

REQUEST FOR DMPC DECISION – PCD 316

Title: Variation to SLA Agreement with MOD in relation to storage of Physical Records

Executive Summary:

This Business Justification concerns the future model for Records Management within the MPS which is supported by an SLA agreement between MOPAC and Ministry of Defence (MOD) in relation to the use of the MOD contract, via the Pan Government Records Management Contract (PGRMC), with TNT Business Solutions for the storage of physical documents. The original agreement was formed in 2003 for a term of 25 years with a value of £5.2m. The MPS spend will reach the current agreed value by the end of the 2017/18 financial year as a result of an increase in demand which has been caused by changes including the Management of Police Information Regulations.

A variation in the value of the SLA agreement between the MPS and MOD for the use of the TNT contract. This would be an increase in value from £5.2m to £20.2m to include headroom for unforeseen eventualities.

Recommendation:

The DMPC is asked to approve;

- A variation in the value of the existing 25 year SLA agreement (from 2003 to 2028) between the MPS and MOD for the use of the TNT contract. This would be an increase in value from £5.2m to £20.2m to include headroom for unforeseen eventualities.
- To note anticipated expenditure over the remaining period of this contract is expected to be contained within the current level of the LDSS revenue budget.

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

Stephen Hender

Date

29/01/18

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

Decision required – supporting report

1. Introduction and background

- 1.1. This Business Justification concerns the future model for Records Management within the MPS which is supported by an SLA agreement between MOPAC and Ministry of Defence (MOD) in relation to the use of the MOD contract, via the Pan Government Records Management Contract (PGRMC), with TNT Business Solutions for the storage of physical documents. The original agreement was formed in 2003 for a term of 25 years with a value of £5.2m.

2. Issues for consideration

- 2.1. The MPS spend will reach the current agreed value by the end of the 2017/18 financial year as a result of an increase in demand which has been caused by the impact of various organisational change programmes over the past 5 years including the introduction of Operation Filesafe recovery programme, the Corporate Real Estate (CRE) programme and current Estates Transformation Programme.
- 2.2. It is acknowledged by the MOD that the estimated storage volumes, made during the tendering process, have proved to be far too low across most customers on the contract, but were made in good faith at that time. There was an assumption that digitalisation would be much further forward in all Government Departments. Although the MPS are the first contract member to reach the value of their SLA agreement it is expected that other members will be making similar requests in the near future.

3. Financial Comments

- 3.1. Anticipated expenditure over the remaining period of this contract is expected to be contained within the current level of the LDSS revenue budget. Further detail included in Part 2.

4. Legal Comments

- 4.1. If DMPC approves the increase in value of the contract, Commercial Services will then enter into discussions with the MOD to increase the value of the SLA agreement.

5. Equality Comments

- 5.1. There are no direct equality or diversity implications arising from this report.

6. Background/supporting papers

- 6.1. Report.

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.

Part 1 Deferral:

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

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 rational for non-publication.

Is there a **part 2** form – Yes

- If yes, for what reason: Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).

ORIGINATING OFFICER DECLARATION:

Head of Unit: The Chief Financial Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: There are no legal issues arising from this proposal.	✓
Financial Advice: The Chief Financial Officer has been consulted on this proposal.	✓
Equalities Advice: No Equality and Diversity issues identified.	✓

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 29/1/18

Investment Advisory Board**Variation to SLA Agreement with MOD in relation to storage of Physical Records****Report by Tina Reay on behalf of AC Ball****EXECUTIVE SUMMARY**

This Business Justification concerns the future model for Records Management within the MPS which is supported by an SLA agreement between MOPAC and Ministry of Defence (MOD) in relation to the use of the MOD contract, via the Pan Government Records Management Contract (PGRMC), with TNT Business Solutions for the storage of physical documents. The original agreement was formed in 2003 for a term of 25 years with a value of £5.2m. The MPS spend will reach the current agreed value by the end of the 2017/18 financial year as a result of an increase in demand which has been caused by changes including the Management of Police Information Regulations.

