

## REQUEST FOR DMPC DECISION – PCD 426

**Title: Interim and Specialist Resources**

### Executive Summary:

To meet growing demand with fewer resources, the Metropolitan Police Service (MPS) has set out on a bold and ambitious transformation. Its aim is to improve service delivery for London and do so in a way that reflects the impact of austerity. Much has already been achieved which is now having a positive impact on Londoners, officers and staff.

To deliver this ambitious transformation the MPS is building in-house capacity and capability which will reduce its reliance on large consultancies and contractors in the long term.

This report is seeking authority for an extension to the contractual value to minimise delivery risk to the transformation portfolio by ensuring that our current third party providers remain in place to the end of September 2018.

When considering the specialist providers required in the longer term. This report takes a planned approach for the next two and a half years and as such approval is sought to approach the market through Bloom to source additional SMEs to create a wider pool of providers who can be commissioned via pre-competed and structured call-off arrangements, for the duration of the current phase of transformation, until March 2021. We remain committed to delivering value for money and our preferred approach will be the recruitment of permanent or fixed term staff.

This approach is more economical than day rate contractors, will maintain healthy competition amongst the panel of providers; ensure that our capacity requirements are met; ensure we secure the best possible resource capabilities and ensure value for money is achieved.

### Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

- Approve an uplift of £1.06m to the existing contract for short term specialist service provision for additional transformation capacity and capability to the end of September 2018. Approve the release of the related revenue from the Major Change Fund to fund this extension. This is the forecasted contractual cost whilst waiting for permanent staff to take up position.
- The MPS awarded a framework contract to Bloom as a value for money route to provide specialist and interim resources. To accommodate the following decision, approve an amendment of the Bloom framework limits, and allow for this route to be used where recommended in future decisions that have been through appropriate governance.

- Approve an approach to market through Bloom to widen the current pool of specialist service providers from September 2018 – March 2021 to deliver work related to approved investment decisions within the transformation programme. The maximum estimated ceiling of the collective contract value is £21m over the 2½ years. Funding is available through revenue allocated for recruitment to transformation posts and the Major Change Fund no additional funding is required.

**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**

*Eyadunde*

**Date**

*12/07/18*

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

### **Decision required – supporting report**

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

- 1.1. As London has changed, the MPS has always changed and evolved too. However, the scale of change they are delivering is unprecedented. It is both challenging and exciting.
- 1.2. Through this comprehensive portfolio, comprising nearly 100 projects and investing over £1bn, we can have confidence in becoming an even more effective MPS that maximises our impact on public safety for London. Transformation will explore new opportunities and reflect the reality of austerity, but in a way that keeps London safe and allows us to focus on the things that matter most to the public; notably violent crime.

#### **2. Issues for consideration**

- 2.1. Both internal and external recruitment campaigns have been undertaken for the new Transformation Directorate and ongoing recruitment continues. Despite best endeavours we have not been able to recruit people in sufficient quantity with the appropriate skills.
- 2.2. The skills gap that this creates are specifically in the following areas and related outputs: Programme and Project Management; Programme level business change; Financial and commercial support.
- 2.3. To realise further financial savings and develop new capabilities, the MPS needs to continue evolving alongside London, its people and its crime. The risks of not continuing investment in the use of specialist third party providers could see a 50% drop in the amount of transformation and change that is delivered to support this evolution

#### **3. Financial Comments**

- 3.1. The proposal is fully funded within existing revenue and capital budgets. The proposal seeks an uplift within an existing contract and an approval of a route to market.
- 3.2. In order to achieve best value for money and continuity our strong preference is to fill roles through permanent or fixed term appointments. Despite our intent, experience in the recruitment market suggests that some vacancies will persist in the long term. Permanent recruitment of these roles remains the preferred option. Where this is not available, use will be made of output based contracts with suppliers who have competed on cost and quality. This means that we are moving away from 'daily rate' contractors where it is harder to assess quality and measure output.

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

- 4.1. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). All awards of public contracts for goods and/or services valued at £181,302 or above must be procured in accordance with the Regulations. There are no significant legal issues arising by uplifting the existing contract and utilising an existing framework.

## **5. Equality Comments**

- 5.1. The nine Protected Characteristics specified by the Equality Act 2010 have been considered, and there are no issues arising from this decision.

## **6. Background/supporting papers**

- 6.1. Report

**Public access to information**

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

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

**Part 1 Deferral:**

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

If yes, for what reason:

Until what date:

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

Is there a **Part 2** form – YES

It is recommended that the information in the Part 2 form not be published since if a request for this information was made under the FOIA, it is likely that it would be exempt from disclosure under the following sections for the FOIA:

Commercial Interest Section 43

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed:

Completion of the contract.

