

## DMPC Decision – PCD 1357 Met Shared Services

**Title: Met Shared Services Strategic Outline Business Case**

### Executive Summary:

This paper outlines the findings and provides recommendations on the strategic direction and decisions associated with the replacement of the outsourced Business Support Services (BSS) of HR, Finance and Commercial and enabling solutions. The current contract with Shared Services Connected Ltd (SSCL) comes to an end in September 2025.

This next generation of business support will drive different business outcomes from this major change, some of which are: improved user experience to equip and empower people in the Met; simplified and automated processes designed across functional areas; intuitive technology underpinned by high quality and managed data. All of this must be delivered with value for money.

A strategic discovery has been completed and a Strategic Outline Business Case has been produced, and approval for its findings and recommendations is being sought to ensure this work can be mobilised for its next stage of definition. After approval of this case this programme will be known as Met Shared Services programme.

### Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. Agree to the strategic direction of moving to a global Shared Services model, enabled by Software as a Service (SaaS) ERP solution, with an expanded scope of outsourced services as the preferred way forward. An interim state for Day 1 in September 2025 will be needed, aligned to the current scope of outsourced services.
2. Approve work to proceed to its next phase which will cost £3.1m. This will deliver: the development of an OBC; Shared Service Operating Model Design; global process design; PMO and market engagement; and data remediation and assurance work. This revenue funding will be supported by the Major Change Fund and is budgeted across 2022/23 and 2023/24.
3. Note that there will be an increased focus on the identification and quantification of benefits and efficiencies (e.g. through process work and the simplification of IT landscape) which will be reflected in future business cases.
4. Note that the run costs for steady state will be established in the development of the next business case.

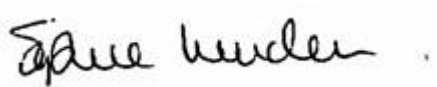
**Deputy Mayor for Policing and Crime**

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

**Signature**

**Date**      **23/01/2023**



## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **1. Introduction and background**

- 1.1. The Metropolitan Police Service (MPS) currently outsources transactional HR, Finance and Commercial services to Shared Services Connected Limited (SSCL). The current operating model was introduced in 2015 under the Business Support Services Transformation Programme (BSS1). Reducing cost was a primary driver for change in 2015, alongside moving closer to a self-service model. The contract was set up with a total value of £234.5m over 10 years (7+3) in support of the delivery of net savings of £101.4m over the contract term.
- 1.2. In 2019, the value of the contract was increased by £89m to account for volumetric changes, which took the total value of the contract to £323.5m. The 7+3 years contract with SSCL was extended to complete its full term in 2025 after evidence showed that the contract benchmarked well against the market. A further £19.5m of revenue budget savings from SSCL were included for the remainder of the contract term, and the approval increased the overall contract value by £105m. This makes the total contract value £428.5m.
- 1.3. The underlying Enterprise Resource Planning (ERP) system called P-SOP requires 55 separate interfaces (including interfaces with other legacy systems). Software support is due to end around 2032 meaning it requires replacement.
- 1.4. After the DMPC decision (PCD 1080) and a competitive procurement of professional services, the MPS commenced a strategic discovery project to: understand the current state across its HR, Finance and Commercial services; review end user experience; gain insight into how the external market has developed and how best to engage with it going forwards; and define future ambition for change. Lessons have been learned from: first generation BSS; other public sector organisations including the GLA; and a review of technology programmes within the MPS which have shaped this work, and will shape the nature of market engagement.
- 1.5. The discovery phase has brought into sharp focus the following key issues, which are explored in greater detail below:
  - i. The need to create a new internal Shared Services model, initially for HR, Finance and Commercial. This will be the engine room for driving standardised processes, trusted data and self-service enablement. It will be far more focused on understanding what frontline officers and staff need to be effective, and ensuring data, processes, and technology deliver for them.
  - ii. Widespread developments in the market since 2015 which would allow the MPS to access a more flexible and modern Software as a Service (SaaS) ERP solution. SaaS is a delivery model in which software is licensed on a subscription basis for all customers and is centrally hosted. It encourages standardisation across all customers and minimal configuration and customisation. The Business Process Outsourcing (BPO) market has also developed and matured over this period, with evidence that both public and private sector companies continue to outsource.

- iii. Significant opportunities to improve the experience of a wide range of users making their lives easier through better technology, greater level of automation, and streamlined policies and processes. MPS work so far has engaged with partners MOPAC, NCTPHQ and NPCC (who have echoed the internal MPS findings) and will continue to do so during this next critical design phase.
- iv. Opportunities to make better informed resourcing decisions and minimise bureaucracy through improved data, and stronger analytical products.
- v. Opportunities to simplify the current complex technology and interface landscape which exists currently with P-SOP, ideally delivering as many service requirements through a core ERP solution.

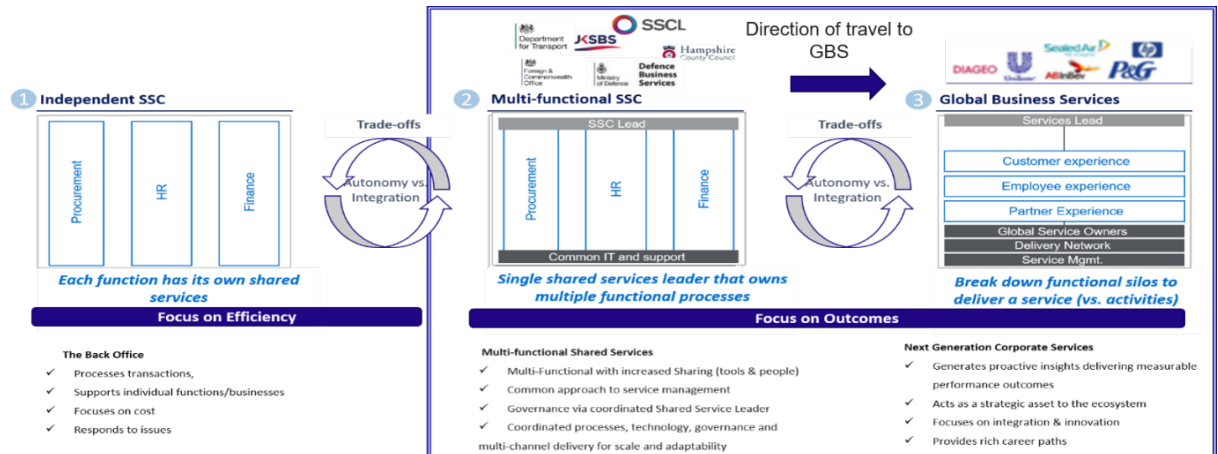
#### The Strategic Case: the case for change

- 1.6. The BSS2 Oversight Board (which collectively comprises the directors of HR, Finance, Commercial, Transformation, Data and Insight, and Technology and Business Engagement) are collectively focused on using this contract end point to focus on driving beneficial change for MPS, its officers and staff, and partner organisations.
- 1.7. BSS2 has identified the following clear outcomes: an improved user experience to equip and empower people in the MPS; simplified and automated processes designed across functional areas; intuitive technology underpinned by high-quality and managed data; simplified and enhanced data analytics capabilities, and a service which must be able to innovate and continuously improve. All of this must be delivered with value for money.
- 1.8. Elements of the case for change are described in more detail below.

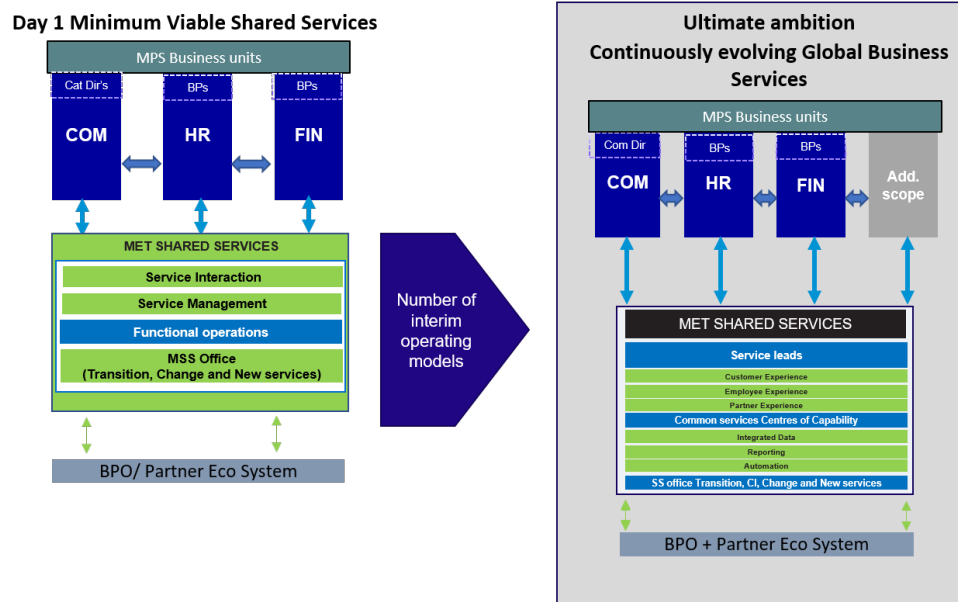
#### Building an internal shared services capability for HR, Finance and Commercial

- 1.9. Many organisations are transforming some of their Corporate Services towards Shared Services, moving away from functional led models towards different shared services models. These are summarised below:
  - Independent shared services operate as functional silos, with each function responsible for the delivery of processes and services under their functional umbrella. This model is decentralised in focus, with functions working separately, often on transactional processes. At present MPS is broadly aligned to an Independent Shared Service Centre model.
  - Multi-function SSC models operate under a single shared services leader who owns multiple functional processes with a common and shared centre for IT and support. Service delivery remains within functions (HR, Finance, Commercial), but tools, resources and governance for specific processes will be centralised and delivered under a shared service centre leader. Elements from each function will be centralised under the SSC leader.

- Global Business Services (GBS) models are a more integrated and mature evolution of the shared services model, functional services and activities are replaced by end-to-end business services defined by their service offering as opposed to functional alignment, for example joiners, movers, and leavers.



- 1.10. The MPS ambition to move towards a GBS model change will not happen in one big-bang, and will mean an operating model that is continuously evolving. MPS propose that its 'Day 1' model at the end of the current contract should be a multi-functional SSC, initially with HR, Finance and Commercial. Then over the new contract period (at a pace it controls) it should develop a number of interim operating models as it moves towards a GBS environment, developing internal capability and bringing in other functions.



- 1.11. Any process that can be centralised and would benefit from increased user focus is a candidate for this new capability, which would realise efficiencies and workforce productivity gains. To bring this to life, MPS will start working this way with processes associated with Joiners, Movers and Leavers. Currently all its business areas design a

process based on their functional needs, rather than that of a user. This creates unnecessary hand-offs, duplication and bureaucracy. With the new Met Shared Services (MSS) capability and introduction of a Global Process Owner (GPO) MPS can drive a better service for the end-user through a newly designed and supported JML business process.

