



Report of the Chief Constable to the Chair and Members of the Audit Committee 6th March 2024

Executive & Presenting Officer: Mr Ian Wright, Director of Finance and Assets

Status: For Information

Contract Standing Order 10 – Exceptional Situations and Procurement Performance Report

1. Purpose

- 1.1 Contract standing orders were revised on 22nd November 2012 following the introduction of the Police & Crime Commissioner. Members will recall that an update of the Contract Standing Orders was agreed at the March 2021 meeting of the Audit Committee. Contract Standing Orders state that “Utilisation of Contract Standing Order 10 or failure to follow contract standing orders shall be reported by the CFO of the CC to the Audit Committee”.
- 1.2 The purpose of this report is to advise the Audit Committee on the use of Contract Standing Order 10 during the period February 2023 to November 2023 and the Procurement Activity and Performance during the period February 2023 to November 2023.

2. Recommendations

- 2.1 It is recommended that the Audit Committee note the exceptional situations detailed in Appendix 1.
- 2.2 It is recommended that the Audit Committee note the Procurement Activity and Performance of the Procurement function detailed in Appendix 2.

3. Background

- 3.1 Contract Standing Orders reflect both the policies of the Office of the Police & Crime Commissioner for Cleveland and the requirements of current legislation. Their purpose is to provide help and guidance to all members of staff who are involved in supplier negotiations for the provision of goods and services. They are mandatory and as such must be complied with at all times.
- 3.2 Contract Standing Orders regulate the arrangements and procedures for acquiring goods and services. There is an underlying requirement that where such an acquisition is amenable to competitive tender that this mechanism should be

employed. This requirement is modified in practice when competitive tendering is not considered either efficient or practical.

- 3.3 Furthermore there are classes of goods and services which are not amenable to competitive tendering, examples of these would be property rental, water supply and contributions to national bodies supplying services to police forces either individually or as a "community of interest".
- 3.4 Contract Standing Order 10 states that "Exceptional situations are those created by external actions and events over which the Force has no control but has an obligation to respond."
- 3.5 In compliance with Contract Standing Orders it is the practice to report every exceptional circumstance where it appears that the normal requirement to tender has not been followed. Changes to the reporting schedule have taken place to coincide with changes to the accounting reporting timetable. The details of exceptional circumstances for this reporting period are listed in Appendix 1.
- 3.6 To provide members of the Audit Committee with a full picture of the Procurement activity in the Force and putting the exception report into context a Procurement Performance report has been provided in Appendix 2.

4. Implications

4.1 Finance

All commitments are within existing budgets.

It should be noted that a number of other external factors have increased the volume and value of Exemptions throughout this reporting period. Namely these are:

- Higher levels of inflation, increasing supplier and supply chain costs
- Cost of Living crisis affecting all market areas and increasing supplier and supply chain costs
- Wage increases contributing to additional financial pressures.

The Commissioning & Procurement Manager role was filled in October 2023 and will ensure robust oversight is maintained on the exemption process. Whilst it is a core approach of Procurement to minimise the number of exemptions used during Cleveland Police operations and to procure goods and services compliantly in line with regulations, it should be noted that financial pressures are expected to continue to increase.

4.2 Legal

Any requests to utilise Contract Standing Order 10 which involve new supplier terms and conditions are discussed and agreed with Legal Services. There are no legal implications arising from the content of this report.

4.3 Diversity & Equal Opportunities

There are no diversity or equal opportunities implications arising from the content of this report.

4.4 Human Rights Act

There are no Human Rights Act implications arising from the content of this report.

4.5 Sustainability

There are no sustainability implications arising from the content of this report.

4.6 Risk

It should be noted that the Procurement Function continues to operate with reduced staffing:

- 1 x 1FTE Category Lead
- 1 x 0.6FTE Category Lead
- 1 x 0.5 FTE Buyer & Fleet Assistant (junior role)

Managed by

- 1 x FTE (Commissioning & Procurement Manager)

This is compared to a full resourcing allocation of 3 x FTE Category Lead roles and 1 x 0.5 FTE Buyer & Fleet Assistant, which has significant impacts on the ability to deliver effective Procurement of Goods and Services.

