

REQUEST FOR DMPC DECISION – DMPCD 2016 09

Title: Investment Requests - January 2016

Executive Summary:

This paper requests the approval of a number of investment decisions with an estimated multi-year value of up to £611m.

Recommendation That The DMPC is asked to approve the:

Resourcing Strategy

1. The outlined framework for the engagement and management of non-permanent resources with the MPS.

Temporary Agency Workers

2. Request to Initiate Procurement activity for the provision of Temporary Agency Workers and associated funding of up to a maximum of £110m over 4 years.

Facilities Management Sourcing Strategy 2017/18 onwards

3. Integrated Model for the delivery of Facilities Management Services for building and estate maintenance;
4. Request to extend 14 current contracts by 1 year with a combined value of £33.69m;
5. Request to re-tender 41 contracts with an approximate value of £463m;
6. KBR to carry out the Procurement activity.

Stationery Contracts

7. Request to extend the contracts with Banner and XMA for the provision of office supplies and IT consumables for one month with a combined value of £131k;
8. Request to Initiate Procurement activity for the provision of office supplies and IT consumables and the associated funding of £4.2m over 4 years.

Palace of Westminster (PoW) Special Policing Services (SPS)

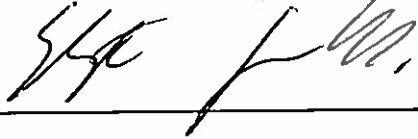
9. Request to enter into a perpetual, annually reviewed SPS with the Palace of Westminster subject to the:
 - a. Completion of a new policing model in readiness for implementation in April 2016;
 - b. SPS being provided by the Parliamentary and Diplomatic Protection Command, with Police Regulation compliant shift rosters;
 - c. Resulting uplift police officers which has been negotiated with PoW on a fixed budget basis for 2016/17;
 - d. Transfer under TUPE terms of approximately 300 police staff security officer posts from the MPS establishment to the Parliamentary Authorities from April 2016 and the associated income loss of up to £1m in support overheads.

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

28/1/2014

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

Introduction and background

1. In support of the Police and Crime Plan commitment to reduce costs by 20% the DMPC considers all procurement activity which in accordance with the Scheme of Delegation requires his approval.

Issues for consideration

2. The following items are to be considered for approval:

Resourcing Strategy

This paper is requesting approval of the Resourcing Strategy which provides an outline framework for the engagement of non-permanent resources with the MPS. The MPS have an increasing requirement for a flexible workforce both in terms of capacity and capability to meet its internal and external demands.

Temporary Agency Workers

This paper is requesting to initiate procurement activity for the provision of temporary agency works with a value of £110m over 4 years. The route to market will consider six options and will ensure the chosen route will deliver to most value for money.

Facilities Management Sourcing Strategy 2017/18 onwards

The paper is requesting to approval to extend 14 current contracts with a combined value of £33.69m and re-tender a further 41 contracts with an approximate value of £463m. KBR will carry out the procurement activity on behalf of MOPAC.

Stationery Contracts

This paper is requesting approval to extend the contracts with Banner and XMA for one month with a combined value of £131k and to initiate procurement activity for the provision of office supplies and IT consumables and the associated funding of £4.2m over 4 years.

Palace of Westminster (PoW) Special Policing Services (SPS)

This paper is requesting approval to enter in to a new SPS agreement with the PoW from April 2016 which is subject to the completion of the new operating model. The impact of the new model will be uplift in police officer numbers and the transfer of circa 300 police staff security officer posts to the Parliamentary Authority.

Financial Comments

3. The cost of the proposed contracts will be funded from within existing budgets.
4. Full details are contained in the attached reports.

Legal Comments

5. The recommendation can be lawfully approved in accordance with MOPAC Contract Regulations and EU/UK Procurement law.
6. In accordance with the MOPAC Scheme of Delegation and Consent (4.8), the DMPC must approve all requests to go out to tender for contracts that exceed £500,000.
7. Full details are contained within the reports attached.

Equality Comments

8. Suppliers will be assessed prior to entering into agreements to ensure they comply with relevant legislation. It will be the responsibility of user departments to ensure that the MPS Equality and Diversity policies are adhered to through the life of the contract.
9. Suppliers may be asked to sign up to the Diversity Works for London Programme which assesses suppliers against the Equality and Diversity framework.

Background/supporting papers

10. Joint Investment Board Papers

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of **this** form to be deferred? NO

If yes, for what reason:

Until what date (if known):

Is there a **part 2** form – YES

If yes, for what reason: Confidential Information

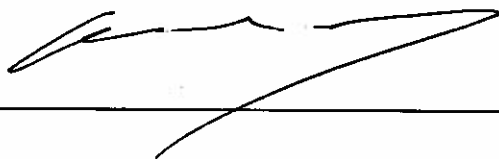
ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
Head of Unit: Rebecca Lawrence has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Strategic Finance and Resource Management team has been consulted on this proposal.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓

OFFICER APPROVAL**Chief Operating 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 28/01/2010

MPS RESOURCING STRATEGY

Joint Investment Board - 21st January 2016

Report by Robin Wilkinson, Director People & Change

EXECUTIVE SUMMARY

There is an increasing requirement across the Met for a flexible workforce both in terms of capacity and capability in order to meet our internal and external demands, set against a complex budgetary and change landscape. The current paper provides a corporate framework for the engagement and management of non-permanent resources across the MPS in order to deliver the requirements of the strategic workforce plan. This specifically includes temporary agency workers, interims and consultancy services - recognising the key role that non-permanent resources can play in addressing surge requirements, meeting gaps in skills and capabilities which it does not make financial sense to retain within the substantive workforce, as well as offsetting future redundancy or outsourcing costs. The framework is designed to provide clear and consistent guidance in the most appropriate resourcing approach to meet a given business need as well as ensuring that the MPS secures best value for money in all of its resourcing investments. The Strategic Workforce Planning function within HR (Met HQ) is responsible for the production and maintenance of the workforce plan (across all staffing groups), whilst control and governance of the delivery of the plan within the set budgets is overseen by MB - Investment & Resources and supported on a day to day basis by the HR and Finance Strategic Business Partners working with Business Group SLTs.

A. RECOMMENDATIONS

1. The DMPC notes and supports the outlined framework for the engagement and management of non-permanent resources within the MPS.

B. SUPPORTING INFORMATION

Context

1. The complexity and demands of the budget and change landscape that the Met is currently facing is changing our resourcing needs, pushing us away from the more traditional resourcing model that the organisation has previously relied on. The delivery of our activities is also evolving. We are broadening beyond the constraints of organisational structures to focus on services that transcend organisational and geographical boundaries and require increasingly collaboration with existing and the establishment of new strategic partners.
2. Leaders and managers within the organisation are increasingly looking for more flexibility when meeting their staffing needs, recognising the non linear demand profile faced and the range of skills and capabilities needed to deliver effectively in support of the One Met Model. This is consistent with the wider employment market where there is an increasing trend for organisations to look to a mix of resourcing models in order to achieve best value for money. Accompanied by a change within the labour market in terms of the flexibility that many individuals are looking for in terms of their employment, this mix of resourcing models can also support the delivery of an enhanced workforce diversity mix.

3. The current paper provides a policy framework for the engagement and management of non-permanent resources across the Met in order to ensure that such resources are clearly aligned to corporate objectives and the delivery of the strategic workforce plan. This specifically includes temporary agency workers, interims and consultancy services - recognising the key role that non-permanent resources can play in addressing surge requirements, meeting gaps in skills and capabilities which it does not make financial sense to retain within the substantive workforce as well as offsetting future redundancy or outsourcing costs. The framework is designed to provide clear and consistent guidance in the most appropriate resourcing approach to meet a given business need as well as to ensure the MPS has appropriate oversight to secure the best value for money in all of its resourcing investments.

Definitions

Non-permanent resources working within the MPS fall within four main classifications;

4. **Temporary Agency Workers:** A temporary agency worker is an individual who has a contract with a Temporary Agency Worker Agency (an employment contract or a contract to provide perform work personally) but who works temporarily for and under the direction and supervision of a given hirer, in this case the MPS. Remuneration is an hourly rate or a day rate dependent on the role (all appointments also include a set fee for the Agency for the duration of the placement). Temporary agency workers may also be referred to as 'agency staff', 'temps' or 'interims' - interim being the term used when an individual with specific technical or specialist experience is engaged via the agency contract to cover a more senior position which is temporarily vacant.
5. Within the MPS, temporary agency workers are primarily used to cover roles within the approved organisational design however temporary agency workers may also be engaged to undertake specific roles in support of corporate change or operational priorities (e.g. ICT Professionals, SCO Investigators). They can also be used to deliver surge capacity to meet short term demand.
6. Under current arrangements, all temporary agency workers are sourced by the MPS under the Reed contract. The Reed contract is projected to reach contract spend threshold in the first quarter of the 2016/17 financial year - approval to initiate procurement for a new provider of temporary agency workers within the MPS is the subject of a separate paper to JIB. To inform the demand profile, alongside the current paper a high level assessment of projected demand for agency staff over 2016/17 across the MPS Business Groups will be presented at JIB on 21st January.
7. **Consultants / Consultancy Services:** Consultants or consultancy services are arrangements where an individual or an organisation is engaged by an organisation on a temporary basis in order to give expert advice within a particular field. The level of expertise is expected to be deeper or broader than that which an organisation would reasonably hold in house.
8. The primary difference between a consultant and a temporary agency worker is typically one of direction - a consultant or consultancy firm is engaged to fulfil a brief in terms of helping to find solutions to specific issues for the organisation but the manner in which the desired outcomes are achieved are typically left to the consultant / consultancy to decide, within certain boundaries (e.g. budget) agreed with the client. By contrast, a temporary agency worker is typically engaged to fulfil a role that exists within the approved organisational structure but is helping to bridge a gap and they fall under the direction of the standard line management chain.

