have expertise to end up paying for something that is far more expensive because it is one of the big buyers, who are competitive on a few products but then skin you at the other end.

**Mark Sedwill:** I think you have just described exactly what we want to achieve with the hub. That is exactly what we want to achieve. The hub is a marketplace. It would have the best available prices, and it would have a range of different options, as these online marketplaces do, and forces would purchase through it. That would include when they wanted to purchase something that was not already there; so a supplier could get itself put on the hub and if that supplier were able to provide the piece of kit or whatever it was—the commodity—at a better price and on better terms than alternatives, forces would opt for that. There is a question, which is something we need to examine, about how the independent auditors look at the value-for-money question as they do the audit reports of forces: should they, for example, note—at least by exception—when forces or PCCs have not chosen what appears to be the best value-for-money option? That is a question for the way the independent auditors are asked to address VFM. But once the hub is running, you have described exactly what we want to achieve.

**Q86 Justin Tomlinson:** How long until that is up and running in that format?

**Mark Sedwill:** Our aim is to have it able to do it across 80% of procurement by the end of the Parliament.

**Q87 Fiona Mactaggart:** The Report talks about the extent of collaboration between police forces in procurement. It seems to imply that where collaboration exists it gets a better deal, but there must be costs to collaboration. Would you deal with this issue? One of the problems we have is the enormous differentials in the size of police forces.

**Mark Sedwill:** You are right, there are transitional costs. One of the reasons that the hub has not moved forward as quickly as we would like is that the forces have had to make, in some cases, bigger changes to their commercial and other processes, including staffing and so on, in order to be able to use it. The same is true of collaboration. We have done some quite high level analysis of last year's HMIC value for money profiles, and it is clear, even with the transitional, or transactional, costs of moving from one system to another, there are substantial savings to be driven through collaboration.

There can be collaboration with the best provider in a region. That might not be the biggest force, of course. One has to be careful, because scaling up can have transaction costs. Even if the biggest force in a particular region were to provide shared services across a whole load of back-office services for other forces, overall there would be significant savings in that. The numbers are difficult to tie down, but we are going to try and do a more detailed piece of analysis on that when we get this year's HMIC data.

**Stephen Rimmer:** It is undoubtedly the case, and we think HMIC will reinforce this even more strongly this year, that the extent to which each force, in terms of its overall business model, is pursuing collaborative options is about as varied as you could imagine across the country. From an HMIC point of view, and from a ministerial and departmental point of view, there is no logic to that, so there is still a lot more to be done to push those who are still in the 5% to 10% looking at their business in collaborative terms as opposed to those who are already collaborating. In some cases, such as Kent and Essex, major operational chunks of their respective business are completely merged.

**Q88 Fiona Mactaggart:** There is a reason why we are going on about uniform rather more than you would expect in relation to the amount of expenditure on uniform, and that is because we cannot see any reason why it is different between different forces. There is a clear potential to do a very direct comparison. One of the things that you said, Mr Sedwill—I am sorry I snorted when you said it—was that the mechanism for accountability is the police and crime commissioner. That is a political accountability, but the whole point about political accountability is that people need information that they understand. It is relatively difficult to do that on, say, interpretation services, because the amount of interpretation you are going to need just inside the Thames Valley in Slough, compared with Newbury, is hugely different and it is not going to click, whereas everyone knows that if the cheapest jacket costs £20 and the most expensive costs £80, so we are paying £60 extra to put jackets on each police officer, that is something people really do understand and can hold people to account for.

I don't get why you could not just publish something that says this is how much it costs to fit a police officer in each force. Why can't we have a league table? I have always been in favour of league tables; I do not have a problem with them. Can we have a league table?

**Mark Sedwill:** If you look at the inspectorate reports of value for money, I realise they do not give you concrete examples—

**Q89 Fiona Mactaggart:** They are comparators with like police forces, and you see tubes going up and it tells me that Thames Valley has property more expensive than others—well, that is not very surprising.

**Stephen Rimmer:** There is a more fundamental point about uniform, which is why it is such an interesting example, looking at it from the police culture

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perspective. I am sorry to say this, but it is true. The reason why it has taken so long to get to the point that the permanent secretary has described, with proper Met-led national machinery to drive it, is because, for example, there is no agreement among chiefs as to whether the “right uniform” is even a white shirt.

