

Meeting	SPA Resources Committee
Date	6 February 2020
Location	Pacific Quay, Glasgow
Title of Paper	Transformation of Corporate Services Support (TCSS) Independent Review Report - Progress and activity update.
Presented By	Tom McMahon, Director of Business Integration
Recommendation to Members	For Discussion
Appendix Attached	No

PURPOSE

This paper provides an update to Members of the Resource Committee in relation to the Transforming Corporate Support Services (TCSS) Programme, following the receipt of Recommendations contained in the output of the independent review of the TCSS Full Business Case performed by auditors Scott Moncrieff and presented to the Resources Committee on November 5th 2019.

Members are invited to discuss the content of this report.

1. BACKGROUND

- 1.1 Corporate support services for Police Scotland enable and underpin the high performing operational service we are committed to delivering for communities across Scotland. The Police and Fire Reform (Scotland) Act 2012 created the opportunity to transform and improve how we deliver corporate support services. However, while the early years of the new national organisation saw significant reductions in our civilian workforce (approx. 1,700 FTE reduction), there was insufficient transformation in how we deliver services resulting in weaker performance and service quality. With the development of the Transforming Corporate Support Service (TCSS) Programme in 2017, we are now ready to undertake the journey to our new Target Operating Model, significantly improving service to our customers and creating a better working environment, roles and career development opportunities for our people – while helping our organisation to live within its means.
- 1.2 We have looked across UK policing and industry and for a service of our size, we believe that we can deliver corporate support services more efficiently and in a way which reflects how people live their lives outside of work – in the office or on the move and digitally enabled on a 24/7 basis.
- 1.3 There is a Strategic Case which demonstrates that the investment in the TCSS programme is a necessary component of and key enabler for the delivery of Police Scotland's 2026 strategy. The programme will address fundamental risks in how we operate, support the reduction of our Corporate Services operating costs and provide the necessary foundations for other Police Scotland ambitions for our services and our people.
- Transforming Corporate Support Services (TCSS) will deliver capabilities for the benefit of the whole of Police Scotland and facilitates the delivery of financial benefits across core operational solutions and mobile projects. It is fundamental to the delivery of the 2026 strategy and the implementation of the technology, including the Enterprise Resource Planning (ERP) solution, is a fundamental enabler of this transformation.
 - Like the rest of the public sector, Police Scotland's challenge is to reduce spending whilst continuing to deliver a quality service with positive public impact. Policing 2026: Serving a Changing Scotland sets out how it intends to meet the emerging and projected needs of the Force over the next decade – responding to changing demands, evolving public and partner expectations – whilst giving value for money.

- Transforming Corporate Support Services (TCSS) is a core part of this, investing in technology and changing how we work to improve the quality, consistency and efficiency of support services – Finance, People and Development, Fleet, Estates, Procurement and ICT.
- These functions currently operate from over 100 locations, with ageing legacy technology, fragmented processes and practices (often requiring manual work around). This means a significant administrative burden on both front line and corporate services teams. It reinforces different ways of working with limited consistency and quality across our organisation.

1.4 It makes it harder for us to work with our partners such as health and local authorities.

- We are fully committed as an organisation to localism. Effective national corporate support services will enable local leaders and teams to plan and manage their resources and performance effectively while delivering high quality and responsive services to our communities.

1.5 The risks associated with not undertaking TCSS are high:

- **Loss of reputation:** Police Scotland and the SPA have made commitments to the Scottish Government with regard to the transformation of corporate services. Doing nothing would result in the strategic objective not being achieved – pushing the cost of required transformation further down the line and continuing our reliance on out of date systems.
- **Increased costs:** As legacy processes and technology age further they will require increased support and maintenance leading to increased running costs.
- **Quality of service:** The continual operation of legacy processes is likely to risk service quality further, resulting in increased corporate risk, non-compliance and ongoing administrative burden for the rest of the organisation.
- **Lack of Transformation progress:** Prior to TCSS, the lack of a single, coordinated transformation approach focused on a target operating model across Corporate Services has resulted in duplicative effort, wasted investment and misaligned work across the functions as they have taken on individual change projects to deal with current problems and invest in tactical system improvements.
- **Data risks:** Data quality issues with the current legacy technology risk compliance with G.D.P.R, hinder strategic decision making and do not support effective working with

partners. The in-house technology used relies on a small number of staff, whom it will be difficult to replace.

