

**twice2much**



At the forefront of  
**Spend Recovery Services**

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# Spend recovery services: Get what you pay for – and only pay for what you get

The Crown Commercial Service (CCS), an executive agency sponsored by the UK's Cabinet Office, reveals their work around spend recovery services

Every year, government bodies including central government departments, local authorities, universities, schools, NHS Trusts and arm's length bodies are incorrectly charged for the goods and services they procure.

In the private sector, spend recovery services are a commonly-accessed route to recovering these costs – ensuring that organisations only pay for the goods and services they actually receive. The public sector has been slower to respond.

Crown Commercial Service (CCS) – the UK's largest public procurement body, responsible for shaping and delivering government procurement policy – estimates that £220 million in overcharges and incorrect payments could be recovered over the next four years. To facilitate the identification and recovery of these valuable funds, CCS has created the Spend Analysis & Recovery Services framework.

## How it will work

There are 19 suppliers appointed to the Spend Analysis and Recovery Services (SARS) framework, including companies with specialist expertise in key areas like utilities, telecoms and VAT.

These suppliers will work in partnership with CCS and public-sector organisations on a contingent "no-win-no-fee" basis to analyse financial transactions and commercial agreements; identifying overpayments, errors, or financial benefits which have not been previously realised.

Suppliers on the agreement can also support public bodies with reviews of contract compliance, looking at specific areas of their procurement activity. Contracts are analysed to make sure an organisation is only paying what it should be. If

an organisation is not fully benefiting from existing deals and services, the suppliers will identify it, so it can be rectified.

These reviews can analyse and recover errors or overcharges up to six years after the error or overpayment has occurred.

There are no upfront costs, and the process requires minimal internal resources from customers – suppliers do all the heavy lifting. Customers can also gain access to CCS's commercial expertise, and support to access the breadth of CCS's wide range of commercial solutions for financial services.

Matthew Sparkes, Deputy Director for Financial Services at CCS said: "The use of spend recovery services is commonplace in the private sector, not just to identify and recover valuable funds, but also to understand where to make process improvements that ensure errors won't happen again.

"Spend analysis is a meticulous process which many big companies in the private sector – never mind the public sector – would struggle to carry out on their own. The government simply cannot afford to allow pockets of unnecessary spend to go unnoticed.

"By combining our own CCS category expertise with our suppliers' commercial expertise, we can ensure that the public sector pays only for the goods and services it actually receives."

## How to use the agreement

There are three ways to begin the process of appointing a supplier through Spend Analysis and Recovery Services (SARS).



**Further competition:** Any organisation with significant spend can drive down suppliers' percentage fee by holding a further competition – this is when an organisation asks suppliers to bid against each other for business. This can provide real value for your organisation.

**Direct award:** If an organisation has found a supplier that offers the services they need and is happy with the percentage fee they are offering, then direct award offers a fast, simple solution.

**Aggregation:** If a department is part of a wider organisation, it can be financially beneficial to organise an aggregation. This is when you combine your requirements, allowing you all to get the best deal from bulk ordering.

## Lotting structure

The agreement is broken down into 7 lots covering the largest areas of government procurement spend:

**Lot 1:** Statement Transaction Review

**Lot 2:** End-to-End Review

**Lot 3:** Contract Compliance – Utilities

**Lot 4:** Contract Compliance – Telecoms / Mobiles

**Lot 5:** Contract Compliance – Contingent Labour/  
Agency Staff

**Lot 6:** Contract Compliance – VAT

**Lot 7:** Contract Compliance – Property/Rental  
Review

## Find out more

For more information, visit  
<https://ccshertohelp.uk/>

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## How much could our review be worth to you and your services?

