

**WEST MIDLANDS POLICE
AND CRIME COMMISSIONER**

CONFIDENTIAL

NOTICE OF DECISION

WMPCC 005 2015

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Title: WMP 2020

EXECUTIVE SUMMARY

In July 2014 the Commissioner entered into a contract with Accenture Ltd to transform the operation of West Midlands Police through the period of the next comprehensive spending review. The contract requires Accenture to produce a target operating model which requires a decision by the Commissioner to accept or otherwise in line with the options given in this decision paper. The Strategic Policing and Crime Board will have considered a paper in the public domain which provides context for the Commissioner's decision in respect of the target operating model at the Board's meeting held on 17 March 2015. This decision paper provides additional financial details, provides high level risk considerations and identifies potential variations to the requirements of the contract with Accenture Ltd.

DECISION

To be completed following the Board's consideration of this and the public agenda paper.

West Midlands Police and Crime Commissioner

I confirm that I do not have any disclosable pecuniary interests in this decision and take the decision in compliance with the Code of Conduct for the West Midlands Office for Policing and Crime. Any interests are indicated below.

Signature.....

Date.....

CONFIDENTIAL FACTS AND ADVICE TO THE POLICE AND CRIME COMMISSIONER

INTRODUCTION AND BACKGROUND

1. The paper contained in the public agenda of the Strategic Policing and Crime Board held on 17 March 2015 outlined the nature of and progress within the contract between the Police and Crime Commissioner for West Midlands (WMPCC) and Accenture (UK) Limited to deliver a target operating model, known as the WMP 2020 Blueprint. The acceptance or otherwise of the target operating model is a key deliverable within the contract requiring a formal decision by the Commissioner. This decision paper includes additional information, including the financial implications of the decision to be made by the Commissioner.

BACKGROUND

2. The paper considered by the Board provided information on the need for a target operating model, an outline of the strategic shift that is desired together with an explanation of the component parts which make up the target operating model. The paper also set out the future work to be undertaken should the target operating model be approved together with options open to the Commissioner under the contract in respect of approval or otherwise of the target operating model. That paper is not attached to this decision paper but is a background document for the decision.

THE WMP BLUEPRINT

3. Attached to this decision, at **Annex A**, is the Executive Summary from the eleven elements which make up the target operating model. All Board members have been given sight of the full documentation.
4. Prior to their circulation the documentation had been reviewed by the Force, nominated members of the Board and the Chief Executive. They have also been checked against the contract for compliance and quality by PwC who have been retained to provide client advice to the Force and the Commissioner. This process has raised two issues where the Organisational Change Board, on which the nominated Board members and Chief Executive sit, seek the Commissioner's support to their agreed approach which would vary the contract requirements as follows:
 - the requirement for a detailed organisational structure and the performance measures and operating arrangements for each part of the structure as stipulated under CR 2.10.9 (c) (iii) and CR 2.10.9 (d) parts (i) to (viii) of the contract. This was considered appropriate as it reflects the inability to confidently execute this at this moment given the extent of changes that will be initiated. There is a concern that the provision of such details at this stage might also lead to a focus on structural change rather than the transformational change required by the programme. The Commissioner is asked to support this approach as compliance on this issue would create significant costs with no added value in these areas. However these issues will be addressed in future Detail Business Cases.
 - the Roadmap and Business Case have not been signed off by the Organisational Change Board. Having received extensive review by the Command Team there is confidence that this programme will deliver WMP 2020 vision. At a strategic level this programme will also meet the financial challenge and should be sustainable within the financial envelope available. It is slightly over programmed at a capital level, but it is anticipated this will reduce on implementation. The programme has not however received the level of financial assurance and due diligence that satisfies the West Midlands Police and Crime Commissioner's or the Chief Constable's Chief Financial

Officer. This is a reflection of time pressures. The paper provides a recommendation to the Commissioner on how this final deliverable should be signed off.

RISKS.

The Blueprint has significant variance to the current position of the force. Transitioning has risks, however Accenture have been selected to manage a complex programme and robust programme management will be in place to manage the changes. Some areas of risk are:

- The programme is more complex and requires significant capital investment in technology. A wide range of changes across applications and information architecture will be required and managing the interdependencies will be complex.
- More transformational programmes will have a longer lead time. This will place some stress on cost reduction programmes in the early years of the programme which is reflected in the strategy for reserves.
- The significant reduction in staff numbers due to budget restrictions will mean the visibility of the service may change over the next five years although accessibility through more options and choice for the public should improve. Aspects of the service that are viewed by some commentators as a measure of the effectiveness of policing, such as elements of patrolling, are likely to be harder to sustain. There will be a need to strengthen our connection with the public and their involvement in policing to ensure legitimacy is retained for the service as these more traditional aspects of the service reduce across the next five years.
- To meet the anticipated continuance of austerity, the programme anticipates staff reductions between 2,500 and 3,000. It is anticipated that the programme will allow some modest recruitment of police officers at points. Nevertheless this is a significant staff reduction which will have an impact on all classes of employees.
- A more preventative style of policing will require closer service integration with partners. This is not fully within the control of West Midlands Police and the Commissioner.
- National policing, particularly around technology as this may impact upon the risks of integration between the force and national services if national ICT is not refreshed.
- The delivery of the programme over five years allows re-calibration to opportunities and threats and places the Police and Crime Commissioner and the Chief Constable with a clear and authentic vision to the public, partners and our staff about how West Midlands Police will evolve. A robust approach to planning and managing projects will be put in place.

