

NORTHERN JOINT POLICE BOARD

30 MARCH 2007

Agenda Item	
Report No	

PROCUREMENT FRAMEWORK – ICT PROCUREMENT FOR THE NATIONAL BUSINESS CHANGE PROGRAMME

Report by the Chief Constable

1. Purpose of Report

- 1.1 To invite Members of the Northern Joint Police Board to note the intention to establish a national Centre of Expertise for Police Procurement for the Scottish Police Service, co-ordinated by Strathclyde Police but with each force having equal responsibility for and control of same; and to consider approving the development of a framework agreement between the Scottish police forces, police authorities and the SPSA to enable the effective procurement of ICT associated with the national business change programme through the proposed Centre of Expertise.

2. Background

- 2.1 The development of common Information and Communications Technology (ICT) systems for the Scottish Police Service continues to be a key objective for the Association of Chief Police Officers in Scotland (ACPOS), which has undertaken a significant amount of work aimed at managing change nationally through effective information sharing, the adoption of common business processes and integrated ICT systems.
- 2.2 This has included the establishment of a Business Change Programme Board (BCPB), with Deputy Chief Constables representing each force and the Chief Executive of the Scottish Police Services Authority (SPSA) as members, to provide the strategic management of business change nationally, supported by national ICT and Business Change Directors.
- 2.3 During 2006, substantial preparatory work was undertaken in support of the national business change strategy. This included a temporary national moratorium on ICT expenditure to examine the opportunities for improved efficiencies in ICT procurement and a Memorandum of Understanding (MOU) between the Scottish Executive and ACPOS on ICT support to pave the way for a single body delivering ICT development across the Scottish Police Service. While the SPSA comes into being on 1 April 2007, the MOU provides for a transitional arrangement in moving to the delivery of ICT support through the SPSA on a national basis by 1 April 2008. This was followed by the identification of a challenging national business change programme involving a number of IT-enabled business projects, including convergence on a common command and control application and the introduction of a national ICT Infrastructure.
- 2.4 Members will also be aware of developments in the area of public sector procurement following the publication, in the spring of 2006, of John McClelland's

'Review of Public Procurement in Scotland'. A Public Procurement Reform Board (PPRB) was established to oversee the implementation of the report's recommendations, a key feature of which is the creation of 'virtual' Centres of Expertise to deliver efficiencies through collaborative procurement and the promotion of best practice.

- 2.5 Taken together, these new arrangements have provided the police service in Scotland with a renewed national ICT focus, offering significant potential for increased effectiveness, the opportunity to establish a national framework for ICT funding and the ability to apply a structured, professional approach to the national procurement of ICT.

3. Issues Arising

- 3.1 In order to achieve this, there is, therefore, a requirement for an interim procurement arrangement and funding strategy to be developed which will be subject of review once the responsibility for providing national ICT support comes under the auspices of the SPSA.

Funding

- 3.2 Funding ICT procurement currently within the national business change programme is proving to be a significant challenge with compulsory compliance of financial reporting standards and capital accounting rules being an essential requirement of any solution offered. To date, a number of funding measures have been used, ranging from Efficient Government Funding, to capital budget funding by forces and 'top slicing' of capital allocation from the annual policing budget.
- 3.3 Work is ongoing within the ACPOS Financial Management Business Area to identify funding streams for the projects under consideration, however, force finance officers have stressed the need to ascertain the resourcing costs in terms of revenue and capital budgets relative to the national business change programme, in preparation for the 2007 Spending Review Programme, which will determine the police service's budgets for years 2008/09 – 2010/11. Further to this, the ACPOS Finance Management Business Area Committee recognised the requirement to cost the 'big picture' and ascertain the potential efficiency savings that could be achieved. Consequently, work is ongoing to establish accurate national project costs against potential funding streams.

National ICT Procurement Strategy

- 3.4 An opportunity currently exists to establish a strategy for national procurement of ICT, underpinned by a collaborative agreement between Chief Constables, Police Authorities and the SPSA, which will allow the police service to fast track any subsequent procurement process.
- 3.5 As members are aware, public sector procurement is in the process of reform following the publication of the McClelland Report on the 'Review of Public Procurement in Scotland'. One of the key findings of the report was that substantial financial savings could be made through increased effort in collaboration and, to

that end, the report recommended segmenting public expenditure into three commodity categories:

- National (Category A) - those common goods and services procured across all sub-sectors of the Scottish Public Sector;
- Sectoral (Category B) – those goods and services common or unique to sectors which should be procured nationally by Sectoral Centres of Expertise;
- Local (Category C) – all other goods and services produced at a local level.