- 1.12. Creating a Met Shared Services (MSS) capability and recruiting a new team, as well as early work to look at a number of global processes would send a strong signal to the market about MPS' ambition to transform key corporate service functionality. This model is fully scalable and would allow for new business functions to be added over time, looking to drive out efficiencies, increase workforce productivity and service delivery improvements. (This is shown by the fourth functional column 'additional scope' in the diagram above.)

#### Developments in the market

- 1.13. To attract a competitive outsourced strategic partner, and at a time when other major players in government are also procuring similar contracts, the MPS should position itself as a progressive and reforming organisation.
- 1.14. MPS' initial market analysis highlighted the significant developments that have taken place in the provision of core ERP technology. In particular, all global ERP providers<sup>1</sup> (and many Best of Breed solutions) now offer a SaaS solution, and this is increasingly the norm across the public sector shared services in line with the Government's Shared Services Strategy. With a SaaS solution, a third-party supplier provides fully integrated and operational software to customer organisations via the cloud. Regular software updates are provided, meaning the customer organisation always has the most-up-to-date software and the latest technology provided by the supplier. When it is delivered as SaaS, ERP usually becomes easier to use, less expensive to own and maintain, and more easily connected to other systems and users. It will also facilitate access to emerging technologies, such as Artificial Intelligence and advanced analytics that require cloud computing's superior processing, data storage and networking capabilities.
- 1.15. In the light of the developments in the BPO market, it is reasonable to expect that, as long as they are not heavily bespoke in their requirements, MPS should expect service levels that are more aligned to user experience and outcomes for stakeholders, and that are strong value for money. MPS expect current services to remain outsourced.

#### Improving user experience

- 1.16. The discovery phase has provided concrete evidence to support the need for a genuine service transformation across the organisation – to reduce duplication, frustration and







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<sup>1</sup> MPS' initial market analysis indicated that there were three main technology providers with a broadly similar range of ERP products and applications: Oracle, SAP, and Workday. The future market engagement will aim to further analyse the market and understand capability of these ERP products and applications and any appropriate Best of Breed SaaS solutions.

enable all officers and staff to be able to focus on their core role. Users in MPS and partner organisations spoke of:

- “Clunky” hard to navigate systems
- Minimal training on the current service
- Limited access to reporting
- Limited access to accurate information.

1.17. Put simply, it is too hard to do the things that people need to do – officers and staff are not empowered to carry out basic activities effectively or have the right information to make decisions. This is a selection of how a number of our personas experience these services today, and what their experience could be in the future:

	Personas	Current Experience	To Be Experience
	 Officers	<ul style="list-style-type: none"> <li>• I wasn't trained on the system and it uses complex terminology, so I spend a lot of time trying to work things out or asking someone else for help – usually at the end of my shift</li> <li>• I can't find the right answers easily – the search functionality is clunky and it takes me several rounds of emails with the service provider to get things sorted</li> <li>• As a dog handler, managing my daily expense is really hard to understand and takes a lot of time</li> </ul>	<ul style="list-style-type: none"> <li>• The new processes and <b>supporting systems are more intuitive and easy to understand</b>. I both get access to different kinds of training and self-help, and can dip into support as I need</li> <li>• It's <b>fast and simple</b> to manage my expenses – <b>I understand what I need to do</b> and it's easy to access and complete</li> <li>• <b>I can spend more time policing</b> because these supporting services just work better and take less time. I don't struggle to understand how they work and <b>it's easier to get things done where and when I need</b></li> </ul>
	 Line managers	<ul style="list-style-type: none"> <li>• I worry about individuals claiming expenses for things they aren't entitled to because the process sometimes sends approvals to the wrong people</li> <li>• It's really hard to manage my team because I don't have a simple way to see all their data like leave, shifts, training etc</li> </ul>	<ul style="list-style-type: none"> <li>• <b>I am confident that expenses are compliant</b> as there are easy ways to delegate authority for the right people to approve</li> <li>• <b>I spend less time administering my team and more time leading them</b> because the information I need is fast and easy to find</li> </ul>
Professional Roles	 Commercial	<ul style="list-style-type: none"> <li>• I spend a lot of time creating custom reports for my stakeholders to help them with planning</li> </ul>	<ul style="list-style-type: none"> <li>• I – and my stakeholders – are happy that we have <b>self service easy access to a range of standard reports created to meet our needs</b>, and access to more complex/custom reporting services as needed</li> </ul>
	 Finance	<ul style="list-style-type: none"> <li>• I spend a lot of time working out how to do things because I didn't get much training and the system isn't intuitive</li> </ul>	<ul style="list-style-type: none"> <li>• The new processes and <b>supporting systems are more intuitive and easy to understand</b>. I both get access to different kinds of training and self-help, and can dip into support as I need</li> </ul>
	 HR	<ul style="list-style-type: none"> <li>• It's really time consuming to get a service changed, and we have a lot of change requests outside our control with tight timeframes e.g. TUPE, pay reg changes and recruiting uplift</li> </ul>	<ul style="list-style-type: none"> <li>• We <b>spend a lot less time delivering manual workarounds</b> and service changes are more nimble</li> </ul>
	 MOPAC	<ul style="list-style-type: none"> <li>• We didn't receive any payslips at all for ages, and now only receive them by mail. It's really hard to query them or understand what's going on with my pay</li> <li>• I get frustrated with how long it takes on fully on-board contingency workers. It took 5 months to get a finance user access to the systems and issued a laptop</li> <li>• I can't assure and reconcile my budgets myself and am reliant on MPS and service provider staff to send me information in spreadsheets for basic tasks</li> </ul>	<ul style="list-style-type: none"> <li>• <b>I am happy that I can easily access all my information</b> - including pay - <b>where, when and how</b> it suits me</li> <li>• We <b>spend less time on-boarding our new staff</b> and they are much more productive using these services more quickly</li> <li>• <b>I can see and manage my budgets myself</b>, and am not reliant on MPS and the service provider to access the basic information</li> </ul>

1.18. A key outcome for BSS2 is improving user experience, and so more detailed work will continue on user pain-points and opportunities as market engagement and design work matures. The move to GBS set out above will underpin the redesign of end-to-end processes with a focus on service delivery, and MPS will continue to engage with partners during this next phase.

Opportunities to make better informed resourcing decisions and minimise bureaucracy through improved data

1.19. It is recognised that MPS will need to address a number of data and reporting issues across its master and transactional data sets as well as the processes and tools that sit around them. These include:

- Data managed in silos and held across multiple systems rather than as an enterprise asset

- Multiple reporting tools being used which is confusing for the user and leads to data being represented differently across reporting tools
- A lot of off-system data processing (e.g. using Excel) and manual handoffs being carried out, which compounds data quality issues.

1.20. The objective is to enable HR, Finance, Commercial and the future Met Shared Services to play its part in fulfilling MPS' Data Strategy and genuinely leverage the power of data to deliver a better, fit for purpose, integrated service to the wider MPS. Early work, which can start now under the direction of the Data Office, is required to redefine the architecture, quality and processes that exist across the data and analytics space within the current Business Support Services.

#### A simplified technology and interface landscape

1.21. P-SOP has over 55 tools/secondary systems interfaces. By leveraging the functionality of a new SaaS ERP under BSS2, MPS will have an opportunity to reduce this number of secondary systems. The next phase of work will set out a process for simplification, based on the development of functional and other requirements, and the market engagement. This will allow for greater certainty on this cashable benefit for future business cases. Alongside the benefits of SaaS, this allows for increased simplicity and a streamlined technology landscape, enabling greater system integration and standardisation of processes allowing organisations to fully realise the benefits this can bring. However, the ERP may not always provide the necessary functionality for business or user needs. Where this is the case, organisations will employ other enabling applications to deliver to user and business needs i.e. a better digital user interface or Best of Breed solutions which again BSS2 will test in market engagement.

#### Prospective organisational benefits

1.22. This opportunity therefore goes significantly beyond a contract replacement for BSS1. It is an opportunity for MPS to drive user-centred transformational change by simplifying processes on an end-to-end basis and improving data management. This will allow MPS to better support its front-line staff, other users of HR, Finance and Commercial services, and partner organisations (MOPAC and other national policing partners). It aligns strongly with the new Commissioner's vision to support officers and staff in carrying out their duties through user-centred processes, and effective use of data to drive better resourcing decisions.

#### The Economic Case: Option Appraisal

1.23. The Economic Case explores the options for BSS2's end-state and sets the Preferred Way Forward (this is standard Green Book language for the chosen end state at SOBC stage). The options were assessed against five Critical Success Factors: strategic fit; business need; user need; achievability; and affordability.



- 1.24. The preferred option for the MPS is to establish an internal shared service capability (known as Met Shared Services (MSS)) with an evolving operating model building towards GBS capability through the lifecycle of the new contract. This will be supported by a single core ERP through a SaaS model. MPS will seek to leverage this ERP capability where possible, based on business requirements.
- 1.25. To support the journey to this end-state ambition, it was agreed that an interim 'Day 1' state should be utilised to support MPS's transition and transformational journey to the end-state ambition.
- 1.26. This is a significant long-term transformation within MPS and a major programme of work. It will provide, as the model evolves, a firm foundation for improved service delivery and for establishing a data-driven approach to strategic resource planning.
- 1.27. Further information is contained in Part 2 of this report.
- 1.28. More work will take place to develop detail around these options and a limited number of other short-listed options (including a 'do nothing' option) for the Outline Business Case.

## **2. Issues for consideration**

- 2.1. This major project is at definition stage, with a clear strategic approach outlined within the SOBC. At this stage of definition the approach to services and enabling technology should remain flexible, critically evidenced with further information needed from market engagement, and future design work which will provide refined details around the costs, benefits and financial analysis. This will help support future decisions and the potential to release early benefits. Further information on the Financial, Commercial and Procurement cases is set out below and in Part 2 of this report.
- 2.2. MPS are recommending that, in parallel with (and to reinforce) the market engagement exercise, early work takes place to maintain the momentum created through the discovery phase. Early work is necessary to scope and recruit a Director for Met Shared Services, and start data remediation work. Where possible, MPS will look to realise benefits before 2025 e.g. through global process redesign described below.
- 2.3. This work should focus on the following key areas to (with the exception of point 3 below) be completed by end-July 2023, and which will underpin the completion of the next business case:
  - Agree and undertake end-to-end technology-agnostic detailed policy and process design for a number of significant global processes. This will include options for delivery (e.g. on a mobile device), and will develop a range of implementation plans. The work will be closely aligned with the Busting Bureaucracy initiative but will go to a deeper level of analysis.

