



BTP 2021 External Delivery Partner

FULL BUSINESS CASE

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1 EXECUTIVE SUMMARY

- 1.1 This Full Business Case (FBC) sets out the rationale for and recommends the preferred supplier for British Transport Police (BTP) to invest in an external delivery partner to support the implementation of its ambitious plans to modernise and radically reform its organisation wide operating model; that includes its services, processes, people, technology and infrastructure. The requirement for a such wide-ranging transformation is driven by two primary challenges: making significant performance and public value improvements in a rapidly evolving operating context; and achieving a forecast efficiency requirement of at least £30m over the next three years to re-invest in other areas of growing financial pressure. The cost of this investment, similar to other forces experience, is £3.5m split over three years (subject to revue of contract length).
- 1.2 BTP has already undergone significant transformation and restructuring. It has also recently concluded a fundamental review of its operating model and refreshed its technology strategy to position it as a more digitally focussed and agile organisational. However, BTP still requires a significant investment in capacity and capability to deliver this organisational transformation and realise the full scale of that ambition and associated benefits in those plans. The proposal to establish a new transformation portfolio under the BTP2021 banner is intended to drive and deliver this change. The Outline Business Case for the Target Operating Model (DOCR/05/18 refers) estimates the cumulative efficiency impact of the proposals to be £112m over 5 years should BTP decide that all of the proposals are both necessary and desirable.
- 1.3 A rudimentary assessment of BTPs current business change capability demonstrates that, although significant progress has been made in the last three years, the force does not have sufficient breadth and depth of programme management and business change expertise or capacity to meet the scale of the challenge. Similarly, the force's ICT capability has also been assessed, in recognition of the fact that extensive ICT design and implementation will be a critical enabler to transformational change. Again that assessment is that the current capability of the ICT service is not robust to successfully deliver the scale of change required to enable wider transformation. This view was reinforced by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services in their efficiency inspection which makes the following recommendations:
- British Transport Police should put in place better systems and processes to ensure that the potential benefits of projects, change programmes and collaborative work are fully understood; and
 - British Transport Police should put in place a comprehensive, costed and timetabled IT plan that takes account of the impact of change programmes.
- 1.4 The Outline Business Case (OBC) in April 2018 paper assessed three options for mobilising and implementing the next phase of transformational change:
- Option 1: Internally-led change;
 - Option 2: Business change jointly-led with a Strategic Delivery Partner (SDP);

- Option 3: Business Change and Technology Change jointly-led with an Innovation and Integration Partner (IIP)
- 1.5 The options are explained in more detail at Appendix 1 to this business case but, following approval of the OBC by BTPA **Option 3 – Business Change and Technology Change jointly-led with an IIP was progressed as the preferred option.**
- 1.6 This preferred option would involve the development of an improved internal change function working in close partnership with resources provided by a third party, private sector IIP and embedded within the force, to:
- jointly develop and improve the transformation capability and capacity of BTP;
 - support the implementation and integration of new BTP operating model (including the ICT strategy);
 - work in partnership with BTP to embed innovation and transfer skills to leave a legacy of a more powerful change function.
- 1.7 The partner could also, either directly or via the involvement of specialist service providers under sub-contract, support the implementation of the ICT strategy. The approach would still provide support across all aspects of the change programme, and would provide an opportunity to manage and share the design and implementation risk, both for the overall change and ICT-specific elements.
- 1.8 A number of police forces have already benefited from partnering with the private sector in a more strategic way, rather than taking a piecemeal approach to short-term engagements e.g. West Midlands Police, Staffordshire Police, Hampshire Constabulary, Greater Manchester Police, Avon and Somerset Police and, in collaboration, Surrey and Sussex Police. The value added benefits have been proven to be:
- accelerated and more agile delivery without compromising on quality;
 - flexibility to deploy specialist skills quickly as required;
 - sharing the delivery risk with a partner with a track record of success;
 - an external ‘push’ to be more innovative and creative; and
 - a longer-term strategic relationship that is capable of adapting to new circumstances and business requirements
- 1.9 In terms of the commercial case, the OBU assessed two options for taking this proposal to market, the principal considerations being speed, competition and value for money. In summary:
- Option 1: OJEU using the open or restricted procedure (with the option of a competitive dialogue);
 - Option 2: Using an existing Crown Commercial Services (CCS) framework agreement (e.g. the Management Consultancy Framework)
- 1.10 These options are defined more in the business case at Appendix 1, but based on BTPs priority need for speed to market, the ubiquitous nature of the requirements and the CCS framework terms which allow for no-cause termination of the contract with only 30 days’
- Full Business Case – BTP 2021 External Delivery Partner v1.0

notice, the OBC approved **using an existing CCS framework as a chosen option to take this proposal to market.**