**Q90 Fiona Mactaggart:** I understand that, Mr Rimmer. We are trying to help you by adding to pressure on the chiefs by saying, “Actually, our voters, and the people who will occasionally vote for a police and crime commissioner if they feel like it, don’t care about the details of the white shirt. They actually care that their taxes are well spent.” They really do care about that.

**Stephen Rimmer:** That, in a sense, is exactly the point—

**Q91 Chair:** Why don’t you say yes?

**Mr Bacon:** Because it is not a policy matter; it is an information matter. It is just being open with us.

**Chair:** High-visibility jackets, likewise. You could save 25% according to the Report if you bought the five standard issues.

**Fiona Mactaggart:** Let’s just have a league table.

**Chair:** Twenty five per cent.

**Mr Bacon:** High-visibility information.

**Stephen Rimmer:** The point generally about league tables—

**Chair:** Transparency. We love it.

**Stephen Rimmer:** As the Committee will know, our Ministers will be wary if that looks like it is saying there is a required type of uniform, in this case, or a required type of—

**Q92 Fiona Mactaggart:** I am not suggesting that. I am just asking how much it costs to put a police constable on the street in high-visibility uniform in Thames Valley, which is a good example of urban and rural, and how much it costs in Norfolk. I think it would be nice, interesting information for the voter to have. The fact that we choose not to tell the voters is a bit bad, isn’t it?

**Mr Bacon:** The way you phrased that was interesting: if it “looks like” saying there should be one kind of uniform. It is, from Ms Mactaggart’s point, specifically saying nothing, so it should look like nothing other than the information being available so that people can see. That is all.

**Chair:** The cost of uniforms, the cost of high-visibility jackets and so on.

**Fiona Mactaggart:** Outfitting one police officer is what you need to do it in. The problem with the HMIC stuff is that it is, “This is how much Thames Valley spends on—” I then have to compare it with other things, and it doesn’t work. I want a unit that everybody understands and everyone to know what a police constable is as a unit.

**Mark Sedwill:** Let me try to say almost yes, if I may. I am always very wary of making up policy in a Committee just in case—

**Chair:** It is not policy.

**Fiona Mactaggart:** It is not policy; it’s information.

**Mark Sedwill:** These things always have unintended consequences. In terms of our relationships with the

chief constables etc., we are committed to producing this information on value for money and getting it into a voter-friendly fashion. I am very happy to commit to the Committee that we will look at whether there are some really good concrete examples that we can use to bring that alive. We have to be careful, however, that we do not skew people into focusing on what is a concrete and visible example like uniform, which is actually a relatively small amount of money, versus, for example, really cracking into the estate as Mr Smith suggests. We just have to think about that.

**Q93 Fiona Mactaggart:** Yes, but property costs in Blaenau Gwent and Thames Valley are rather different.

**Mark Sedwill:** I know, but I entirely accept the point. The bringing alive of voter-friendly information with some real-life examples is something we should explore.

**Q94 Stephen Barclay:** On that, Mr Sedwill, you might like to have a chat with Sir Bruce Keogh, because we had a 10-year battle to get individual data on surgeons and finally they are moving on that. You just have an explanation. If you are the outlier but there is an explanation—if your patients are riskier—if the kit is more expensive in one region, you have that explanation. There is cross-departmental working there perhaps.

**Mark Sedwill:** I remember, by the way, military uniforms. We went through this with military uniforms 15 years ago. You may remember this, Mr Bacon. There were 40-something different woolly pulleys that the military owned and all sorts of reasons were given, such as regimental pride, why one shade of khaki or another—

**Stephen Barclay:** We have had it with surgical gloves.

**Mark Sedwill:** There are big institutional and cultural issues here that one has to recognise.

**Chair:** Cannulas was another.

**Q95 Fiona Mactaggart:** Publish the information and then see what the institutional and cultural response is.

**Mark Sedwill:** I think the answer, by the way, is that the national procurement framework will go a long way to solving that problem.

**Q96 Guto Bebb:** I apologise for being slightly late coming in and I seek some clarification here. I think I heard right that at the moment 2% of spending is going through the hub. You hope within two years to get that up to 80%. What is striking from my point of view is that only 43% of forces are currently utilising the hub. I think you mentioned the fact that they found it challenging. Is it challenging because of the current interface, or because they do not have the resources? It sounds very odd that some of the problems highlighted in the Report could be so easily dealt with by the hub. I know we have talked about this a lot, but what are the challenges? Why have you taken no action against the fact that the original aim was to have 100% of forces utilising the hub by June last year? When you say that we are going to go from 2%

to 80% and yet I see no stick, I am slightly concerned that we will not hit that target.