- Deliver a detailed ‘future-proof’ operating model design for Met Shared Services (MSS), building on the high level vision established in the discovery phase to encompass people, organisation, process, data, governance, and technology. Establish the MSS senior leadership team within Corporate Services.
  - Data remediation work to undertake data architecture, cleansing, and restructure which is an important and urgent piece of work and build capability to deliver the Data Strategy within the MPS (this will take place by the end of FY2023/24). Before work commences, the project will seek approval on its approach from the Data Board.
  - Undertake market engagement (including preparation of design specifications and requirements) and work with partner organisations to develop the MPS thinking and encourage a broad and competitive procurement.
  - Engage actively within the MPS, and with partner organisations, to set out the nature of the proposed changes and build consensus.
- 2.4. It is anticipated that this work will cost £1.4m in FY2022/ 23 and £1.7m in FY 2023/24. This revenue funding will be supported by the MPS Major Change Fund and is budgeted across both financial years.

### **3. Financial Comments**

- 3.1. Unlike BSS1, the benefits will largely be non-cashable and derived from business change: simplifying policies and processes; enabling better data-driven resourcing decisions; and embedding a culture of continuous improvement. Further information is contained in Part 2 of the report, and this work will be developed during the completion of the OBC.
- 3.2. The programme has identified indicative cashable savings through the renegotiation of process outsourcing rates and non-cashable efficiency gains (i.e. enabling staff to focus on value adding activity) . It should be noted that BSS2 expects to be able to achieve benefits in excess of this by exploring additional “benefit levers” such as: system rationalisation; expanding scope of services; taking advantage of BPO improvements; centralising and eliminating ‘shadow’ duplicate activity which has formed around unwieldy processes and poor data; and unlocking workforce productivity improvements through better decision-making based on reliable service-wide data. Subsequent business cases will scope these benefits.
- 3.3. Realising these benefits in a sustainable way will require significant business change to underlying processes (as well as technology). The mind-set of continuous improvement which MSS will establish will mean that there will be a number of interim operating models, each delivering additional benefits.
- 3.4. The next phase of work to complete the Outline Business Case will develop further detail on the costs and benefits of the programme, and illustrate how it will deliver value for money.

- 3.5. A modular (or phased) approach to programme delivery is likely to be required, sufficient to realise benefits, help manage the significant business and cultural change this programme will realise and assure compliance with governance mechanisms and stage gates. Similar sized programmes across government regularly adopt this approach.
- 3.6. The modular approach will allow early release of business value, de-risk investment decisions, build capability to improve both the quality of service delivery, and the subsequent procurement exercises. This will de-couple service transformation from technology implementation as far as possible so it is not concurrent, and allow for early benefit realisation. It will improve the overall quality of the market engagement and procurement exercises (which will also be conducted in a modular way) as it allows the MPS to mature as a customer. It also allows business change impact to be sequenced in line with other major transformation activities. Detailed planning is currently taking place and Part 2 of this report provides a roadmap to the work.
- 3.7. It is anticipated that the cost of the next phase will be £1.4m in FY2022/ 23 and £1.7m in FY 2023/24. Revenue funding for this will be supported by the MPS Major Change Fund and is budgeted across both financial years.

#### **4. Legal Comments**

- 4.1. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. Commercial Services and the Directorate of Legal Services should be engaged to ensure compliance.
- 4.2. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
  - 1. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8 of that scheme); and
  - 2. All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13 of that scheme).

#### **5. Commercial Issues**

- 5.1. The commercial case outlines the procurement strategy and approach to market engagement for BSS2. Under BSS2 it is assumed that BPO services, an ERP platform, possible additional specific modules/systems and integration/implementation partners will need to be procured. How these procurements should be structured and the actual ask of the market will be informed by the market engagement process in late 2022, concluding in 2023, and by operating model requirements. However, the aim should be to 'keep it simple' when deciding the right approach. It should be noted that while this question is partly being considered from a Commercial perspective, choices

relating to the operating model will also impact this decision. Final recommendations and decisions on the procurement approach will not be taken until market engagement has been conducted to test the requirements and operating principles and to understand the capability of the market, this will be outlined in subsequent business cases.

- 5.2. It is essential that BSS2 creates a “level playing field” to ensure a fair, open, and healthy competition, attracting a wide variety of capable bidders. BSS2 will do this by following best practice from the Sourcing Playbook<sup>2</sup> and holding transparent two-way engagement with the marketplace at an early stage. This is a critical component of the programme.
- 5.3. This will allow MPS to test and develop the thinking from the discovery phase, and reach out to a broad range of BPO and technology suppliers to help ensure a positive and competitive procurement process. It will allow MPS to establish a clear direction and priorities for procurement which will begin after MSS is established, and allow for greater certainty on the range of likely costs. It will allow the market to be aware of its procurement timetable and undertake sufficient preparatory work (e.g. proven interfaces) to be able to respond positively. Further details are on the Commercial Case are provided in Part 2 of this report.

## **6. GDPR and Data Privacy**

- 6.1. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
- 6.2. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
- 6.4. Having reviewed the programme’s DPIA screening questions, the Data Office has endorsed work to date, and confirmed that, at this stage, a DPIA is not required. A DPIA will be considered at OBC, and will be required when a technology/BPO provider has been selected. The programme will ensure a privacy by design approach, which will allow the MPS to find and fix problems at the early stages of any project, ensuring compliance with GDPR. DPIAs support the accountability principle, as they will ensure the MPS complies with the requirements of GDPR and they demonstrate that appropriate measures have been taken to ensure compliance.

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<sup>2</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/987353/The\\_Sourcing\\_Playbook.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/987353/The_Sourcing_Playbook.pdf)

## **7. Equality Comments**

- 7.1. There are no known negative equality or diversity implications arising from this programme. The user work has encompassed a wide range of views and the next phase of work will actively engage with individual groups and staff networks.
- 7.2. The future procurement will follow accepted best practice and follows government equality and diversity policies leading to the award and during the agreement term. Any approved suppliers will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.
- 7.3. In addition, it should be noted that the MPS supports the Mayor's Responsible Procurement Policy including: Enhancing Social Value, Encouraging Equality and Diversity, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability. Where possible to do so, dependent upon the procurement route to be taken, the MPS will take further steps to influence the behaviours of suppliers to achieve these aims if they are not already doing so. Market engagement will explore the potential initiatives that would strive to achieve these policy requirements.
- 7.4. The MPS aims to explore initiatives during the market engagement that could be incorporated into requirements for the procurement that can influence positive outcomes that aim to support the London Anchor Institutions' Charter<sup>3</sup> and to restore confidence in the city and supporting our communities.

## **8. Background/supporting papers**

- 8.1. Report

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<sup>3</sup> <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/anchor-institutions-charter>

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

**ORIGINATING OFFICER DECLARATION**

*Tick to confirm statement (✓)*

**Financial Advice:**

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

**Legal Advice:**

The MPS legal team has been consulted on the proposal.

✓

**Equalities Advice:**

Equality and diversity issues are covered in the body of the report.

✓

**Commercial Issues**

The proposal is in keeping with the GLA Group Responsible Procurement Policy.

✓

**GDPR/Data Privacy**

- GDPR compliance issues are covered in the body of the report.
- A DPIA is not required at this stage.

✓

**Drafting Officer**

Craig James has drafted this report in accordance with MOPAC procedures.

✓

**Director/Head of Service:**

The Interim Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

**Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

**Signature**

**Date 23/01/2023**



## MET SHARED SERVICES / BUSINESS SUPPORT SERVICES 2

MOPAC Investment Advisory & Monitoring meeting 3<sup>rd</sup> November 2022

Report by Bidisha Kondal on behalf of the Chief of Corporate Services

**Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC**

### *EXECUTIVE SUMMARY*

This paper outlines the findings and provides recommendations on the strategic direction, and decisions associated with, the replacement of the outsourced Business Support Services (BSS) of HR, Finance and Commercial and enabling solutions. The current contract with Shared Services Connected Ltd (SSCL) comes to an end in September 2025.

This next generation of business support will drive different business outcomes from this major change, some of which are: improved user experience to equip and empower our people; simplified and automated processes designed across functional areas; intuitive technology underpinned by high quality and managed data. All of this must be delivered with value for money.

A strategic discovery has been completed and a Strategic Outline Business Case has been produced, and approval for its findings and recommendations are being sought to ensure this work can be mobilised for its next stage of definition. After approval of this case this programme will be known as Met Shared Services programme.

### **Recommendations**

1. The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:
  1. **Agree to the strategic direction of moving to a global Shared Services model, enabled by Software as a Service (SaaS) ERP solution, with an expanded scope of outsourced services as the preferred way forward. An interim state for Day 1 in September 2025 will be needed, aligned to the current scope of outsourced services.**

2. **Approve work to proceed to its next phase which will cost £3.1m. This will deliver: the development of an OBC; Shared Service Operating Model Design; global process design; PMO and market engagement; and data remediation and assurance work. This revenue funding will be supported by the Major Change Fund and is budgeted across 2022/23 and 2023/24.**
3. **Note that there will be an increased focus on the identification and quantification of benefits and efficiencies (e.g. through process work and the simplification of IT landscape) which will be reflected in future business cases.**
4. **Note that the run costs for steady state will be established in the development of the next business case.**

### **Time sensitivity**

2. A decision is required from the Deputy Mayor by 18 November 2022. This is in order to be able to progress the next stage of work in a timely way including market engagement.

### **Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**

#### **Introduction and background**

3. The Metropolitan Police Service (MPS) currently outsources transactional HR, Finance and Commercial services to Shared Services Connected Limited (SSCL). The current operating model was introduced in 2015 under the Business Support Services Transformation Programme (BSS1). Reducing cost was a primary driver for change in 2015, alongside moving closer to a self-service model. The contract was set up with a total value of £234.5m over 10 years (7+3) in support of the delivery of net savings of £101.4m over the contract term.
4. In 2019, the value of the contract was increased by £89m to account for volumetric changes, which took the total value of the contract to £323.5m. The 7+3 years contract with SSCL was extended to complete its full term in 2025 after evidence showed that the contract benchmarked well against the market. A further £19.5m of revenue budget savings from SSCL were included for the remainder of the contract term, and the approval increased the overall contract value by £105m. This makes the total contract value £428.5m.
5. The underlying Enterprise Resource Planning (ERP) system called P-SOP requires 55 separate interfaces (including interfaces with other legacy systems). Software support is due to end around 2032 meaning it requires replacement.
6. After the DMPC decision (PCD 1080) and a competitive procurement of professional services, the MPS commenced a strategic discovery project to: understand the current state across its HR, Finance and Commercial services; review end user experience; gain insight into how the external market has developed and how best to engage with it going forwards; and define future ambition for change. Lessons have been learned from: first generation BSS; other public sector organisations including the GLA; and a review of technology programmes within the MPS which have shaped this work, and will shape the nature of market engagement.
7. The discovery phase has brought into sharp focus the following key issues, which are explored in greater detail below:



- vi. The **need to create a new internal Shared Services model**, initially for HR, Finance and Commercial. This will be the engine room for driving standardised processes, trusted data and self-service enablement. It will be far more focused on understanding what frontline officers and staff need to be effective, and ensuring our data, processes, and technology deliver for them.
- vii. **Widespread developments in the market since 2015** which would allow the MPS to access a more flexible and modern Software as a Service (SaaS) ERP solution. SaaS is a delivery model in which software is licensed on a subscription basis for all customers and is centrally hosted. It encourages standardisation across all customers and minimal configuration and customisation. The Business Process Outsourcing (BPO) market has also developed and matured over this period, with evidence that both public and private sector companies continue to outsource.
- viii. **Significant opportunities to improve the experience of a wide range of users** making their lives easier through better technology, greater level of automation, and streamlined policies and processes. Our work so far has engaged with our partners MOPAC, NCTPHQ and NPCC (who have echoed the internal MPS findings) and will continue to do so during this next critical design phase.
- ix. **Opportunities to make better informed resourcing decisions** and minimise bureaucracy through **improved data, and stronger analytical products**.
- x. **Opportunities to simplify the current complex technology and interface landscape** which exists currently with P-SOP, ideally delivering as many of our service requirements through a core ERP solution.

