

Report to the Police, Fire and Crime Panel – 13 July 2020

Update on Information Technology Contract with Boeing Defence UK

Report of the Staffordshire Commissioner

1. Introduction

- 1.1 The report updates the panel on the delivery of improvements through the strategic partnership based contract with Boeing Defence UK (BDUK) for IT services and the exit arrangements for the contract end date of 30th June 2020.

2. Recommendation

- 2.1 That the Panel note and comment on the contents of the report.

3. Background

Contractual

- 3.1 The Police and Crime Commissioner (PCC) entered into a strategic partnership based contract with BDUK on 1st April 2016 (Decision OPCC/D/201516/027 refers). The contract was estimated to have a value of £110 million over 10 years, inclusive of revenue and capital funding.
- 3.2 The decision to outsource IT services followed two independent reviews into the efficacy of the previous in-house service, both of which concluded that it and the infrastructure and systems that it was responsible for were in need of significant improvement and modernisation.
- 3.3 Operational Contract management responsibilities rest with the Chief Constable through his s151 Officer and his Head of Commercial Management.
- 3.4 As detailed previously to the Panel, the Commissioner made a decision on 18th December 2019 to mutually terminate the contract with BDUK on 30th June 2020. As set out in Decision Form SCP-D-201920-006, the primary reasons for this mutual separation are that: -
- BDUK has made a strategic and corporate decision to no longer have an interest in UK policing;
 - With the delivery of the Niche records management system prior to 30th June 2020, Staffordshire Police will have completed their most significant ICT investment ever.
- 3.5 The Decision Form also provided detail on the options appraisal and business case that assisted the decision to mutually terminate. As from 1st July 2020, the

service will revert to an insourced delivery model i.e. Staffordshire Police will become the employer and take full responsibility for the service.

Delivery

3.6 At the time of departure, the BDUK contract will have been in place for four years of the maximum ten available. Core services provided by BDUK fall into the following categories: -

- Server, storage and core infrastructure
- Service delivery
- End User services
- Networks
- Security
- Portfolio Management

Each service category is broken down into further sub-categories and then into specific service activities for which there is an indicative baseline volume, assumptions and where appropriate, service hours e.g. 24/7, 8am – 5pm etc.

3.7 The IT service provided by BDUK is both routine day to day activity and developmental. For example, routine management of a helpdesk facility, triaging and solving problems experienced by individual users through to new technology being introduced, or implementing a national priority at the local level.

3.8 At the more strategic end of the business, the Commissioner has, since the commencement of the contract, agreed at the request of the Chief Constable, to support a number of technological and service improvements through Decision Forms. Decision Forms are utilised for key decisions only, for example where the financial value is above the delegated authority that the Chief Constable has. Key decisions are summarised in the table below for the first 3 years of the contract; all of these have been published and are in the public domain, if further information is required.

Year / Ref	Description
2016/17	
OPCC/D/201617/032	Body Worn Video (2 nd generation)
2017/18	
OPCC/D/201718/007	ESN Work Packages
OPCC/D/201718/023	WP034 Strategic Back Up Solution
2018/19	
OPCC/D/201819/001	WP035 Single Unified Network

OPCC/D/201819/004	Core Policing Platform Mobilisation (Phase 1)
OPCC/D/201819/005	WP072 Strategic Infrastructure Solution
OPCC/D/201819/006	WP026 National ANPR Solution
OPCC/D/201819/013	Niche Core Policing Platform (Phase 2)

- 3.9 The key decisions taken by the Commissioner and requested by the Chief Constable are either infrastructure-based i.e. stabilising networks, providing storage, or are developmental i.e. providing for service improvement. The most significant developmental project is the development of the Core Policing Platform (Niche), which replaced 12 core systems that are between 8 and 20 years old, with one single integrated record management system. The investment required in both people and resources represents the single largest development in recent years. Niche was implemented successfully in Staffordshire Police by BDUK in May 2020.
- 3.10 Substantive benefits of Niche and other BDUK developmental work include greater efficiency as end of life systems are retired, with the introduction of new and more modern technology used across a significant proportion of forces across the UK. Those using newer technology i.e. police officers and staff, are enabled to be more effective in their role and this is evident through a number of new technologies that are now embedded in the service e.g. body worn video, mobile data and will become the case with Niche and future initiatives.
- 3.11 BDUK have also undertaken work to increase the overall security and mitigate risk, such as the migration of the secondary data centre off site (for business continuity/disaster recovery); implementation of regular system backups (for systems previously not backed up); upgraded core internet access; replaced all Airwave radio handsets; installed a new IP telephone system; upgraded ANPR systems across the county; and introduced CISCO ACI technology (for future network management). Much of this is infrastructure improvement, which will have long-term benefits often unseen by the end user.
- 3.12 As well as the benefits detailed above, the rollout of the National Enabling Programme (NEP) will modernise policing through the tools available to officers and staff. BDUK will have delivered the first phase of this development prior to the contract exit date on 30th June 2020, with rollout of the technology in autumn 2020.