**Mark Sedwill:** To be frank, some of this is cultural. I cannot remember whether it was the Report or a recent press report that contained the comment that “the hub does not fit with our business processes.” I thought that that was a very interesting little cultural insight into the way that some police forces still think of this. That is of course the wrong way around. If you think about it as individuals, we have all changed our individual business processes to buy from Amazon, eBay or John Lewis online. We shop differently as a result. There is still some cultural resistance in some forces, and we have to overcome that.

Others have had genuine issues with changing the way they procure and monitor their expenditure—legitimate business processes. We have provided each of them with £25,000 in order to get through that transition. We may have to look at helping them a bit more.

Some of the problems are genuine, but some of it is that usual resistance to change.

**Q97 Guto Bebb:** Several forces are actually reported as saying that they do not have sufficient procurement staff to deal with the challenges that they face. In that context, £25,000 seems not a significant sum in terms of supporting a force that says that it does not have the staff on board. I think I am right in saying that the Report—I cannot remember where—says that the number of procurement officers ranges from two to 61, depending on the police force. There is apparently no clear link between that and the size of the force. Have you seen any correlation between those forces that have jumped on this opportunity and the number of procurement officers that they have? Is there any correlation whatsoever?

**Mark Sedwill:** Not that I am aware of.

**John Fernau:** No.

**Stephen Rimmer:** One point that we can reasonably make, which is an update on where the Report talks about 26 going live and 17 outstanding, is that nine of those 17 now have go-live dates, so there are eight forces without a go-live date in terms of getting into the hub. Most of those forces—I recognise that there is a judgment to be made about providing you with information about them—are relatively small. Indeed, as you will have seen, some of the larger forces, notably the Met, are the ones making most use of the hub, which is very encouraging from our point of view.

**Amyas Morse:** Does that mean Greater Manchester is now using it?

**Stephen Rimmer:** Yes.

**Amyas Morse:** So that is a change.

**Q98 Guto Bebb:** You mentioned BravoSolution coming on board and being responsible for implementation. Is that a new development?

**John Fernau:** For this year it is.

**Q99 Guto Bebb:** For this year. So will that be ongoing?

**John Fernau:** That will be ongoing and that brings us in line with the Government Procurement Service, which is what we want.

**Q100 Guto Bebb:** So should that be simplifying the process for people signing up to the system?

**John Fernau:** Yes, absolutely.

**Q101 Guto Bebb:** This is my final question. I see that you are the SME champion within the Home Office. Does that mean that you have responsibility for ensuring that small businesses have an opportunity to tender for work and so on?

**John Fernau:** It does.

**Q102 Guto Bebb:** Of course we can see the importance of having national framework agreements so that we do not end up paying £100 for a high-vis jacket that can be bought for £20—everybody understands that. In terms of the public good, however, BravoSolution has done great work on procurement in a Welsh context in terms of trying to ensure that local authority spend in Wales is actually open to small businesses. Have you had any discussions with the police authorities in relation to publicising opportunities in the hub, for example, to ensure that small businesses do not feel excluded?

**John Fernau:** The wider work that BravoSolution does is on e-tendering and that is how you are enabling small businesses to compete. The wider piece that BravoSolution does is part of the spend analysis, which is where we are bringing them in.

**Mark Sedwill:** Your point about PCCs promoting the hub and promoting supply opportunities to their local businesses—if they are competitive—is well worth doing. Secondly, it will help PCCs demonstrate that they are not just awarding contracts to the local businesses without delivering value for money.

The police actually have a good track record in procurement on SMEs. I think that about 40% of non-ICT expenditure goes through SMEs. It is only about 14% of ICT expenditure, as you would expect, but that is a lot better than is the case for central Government.

**Q103 Jackie Doyle-Price:** I should like to bring out some of the cultural barriers that are blocking best practice. You were talking about how the hub does not fit with existing processes. The police service is an organisation that relies heavily on systems. When the systems work, they are loth to change them. That means that the service has not really moved. I worked in the police 20 years ago, and I can guarantee that, if I walk into a police station now, it would not look very different for exactly that reason.