**ORIGINATING OFFICER DECLARATION**

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

**OFFICER APPROVAL****Chief Executive Officer**

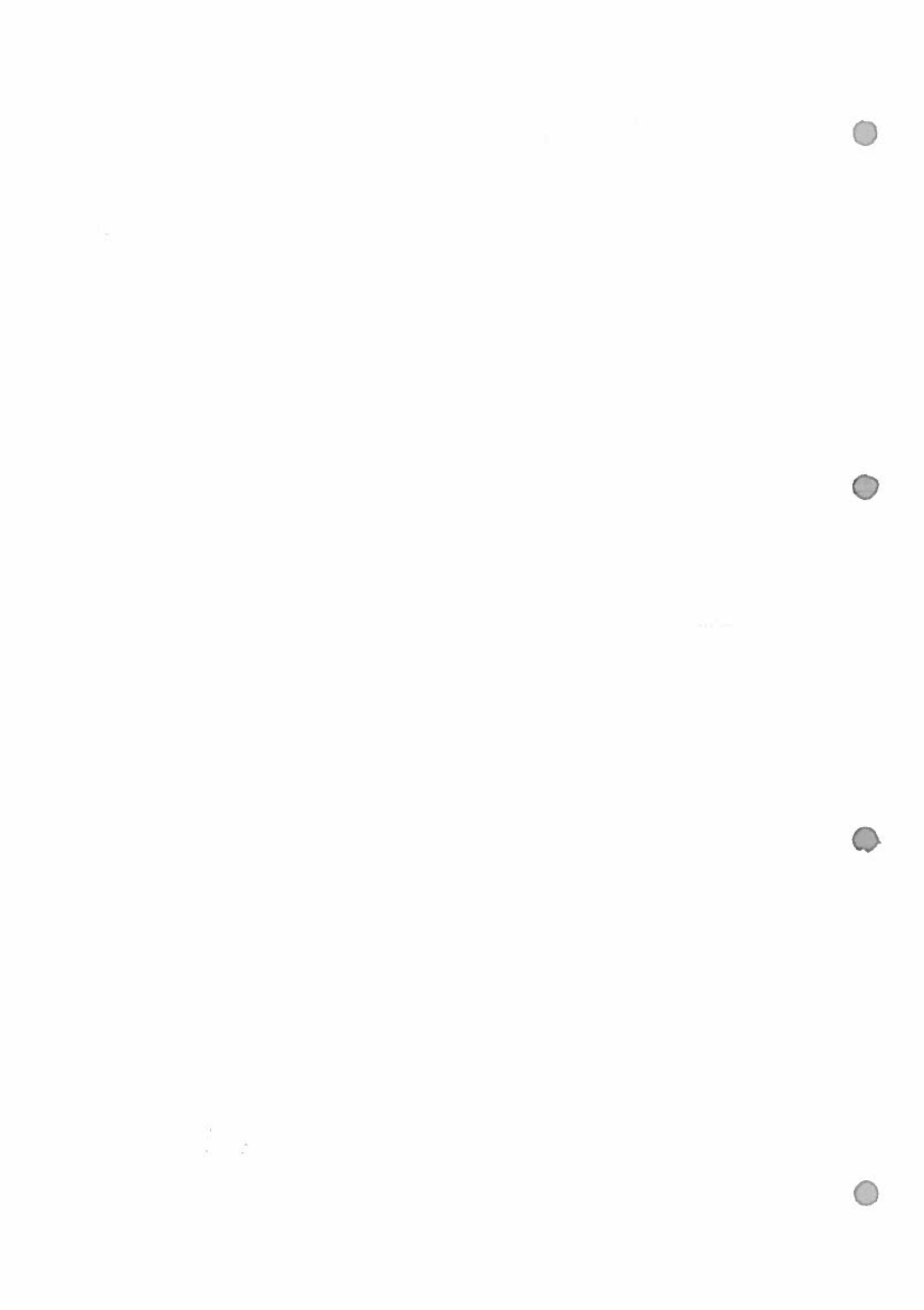
I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

R. Lawrence

Date

12/07/18



**MOPAC**MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME**INTERIM AND SPECIALIST RESOURCES TO SUPPORT TRANSFORMATION**

PIB 12th June 2018

MOPAC Investment Advisory Board 28th June 2018

Report by Robin Wilkinson on behalf of the Deputy Commissioner

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

To meet growing demand with fewer resources, the Metropolitan Police Service (MPS) has set out on a bold and ambitious transformation. Its aim is to improve service delivery for London and do so in a way that reflects the impact of austerity. Much has already been achieved which is now having a positive impact on Londoners, officers and staff. There is, however significantly more to come – with further changes to organisation, technology and estates well underway. These changes will combine to deliver a truly digital, agile and effective police force – capable of providing a better level of service to Londoners

To deliver this ambitious transformation the MPS is building in-house capacity and capability which will reduce its reliance on large consultancies and contractors in the long term. In the meantime, specialist third party providers have been appointed to provide additional short-term capacity and capability whilst the recruitment of permanent staff takes place. These are being kept to a minimum.