In addition, Cleveland Police has also taken on the responsibilities for a number of strategic contracts which historically sat with the OPCC. This has also increased the workload in Procurement.

Whilst recruitment is under-way for 2 current vacancies: 1 x Category Lead (expected start date 01/05/2024) and 1 x Strategic Contracts & Commissioning Manager (vacancy open for applications until 20/03/2024) existing staff continue to work over-capacity to maintain Procurement activities.

Risks therefore exist with staff health, welfare, and potential for stress related illnesses.



5. Conclusions

- 5.1 The details of the exceptional situations listed in Appendix 1 and the Procurement Performance in Appendix 2 not only comply with the process detailed in Contract Standing Orders but represent the Force's ongoing commitment to greater efficiency and effectiveness.

Appendix 1: Exceptional Situations

Exceptional Situation – Proprietary Product

1. Annual Renewal of Magnet Forensic software at a cost of \$28,500.03 (£22,400.45 as of 06/03/2024) from Magnet Forensics.

- 1.1 Magnet have been the supplier of forensic software to Cleveland Police for over 10 years. They provide proprietary software for the examination of computer data and internet based artefacts which can't be obtained from another provider. The software is used by almost all Police forces in the UK.
- 1.2 Staff have undergone bespoke training courses, both internal and external, to be able to use the software at a cost to the force.
- 1.3 The use of the software has been incorporated into documented procedures which are currently accredited, changing this software would mean re accrediting procedures which would cause further costs.
- 1.4 Failure to renew the software would have an impact on the quality of computer device examinations and reports passed on to officers a considerable risk to victims of crime..
- 1.5 This exemption was approved in December 2023.

2. Annual Renewal of Cellebrite Forensic software at a cost of £11,971.78 from Cellebrite.

- 2.1 Cellebrite have been the supplier of forensic software to Cleveland Police for over 10 years. They provide proprietary software for the examination of mobile phone and apple macintosh computers which can't be obtained from another provider. The software is used by almost all Police forces in the UK.
- 2.2 Staff have undergone bespoke training courses, both internal and external, to be able to use the software at considerable cost to the force. The use of the software has been incorporated into documented procedures which is currently undergoing ISO accreditation.
- 2.3 The addition of the Cellebrite Premium Services will allow DFU staff to gain access to a larger selection of pinlocked devices and at a faster rate. The addition will also mean that the outsourcing of single devices to cellebrite will become unnecessary as the premium service is what is offered when submitting to cellebrite and this would now just occur internally creating financial savings. Further efficiencies will also be created reducing the amount of data transfers that have to occur in the department.

- 2.4 Failure to add the additional software would have an impact on mobile phone examinations and information passed on onto officers and add to further delays which would be a considerable risk to victims of crime.
- 2.5 This exemption was approved in January 2024.

3. Engage ATS Software Services at a cost of £32,000.00 minus VAT from Havas Ltd.

- 3.1 Cleveland Police's recruitment demand remains high at the 2019 to March 2023 Uplift levels for police officers. The strategic workforce plan does not allow for a pause in the recruitment process, given the numbers to recruit, capped intake group sizes and national targets to maintain and/or exceed uplift numbers to ensure the Force receives optimal funding.
- 3.2 In addition, the recruitment system is of several ad hoc stand alone systems which does not integrate or interphase with the core ERP system. This causes inefficiency and ineffective use of resources.
- 3.3 The Force is embarking on an ERP optimisation programme which at some point in the future will consider how recruitment requirements fit. Investing in a significant stand alone project at this time on recruitment only is not best use of our limited resources and may not fit with the ERP optimisation requirements.
- 3.4 Cleveland Police have put a lot of work into the build and design of Engage ATS and it is currently working satisfactorily. It would take a number of months to design and implement a new system and this is before the training of staff. Although it is appreciated that there may be other systems, we have decided to use our ICT and Digital Services colleagues to make this system work even more efficiently if we can.
- 3.5 This exemption was approved in January 2024.