For me, figure 4 and the map of the joint procurement unit shows a great success considering where we were 20 years ago when, if there were any joint working, it was generally based on the fact that one officer had moved from another force and was prepared to take those networks with him. You mentioned earlier that it is really the budgetary statement that has possibly been the biggest impetus for this, but I wonder whether you have witnessed other cultural factors that have led to some joint working being stronger than

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others, and whether there were particular drivers that made it more effective.

**Mark Sedwill:** Personality matters. There is a sense through the police service that it needs to take the leadership. Under the last Government, you will recall that an attempt was made to reform policing into fewer, bigger forces. It did not succeed. The police service has recognised that it must take it on now. The Government's policy has been collaboration. Even mergers are a possibility, but they need to be driven ground up rather than from the top down.

A lot of chiefs have moved around quite a lot to bigger urban forces, back again and so on. The point you were just making about an individual officer who goes out and brings some of that with him is almost on a bigger scale. Actually, there is more willingness to do that, but fundamentally there is the fiscal pressure. They recognise that, if they are to maintain the impact on policing, they have to explore every avenue to drive out cost.

**Q104 Jackie Doyle-Price:** Another barrier is the constabulary versus the civilians. I suspect that the Home Office wonders how civilians can pick out a decent high-vis jacket, and know what is needed. I go back to Megan's point about helicopters. To what extent are you using individual forces to take ownership of particular procurement products, because they will listen to the chief constable more than they will listen to you?

**Mark Sedwill:** Do not forget that I spent two-and-a-half years in Afghanistan alongside the military, where I had a fraction of the people—so I am used to exactly that kind of conversation.

**Q105 Mr Bacon:** Was there a fuss about the white shirts?

**Mark Sedwill:** There was quite a fuss about the change of uniform. The Americans went through it. We went through it as well. There was quite a lot of fuss about whether it was designed not actually by civilians versus soldiers, but designed for use in a very hot desert environment. Exactly the same issues arose. Your point is really important, which is why uniform procurement is a collaborative procurement, not a Home Office-led procurement. The SRO for that is the assistant chief in Bedfordshire, and the Met is the force managing the procurement. It is being led by police forces for police forces, which is part of the reason why it has credibility.

**Stephen Rimmer:** That is why even the inevitably centrally-driven big procurements like the successor to Airwave are absolutely central to it. As well as the business benefit focus that the Home Secretary is already talking about, absolute clarity about user requirements from the police and other emergency services is really at the heart of that, rather than it being dreamt up in Whitehall.

**Q106 Stephen Barclay:** At page 7, paragraph 13, it says that "an equal number"—19 forces—"expressed concerns about the timeliness, quality and general quantity of wider support they received from the Department". Why is that?

**Mark Sedwill:** Can you shed some light on that?

**Louise Bladen:** Yes. The forces who were saying that they were negative about support were typically quoting the timeliness of support; they were concerned about the capacity of the Department to support them. When they were unhappy about that mandate, it was typically that they felt that, when they had been consulted, they did not really get an answer and did not get the feedback. It was a range of things that they were concerned about.

**Q107 Stephen Barclay:** So why aren't they getting the support?

**Mark Sedwill:** Well, they need to. If that is the feedback, we need to put that right.

**Q108 Stephen Barclay:** Just as a benchmark, how many people are managed out of the Department for poor performance? Say, if you took the last year—

**Mark Sedwill:** I could not tell you.

**Q109 Stephen Barclay:** Could we have a note?

**Chair:** Were there any?

**Mark Sedwill:** I can let you know. Because I was not running the Department last year, I just do not have the details off the top of my head.

**Q110 Stephen Barclay:** Mr Rimmer?

**Stephen Rimmer:** There will be a number, but I cannot give you the precise number.

**Mark Sedwill:** I can think of individual examples, but I do not know. It is some, but I do not know.

**Q111 Stephen Barclay:** A second quick question: quite a few forces are not collaborating, for example, Merseyside, Greater Manchester, Lancashire and Cheshire as a bloc in the north-west. Why are they not collaborating? And, with the programmes that are, how are you going to challenge them with the data to show what they have done? Will you perhaps include Scotland as well, where a unified service may lead to stretched targets as to what could be achieved to feed back into the likes of Manchester and Liverpool?