It is acknowledged by the MOD that the estimated storage volumes, made during the tendering process, have proved to be far too low across most customers on the contract, but were made in good faith at that time. There was an assumption that digitalisation would be much further forward in all Government Departments. Although the MPS are the first contract member to reach the value of their SLA agreement it is expected that other members will be making similar requests in the near future

TIME-SENSITIVITY

A decision is required as soon as possible to enable us to continue to be able to settle invoices from TNT. The spend can be met from existing budgets but as the contract value has been met the Purchase Order limit will be reached in March 2018 and no further invoices will be settled without an increase on the limit.

A. RECOMMENDATIONS – That DMPC approves:

- A variation in the value of the SLA agreement between the MPS and MOD for the use of the TNT contract. This would be an increase in value from £5.2m to £20.2m to include headroom for unforeseen eventualities. Anticipated expenditure over the remaining period of this contract is expected to be contained within the current level of the LDSS revenue budget.

PART 2: Exempt Section of the Report

1. The Business Justification paper has been included in Part 2 and has areas that are considered commercially sensitive and therefore are exempt from publication for the following reasons:
 - Part 2 is exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.
 - The FOIA that would exempt this information from disclosure is:

Section 3: Commercial Case (Section 43: Commercial Interests).

Section 4 Financial Implications: (Section 43: Commercial Interests).

2. Part 2 will cease to remain confidential until 7 years from the end date of the contract award date: 2028.

B. SUPPORTING INFORMATION

Background

The Key issues to take account of are:

- There are currently no alternative options for storage of physical documents and records within the MPS.
- To 'empty' the TNT space of all MPS documents or records either through destruction or transfer to MPS accommodation would cost in the region of £2m and would take approx. 6 -12months to transfer. This is based on the assumption that MPS accommodation can be found to house the records, which is unlikely in line with the CRE programme.
- If the SLA variation is not agree and new procurement exercise would need to begin immediately in order to secure a new supplier
- The introduction of the Operation Filesafe recovery programme involves the 'triage' of approx. 6m documents and records. It is estimated that 50% of those records will require storage with TNT for at least a 6 year retention period. Approx 1.5m records have already been sent to TNT for storage and another 1.5m are still to be submitted. If the value of the agreement is not extended then work on Operation Filesafe will need to halt and the MPS will be unable to meet the recommendations highlighted in the Ellison Review into the Stephen Lawrence case or the recent judicial reviews and new Management of Police Information (MoPI) guidelines.
- The MPS will not be able to realise the savings from the CRE programme unless the buildings are emptied of physical records and documents in time for completion of purchases.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

9. There are considered to be no negative equality or diversity implications arising from this variation to the SLA.

Financial Implications

10. The spend against this budget is already in existing budgets and the recommended level of the agreement will provide headroom for any for unforeseen eventualities in the remaining 11 years left on the agreement.

The original total contract value set at £5.2m assumed an average spend of £208k pa. Actual annual expenditure has been exceed every year since 2008 and has increased year on year to the current year forecast expenditure of over £900k. It is then envisaged that costs would reduce in the following years due to digitisation and improved Review, Retention and Disposal function

Although the MPS are not able to negotiate the terms, TNT are willing to offer 'Special Project' rates which will enable us to deal with the legacy at a best value rate and additionally allow us to drive down current storage costs.

Legal Implications

11. This is an SLA agreement with the MOD and are therefore responsible for any contract re-negotiation.
12. It is acknowledged by the MOD that the estimated storage volumes, made during the tendering process, have proved to be far too low across most customers on the contract, but were made in good faith at that time. There was an assumption that digitalisation would be much further forward in all Government Departments. Although the MPS are the first contract member to reach the value of their SLA agreement it is expected that other members will be making similar requests in the near future.
13. If the Board are in agreement to increase value of the contract, Commercial Services will then enter into discussions with the MOD to increase the value of the SLA agreement. Legal advice has already been sort and there are no restrictions from a legal point of view to increasing the value.
MOD have confirmed that the value can be increased by £5m straight away and are asking for agreement via their governance structure for the additional £10m required. The length of the agreement would not need to be increased.

Risk (including Health and Safety) Implications

17. This report does not directly impact on the health and safety of the MPS or its service delivery.

Consultation Undertaken

18. Please see Business Justification for details

Responsible Procurement

19. There are no adverse responsible procurement implications associated with this solution.

Report author: Tina Reay, LDSS

