

#### **CASE STUDY:**

NATIONAL POLICE PROCUREMENT HUB

# THE NATIONAL POLICE PROCUREMENT HUB (NPPH) IS SET TO SAVE THE POLICE SERVICE £69 MILLION OVER THE NEXT SIX YEARS BY STREAMLINING THE PROCUREMENT PROCESS



#### Recognising the need

In May 2010 the Association of Chief Police Officers Procurement Portfolio Group and National Policing Improvement Agency signed off a new eBusiness strategy in response to a number of reviews including:

- The home office White paper "Protecting the Public Supporting the Police to Succeed" (December 2009).
- The "High Level Working Group Report on Police Value for Money" report (January 2010).
- The HM Treasury Operational Efficiency Review (April 2009).
- The HMIC Getting Together Report.
- HM Treasury Putting the Frontline First: smarter government (December 2009).
- The Roots Review.

A key theme of these reports was a growing pressure on the Police Service to increase collaboration and drive out greater efficiencies through procurement to release cash to front line policing from its  $\pounds 3.4$  billion per annum procurement spend. The Strategy centred upon the need for an eBusiness toolkit to support structured and focussed collaboration in procurement across police forces, taking account of the eBusiness tools that were deployed and those that might be made available.



The bottom line was that although police procurement had done extensive work on letting best value contracts for police specific requirements, a strategic toolkit was required to ensure that the policy relating to the use of these and other central deals could be delivered and annual savings of £200 million be achieved. This was given greater impetus by the 2010 Spending Review that required a cut in police expenditure of 20% over five years at a rate of 4% per annum. As a result a business case to deploy the Government eMarketplace (formally known as Zanzibar) in the form of a National Police Procurement Hub for police forces in England and Wales as an essential part of that toolkit was compiled.

Procserve (now a Basware company) was tasked with delivering the hosted and managed NPPH service that would meet all the functional, security and user requirements of the police, rolled out across 43 police forces in a structured programme in conjunction with the wider police (and government) procurement reform programme. The roll out would be the subject of a highly detailed and co-ordinated plan to be executed in conjunction with ACPO / NPIA and the forces.

### Establishing the plan

Procserve worked with senior ACPO/NPIA customer and the project team to devise a project and programme management plan using best practice principles including:

"In these financially challenging times it is essential that we take every opportunity to maintain services whilst reducing costs. We are therefore delighted that the Hub has been so well received by forces and suppliers."

**David Horne,** Senior Responsible Owner, and former Chair of ACPO's Procurement Portfolio

#### Customer

National Police Procurement

# Industry

Government

# Location

London, UK

# Procserve (now Basware's) solutions in use

eMarketplace

Professional Services

- Engaging governance to agree the scope of the programme.
- Obtaining sign-off with ACPO Regions and Forces, category teams and security authorities.
- · Agreeing a communications strategy.
- Planning loading of content onto NPPH.
- Setting up and configuring NPPH with access to the collaborative content.
- Setting up Management Information reporting.
- Setting up Purchase to Pay (P2P) access.
- Planning roll out of the service across 43 forces.
- On-boarding priority suppliers and content.
- Planning on-going on-boarding of suppliers and content.
- Training super users.
- Planning measurement and tracking of usage, complianceand benefits.
- Setting up on-going governance arrangements.
- Identifying key risks and putting in place a process to manage them.

#### **Media Reaction**

Procserve placed an experienced and qualified Programme Manager and team to work with their police counterparts to meet the challenge of running 43 individual projects concurrently and delivering the programme within very challenging timescales.

The programme is well underway with an initial tranche of forces live and the rest on course to follow. NPPH was reported upon in the Oct/Nov 2011 issue of Jane's Police Review, an international magazine covering new technology and procurement for police and state security:

#### Shopping hub aims to save forces cash

"The Hub gives the police service the ability to select, purchase and pay for a range of approved goods and services online from 500 suppliers, and is set to save the police service £30 million over six years, according to NPIA. It will enable the police to buy approved items such as IT, body armour, vehicles and a range of other goods and services, at the touch of a button. Procserve's cloud-based system (now the Basware Commerce Network), in which applications and digital content are stored online rather than on a customer's hard drive, is designed so businesses can buy goods and services from suppliers electronically."

# Home Office reaction

In the Public Accounts Committee sitting on the 17th January 2012, The Permanent Secretary of the Home Office, Dame Helen Ghosh reported on Home Office procurement savings and referred to NPPH as follows:

"We see our role as facilitating, helping police forces to do that with a little bit of a stick as well as a carrot."

She outlined two areas in which progress was being made. Firstly, she said that the aim was to have everything a police force might want to buy in the National Police Procurement Hub – in effect, a central catalogue, which forces use to order goods and services – by the end of the year.

#### **Customer reaction**

One of the first forces to go live was Lincolnshire Constabulary, who report the following benefits to date:

"The NPPH is providing Lincolnshire Police with significant cost and efficiency savings. In addition to halving the time it previously took to process off-contract transactions the platform has enabled the force to save over £50,000 already against £1.7 million of spend from 1,800 orders. When fully rolled-out to cover Lincolnshire's £21 million annual procurement spend, it is expected that the force will achieve cash and efficiency savings of more than £630,000 annually."

# In Summary

NPPH is set to save the police service £69 million over the next six years by streamlining the procurement process, exceeding initial projections. The system enables purchasing without having to use paper orders and invoices to buy approved items such as IT, body armour, vehicles and a whole range of other goods and services. To date, £1.8 million pounds worth of transactions have been completed through the Hub. All forces are expected to be using the Hub by early 2013.

In addition to the projected £69 million cash saving, other benefits include:

- High quality, real-time management information enabling analysis of spend across the wider police service.
- Reduced reliance on manual, paper based processing, minimising human error and protecting against procurement fraud.
- Forces seeing at least a £13 to £41 saving per transaction (Source: National Audit Office report on the benefits of eProcurement).
- Greater visibility and control over what is being spent, ensuring that forces are buying goods and services consistently and at the best possible price.

**David Horne**, the project's Senior Responsible Owner, and former Chair of ACPO's Procurement Portfolio said:

"The Hub is a big step forward for the Police Service which is helping forces deliver yet more savings and provide better support for the service's operational requirements."



# **Key Objectives**

Meet the need to increase the use of tools and techniques such as electronic catalogues.

Fulfil the absolute need to capture Procurement Management Information on a real time basis including the ability to track and report on efficiencies and savings.

Leverage the potential offered by a National Police Procurement Hub programme to track, monitor and drive compliance with ACPO.

Procurement Portfolio Group/ NPIA's category strategy

now known as the Collaborative Police Procurement Programme (CPPP).

Drive standardisation of approach and compliance with contracts at all levels.

#### The results so far

Its sheer size and scale.

The need to ensure buy-in from all stakeholders.

The diversity of the legal systems and arrangements already in place.

Availability of internal resource within forces.

Funding constraints.

The need to address technical, change management, supplier on-boarding, training and communications issues.

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