THE NEXT STAGE OF WORK

If the Commissioner accepts the Target Operating Model and adopts it as the future high level shape of the Force for 2020 then:

- The Office of Police and Crime Commissioner and West Midlands Police will work alongside Accenture to develop the first two years of the 'roadmap' (programme of projects) into Outline Business Cases (OBC) in line with the contractual requirements. These OBCs will describe the projects in more detail and will validate the 'roadmap'.
- A revised 'roadmap' will be prepared for the Board in order that the agreed governance can be set for each of the programmes in line with the contract and the

Commissioner and Chief Constable's scheme of governance. Programmes will proceed to Detailed Business Cases and delivery through well-established commissioning processes in the contract that ensure value for money.

Once the first two years Outline Business Cases are prepared the Commissioner retains termination rights if the programme does not remain suitable. A paper will be produced for May to allow the Commissioner to review the programme again.

OPTIONS AND RECOMMENDATIONS

The Commissioner has the options contained in the Legal Implications sections of this decision paper. The following recommendations have been discussed and agreed at the Organisational Change Board, at which the Commissioner is represented. The Command Team also support these recommendations which are as follows that the Commissioner:

- (A) accepts the deliverables making up the WMP 2020 Blueprint/target operating model, with the exception of the 'Roadmap' and Business Case as discharging the contractual requirement at this stage of the partnership as having met the quality required in the contract.
- (B) adopt the Target Operating Model as providing the vision of for 2020.
- (C) approve the content of the 'Roadmap' as setting the right direction for the future programme of change with appropriate content but defers acceptance and adoption until final assurances are completed by the Chief Finance Officers of both the Commissioner and the Chief Constable.
- (D) proceeds with the next phase of the partnership to produce Outline Business Cases for the next phase of the programme.

FINANCIAL IMPLICATIONS

The key deliverables defined under the IIP Agreement in relation to the WMP2020 Blueprint are:

- To-Be Operating Model Deliverable and
- Target IT Operating Model.

Payment is based on a fixed price of £935,264. Upon approval, £748,211.20 of this fee is to be paid up-front with the remaining 20% held back and paid on an annual basis over the contract term subject to satisfactory performance of the contract with performance measures being met (5% each year).

An earlier deliverable of completing the Current Operating Model has already paid. This was a fixed price payment of £623,509.

On-going financial commitments under the IIP contract are limited to spine charges (the core Accenture support provided under the terms of contract which diminishes as skills are transferred to the organisation), which are refreshed annually and can be fully removed if required together with any component projects that are awarded to Accenture. Any aware of contracts would be required to complete the commissioning process detailed in the contract which makes no guarantee for future work to be awarded to Accenture. There are also further contractual critical milestones (i.e. breakpoints) for target operating model refreshes and annual affordability checks.

The fixed price payment will be triggered by the Roadmap and Business Case approval and adoption which will not occur until the Commissioner has received the necessary assurances.

LEGAL IMPLICATIONS

The options available currently to the Commissioner under the contract at this stage of the work are:-

- Approve and accept the target operating model deliverables and intend to adopt it. (This is the recommended option).
- Approve the deliverables but do not intend to adopt it. In this instance, the payment would be required for achieving the target operating model milestone. However, as the deliverable is not to be adopted the right to terminate the contract would be retained.
- Do not approve and accept the deliverable. This would afford Commissioner the right to terminate the agreement but he would not be obliged to do so.
- Do not approve and accept the deliverable but develop a rectification plan.

The contract stipulates that Outline Business Cases for the two year programme of work are to be provided by the end of May 2015. The Commissioner retains termination options at this point.

EQUALITY IMPLICATIONS

In developing the WMP Blueprint work was undertaken with the public and partners alongside the Force and the Commissioner's Board and Office. The need to ensure that future service delivery meets the needs of the diverse population of the West Midlands was taken into consideration in developing the model. If agreed the model will be translated into a programme of work for which individual business cases will be constructed. Equalities and diversity issues will be considered during the development and implementation of any business cases.

Schedule of Background Papers

WMP 2020 Public Agenda paper considered by the Strategic Police and Crime Board on 17 March 2015

The suite of documentation that makes up the target operating model.

Public Access to Information

Information contained in this decision is subject to the Freedom of Information Act 2000 and other legislation. The consideration of this decision was considered to be commercially sensitive but a summary of the decision will be made available on the Commissioner's website. Payments made to Accenture Ltd are available in accordance with the provisions of the Local Policing Bodies (Statutory Information) Order 2011.