4. Renewal of NEC Compass and QAS Software at a cost of £44,214.00 ex VAT from NEC Software Solutions UK Ltd.

- 4.1 At least five Force operational systems currently use either Compass and/or Experian QAS Name Tracer Pro application\data for local/national address and electoral roll information. These include STORM, Niche, iPatrol, iMap, ICE and the sharepoint Quick Address web application.
- 4.2 Compass is a proven NEC Software Solutions (formerly Northgate) gazetteer application which has been used successfully by the Force as their corporate gazetteer for over 20 years. Compass is used to manage and maintain address updates and interfaces with STORM and Niche.
- 4.3 The relationship between NEC and Experian is governed by a framework agreement. Within this agreement NEC are the sole resellers of Experian QAS

products (NameTracer and Pro) where the products are sold in conjunction with NEC applications.

- 4.4 Under NSPIS which included all police forces, Northgate negotiated a pricing structure with Experian QAS based on these volumes of transaction. Whilst not all police forces now have Northgate applications under NSPIS, the framework pricing has been continued for NEC when reselling to police forces.
- 4.5 To replace QAS data and Compass with an alternative product\application would on top of any replacement cost also incur substantial resource\development\migration costs and cause significant disruption to key Force systems.
- 4.6 This exemption was approved in January 2024.

5. Renewal of Griffeye Software at a cost of £28,250.00 from Griffeye

- 5.1 Griffeye have been a supplier of forensic software to Cleveland police for over 6 years. They provide proprietary software for the grading of illegal images and media analysis, this can't be obtained from another provider. This software is used by almost all police forces in the UK.
- 5.2 Staff have undergone bespoke training courses, both internal and external, to be able to use the software at a cost to the force.
- 5.3 The use of the software has been incorporated into documented procedures which are currently accredited, changing this software would mean re-accrediting procedures which would cause further costs.
- 5.4 Failure to renew the software would cause an inability to conduct POLIT investigations.
- 5.5 This exemption was approved in January 2024.

6. Extension of MFC PL Kicks Service at a cost of £25,000 from Middlesbrough Football Foundation

- 6.1 The proposal is to extend the PL Kicks programme focusing on Stockton (CURV priority) and East Cleveland (Foundation priority), delivering what is known to work well from the existing PL Kicks programme alongside a participant voice to engage this new age group of 19-24-year-olds, who are not in education, employment and training (NEET).
- 6.2 Stockton was identified by CURV as it would complement work being undertaken by Cleveland Police as part of their Clear Hold Build strategy in the area. The pilot would contribute to the "Hold" element of the strategy, working with communities to build resilience and to be less susceptible to the draw of organised crime groups.

- 6.3 The provision of the PL Kicks programme is currently only available through Middlesbrough Football Club's Foundation (MFC), which has been chosen to receive Pilot funding from the PLCF to test an expansion or additional activity within the existing PL Kicks programme. Following consultation with both PLCF and CURV alongside the Foundation's strategy and skillset, an opportunity to pilot the PL Kicks programme to 19-24-year olds has been identified.
- 6.4 Middlesbrough kicks currently delivers services on behalf of the Office of the Police and Crime Commissioner that is an initiative funded by the Premier League, using football and the brand of the professional football club to engage 8 to 18 year olds in deprived areas in Middlesbrough, Stockton, Hartlepool and Redcar & Cleveland. This is an extension of that delivery for an older age group.
- 6.5 This exemption was approved in January 2024.

