

Approved By: ...Chief Officer Management Group 4 th January 2017....	Classification of Paper: Not Protectively Marked
Report to PCC	Report reference number PCC/0004/17
Date of Decision Date of Report 20 th January 2017	Area of County/Stakeholders affected Countywide Proposal
Title of report: Mobile First – Integrated Software Procurement	
Report by: Superintendent Martin Wilson (Programme Director)	
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1. Purpose of report

- 1.1 Further funding is sought to deliver the Mobile First Programme with the 2017 introduction of fully integrated software at a cost of £3.8m (combined across Kent and Essex) over four years. Much of this cost can be met with existing and predicted underspend.
- 1.2 During the development of this programme, and the roll-out of phase 1, a detailed requirement for integration was set out in an Invitation to Tender. With the support of Commissioners and Chief Officer Teams this advert was issued on the Official Journal of the European Union (OJEU) on 19th October 2016. The Evaluation Award report details the marking process and identifies HCL as the recommended supplier. The contract is for four years and extendable by two years.

2. Recommendation

- 2.1 To approve HCL as the recommended supplier at a capital cost to Essex of £75k for the purchase of the software during 2017/18 and a revenue cost of £2,680k over the four year period 2017/18 to 2020/21 as set out in paragraphs 2.2 and 2.3.

- 2.2 The total capital cost is £150k shared equally between Essex and Kent. The £75k for Essex can be met from the existing approved capital budget of £593.8k for 2017/18.
- 2.3 The revenue maintenance cost of the software for the four year contract is £3,680k. In addition, a temporary inspector for the first year of implementation plus additional IT staff for four years adds £1,680k to arrive at a total additional cost of £5,360k. Again, these costs are shared equally between the PCC for Essex and the PCC for Kent. The revenue costs of £2,680k for Essex over the four year period are shown in the shaded rows in Table 1 below:

Table 1: Additional revenue budget required arising from the HCL contract for Essex only

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Existing Budget	760	780	780	790	3,110
Forecast spend excluding HCL	435	440	946	440	2,261
HCL Contract	460	460	460	460	1,840
Temp. Ch. Insp. & Additional IT Staff	240	200	200	200	840
New Budget	1,135	1,100	1,606	1,100	4,941
Additional budget required	375	320	826	310	1,831

2680k
= 50%
of 5360k

The additional revenue budget required amounts to £1,831k over the four year period.

- 2.4 To date each key element of this programme has been delivered on time and within budget. The aim is to maintain this momentum and this intention has been reflected in the procurement process. The recommended supplier only receives the first phased payment upon delivery of the solution in May 2017.
- 2.5 In order to achieve this first milestone the following timeline is proposed.

Tuesday	3 rd January 16	Briefing for COSM
Wednesday	4 th January 16	Briefing for COMG
Friday	6 th January 16	Briefing for Essex PCC
Tuesday	10 th January 16	Briefing for Kent PCC
Friday	20 th January 16	Standstill letters
Monday	1 st February 16	Contract commences (subject to approval at above meetings)

3. Benefits of Proposal

- 3.1 The benefits of this proposal have been set out in within the Full Business Case as has the approach to benefits in terms of capability, strategic approach, measurement and realisation.
- 3.2 Through the Mobile First Programme Kent and Essex Police have significantly invested to develop their capacity and capability to effectively manage benefits. A Programme Management Office (PMO) has now been set up and staff have been recruited to the key roles of PMO Manager and Benefits Manager. They have successfully undertaken MSP training and are now fully accredited. The team have worked with Methods Advisory to conduct a comprehensive 'maturity assessment' leading to a clear development plan for 2017. The 'benefits approach' has now been published and the 'benefits mapping' exercise has commenced. Once the successful supplier has been engaged work will commence to develop a comprehensive suite of measurements in relation to key programme objectives and core software functionality. The PMO will prepare and disseminate a benefits analysis each month and an annual benefits statement will be published.
- 3.3 Importantly it has been clearly articulated that the role of the Programme Director and the PMO is to identify and measure benefits as well as presenting options as to how those benefits may be realised. Benefits reporting will extend from the programme governance structure to Corporate Change Boards thereby ensuring that the opportunities are exposed to Chief Officers and those responsible for corporate development, restructure and savings. So the PMO will measure the impact and the benefits of the mobility programme and the wider organisation will have the responsibility of realising those benefits and making decisions on how they should be harvested. This process will be overseen by the Deputy Chief Constables in each force.
- 3.4 Whilst the OBC highlighted a number of investment options the recommended approach involved the delivery of fully integrated software. An iterative approach was adopted with the roll-out of devices with stand-alone applications in a first phase whilst further consideration and due diligence was accorded to the integration investment decision. The Full Business Case (FBC) prepared and presented by PA Consulting concludes that there is a strong case for investment in the integrated solution with a significant uplift in predicted benefits.

