



BlueLight
Commercial

BlueLight Commercial Update

Chief Constable's Council Meeting: CSR and Activities – Wednesday 7th October

Lianne Deeming, CEO BlueLight Commercial



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Introduction

Introduction: Lianne Deeming

- Engineer; Fellow RAE, Fellow IOM3, Honorary Professor specialising in energy and innovation
- 30 years in Industry, 2 years own company
- Global Senior leadership roles, as MD, Director Business Excellence and CPO
 - Led transformational programmes across 20 countries, 84 legal entities, over 100 locations
 - Carried out Management of Change and organisational reviews to deliver strategic requirements
 - Developed excellence through building Commercial Capabilities and full end to end commercial life cycle models including category, contract management and supplier relationship management with spend up to £7bN
 - S43 Commercially Sensitive
 - MD own company, working on new technologies and advising public sector on decarbonisation and innovation
- Advising a policy group for Central Government on Supply Chain resilience for the UK post Covid-19

What is BlueLight Commercial?

A brand new organisation

For Police forces across England and Wales

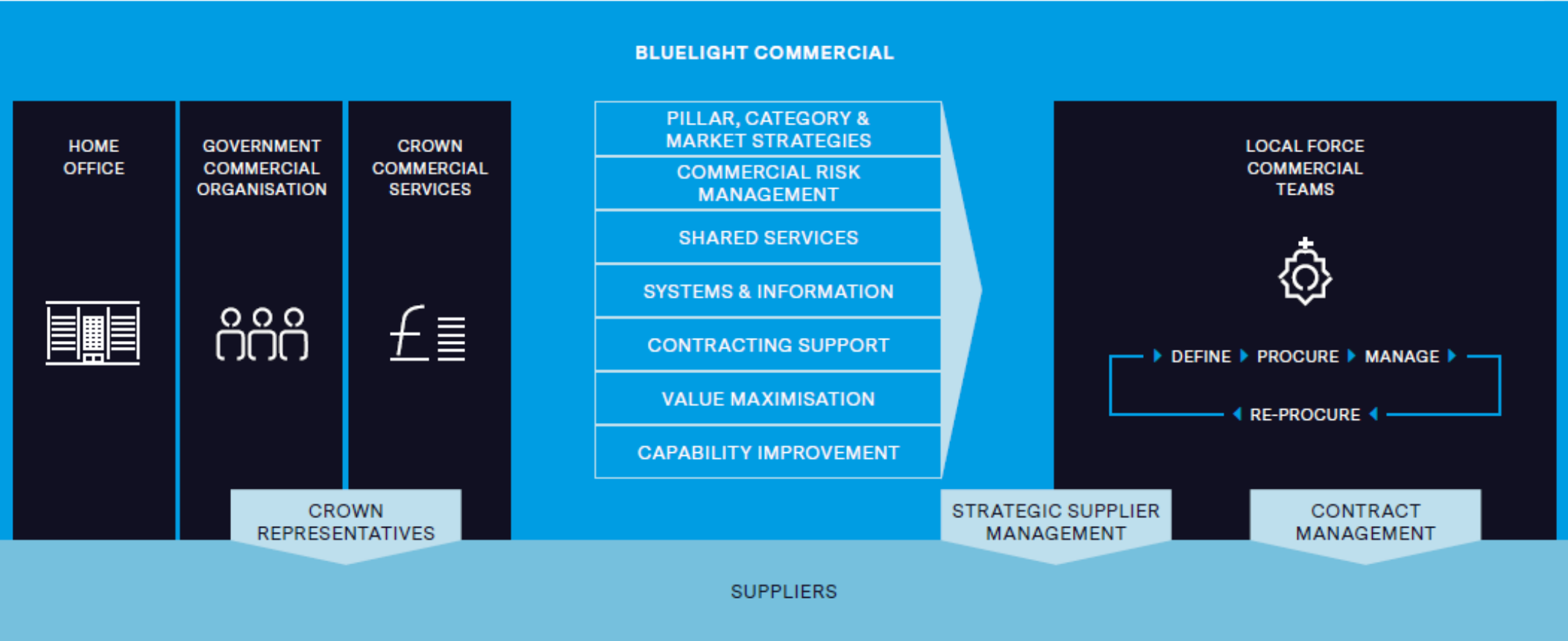
There to support commercial activity and shared services