7. Provision of new Software Licence and Support at a cost of £30,000 from Red Snapper Group Ltd. (Exemption Version 1)

- 7.1 A request is made to commence a contract with Red Snapper to allow Cleveland Police to deliver a range of online interventions to support the delivery of Out of Court Disposals (OCD). On 9th November 2023, Cleveland Police contacted every UK Police Force represented on the National OCD Working Group. Forces were asked to provide details of companies that facilitate digital learning platforms which can be utilised to deliver interventions as part of OCD.
- 7.2 Many responses were received and although several different organisations deliver in person or group activities to offenders as an alternative to prosecution, only Red Snapper have the capability to engage with the offenders through an online platform, offering a diverse range of packages to address offending behaviour.
- 7.3 This means of engaging with offenders is essential and will greatly support Cleveland Police to increase their use of OCD in advance of the introduction of the newly revised OCD framework.
- 7.4 This exemption was originally submitted and approved in January 2024 however was withdrawn and re-submitted in February 2024 (see v2. below).

8. Provision of new Software Licence and Support at a cost of £50,000 from Red Snapper Group Ltd. (Exemption Version 2)

- 8.1 Cleveland Police aim to purchase a licence to provide access to use the services of the Red Snapper Intervention Hub (www.digitalintervention.co.uk). The Intervention Hub holds a catalogue of evidence based online interventions that helps people improve their knowledge and skills to deal with a range of issues or difficulties they may face. All programmes can be accessed as either a self-help tool or with a professional to guide users. Packages are available for a range of subjects including drug and alcohol misuse, hate crime, domestic abuse, shoplifting etc.

- 8.2 This service will be utilised to compliment Cleveland Police's delivery of Out of Court Disposals (OCD). If a case is deemed suitable for an OCD, an assessment of the offenders needs/behaviour will be made. As an alternative to delivering an 'in person' intervention, online interventions offer the flexibility to be completed at a time that is most suitable to the offender and allow for cases to be quickly finalised. After the most suitable intervention(s) are selected, the offender is sent a link to the digital platform to facilitate access to the packages. Police will be notified upon completion of the online learning. Failure to complete the required intervention will result in the case being reviewed and an alternative sanction being considered.
- 8.3 The emphasis of Out of Court Disposal (OCD) is the rehabilitation of first time and low-level offenders, thereby reducing reoffending. This draws on the evidence base that changing offender behaviour through an OCD can have a far greater impact on reoffending and the lives of victims, than short term sentences issued at court.
- 8.4 Cleveland Police have recently been awarded Home Office funding to establish an OCD Hub. This will allow Operational Police Officers and Staff to refer cases to the Hub that they feel may be suitable to be finalised as an OCD. Staff within the Hub will assess the suitability of the case and the status of the offender, before determining whether the use of an OCD is appropriate.
- 8.5 A range of OCD are available for use by Cleveland Police. If a case is deemed suitable to be finalised using an OCD, staff within the OCD Hub will apply the most appropriate outcome. The development of the OCD Hub will compliment the introduction of the Two Tier Plus OCD Framework, which is scheduled to go live in 2024. These sanctions range from Community Resolutions for lower level offences, progressing in severity to the Community Caution and the more significant sanction of Diversionary Caution. OCD Hub will also consider referring a case to the existing DIVERT scheme or the implementation of Immediate Justice. Many of these sanctions require the offender to complete a rehabilitative course. These aim to address the root cause of the offending and invoke a change in behaviour that aims to prevent future offending and impact positively on the life of the individual.
- 8.6 These interventions can be delivered in person, and the OCD Hub will have access to a range of professionals to engage with offenders on an individual basis and in group settings where appropriate. It has been recognised however, that many of the cases dealt with by the OCD Hub could be effectively managed through the use of an online intervention. Red Snapper are an established company who offer a comprehensive range of digital packages which can be offered to the offender
- 8.7 The cost of the product is £50,000 for a two year licence. (Providing savings over original Exemption request). Cleveland Police have been awarded funding from the Home Office to support the implementation of an OCD Hub. This funding specifically included the cost of Red Snapper services for FY 2023-24 & 2024-25.
- 8.8 This exemption was approved in February 2024.

