

Summary: Intervention & Options

Department /Agency: National Policing Improvement Agency (NPIA)	Title: Impact Assessment of changes to the Police Act 1996 to enable the HS to make regulations regarding the procurement and development of Police ICT systems and services on the grounds of efficiency and effectiveness.	
Stage:	Version: 1.0	Date: 17 October 2008
Related Publications:		

Available to view or download at:

<http://www>.

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What is the problem under consideration? Why is government intervention necessary?

Currently, the 43 forces in E and W and their police authorities take decisions based on their own requirements. This has led to sub-optimal provision of police ICT systems and services and their use of resources and interoperability issues. There have been a number of Government reports and inquiries (Flanagan, McFarlane, Bichard and Magee) that have documented this and identified the need for a more strategic approach to the procurement and development of Police ICT systems and services to promote greater efficiency and effectiveness. The Review of Police IT carried out by the NPIA for the National Policing Board in May 2008 further confirmed this and the Green Paper outlined clear proposals for enabling legislation.

What are the policy objectives and the intended effects?

The changes will underpin a new operating model at national and local level that will lead to more efficient and effective decision making about the procurement and development of ICT systems and services by enabling; 1) improvements to information systems which provide services to the public 2) development of a plan for convergence in systems which will support common processes and efficiencies 3) creation of a strategic national approach to procurement of police ICT to reduce costs and establish a more strategic supplier base.

What policy options have been considered? Please justify any preferred option.

1. Do nothing – This has already led to system diversity and to a lack of interoperability bringing with it poorer procurement options, a lack of re-use and gaps in police capability and the provision of services to the public.
 2. Legislate to allow the Home Secretary to intervene where necessary through regulation to deliver increased efficiency and effectiveness in the development and procurement of police ICT systems and services.
- 2 is the preferred option. This will underpin the current consensual regime and enable decision making to be made at the right level to a coherent set of criteria/principles to be developed by the NPIA in consultation with key stakeholders. It is currently envisaged that regulations if necessary might require forces and their authorities to submit proposals/plans to the NPIA about their ICT development and expenditure proposals based on a mandatory code of practice.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

After six months and 2 years - by the National Policing Board.

Ministerial Sign-off For SELECT STAGE Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

.....Date:

Summary: Analysis & Evidence

Policy Option:	Description:
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups' Approx order of magnitude NPIA programme costs for developing and implementing code of practice and associated ongoing operating model to review force plans and provide ongoing advice and guidance to forces.			
	One-off (Transition) Yrs				
	£				
	Average Annual Cost (excluding one-off)				
	£ 3,400,000	5	Total Cost (PV)	£ 15,000,000	
Other key non-monetised costs by 'main affected groups' We do not expect there to be a cost for this in forces as this is part of normal force business planning activity.					

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' Benefits are being scoped as part of a programme of convergence. However, McKinsey who are working with us on convergence estimate a potential overall saving annually, through smarter procurement and re-use, of 20-30% based on comparative analysis.			
	One-off Yrs				
	£				
	Average Annual Benefit (excluding one-off)				
	£		Total Benefit (PV)		
Other key non-monetised benefits by 'main affected groups' 1) Interoperability – service improvement for police and public. 2) Greater certainty in market place lowering cost of development/innovation – suppliers and forces 3) Lowering cost of support through economies of scale – forces 4) Equality of service provision – the public 5) Embedding principles of information assurance – forces/public 6) More robust benefits management through operating model – forces					

Key Assumptions/Sensitivities/Risks That the legislation confers powers on HS to make regulations to enable forces to share information systems and services.

Price Base Year	Time Period 5 Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate)
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What is the geographic coverage of the policy/option?	England & Wales			
On what date will the policy be implemented?	2010 if necessary on			
Which organisation(s) will enforce the policy?	NPIA with HMIC support			
What is the total annual cost of enforcement for these organisations?	£ 3.4million			
Does enforcement comply with Hampton principles?	Yes/No			
Will implementation go beyond minimum EU requirements?	N/A			
What is the value of the proposed offsetting measure per year?	£ 0			
What is the value of changes in greenhouse gas emissions?	£ 0			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)			(Increase - Decrease)
Increase of £ 0	Decrease of £ 0	Net Impact	£ 0

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

Rationale

Currently police IT is organised and governed across 43 separate police forces in England & Wales. This means that infrastructure, networks, applications and systems as well as the IT support functions that underpin them are replicated up to 43 times each. This position has led to an increasingly complex environment where it can be difficult to maximise the opportunities for using police information and IT to drive operational effectiveness.

The replication also presents opportunities for rationalisation whereby policing increasingly develops and procures once on behalf of policing as a whole, freeing up local IT functions to focus more on local delivery. There are also opportunities for reducing the costs of running police IT as a whole and so freeing up capacity. Police ICT spend is around £1 billion per annum split 50% between national and local spend. Using the right sector controls therefore offers the opportunity to realise major efficiency savings whilst maintaining and improving the overall delivery of ICT services to the public.