Designed to support the transformation of Policing and engender culture change

Focuses on maximising benefits to front-line policing

Aims to address issues of duplication across procurement departments

How will it operate - Overview



BlueLight Commercial Overview

- BlueLight Commercial is a company limited by guarantee; company formally established in April and went live on 1st June.
- Membership is comprised of the 43 members (PCCs) of England and Wales
- Funding agreed by Home Office
- ICT and back office systems set up
- Formal governance is provided through a 8 member Board, representing the interest of Members of the company, in accordance with the company's Articles of Association. The Board is made up of:
 - **5 PCCs**
 - Matthew Scott – Kent (Chair)
 - Kim McGuinness- Northumbria
 - Jeff Cuthbert – Gwent
 - Arfon Jones – North Wales
 - Philip Seccombe – Warwickshire
 - **2 Chief Constables**
 - Dave Thompson – West Midlands
 - Lee Freeman – Humberside
 - **1 Finance Director**
 - Pete Gillett – Surrey and Sussex
 - **1 NED**
 - Heather Benjamin



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Organisation Update

Recruitment Up to 1st October 2020

- **Head of Strategic supplier** and **Senior Analyst** interviews in October
- Final interviews planned RCD Operations
- Search started for RCD property
- Commercial finance support agreed
- Head of legal starts 1st November
- **22** people confirmed in post
- **12** staff to start in the next 3 months
- Commercial managers role application deadline set for **2nd October 2020**
- Head of Revenue Management application deadline set for **16th October 2020**
- **BlueLight Commercial** set to be fully resourced by February 2021
- 4 interims manager employed for projects





Jo Osborne



Stuart Jose



Ruth McDermott



To be advised



To be advised



Tom McKeag



Sergio Sgambellone

VEHICLES & AIR SUPPORT

- COMMERCIAL FUEL
- MAINTENANCE & PARTS
- CAR HIRE & LEASING
- AVIATION
- DRONES

PEOPLE & PROFESSIONAL SERVICES

- CONTINGENT LABOUR
- TRAINING
- RECRUITMENT
- WORKFORCE HEALTH & WELLBEING
- LEGAL
- CONSULTANCY

SOCIAL VALUE & REVENUE

- REVENUE GENERATION & TOOLKITS
- SOCIAL VALUE ADVICE & BEST PRACTICE
- OPTIMISING RETURNS
- PROTECT POLICE IP

PROPERTY

- PROPERTY MANAGEMENT
- CATERING & CLEANING
- WASTE, GAS & FURNITURE
- ELECTRIC & WATER

OPERATIONAL SUPPORT

- ARMED RESPONSE
- CAMERAS
- FME & SARC
- INTERPRETERS
- UNIFORMS & PROTECTIVE GEAR

SUPPLIERS & MARKETS

- 3RD PARTY RISK & STRATEGIC SUPPLIER MANAGEMENT
- INTERNAL & EXTERNAL STAKEHOLDER ENGAGEMENT

SHARED SERVICES

- SHARED SERVICES DEVELOPMENT & CONVERGENCE ROAD MAP
- SHARED SERVICES BEST PRACTICE



Julie Howell



Stuart Jose



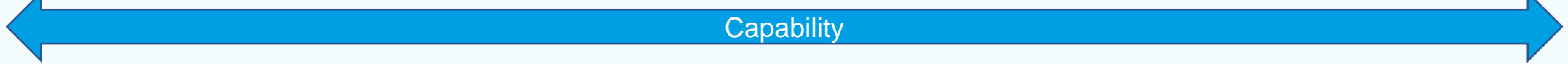
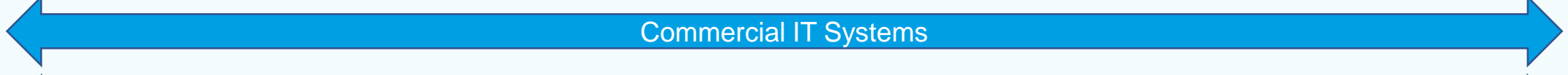
Caroline Moss