- 1.6 The benefits of the new operating model for CSS are significant – improved service delivery, cost reductions and a better working environment for our people – but to move to this position will require a comprehensive change delivery and cultural shift in the service. The benefits won't be fully realised without the implementation of an integrated system supporting the whole end to end corporate service model, whilst managing the change through a co-ordinated change programme:
- Distinguishing and **separating strategic, operational and transactional activity** to give these proper focus, improving staff well-being and career progression opportunities.
 - **Rationalising the estate** so less is spent on back office and more on the front line. Note that the estate strategy is a separate programme and therefore savings identified from a rationalised estate arising from corporate service transformation, have been ring fenced to avoid double counting.
 - Improving the consistency, quality and reducing workarounds in our systems by adopting a **single ERP solution** supported by standardised processes and allowing more to be done on mobile devices.
 - **Improving the data quality and analysis** to support decision making and partnering.
- 1.7 The Business Case for TCSS is supported by a number of detailed service and technology design products, including service catalogue, process taxonomy, organisational structures, and enabling technology and service descriptions.
- 1.8 The Transforming Corporate Support Services (TCSS) Programme was utilised as a case study by HM Inspectorate of Constabulary in

Scotland (HMICS) within their Thematic Inspection of the Scottish Police Authority in September 2019.

The HMICS, summary timeline bullets have been used below for clarity and consistency:

- *June 2017, TCSS programme established as part of transformation portfolio.*
- *Preferred Police Scotland model is Enterprise Resource Planning (ERP) solution.*
- *June 2018, Initial Business Case approved by SPA Board.*
- *September 2018, Approved by SPA Board as part of DDICT business case.*
- *Full Business Case (FBC) and supporting investment case developed with support from external consultants aligned to Target Operating Model.*
- *Funding required to deliver in 3 year period estimated at £35m (over 10 years would deliver £65m discounted gross savings, £44m cashable savings and £37m in efficiency savings).*
- *TCSS first considered in February 2018 and subsequently considered 9 times in various SPA settings over 18 months.*
- *FBC formally submitted to SPA Resources Committee four times and not approved.*

1.9 In relation to the SPA, HMICS highlighted the following in their Thematic Review of the SPA in September 2019.

'Police Scotland is to be commended for maintaining a close and open dialogue with the SPA, briefing and consulting as necessary throughout the TCSS development and approvals process'

1.10 The SPA Resources Committee commissioned an independent review by internal auditors Scott Moncrieff and in November 2019 agreed recommendations in relation to the TCSS FBC (Annexed).

2. FURTHER DETAIL ON THE REPORT TOPIC

2.1 Following receipt and presentation of the SPA (Scott Moncrieff) Recommendations in relation to the TCSS Full Business Case (5th November 2019 Resources Committee), an initial proposal for the

next steps in responding to these recommendations was presented to the TCSS Programme Board on Monday 25th November.

- 2.2 The approach presented included two key Objectives:
 1. Responding to the Scott Moncrieff Recommendations
 2. Assessing and addressing critical issues and risks ('quick fix' / 'quick wins') ahead of delivering the outcome of the formal process.
- 2.3 While the Programme Board agreed the direction of travel and re-affirmed a shared commitment to the delivery of the Target Operating Model it was confirmed that there was no Reform funding available to progress within this financial year. It was also confirmed by the Director of Transformational Change at that time that no Change resources were available to support the work this financial year, as they were all committed to other live projects. In fact, given other priorities in the Change Portfolio and limited resources, the TCSS Project Manager was re-assigned to another project.
- 2.4 In light of the 20/21 budget outcome, it may be necessary to drive towards the agreed Corporate Services target operating model by exploring targeted smaller scale automations, process improvements and headcount reductions that focus on the largest areas of benefits and savings.
- 2.5 An element of this approach may be to further explore opportunities for collaboration with other Blue Light services, in addition to developing more tactical ways forward.
- 2.6 Until the budget settlement for Financial Year 2020/21 is clarified Police Scotland is not in a position to resource and progress the work necessary to inform and address either of the two objectives agreed by the Programme Board. Planning work has been undertaken and will be progressed when available budget is confirmed.