Due to a fierce recruitment market for these professional skills, the number of permanent staff recruited and in post is lower than forecasted when DMPC approval was gained in October 2017, as a result the approved contractual value will be reached three months earlier than planned. This report is seeking authority for an extension to the contractual value to minimise delivery risk to the transformation portfolio by ensuring that these third party providers remain in place to the end of September 2018.

When considering the specialist providers required in the longer term. This report takes a planned approach for the next two and a half years and as such approval is sought to approach the market through Bloom to source additional SMEs to create a wider pool of providers who can be commissioned via pre-competed and structured call-off arrangements, for the duration of the current phase of transformation, until March 2021. We remain committed to delivering value for money and our preferred approach will be the recruitment of permanent or fixed term staff. This approach is more economical than day rate contractors, will maintain healthy competition amongst the panel of providers; ensure that our capacity requirements are met; ensure we secure the best possible resource capabilities and ensure value for money is achieved.

## Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory & Monitoring Meeting (IAM) is asked to:

1. **Approve an uplift of £1.06m to the existing contract for short term specialist service provision for additional transformation capacity and capability to the end of September 2018. Approve the release of the related revenue from the Major Change Fund to fund this extension. This is the forecasted contractual cost whilst waiting for permanent staff to take up position.**
2. **The MPS awarded a framework contract to Bloom as a value for money route to provide specialist and interim resources. To accommodate the following decision, approve an amendment of the Bloom framework limits, and allow for this route to be used where recommended in future decisions that have been through appropriate governance.**
3. **Approve an approach to market through Bloom to widen the current pool of specialist service providers from September 2018 – March 2021 to deliver work related to approved investment decisions within the transformation programme. The maximum estimated ceiling of the collective contract value is £21m over the 2½ years. Funding is available through revenue allocated for recruitment to transformation posts and the Major Change Fund no additional funding is required.**

## Introduction and Background

1. As London has changed, the MPS has always changed and evolved too. However, the scale of change we are delivering is unprecedented. It is both challenging and exciting. By transforming the MPS we will deliver:
  - A police force that continues to engage well with all communities, including through our commitment to neighbourhood policing and our new and innovative digital channels.
  - A new way of working that puts trust back in the hands of our people to manage incidents and crimes in line with their professional judgement, and where we invest more in their skills and development.
  - New capability so that our people are working with modern equipment and digital tools – and with simplified and digital processes – so people can do their job well and with much less frustration.
  - An organisational structure that is more agile and flexible, and which can respond quickly to the changing demands and risks affecting London (and which puts greater emphasis on safeguarding as a core role for all) – one that works together more comfortably in targeting crime of all types.
2. Through this comprehensive portfolio, comprising nearly 100 projects and investing nearly £2bn, we can have confidence in becoming an even more effective MPS



that maximises our impact on public safety. Transformation will explore new opportunities and reflect the reality of austerity, but in a way that keeps London safe and allows us to focus on the things that matter most to the public; notably violent crime.

3. In December 2016 PIB approved a proposal to establish a new Transformation Directorate in the MPS. This approval was based on an acceptance that the MPS will need to continue to transform beyond 2020 and therefore needs a strong in-house transformation capability that significantly reduces its reliance on large consultancies and contractors in the long term.
4. In January 2017, the Director of People and Change, gained approval from the DMPC to appoint a small number of specialist third party service providers to deliver additional short-term transformation capacity and capability whilst recruitment to the new Directorate took place. Given the market for relevant skills in these areas, it was always recognised that no single provider would be in a position to provide this support. The use of smaller specialist providers was judged more likely to secure the best resources whilst providing greater value for money.
5. In October 2017 DMPC gave approval to extend these contracts for 12 months to October 2018. The estimated contract value was forecasted based on recruitment projections at the time.

#### Issues for consideration

6. Both internal and external recruitment campaigns have been undertaken for the new Transformation Directorate and ongoing recruitment continues. The original forecast estimated that we would achieve 77% capacity by April 2018 and reach full capacity by September 2018. Despite best endeavours we have not been able to recruit people in sufficient quantity with the appropriate skills. A realistic assessment is that by September 2018 we will be at 65% capacity for permanent staff.
7. The skills gap that this creates are specifically in the following areas and related outputs:
  - **Programme and Project Management** which provides the leadership and delivery framework for projects and programmes as well as the development of business cases including supporting documents such as programme level plans, benefit maps, dependency and risk registers.
  - **Programme level business change specialists** to develop key outputs such as business change impact and readiness assessments to ensure the change delivered is embedded and benefits realised.
  - **Financial and commercial support** for the portfolio and programmes including the support for business case development, programme and portfolio level cost profiles and professional commercial advice to consider most suitable market options and approach