Table 1: NPV analysis summary

Option	Costs (Present Value)	Benefits (Present Value)	NPV
Maintain status quo	£16.2m	£20.9	£4.7
Implement 'integrated' software solution	£25.6m	£88.9m	£63.3m

3.5 The NPV analysis in Table 1 above is for a nine year period and the detailed business case has also identified the cost profile over the next four year period of the Mobile First programme:

Table 2: Mobile First Programme – the next four years

£m	17/18	18/19	19/20	20/21	Total
Capital investment	£0.96m	£0.04m	£1.69m	£0.05m	£2.74m
Kent Police	£0.48m	£0.02m	£0.845m	£0.025m	£1.37m
Essex Police	£0.48m	£0.02m	£0.845m	£0.025m	£1.37m
Revenue	£2.7m	£2.2m	£3.2m	£2.2m	£10.3m
Kent Police	£1.35m	£1.1m	£1.6m	£1.1m	£5.15m
Essex Police	£1.35m	£1.1m	£1.6m	£1.1m	£5.15m
Total funding requirement	£3.6m	£2.2m	£4.9m	£2.3m	£13.0m
Kent Police	£1.8m	£1.1m	£2.45m	£1.15m	£6.5m
Essex Police	£1.8m	£1.1m	£2.45m	£1.15m	£6.5m

3.6 The current offering has been received well by officers but it includes a number of separate applications for each type of transaction. It effectively offers a self-service, digital, solution for many of our current tasks but each feature is available independently and functional restrictions limit the benefits.

3.7 The solution provided by the recommended supplier offers a comprehensively integrated product with single search and data entry across a range of policing systems and an expansive use of electronic forms with fully digitised processes. Delivery is envisaged over two core phases and can include automated dispatch, situational awareness, and electronic multi-media notebooks. This phase is heavily focussed on business transformation and behavioural change, leading to efficiency enabled by the technology.

4. Background and proposal

- 4.1 The Mobile First programme was established in 2014 with a view to modernising front line policing and delivering a mobility solution that would deliver savings, service improvements and efficiencies. Following a successful pilot stage Police and Crime Commissioners supported the incremental delivery of this programme based on the Outline Business Case (OBC) presented by PA Consulting in May 2016.
- 4.2 Since then 4,200 Samsung Galaxy Note devices have been issued to officers across Kent and Essex with an offering of stand-alone applications. This roll-out was concluded in November 2016. The FBC presents the case for purchasing the HCL software as a service.

5. Police and Crime Plan

- 5.1 This initiative is to be delivered across both Essex and Kent Police. It directly addresses the [National Policing Vision 2025](#) and the capabilities set out in it. Furthermore the proposal reflects the [Essex Police Priorities](#) and the [Kent Police Priorities](#)
- 5.2 In summary it is submitted that the use of mobile devices and fully integrated software can transform front line policing reducing transaction times, increasing patrol availability, cutting bureaucracy and delivering efficiencies through a self-service model for officers. This reflects the strategic objectives / capabilities in our landscape:

More local, visible and accessible policing – a predicted benefit of 1 hour of transaction time per officer per shift with associated NPV savings. This can be equated to more patrol and availability. In turn the additional time allows for policing activity to address other crime and ASB priorities.

6. Police Operational Implications

- 6.1 There are very substantial operational implications as the issue of mobile devices with integrated software allows for the transformation of police systems and processes. This moves from a radio based model for many transactions to a self-service model supported by automation. The software offers federated search capabilities and opens the door for pushed notifications and tasking as well as situational awareness in relation to crime localities, victims and offenders.

7. Financial Implications

- 7.1 The financial implications are set out in detail in the attached Full Business Case. They can be summarised in terms of cost and benefit.

Commercially Sensitive

- 7.2 Approved funding is already in place for much of the programme. The attached Full Business Case confirms the recommended approach and it makes the case to continue with this existing investment whilst providing further funding to deliver the integrated software solution identified through the procurement process. There is an additional proposal that the new larger scale of the programme is complimented with funding for a Chief Inspector post to support the operational element of the programme delivery. This need has been highlighted through the 'maturity assessment' conducted by Methods Advisory. Much of this new investment can be funded by monies already allocated or through existing capital underspend.
- 7.3 The recommended supplier's price is £3.8m over 4 years. This includes two phased deployment charges of £75,000 (total £150K capital) and an on-going revenue cost of £920,000 per year. The capital element can be paid for with the 2016 capital underspend – achieved when purchasing devices at a reduced price. The revenue element requires additional funding but this need is reduced due to a predicted underspend now that we have renegotiated the data tariff.
- 7.4 In order to provide additional assurance for the delivery of the integrated software solution final negotiations with the supplier will incorporate consideration of a banker's standby letter of credit or performance bond.

