

## 1. Information

- 1.1. When Police and Crime Commissioners were elected, the Home Office proposed that they take ownership of a Police ICT Company with the purpose of driving efficiencies in the procurement and ongoing operation of police ICT and to support innovation.
- 1.2. A Police and Crime Commissioner Police ICT Board was established to review the requirement.
- 1.3. The PCC Police ICT Board commissioned a number of pieces of work to better understand the requirements for a Police ICT Company. One being to commission Bluelightworks to carry out an analysis of local police ICT systems to identify opportunities for greater collaboration and savings.
- 1.4. The Bluelightworks Report acknowledged that police forces could save up **£465m a year** through better IT procurement and associated business process change. The Police ICT Company will support forces in 'unlocking' these savings, whilst delivering a programme of activity to deliver cashable savings at a national level. By providing a platform for strategic coordination and commissioning national systems and services the Company will improve operational effectiveness and harmonisation, as well as pursuing opportunities to rationalise purchasing to reduce cost.
- 1.5. During 2015/16, the Company will seek to achieve the following benefits:
  - **£3m cashable savings** for forces
  - Defined **efficiency benefits for forces** (achieved as a result of limiting duplicated effort)
  - A more **coordinated approach** to implementing new or developing technologies, increasing harmonisation, interoperability and collaboration, ultimately reducing cost
  - **Increased competition** for the provision of products or services to reduce cost
  - **Remove overlapping and duplicate capabilities**
  - National systems commissioned and developed **to provide value for money and meet the requirements of forces**
  - Increased opportunities for **collaborative working**
  - Support the delivery of more **effective and efficient partnership working** between local agencies
- 1.6. A full proposal for the establishment of the Police ICT Company was presented to Police and Crime Commissioners at their general meeting on the 3 February for consideration.
- 1.7. Accordingly, the Commissioners at their general meeting agreed that a Police ICT Company should be established to fill the following functions.
  - Provide an overarching IT strategy to help law enforcement agencies and other partners work together effectively through the use of technology. This will enable the development of a national police IT architecture to help forces align and harmonise their local systems
  - Commission national police ICT systems, ensuring strategic and operational fit and value for money

- Support law enforcement agencies to deliver services more efficiently and effectively by facilitating and enabling greater collaboration, integration and harmonisation between ICT systems
  - Secure value for money by helping law enforcement agencies to get the best deal from suppliers
  - Provide a centre of knowledge and expertise in relation to ICT, encouraging innovation, supporting the delivery of digital capabilities and identifying opportunities for collaboration and shared learning.
- 1.8. The Company will be owned and led by Police and Crime Commissioners and other policing governance bodies on behalf of police forces in England and Wales.
- 1.9. The Company will support law enforcement agencies in making the best use of technology to deliver efficient and effective policing in England and Wales. The Company will support and complement local activity and help PCCs to secure best value for money. It is intended that the Company will begin as a small, strategically focused entity with core skills and expertise, providing a platform for the Company to deliver more ambitious programmes as confidence builds in its capabilities.

### **Subscriptions**

- 1.10. To successfully manage the delivery plan of the Company the skills required will include IT, commercial, strategy, and knowledge management led by a Chief Executive and supported by an administrative officer and corporate manager. Taking into account office and other infrastructure costs, the total budget required is a maximum of £1.2m.
- 1.11. On the assumption that of those entitled to join the Company accept the maximum subscription cost will be £25,000 per member. It should be noted that this is considered to be 'seed funding' and capital investment for the Company, which will then be incentivised to provide a return on investment and achieve sufficient cashable savings to sustain itself from 2016. However, the longer term financial model for the Company will need to be endorsed by its members.
- 1.12. It should be noted that an Innovation Fund bid has been submitted to cover the costs of the core team for the Company, therefore the subscription will only be required if the Innovation Fund bid is unsuccessful.

### **Governance**

- 1.13. The Company will need to be properly constituted so that it can enter contracts and employ staff. It is proposed that the Company is registered as a Company Limited by Guarantee. Other models have been reviewed, including expanding the remit of the APCC, delivery through a host-force model and Community Interest Company. Legal advisers have recommended that a Company Limited by Guarantee would be the most appropriate model to deliver the functions of the Company. The full draft articles of association have been drafted and are attached at Annex 1. It is intended that the final articles will be endorsed at the next Police and Crime Commissioner General Meeting on 25<sup>th</sup> March, this will also be the point at which Directors of the Company will be appointed. The core features of the articles of association are provided below:

- All Police and Crime Commissioners will be members of the Company along with other policing governance bodies in England and Wales (invited members will also include the British Transport Police Authority, Ministry of Defence Police Committee, Civil Nuclear Police Authority, City of London Police Committee, Mayor's Office for Policing and Crime);
- To enable interoperability and maximise opportunities for efficiency, other organisations with an interest in securing efficient and effective policing services will also be entitled to be members of the Company, including the Home Office, NCA, Scottish Police Authority, Northern Ireland Policing Board, Jersey Police Authority;
- Membership may require a subscription to be paid on an annual basis, which must be agreed by members at each Annual General Meeting;
- The Company Directors will be appointed from members of the Company on an annual basis. This will include five Police and Crime Commissioners or representatives of other policing governance bodies, a Home Office representative, a Chief Constable representing police operational leadership and a representative of Police Chief Information Officers;
- The Board will have the ability to appoint co-optees in order to secure the relevant skills and expertise;
- The Chair of the Board will be appointed annually from the members of the Board;
- The articles of association will prescribe that any assets held by the Company can only be used in the interests of the Company objectives, including in the event of the Company winding up;
- The following decisions will require endorsement of 75% of the members in attendance at Council Meetings:
  - Approval of the articles of association
  - The annual budget and business plan of the Company, including any subscription required by members
  - Appointment of the Board of Directors and related remuneration
  - Approval of annual accounts and appointment of auditors
  - Approval of commercial policy and asset distribution.
- The governance of the Company should formally recognise the requirements to work with the operational leadership of policing as well as the Chief Information Office community. This is demonstrated in the diagram below.

1.14. Lancashire will not be bound in to the new company for all IT purchases if we sign up as a member and we can still procure outside of the company if we believe it is a better solution for us.