### Simple as...

**1** Contract Award

- Identify scope of review
- Understanding cost/benefit factors
- Award contract

**2** Data Extraction & Analytics

- Identify and obtain data required for review
- Opportunities for recoveries identified using advanced analytics
- Results verified on behalf of the Client

**3** Money Recovered

- Suppliers contacted for confirmation of overpayments
- Monies returned direct to Client
- Suite of reports provided to Client



**£10m**  
recovered  
from HMRC



**£10m**  
recovered  
from Contract  
Compliance  
Reviews



**£20m**  
recovered  
from Statement  
Credits



**£100m**  
recovered in  
Overpayments



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SPEND ANALYSIS AND RECOVERY SERVICES II (SARS II) –  
FRAMEWORK AGREEMENT RM3820

Crown  
Commercial  
Service  
Supplier

**Twice2much specialises in recovery, working with Finance Directors, Heads of Audits and Accounts Payable Teams to provide a comprehensive review of Accounts Payable Spend.**

We provide the time, resource and expertise that many in-house teams cannot justify resourcing internally:

- We provide Clients with dedicated 'expertise' utilising our years of experience specifically focused on Spend Recovery
- Investment in leading edge technology – with access to unrivalled software, programming and dedicated resource
- Dedicated recovery function, with all calls recorded
- All core services are undertaken on a 'share of recoveries' basis (i.e. no recovery – no fee)

In this way, our Clients can free their resources up to focus on the delivery of their core activities and services.

Our reviews are predominantly carried out on a share of recoveries only basis, achieving an effective no-cost review to the organisation.

We have designed our service to minimise the need for Client resources. Our reviews are therefore carried out predominantly off-site, off-system and out of sight for your benefit.

Whilst we believe the combination of our proprietary software and methodologies to be the best, we also invest significantly in developing the software based on experience with our Clients. We also recognise that errors can occur in numerous different ways, and the extensive in-house training provided to our reviewers enables transaction anomalies to be identified, often resulting in the finding of duplicate transactions that cannot be found in the ordinary course of most reviews.

We provide an end-to-end solution in terms of not just identifying potential overpayments but also recovering refunds on behalf of Clients and creating appropriate documentation for recovery.



## What is Spend Recovery?

Spend recovery is an historical review of an organisation's Spend (up to 6 years) to confirm the integrity of transactions and identify opportunities leading to financial recovery or benefit.

The reviews will commonly lead to recovery of overpayments, overcharges, unclaimed VAT or untaken credits from Suppliers, all 'unbudgeted revenue' that Clients were previously unaware of.

Our resources are used to identify, validate and ultimately recover monies for you, 'freeing' and often 'funding' your resources to provide the best possible services to the Public.

### Core Spend Recovery Audit services:-

The core services provided below enable a comprehensive review of an organisation's accounts payable. Not all services need to be requested, however we believe that they are complimentary to each other and can be performed at the same time using our resources and require no additional Client resource. Together they maximise the benefit from our review.

#### Duplicate

- Targeted at identifying overpayments to suppliers previously 'invisible' to clients
- Algorithms created to identify payment anomalies
- Covers end to end process
  - Identification
  - Validation
  - Collection
  - Correcting entries
  - Reporting
- Collect as client
- No recovery – no fee
- To date in excess of £100m recoveries for clients

#### VAT

- Detailed analysis to identify unclaimed VAT at transaction line level
- Provide all documentation and support to substantiate claims
- Expert reviews enable VAT to be reclaimed for services previously thought to be 'unclaimable'
- To date in excess of £10m recoveries for clients

#### Statement

- Provides clients with statement collection and review on a share of recoveries only basis
- Identifies two main 'invisible' recovery opportunities
  - Statement credits previously not received from supplier
  - Credits previously processed but not claimed

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### Additional services:-

Spend Recovery Auditing is not limited to the core reviews above but cover a range of services, all of which can be provided with minimal impact on your internal resources.