**Mark Sedwill:** The Scottish example is going to prove very interesting, because it is going to be a merger across some previously big urban forces and some rural forces even more dispersed than the most dispersed forces in England and Wales. Obviously, we will have to see what we learn from that, but, absolutely, that kind of benchmark is the kind of thing that we would expect to use in our private dialogue with the forces to challenge them in the way you suggest. To be honest, we will only win our arguments with the Treasury over the overall police grant if we are able to demonstrate that kind of work.

**Q112 Stephen Barclay:** So will you commit to publishing some kind of comparative study between the savings that are achieved in Scotland and through the collaboration projects compared with those forces that do not?

**Mark Sedwill:** Can I take it away and ask HMIC that question? They would probably be the right people to pick that piece of work up.

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**Q113 Stephen Barclay:** But you would agree that someone should be measuring that?

**Mark Sedwill:** We need to look at all these benchmarks, absolutely.

**Stephen Rimmer:** To be clear, the HMIC work will be right across the board of collaboration, not just on procurement.

**Chair:** Thank you very much indeed.

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### Written evidence from the Home Office

Following my appearance at the Public Accounts Committee on 5 June 2013, I undertook to write to you with further details on several issues that were covered during the hearing.

#### MAKING DATA ACCESSIBLE TO THE PUBLIC

Ms Hillier asked about the potential to engage some of the brightest technical minds in her constituency in a serious pilot on making data easily available to the public. I am pleased to be able to confirm that this is in hand. Officials who oversee the police.uk national website are working with the Open Data Institute, based in Shoreditch, on the Crime and Justice strand of their Immersion Programme. The Immersion Programme is a series of events running until the end of 2015, convening a range of data owners and data users—which will help SMEs and start-ups to work with data providers, industry experts and business leaders to develop new ways to better understand how to reuse available data sets in ways which create business opportunities. Stephen Rimmer will arrange to meet Ms Hillier’s team to discuss the work that she has in mind and to explain further the work that the police.uk team are undertaking to improve the accessibility of police data.

#### DATA COLLECTION BY SPIKES CAVELL

You asked whether Spikes Cavell should have been required to collect unit cost information on police force purchases. Spikes Cavell has the capability to deliver unit price comparisons, although several forces do not currently have sufficiently sophisticated financial and purchasing systems to allow unit costs to be provided automatically to the centre. As Stephen Rimmer briefed the Committee, HMIC do produce data on costs per head of population which can be found here <http://www.hmic.gov.uk/crime-and-policinq-comparator/>. Alternatively more detailed information on these figures can be found here <http://www.hmic.gov.uk/programmes/value-for-money/value-for-monev-profiles/>.

Once the National Police Procurement Hub is operating comprehensively, it will provide procurement data in real time. Moreover, the Home Office and the Government Procurement Service are carrying out several “deep dive” exercises on key categories within Forces that will permit unit price comparisons to be undertaken. These will permit Forces not only to benchmark costs against one another but, via GPS, with the wider public sector. As Mr Barclay requested, I will write to the Committee with interim milestones for the adoption of the Hub once the programme plan is in place.

#### COMPARISON WITH FIREBUY

Mr Jackson asked what lessons had been learned from the example of Firebuy. There are substantial differences between the approach that has been taken to police procurement and Firebuy notably the history of collaboration across the police both in terms of frameworks and joint procurement groups, for which there was no parallel within the fire service.

On major frameworks, such as those for fleet and forensics, operational leads from forces have helped to deliver successful national procurements by ensuring that the frameworks reflect the needs of the frontline. In other cases, such as the National Uniform Managed Service, the Home Office is supporting force-led procurement. In each case, the frameworks in place or planned involve agreed specifications and limited numbers of suppliers, which aligns with recommendations made by the NAO in respect of Firebuy.

More generally there is greater engagement with police forces than there was between Firebuy and its customers, through established National Policing Leads and now PCCs on the Strategic Procurement Board and through regular contact between force procurement staff and Home Office Commercial Directorate staff. The overall strategy for police procurement includes the use of wider public sector frameworks through the GPS including several mandated national frameworks, again aligned with the approach recommended by the NAO in their report on Firebuy.