9. The introduction of the NEPRO - a neutral vendor managed service provider for consultancy services - the MPS to compliantly procure outcome based consultancy services in support of business need. The embedding of this resourcing route across the Business Groups is anticipated to reduce the levels of demand that the MPS has put the temporary agency contract over recent months.
10. **Fixed Term Employees:** Individuals employed directly by the MPS on a Met contract, with associated employment rights, for a specific period of time. Fixed term contracts are most typically used when the requirement for a given role is known to be a fixed one between six months and three years in length.
11. **Volunteers:** Individuals who offer their services to the MPS without being paid. Volunteers undertake discrete tasks or activities within the organisation (e.g. reception duties at retirement events) as distinct from any work that would be classified as a permanent job opportunity.

Performance Management & Governance

12. Establishing and utilising a broader workforce allows the Met to be more dynamic in addressing surge requirements, more responsive in meeting gaps in skills and capabilities which it does not make financial sense to retain within the substantive workforce, as well as offsetting future redundancy or outsourcing costs. Used effectively, this is a more cost efficient option. However, it is vital that all the use of all resource groups is properly controlled and managed to ensure best value for money is achieved in the delivery of corporate objectives and that the strategic workforce plan is delivered within the set budget (both corporately and at the Business Group level).

Strategic Workforce Planning Capability

13. The MPS Workforce Planning & Deployment (within retained HR, MetHQ) has responsibility for the coordination and management of the MPS requirements for the workforce including police officers, permanent police staff, temporary workers and consultancy services. Working with business groups, HR will produce workforce plans and define the forecast use of agency workers and consultancy services in support of corporate objectives. This is achieved through;
 - The use of a single resource planning framework to manage operational deployment and drive all resourcing decisions.
 - A single view of all the people available to the MPS (internally and externally) through a consolidated view of availability and capability (skills, experience and career paths).
 - Tracking and responding to trends / forecasts in our supply and demand, translating these requirements into actionable medium and long term workforce plans.
 - Identifying and deploying the most suitable resources (internal or external) with the right skills and experience to meet the corporate need.
 - Workforce plans that feed recruitment and training (including identification of future skills requirements)
 - A Business Group level identification and ratification of temporary workers requirement on a quarterly basis.
 - Monthly management information products for senior leaders detailing the use of temporary and agency workers within their command.
 - Corporate posting panels to align the workforce to meet immediate requirements (monthly).

Controls & Monitoring

14. Before engaging any external resources (whether consultancy services or temporary staff) all internal resourcing options must be exhausted. This can include use of individuals from the Police Staff Posting List as well as temporary internal attachments and internal recruitment.
15. **Temporary agency workers** continue to provide valuable support as part of the Met's overall resourcing strategy in the following ways:
- Covering roles pending permanent recruitment activity;
 - Covering posts where change will impact in the short to medium terms, either via redundancy or TUPE processes, and therefore helping the Met offset future financial pressure;
 - Backfilling posts to allow the substantive post holder to be released for other activity on a temporary basis (e.g. supporting commercial activity);
 - Accessing skills where it does not make financial sense to retain as part of the substantive workforce or where an independent status is required (e.g. CLAS security consultant).

In addition, agency workers are being used more directly in support of corporate change activity or other operational priorities. To illustrate, SCO have sourced ex police officers via Reed in order to support the demands of various high profile investigations, Met Training have sourced Associated Trainers to scale up in support of increased demand running through the Recruitment process and Digital Policing have utilised temporary staff in support of delivering the transformation of DP including some critical leadership roles.

16. The MPS hold a master vendor agreement for the provision of temporary agency workers. The following guidance is in place to support clear and consistent practice across the MPS in the engagement of temporary agency workers - it is communicated through the 'Temporary Agency Worker: How To Buy Guide';
- As part of the annual workforce plan, each Business Group will be required to work with HR and Finance to develop a costed resourcing requirement which will outline how all temporary resourcing requirements fit within their overall devolved police staff pay budget.
 - All new and/or role extension requests for agency workers are submitted through a virtual 'star chamber' process. This ensures that all requests are approved by the relevant OCU Commander / Head of Unit and the assigned Strategic Finance Business Partner. This provides a clear audit trail confirming that the role exists within the approved design (currently held on the OMM Design Database but with the aim to move onto the ERP system under the BSS Programme) and is affordable. Increased local accountability in this area has been delivered through the devolution of the police staff budget line (which accounts for permanent police staff and agency spend) from 1st April 2015 to OCU level.
 - HR review all requests to ensure that the relevant process has been adhered to and proper authorities given. The requests are then sent to displaced staff and the Trade Union Side for information in line with our legal obligations to identify suitable alternative employment for those colleagues at risk of redundancy. If the role is not filled by displaced staff the vacancy is then released more widely - including to Reed where the services of a temporary agency worker are seen to be the most appropriate way to fill the vacancy.
 - The length of the assignment must be actively considered at the outset. The cost of engaging administrative level staff via Reed is the same or slightly more competitive as the costs incurred through a substantive hire. However, this balance shifts as the role becomes more senior. Therefore it is important that temporary staff (paid on a daily rate) are engaged for a defined time period and assignments are not left to drift. In support of this, the initial approval duration for an agency appointment is set at 6

- months. Managers are able to arrange one additional extension however any extensions for an agency staff member to perform a role for in excess of 12 months will now require ACPO / Director level sponsorship. If the length of the assignment is known from the outset to be 6 months or more, then a FTC arrangement should be explored as delivering potentially enhanced value for money.
- Work is currently being done to provide enhanced management information to Business Groups on agency worker usage and tenure.
17. The use of **consultants / consultancy services** can be a highly effective way for the MPS to harness professional and technical skills and capabilities from within the labour market without committing to a formal employment arrangement. Consultants are used as part of the Met's overall resourcing approach adding value through:
- The provision of specialist, technical or professional advice and expertise that is not available internally or where there is only limited internal capacity / capability.
 - Having access to a responsive, flexible and scalable pool of skilled resource to smooth out peaks and troughs and close gaps in demands
 - Allowing the MPS to benefit from exposure to expertise derived within other industries or sectors and 'best practice' solutions.
18. In any engagement of consultant support, it is vital that the following are in place to ensure that the work aligns to corporate objectives, delivers against its intended outcomes and represents value for money for the tax payer;
- Assessment and documentation of the associated costs and benefits of engaging a consultant / consultancy rather than an alternative resourcing route.
 - Production of a clear statement of requirements framed in terms of required outcomes or objectives of the work to be commissioned (as opposed to inputs) including key milestones (with quality standards) and dates.
 - Clear reporting arrangements.
 - Consideration of an explicit skills transfer / uplift arrangement.
 - A clearly constructed payment mechanism linked to delivery of defined milestones and consideration of 'payment by results' approach to promote shared risk and benefit.
 - Acting in accordance with the 'Consultancy Services How to Buy Guide' and professional advice from the Strategic Commercial & Procurement Team as necessary.
19. Routing requirements via Strategic Procurement (MetHQ) ensures there is necessary corporate oversight on engagement with 3rd party suppliers to lever best value for money and ensure requirements can be aggregated where possible. The following rules are in place to ensure consistent practice across the business areas;
- Requirements under £50k can be managed directly by the business via the 3 quote process.
 - Requirements between £50-500k should be directed to Strategic Procurement where the relevant Category Lead can provide advice on the sourcing process.
 - Requirements over £500k require the completion of a Business Case and submission via MB - Investment & Resources Board and JIB for approval.
 - For all requirements in excess of £50k where it is defined that consultancy services are required, the route to market will be NEPRO.

Governance

It is essential that there is active control and management of the delivery of the workforce plan and the associated resourcing methods, including the financial impact of the resourcing decisions being made across the organisation - locally and collectively. This is achieved through the following;

- The annual workforce plan is monitored through MB - Investment & Resources. This contains all workforce detail including the use of temporary workers and consultants.
- The annual workforce plan is fed from local BOCU/OCU local resource planning meetings (LRPMs) where workforce actual data is managed against the agreed design database. Any vacancies are initially ratified at the LRPM including requests for temporary workers.
- Business group workforce planning meetings authorise any recruitment including temporary workers against budget. Managers must operate within their devolved police staff budget and therefore if there is a choice to utilise a temporary worker any additional costs must be offset elsewhere through other resources decisions made.
- Any temporary worker request is subsequently sent to HR where a review is completed to ensure the temporary worker is the most appropriate and best value for money resource option. HR is increasingly working with the business to use FTC or NEPRO arrangements where this gives best value for money. This process is also undertaken for any extensions to existing contracts.
- Benchmarking data is provided by Reed and Hay to inform rates of pay.
- A record of all interims sourced via the Reed contract is maintained by HR and monthly management information regarding 'high earners' is produced and, going forward, will be shared with the HR and Finance Strategic Business Partners for relevant test and challenge with Business Group SLTs to ensure the most appropriate sourcing routes are being used.
- Commercial / change activity is managed within the MPS corporate governance framework where business cases (outline and full) are required to include a full resourcing profile - from scoping to implementation - and where budgets are allocated accordingly and SROs held to account against delivery.
- The new NEPRO arrangements will align with existing processes to ensure we are sourcing additional resources via the best value for money route.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

1. Equality and Diversity Impact

There are no identified equality or diversity implications associated with the current proposals.

2. Financial Implications / Value for Money

The paper outlines a strategy and policy framework for the engagement of consultancy services and temporary workers and, as such, there are no direct financial implications associated.

It should be noted that in order to engage any non permanent resources existing processes are in place which must be followed. Costs associated with these services will be managed from within existing devolved Business Group budgets.

3. Legal Implications (mandatory)

DLS have confirmed that no direct legal implications have been identified from the recommendations set out in this report which seeks to implement an enhanced system of internal control around the engagement and management of consultancy services and temporary workers.

4. Consultation undertaken (mandatory)

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
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James Brown (Strategic Procurement, MethQ)	Supportive
Neil Barton (Strategic Finance, MethQ)	Supportive
Adam Gibson (Strategic Workforce Planning, MethQ)	Supportive
Legal Services	Supportive
Diversity & Business Change (MethQ)	Supportive

5. Risk (including Health & Safety) Implications

There are no adverse Health and Safety implications associated with the Resourcing strategy.