Sergio Sgambellone



Claire Chambers





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Our Vision

Our Vision for BlueLight Commercial



To become the **Trusted Partner** for forces in England and Wales



To be the **Go To** commercial service for suppliers



To develop and deliver a **Journey to Commercial Excellence**

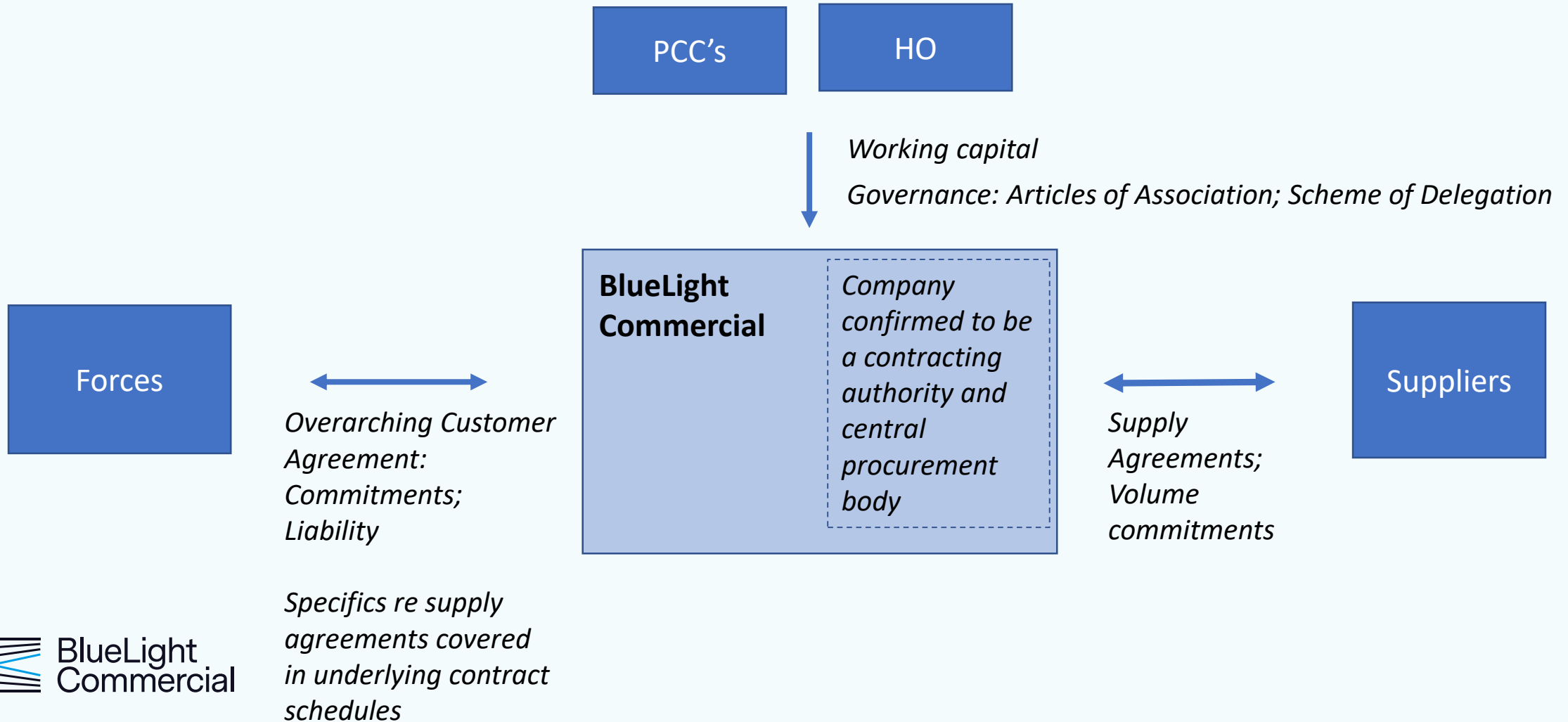
- Setting benchmarks and sharing best practice across policing
- Developing and deploying professional toolkits to drive commercial focus
- Developing category strategies which meet operational needs and deliver savings
- Developing supply chain risk profiles and management strategies
- Developing excellence in contract performance management and supplier relationship management
- Producing accurate and timely information management and spend reporting to drive continuous improvement and savings
- Promoting professional development in forces large and small



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National Contracts Update

High Level Framework For National Contracting



Force Commitments and Working Capital

- Procurement on a national basis by BlueLight Commercial can provide increased vfm through demand aggregation, leading to better pricing, greater market interest and security of supply
- However, for BlueLight Commercial to be able to deliver these benefits it will require forces to commit and guarantee to BLC the demand that they have communicated
- BLC does not require significant up-front funds as forces will typically pay the supplier directly for supplies. However, on occasion a small number of contracts may entail BLC acting as a purchaser. The cash exposure would be relatively low, but a key issue will be to ensure that funds can be readily available in order to meet the commitments it enters into
- Taking PPE as an example, working capital of no more than £7.4m would be sufficient to cover PPE procurement activity over a 6 month period
- BLC will approach the Home Office to try and secure a working capital facility but, if that is unachievable, we will seek agreement from PCCs to the provision of working capital
- A draft paper has been written to go to the Home Office for £10m facility