#### COMPLIANCE WITH THE PROVISION OF PROCUREMENT EXPENDITURE DATA

Mr Barclay asked for information on the timeliness of forces’ provision of expenditure data. Bedfordshire, Cambridgeshire, Cheshire, Cleveland, Cumbria, Derbyshire, Devon & Cornwall, Dorset, Dyfed-Powys, Essex, Greater Manchester, Hampshire, Humberside, Lancashire, Lincolnshire, Merseyside, North Wales, Northamptonshire, Northumbria, Suffolk, Thames Valley, Warwickshire and West Yorkshire provided the data within the original time requested of four months. Avon & Somerset, City of London, Gloucestershire, Gwent, Hertfordshire, Kent, Norfolk, North Yorkshire, Nottinghamshire, South Wales, South Yorkshire, Surrey, West

Mercia, West Midlands and Wiltshire had provided the data by the time the NAO's report was published on 25 March 2013. The remaining forces submitted data thereafter. All 2011–12 data has now been submitted.

As I told the Committee, we are planning a brisker timetable for the collection of the 2012–13 data. In the light of my recent letter to PCC Chief Executives, as well as the attention that this matter has received through the Committee and the NAO's report, I expect that there will be prompt compliance with the request for information.

#### ESTATES MANAGEMENT

Mr Smith asked about the management of buildings and estates and in reply I referred to the plans to reduce the space occupied by the Metropolitan Police (MPS). The Mayor's Office for Policing and Crime (MOPAC) published the MOPAC/MPS Estates Strategy 2013 on 20 May (available at <http://www.london.gov.uk/priorities/policing-crime/publications/mopac-mps-estates-strategy>). This explains that as at March 2013 the MPS operated from 955,948 square metres of space and that the target is to reduce the amount of space occupied by around 300,000 square metres by 2015–16.

The Home Office's Commercial Directorate is also working with other forces' estate managers to rationalise the range of maintenance and facilities management contracts in use by forces and support movement toward more regionalised arrangements.

#### PAY OF PCC CHIEF EXECUTIVES

You asked about the pay of PCC Chief Executives. Nine are paid over £100,000pa and 23 £80–100,000. The remainder are paid less than £80,000.

#### NATIONAL POLICE AIR SERVICE

Ms Hillier asked about the National Police Air Service and particularly about collaborative procurement and whether any force had a fixed wing aircraft.

The National Police Air Service operates through a collaboration agreement made between forces and PCCs. An Order, approved by both Houses of Parliament and made in June 2012 specifies air support as a function that must be delivered through a single national collaboration agreement. Under the collaboration agreement West Yorkshire Police act as lead force providing the service to others and ownership of helicopters is being transferred to West Yorkshire as NPAS rolls out. To date, NPAS has saved about £5 million, predominantly through base closures or moves. It is anticipated that it will save up to £15 million a year compared to the cost of previous arrangements when all forces have joined it. Longer term, further savings are expected to be achievable through improved operational and organisational efficiencies as well as moving to an optimised fleet. Insurance costs are also lower.

As I suggested to Ms Hillier, NPAS does not currently plan to buy any new helicopters. The overall fleet will be smaller and their focus is on airframe upgrades as a more cost effective way to meet the police requirement.

NPAS does not currently undertake any collaborative procurement with the MOD. Several NPAS air support units operate on MOD sites and as such benefit from the use of MOD fuel contracts. To achieve greater savings and more efficient ways of operating NPAS, will seek to work with other agencies including MOD in future.

Fixed wing aircraft potentially have advantages over rotary aircraft for some policing tasks. Greater Manchester Police, for example, presently operate a fixed wing aircraft. This has not yet been integrated in to NPAS, pending a change in CAA regulations, but trials of fixed wing aircraft have been conducted for NPAS. Managing the aircraft fleet as a whole offers the opportunity to consider how to maximise the contribution of different types of aircraft, and it will be for the Strategic Board to consider this.

#### NUMBER OF STAFF MANAGED OUT OF THE HOME OFFICE FOR POOR PERFORMANCE

Figures on the number of dismissals for poor performance are reported quarterly as part of the Civil Service Workforce Reform, Cabinet Office return "Inefficiency Compensation Payments, Civil Service Compensation Scheme". The returns include all dismissals for inefficiency, most of which relate to poor attendance. During 2012–13 there were 61 dismissals for inefficiency within the Home Office (including its Executive Agencies and NDPBs), of which seven were for poor performance.

I am copying this letter to Amyas Morse and the Treasury.

*Mark Sedwill*  
Permanent Secretary

13 June 2013

### Written evidence submitted by Spikes Cavell

I am writing to you as Chairman of Spikes Cavell Analytic Ltd and previously, from 2007–2010 Second Permanent Secretary to Her Majesty's Treasury/Cabinet Office and CEO Office of Government Commerce.