6. Real Estate and Environmental Implications (if relevant to the subject)

There are no environmental implications relevant to this proposal.

Report Author: Alex Walsh, Director - HR Change, Human Resources.



ENGAGEMENT OF TEMPORARY AGENCY WORKERS TO THE MPS

Joint Investment Board – 21st January, 2016

Report by Robin Wilkinson on behalf of the Deputy Commissioner

EXECUTIVE SUMMARY

The Joint Investment Board is requested to approve the following recommendations:

Approve the initiation of procurement activity relating to the new contract request for the provision of temporary agency workers within the MPS. The requested contract value, over a proposed 4 year duration, is £110M. This considers the previous spend rate of approximately £40M a year whilst acknowledging reductions through the introduction of NEPRO, impact of commercial outsourcing and takes account of enhanced local controls and approvals. This figure represents the maximum threshold of spend against this contract.

A. RECOMMENDATIONS – That the DMPC approves

1. Approve the initiation of procurement activity relating to the new contract request for the provision of temporary agency workers within the MPS. The requested contract value, over a proposed 4 year duration, is £110M. This considers the previous spend rate of approximately £40M a year whilst acknowledging reductions through the introduction of NEPRO, impact of commercial outsourcing and takes account of enhanced local controls and approvals. This figure represents the maximum threshold of spend against this contract.

B. SUPPORTING INFORMATION

The key issues the Joint Investment Board need to take account of are:

1. Temporary Agency Workers are primarily used to cover roles within the approved organisational design however temporary agency workers may also be engaged to undertake specific roles in support of corporate change or operational priorities. They can be used to deliver surge capacity to meet short term demand and continue to provide valuable support to the MPS with the delivery of specialist and senior roles including board level position in Digital Policing, Analysts for Forensic Services and Investigators for Specialist Crime Operations. This is in addition to a broad spectrum of technical and specialist agency workers including Custody Nurses, Chefs, Associate Trainers, and other roles within the sectors of Management; Engineering; Legal; Procurement; Finance and Information Technology professionals. At present, the majority of the MPS' Doctors and Physiotherapists are also engaged via Reed. The facility to engage highly specialist individuals has been instrumental in service delivery.
2. There are currently circa 540 agency workers (at October 2015) engaged in the Met in a broad spectrum of roles. The annual gross spend in 2014 was £46.9M and in 2015 (period from January to November) stands at £44.5M. The majority of this spend (95%) is accounted for by candidate pay, national insurance and pension contributions. Agency fees for this period were approximately 5% of total spend. This has significantly reduced due to the MPS being part of the MSTAR framework with savings of £1.9m achieved since February 2014 against the previous contract spend on agency fees.

3. Governance controls are key in monitoring the demand volume and rates of pay of temporary agency workers. The MPS Workforce Planning & Deployment (within retained HR, MethHQ) has responsibility for the coordination and management of the MPS requirements for the workforce including temporary workers. Working with business groups, HR will produce workforce plans and define the forecast use of agency workers in support of corporate objectives. This is achieved through;

- The use of a single resource planning framework to manage operational deployment and drive all resourcing decisions.
- A single view of all the people available to the MPS (internally and externally) through a consolidated view of availability and capability (skills, experience and career paths).
- Tracking and responding to trends / forecasts in our supply and demand, translating these requirements into actionable medium and long term workforce plans.
- Identifying and deploying the most suitable resources (internal or external) with the right skills and experience to meet the corporate need.
- Workforce plans that feed recruitment and training (including identification of future skills requirements)
- A Business Group level identification and ratification of temporary workers requirement on a quarterly basis.
- Monthly management information products for senior leaders detailing the use of temporary agency workers within their command.

As part of the annual workforce plan, each Business Group will be required to work with HR and Finance to develop a costed resourcing requirement which will outline how all temporary resourcing requirements fit within their devolved police staff pay budget. This will provide an opportunity to test and challenge value for money. The annual plan and quarterly updates will be provided to and overseen by Investment & Resources Board. This will allow Board to intervene where there are significant variations from plan.

4. All new and/or role extension requests for agency workers are submitted through a virtual 'Star Chamber' process. This ensures that requests will have been approved by the relevant OCU Commander / Head of Unit and the assigned Strategic Finance Business Partner. This provides a clear audit trail confirming that the role exists within the One Met Model Design Database (i.e. within the approved target operating model) and that it is affordable. Increased local accountability in this area has been delivered through the devolution of the police staff budget line (which accounts for permanent police staff and spend on non-permanent resource) from 1st April 2015 to OCU level.
5. HR (via the Career Transition Service) review all requests to ensure that the relevant process has been adhered to and proper authorities given. The requests are then sent to the Trade Union Side for information. Details of new roles are sent to the Police Staff Postings Team to distribute to staff seeking redeployment in line with our legal obligations to exercise job search for displaced colleagues. If the role is not filled by staff from the Police Staff Posting List (PSPL, corporate redeployment list) the vacancy is then released more widely - including to Reed where the services of a temporary agency worker are seen to be the most appropriate way to fill the vacancy.

Commercial Case

1. The request for approval to initiate procurement action is to award a contract based on a 4 year term (3yr+1yr). The value of the contract over 4 years has been set at £110m.
2. The contract will provide temporary agency workers to the Met via a Master Vendor Solution, which is defined as 'a single managed service supplier providing the majority of candidates from a resource pool within their own organisation, using additional "2nd Tier" agencies to supplement their resource pool as and when necessary'.
3. Temporary Agency Workers have been supplied to the MPS via a master vendor solution for the two previous contracts. The master vendor model provides benefits to the MPS via a single point of contact for the organisation, increased contract governance and improved performance management of the supplier
4. The delivery of the contract will be supported by the presence of an on-site management team. This team provides the MPS with additional services via a group of dedicated resourcing professionals who provide;
 - Extensive management information products
 - Benchmarking data for pay rates
 - Support in managing relationships with key stakeholders
 - Assistance in ensuring compliance with MPS resourcing processes
 - Support on vetting of candidates by liaising directly with the MPS Vetting Team
 - Support on management of agency staff for commercial outsourcing
5. The contract will categorises agency workers within a number of distinct groups for management reporting purposes with the cost for each worker consisting of a number of charges including candidate pay, pension, national insurance and agency fee.
6. Within our current contract we operate a mature contractual relationship with Reed which delivers a range of cost reduction mechanisms. These include competitive margin rates, effective supplier rationalisation and e-billing. These cost control mechanisms will be sought to be retained within the new tender process, depending on the route to market, to ensure that sustained value for money is achieved by the Met.
7. The Met is currently in the process of evaluating a range of routes to market as detailed below.

Option 1: Shared Services Connected Ltd (SSCL) – Discounted as an option

The provision of agency workers to the Met fell within the initial scope of the Business Support Services due diligence activity regarding services that could be provided by Shared Services Connected Limited (SSCL). However, more detailed work during the due diligence phase, led to this service being taken out of scope for the SSCL contract on the basis that the original SSCL proposal failed to deliver financial benefit to the MPS. SSCL's outline proposal consisted of engaging with a master vendor provider to act as the managing agent for the supply of temporary staff. This model would have effectively led to a 'margin on margin' cost structure as the Met would be paying two suppliers for the services. The SSCL solution offering has subsequently been discounted on this basis.

Option 2: Full Market Competition (OJEU) – Discounted as an option

MOPAC could elect to undertake its own tendering process via OJEU. However, the resource and time implications associated with this option do not make it viable,

especially given the existence of frameworks which can deliver the required services. Therefore this route to market has been discounted.

Option 3: Crown Commercial Services (CCS) Contingent Labour One Framework - Discounted as an option

CCS have established a framework consisting of 3 separate lots for the provision of temporary agency staff:

Lot 1 – Neutral Vendor

Lot 2 – Managed Service (Admin & Clerical)

Lot 3 – Managed Service (Operational & Support)

As CCS have made a distinction between admin roles and operational/technical roles the Met would have to contract with two separate providers under this framework. This would mean multiple points of contact for service provision, increased contract management time and a more complicated governance structure. This option has therefore been discounted on this basis.

Option 4: MSTAR 2 Direct Award – Discounted as an option

The current contract with Reed was awarded via a direct call-off from the Eastern Shires Purchasing Organisation (ESPO) Managed Service for Temporary Agency Resource (MSTAR) framework. ESPO have subsequently renewed this framework which is known as MSTAR 2.

Strategic Procurement have explored the value for money benefits of engaging with Reed via a Direct-Award call-off from MSTAR2, however, the standard pricing which would apply via this route illustrates a significant increase in the margin costs that would be payable. Based on current demand our agency fees to Reed would increase by c£67k per month if this option were chosen. As this does not demonstrate value for money this option has been discounted.

Option 5: MSTAR 2 Further Competition – Potential Option

The MSTAR 2 framework also offers the option of a further competition process to select a supplier. MSTAR 2 contains 13 suppliers which include all of the leading organisations within the agency worker supply market. There are 3 models of contracting which include Neutral Vendor, Master Vendor and Hybrid Supply Chain Optimisation.

The flexibility that the further competition process offers the Met in determining the scope of services to be provided, and subjecting the bidders to further competition on commercial terms, mean that this route to market is a viable contender for the Met to procure its future contract.

Option 6: GLA Collaborative Procurement Team – Potential Option

In April 2015 the GLA established a Collaborative Procurement team with the aim of delivering pan-GLA corporate services via a centralized procurement function.

The provision of agency staff falls within scope of the GLA portfolio and collaboration between MOPAC and the GLA team is possible, however, is being prevented at present due to a lack of clarity on the commercial benefits available via this route to market. Currently, the solution from the GLA is to incorporate the MOPAC's requirements into the existing TfL contract with Hays Plc. Whilst this option would avoid the need to undertake a competitive tendering process, a detailed benchmarking activity is required to understand whether this route offers value for money.