3. FINANCIAL IMPLICATIONS

- 3.1 The Reform Budget has been fully allocated to other live projects within this financial year (2019/20). There is therefore no available funding within Police Scotland to progress the work required to inform the responses to the Scott Moncrieff Recommendations until the new financial year.

4. PERSONNEL IMPLICATIONS

4.1 Currently all of the Transformational Change resources within Police Scotland are committed to other live projects and therefore there are no resources available to support the TCSS Programme this financial year. Given pressures elsewhere in the Change portfolio, it was also necessary to re-assign the TCSS Project Manager. Resourcing the Programme adequately in 20/21 with budget and people is a key issue which requires to be addressed.

5. LEGAL IMPLICATIONS

5.1 There are no specific legal implications with this paper.

6. REPUTATIONAL IMPLICATIONS

6.1 Police Scotland and the SPA have made a strategic commitment to the transformation of corporate services. If funding is not available to progress to the agreed Target Operating Model this would result in the strategic commitment not being fulfilled.

7. SOCIAL IMPLICATIONS

7.1 There are no specific social implications with this paper.

8. COMMUNITY IMPACT

8.1 There are no specific community impact implications with this paper.

9. EQUALITIES IMPLICATIONS

9.1 There are no specific equalities implications with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no specific environment implications with this paper.

RECOMMENDATIONS

Members are invited to discuss the content of this report.

Annex 1. Scott Moncrieff Recommendations

Gary Devlin from Scott Moncrieff praised the detailed work performed within the TCSS Programme and highlighted five specific recommendations made following their review. The table below and overleaf lists the detailed recommendation presented to the SPA, in the context of the review objective against which they were generated.

Rec. No.	Recommendation Detail
<p>Objective: Confirming that there is appropriate supporting documentation to evidence that all potential options for delivering TCSS have been identified and adequately assessed, and that the preferred option delivers value for money.</p>	
1	<p>The current FBC would benefit from assessment of a wider range of delivery options to allow those responsible for scrutinising and approving the FBC to confirm that the current preferred option represents the best value for money for Police Scotland. For example, the alternative approaches set out in the Resources Committee Workshop on 25 June 2019 should be a starting point for further options to be considered as part of the TCSS FBC. Other potential options include delivering TCSS over a slightly longer timescale e.g. 30 months.</p>
2	<p>If it is proven that the current preferred option remains the optimal one, it will be important for management to demonstrate that the preferred technology (SI) solution represents value for money.</p>
3	<p>We also recommend that future versions of the FBC include case studies in support of the preferred option to provide assurance to those responsible for scrutinising and approving it that the solutions and business change can be achieved within the proposed timescales.</p>
<p>Objective: Assessing the extent to which early benefits (“quick wins”) are optimised without any substantial risk to benefits arising from future phases. Objective: Confirming that there are robust mechanisms through which there has been testing and validation of assumptions in relation to benefits delivery, along with identification of mitigating actions to minimise the risk to their delivery.</p>	
4	<p>To reflect the ongoing transformation of Finance, the TCSS project team should assess the impact of this on the current FBC to identify whether there is any material impact that requires the FBC to be updated. Where it is determined that there is a material impact, appropriate work should be undertaken to update the FBC as necessary.</p>
<p>Objective: Assessing how the project plans for, and will ensure, appropriate knowledge transfer to minimise the reliance on third parties for project delivery and business as usual activity.</p>	

5

Management should further review the FBC to establish if the costs of project/programme leadership are included in the financial and resourcing models. If they are not included, the financial and resourcing models should be updated as necessary to reflect these additional costs.