Fleet Procurement Approach

- BlueLight Commercial will act as Contract Authority for the National Fleet Vehicle Purchase on behalf of forces and other participating organisations. The procurement is anticipated to be completed in Q4 20/21.
- This process will be conducted as a further competition under the Crown Commercial Services Framework RM6060. Crown Commercial Services have confirmed acceptance to BLC of this approach.
- BLC is currently working on the amendment of the ITT and contract documentation to ensure these align with BLC as contract authority instead of South Yorkshire Police
- BLC will issue Letters of Intent to all forces to reconfirm volume requirements
- To cover commitments and liability forces will be requested to enter into an Overarching Customer Agreement alongside a Contracting Schedule specifically related to Fleet. The content and structure of the Agreement and Schedule will be developed in collaboration with stakeholders over the following months



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Category Activity

Category Activity

Category	Activity	Target Date
Shared Services	Completion of mapping the system landscape, and shared services as-is environment	Dec 2020
PPE	Ongoing management of PPE critical supplies	Ongoing
Energy Management	<ul style="list-style-type: none"> CCS Electricity & Gas Contract renewal - validating VfM proposition Portfolio Analysis – collating and cleansing site, meter and consumption data Procurement and Energy Management heat map – identifying the Sustainability, Utility and Carbon Management initiatives across the police forces BLC Utility and Carbon Management Advisory – supporting Dyfed Powys, Cumbria, 7F Electricity & Gas Procurement 2021-22 – unified portfolio with a unified strategy Carbon Management Proof of Concepts / Pilot schemes – conversations progressing with Innovate UK, Siemens and existing Suppliers for external funding to support initiatives through partnerships with technology companies, consultancies or energy suppliers. Particular focus on Data Management 	Oct 2020 Jan 2021 Dec 2020 On-going Mar – Sep 2021 On-going
Fleet	<ul style="list-style-type: none"> National Vehicle Procurement. Competition to be launched in October 2020. 	Apr 2021

Category Activity

Aviation	<ul style="list-style-type: none"> Fleet Replacement. Leasing of Helicopters. Potential Outsourced Model. Define Stage. 	<p>Jun 2022 Apr 2022 31 Dec 2020</p>
Estates & FM	<ul style="list-style-type: none"> Deep dive contract review of highest spend areas; to include Cleaning, Security, Waste Management and Catering. Collaboration with key stakeholder groups – NPEG to ensure BLC feeds into key initiatives/workstreams. 	<p>Dec 2020 – Jan 2021 On-going</p>
People, Professional Services, NUMS and Waste	<ul style="list-style-type: none"> Contingent Labour. Spend and contract analysis, engagement with key stakeholders and development of a commercial strategy. Uplift Enablers Programme. Engagement to ensure management of critical supply chains, which could impact the progression of the uplift programme. Selected Medical Practitioners. Initial market engagement and scoping. Occupational Health and Wellness. Spend and contract analysis. Uniform and Specialist Equipment. Engagement with the national uniform strategic board and commencing work on building a specification database for operational uniform and equipment. Consultancy. Spend and contract analysis, engagement with key stakeholders and development of a commercial strategy. 	<p>Dec 2020 Ongoing March 2021 Nov 2020 April 2021 April 2021</p>



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CSR Update

CSR –Review of Previous Period and Target 2021/2024

- Previous CSR target to deliver £100m cashable savings by end of March 2021 has now been delivered.
- A triangulated approach was taken to determine savings targets for 21/22 to 23/24

Analysis of savings delivered over the past 5 years – savings ratio decreased from 2.3% to 1.7%

Engagement with a cross section of Forces (approx. 30% of spend) to review their savings pipelines

BlueLight Commercial and PICTCo upcoming initiatives

- Extrapolation of these data sets was undertaken, determining savings opportunity totalling £70m (annual profile £20m / £20m / £30m)
- Based on total annual addressable spend of circa £2b, this equates to saving ratios of 1%, 1% and 1.5%.
- Additional pressures on costs – additional 20,000 Officers, Brexit uncertainty, contracted inflationary mechanisms

Third Party Spend Analysis

Addressable category spend areas	Annual spend value
Facilities Management	£268m
Construction	£223m
Utilities	£80m
Forensics	£79m
Fleet and aviation	£281m
ICT	£639m
People and Professional Services	£400m
Operational equipment and services	£128m
TOTAL	£2.098b

Next Steps

- Handover of savings recording and reporting to BlueLight Commercial – January 2021
- Analysis of savings delivered to date to understand and identify good practice and any quick win opportunities
- Identify and engage with Forces if any potential under-reporting is identified
- Engagement with the Home Office and Forces to agree reporting mechanisms from April 2021 onwards, including cost mitigations and social value benefits
- BlueLight Commercial pillar leads, working with Force procurement plans, to develop a pipeline of activity and savings opportunity assessment commenced last week
- Continued engagement with Police ICTCo and Forensic Capability Network to ensure a single and managed approach to the capture of all savings achieved by Policing



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Discussion / Q&A