Should the commercial review evidence that the GLA contract offers better value for money than the Met could achieve by retendering the services then this will become the preferred option.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS**Equality and Diversity Impact (mandatory)**

1. There is no adverse equality or diversity implications associated with this extension of the existing Reed contract.

Financial Implications / Value for Money (mandatory)

2. The requested 12 month contract extension would have no additional financial implications, as all charges for agency workers are funded from existing MPS revenue and capital budgets, governed by the existing controls in the process for engaging staff detailed on page 3 of this report.
3. The Initiation of Procurement Action for a new contract for future provision of agency staff would be for a contract value of £110m over a proposed 4 year duration. The options for this are discussed above, and would be funded from existing MPS revenue and capital budgets as per the existing contract. Whilst the contract value will allow spend up to a determined threshold, this must not be viewed as authority to spend. Business Groups will still need to manage within their devolved police staff pay budgets.

Legal Implications (mandatory)

4. The Legal implications of this paper will be managed through compliance with Procurement Legislation.

Consultation undertaken (mandatory)

5. This paper has been subject to consultation within HR, Finance and Procurement.

Risk (including Health and Safety) Implications (mandatory)

6. There are no adverse Health and Safety implications associated with this extension of the existing Reed contract or initiating Procurement action.

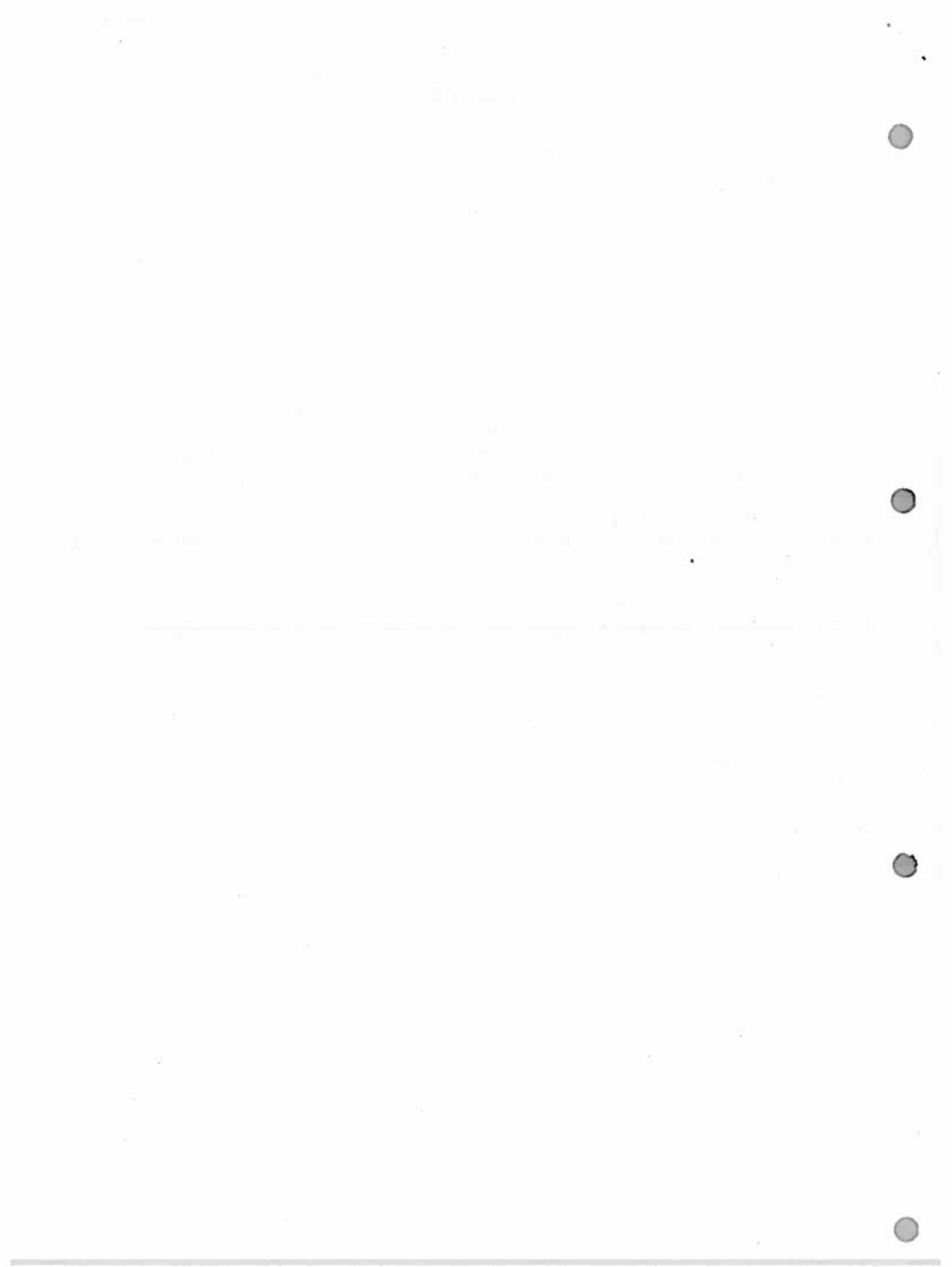
Real Estate and Environmental Implications (if relevant to the subject)

7. This is not applicable as there will be no change to prior agreements.

Report author: Alex Walsh, Director – HR Transformation,

Background papers: None

This paper is not protectively marked and is suitable for publication.



**JOINT INVESTMENT BOARD
21 JANUARY 2015**

**FACILITIES MANAGEMENT SERVICES - INTEGRATOR SOURCING STRATEGY
2017/18 ONWARDS**

**Report by Director of Property Services and Director of Commercial on behalf of on
behalf of the Deputy/Commissioner**

EXECUTIVE SUMMARY

In March 2013, MOPAC approved the award of a collaborative Framework Agreement and Call off Contract to Kellogg, Brown & Root (KBR) Limited to deliver Facilities Management (FM) Integrator Services in support of the MOPAC/MPS Integrated Model for Facilities Management (FM). KBR acts as a first tier supplier procuring and managing an independent second tier Supply Chain contracted to MOPAC.

Between February 2014 and August 2015, MOPAC approved the award of 30 second tier contracts for a wide range of FM and Operational Support Group services procured by KBR on behalf of MOPAC. A full list of current contracts can be found in Exempt Appendix One. The majority of current contracts are three years in duration with options to extend by up to one year and the value approved of £263m covered all four years.

This paper seeks Deputy Mayor approval for the Facilities Management (FM) Sourcing Strategy 2017 onwards and seeks affirmation from MOPAC to the extension of those contracts currently in place, detailed in the Exempt Appendix 2 for one further year.

In addition, this paper seeks Deputy Mayor approval for KBR to initiate procurement action on behalf of MOPAC in readiness of those second tier supply chain contracts which will expire in 2017 and 2018, outlined in Exempt Appendices Three and Four. It is proposed that all contracts will be 3 or 5 years in duration (subject to market testing), with an option to extend by up to 2 years (maximum of 7 years).

If approved, a series of Restricted OJEU procurement processes will commence in 2016/17. All subsequent contract award recommendations over £500,000 will seek the approval of MPS Procurement Board and MOPAC in accordance with the MOPAC Scheme of Delegation and Consent.

A. RECOMMENDATIONS – That the Deputy Mayor for Policing and Crime:

- 1. Note the current Integrated Model for the delivery of Facilities Management Services for building and estate maintenance and the analysis undertaken to date by the Integrator KBR on behalf of the MPS;**
- 2. Approve, subject to MOPAC support, the proposal to extend those contracts detailed in Exempt Appendix 3 for one further year;**

3. Approve the initiation of procurement action for a series of Restricted OJEU processes for those contracts detailed in Exempt Appendix Three and Four noting that revenue funding to support these contracts is allocated within the Property Services budget lines.

B. SUPPORTING INFORMATION

1. In October 2011, the Metropolitan Police Authority (MPA) Finance and Resources Committee, now the Mayor's Office for Policing and Crime (MOPAC), approved the procurement strategy for the delivery of Facilities Management (FM) services through an integrated model, for implementation by April 2014.
2. In March 2013, MOPAC approved the award of a collaborative Framework Agreement and Call off Contract KBR to deliver Facilities Management (FM) Integrator Services in regard to the buildings/estate used by the MPS. KBR acts as a first tier supplier procuring and managing an independent second tier Supply Chain contracted to MOPAC. In September 2013, approval to initiate and manage a series of procurement exercises to appoint the second tier supply chain was granted by MOPAC.
3. Between February 2014 and August 2015, MOPAC approved the award of 30 second tier contracts to the value of £263m for a wide range of facilities management and building services. A list of all contracts procured by KBR on behalf of MOPAC are detailed in Exempt Appendix One. The majority of these contracts were put in place for an initial three year term, with the option to extend by up to one further year subject to performance and the MPS estate as at 2016/2017. Current second tier FM supply contracts expire in 2017.
4. In developing the sourcing strategy for 2017 onwards, KBR have worked with Property Services and Commercial Services to review the performance of each of the current contracts to establish which could be considered for extension for one further year and which should be re-tendered immediately.
5. In making a recommendation an initial review of service levels and performance measures was undertaken to ensure all suppliers were delivering to minimum required standards. This acted as a "Go" or "No-Go" gateway before suppliers were considered for extension any further. Critical performance factors were assessed on a pass or fail basis. Subsequently further objective qualitative and quantitative criteria were used to score the commercial and delivery performance of each current FM tier two suppliers. These are listed in Table One.

Table One - Contract/Supplier Review Evaluation Criteria and Weighting Applied

Evaluation Criteria	Weighting
Contract Operation & Competitiveness (value for money)	40%
Performance scores (balanced scorecard) and Compliance	45%
Suitability of specification/contract	15%
	100%

6. The weighted criteria was scored according to commercial performance data and operation of the suppliers criteria recorded between April 2014 and June 2015. All contracts were evaluated by a panel of technical experts and commercial managers across KBR and MPS Property and Commercial Services using the same criteria.