8. In line with industry best practice and previous audit reports the provision of the skills to assure and delivery complex change portfolios is essential, to ensure value for money is delivered. These skills enable the MPS to deliver the change more efficiently and in a more consistent way. With consistency comes certainty of outcome, i.e.:

- **Minimisation of risk** – risk and issue management means the MPS is more likely to deliver to quality, cost and time
- **Management of benefit** – making sure that benefits are managed through to delivery, tracking progress and eliminating threats to benefit realisation means that the MPS obtains a better return on investment
- **Managing schedules and dependencies** – means the MPS is more likely to stay on track and deliver on time, again reducing cost

9. Although the portfolio has delivered significant transformation for the MPS already, there is more work ahead. To realise further financial savings and develop new capabilities, the MPS needs to continue evolving alongside London, its people and its crime. The risks of not continuing investment in the use of specialist third party providers could see a 50% drop in the amount of transformation and change that is delivered to support this evolution:

- Programme and project managers will not be available for current transformation projects and programmes, having a direct impact on delivery and benefits realisation.
- Specialist resources will not be available for estates programmes putting this key enabler programme at risk.
- Business change and communications experts will not be available which may result in the change not being properly embedded. This would, in turn, place at risk the delivery of benefits and create potential negative impact upon operational performance.
- Skilled staff will not be available to collect and collate the management information need to make informed decisions about the transformation portfolio. This information ensures the portfolio delivers the capabilities required and the benefits are realised.

### **Contributes to the MOPAC Police & Crime Plan 2017-2021<sup>1</sup>**

10. This requirement is fundamental in enabling the Met to source the necessary skilled resources to undertake its current phase of transformation and ensure the Mayor can deliver a safer city for all Londoners. This investment will directly contribute to the first objective of building 'a better police service for London' and fundamentally support the Mayor's aim to deliver a transformed MPS.

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<sup>1</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)

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

11. In order to achieve best value for money and continuity our strong preference is to fill roles through permanent or fixed term appointments. Despite our intent, experience in the recruitment market suggests that some vacancies will persist in the long term.
12. Permanent recruitment of these roles remains our preferred option. Where permanent staff are not available our preferred option to maintain delivery where these resource gaps arise is to use output based contracts with suppliers who have competed on cost and quality, this ensures that payment is made for key deliverables to agreed standards, it is not based on the time used to complete the activity. This means that we are moving away from 'daily rate' contractors where it is harder to assess quality and measure output.

## **Procurement approach**

13. To ensure continuing value for money a further competition is recommended (conducted through Bloom) to widen the current pool of specialist service providers who can subsequently be commissioned against pre-defined criteria such as current capacity; business specialism or cost. This approach will provide the opportunity to;
  - Create healthy competition in the market
  - Ensure that there is sufficient capacity and therefore quality of choice to meet our requirements
  - Ensure we secure the best possible resource for the intended output
  - Ensure value for money is achieved.
14. This process will invite current and potential new providers to submit fixed price proposals against our existing service catalogues. Having access to a few specialist hands on providers in each of the areas is expected to provide better quality, consistency, resilience, lower costs and therefore greater overall value for money.
15. The competitive process is likely to take around 2 months to run. In addition to this, successful bidders will need to undertake vetting processes and are unlikely to take up position before September 2018. This request is seeking approval for an approach to market, not financial approval as this has already been approved.

## **Financial Implications**

16. This information is contained in part 2.

## **Legal Comments**

17. 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 £181,302 or above, all

contracting authorities must do so in accordance with the Regulations.

18. This report confirms the tender detailed exceeds the above threshold. Consequently, the Regulations will apply to this requirement. This report identifies Bloom as its preferred procurement route.

19. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all requests to go out to tender for contracts of £500,000 or above.

### **Equality Comments**

20. As this is an extension of an existing service this work does not change any aspects relating to equality or diversity.

### **Privacy Comments**

21. No impact.

### **Real Estate Implications**

22. The proposals do not directly have any estate or environmental implications. The estates transformation programme is included within the scope outlined. The support of these recommendations will provide greater resilience to the estate transformation programmes and provide an approach that is likely to ensure the benefits outlined through business case submissions can be achieved.

### **Environmental Implications**

23. No impact

### **Background/supporting papers**

Nil

**Part 2 – This section refers to the details of the Part 2 of interim and specialist resources to support transformation which is NOT SUITABLE for MOPAC Publication.**

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

**Part 2 of INTERIM AND SPECIALIST RESOURCES TO SUPPORT TRANSFORMATION** is exempt from publication for the following reasons:

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

The paper will cease to be exempt until completion of the contract.