- 1.11 This business case justifies the procurement of expert external support which will add capability, increase the pace of delivery and quality of outputs, and provide the right degree of external challenge, innovation and quality assurance. This case sets out the management arrangements necessary to implement the ambitious transformation proposed by BTP and the role of an external partner in that endeavour.
- 1.12 Following a competitive tendering process, run under the Crown Commercial Services Consultancy One framework, this business case recommends the appointment of [bidder C] as the preferred external delivery partner. The contract is fixed price at a cost of £3.5M over 3 years (inclusive of VAT). Full details of the procurement process and the evaluation of bids are set out at Appendix 2. The timelines of this work will be subject to finalisation of the contract. The projected date to commence work is w/c 7 January 2019 with the first 12 week plan included for reference. **This FBC therefore seeks authority to proceed to appoint the preferred supplier.**

2 THE STRATEGIC CASE

Introduction

- 2.1 The purpose of the Full Business Case (FBC) is to confirm a preferred supplier for BTP to successfully support the implementation of its planned future operating model that is, aligned to demand, and details how capabilities and resources (people, processes and technology) will be organised to enable future service delivery. In particular the preferred option should support the successful integration and synthesis of organisation wide change in a controlled manner including ICT services and infrastructure.
- 2.2 The development of an evidenced based business case is important to any transformational change. That is because strategies, programmes and projects can often fail to achieve their objectives and deliver anticipated benefits because the key phases of the programme have been inadequately scoped and planned and associated risks have not been taken into account. This business case is intended to demonstrate that by investing in an external delivery partner those risks can be mitigated and change controlled robustly with the objective of assuring success. This also includes the rationale of why the change is necessary, as well as a clear definition of the end state benefits and the scope for what is to be achieved.
- 2.3 The business case is a planning and management tool which enables stakeholders and decision makers to ascertain that investment proposals are:
 - supported by a robust case for change that is strategically focused;
 - optimises value for money;
 - meets the affordability test; and
 - is achievable.
- 2.4 Building on the OBC the full business case is constructed around 5 pillars; the strategic case; the economic case; the commercial case, the financial case and the management case. This framework contains the following components:
- 2.5 **The strategic case for change** – sets out the current structure and strategic context for the future strategy of British Transport Police and explains in more detail the key drivers for change; specifically the increasing demand for BTP services; the changing nature of crime and the evolving threat from terrorism; and the new public norm of digital service delivery. These drivers have led BTP to design a new Target Operating Model(TOM) and the Business Technology Strategy (BTS);
- 2.6 **The options for change** – uses evaluation criteria to develop options for analysis, drawing on expertise from across the public and private sector. In particular it seeks to provide assurance that the preferred option is a fit to the strategic objectives of BTP;
 - **The preferred option** – sets out the comparative analysis of the preferred option for change based on the evaluation criteria;

- **The Economic Case** sets out the estimated cost of the preferred supplier. It sets this in the context of the overall benefits being delivered through BTP transformation and evaluates this as a cost of change;
- **The Commercial Case** confirms the procurement option and the final route to contract;
- **Economic and Financial appraisal** – The Economic Case contains the Financial Plan which will show annual budget estimates; and
- **Progressing the preferred option** – sets out the proposed way forward for managing the contract award process, and outlines how any commercial considerations will be managed moving forward.

2.7 As such, this document provides the case for making a decision following the activity during the procurement phase to identify a preferred supplier to meet the requirements of the preferred delivery option.

3 Part A: The Strategic Context

Organisational Overview

- 3.1 BTP is a specialist national police force. Its mission is to deliver a safe and secure transport network in support of millions of passengers, service users and staff. Its value is dependent on 'being there first' to bring BTP's transport specialism to the network. Its operational design requires it to operate over considerable distances, supported by a dispersed footprint of officers and fixed infrastructure. The operational environment is highly dynamic. BTP must constantly adapt its capabilities and ways of working to ensure that they meet current and future needs of all rail users and workers.
- 3.2 The BTPA Strategic Plan 2013-19 laid out a future vision for the Force to develop a new way of working based on Problem Solving, First Fix and joint working to address the underlying issues that drive crime and disruption on the rail network. In support of this vision, BTP is currently delivering a portfolio of change touching on every aspect of the Force. However BTP cannot afford to stand still; environmental factors, including a rapidly expanding rail network, increased passenger numbers, the continued heightened threat from terrorism in the UK, the changing nature of crime, budget pressures, opportunities from deeper integration across infrastructure policing and changes to transport policing functions in Scotland have led to the existing strategy being reviewed and a revised strategy 2018-2021 published in July 2018.