9. Lease of VR Headsets, Software licenses, Maintenance and Support at a cost of £14,400+VAT from Round Midnight Ltd.

- 9.1 A request is made to purchase (lease of) VR headsets and associated content/curriculum to allow Cleveland Police's Early Intervention Coordinators (EIC) to deliver key interactive content to children of both primary and secondary age in respect of dangers such as Grooming, Knife Crime, Gang Culture and wider Serious Violence concerns. At present this content is delivered to children identified as at risk of such behaviours on a one to one basis and engagement is difficult - this offers an opportunity for the child to see and understand risks posed first hand, with planned outcomes provided and feeding into a wider curriculum (provided with the package).
- 9.2 The plan is to engage with children at an early stage, prevent entry into the Criminal Justice System and with a long term view to preventing further offences against the wider public.
- 9.3 National benchmarking has led the Prevention Command to colleagues in both the Metropolitan Police and West Midlands Police, who are actively utilising bespoke virtual reality educational packages provided by Virtual Decisions.
- 9.4 Other options were explored but they did not meet the requirements nor were recommended by any other Force areas. The equipment has been tested by our EIC's and fits our requirements perfectly - training is included within the package and will commence on authorisation.
- 9.5 There are numerous testimonies/media reports available via Google searches or the Round Midnight website to assist where required.
- 9.6 This exemption was approved in January 2024.

10. Delivery of a voluntary scheme within Stockton NTE at a cost of £6,000 from Stockton BID Ltd

- 10.1 CURV Home Office funding, which includes the Serious Violence Duty funding has a statutory requirement to be delivered/spent within strict timelines
- 10.2 Current funding is agreed within Home Office parameters and a delivery plan has been agreed and signed off by the Home Office. This Delivery Plan includes a bespoke Night-Time Economy (NTE) Action Plan, covering the designated NTE areas of all four Borough Councils, and therefore covers the Stockton Business Improvement District (BID) area of Stockton on Tees.
- 10.3 Stockton BID is the elected representative of businesses within Stockton Town Centre, covering both daytime and NTE venues. As the only supplier, the BID works as a partnership between local businesses and organisations to campaign for and deliver a range of projects and policies to benefit the area.

- 10.4 Stockton BID have previously funded a number of initiatives within the NTE including the use of Scheme Link, and a Pubwatch facility for licensed premises in the town centre.
- 10.5 Stockton BID will match fund CURV's funding linked to the NTE Action Plan, and will also establish and maintain a volunteer driven 'Street Pastors' and 'Taxi Marshall' programme to enhance community safety at peak NTE times. Funding will be allocated to the marketing and outreach to recruit volunteers, and comprehensive training will be provided including conflict resolution, emergency response and community engagement.
- 10.6 This exemption was approved in January 2024.

11. RSS Licence at a cost of £11,800 from Road Safety Support

- 11.1 The force requires the RSS license, to access the services of Road Safety Support Organisation, This is a not for profit Organisation it is a one of the kind service in the UK, it offers:-
- Strategy
 - Road Collision & Casualty Data Analysis
 - Road Safety Media & Marketing
 - Speed Camera Enforcement Strategies
 - Safer Roads Operational Reviews
 - Road Safety Media Skills Training
 - Justice
 - Expert Witnesses & Expert Reports
 - Road Traffic Enforcement Legal Assistance
 - Speed Camera Laser Jammers
 - Forensic Video Analysis
 - Enforcement
 - Speed and Red Light Camera Support
 - Speed Camera Operator Accredited Awards
 - Road Signs & Traffic Regulations
 - Speed Camera Testing
 - Speed Camera and Technology Testing
 - Home Office Type Approval
 - Police Vehicle Speedometer Calibration
 - Speed Camera Verification Services
 - In-vehicle telematics calibration
 - What is ISO 17025 Accreditation,
 - CEU Staff use the services of the RSS on a near daily basis
 - CDSOU & Collision Unit Officers use RSS for advice in relation to Fatal/Seracc RTC investigations.
- 11.2 Every UK force uses the services of the RSS Organisation. Cleveland Police could not get this service, Data or Information from any other Company or Organisation..
- 11.3 This exemption was approved in February 2024.