3.6 The development of the National and Sectoral ‘Centres of Procurement Expertise’ is critical to the transformation agenda and they are expected to play a major role, both in delivering efficiencies through collaborative procurement and in leading/promoting best practice for the advancement of procurement professionalism across the public sector. The police service contributed to the consultation process and the PPRB concluded that sectors (e.g. Police, Education, Health) should retain ownership and flexibility to shape their own Centres of Expertise to satisfy the minimum functionality and performance required by the programme of reform.

3.7 Forces operate in an environment where a variety of approaches to procurement exist. Traditionally, each force has developed its own terms and conditions and legal advice. The movement to common business processes supported by greater integration of national ICT support can only be achieved by collaborative working. This must be set in the context of common ICT support and the advent of the SPSA. The introduction of a Centre of Expertise for Procurement provides the opportunity to move towards best practice in this area.

3.8 ACPOS fully supports the creation of a police-specific ‘virtual’ Centre of Expertise co-ordinated by Strathclyde Police as the most pragmatic outcome and that it should be linked with national police strategies including Police Shared Services and other Centres such as Scotland Excel, the embryonic Local Authority Centre of Expertise. Importantly, the procurement process must comply with EU directives, UK legislation and police authority standing orders, thereby ensuring equity, probity and transparency, which will withstand legal challenge and protect the reputation of the Scottish Police Service. The establishment of the Centre of Expertise will ensure a consistency in approach to all procurement matters and help to realise the significant cost and business benefits available to the service. An ‘*Outline Operating Model and Implementation Plan*’ for the proposed Police Centre of Expertise has been produced and agreed by ACPOS and submitted to the PPRB for endorsement.

3.9 The model is such that it supports the contracting of both national and police-specific goods and services (i.e. Categories A and B), and will be co-ordinated within Strathclyde Police, on behalf of the Scottish forces to deliver Best Value in line with both Scottish and UK police service policy and strategy. It should be noted that Scottish forces will have equal responsibility for and to the Centre of Expertise, and that no force will have additional responsibility, or control, in the direction of the Centre itself, over and above that it has as a member of the Procurement Management Group

- 3.10 In addition, a police sector model for police procurement (Appendix A) has been proposed to support the activities of the Centre of Expertise. The model is resource-light and will be heavily reliant on continued co-operation of all the other Scottish forces. While staffing of the Centre will be provided, in the first instance, from existing force resources across Scotland, a six month post-implementation review of the Centre is scheduled and will report on the progress and a more detailed assessment of the costs/resourcing requirements of running the Centre.
- 3.11 The key risk management, direction and monitoring of the performance of the Centre of Expertise will be undertaken by the ACPOS Procurement Management Group. Further to this, there are a number of early initiatives planned, namely;
- the development of national standard Terms and Conditions of purchase;
 - the development of a policy handbook; and
 - progression towards the Centre of Expertise becoming the first point of contact for procurement policy advice and guidance.
- 3.12 The Centre of Expertise will continue to consult and collaborate on the procurement of goods and services with other police bodies throughout the UK where Best Value can be achieved. This is not in conflict with the McClelland Programme as it is likely to relate to B and/or C Category goods and services and where police policy is closely linked.

4 Proposal

- 4.1 Following endorsement by the PPRB of the proposed national procurement strategy for the police service, ACPOS has adopted, as policy, the creation of a Scottish Police Service Centre of Expertise for Procurement and has recommended that it be established, with co-ordination undertaken by Strathclyde Police, subject to approval by Strathclyde Joint Police Board.
- 4.2 Appropriate procurement business would thereafter be routed through the Centre of Expertise and this would include its use as a procurement vehicle for ICT associated with the national business change programme. In order for these arrangements to be effective, there requires to be framework agreement between police forces, police authorities and the SPSA.
- 4.3 ACPOS supports the development of such a framework agreement to enable the effective procurement of ICT as part of the national business change programme and the necessary resources to achieve it and now seeks for police authorities to consider approving the proposal allowing a collaborative agreement to be put in place as soon as possible.

5. Financial Implications

- 5.1 There are no significant financial implications for Northern Joint Police Board.

RECOMMENDATION

Members are invited to:-

- a) note the establishment of a national Centre of Expertise for Police Procurement, co-ordinated by Strathclyde Police and;
- b) consider approving the development of a framework agreement between the Scottish police forces, police authorities and the SPSA to enable the effective procurement of ICT associated with the national business change programme through the proposed Centre of Expertise.

I Latimer
Chief Constable

23 March 2007

Police Sector Governance