Business Strategies

- 3.3 BTP has developed a new Target Operating Model following a fundamental review of its services, channels, process, people and enabling capability. This proposes significant changes to the organisation with the potential to realise up to £33.8m in efficiencies to be re-invested in new areas of growth, demand, and increased costs. The implementation of this model, aligned to its new strategy for 2021 is vital to BTP's future effectiveness and efficiency.
- 3.4 Similarly an external fundamental review of BTP's technology infrastructure and the development of a new business technology strategy involve considerable change to the current infrastructure and digital posture of the organisation going forward. Taken together, these are very significant transformational changes that will impact the organisation at both at a structural and cultural level. It will also impact on the organisation's relationship with the public, its partners, stakeholders and customers, and its staff
- 3.5 Demand for BTP services is rising and the nature of the threats faced by the travelling public is substantial and evolving. BTP's near and medium term costs pressures are considerable; many are beyond BTP's control like the decision to devolve transport policing to Scotland and the replacement of the national Airwave radio system with a more expensive, but more capable, upgrade. Others deal with modernising the technology infrastructure so it is fit for purpose. Most importantly, BTP is responding to recent critical events and the national security threat by expanding the reach and depth of

its CT capability. Taken together, whilst there are some uncertainties, the current medium-term financial plan forecasts that BTP will need to find up to £30m in annual efficiencies to fund these cost pressures by 2020/21. That is why BTP have established BTP2021 as the mechanism to drive and deliver transformational change.

- 3.6 It is important to note that this FBC does not deal with the benefits case arising from the totality of change envisioned by the BTP2021 transformation plan; the outline business case (DOCR/05/18) sets out the potential benefits, financial and non-financial, of implementing a new Target Operating Model that could realise £33.8m in annual gross efficiencies by 2020/21 which has a 5 year cumulative effect of £112m (a 'best case' scenario). Individual cases across programmes will provide the detailed benefits and be assured and approved via the BTP 2021 governance regime.

4 Part B: The Case for Change

- 4.1 As set out in chapter 2 and 3, BTP has set an ambitious and challenging agenda for change over the next 4 years to respond to its new operating context and environment. The case for change and business need is focussed on the 'achievability' of those transformational changes.

Investment Objectives

- 4.2 The investment objectives for this FBC are as follows:

- improve the capacity and capability of BTP to successfully deliver transformational change;
- improve the quality of outputs and the pace and rigour of PPM delivery;
- embed innovation and digital skills into BTP;
- realise the financial and non-financial benefits of change; and
- successfully integrate the transformation portfolio and transition change to BAU.

Business Need

- 4.3 The accountancy firm PwC have been surveying CEO's globally since 2004 asking about delivering change in a fast paced and challenging world. When it comes to establishing the top reasons for failure, regular themes emerge across all industry groups and sectors: poor planning and missed deadlines; scope changes; insufficient resources and a lack of leadership buy-in. The survey reinforces the importance of investing in good project and programme management and mature portfolio management so that benefits realised deliver the intended outcomes.
- 4.4 The concept of portfolio management helps organisations achieve their objectives and avoid the problems associated with delivering complex change. This chapter of the business case provides an assessment of the issues to be considered to ensure successful delivery of BTPs transformation portfolio in accordance with best practice and sets out the requirements for portfolio management and transformation delivery. It also outlines the benefits of a commercial relationship with an external innovation and implementation partner with experience of complex organisational transformation to de-risk delivery.
- 4.5 The breadth and depth of the changes proposed by the TOM on top of legacy programmes and projects in the existing BTP change portfolio mean that in order to ensure successful delivery systemic improvements will need to be made to the capability and maturity of the current arrangements. These improvements start with re-setting the BTP transformation portfolio and improve the governance and controls consistent with P3M3 principles and methodology.
- 4.6 Leading practice from high-performing organisations is to recognise the benefit of formalising two key aspects: first, the relationship between actually 'running' the business and 'changing' the business'; and second, the explicit linking of the business strategy to the change (or transformation) portfolio.