#### Other reviews commonly include:-

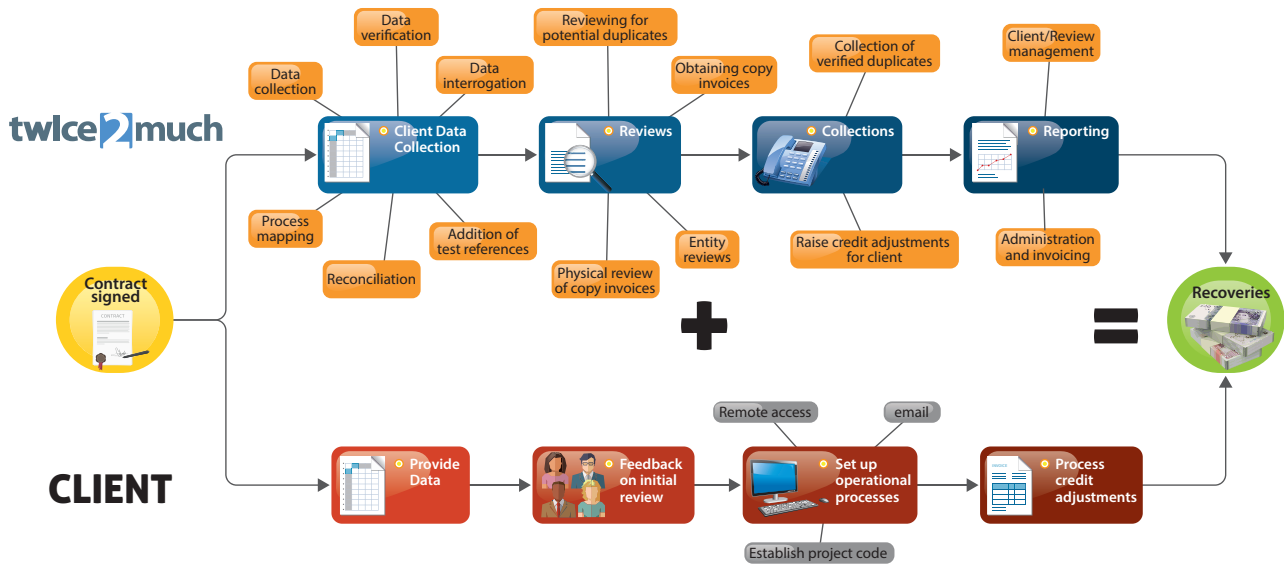
- Contract compliance reviews
- Rebate and contract claimback reviews
- Prompt payment discount reviews
- Property reviews
- Import duty reviews
- Utilities and telecoms reviews
- Spend analysis

#### Opportunities for recoveries

- Payments to incorrect suppliers or duplicate payments to the same supplier
- Invoices processed gross of VAT when VAT is unclear or not identified at the time of input
- Incorrect prices charged by suppliers when compared with contractual terms agreed
- Prompt payment discounts that have not been taken
- Recovery of over-charging of rates, rents, insurance and service charges
- Recovery of over-charging of telecoms and utilities services

## Process overview:

This process overview provides an indication of the steps involved in the review but we provide the flexibility to ensure that Client resources are minimised.



## Advantage of SARS II to the Public Sector

Public Sector organisations can save significant time, resource and cost because virtually all the procurement issues have been addressed by the framework eliminating the need to conduct their own full procurement exercise.

Suppliers on the framework have already been carefully evaluated during the tender process against set criteria:

- Quality
- Technical Merit including capacity to supply, performance, reporting, references, insurances etc.
- Security Considerations
- Environmental/Social considerations
- Financial Assessments
- Price

## The Cost v Benefit conundrum...

This is the hardest part of the tender evaluation but is generally the ultimate decision maker.



The cost of a review is dependant on the amounts recovered, as fees are based on a 'share' of recoveries only, across various recovery ranges. Will more be recovered by those charging the lowest fee?

At present, most tenders try to look objectively by awarding simply all the marks to the lowest bidder, but who is the lowest bidder when Suppliers are asked to provide fees based on a range of recoveries?

How do you guess the recovery and therefore the fee? and which Supplier do you believe will ultimately recover you more?

Under the Framework agreement the main requirement is that you can show that the Supplier you choose represents 'value for money'.

The table opposite shows a possible scenario, where choosing a Supplier charging the lowest Fee can result in worse 'value for money' from the review.

Supplier	Fee%	Recovery	Review Benefit
Supplier A	5%	£100,000	£95,000
Supplier B	20%	£250,000	£200,000

The further competition option provides you with the ability to revise the 'Pricing' element of your tenders to allow consideration of other 'pricing' options which may generate better 'value for money' taking into account your own individual organisation's circumstances.

We would be happy to discuss your options to facilitate greater returns from your Spend Recovery review.



CCS estimates a potential  
£220m in recoveries from  
this framework

Why not let Spend Recovery help  
finance your public services?



Twice2much have recovered  
over £100m in overpayments  
and overcharges



Twice2much have recovered  
more than £20m from  
statement credits

Twice2much have recovered  
more than £10m from  
Contract Compliance Reviews



Twice2much have recovered  
more than £10m from HMRC



How much could YOU benefit  
from a Twice2much review?



**twice**  **much**

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