

Security Classification:	UNRESTRICTED		
Discloseable under FOIA 2000:	YES		
Author/Contact:	Paul Bundy	Department:	Support Services
Date Created:	6-3-13	Telephone:	39302

N.B. Paper limited to maximum of 3 sides

SURREY POLICE

PAPER JOINT AUDIT COMMITTEE

Date: 14/3/13

Item: 10

WAIVER NOTIFICATION

1. Purpose

- 1.1. This report provides the background to the requirement to employ a waiver of contract standing orders for the audit committee oversight.

2. Employee Benefits Contract

- 2.1. The Force has an employee benefits contract that provides discounts on goods services provided through a website operated by Asperity.
- 2.2. The contract provides for the administration of a childcare voucher scheme (cost of £22k) and the "Stop and Save" discount scheme (at a cost of £29k).
- 2.3. The contract was due for expiry on 28th November 2012 and had no inherent automatic extensions of the contract available and would have required a tender process that takes 6 to 9 months. This omission occurred during the transition phase of establishing the Joint Procurement Service and with changes in responsibilities the contract end date had not been flagged. A complete work-plan between the two forces is now in place and visibility to the Force is through the Joint Procurement Board, chaired by the Deputy Chief Constable on behalf of both Forces, with the intention of publishing the work plan on the Joint Procurement Service intranet site.
- 2.4. The rationale for extending included the following;
- 2.4.1. Current engagement of officers and staff registered on the scheme is nearly 3,000 which represents nearly 70% of the workforce.
- 2.4.2. The scheme has been a success story with only positive feedback ever being received. At a time when the public sector spending is under review and pay is frozen, all police officer terms and conditions being reviewed under the Winsor Report, the scheme is an alternative way an employer can assist our employees to gain monetary benefits.
- 2.4.3. The Reward Gateway scheme from Asperity was chosen for its total independence, market position and bespoke branding, offered with excellent expertise, so was deemed to suit the needs of the Force totally. Plus it could facilitate the additional salary sacrifice schemes (cycle to work and childcare vouchers) under one portal.
- 2.4.4. The risk of not extending the contract could have led to an employee relations impact that could not have been mitigated through other control measures.

3. Contract Standing Orders

- 3.1. The extant contract standing orders required a tender process to be initiated for all contracts with a value in excess of £50,000.
- 3.2. Where the circumstances are such that this is unachievable Contract Standing Orders shall not apply where the:-
- 3.2.1. Chief Constable in consultation with the Chair of SPA (now PCC) (or in their absence

respective designated deputies) direct otherwise

3.2.2. The Chair of SPA (now PCC) after consideration resolve to waive them on such conditions as they may specify in the resolution

3.3. The attached waiver at appendix B was approved by this method and sought approval for a 12 month extension and progress a procurement route to market.

4. Recommendation

4.1. The Joint Audit Committee are requested to comment and note the rationale for the use of the waiver and the actions put in place to minimise this risk re-occurring.

Appendix A – Extract from Contract Standing orders

APPENDIX II - THE PROCESS THAT SHOULD BE FOLLOWED WHEN SEEKING AN EXCEPTION TO CONTRACT STANDING ORDERS

Waivers of Contract Standing Orders

If a request for an Urgent Waiver to Contract Standing Orders is sought then the following process should be followed.

1. The **Urgent Waiver** Proforma should be completed and submitted in the first instance to the Head of Procurement & Contracts for review and endorsement.
2. The endorsed Proforma is then forwarded to the ACO/Director of Finance for approval.
3. The approved Proforma is then forwarded to the relevant Chief Constable for further approval and acceptance.
4. If the Chief Constable accepts and approves the case to waive the Proforma should then be forwarded to the PCC or his/her nominated deputy for endorsement.
5. A copy of the pro-forma should also be made available at the same time to the Chief Executive of the PCC or his/her nominated deputy for recording the decision.

If a Waiver of Contract Standing Orders is sought for other reasons then the following process should be followed.

All waivers are required to be reported to the audit committee post event in a timely manner.

**REQUEST FOR URGENT WAIVER
OF CONTRACT STANDING ORDERS**

Department: Human Resources

Contact: Paul McElroy – Head of Human Resources

CONTRACT	CONTRACTOR(S)	TOTAL VALUE OF CONTRACT	REASON FOR EXCEPTION
Employee Benefits Contract	Asperity	<p>Annual Cost of the Contract</p> <p>Childcare Vouchers Admin Fee £22K</p> <p>Employee Discount (Stop and Save) Admin Fee £29K – This gives all staff access to a range of discounts on commercial products. Its introduction arose from previous pay negotiations with UNISON and was used to help secure a pay settlement.</p> <p>The following additional spend is paid initially by Surrey Police then claimed back via Payroll under a staff salary sacrifice scheme, with the benefit of tax relief on National Insurance:</p> <p>£352k - for Childcare Vouchers and reclaimed through Payroll</p> <p>£80k - for Cycle to Work Scheme and reclaimed through Payroll</p>	<p><u>12 MONTH EXTENSION TO THE INTEGRATED VOLUNTARY EMPLOYEE BENEFIT SCHEME (VEB)</u></p> <p>This Waiver is to extend the current Contract with Asperity for an additional 12 months while the Authority collaborates with the MET Police.</p> <p>The recommendation to join in with the MET was put forward due to themselves being in a position where they are looking to formally tender their scheme due to it expiring at the end of next year. It would make commercial sense to collaborate on this provision at the outset to bring about greater financial benefits and further align ourselves between the neighboring forces.</p> <p>Specification:-</p> <ul style="list-style-type: none"> • 100% independent (not funded by the retailers) • Externally accredited to both SIO27001 (Information Security Management system) and ISO14001 (Environmental Management System) • Provide performance reports via a sophisticated online Management Information System • Integrate our current salary sacrifice schemes • Provide bespoke Total Reward Statements • Provide a Single Account Manager and full Marketing and Communications programme with client branding (no charge) • Use advanced technology (Web 2.0) to increase employee usage - can be accessed from anywhere and is fully secure • All product upgrades included (improved functionality of the

			technology)
--	--	--	-------------

Date decision made to obtain a waiver of Contract Standing Orders:
9th November 2012

Date of previous Surrey Police Authority Meeting:
23rd October 2012

Date contract must commence: 29th November 2012

Date of next Surrey Police Authority Meeting: There are no more due to the commencement of the PCC.

I confirm that it is not possible for this request for a waiver of Contract Standing Orders to go to the next Surrey Police Authority Meeting

Paul McElroy/Paul Bundy (Interim Head of Procurement) Initiating Officer,

Reviewed and Endorsed By:

Paul McElroy HHR. 9th /12. [Signature] - 9.11.2012. PP-Head of Procurement

**ACO Support Services
 Approved By:**

[Signature] acs. 12.11.12.

**Chief Constable
 Approved By:**

[Signature] 20.11.12

Chairman
Chief Executive of the Surrey Police Authority

Approved By:

[Signature] 21.11.12.

Owner: Dean Coulls Revision due: 17/04/2004
 Extension No.: 37996 Date created: 24/09/2002
 Department: F/PU/PG Date revised: 26/09/2002
 Protective Marking: NOT PROTECTIVELY MARKED Descriptor:
 Registry Ref: