



MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

Submission of National Police Chiefs Council (NPCC) and National Police Coordination Centre (NPoCC) for renewal of ICT services from Police Digital Services (PDS)

MOPAC Board – 21st November 2024

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

EXECUTIVE SUMMARY

This paper seeks MOPAC approval for the National Police Chiefs' Council (NPCC) and the National Police Coordination Centre (NPoCC) to enter into a joint contract with Police Digital Services (PDS) amounting to £2.8 million over a three-year period. This contract is to be applied retrospectively from February 2024 due to the rationale listed within the paper.

The existing contract with PDS has concluded, and renewal is sought to accommodate the increased size of NPCC and expanded national functions. Renewing the ICT contract is strategically important for operational efficiency, technological innovation, and cost-effectiveness.

The contract renewal process was initially scoped for commencement during Q3 of 2023, however during this period, the relocation of NPCC and NPoCC estates was also being progressed. Due to limited resources available and the need to avoid disruption, a Single Tender Action (STA) is to be utilised, allowing the renewal without a full procurement process, as permitted by the Regulation 12 of the Public Contracts Regulation 2015. A full procurement process would have taken up to 12 months and required resources that were unavailable at the time. This decision ensured continuity and minimised risks during the critical transition. NPCC and NPoCC have since been operating at risk, with the assurance from the PDS CEO that PDS will provide NPCC and NPoCC continued service until the contract has been signed.

Additional delays attributed to the timeliness of this submission. The delays are due to significant changes within PDS, including the creation of a new in-house managed services framework after ending their contract with their outsourced provider. Negotiations also revealed a significant cost increase, which extended the process further. These changes delayed the initial contract issuing, causing further postponements as NPCC reviewed the terms and sought legal advice. Through extensive negotiations, an agreement was reached on acceptable terms.

A 5% headroom is included for unforeseen growth. Financial controls, oversight, and transparency will be maintained through existing NPCC controls as outlined in the Home Office Grant Agreement which funds this contract.

Recommendations

The Deputy Mayor for Policing and Crime, via the MOPAC Board, is asked to:

- **Contract Renewal:** Approve the renewal of the contract with Police Digital Services, with a maximum value of £2.8 million over a three-year period, including provisions for early termination with appropriate notice. This contract is to be applied retrospectively from February 2024 due to the rationale listed within the paper.

Time sensitivity

A decision is required from the Deputy Mayor by 6 December because of the impact on the provision of the ICT service for NPCC and NPoCC who are now out of contract and currently operating at risk while contract negotiations are ongoing in order to maintain operational effectiveness within this financial year.

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

1. Introduction and background

This application addresses the business justification for renewing the provision of ICT support services, software, and infrastructure for the National Police Chiefs' Council (NPCC) and the National Police Coordination Centre (NPoCC). Both entities are transitioning to a joint contract to enhance collaboration in ICT services.

Given the critical nature of ICT services, particularly during the NPCC and NPoCC estate relocation throughout 2023, with significant resourcing challenges, the decision was made to renew the contract with the Police Digital Service (PDS). The primary reasons for this decision include minimising disruption, ensuring service continuity, and effectively managing associated risks. The renewal is to be facilitated by utilising a commercial exemption under Regulation 12 of the Public Contracts Regulation 2015, allowing a Single Tender Action (STA) approach. Consideration was given to undertaking a full procurement exercise, however the timeline of up to 12 months and required resources that this meant this was not feasible due to constraints at the time.

Significant changes within PDS, such as the development of an in-house managed services solution following the termination of their contract with Risual, led to delays in finalising the new contract. These changes also impacted NPCC's ability to thoroughly review the contract, address concerns, and seek legal and commercial advice.

Key considerations include the identification of increased costs for the NPCC, which were addressed through extensive negotiations. These negotiations contributed to further delays in the contract renewal process. Renewing the contract with PDS is seen as a strategic move to ensure stability, maintain service continuity, and provide the necessary time to conduct a broader market evaluation. This approach allows for a more stable environment in which to perform a formal procurement and tender process in the future.

Should the contract with PDS not be renewed, alternative solutions, such as shifting responsibilities to the Metropolitan Police Service (MPS) would be necessary, potentially overburdening MPS resources and impacting continuity of service.

2. Issues for consideration

- Delay in Contract Provision: Delays in receiving and negotiating the contract from PDS.
- Impact of Estate Relocation: The financial and operational challenges posed by the NPCC and NPoCC estate relocation throughout 2023, now complete, but a full procurement process during this period would not have been achievable.
- Budget Utilisation: Ensuring that the NPCC/NPoCC budget (public funds) is utilised effectively and that the contract delivers value for money while meeting business requirements efficiently.
- Procurement Timeline: The potential 12-month duration required for requirements discovery phases and a complete procurement process.
- Contingency Planning: The need to identify a suitable alternative provider if the contract with PDS is not renewed, and potential burden on the Metropolitan Police Service to absorb NPCC's ICT needs and provide the necessary support services as the host force.

3. Financial, Commercial and Procurement Comments

Funding is available within the existing budget provided under the Home Office Grant Agreement budget for the various units that come under the NPCC/NPoCC umbrella with no additional budget requirements.

Financial management of the funds are overseen and facilitated by existing NPCC Commercial and Financial controls as outlined in the Home Office Grant Agreement. Funds will be transferred to PDS directly by the NPCC through the budget provided under the grant agreement.

It's important to note that over the past two years, the NPCC and NPoCC have experienced significant growth, a trend expected to continue with the onboarding and transition of existing teams from wider UK Policing, including units like the UK Football Policing Unit, Serious & Organised Crime, Hydrant Programme, and the integration of new units and programs such as the Police Race Action Plan, Office for Police Chief Scientific Advisor, Violence Against Women and Girls, and the Operational Productivity Review.

The Commercial Case supported by MPS Commercial Services, is to proceed with the Single Tender Action (STA) for the NPCC and NPoCC ICT infrastructure, citing the use of Teckal Exemptions under Regulation 12 of the Public Contracts Regulations (PCR) 2015, This report confirms the conditions are met. On that basis regulation 12 shall apply and the proposed contract may be awarded lawfully as confirmed by legal advisors.

Both the NPCC and Police Digital Services are compliant with PCR 2015 regulation as far as responsible procurement and social value are concerned. The parties are both registered in London, and meet all LAIC requirements which fall within the realms of PCR 2015.

Due to the nature and urgency of the contract, no additional work has been done in regards to responsible procurement outside of this. Further considerations will be made towards LAIC and responsible procurement as part of a future competitive procurement process

The order of options that are presented:

1. Direct award compliantly under the Public Contracts Regulations 2015. This would still have to demonstrate value for money.
2. Open competition. The timeline and process would depend on whether the project is over or under the Procurement Contracts Regulations 2015 threshold. Tenders over the threshold could take a minimum of 3-9 months to complete depending on complexity and value.

The recommended strategy is Option 1, using negotiation without competition through the Teckal exemption under PCR 2015. This approach with the current provider is expected to deliver the outlined economic and financial benefits.

Currently, evaluating market routes is impractical, and the focus is on renewing the contract in the interim, with plans to assess the market during the contract period. The approach considers principles of fairness, transparency, proportionality, and value for money.

To accommodate potential unforeseen growth, a 5% headroom has been included in the funding request. Billing processes are regularly reviewed and managed in collaboration with PDS, considering variable costs related to the issuance of licenses to individuals. It's essential to highlight that the NPCC personnel composition is dynamic, with a fluctuating headcount due to secondments, fixed-term contracts, and the natural turnover of personnel.

This request aims to support the strategic expansion of NPCC and NPoCC, ensuring that the necessary resources are in place to effectively manage the increased responsibilities and diverse portfolio resulting from the integration of new units and programs.

4. Legal Comments

The Mayor's Office for Policing and Crime ("MOPAC") is the contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £214,904 or above shall be procured in accordance with the Regulations.

Regulation 12(4) of the regulations provides a contracting authority does not have to comply with the advertising and competitive procedure requirements under the Regulations where the proposed public contract is awarded to an entity that the contracting authority owns (or jointly owns with other contracting authorities). This report confirms the conditions above are met. On that basis regulation 12 shall apply and the proposed contract may be awarded lawfully.

The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:

- Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8);
- 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); and
- All contract exemptions for £100,000 or above
- Paragraph 7.23 of the Scheme provides that the Director of Commercial Services has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph

4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

5. Equality Comments

As the intention of this document is financially related there is no real organisational change. Further reviews will be conducted and if as a result any new Equality Impact is identified, a full Equality Impact Assessment will be initiated.

6. Privacy Comments

It should be noted there are aspects of commercial sensitivity within this process.

The schedules within the contract have been reviewed by the data protection lead and recommendations have been incorporated into the contract.

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 – UK Policing Only.

Part 2 of the Business Justification Paper for NPCC and NPoCC ICT Support Services is exempt from publication for the following reasons:

[Operational sensitivity regarding NPCC and NPoCC supply chain.](#)

The paper will be exempt until 01/02/2027.