12. Annual Negotiator Conference Hosting at a cost of £18,000 from Radisson Blu, Durham

12.1 Cleveland is part of a 7 force collaboration of Negotiators whereby every year a different force is responsible for hosting a regional negotiator training conference as part of continual development of negotiators. In February 2024 it is the turn of Cleveland to host the 2 day conference. There are usually about 100 delegates that attend and due to the size of the location required for the conference there are no venues suitable in the Cleveland area therefore the nearest most appropriate location is the Radisson Blue hotel in Durham City .

12.2 This exemption was approved in February 2024.

13. Annual Maintenance Support for EROS Core System, at a cost of £11,873.13 from Cubic Transportation Systems Limited

13.1 Support & Maintenance has been provided on an annual basis for the EROS2 Enforcement Software since October 2011 and has been under £10k.

13.2 The renewal for 24/25 has now exceeded the £10k limit, the supplier has provided details of the renewal cost has been calculated and there is no room for manoeuvre on this cost for this year.

13.3 As this is an annual support cost there is no other supplier to carry out this except the current supplier of the software.

13.4 This exemption was approved in February 2024.

14. Specialist Software Subject Matter Expertise from Consultant: Paul Matthews at a cost of £14,730 from Greenwich Contracts Ltd.

14.1 Required to deliver specialist knowledge and expertise to assist in the delivery of the ICT CapEx projects for this financial year, namely NEP mail migrations.

14.2 Funding has been provided by the OPCC to facilitate the recruit of contractors when it is identified that in-house resource cannot deliver. This has been exacerbated by the failure to recruit into the Infrastructure Engineer roles.

14.3 This exemption was approved in February 2024.

Exceptional Situation – Operational Emergency

15 PSU Van Conversions at a cost of £85,280 from Victory Conversions Ltd.

- 15.1 As part of the 2023/2024 replacement vehicle capital programme, Fleet needs to order 2 x protected carriers. The conversion of the base van requires a specialist vehicle converter.
- 15.2 The vehicle will be purchased from Ford (via Blue Light Commercial). Although there is a capability within Ford for conversion services, the price is considerably more expensive (£7,500 per vehicle extra) and the work would be carried out over 200 miles away from Cleveland Police area.
- 15.3 The complexity of the conversion means that Fleet staff will have to visit the converter's premises during the build programme. Victory Conversions are based in Goole which would make it easier for Fleet staff to carry out inspections. This company is already known to Fleet.
- 15.4 This unforeseen requirement for specialist work needs ordering prior to the financial year end and also supports the Matrix rebranding programme.
- 15.5 This exemption was approved in February 2024.

16 Reactive Cleaning at a cost of £6,000 from Norton Cleaning Services Ltd.

- 16.1 Due to the length of time to go through Tender process it has been recommended we extend service contract for twelve months.
- 16.2 Reactive cleaning is necessary in order to ensure that custody cells are available for police use at all times.
- 16.3 This is required due to Norton Cleaning being the only supplier able to meet our operational needs because of the type of cleaning necessary at this point in time. Also this is the only supplier who can meet our operational requirements such as call out times and turn around times on custody cells on a reactive nature.
- 16.4 This exemption was approved in March 2024.

Appendix 2 –Procurement Performance

- The PCC has 322 live contracts as of 06 March 2024
- In the Period December 2023 to March 2024, 73 of these contracts were due to end or be extended:
 - 30 were extended in line with annual renewal contract terms e.g. Software Licences / Maintenance subscriptions etc. **(41%)**
 - 18 were contracted via Framework Agreements **(25%)**
 - 5 were terminated as no longer required. **(7%)**
 - 4 were extended in line with the contract term *e.g. if a contract was awarded as a 3 year contract with an option to extend for two further 12 month periods.* **(5%)**
 - 16 ended or were extended via an exception to contract standing orders and have been reported to the Audit Committee in the report submitted in March 24 and Appendix 1 of this report. **(22%)**