

REQUEST FOR DMPC DECISION – DMPCD 2015 114

Title: Police Officer and Police Staff Payroll Services

Executive Summary:

The Business Support Services Full Business Case (FBC) was approved in July 2015 and the contract awarded to SSCL for the provision of HR, Finance and Procurement services.

This report requests to the termination of the current Police Officer and Police Staff Payroll Services contract with CGI to allow the Business Support Services provider SSCL to provide this service from October 2016.

Recommendation:

The DMPC is asked to approve termination of the Police Officer and Police Staff Payroll Services and Police Officer Pension Administration Services contract with CGI IT UK Ltd in accordance with the previously approved Final Business Case in July 2015.

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

30/9/2015

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

Decision required – supporting report

1. Introduction and background

- 1.1. DMPC awarded the Business Support Services (BSS) contract to Shared Service Connected Ltd (SSCL) in August 2015 for the provision of HR, procurement and finance back office functions. From October 2015 a 12 month transition will commence will full implementation from October 2016.
- 1.2. One of the services SSCL will provide is payroll and pensions services, this service is currently provided by CGI IT UK Ltd. In order to transfer the service to SSCL the current contract must be terminated, MOPAC are contractually allowed to terminate the contract for convenience and are obliged to give a minimum of 12 months' notice.

2. Issues for consideration

- 2.1. To ensure future service provision of the payroll services an extension to the CGI contract was approved by DMPC in March 2015. At the time of the contract extension it was unclear whether SSCL would provide this service.
- 2.2. SSCL will provide payroll services as part of the BSS contract and the contract with CGI needs to be terminated with 12 months' notice period to enable SSCL to provide the service from late 2016. Therefore, discussions have taken place between all parties with regard to a contract novation, however, a novation requires the agreement of all parties and both CGI and SSCL have stated they do not wish the contract to be novated from MOPAC to SSCL.

3. Financial Comments

- 3.1. The current budget for pay and pensions administration is £4.3m. An early termination of the CGI contract will incur costs of £0.75m and will deliver annual savings of £1m. The cost of exit has a payback period of less than one year.
- 3.2. The costs of termination were captured as part of the financial implications within the Final Business Case approved in July 2015.

4. Legal Comments

- 4.1. The Directorate of Legal Services have reviewed the CGI contract terms including all the relevant change notices and confirm that there is provision for early termination by MOPAC upon the serving of 12 months written notice to the contractor.
- 4.2. The contract terms provide for a number of exit provisions to assist in transitioning the termination as well as potential payments by MOPAC by way of compensation for early termination.

5. Equality Comments

- 5.1. A full Equality Impact Assessment has been conducted for the workforce that will be affected should a contract be awarded to SSCL. This will be continually reviewed and maintained throughout the life of the project.
- 5.2. The impact assessment did not identify any adverse discrimination against those within the protected characteristics specified within the Equality Act 2012.

6. Background/supporting papers

- 6.1. MPS Paper

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: Commercially Confidential

ORIGINATING OFFICER DECLARATION:

| | <i>Tick to confirm statement (✓)</i> |
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| Head of Unit: Annabel Cowell 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 Head of Strategic Finance and Resource Management 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 30/9/15