

## RISC guidance note on Home Office procurement



### Introduction

- This note offers guidance to the UK security and resilience sector on accessing procurement opportunities offered by the Home Office, focusing solely on the department's commercial arrangements and its direct spend. However, it is also recognised that the sector supplies to a wider community of end users in law enforcement, intelligence and security, as well as the private sector itself.
- This guidance note draws upon information that was shared with industry by public officials at a workshop in November 2018 on the UK's security procurement system. It is not intended as a replacement to existing official guidance from the Home Office, Crown Commercial Service and other public procurement bodies, but instead as a supplement that focuses directly on the needs of the UK security and resilience sector.



### The dynamics

- Just as the community of end users are diverse and complex to navigate, the UK security and resilience sector itself is disaggregated and lacking visibility. This is particularly due to the inherently sensitive nature of this sector.
- HMG is often at the mercy of events, both for political and national security reasons, so it can be liable to change direction and priorities quickly. This can make it challenging for companies to make long-term investment and R&D decisions. While RISC repeatedly presses for greater certainty from HMG about its long-term requirements and to highlight the business impact of sudden shifts, this is a high-level risk companies should consider.
- It is always worth recalling that public commercial officers are heavily constrained in their work and focus on ensuring compliance and delivering a sustainable procurement that ensures value for money for the taxpayer. In addition, the Home Office is of course a public sector organisation with a public sector culture, and it serves a diverse range of senior leaders.
- There can be a tendency by end users to ask for specific capabilities instead of focusing on outcomes when launching new tenders. However, Home Office commercial officers are working to reverse that by encouraging the setting of requirements that encourage innovation. Industry has a role to play in this also, to ensure that it genuinely understands the requirements of the customer wherever possible through early engagement if that is offered.
- Industry should be cautious about engaging directly with project leads without commercial staff in the 'room'. It is best to have a perspective on the commercial timescales and constraint from the outset, and indeed it is helpful for any company to know if there is someone in the 'room' with the authority to buy, giving confidence that there are genuine business opportunities at stake.



### The spend

- According to 2018 figures, the Home Office handled about £13.3bn in contract value, with 506 live procurements at £8.3bn in value. The wider Government spend was £44bn in the same year on the provision of goods and services. The provision of services has become increasingly complex, but in 2016 the

Government Commercial Function (GCF) was set up to ensure that civil servants handling commercial issues are more expert and more senior so that they can engage with business at a strategic level.

- According to 2018 figures, the Home Office has around 30,000 staff and it runs about 15-20 large programmes currently, with many additional smaller ones. The size and scope vary widely, but for instance the Communications Capabilities Development Programme ran at about £120m a year for a decade.
- The department achieved its 25% SME spend target in FY2017/18 and has secured an exemption from the wider HMG target of 33% SME spend, instead working towards 28% by 2022.



### The regulations

- The Public Procurement Regulations 2015 (PCR 2015) are subject to EU Treaty principles as well as general principles deriving from case law and EU procurement directives. In addition, they are also subject to the World Trade Organisation Government Procurement Agreement (WTO GPA).
- There are six different routes to market that these regulations enable:
  - Open Route (regulation 27 of PCR15): For simple procurements e.g., stationery.
  - Restricted Route (regulation 28 of PCR 15): For complex procurements where full confidence is needed in the suppliers.
  - Innovation Partnerships: A speedier route, where a challenge is presented to be answered instead of a request for a specific capability.
  - Competitive Procedure with Negotiation: A relatively new approach that provides greater flexibility, enabling some dialogue with industry.
  - Competitive Dialogue: This is for very sensitive projects, but where it still needs to be opened to competition.
  - Framework: This is run by the Crown Commercial Service, for repeatable services where the due diligence on suppliers has already been undertaken.
- Typically speaking most routes have a tender open for 30 days, with another 120 days for evaluation to meet internal governance requirements. However, there is work ongoing to streamline the assurance processes, as they are quite time-consuming.
- EU withdrawal is not likely to have an immediate impact on how the Home Office procures products and services, as the UK will continue to adhere to the existing EU Treaty principles that apply to Public Procurement Regulations for now. However, the legal framework for the relevant regulations is under review and the UK is buying its own version of Tenders Electronic Daily (TED).



### Docking point

- JSaRC was set up by the Home Office to be a flexible capability where government and the security sector can work in partnership to respond to national security threats. It is also tasked to support the growth of the security sector wherever possible and is there to help companies access the complex security machinery of government. JSaRC can therefore help to break down communication barriers, both by highlighting new routes to market for businesses and to help inform HMG colleagues about the sector's capabilities. If you would like to be introduced to JSaRC please contact the RISC Secretariat (<https://www.riscuk.org/>).