Exit Arrangements

- 3.13 One of the key aspects of the BDUK exiting and Staffordshire Police becoming responsible for delivery, is the transition of people through TUPE arrangements. The people transition work continues at pace, with the majority of current BDUK staff now aligned to new roles within the future operating structure. All vacancies have been advertised and the recruitment process of shortlisting and interviewing is now taking place. Conditional offers have been made for the 'mission critical' roles to support the new helpdesk function, with vetting and confirmed start dates being finalised. Owing to the risk to operations, mitigation measures are also in place to cover the workload of critical roles where new

appointments aren't able to join prior to 1st July. The risk of flight for other key staff the force may wish to retain is now considered to have subsided.

- 3.14 The current COVID-19 pandemic has placed additional strain on the successful delivery of the transition, not only BDUK's ability to still deliver any contracted work packages and business as usual support (including the engagement of specialist 3rd parties who have been unable to attend site), but also Staffordshire Police's ability to monitor activity and potentially recruit to vacancies within the new structure.
- 3.15 At the time of writing, there remains one significant work package to be delivered by BDUK and a number of others with work to be undertaken before they can be closed down. The NEP work package is intended to provide an initial readiness position before a broader implementation and development of a compliant NEP environment by the in-house IT team can then follow later in the year.

Governance and Assurance

- 3.16 Given the magnitude and complexity of the BDUK contract, it has been necessary to ensure that governance and assurance arrangements are robust. The contract signed in 2016 was developed with significant specialist and legal support to ensure that the Commissioner and the Chief Constable had advantageous terms and that has continued to be the basis of what is provided and how ultimately the relationship is managed.
- 3.17 The partnership based contract has been subject to independent internal audit reviews during its lifetime, given that its complexity, value and nature creates a level of risk. A 2017/18 audit focused on evaluating the adequacy of processes in place to manage identified risks and the extent to which controls had been applied. The outcome of the internal audit was to give substantial assurance, the highest level of assurance possible. A 2019/20 audit considered the revised operational governance structure in place to manage and report upon the Boeing contract, together with the linkage to the strategic governance of the contract. The audit opinion was that 'substantial assurance' could be taken for the operational governance framework and 'partial assurance' for the strategic governance elements. Both audits provided assurance to the Commissioner and Chief Constable and as is the case with all audits, resulted in improvement actions for Staffordshire Police and the Commissioner to implement.
- 3.18 The transition to the new insourced delivery arrangements on 1st July 2020 has since the exit agreement was reached with BDUK, had its own governance arrangements that focus on ensuring business continuity, ensuring BDUK deliver to contract / exit terms and dealing with commercial and other transitional issues.

Financing

- 3.19 The Commissioner was presented with a robust options appraisal and business case by Staffordshire Police prior to deciding that the insourcing option was the favoured option.

- 3.20 The Panel have previously requested information on the costs of the BDUK contract to the Commissioner and Staffordshire Police. Given the insourcing that will take place on 1st July 2020, comparisons can be made between the cost of the BDUK contract in the last year and the cost of direct provision.
- 3.21 A straight financial comparison of future core service provision shows that the insourced option selected is circa 3% more expensive per annum, than continuation of the BDUK contract would be. However, balanced against this extra cost are economies that will arise from additional work packages funded through capital resources, because profit margin will no longer play a part and because the new staffing structure makes greater allowance for developmental support. It is also the case that any savings on software contract renewals will fall 100% to the Commissioner.
- 3.22 In the round therefore, the revised arrangements are expected to be no more costly than continuation of the current contract would be, on an ongoing basis. There has also been a significant settlement agreement from BDUK to the Commissioner in respect of the contract exit. This will particularly assist in strengthening the infrastructure that supports the effective running of IT systems. In addition, non-financial benefits also arise; the service has improved considerably from the time that the BDUK contract was let and now, as an in-house service there should be greater flexibility to meet need, without the overhead of commercial negotiations. This is particularly relevant given the PCC's commitment to enhance IT and Digital capabilities through the current years precept rise.
- 3.23 To secure improved efficiency and effectiveness in future years, Staffordshire Police recognises that it needs to strengthen its strategic IT planning. This is particularly pertinent given the constraints on capital funding over the medium term and the ongoing fiscal challenges relating to maximising the benefit of Digital investment.

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