Capital (no additional requirement)

Essex - Capital (£m)	17/18	18/19	19/20	20/21
Existing Budget	0.594	0.025	0.760	0.020
Forecast Spend	0.270	0.020	0.760	0.020
Integrated Software	0.075			
New Forecast	0.345	0.020	0.760	0.020
Additional Requested	-	-	-	-
New Budget	0.594	0.025	0.760	0.020

17/18 includes c/f of 580k from 16/17

Kent - Capital (£m)	17/18	18/19	19/20	20/21
Existing Budget	0.520	0.020	0.760	0.020
Forecast Spend	0.270	0.020	0.760	0.020
Integrated Software	0.075			
New Forecast	0.345	0.020	0.760	0.020
Additional Requested	-	-	-	-
New Budget	0.520	0.020	0.760	0.020

17/18 includes c/f of 500k from 16/17

Revenue

Essex - Revenue (£m)	17/18	18/19	19/20	20/21
Existing Budget	0.760	0.780	0.780	0.790
Existing Forecast	0.435	0.440	0.946	0.440
Integrated Software	0.460	0.460	0.460	0.460
Temp Ch Insp Post	0.040	-	-	-
Additional IT Staff	0.200	0.200	0.200	0.200
New Forecast	1.135	1.100	1.606	1.100
Additional Requested	0.375	0.320	0.826	0.310
New Budget	1.135	1.100	1.606	1.100

Kent - Revenue (£m)	17/18	18/19	19/20	20/21
Existing Budget	0.760	0.780	0.780	0.790
Existing Forecast	0.451	0.457	0.963	0.457
Integrated Software	0.460	0.460	0.460	0.460
Temp Ch Insp Post	0.040	-	-	-
Additional IT Staff	0.200	0.200	0.200	0.200
New Forecast	1.151	1.117	1.623	1.117
Additional Requested	0.391	0.337	0.843	0.327
New Budget	1.151	1.117	1.623	1.117

7.5 The above tables show that there is no additional capital funding required for the HCL contract and that an additional revenue cost of £1.831m is required for Essex for the next four years. These additional revenue costs have been incorporated into the revenue budget for 2017/18 and revenue forecasts for the subsequent three years.

8. Legal Implications

8.1 To protect the interests of our forces Essex and Kent have engaged the services of Sharpe Pritchard (contracts) and Methods Advisory (Procurement).

8.2 The legal implications have been set out in the Invitation to Tender and the Contract. Further detail on the contract has been addressed by Sharpe Pritchard in additional responses for the Commissioner's office.



9. Staffing and other resource implications

9.1 The staffing and resource implications for this programme have been addressed in the original outline Business Case and a previous 'decision note'. Within the funding profile set out in the attached Full Business Case there is an additional Chief Inspector post shared across both forces to assist with the programme management.

10. Equality and Diversity implications


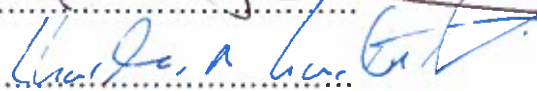
10.1 We have not carried out a formal equality impact assessment for this project. The requirements have been developed over the last two and a half years and have arisen as a result of staff consultation and a pilot phase. No adverse equality issues have been identified.

11. Background papers

Methods Advisory Evaluation Award	 Mobile First Recommendation Ref	PA Consulting Full Business Case (draft until 9/1/17)	 Mobile Policing Programme FBC Draft
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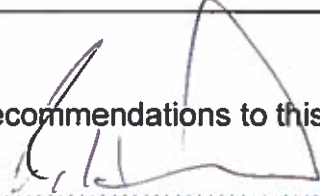
Report Approval

The report will be signed off by the Chief Executive and CFO and the PCC Solicitor where legal implications arise.

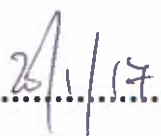
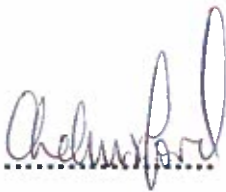
Chief Executive/M.O 
Chief Financial Officer 
PCC Legal Advisor (As necessary)

Decision

I agree the recommendations to this report

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PCC/Deputy PCC

Date signed..... ..... Location..... 

I do not agree the recommendations to this report because

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PCC/Deputy PCC

Date signed..... Location.....

Publication

Reasons for non-publication (*state 'None' if applicable*)

Paragraph 7.5 to be redacted before publication.

.....
Signed/Print name

Report for publication

YES

NO

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