Objectives

Counsel is drafting clauses for inclusion in the Home Office Policing and Crime and Reduction Bill to ensure that the Secretary of State can require that police authorities and police forces adopt certain practices and procedures for procuring information technology and other support services. Legislation needs to provide that all procurement operations are subject to the approval of the National Policing Improvement Agency who will impose national standards. This might include ensuring that forces are required to share systems on a regional or national level.

We have worked with McKinsey through the Review of IT to outline at a high-level the following benefits that could be adopted from taking a more coordinated approach:

- A gain in efficiency in IS infrastructure & operations expenditure achieved through a phased consolidation of local infrastructure.
- An increase in the efficiency of investment. On the basis that investments we will have improved capability, and that new development will be considerably simpler in the converged landscape
- A ramp-up of investment in new integrated capabilities to deliver the requirements of the police service, rising to £300m per year by 2015

McKinsey's comparative analysis work, which was done as part of the Review of Police IT, identified potential savings of up to 30% across the entire budget. This was based on commercial organisations with a federate structure (e.g. pharmaceutical or financial services) that had rationalised their IT. We will be working to firm up details of these benefits as part of the ISIS programme (see below) but indications are that by 2010 these benefits will start to flow and then ramp up considerably to the McKinsey target by 2015. This could lead conservatively to average benefits over the next five years of £50m pa rising sharply thereafter.

Although, these proposals may lead to changes in force investment they will be managed as part of a convergence programme by 2015. Such criteria that may be developed as part of a code of practice will go through a further IA at the time. Investment in hardware will be phased

to coincide with renewal of force IT and therefore, we do not see an added cost to forces over and above existing baseline spends. However, through better procurement we would hope to deliver immediate savings (admin and lower cost of acquisition) without any upfront costs to forces although there is a cost that falls to the centre for managing the change.

Options considered under the review:

1. No change – continuing to operate police IT as we do now (detailed above) will mean we are unable to realise any of the potential benefits found as part of the Review of Police IT and envisaged by the Green Paper. Currently costs are viewed as significant and these are likely to increase over time as the levels of complexity in police IT also increase.
2. Legislate to allow the Home Secretary to intervene where necessary through regulation to deliver increased efficiency and effectiveness in the development and procurement of police ICT systems and services – The legislation will also underpin a programme of work recommended by the Review of IT, the ISIS (Information Systems Improvement Strategy) being initiated to improve information systems delivery to frontline officers and the public and realise efficiencies. The proposed workstreams are:
 - a. Officer Focus – improved common information systems operating environment for officers enabling them to better focus on core policing
 - b. Citizen Focus – improved access for the public to police information to help drive up confidence
 - c. Convergence Plan – over the lifecycle of programme bring police into an increasingly common environment to drive efficiencies and common processes
 - d. Strategic procurement – increase the instances where procurement of police IT is done at a national level reducing replication of effort and increasing efficiency

These new streams of work will seek to focus on how information and IT can address business challenges – the starting point will be the business issue to be addressed, not the technology and how we might want to use it.

Although, these changes may bring about a change in force investment in information systems and services these changes will be managed as part of a convergence programme to 2015 such that infrastructure costs for individual forces will not be immediately affected. Initially, we would see immediate benefit being derived from better procurement rather than changes to infrastructure

Summary:

Option:	Costs:	Benefits:	Notes:
1. No change	No additional cost	None	We will not be able to realise any potential benefits and documented weaknesses in police information systems and services will continue unabated

<p>2. Legislate to allow the Home Secretary to intervene where necessary through regulation to deliver increased efficiency and effectiveness in the development and procurement of police ICT systems and services.</p>	<p>Programme costs for NPIA to manage the process.</p> <p>Force expenditure on regulations will be cost neutral as they already submit plans to their Authorities and HO</p>	<p>To provide a manageable and economic approach to systems provision that will bring about a step change in the provision of IT systems and services leading to major efficiency savings</p>	<p>Preferred option as this enables sufficient economies of scale.</p>
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We have agreed at the National Policing Board to proceed in line with option 2 that is consistent with the measures outlined in the Green Paper.

The next six months of our work will be to develop a more detailed view of these proposals for the National Policing Board.

Specific Impact Tests: Checklist

We have carefully considered the related impacts of this specific proposal and have concluded that it will not affect the private sector nor will it raise any issues around the other impacts listed. We considered whether a Privacy Impact Assessment was necessary but at this stage decided it was not. However, one may be necessary when specific proposals are implemented, for example joining up IT systems between forces.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	No
Small Firms Impact Test	No	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	No	No
Human Rights	No	No
Rural Proofing	No	No

Annexes

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