7. The scores for each contract resulted in an overall ranking determining which services would benefit from in depth review and re-tendering, and which would continue to deliver further value through exercising an extension provision. The detailed results from the qualitative evaluation can be found in Exempt Appendix Two.
8. A 50% threshold (or cut off point) was applied to the ranking to denote the minimum contract and commercial delivery standard that was acceptable. This is comparable with industry standards.
9. Where the scores exceeded 50%, KBR together with MPS Property and Commercial Services recommend contract extensions, with the exception of two contracts where performance levels were the result of MPS influences. Where the scores were below 50%, contracts are recommended to be retendered. Of the 21 categories of service in scope, 14 contract areas will be extended. A further 7 contracts, where funding is required, will be retendered.
10. Based upon the data utilised (April 2014 to June 2015), two of the 14 contracts to be extended scored less than 50%. This is where service levels fell due to security clearance issues however in the last six months, services have improved significantly. This is supported by trended performance data.
11. Should all contracts be rescored based upon the last six months commercial and performance data, it is confirmed that the two exceptions referred to would in fact score higher than 50%. All other contracts would score the same or demonstrate improvement.

Market Engagement

12. Following completion of the analysis, KBR carried out an extensive market engagement exercise publishing a Prior Information Notice (PIN) in August 2015 to establish how contracts could be packaged to support a future sourcing strategy. In total 36 suppliers (including 18 Small and Medium Enterprises (SME's), representing a cross section of the FM market were consulted. Consultation was undertaken to gain an understanding of current industry delivery models (i.e. what is self delivered and what is subcontracted); geographical locations of contractor's operations and logistical issues; how services are structured and specified; the barriers to tendering/contracting; and to review general industry best practice. The market engagement provided a huge insight into how services could be packaged in order to gain maximise value and service.
13. In 2014 KBR and MPS separated the services provided through the Integrated Model into 27 distinct contracts. This was to attract SME's and specialist expertise into the MPS supply chain, breaking the earlier Total Facilities Management model where considerable management on-costs were picked up through the supply chain and charged to the MPS. Analysis has concluded that this approach continues to provide best value to MOPAC/MPS and it is proposed that this approach continues. Further contract separation is proposed to exploit market opportunities. Using the market insights and the analysis of current service delivery, a packaging strategy has been developed to optimise service and maximise value.
14. The proposed future supply chain lots are detailed in Table Two, below.

Table Two - Supply Chain Service Lots

	Current Supply Chain Lots Contracts expiring 2017		Future Supply Chain Lots 2017 onwards
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Current Supply Chain Lots Contracts expiring 2017		Future Supply Chain Lots 2017 onwards	
1	Clinical Hazardous Waste	1	Hazardous Waste and WEEE
		2	Clinical, Dog, Horse and Feminine Hygiene
2	Lifts and Statutory Inspections	3	Lifts
		4	Statutory Inspections
3	Shutters, Barriers & Gates	5	Shutters
		6	Barriers & Gates
4	Mechanical, Electrical, Plumbing, (North)	7	Mechanical & Electrical, (North)
5	Mechanical, Electrical, Plumbing, (South)	8	Mechanical & Electrical (South)
		9	Project Works (Mechanical & Electrical and General Building Works >£10k)
6	General Building Works	10	General Building Works, Plumbing (North)
		11	General Building Works, Plumbing (South)
7	Locksmiths	12	Locksmiths (North)
		13	Locksmiths (South)

Procurement Strategy

15. In order to attract an inclusive and broad market, a compliant Restricted OJEU process will be undertaken by KBR in accordance with the new Public Contract Regulations 2015.
16. KBR have advised and programmed a procurement process commencing in February 2016 which enables contracts to be awarded from Autumn 2016, to allow a sufficient period for mobilisation, including TUPE transfers and security vetting. Key suppliers in the FM industry have advised, via extensive market engagement, that the timescales of the MPS procurement process does not to their knowledge coincide with any other large FM tenders in the public sector therefore capacity and appetite exists in the market to bid for this service with a high level of competition anticipated. Tender and contract documentation will be reviewed to make it less onerous and easier for SMEs to participate in the tender process. KBR will ensure that suitable time is taken at the procurement stage to clarify and validate tenders, building in face to face interviews if required. A bidder's day(s) at tender stage is proposed to avoid misinterpretation of requirements and costly mistakes. This will be preceded by site visits for bidders to provide them with an accurate picture of the estate at tender stage.

17. Where foreseen extensions are recommended for current contracts, KBR are expecting to initiate procurement for those services in 2017, with contract commencement in 2018, arrangements being coterminous with the Integrator Services contract with KBR.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. The proposed sourcing strategy builds on, and brings opportunity to attract Local and SME providers into the MPS supply chain. All contracts will meet the requirements of the Equalities Act 2010.
2. A number of in-house cleaners are employed by the MPS, working within the Property Services team. The team are based in two specific buildings which form part of the Met HQ estate and are not considered as buildings that will be retained. This team is in scope for Voluntary Exit (VE) terms and at the time of writing, applications are to be submitted by those individuals applying for VE.

Financial Implications / Value for Money

1. The costs associated with the current contracts and the services described in this report are funded through MPS revenue budgets managed by Property Services. Costs are categorised between planned and reactive maintenance, and operational support. Average annual expenditure is set at £70m, based on an estate of 750,000 m² for 2015/16. As the floor area of the estate reduces, reductions will be made in annual costs.
2. Detailed specification and contracts for the facilities management supply chain services will be finalised on approval of this recommendation. It is anticipated that the contracts will be for five years with prices fixed for at least three years and subsequently, subject to negotiated increases capped at inflationary indexation for the remaining of contract period (including any extension provisions).
3. The contractual arrangements for facilities management supply chain include the provision for open-book accounting and freedom of access to all information. Sliding scale volumetric discounts will be requested from bidders if they are successful in being awarded more than one supply chain contract. This will continue.
4. There have been considerable changes in the facilities management sector of the property industry in terms of cost since 2013/14. Increases in London living wage, scarcity of resources and increased costs of goods and services has led to significant increases in cost. The last procurement activity for these services resulted in savings against current planned contract values of 20.22% equating to £9,673,498 per annum. These savings have already been built into PSD budgets.
5. Economically, the IBIS World Industry Report (Source: N81.100 "Combined Facilities Support Activities in the UK" June 2015) has made clear that the FM industry is forecast to continue to expand:

"The growing popularity of combined facilities management services compared with individually procured services is likely to be the main driver of industry growth. The underlying drivers of industry performance are likely to improve as the economy strengthens."

The private sector is expected to be the key source of market growth as business confidence is forecast to average a significantly higher level over the coming five years than it did over the past five. Growing profit margins should also increase the resources private-sector businesses have to spend on larger service contracts. Businesses in the service sector are expected to benefit from the strongest growth in profit margins in the coming years and, as a result, will continue to be important to industry operators. Over the five years through 2020-21, industry revenue is forecast to grow at a compound annual rate of 5.2%...."

6. As such, it is not anticipated that further savings will be achieved during the next tendering process. To ensure best value, the KBR and MPS team have reviewed lessons learned from current contracts, and taken intelligence from the market to attract competition and mitigate potential cost increases.
7. Industry benchmarks indicate that longer contract periods will reduce costs and enable value add and innovation. Larger and more complex estates need more familiarisation time and effort. Mobilisation periods are resource intensive and costly to suppliers. Ordinarily it can take 18 months to achieve steady state delivery and the benefits of service. A longer contract duration will allow a supplier to amortise initial set up and learning costs and have a period to demonstrate high service levels to the client organisation before commencing demobilisation for a complex exit ordinarily commencing 12 months ahead of contract end. Within this period protection is offered to the Authority by way of a break option after year three. This can be exercised should a supplier fail to meet specific performance and contract criteria. An option to extend will also be included as a further incentive to the supplier resulting in a maximum contract duration of 7 years. Longer contract periods with options to extend are common place in the market. For example, the BBC, MoD, Harrow Council and South East Water have all awarded FM contracts for 5 years or more over the past 12 months.
8. The final length of contracts will be tested at tender stage by requesting bidders to price for both 3 and 5 year durations to determine which option will demonstrate best value.

Investment Criteria

Criteria	Minimum score required	MPS Score	Comments
Business Requirement	3	5	This is a renewal and extension of existing property services facilities Management service requirements
Cashable Revenue Saving	1	0	It is not expected that any significant savings will be achieved through this procurement exercise owing to significant market growth trends, however the competitive tender process will result in a best value provision for MOPAC and the MPS
Return on Investment	4	0	The procured services will directly support operational policing environments and facilities and the suppliers will be commercially incentivised to present additional investment opportunities and efficiencies.

Total	8	5	
Total exc ROI	4	5	

Legal Implications

1. Regarding recommendation 1: DLS has no comments to make.
2. Regarding recommendation 2: This report requests approval for a number of foreseen contract extensions each valued in excess of £500,000.
3. Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent (the Scheme) provides that the Director of Strategic Procurement has authority to approve all variations and extensions to contracts with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides that the Deputy Mayor for Policing and Crime (DMPC) reserves the right to call in any decision to vary or extend a contract with an original value of £500,000 or above. Accordingly, the DMPC should be invited to call these matters in.
4. On the basis the terms of the proposed contract extensions are foreseen (that is to say provided for in the terms of the original contract) the extensions will not present a legal procurement risk.
5. Regarding recommendation 3: This report requests approval for a number of procurement actions each valued in excess of £500,000.
6. The Mayor's Office for Policing and Crime is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). All public contracts for good/services valued at £172,514 or above and public contracts valued at £4,322,012 or above must be procured in accordance with the Regulations and the Scheme.
7. Paragraph 4.14 of the Scheme provides that the Deputy Mayor for Policing and Crime has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest.