I am concerned that your committee has been given misleading and factually incorrect information in the meeting held on 5 June 2013 regarding Police Procurement. I am absolutely sure that there was no wish to deliberately mislead the committee and equally I would hope that the factually inaccurate information will have been amended in the Home Office response to the meeting minutes. I remain concerned however at the potential to have caused reputational and commercial damage to my company by the original transcript and would like to provide some additional information and explanation to assist the committee for the future.

Before I do so, I hope you will forgive me if I make some general comments about an issue which I believe is the most important barrier to achieving Value For Money (VFM) from Public Procurement spending -that of data or more accurately the lack of data. It is self-evident that you cannot manage spending unless you know how much is being spent, on what, with whom and when. During my time in Government, I continually focussed on this issue and received tremendous help from the Public Accounts Committee and its then Chairman Sir Edward Leigh in pushing the agenda forward. Progress has been made and there are public bodies that are now exemplars but as you so rightly observed at the hearing the collection of Data in a comparable and consistent form is not yet the norm. It is perhaps ironic that the Police Service and the Home Office have been amongst the more enlightened organisations over the past few years with respect to the use of data in their management of procurement spend -notwithstanding that they have more to do.

Turning now to the transcript.

Ref. Questions IS-24

*It was suggested during the meeting that the Police Services had spent in excess of £1,000,000 per annum and £6,000,000 over the last six years with Spikes Cavell.*

This is incorrect. Total spend has been £520,000 over the last six years with normal spend of around £120,000 per annum equating to just over £2,600 per participating organisation (44 police forces plus the NPIA). This cost per organisation is considered to be excellent value for money and in my experience, having been CEO of Footsie and many global businesses, it is a minute fraction of the money spent by most private sector organisations on spend data analytics.

*It was suggested that the Spikes Cavell analysis did not contain unit cost information and that Spikes Cavell was in some way delinquent in not providing such information or in not suggesting that it should be provided.*

It is correct that Spikes Cavell do not collect unit costs for the Police Service however the NPIA and

subsequently the Home Office only purchased our entry level supplier spend analysis solution as the only data that all police forces have been able to consistently provide has been from their accounts payable (AP) systems. These AP systems do not contain unit costs. As a result we and indeed any other organisation could not collect unit cost information. Spikes Cavell does have the capabilities to provide line item analysis which contains unit costs and have delivered this information to in excess of 100 public sector organisations over the last four years. The difference is that those organisations have transactional systems that can provide the level of historic detail required -unlike the Police Service.

It is not correct that Spikes Cavell has been delinquent in suggesting that unit cost analysis should be provided. During the time that Spikes Cavell has been working with the NPIA and subsequently the Home Office, we have recommended several solutions including line item analysis where data is available, citizen friendly transparency solutions, contracted supplier spend analysis and the adoption of systems to facilitate collaborative procurement. Unfortunately, due to a lack of budget only our entry level solution has been purchased.

Ref. Questions 27–30

*It was suggested that Spikes Cavell does not have the capability to track unit prices and an alternative supplier, Bravo Solutions, does.*

This is incorrect. As stated above Spikes Cavell has that capability and provides it to many public organisations. What is lacking is the budget to pay for the service and most importantly the data provided in a comparable and consistent format from all police forces. Indeed Mr Fernau admitted as such in his reply at the hearing: "it is just whether, within the red tape constraints, we can get that data". Furthermore he referred to the introduction of a "Procurement Hub" but caveated that unit price data will only be collected when "the police force start using the Hub effectively and procure through it". Prior to this "Hub" the information is simply not available, the data is inconsistent across the forces and as a result no organisation can provide the unit price analysis referred to. Notwithstanding this, what is provided now by the current low cost Spikes Cavell analysis is of tremendous value and the Police Service and Home Office should be commended for

having recognised some years ago the need to analyse their procurement spend data in order to manage their spend and provide value for money.

It should be noted that once the Hub has been implemented, only transactions ordered through the Hub will be able to be analysed to provide the granularity of unit prices. The remainder of the transactions (in my opinion representing the vast majority for the foreseeable future) will not have this facility.

Spikes Cavell, as a UK SME employing 40 highly skilled people, has been the preeminent provider of data analytics on public sector procurement spend and contracting over the last ten years. Our analysis has been described as “a key enabler” for public sector procurement reform in Scotland where we have provided our full range of services for the past eight years. Our analysis has also been used to support the business case for National Procurement in both Wales and local government in England.