### The Strategic Case: the case for change

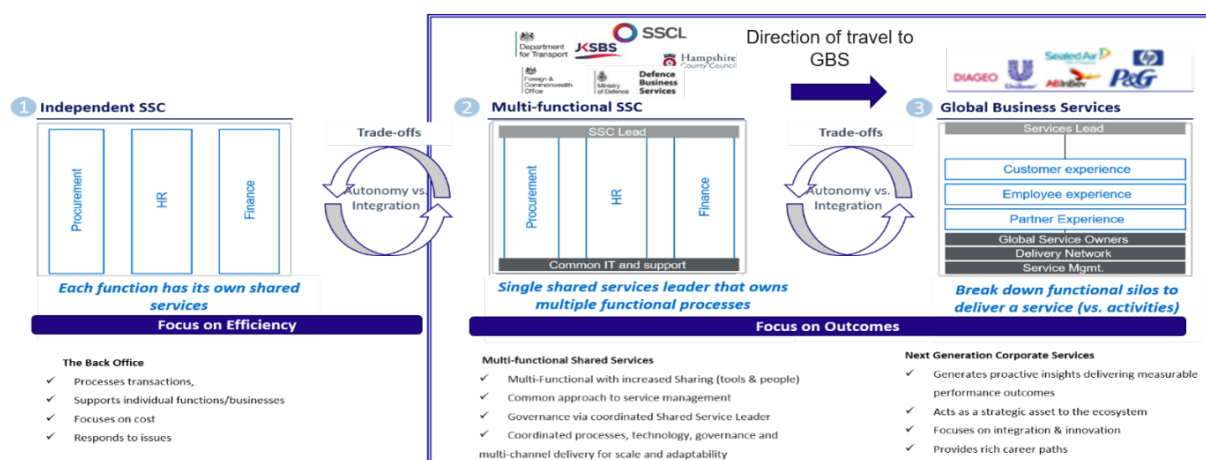
- 8. The BSS2 Oversight Board (which collectively comprises the directors of HR, Finance, Commercial, Transformation, Data and Insight, and Technology and Business Engagement) are collectively focused on using this contract end point to focus on driving beneficial change for MPS, its officers and staff, and partner organisations.
- 9. BSS2 has identified the following clear outcomes: an **improved user experience** to equip and empower our people; **simplified and automated processes** designed across functional areas; **intuitive technology underpinned by high-quality and managed data**; simplified and enhanced data analytics capabilities, and a service which must be able to **innovate and continuously improve**. All of this must be delivered with **value for money**.
- 10. Elements of the case for change are described in more detail below.

### Building an internal shared services capability for HR, Finance and Commercial

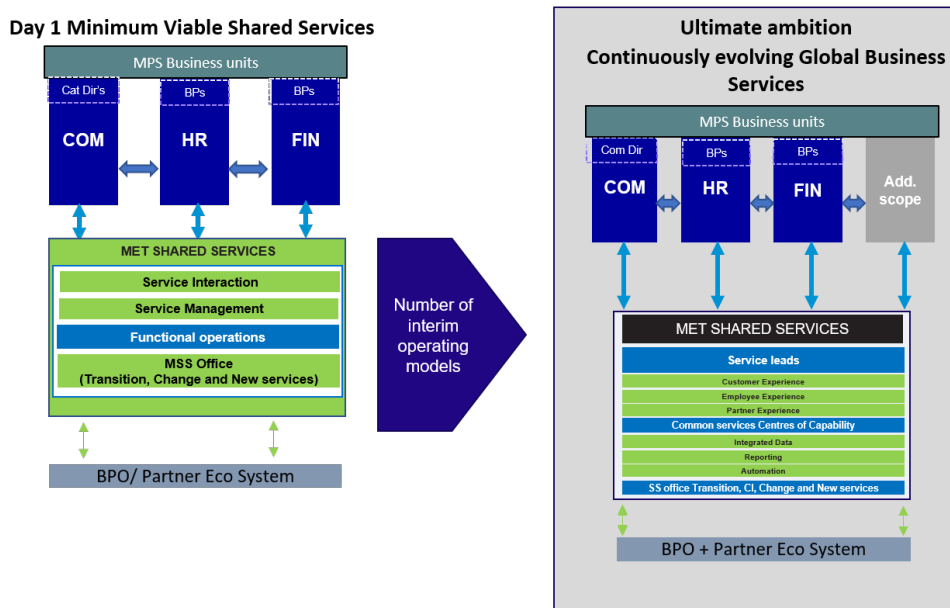
- 11. Many organisations are transforming some of their Corporate Services towards Shared Services, moving away from functional led models towards shared services. These are summarised below:
  - **Independent shared services** operate as functional silos, with each function responsible for the delivery of processes and services under their functional umbrella. This model is

decentralised in focus, with functions working separately, often on transactional processes. At present MPS is broadly aligned to an Independent Shared Service Centre model.

- **Multi-function SSC** models operate under a single shared services leader who owns multiple functional processes with a common and shared centre for IT and support. Service delivery remains within functions (HR, Finance, Commercial), but tools, resources and governance for specific processes will be centralised and delivered under a shared service centre leader. Elements from each function will be centralised under the SSC leader.
- **Global Business Services (GBS)** models are a more integrated and mature evolution of the shared services model, functional services and activities are replaced by end-to-end business services defined by their service offering as opposed to functional alignment, for example joiners, movers, and leavers.



12. Our ambition to move towards a GBS model change will not happen in one big-bang, and will mean an operating model that is continuously evolving. We propose that our 'Day 1' model at the end of the current contract should be a multi-functional SSC, initially with HR, Finance and Commercial. Then over the new contract period (at a pace we control) we should develop a number of interim operating models as we move towards a GBS environment, developing internal capability and bringing in other functions.



13. Any process that can be centralised and would benefit from increased user focus is a candidate for this new capability, which would realise efficiencies and workforce productivity gains. To bring this to life, we will start working this way with processes associated with Joiners, Movers and Leavers. Currently all our business areas design a process based on their functional needs, rather than that of a user. This creates unnecessary hand-offs, duplication and bureaucracy. With the new Met Shared Services (MSS) capability and introduction of a Global Process Owner (GPO) we can drive a better service for the end-user through a newly designed and supported JML business process.
14. Creating a Met Shared Services (MSS) capability and recruiting a new team, as well as early work to look at a number of global processes would send a strong signal to the market about MPS' ambition to transform key corporate service functionality. This model is fully scalable and would allow for new business functions to be added over time, looking to drive out efficiencies, increase workforce productivity and service delivery improvements. (This is shown by the fourth functional column 'additional scope' in the diagram above.)

## **Developments in the market**

15. To attract a competitive outsourced strategic partner, and at a time when other major players in government are also procuring similar contracts (further details in Part 2 of this report), the MPS should position itself as a progressive and reforming organisation.
16. Our initial market analysis highlighted the significant developments that have taken place in the provision of core ERP technology. In particular, all global ERP providers<sup>4</sup> (and many Best of Breed solutions) now offer a SaaS solution, and this is increasingly the norm across the public sector shared services in line with the Government's Shared Services Strategy. With a SaaS solution, a third-party supplier provides fully integrated and operational software to customer organisations via the cloud. Regular software updates are provided, meaning the customer organisation always has the most-up-to-date software and the latest technology provided by the supplier. When it is delivered as SaaS, ERP usually becomes easier to use, less expensive to own and maintain, and more easily connected to other systems and users. It will also facilitate access to emerging technologies, such as Artificial Intelligence and advanced analytics that require cloud computing's superior processing, data storage and networking capabilities.
17. In the light of the developments in the BPO market, it is reasonable to expect that, as long as we are not heavily bespoke in our requirements, we should expect service levels that are more aligned to the user experience and outcomes for our stakeholders, and that are strong value for money. We expect our current services to remain outsourced.

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
<sup>4</sup> Our initial market analysis indicated that there were three main technology providers with a broadly similar range of ERP products and applications: Oracle, SAP, and Workday. The future market engagement will aim to further analyse the market and understand capability of these ERP products and applications and any appropriate Best of Breed SaaS solutions.

## Improving user experience

18. The discovery phase has provided concrete evidence to support the need for a genuine service transformation across the organisation – to reduce duplication, frustration and enable all officers and staff to be able to focus on their core role. Users in MPS and partner organisations spoke of:

- “Clunky” hard to navigate systems
- Minimal training on the current service
- Limited access to reporting
- Limited access to accurate information

19. Put simply, we make it too hard to do the things that our people need to do – we don’t empower our officers and staff to carry out basic activities effectively or have the right information to make decisions. This is a selection of how a number of our personas experience these services today, and what their experience could be in the future:

	Personas	Current Experience	To Be Experience
Professional Roles	 Officers	<ul style="list-style-type: none"><li>• I wasn't trained on the system and it uses complex terminology, so I spend a lot of time trying to work things out or asking someone else for help – usually at the end of my shift</li><li>• I can't find the right answers easily – the search functionality is clunky and it takes me several rounds of emails with the service provider to get things sorted</li><li>• As a dog handler, managing my daily expense is really hard to understand and takes a lot of time</li></ul>	<ul style="list-style-type: none"><li>• The new processes and <b>supporting systems are more intuitive and easy to understand</b>. I both get access to different kinds of training and self-help, and can dip into support as I need</li><li>• It's <b>fast and simple</b> to manage my expenses – <b>I understand what I need to do</b> and it's easy to access and complete</li><li>• <b>I can spend more time policing</b> because these supporting services just work better and take less time. I don't struggle to understand how they work and <b>it's easier to get things done where and when I need</b></li></ul>
	 Line managers	<ul style="list-style-type: none"><li>• I worry about individuals claiming expenses for things they aren't entitled to because the process sometimes sends approvals to the wrong people</li><li>• It's really hard to manage my team because I don't have a simple way to see all their data like leave, shifts, training etc</li></ul>	<ul style="list-style-type: none"><li>• <b>I am confident that expenses are compliant</b> as there are easy ways to delegate authority for the right people to approve</li><li>• <b>I spend less time administering my team and more time leading them</b> because the information I need is fast and easy to find</li></ul>
	 Commercial	<ul style="list-style-type: none"><li>• I spend a lot of time creating custom reports for my stakeholders to help them with planning</li></ul>	<ul style="list-style-type: none"><li>• I – and my stakeholders – are happy that we have <b>self service easy access to a range of standard reports created to meet our needs</b>, and access to more complex/custom reporting services as needed</li></ul>
	 Finance	<ul style="list-style-type: none"><li>• I spend a lot of time working out how to do things because I didn't get much training and the system isn't intuitive</li></ul>	<ul style="list-style-type: none"><li>• The new processes and <b>supporting systems are more intuitive and easy to understand</b>. I both get access to different kinds of training and self-help, and can dip into support as I need</li></ul>
	 HR	<ul style="list-style-type: none"><li>• It's really time consuming to get a service changed, and we have a lot of change requests outside our control with tight timeframes e.g. TUPE, pay reg changes and recruiting uplift</li></ul>	<ul style="list-style-type: none"><li>• <b>We spend a lot less time delivering manual workarounds</b> and service changes are more nimble</li></ul>
	 MOPAC	<ul style="list-style-type: none"><li>• We didn't receive any payslips at all for ages, and now only receive them by mail. It's really hard to query them or understand what's going on with my pay</li><li>• I get frustrated with how long it takes on fully on-board contingency workers. It took 5 months to get a finance user access to the systems and issued a laptop</li><li>• I can't assure and reconcile my budgets myself and am reliant on MPS and service provider staff to send me information in spreadsheets for basic tasks</li></ul>	<ul style="list-style-type: none"><li>• <b>I am happy that I can easily access all my information</b> - including pay - <b>where, when and how</b> it suits me</li><li>• <b>We spend less time on-boarding our new staff</b> and they are much more productive using these services more quickly</li><li>• <b>I can see and manage my budgets myself</b>, and am not reliant on MPS and the service provider to access the basic information</li></ul>

20. A key outcome for BSS2 is improving user experience, and so more detailed work will continue on user pain-points and opportunities as market engagement and design work matures. The move to GBS set out above will underpin the redesign of end-to-end processes with a focus on service delivery, and we will continue to engage with partners during this next phase.

## Opportunities to make better informed resourcing decisions and minimise bureaucracy through improved data

21. It is recognised that we will need to address a number of data and reporting issues across our master and transactional data sets as well as the processes and tools that sit around them. These include:

- Data managed in silos and held across multiple systems rather than as an enterprise asset
- Multiple reporting tools being used which is confusing for the user and leads to data being represented differently across reporting tools
- A lot of off-system data processing (e.g. using Excel) and manual handoffs being carried out, which compounds data quality issues

22. The objective is to enable HR, Finance, Commercial and the future Met Shared Services to play its part in fulfilling MPS' Data Strategy and genuinely leverage the power of data to deliver a better, fit for purpose, integrated service to the wider MPS. Early work, which can start now under the direction of the Data Office, is required to redefine the architecture, quality and processes that exist across the data and analytics space within the current Business Support Services.

### **A simplified technology and interface landscape**

23. P-SOP has over 55 tools/secondary systems interfaces. By leveraging the functionality of a new SaaS ERP under BSS2, MPS will have an opportunity to reduce this number of secondary systems. The next phase of work will set out a process for simplification, based on the development of functional and other requirements, and the market engagement. This will allow for greater certainty on this cashable benefit for future business cases. Alongside the benefits of SaaS outlined in Section 2, this allows for increased simplicity and a streamlined technology landscape, enabling greater system integration and standardisation of processes allowing organisations to fully realise the benefits this can bring. However, the ERP may not always provide the necessary functionality for business or user needs. Where this is the case, organisations will employ other enabling applications to deliver to user and business needs i.e. a better digital user interface or Best of Breed solutions which again BSS2 will test in market engagement.

### **Prospective organisational benefits**

24. This opportunity therefore goes significantly beyond a contract replacement for BSS1. It is an opportunity for MPS to drive user-centred transformational change by simplifying processes on an end-to-end basis and improving our data management. This will allow MPS to better support its front-line staff, other users of HR, Finance and Commercial services, and partner organisations (MOPAC and other national policing partners). It aligns strongly with the new Commissioner's vision to support officers and staff in carrying out their duties through user-centred processes, and effective use of data to drive better resourcing decisions.

### **The Economic Case: Option Appraisal**

25. The Economic Case explores the options for BSS2's end-state and sets the Preferred Way Forward (this is standard Green Book language for the chosen end state at SOBC stage). The options were assessed against five Critical Success Factors: strategic fit; business need; user need; achievability; and affordability.
26. The preferred option for the MPS is to establish an internal shared service capability (known as Met Shared Services (MSS)) with an evolving operating model building towards GBS capability through the lifecycle of the new contract. This will be supported by a single core ERP through a SaaS model. We will seek to leverage this ERP capability where possible, based on business requirements.
27. To support the journey to this end-state ambition, it was agreed that an interim 'Day 1' state should be utilised to support MPS's transition and transformational journey to the end-state ambition.
28. This is a significant long-term transformation within MPS and a major programme of work. It will provide, as the model evolves, a firm foundation for improved service delivery and for establishing a data-driven approach to strategic resource planning.
29. Further information is contained in Part 2 of this report.

30. More work will take place to develop detail around these options and a limited number of other short-listed options (including a 'do nothing' option) for the Outline Business Case.

## Issues for consideration

31. This major project is at definition stage, with a clear strategic approach outlined within the SOBC. At this stage of definition the approach to services and enabling technology should remain flexible, critically evidenced with further information needed from market engagement, and future design work which will provide refined details around the costs, benefits and financial analysis. This will help support future decisions and the potential to release early benefits. Further information on the Financial, Commercial and Procurement cases is set out below and in Part 2 of this report.

32. We are recommending that, in parallel with (and to reinforce) the market engagement exercise, early work takes place to maintain the momentum created through the discovery phase. Early work is necessary to scope and recruit a Director for Met Shared Services, and start data remediation work. Where possible, we will look to realise benefits before 2025 e.g. through global process redesign described below.

33. This work should focus on the following key areas to (with the exception of point 3 below) be completed by end-July 2023, and which will underpin the completion of the next business case:

- **Agree and undertake end-to-end technology-agnostic detailed policy and process design for a number of significant global processes.** This will include options for delivery (i.e. on a mobile device), and will develop a range of implementation plans. The work will be closely aligned with the Busting Bureaucracy initiative but will go to a deeper level of analysis.
- Deliver a **detailed 'future-proof' operating model design for Met Shared Services (MSS)**, building on the high level vision established in the discovery phase to encompass people, organisation, process, data, governance, and technology. Establish the MSS senior leadership team within Corporate Services.
- **Data remediation work** to undertake data architecture, cleansing, and restructure which is an important and urgent piece of work and build capability to deliver the Data Strategy within the MPS (this will take place by the end of FY2023/24). Before work commences, the project will seek approval on its approach from the Data Board.
- Undertake **market engagement (including preparation of design specifications and requirements)** and work with partner organisations to develop the MPS thinking and encourage a broad and competitive procurement.
- **Engage actively within the MPS, and with partner organisations**, to set out the nature of the proposed changes and build consensus.

34. It is anticipated that this work will cost £1.4m in FY2022/ 23 and £1.7m in FY 2023/24. This revenue funding will be supported by the MPS Major Change Fund and is budgeted across both financial years.

## Contributes to the MOPAC Police & Crime Plan 2022-255

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<sup>5</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)

35. This programme will help to contribute to MOPAC's vision of the MPS becoming "an organisation in which all of its officers and staff are proud to work and made to feel supported". The programme will also add value against the priorities of the new Commissioner: the two main being i) to free up our 'dedicated majority' to achieve and ii) relentless data driven delivery and innovation.

## **Financial, Commercial and Procurement Comments**

### **The Commercial Approach**

36. The commercial case outlines the procurement strategy and approach to market engagement for BSS2. Under BSS2 it is assumed that BPO services, an ERP platform, possible additional specific modules/systems and integration/implementation partners will need to be procured. How these procurements should be structured and the actual ask of the market will be informed by the market engagement process in late 2022, concluding in 2023, and by operating model requirements. However, the aim should be to 'keep it simple' when deciding the right approach. It should be noted that while this question is partly being considered from a Commercial perspective, choices relating to the operating model will also impact this decision. Final recommendations and decisions on the procurement approach will not be taken until market engagement has been conducted to test the requirements and operating principles and to understand the capability of the market, this will be outlined in subsequent business cases.

37. It is essential that BSS2 creates a "level playing field" to ensure a fair, open, and healthy competition, attracting a wide variety of capable bidders. BSS2 will do this by following best practice from the Sourcing Playbook<sup>6</sup> and holding transparent two-way engagement with the marketplace at an early stage. This is a critical component of the programme.

38. This will allow MPS to test and develop the thinking from the discovery phase, and reach out to a broad range of BPO and technology suppliers to help ensure a positive and competitive procurement process. It will allow MPS to establish a clear direction and priorities for procurement which will begin after MSS is established, and allow for greater certainty on the range of likely costs. It will allow the market to be aware of our procurement timetable and undertake sufficient preparatory work (e.g. proven interfaces) to be able to respond positively. Further details on the Commercial Case are provided in Part 2 of this report.

### **The financial case: summary of costs; benefits and how it will achieve value for money**

39. Unlike BSS1, the benefits will largely be non-cashable and derived from business change: simplifying policies and processes; enabling better data-driven resourcing decisions; and embedding a culture of continuous improvement. Further information is contained in Part 2 of the report, and this work will be developed during the completion of the OBC.

40. The programme has identified indicative cashable savings through the renegotiation of process outsourcing rates and non-cashable efficiency gains (i.e. enabling staff to focus on value adding activity)<sup>7</sup>. It should be noted that BSS2 expects to be able to achieve benefits in excess of this by exploring additional "benefit levers" such as: system rationalisation; expanding scope of services; taking advantage of BPO improvements; centralising and

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<sup>6</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/987353/The\\_Sourcing\\_Playbook.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/987353/The_Sourcing_Playbook.pdf)

<sup>7</sup> Based on industry benchmarking

eliminating 'shadow' duplicate activity which has formed around unwieldy processes and poor data; and unlocking workforce productivity improvements through better decision-making based on reliable service-wide data. Subsequent business cases will scope these benefits.

41. Realising these benefits in a sustainable way will require significant business change to underlying processes (as well as technology). The mind-set of continuous improvement which MSS will establish will mean that there will be a number of interim operating models, each delivering additional benefits.
42. The next phase of work to complete the Outline Business Case will develop further detail on the costs and benefits of the programme, and illustrate how it will deliver value for money.
43. A modular (or phased) approach to programme delivery is likely to be required, sufficient to realise benefits, help manage the significant business and cultural change this programme will realise and assure compliance with governance mechanisms and stage gates. Similar sized programmes across government regularly adopt this approach.
44. The modular approach will allow early release of business value, de-risk investment decisions, build capability to improve both the quality of service delivery, and the subsequent procurement exercises. This will de-couple service transformation from technology implementation as far as possible so it is not concurrent, and allow for early benefit realisation. It will improve the overall quality of the market engagement and procurement exercises (which will also be conducted in a modular way) as it allows the MPS to mature as a customer. It also allows business change impact to be sequenced in line with other major transformation activities. Detailed planning is currently taking place and Part 2 of this report provides a roadmap to the work.

## **Legal Comments**

45. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. Commercial Services and the Directorate of Legal Services should be engaged to ensure compliance.
46. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
  - i. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8 of that scheme); and
  - ii. All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13 of that scheme).

## **Equality Comments**

47. There are no known negative equality or diversity implications arising from this programme. The user work has encompassed a wide range of views and the next phase of work will



actively engage with individual groups and staff networks.

48. The future procurement will follow accepted best practice and follows government equality and diversity policies leading to the award and during the agreement term. Any approved suppliers will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.
49. In addition, it should be noted that the MPS supports the Mayor's Responsible Procurement Policy including: Enhancing Social Value, Encouraging Equality and Diversity, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability. Where possible to do so, dependent upon the procurement route to be taken, the MPS will take further steps to influence the behaviours of suppliers to achieve these aims if they are not already doing so. Market engagement will explore the potential initiatives that would strive to achieve these policy requirements.
50. The MPS aims to explore initiatives during the market engagement that could be incorporated into requirements for the procurement that can influence positive outcomes that aims to support the London Anchor Institutions' Charter<sup>8</sup> and to restore confidence in the city and supporting our communities.

## **Privacy Comments**

51. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
52. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
53. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
54. Having reviewed the programme's DPIA screening questions, the Data Office has endorsed our work to date, and confirmed that, at this stage, a DPIA is not required. A DPIA will be considered at OBC, and will be required when a technology/BPO provider has been selected. The programme will ensure a privacy by design approach, which will allow the MPS to find and fix problems at the early stages of any project, ensuring compliance with GDPR. DPIAs support the accountability principle, as they will ensure the MPS complies with the requirements of GDPR and they demonstrate that appropriate measures have been taken to ensure compliance.

## **Real Estate Implications**

55. There are no real estate implications.

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<sup>8</sup> <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/anchor-institutions-charter>

## Environmental Implications

56. As part of the call offs from the current CCS Frameworks, where possible under the terms of the Framework Agreement, suppliers will be asked to outline the measure it will take to improve its positive environmental impacts and reduce its negative impacts over the lifetime of the contract. Suppliers shall be expected to demonstrate a proactive approach to environment and sustainability in the delivery of the Contract Services and contribute to the objectives and targets of the MPS Environment and Sustainability Strategy in areas such as recycling and waste reduction, carbon emissions reduction, water management and responsible procurement.

## Background/supporting papers

57. There are no further background or supporting papers.

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## **Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.**

The Government Security Classification marking for Part 2 is:  
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of this report title 'MET SHARED SERVICES / BUSINESS SUPPORT SERVICES 2 is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).
- The relevant sections under the FOIA that would exempt this information from disclosure, for example:
  - Commercial Interest Section 43

The paper will cease to be exempt from 01/10/2032.



## MET SHARED SERVICES / BUSINESS SUPPORT SERVICES 2

MOPAC Investment Advisory & Monitoring meeting 3<sup>rd</sup> November 2022

Report by Bidisha Kondal on behalf of the Chief of Corporate Services

**Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC**

### *EXECUTIVE SUMMARY*

This paper outlines the findings and provides recommendations on the strategic direction, and decisions associated with, the replacement of the outsourced Business Support Services (BSS) of HR, Finance and Commercial and enabling solutions. The current contract with Shared Services Connected Ltd (SSCL) comes to an end in September 2025.

This next generation of business support will drive different business outcomes from this major change, some of which are: improved user experience to equip and empower our people; simplified and automated processes designed across functional areas; intuitive technology underpinned by high quality and managed data. All of this must be delivered with value for money.

A strategic discovery has been completed and a Strategic Outline Business Case has been produced, and approval for its findings and recommendations are being sought to ensure this work can be mobilised for its next stage of definition. After approval of this case this programme will be known as Met Shared Services programme.

### **Recommendations**

1. The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:
  1. **Agree to the strategic direction of moving to a global Shared Services model, enabled by Software as a Service (SaaS) ERP solution, with an expanded scope**

**of outsourced services as the preferred way forward. An interim state for Day 1 in September 2025 will be needed, aligned to the current scope of outsourced services.**

- 2. Approve work to proceed to its next phase which will cost £3.1m. This will deliver: the development of an OBC; Shared Service Operating Model Design; global process design; PMO and market engagement; and data remediation and assurance work. This revenue funding will be supported by the Major Change Fund and is budgeted across 2022/23 and 2023/24.**
- 3. Note that there will be an increased focus on the identification and quantification of benefits and efficiencies (e.g. through process work and the simplification of IT landscape) which will be reflected in future business cases.**
- 4. Note that the run costs for steady state will be established in the development of the next business case.**

### **Time sensitivity**

2. A decision is required from the Deputy Mayor by 18 November 2022. This is in order to be able to progress the next stage of work in a timely way including market engagement.

### **Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**

#### **Introduction and background**

3. The Metropolitan Police Service (MPS) currently outsources transactional HR, Finance and Commercial services to Shared Services Connected Limited (SSCL). The current operating model was introduced in 2015 under the Business Support Services Transformation Programme (BSS1). Reducing cost was a primary driver for change in 2015, alongside moving closer to a self-service model. The contract was set up with a total value of £234.5m over 10 years (7+3) in support of the delivery of net savings of £101.4m over the contract term.
4. In 2019, the value of the contract was increased by £89m to account for volumetric changes, which took the total value of the contract to £323.5m. The 7+3 years contract with SSCL was extended to complete its full term in 2025 after evidence showed that the contract benchmarked well against the market. A further £19.5m of revenue budget savings from SSCL were included for the remainder of the contract term, and the approval increased the overall contract value by £105m. This makes the total contract value £428.5m.
5. The underlying Enterprise Resource Planning (ERP) system called P-SOP requires 55 separate interfaces (including interfaces with other legacy systems). Software support is due to end around 2032 meaning it requires replacement.
6. After the DMPC decision (PCD 1080) and a competitive procurement of professional services, the MPS commenced a strategic discovery project to: understand the current state across its HR, Finance and Commercial services; review end user experience; gain insight into how the external market has developed and how best to engage with it going forwards; and define future ambition for change. Lessons have been learned from: first generation BSS; other public sector organisations including the GLA; and a review of technology programmes within the MPS which have shaped this work, and will shape the nature of market engagement.

7. The discovery phase has brought into sharp focus the following key issues, which are explored in greater detail below:
- i. The **need to create a new internal Shared Services model**, initially for HR, Finance and Commercial. This will be the engine room for driving standardised processes, trusted data and self-service enablement. It will be far more focused on understanding what frontline officers and staff need to be effective, and ensuring our data, processes, and technology deliver for them.
  - ii. **Widespread developments in the market since 2015** which would allow the MPS to access a more flexible and modern Software as a Service (SaaS) ERP solution. SaaS is a delivery model in which software is licensed on a subscription basis for all customers and is centrally hosted. It encourages standardisation across all customers and minimal configuration and customisation. The Business Process Outsourcing (BPO) market has also developed and matured over this period, with evidence that both public and private sector companies continue to outsource.
  - iii. **Significant opportunities to improve the experience of a wide range of users** making their lives easier through better technology, greater level of automation, and streamlined policies and processes. Our work so far has engaged with our partners MOPAC, NCTPHQ and NPCC (who have echoed the internal MPS findings) and will continue to do so during this next critical design phase.
  - iv. **Opportunities to make better informed resourcing decisions** and minimise bureaucracy through **improved data, and stronger analytical products**.
  - v. **Opportunities to simplify the current complex technology and interface landscape** which exists currently with P-SOP, ideally delivering as many of our service requirements through a core ERP solution.

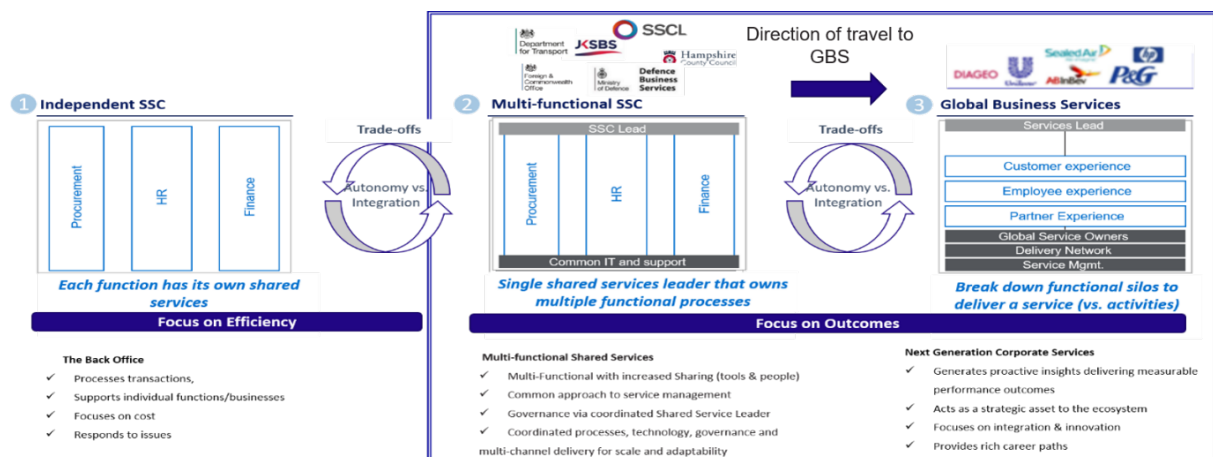
### **The Strategic Case: the case for change**

8. The BSS2 Oversight Board (which collectively comprises the directors of HR, Finance, Commercial, Transformation, Data and Insight, and Technology and Business Engagement) are collectively focused on using this contract end point to focus on driving beneficial change for MPS, its officers and staff, and partner organisations.
9. BSS2 has identified the following clear outcomes: an **improved user experience** to equip and empower our people; **simplified and automated processes** designed across functional areas; **intuitive technology underpinned by high-quality and managed data**; simplified and enhanced data analytics capabilities, and a service which must be able to **innovate and continuously improve**. All of this must be delivered with **value for money**.
10. Elements of the case for change are described in more detail below.

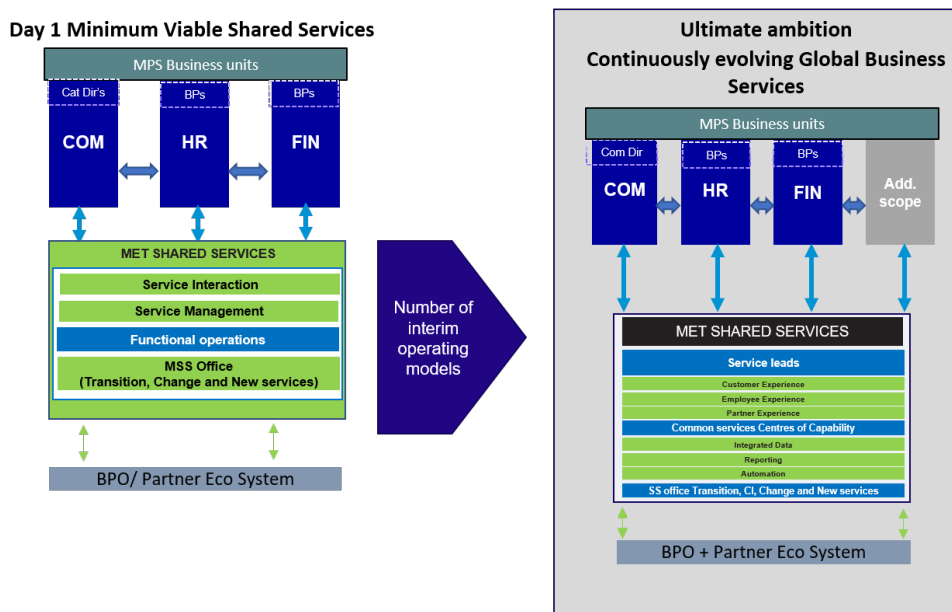
## Building an internal shared services capability for HR, Finance and Commercial

11. Many organisations are transforming some of their Corporate Services towards Shared Services, moving away from functional led models towards shared services. These are summarised below:

- **Independent shared services** operate as functional silos, with each function responsible for the delivery of processes and services under their functional umbrella. This model is decentralised in focus, with functions working separately, often on transactional processes. At present MPS is broadly aligned to an Independent Shared Service Centre model.
- **Multi-function SSC** models operate under a single shared services leader who owns multiple functional processes with a common and shared centre for IT and support. Service delivery remains within functions (HR, Finance, Commercial), but tools, resources and governance for specific processes will be centralised and delivered under a shared service centre leader. Elements from each function will be centralised under the SSC leader.
- **Global Business Services (GBS)** models are a more integrated and mature evolution of the shared services model, functional services and activities are replaced by end-to-end business services defined by their service offering as opposed to functional alignment, for example joiners, movers, and leavers.



12. Our ambition to move towards a GBS model change will not happen in one big-bang, and will mean an operating model that is continuously evolving. We propose that our 'Day 1' model at the end of the current contract should be a multi-functional SSC, initially with HR, Finance and Commercial. Then over the new contract period (at a pace we control) we should develop a number of interim operating models as we move towards a GBS environment, developing internal capability and bringing in other functions.



13. Any process that can be centralised and would benefit from increased user focus is a candidate for this new capability, which would realise efficiencies and workforce productivity gains. To bring this to life, we will start working this way with processes associated with Joiners, Movers and Leavers. Currently all our business areas design a process based on their functional needs, rather than that of a user. This creates unnecessary hand-offs, duplication and bureaucracy. With the new Met Shared Services (MSS) capability and introduction of a Global Process Owner (GPO) we can drive a better service for the end-user through a newly designed and supported JML business process.
14. Creating a Met Shared Services (MSS) capability and recruiting a new team, as well as early work to look at a number of global processes would send a strong signal to the market about MPS' ambition to transform key corporate service functionality. This model is fully scalable and would allow for new business functions to be added over time, looking to drive out efficiencies, increase workforce productivity and service delivery improvements. (This is shown by the fourth functional column 'additional scope' in the diagram above.)

## Developments in the market

15. To attract a competitive outsourced strategic partner, and at a time when other major players in government are also procuring similar contracts (further details in Part 2 of this report), the MPS should position itself as a progressive and reforming organisation.

16. Our initial market analysis highlighted the significant developments that have taken place in the provision of core ERP technology. In particular, all global ERP providers<sup>9</sup> (and many Best of Breed solutions) now offer a SaaS solution, and this is increasingly the norm across the public sector shared services in line with the Government's Shared Services Strategy. With a SaaS solution, a third-party supplier provides fully integrated and operational software to customer organisations via the cloud. Regular software updates are provided, meaning the customer organisation always has the most-up-to-date software and the latest technology provided by the supplier. When it is delivered as SaaS, ERP usually becomes easier to use, less expensive to own and maintain, and more easily connected to other systems and users. It will also facilitate access to emerging technologies, such as Artificial Intelligence and advanced analytics that require cloud computing's superior processing, data storage and networking capabilities.
17. In the light of the developments in the BPO market, it is reasonable to expect that, as long as we are not heavily bespoke in our requirements, we should expect service levels that are more aligned to the user experience and outcomes for our stakeholders, and that are strong value for money. We expect our current services to remain outsourced.







### **Improving user experience**

18. The discovery phase has provided concrete evidence to support the need for a genuine service transformation across the organisation – to reduce duplication, frustration and enable all officers and staff to be able to focus on their core role. Users in MPS and partner organisations spoke of:
- “Clunky” hard to navigate systems
  - Minimal training on the current service
  - Limited access to reporting
  - Limited access to accurate information
19. Put simply, we make it too hard to do the things that our people need to do – we don't empower our officers and staff to carry out basic activities effectively or have the right information to make decisions. This is a selection of how a number of our personas experience these services today, and what their experience could be in the future:

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<sup>9</sup> Our initial market analysis indicated that there were three main technology providers with a broadly similar range of ERP products and applications: Oracle, SAP, and Workday. The future market engagement will aim to further analyse the market and understand capability of these ERP products and applications and any appropriate Best of Breed SaaS solutions.



Personas	Current Experience	To Be Experience
 <b>Officers</b>	<ul style="list-style-type: none"> <li>I wasn't trained on the system and it uses complex terminology, so I spend a lot of time trying to work things out or asking someone else for help – usually at the end of my shift</li> <li>I can't find the right answers easily – the search functionality is clunky and it takes me several rounds of emails with the service provider to get things sorted</li> <li>As a dog handler, managing my daily expense is really hard to understand and takes a lot of time</li> </ul>	<ul style="list-style-type: none"> <li>The new processes and <b>supporting systems are more intuitive and easy to understand</b>. I both get access to different kinds of training and self-help, and can dip into support as I need</li> <li>It's <b>fast and simple</b> to manage my expenses – <b>I understand what I need to do</b> and it's easy to access and complete</li> <li><b>I can spend more time policing</b> because these supporting services just work better and take less time. I don't struggle to understand how they work and <b>it's easier to get things done where and when I need</b></li> </ul>
 <b>Line managers</b>	<ul style="list-style-type: none"> <li>I worry about individuals claiming expenses for things they aren't entitled to because the process sometimes sends approvals to the wrong people</li> <li>It's really hard to manage my team because I don't have a simple way to see all their data like leave, shifts, training etc</li> </ul>	<ul style="list-style-type: none"> <li><b>I am confident that expenses are compliant</b> as there are easy ways to delegate authority for the right people to approve</li> <li><b>I spend less time administering my team and more time leading them</b> because the information I need is fast and easy to find</li> </ul>
 <b>Commercial</b>	<ul style="list-style-type: none"> <li>I spend a lot of time creating custom reports for my stakeholders to help them with planning</li> </ul>	<ul style="list-style-type: none"> <li>I – and my stakeholders – are happy that we have <b>self service easy access to a range of standard reports created to meet our needs</b>, and access to more complex/custom reporting services as needed</li> </ul>
 <b>Finance</b>	<ul style="list-style-type: none"> <li>I spend a lot of time working out how to do things because I didn't get much training and the system isn't intuitive</li> </ul>	<ul style="list-style-type: none"> <li>The new processes and <b>supporting systems are more intuitive and easy to understand</b>. I both get access to different kinds of training and self-help, and can dip into support as I need</li> </ul>
 <b>HR</b>	<ul style="list-style-type: none"> <li>It's really time consuming to get a service changed, and we have a lot of change requests outside our control with tight timeframes e.g. TUPE, pay reg changes and recruiting uplift</li> </ul>	<ul style="list-style-type: none"> <li><b>We spend a lot less time delivering manual workarounds</b> and service changes are more nimble</li> </ul>
 <b>MOPAC</b>	<ul style="list-style-type: none"> <li>We didn't receive any payslips at all for ages, and now only receive them by mail. It's really hard to query them or understand what's going on with my pay</li> <li>I get frustrated with how long it takes on fully on-board contingency workers. It took 5 months to get a finance user access to the systems and issued a laptop</li> <li>I can't assure and reconcile my budgets myself and am reliant on MPS and service provider staff to send me information in spreadsheets for basic tasks</li> </ul>	<ul style="list-style-type: none"> <li><b>I am happy that I can easily access all my information</b> - including pay - <b>where, when and how</b> it suits me</li> <li><b>We spend less time on-boarding our new staff</b> and they are much more productive using these services more quickly</li> <li><b>I can see and manage my budgets myself</b>, and am not reliant on MPS and the service provider to access the basic information</li> </ul>

20. A key outcome for BSS2 is improving user experience, and so more detailed work will continue on user pain-points and opportunities as market engagement and design work matures. The move to GBS set out above will underpin the redesign of end-to-end processes with a focus on service delivery, and we will continue to engage with partners during this next phase.

### Opportunities to make better informed resourcing decisions and minimise bureaucracy through improved data

21. It is recognised that we will need to address a number of data and reporting issues across our master and transactional data sets as well as the processes and tools that sit around them. These include:

- Data managed in silos and held across multiple systems rather than as an enterprise asset
- Multiple reporting tools being used which is confusing for the user and leads to data being represented differently across reporting tools
- A lot of off-system data processing (e.g. using Excel) and manual handoffs being carried out, which compounds data quality issues

22. The objective is to enable HR, Finance, Commercial and the future Met Shared Services to play its part in fulfilling MPS' Data Strategy and genuinely leverage the power of data to deliver a better, fit for purpose, integrated service to the wider MPS. Early work, which can start now under the direction of the Data Office, is required to redefine the architecture, quality and processes that exist across the data and analytics space within the current Business Support Services.

### A simplified technology and interface landscape

23. P-SOP has over 55 tools/secondary systems interfaces. By leveraging the functionality of a new SaaS ERP under BSS2, MPS will have an opportunity to reduce this number of secondary systems. The next phase of work will set out a process for simplification, based on the development of functional and other requirements, and the market engagement. This will allow for greater certainty on this cashable benefit for future business cases. Alongside the benefits of SaaS outlined in Section 2, this allows for increased simplicity and a streamlined technology landscape, enabling greater system integration and standardisation of processes allowing organisations to fully realise the benefits this can bring. However, the ERP may not always provide the necessary functionality for business or user needs. Where this is the case, organisations will employ other enabling applications to deliver to user and business needs

i.e. a better digital user interface or Best of Breed solutions which again BSS2 will test in market engagement.

### **Prospective organisational benefits**

24. This opportunity therefore goes significantly beyond a contract replacement for BSS1. It is an opportunity for MPS to drive user-centred transformational change by simplifying processes on an end-to-end basis and improving our data management. This will allow MPS to better support its front-line staff, other users of HR, Finance and Commercial services, and partner organisations (MOPAC and other national policing partners). It aligns strongly with the new Commissioner's vision to support officers and staff in carrying out their duties through user-centred processes, and effective use of data to drive better resourcing decisions.

### **The Economic Case: Option Appraisal**

25. The Economic Case explores the options for BSS2's end-state and sets the Preferred Way Forward (this is standard Green Book language for the chosen end state at SOBC stage). The options were assessed against five Critical Success Factors: strategic fit; business need; user need; achievability; and affordability.

26. The preferred option for the MPS is to establish an internal shared service capability (known as Met Shared Services (MSS)) with an evolving operating model building towards GBS capability through the lifecycle of the new contract. This will be supported by a single core ERP through a SaaS model. We will seek to leverage this ERP capability where possible, based on business requirements.

27. To support the journey to this end-state ambition, it was agreed that an interim 'Day 1' state should be utilised to support MPS's transition and transformational journey to the end-state ambition.

28. This is a significant long-term transformation within MPS and a major programme of work. It will provide, as the model evolves, a firm foundation for improved service delivery and for establishing a data-driven approach to strategic resource planning.

29. Further information is contained in Part 2 of this report.

30. More work will take place to develop detail around these options and a limited number of other short-listed options (including a 'do nothing' option) for the Outline Business Case.

### **Issues for consideration**

31. This major project is at definition stage, with a clear strategic approach outlined within the SOBC. At this stage of definition the approach to services and enabling technology should remain flexible, critically evidenced with further information needed from market engagement, and future design work which will provide refined details around the costs, benefits and financial analysis. This will help support future decisions and the potential to release early benefits. Further information on the Financial, Commercial and Procurement cases is set out below and in Part 2 of this report.

32. We are recommending that, in parallel with (and to reinforce) the market engagement exercise, early work takes place to maintain the momentum created through the discovery phase. Early work is necessary to scope and recruit a Director for Met Shared Services, and start data remediation work. Where possible, we will look to realise benefits before 2025 e.g. through global process redesign described below.

33. This work should focus on the following key areas to (with the exception of point 3 below) be completed by end-July 2023, and which will underpin the completion of the next business case:

- **Agree and undertake end-to-end technology-agnostic detailed policy and process design for a number of significant global processes.** This will include options for delivery (i.e. on a mobile device), and will develop a range of implementation plans. The work will be closely aligned with the Busting Bureaucracy initiative but will go to a deeper level of analysis.
- Deliver a **detailed ‘future-proof’ operating model design for Met Shared Services (MSS)**, building on the high level vision established in the discovery phase to encompass people, organisation, process, data, governance, and technology. Establish the MSS senior leadership team within Corporate Services.
- **Data remediation work** to undertake data architecture, cleansing, and restructure which is an important and urgent piece of work and build capability to deliver the Data Strategy within the MPS (this will take place by the end of FY2023/24). Before work commences, the project will seek approval on its approach from the Data Board.
- Undertake **market engagement (including preparation of design specifications and requirements)** and work with partner organisations to develop the MPS thinking and encourage a broad and competitive procurement.
- **Engage actively within the MPS, and with partner organisations**, to set out the nature of the proposed changes and build consensus.

34. It is anticipated that this work will cost £1.4m in FY2022/ 23 and £1.7m in FY 2023/24. This revenue funding will be supported by the MPS Major Change Fund and is budgeted across both financial years.

## **Contributes to the MOPAC Police & Crime Plan 2022-25<sup>10</sup>**

35. This programme will help to contribute to MOPAC’s vision of the MPS becoming “an organisation in which all of its officers and staff are proud to work and made to feel supported”. The programme will also add value against the priorities of the new Commissioner: the two main being i) to free up our ‘dedicated majority’ to achieve and ii) relentless data driven delivery and innovation.

## **Financial, Commercial and Procurement Comments**

### **The Commercial Approach**

36. The commercial case outlines the procurement strategy and approach to market engagement for BSS2. Under BSS2 it is assumed that BPO services, an ERP platform, possible additional specific modules/systems and integration/implementation partners will need to be procured. How these procurements should be structured and the actual ask of the market will be informed by the market engagement process in late 2022, concluding in 2023, and by operating model requirements. However, the aim should be to ‘keep it simple’ when deciding the right approach. It should be noted that while this question is partly being considered from a Commercial perspective, choices relating to the operating model will also impact this decision. Final recommendations and decisions on the procurement approach will not be taken until market engagement has been conducted to test the requirements and operating

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<sup>10</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)

principles and to understand the capability of the market, this will be outlined in subsequent business cases.

37. It is essential that BSS2 creates a “level playing field” to ensure a fair, open, and healthy competition, attracting a wide variety of capable bidders. BSS2 will do this by following best practice from the Sourcing Playbook<sup>11</sup> and holding transparent two-way engagement with the marketplace at an early stage. This is a critical component of the programme.
38. This will allow MPS to test and develop the thinking from the discovery phase, and reach out to a broad range of BPO and technology suppliers to help ensure a positive and competitive procurement process. It will allow MPS to establish a clear direction and priorities for procurement which will begin after MSS is established, and allow for greater certainty on the range of likely costs. It will allow the market to be aware of our procurement timetable and undertake sufficient preparatory work (e.g. proven interfaces) to be able to respond positively. Further details on the Commercial Case are provided in Part 2 of this report.

### **The financial case: summary of costs; benefits and how it will achieve value for money**

39. Unlike BSS1, the benefits will largely be non-cashable and derived from business change: simplifying policies and processes; enabling better data-driven resourcing decisions; and embedding a culture of continuous improvement. Further information is contained in Part 2 of the report, and this work will be developed during the completion of the OBC.
40. The programme has identified indicative cashable savings through the renegotiation of process outsourcing rates and non-cashable efficiency gains (i.e. enabling staff to focus on value adding activity)<sup>12</sup>. It should be noted that BSS2 expects to be able to achieve benefits in excess of this by exploring additional “benefit levers” such as: system rationalisation; expanding scope of services; taking advantage of BPO improvements; centralising and eliminating ‘shadow’ duplicate activity which has formed around unwieldy processes and poor data; and unlocking workforce productivity improvements through better decision-making based on reliable service-wide data. Subsequent business cases will scope these benefits.
41. Realising these benefits in a sustainable way will require significant business change to underlying processes (as well as technology). The mind-set of continuous improvement which MSS will establish will mean that there will be a number of interim operating models, each delivering additional benefits.
42. The next phase of work to complete the Outline Business Case will develop further detail on the costs and benefits of the programme, and illustrate how it will deliver value for money.
43. A modular (or phased) approach to programme delivery is likely to be required, sufficient to realise benefits, help manage the significant business and cultural change this programme will realise and assure compliance with governance mechanisms and stage gates. Similar sized programmes across government regularly adopt this approach.
44. The modular approach will allow early release of business value, de-risk investment decisions, build capability to improve both the quality of service delivery, and the subsequent procurement exercises. This will de-couple service transformation from technology

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<sup>11</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/987353/The\\_Sourcing\\_Playbook.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/987353/The_Sourcing_Playbook.pdf)

<sup>12</sup> Based on industry benchmarking

implementation as far as possible so it is not concurrent, and allow for early benefit realisation. It will improve the overall quality of the market engagement and procurement exercises (which will also be conducted in a modular way) as it allows the MPS to mature as a customer. It also allows business change impact to be sequenced in line with other major transformation activities. Detailed planning is currently taking place and Part 2 of this report provides a roadmap to the work.

## **Legal Comments**

45. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. Commercial Services and the Directorate of Legal Services should be engaged to ensure compliance.
46. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
- i. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8 of that scheme); and
  - ii. All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13 of that scheme).

## **Equality Comments**

47. There are no known negative equality or diversity implications arising from this programme. The user work has encompassed a wide range of views and the next phase of work will actively engage with individual groups and staff networks.
48. The future procurement will follow accepted best practice and follows government equality and diversity policies leading to the award and during the agreement term. Any approved suppliers will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.
49. In addition, it should be noted that the MPS supports the Mayor's Responsible Procurement Policy including: Enhancing Social Value, Encouraging Equality and Diversity, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability. Where possible to do so, dependent upon the procurement route to be taken, the MPS will take further steps to influence the behaviours of suppliers to achieve these aims if they are not already doing so. Market engagement will explore the potential initiatives that would strive to achieve these policy requirements.
50. The MPS aims to explore initiatives during the market engagement that could be incorporated into requirements for the procurement that can influence positive outcomes that

aims to support the London Anchor Institutions' Charter<sup>13</sup> and to restore confidence in the city and supporting our communities.

## **Privacy Comments**

51. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
52. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
53. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
54. Having reviewed the programme's DPIA screening questions, the Data Office has endorsed our work to date, and confirmed that, at this stage, a DPIA is not required. A DPIA will be considered at OBC, and will be required when a technology/BPO provider has been selected. The programme will ensure a privacy by design approach, which will allow the MPS to find and fix problems at the early stages of any project, ensuring compliance with GDPR. DPIAs support the accountability principle, as they will ensure the MPS complies with the requirements of GDPR and they demonstrate that appropriate measures have been taken to ensure compliance.

## **Real Estate Implications**

55. There are no real estate implications.

## **Environmental Implications**

56. As part of the call offs from the current CCS Frameworks, where possible under the terms of the Framework Agreement, suppliers will be asked to outline the measure it will take to improve its positive environmental impacts and reduce its negative impacts over the lifetime of the contract. Suppliers shall be expected to demonstrate a proactive approach to environment and sustainability in the delivery of the Contract Services and contribute to the objectives and targets of the MPS Environment and Sustainability Strategy in areas such as recycling and waste reduction, carbon emissions reduction, water management and responsible procurement.

## **Background/supporting papers**

57. There are no further background or supporting papers.

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<sup>13</sup> <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/anchor-institutions-charter>

**Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.**

The Government Security Classification marking for Part 2 is:  
OFFICIAL-SENSITIVE [COMMERCIAL]

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- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).
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