Consultation undertaken (mandatory)

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
Director of Property Services	Supportive
Director of Commercial	Supportive
Director of Finance Business Partnering	Supportive
Director of Commercial & Finance	Supportive

Risk (including Health and Safety) Implications

Risk	Mitigation
Security clearance - Any new supplier will not have cleared staff beyond those that transfer under TUPE. Delays in vetting will impact on mobilisation and delivery of contracts	Contract terms and conditions will include provisions for TUPE. Sufficient mobilisation to enable TUPE and security vetting

Risk	Mitigation
Performance regimes, particularly current KPIs with 100% target, can be de-motivating.	Develop an appropriate performance management regime with specific and realistic KPIs. Market engagement informed that the norm is 95% for planned maintenance. Financial deductions for KPIs are generally a percentage of profit or monthly payments (rather than full service charge).
Risk pricing	Most contractors advise year on year cost uplifts are industry common practice based on agreed indices [RPI etc.] Contract should allow for pricing negotiation due to mandatory changes in legislation. Fixed prices for at least 3 years are recommended.
Increased costs owing to market growth and an inherent skills shortage in the FM industry.	A full competitive tender process will be undertaken with transparent evaluation demonstrating value for money. MPS to review risk appetite reflected in terms and conditions issued to market (e.g. Onerous insurance levels, performance, liabilities and indemnities). Longer contract periods will make contracts attractive for recruitment purposes.

Real Estate and Environmental Implications

1. The contracts referred to in this report relate to the maintenance and repair of the MOPAC/MPS estate. All contractual terms meet the operational needs of the MPS and MOPAC and comply with health and safety and compliance issues. The introduction of the Building Information Management (BIM) model in the construction process will require current and future contractors to support the MPS in the delivery of building maintenance.
2. The Property Services team are working with KBR to effect this within the current contracts. Provision will be made within the future contract terms.

	Environmental Implications			
	Higher	Lower	No impact	Mitigation / management of any higher impact
Level of energy use and associated carbon dioxide emissions			x	
Level of water consumption			x	
Level of waste generation/waste requiring disposal		x		The current contract for hazardous and clinical waste is sub-contracted by the second tier to several other suppliers which means that the expertise and specialist knowledge

				required by the MPS in our second tier could be improved upon. By contracting directly with the specialist contractors, the MPS should be able to have increased confidence in our ability to deliver a waste service that is efficient, effective, timely and compliant.
Level of travel and transport and associated emissions			x	
Raw material use and finite resources (use of recycled materials and sustainable alternatives)			x	

Report authors:

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Background papers:

Property Services Facilities Management (FM) Integrator Supply Chain Contracts
Procurement Board – 19 January 2015

Property Services Facilities Management (FM) Integrator Supply Chain Contracts, Contracts Board - 10 February 2014

Facilities Management Integrator Facilities Management Supply Chain, Joint Investment Board, 10 September 2013

Supply of Facilities Management Integrator, Contracts Board, 11 February 2013

Request for DMPC Decision - Request for Approval to procure a Facilities Management Integrator - 19 March 2012

Procurement Strategy for the Delivery of Facilities Management Services to maintain/repair the real estate portfolio for 2014 onwards - Finance and Resources Committee – 20 October 2011

STATIONERY CONTRACT EXTENSION

Joint Investment Board – 21 January 2016

Report by the Director of Strategic Procurement on behalf of the Deputy Commissioner

EXECUTIVE SUMMARY

- The Metropolitan Police Service (MPS) requests approval to extend two (2) existing contracts for the Supply of Stationery (office supplies and IT consumables) via the existing office supplies contracts (RM917) for one (1) month for an estimated value of up to £113,950 and £16,784.
- The contract managed by Crown Commercial Services (CCS) offers the MPS the best value for money as it combines an aggregated spend of circa £60million.
- The contract extension will commence on 1 April 2016 until 30 April 2016. This contract has been extended through an exceptional extension by CCS.
- Based on MPS historical stationery consumption and anticipated future trends the total estimated spend for the one (1) month period is £130,734k, delivering a minimum £13,087k reduction against current pricing.
- The current level of expenditure for Banner and XMA is part of budgets that have seen expenditure exceeding for the last financial year. The new contract will seek to address this overspend.
- The MPS seeks permission to initiate the procurement action for a four year contract for £4.2 million commencing on 1 May 2016 for the supply of office supplies and IT consumables.

A. RECOMMENDATIONS – Deputy Mayor for Policing and Crime:

1. Approve the extension of the existing agreement SS3/11/184B via the CCS office supplies contract RM917 for a period of one (1) month from 1 April 2016, funded from Business Group devolved supplies & services revenue budgets.
2. Approve the initiation of the procurement action for a four year contract for £4.2 million commencing on 1 May 2016 for the supply of office supplies and IT consumables, funded from Business Group devolved supplies & services revenue budgets

B. SUPPORTING INFORMATION

Background

1. The MPS currently has two contracts in place for the provision of office supplies and computer consumables. The original contract value for Banner being £5,450,000 and XMA £3,350,000 representing a total of £8.8m. These contracts are a corporate requirement and are therefore utilised by the whole organisation.
2. The MPS has been using the CCS office supplies contracts (RM917a – Banner and RM917b XMA) since 1 December 2011. These contracts combine the requirements of over 385 Public Bodies and are the biggest aggregated spend of stationery in the public sector with approximately £60 million spend per annum, providing value for money to its clients. The contracts have delivered circa £13 million (over 20%) savings to its clients in the 4 years of the contracts according to CCS. They were due to expire on 31 July 2015. However CCS has delayed their procurement activity to set up the new stationery contracts RM3723 that will replace the existing ones. This procurement will now take place in the autumn and the new contracts should be available for the MPS at the beginning of the year 2016. Therefore, CCS has exceptionally extended their contracts for a further nine (9) months until 30 April 2016. The CCS framework was procured by CCS in 1 August 2011 and is valid until 31 July 2015. The MOPAC was identified as an eligible user of the framework by reference to it in the OJEU notice. The requirement set out in this report is within the financial and technical scope of the framework. The MOPAC will comply with the purchasing procedure set out in the framework.
3. It is anticipated that the new contracts will provide the larger savings opportunity to the MPS given that they have the highest combined spend value. Also, CCS is planning to complete reverse auctions to drive the lowest prices possible.
4. Extending the current contract RM917A with Banner will enable the MPS to deliver an additional £13k reduction against current pricing (13%) through costs reductions negotiated with Banner across the term of the extension. Procurement has conducted analysis on the demand management and proposes to add a list of routine non core items to the core list and negotiate the price of these items further with Banner which will deliver additional cost reductions.
5. Further changes in the MPS organisation will lead to further reductions in staff that will in turn reduce the demand for office supplies and drive the spend down as a consequence. If allowed to extend the existing contract, Procurement will continue to manage the demand and avoid any spend creep and to contribute to eliminating budget overspend.
6. For the new contract that will start on 1 May 2016, the following options are identified as available to MPS and will be further investigated over the coming months:
 - 1) Direct award through the CCS new office supplies contract RM3723. The Framework exploits the significant buying power of the Public Sector and enables the MPS to avoid undertaking a full OJEU tender exercise which can take up to nine months. This Framework will be available in March 2016.

- 2) The primary alternative framework to the CCS new office supplies contract RM3723 is the CCS Framework Office Supplies for the Wider Public Sector (RM3703). This will likely group the spend of up to 40 police forces for a total spend value estimated to £7.8 million per annum. This Framework will go out to tender in November and will be available in March 2016.
- 3) Another option is to join the agreement that TFL currently has with Office Depot under Greater London Authority (GLA). The MPS will benchmark their prices against TFL prices.
7. Once the new CCS framework RM3723 is made available, the MPS will benchmark their proposed prices with the prices from the framework RM3703 and with the prices used by Transport For London (TFL) with Office Depot. The MPS will then seek approval from MOPAC to award from either of the new frameworks.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

There are considered to be no adverse equality and diversity implications arising from this procurement process. The supplier was assessed prior to entering into the current agreement to ensure compliance with all relevant legislation. It is the responsibility of user departments to ensure that the MPS Equality and Diversity policies are adhered to through the life of the contract. Procurement Services have a contract management toolkit that contains a section on Responsible Procurement which encourages contract managers to work with their suppliers, signposting them to support services.

Financial Implications / Value for Money

1. By continuing to contract via CCS contract RM917 for a further one (1) month, the MPS will continue to reap the following benefits:
 - Aggregation of volumes across the public sector that provides competitive prices for similar goods and services
 - The rationalisation of the choice of products available through standardised specifications
 - Single agreed and transparent prices for the whole of government via a collaborative procurement approach that complies with government guidelines to purchase collectively.
 - The utilisation of a flexible service wrap which complements the MPS' current internal distribution system.
 - Products are able to be ordered via an electronic catalogue facilitated by the National Police Procurement Hub (NPPH), which not only affords ordering

efficiencies but allowed data sharing with other forces to ensure that the MPS continues to benefit from this contract.

2. The MPS has negotiated circa £13k further cost reduction against current pricing to be delivered by Banner over the period of the extension.
3. There is no cost of change related to the contract extension. The extension will require minimum procurement work and will not require any investment of resources from the rest of the organisation in transitioning to a new supplier by designing the logistics for deliveries or implementing a new online catalogue.
4. The MPS requires special products that are made bespoke for their operations (e.g. "do not cross" tapes, labels for freezer boxes with a special glue that sticks for 7 years under minus zero temperatures) and cannot be easily sourced elsewhere. Current prices of these bespoke products have been negotiated with the incumbent supplier to guarantee the best value for money.