Three years ago, Spikes Cavell developed a citizen friendly transparency solution, [www.spotlightsonspend.org.uk](http://www.spotlightsonspend.org.uk) which facilitates the publication of public sector spend data in a format that is easily digestible by members of the public and small businesses. Surrey Police have proactively made the decision to publish their data on [spotlightsonspend](http://www.spotlightsonspend.org.uk),

<http://www.surrey-pcc.gov.uk/our-work/surrey-police-finances/>.

Spikes Cavell has its own development team which works in partnership with its public sector customers (over 400 different organisations), to provide low cost solutions and applications which are considered to be excellent value for money. Our senior contacts at the Home Office have been very pleased with our work to date, which was used to support the recent report by the National Audit Office (NAO). Whilst the data is limited, for all the reasons given above, the NAO acknowledged that it was the only information available and any level of aggregated analysis would not have been possible without it.

I apologise for this rather lengthy explanation but I believe it is important that your committee should be aware of the facts surrounding one of the most important issues in achieving real value from the money we spend on public procurement -that of Data. When I decided to return to the private sector at the end of my three year contract as Permanent Secretary and Chief Executive of OGC, I wanted to stay involved in some way with the Public procurement and VFM agenda. To that end I remain an external member of the Major Projects Review Group (a process I introduced into the Treasury) and I decided to become Chairman of Spikes Cavell. I believe the business has tremendous importance for the Public Sector and I continue to believe that we must promote the provision and analysis of Data as the bedrock of achieving VFM from our Public spending.

I would be happy to discuss these matters further and indeed to meet with yourself and your committee if that would be helpful.

*Nigel W.R. Smith CB FCiPS Chairman*

*July 2013*

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### **Supplementary written evidence from the Home Office**

#### **POLICE PROCUREMENT**

When I wrote to you on 20 March, I welcomed the key findings and recommendations in your (then draft) report on how we can continue to strengthen police procurement, to improve the consistency and usefulness of the data collected on procurement and VFM more generally.

Now that we have had the opportunity to consider your recommendations further, I would like to set out in more detail the actions we have taken and will continue pursue in response to them. We will also wish to reflect further once the Committee has considered your report and published their recommendations.

Although PCC Chief Executives are not accountable to me, I have written to them to set out our expectations in similar terms to letters I send as Principal Accounting Officer to the Accounting Officers of the Home Office’s arms-length bodies.

I am grateful for the NAO’s advice on the System Statement (published 3 April 2013) and your subsequent comments (your letter of 9 April) and I have written to you separately on this.

I enclose a table summarising the work in hand and milestones for key recommendations:

- Police Procurement Hub -My letters to PCC Chief Executives and CFOs set out expectations about usage of the Procurement Hub where it is already in place and as it becomes available, In parallel with that, proposals are being developed with the national policing lead through the programme board to identify and address the implementation barriers;

- Information requirements -no doubt prompted in part by the publication of your report, all forces have now returned their 2011–12 procurement spend information, which is being processed by Spikes Cavell and will be available to the Home Office and forces by the end of May. We plan a different approach to collection of the data for 2012–13 with an earlier start and an expectation that the aggregate data will be available by October. We will also work with HMIC to improve the transparency to both Parliament and the public of data on VFM that forces are required to collect as part of the Annual Data Requirement, as well as consulting on revisions to the procurement data collected;
- Milestones and specifications -We will work with forces and PCC's, through the Collaborative Police Procurement Programme, to agree the order of priority for bringing each major category of police procurement spend within a national or regional approach. We plan to have those priorities agreed by September. We are working with the police to put in place a Memorandum of Understanding with the Government Procurement Service to support joint work to maximise the take up of GPS frameworks for goods and services required across the public sector. It is important for the police to lead on defining the specifications for police equipment but we will engage with national policing leads, the College of Policing and the Centre for Applied Science and Technology to support lead forces in this work, in line with the priority categories within the collaborative procurement programme.
- Contingency response-we will be ready to respond on a case by case basis where a disadvantage to a particular force can be evidenced.

More widely, we will seek to pursue opportunities to further procurement collaboration across the Criminal Justice System.

I copy this letter to the Chair of the PAC.

*Mark Sedwill*  
Permanent Secretary

*May 2013*



ISBN 978-0-215-06177-5



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