Supplier	Actual spend fiscal year 2012	Actual spend fiscal year 2013	Actual spend fiscal year 2014	Forecasted spend fiscal year 2015*	Spend over 1 month contract extension**	Total estimated budget over a 4 year period***
Banner - office supplies	£1,701,726	£1,492,864	£1,508,623	£1,524,447	£113,950	£3,732,543
XMA - IT consumables	£781,429	£327,178	£290,524	£201,410	£16,784	£493,143
Total	£2,483,155	£1,820,042	£1,799,147	£1,725,857	£130,734	£4,225,686

*based on actual spend from April to October 2015, extrapolated to 12 months

** based on average monthly spend over the period from April to October 2015

*** based on forecasted spend in 2015, reduced down by 39%

5. The total 14/15 expenditure on Banner and XMA was £1.8m. However the MPS does not separately budget for stationery costs from these specific suppliers, rather they are part of the overall devolved supplies and services revenue budgets within Business Groups. For 14/15 the budget within office supplies related gl codes was £4.6m
6. The new contracts will have an anticipated annual budget of £1.05m for 4 years, i.e. a total contract value of £4.2m,
7. Spend will be restricted to the annual budgetary limits, and budget holders, in accordance with the MPS Scheme of Devolved Financial Management, will be expected to manage budgets accordingly to keep spend under control.

Legal Implications

1. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). When awarding public contracts for goods and services valued at £172,514 (relevant threshold) or above, all contracting authorities must do so in accordance with the Regulations.

Recommendation 1:

2. The report confirms that the value of the original contracts for Banner was £5,450.000 and for XMA £3,350.000, representing a total of £8.8m. The value of the proposed contract extensions are up to £113,950 and £16,784 respectively. Consequently, the Regulations are engaged. This report identifies the CCS framework agreement as its preferred route to market. A compliantly procured framework represents a compliant route to market for contracting authorities provided the framework is still in force when call-offs are awarded the MOPAC is identified as an eligible user of the framework, the MOPAC's requirements are within the technical and financial scope of the framework, and the call-off procedure set out in the framework is followed. Paragraph B2 of this report confirms the above is met.
3. The CCS have confirmed that they have sought legal advice before extending the contract and have taken a commercial decision to extend it until 30 April 2016 in order to provide continuity of service to customers whilst the procurement activity concludes. The Regulations provide that a framework agreement should not be for a term of longer than four years save for exceptional circumstances. DLS are not aware of the circumstances of the framework's extension beyond this four-year period and so it must be noted that there is the theoretical risk that if the extension is deemed non-compliant then all call-off contracts placed during that time will be at similar risk. For reassurance, MOPAC should make enquiries of the CCS as to the basis of the framework extension.
4. Under Regulation 72(5) a modification of a contract is allowed where the value of the modification is below the relevant threshold and represents 10% of the initial contract value.
5. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent (Scheme) requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all unforeseen variations and extensions to contracts with an original value of £500,000 or above.

Recommendation 2:

5. A number of procurement strategies have been identified in paragraph B6 which, on the face of it, do not present any immediate concerns. DLS should be consulted when a final strategy has been confirmed in order to advise more precisely on procurement compliance. Approval for initiation should be sought in line with the MOPAC Scheme.

Consultation undertaken

Consultation grid

Procurement – Debby Ebanks – Category Lead	Supportive
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Risk (including Health and Safety) Implications (mandatory)
There is no Risk implication, including Health and Safety.

Report author: Audrey Wignolle, Procurement Manager,

Background papers: None.

PALACE OF WESTMINSTER SPECIAL POLICING SERVICES AGREEMENT**JOINT INVESTMENT BOARD – 21 JANUARY 2016****Report by ACSO Mark Rowley on behalf of the Deputy Commissioner****EXECUTIVE SUMMARY**

In March 2010, the Metropolitan Police Authority signed a special policing services agreement (SSA) with the Parliamentary Authorities for the provision of dedicated policing and security services to the Palace of Westminster (PoW). This contract was for five years with the option to extend for a further two years if required. In November 2014, following a year of consultations, PoW requested a one year extension which was granted by the MPS as permitted by the terms of the 2010 agreement. The contract will now expire on 31 March 2016.

Alongside their request for an extension, PoW also asked for a renewal of the contract with MOPAC for policing services (armed and unarmed) under Section 25 of the Police Act 1996. They further confirmed their intention to bring in-house the services currently provided by MPS police staff security officers under Transfer of Undertakings (Protection of Employment) (TUPE) legislation.

The MPS has been working closely with PoW since 2013 to determine their requirement for policing services for the 2016 SSA, and to design a new, more resilient policing model which both meets the demand of Parliament and launches a new era of rosters which fully comply with Police Regulations. This work has been developed alongside the implementation of the Parliamentary and Diplomatic Protection (PaDP) command and supports the aims of the SO17/SO6 merger in terms of improving efficiency and consistency, as well as ensuring a highly interoperable joint working model. The new agreement to be signed reflects the strategic steer given by MPS Management Board provided between November 2013 and September 2015.

The MPS is also integrated within the TUPE process being led by PoW – committed to ensuring the seamless transfer of c.300 MPS police staff into the employment of Parliament by 01 April 2016.

Key to the successful implementation of the newly 'de-coupled' services will be:

- Fulfilling our obligations to our police officers and affected police staff.
- The change in governance arrangements within Parliament (i.e. a single chain of command into the Parliamentary Security Director rather than multiple chains into the House of Lords and House of Commons).
- The strength of the partnership between the MPS and PoW in order to achieve effective command and control interoperability to prevent any gaps between the policing operation and the security provision.
- Clear definition of the services which the MPS will (and will not) provide; signing a contract setting out the legal and financial framework for the conditions of service delivery and full cost recovery against all services.

A. RECOMMENDATIONS – That the DMPC

1. Approves the request to enter into a perpetual , annually reviewed Special Services Agreement with the Palace of Westminster (PoW) subject to:

- a. the completion of a new policing model at PoW in readiness for implementation in April 2016;
- b. the special policing services being provided by the Parliamentary and Diplomatic Protection (PaDP) command, with Police Regulation compliant shift rosters;
- c. the resulting uplift police officers which has been negotiated with PoW on a fixed budget basis for 2016/17 and
- d. the transfer under TUPE terms of approximately 300 police staff security officer posts from the MPS establishment to the Parliamentary Authorities from April 2016, and the associated income loss of up to £1.0M in Support Department overheads.

B. SUPPORTING INFORMATION

1. From the outset of negotiating the new SSA with PoW, the MPS has been consistent on three key issues:
 - a) The new policing model would be compliant with Police Regulations, consequently reducing any risk of engaging the Working Time Directive in servicing Parliament's demand profile. There would be an increase in the establishment required to deliver this, and Parliament would be expected to meet that cost.
 - b) The decision by Parliament for an 'in-sourcing' arrangement for the security officer function would be fully supported by the MPS in consultation with our staff, with emphasis on stability, communication and the continuation of their employment at conclusion of the process.
 - c) The terms of the new SSA would be updated to reflect the position the MPS has negotiated on other SSAs since 2010 in relation to liability and full cost recovery.
2. In relation to matter 1.(a) above, the MPS has proposed numerous policing model options to PoW over the course of the last year. PoW have requested that the status quo is maintained within the new model, both in terms of both their requirement and the way in which the MPS services that demand. The MPS has therefore designed a policing model within the framework of the 'as is' service provision. The MPS has remained uncompromising in its position that the PoW service requirement will no longer be resourced in a way which does not uphold Police Regulations. The MPS stated throughout negotiations that this change will mean that the 'as is' will cost PoW more.
3. The 'as is' policing model is currently serviced by a roster system which attempts to accommodate a 'rise shift', the term given to a shift on which the end time is determined by the time of the rise of the latest House. This historic practice at PoW means that police officers are routinely outside Police Regulations in not having a pre-determined end time to their shift, being asked to work overtime to cover the variable rise 'gap' (this being a known factor cannot be an exigency of duty), and then often not achieving the correct number of hours between shifts. There is support from the workforce and the Federation to bring an end to this system. It carries a health and safety risk (under the Working Time Directive) due to the automatically generated overtime which requires tight controls to be in place as the MPS cannot require individuals to opt out.
4. In specifying that the MPS must continue to service the 'as is' demand without any reduction in the policing requirements, it has been agreed with PoW that the gaps which

are currently met with overtime will in future be covered by employing an increased number of PCs to work a Regulation compliant roster, with no rise shift. The roster itself has been determined in consultation with PoW officers and the Federation. This process PaDP has completed this roster compliance review for both the armed and unarmed elements of the command, so Parliament will experience (and fund) an uplift of officers in both areas.

5. The new policing model splits the police officers into patrol teams and fixed post teams with different shift systems to be worked by each. This is the most efficient way of covering the variable fixed post requirements and the 24/7 patrol and response functions separately. The numbers assigned to each element of the operational model are contained within Part 2 of this report (exempt).
6. In relation to point 1.(b) above, the MPS identified risks against PoW's originally preferred option, i.e. to outsource the three main pedestrian search and screening entrances to a specialist commercial provider, requesting the remainder of security guarding services (including the balance of the search and screening requirement) from the MPS. The final decision by PoW was for a full in-source of the function with the full support of the MPS. Each side is now progressing the TUPE requirements for data gathering, validation and exchange to ensure a considered and informed approach to the transfer in order to reduce the impact on affected staff. This includes joint briefing and Q&A sessions with the OCU Commander and the Parliamentary Security Director, supported by HR representatives on both sides. Formal consultation between the MPS, Trade Unions and the Parliamentary Authorities commenced in November 2015 and has been progressing positively. The expectation is that consultation will conclude by the end of January 2016 with a significant level of agreement between the parties as to which terms of employment will be adopted or adapted at the point of transfer.
7. In relation to point 1.(c) above, the MPS and PoW have successfully agreed a set of terms and conditions under the new SSA which align to contracts with other third parties for the provision of special policing services.
8. As a result of the agreements reached in relation to pricing and liability through the negotiations, the MPS has agreed a perpetual contract with PoW. This negates the need to renegotiate due to a pre-determined expiry date, or for either party to concern itself with a formal contract extension protocol in future. There is a twelve month notice period which allows either party to terminate (for convenience) at any time. The new SSA specifies requirements for the parties to undertake an annual review of the arrangements, and for an independent review to be jointly commissioned every five years.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. Both sides of PaDP (former PoW SO17 and Diplomatic Protection Group SO6) have historically faced challenges in recruiting and retaining a diverse workforce. For the PoW side particularly, this has long been considered a popular posting towards the end of a policing career. As a consequence, most of the churn has happened through retirements rather than a regular exchange of officers in and out of other OCUs.
2. The armed element of PaDP was previously a 'feeder' for PoW when officers no longer wanted to carry a weapon, or could not continue to do so for fitness reasons. New local policy has been introduced to prevent officers transferring in this direction as it does not support the continual refreshment of staff on the OCU. The nature of the fixed post operation at PoW, and the containment to the footprint of the estate does not lend itself naturally to the development of officers younger in service who are in need of a wider range of policing experience – this is a challenge at PoW and the OCU must be creative in order to provide development opportunities for officers. One of the benefits of the formation of PaDP is that there is a wider pool of options within which officers can diversify their exposure to different environments and broaden their experience.
3. In part due to the issues around longer working hours and the rise shift, the PoW OCU has also faced a challenge in increasing numbers of female officers, who may also have childcare responsibilities. This challenge should be eased through the implementation of new compliant rosters which will importantly allow officers to plan their home lives without the requirement for overtime which has been problematic in the past. An Equality Impact Assessment will be completed in consultation with workforce/Federation representatives to accompany the decision on the new roster to be adopted and the consequent re-modelling of the workforce.
4. The increased establishment will require recruitment for PoW officers. This will be an opportunity for PaDP to continue its targeted recruitment of BME and female officers with the aim of building a command which represents all communities – an important feature of an operation located at the heart of UK government in an iconic central London location.
5. In terms of the security officer function, the TUPE process itself will be covered by Equality Impact Assessments by both sides. There will also be significant consultation between the MPS and PoW regarding the specific impact of the transfer on particular individuals or groups within the affected workforce as required (e.g. the sharing of reasonable adjustment needs when the time is appropriate to do so).
6. It should be noted that the transfer of c.300 police staff to PoW is also the loss of a widely diverse workforce within the MPS. Individuals within this workforce have been instrumental in leading on local OCU diversity forums and events. Within the new partnership, it is hoped that the MPS will continue working with these groups under their new employer to continue developing diversity aims together at Parliament.

Financial Implications / Value for Money

1. The services delivered to PoW are provided on the basis of full cost recovery, as per NPCC guidance on charging for services. This is in line with principles applied to all other MPS SSAs without exception.
2. MPS Finance Business Partnering has been fully involved in the negotiation of the costs for the new policing model. The process began with an agreement between the parties on what the baseline was (i.e. the current cost of the services which will continue to be provided in future. The new model was then estimated in full, taking into account the uplifted number of officers required and the connected reduction in overtime resulting from the implementation of the new compliant rosters. This comparative exercise allowed the MPS to provide PoW with analysis of the increased costs resulting from the new model, and reach an agreement on the overall price of the services. Supervision ratios were reviewed and posts which have been centralised under PSO and NCTPHQ have been included as full-time equivalent support costs. All aspects of local infrastructure costs were considered in light of the removal of the security officer workforce and the anticipated reduction in areas such as I.T., telephony, uniform and equipment. The support department overheads were also recalculated against the number of officers/staff in the new model – using as the new 2015/16 MPS corporate rates.
3. The budget profile includes a variable vacancy rate across the year which will allow the MPS to steadily recruit to full strength, with the starting point being the minimum strength required for the new rosters to operate. This financial model also allows PoW to remain within their funding 'envelope' for 2016/17, taking into account the costs which will move under their direct control after the transfer of the security function. PoW have noted that the full price of the current services by the end of 2016/17, when the workforce is planned to be at target strength (less churn), will mean that the annual budget estimate for 2017/18 will rise.
4. It has been agreed that PoW will pay the MPS a fixed amount each year under the SSA with the actuals being reported and monitored each month, and reconciliation exercise during the year as a mechanism for dealing with any over or under spend against the fixed budget and obtaining full cost recovery. The difference between the budget and the actuals will be carried forward each year to ensure that full cost recovery is continually achieved over the life of the contract.
5. The budget comparison (i.e. the 2016/17 budget estimate provisionally agreed for inclusion in the SSA, compared to the current 2015/16 budget) is contained within Part 2 of this report (exempt). It is agreed between the parties that the estimate for 2016/17 will need to be updated to include statutory cost increases associated with police/staff pay rises and national insurance contributions.
6. PoW have agreed that, in order to be prepared for implementation of new rosters which cannot be run with the current number of officers, the MPS may proceed with early recruitment of some additional PCs during 2015/16. Funding for this uplift will come from the forecast budget underspend for 2015/16. This will also facilitate a smooth transition to the new model.
7. The budget estimate relies on roster implementation going according to plan and the successful recruitment of additional officers into PaDP. Any significant variation from the

planned profile will have an impact on overtime levels to cover vacancies within the new model and therefore may impact on the 2016/17 out turn.

8. The transfer of the c.300 staff to PoW means the loss of the income associated with their Support Department overheads and associated equipment. Based on the current year's budget, this is up to £1.0M which the MPS will no longer recover against the income budget in Specialist Operations (SO). In theory, when staff posts reduce, the demand on Support Departments also reduces. In reality, the MPS does not have a simple mechanism to shrink those Departments in relation to the staff who have gone from the overall MPS establishment. The £1.0M is captured in the Medium Term Financial Plan (MTFP) from 2016/17 onwards.

Legal Implications

1. The report asks Joint Investment Board to note the outcomes of negotiations with the PoW for a new special policing services agreement under s25 Police Act 1996. The negotiation for both the extension of the existing contract and the new agreement (post April 2016) has been overseen by MPS Directorate of Legal Services (DLS) throughout. The new agreement sets out improved terms that are consistent with other major third party contracts, for example, in the way liability is dealt with (i.e. indemnity for claims under the MPS insurance deductible). The new agreement also stipulates that the PoW will be responsible for any costs associated with employment exit as a result of a reduction or termination of the services, and allows the MPS, in general terms, to charge on the basis of full cost recovery. Additionally, it makes clear the MPS will only be obliged to provide policing services within the Metropolitan Police District, anticipating any scenario where Parliament may operate to some degree outside of London during a period of restoration.
2. The proposed new rosters will be compliant with Police Regulations (and therefore the Working Time Directive) and enable the MPS to meet its contractual obligations.
3. The TUPE exercise is currently being undertaken with guidance from DLS and as such the MPS will continue to meet its legal obligations under the process to ensure that staff are transferred lawfully and in the spirit the legislation. Experience from other TUPE processes is also being used to inform the handling of the PoW process and advice has been sought at an organisational and individual level as required, with Trade Unions fully engaged.
4. The SSA, inclusive of all contract schedules, is in the stages of final drafting. In the last version received from PoW in December 2015, there are some areas which require refinement and clarification, but no material issues to prevent a recommendation for MOPAC, and the Commissioner, to sign the contract when it is completed for submission. It should be noted that the latest version received has yet to be approved by the lawyers for Parliament. In the event that any aspects of the SSA are markedly different following the PoW legal sign-off, MPS Management Board and Joint Investment Board will be informed, to allow further consideration prior to the contract being submitted for signature.
5. On the basis of the contents of the report and ongoing discussions with the third party contracts team, DLS are supportive of this report.

Consultation undertaken

Consultation grid

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
SO (Chief Officer Group)	Supportive
SO Change Board (DACSO)	Supportive
Federation / TUS (representatives)	Supportive, with any concerns to be addressed through continued communication and the formal consultation process
HR (Director)	Supportive
Commercial and Finance (Director)	Supportive
DLS (Solicitor)	Supportive
Parliamentary Security Director (external)	Supportive

Risk (including Health and Safety) Implications

1. The main risk in delivering the new policing model at PoW is the closing timeframe for completion of all associated activities. The HR processes associated with both the implementation of the new police rosters and team structures are dependent on timely recruitment which is now in progress. The HR processes within the TUPE arrangement depend on the satisfactory conclusion of formal consultation over terms of employment. To date, this is progressing in a timely and positive manner.
2. The consequence of delays would be PoW asking the MPS to extend current arrangements beyond April 2016. Legally, this can be done. However, this would not be a desirable start for the intended new arrangements and would mean that contingency arrangements would be required to ensure service continuity, for example – which party would progress planned recruitment for security officers.
3. A further consequence of delays, from a health and safety perspective, is the continuation of non-compliant rosters which require longer hours from officers to cover the full span of Parliamentary business and mean that officers' hours may not comply with Police Regulations. This is mitigated by the agreement of the new rosters and their planned commencement. The MPS has built in a slight delay the start of the new rosters so that this change does not coincide immediately with the transfer of the security officers. This will reduce any risks around implementation for both parties.
4. The key risk associated with the implementation of the new model and the de-coupling of police staff from the policing operation was the agreement of a command and control structure which does not risk the safety of individuals within either workforce, but allows them to work together and share relevant information securely and for the purposes of keeping one another – and Parliament – safe from harm. Work to design the new command and control model is has been prioritised by the MPS and PoW project team, and for an initial period will mirror the 'as is' command and control arrangements in order to minimise risk and impact on operations.

Real Estate and Environmental Implications

1. The policing operation will continue to be based within Parliamentary accommodation so there are no corporate real estate or environmental implications for the MPS. The SSA stipulates that PoW will continue to provide reasonable and equivalent accommodation even if the police operation has to move around within the estate, or off the estate altogether as a result of the restoration and renewal programme at Parliament.

Report author: Harriet Harvey, Senior Commercial Manager

Background papers:

THE FUTURE OF SPECIAL POLICING SERVICES AT PALACE OF WESTMINSTER
– report to MPS Management Board, 05 November 2013

UPDATE ON SO17 CONTRACT FOR SECURITY SERVICES TO PARLIAMENT
– MPS Management Board Briefing Note, 09 December 2014

PALACE OF WESTMINSTER SPECIAL POLICING SERVICES AGREEMENT
– report to MPS Management Board, 08 September 2015