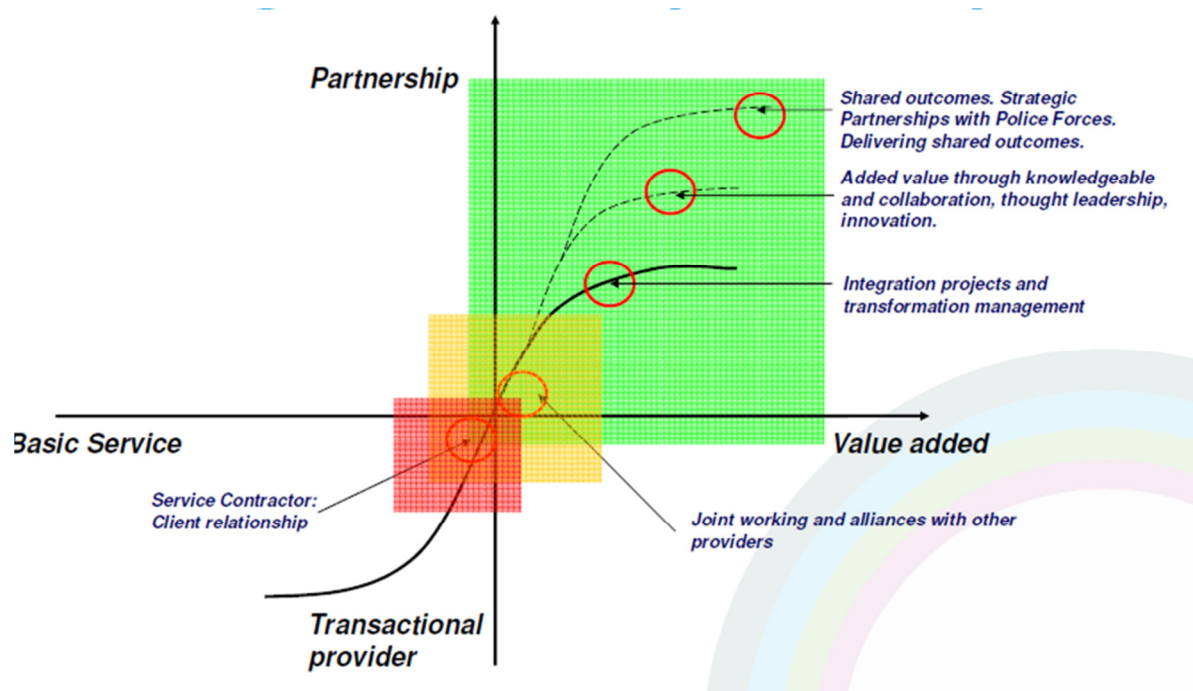
- 4.7 To be responsive to business needs and drivers, often because of unexpected external influences, the change function needs to equip itself with the necessary governance, tools, processes and people to constitute a discrete and sustainable function. This will ensure that the transformation portfolio remains agile and is capable of being quickly re-balanced as the strategic direction changes. Equally, there needs to be clear accountability to business owners for deploying and embedding change that is accepted and meets the needs of employees and/or service users.
- 4.8 Investing in a portfolio management capability to drive change is an industry standard model and is being widely adopted across the public sector, including policing. The model is scalable and adaptable to organisational need. The proposed BTP 'service catalogue' would encompass the following functions which are designed to tackle the top reasons for programme and project failure – poor planning, lack of integration and poorly controlled scope - make execution more effective and accelerate delivery. It would also drive innovation:
- **Execution and Design** – responsible for driving delivery and performance, portfolio planning and integration of outcomes.
 - **Capability & Resources** – responsible for resource management of project and programme managers, and continuous professional development.
 - **Benefits Realisation** – responsible for benefits strategy, alignment to strategy and owns the portfolio level benefits and efficiencies plan.
 - **Change Management** – responsible for the change management strategy, plan, and toolkit; owns the change network and transition plan at a portfolio level and key enabler of communications.
 - **Excellence** – the PMO engine room responsible for assurance, performance reporting, and gateway reviews; owns the portfolio 'handbook' and the method of working and minimum standards.
 - **Innovation** - scans and identifies new innovation opportunities, runs experiments and pilots, seeking to scale up those that are successful. Owns relationships with innovation partners.
- 4.9 Adopting this approach de-risks the delivery of the portfolio by shifting the focus from vertical and siloed project structure towards a more horizontal and thematic approach organised around key areas of common delivery vulnerability which properly require a portfolio delivery function that exercises pace, discipline and control.
- 4.10 'Changing the business' is a challenging and important activity that must be performed through a dedicated function with clear constituent parts - governance, processes, tools and people – if it is to be successful. That is why this business case proposes the establishing of a portfolio delivery function. The key opportunities are:

- optimisation and prioritisation of projects and programmes that are explicitly designed to achieve the organisations strategy;
- control of the portfolio to ensure effective integration of projects and programmes whilst managing the transition to business as usual and understanding the impact on people;
- a more capable and mature PPM capability;
- better assurance and performance reporting; and
- a sustained focus on innovation and adopting a clear change management framework.

- 4.11 To achieve its ambition, BTP will need to deliver fundamental, organisational change that goes well beyond the most complex business change it has carried out to date. Not only are the programmes/projects of change required complex and significant in themselves, but they are also strongly interrelated. Effectively managing the dependencies between programmes/projects will be critical to success. Policing have mixed fortunes when it comes to implementing large scale ICT and change programmes accordingly, BTP cannot afford to replicate previous failures in similar organisations.
- 4.12 As highlighted earlier in this business case, BTP has achieved much over the last three to four years and has established growing capability to deliver change. However, there is clear recognition that the skills and expertise required are not available with sufficient breadth, depth and quantity to ensure successful achievement of the scale of this ambition in the timescale required. Therefore, this business case explores options to establish a means of securing external support, to supplement, build and develop internal capability and capacity whilst also effectively addressing a number of immediate priorities and challenges, not least around the development of an IT operating model.
- 4.13 Whilst there are a range of delivery models, most public sector bodies and other police force have pursued an option where the organisations change function is either supported by or jointly-led with an external delivery partner.
- 4.14 There are reasonably straightforward benefits in developing a longer-term (at least 2 years) relationship with an external partner:
- A longer deal is more appealing to the market and creates a more competitive bidder environment;
 - There is more flexibility (and therefore value) in negotiating rates;
 - Both parties are invested in the outcome;
 - It can create opportunities for more creative commercial deals involving incentives; and,
 - It removes the risk of overlapping procurement
- 4.15 But the relationship must be more than just providing resources and the partner needs to commit to sharing in BTPs success and work flexibly as required. They must:

- Have experience of / bring insights from policing, the wider public sector and private sector;
- Bring innovation / new thinking;
- Work seamlessly when supplementing our in-house capabilities;
- Develop our in-house capabilities such that we become self-sufficient;
- Be able to take on advisory, assurance and delivery roles and responsibilities as required.

4.16 A number of forces have successfully involved third parties in supporting the delivery of business benefits. The results of a survey of 20 such forces are plotted in the diagram below to illustrate the potential value add that can be obtained from a more strategic partnerships:



Main Benefits Criteria

4.17 Satisfying the potential scope for this investment will deliver the following high-level strategic and operational benefits. By investment objectives these are set out in Table 1 below:

Table 1: investment objectives and benefits criteria

Investment objectives	Main benefits criteria
Investment objective 1: improve the capacity and capability of BTP to successfully deliver transformational change	<p>The option is likely to:</p> <ul style="list-style-type: none"> provide the required skills and expertise in the right quantity (including process and organisational redesign, change management, partnering and commercial management, contract management, performance management); and develop capability, capacity and an approach to change that we will be embedded in the organisation for the long term. <p>Key Deliverable: Helping BTP to Build its Capability and Capacity Strand -</p> <ul style="list-style-type: none"> Supplier approach to improving change capability and capacity built around a bespoke 'Change Maturity Assessment Framework'.
Investment objective 2: improve the quality of outputs and the pace and rigour of PPM delivery	<p>The option is likely to:</p> <ul style="list-style-type: none"> minimise the time to the commencement of benefits; result in higher quality output; and improve the discipline and rigour of the PPM process. <p>Key Deliverable: Distributing Resources across the Portfolio Strand -</p> <ul style="list-style-type: none"> First three months primary focus will be mobilising the Delivery Partner contract, accelerating completion of specified requirements and benefits and helping set the PPM portfolio up for success (including agreement of key programmes they can add most value 3Ci, Shared services and digital – each to have its own programme plan) Outputs of the initial period of work will inform flexible requirements for subsequent phases to improve quality and maintain pace and rigour, agreed with BTP in advance. Delivery Partner resource allocation is planned to change and reduce over time. This reflects the changing nature of transformation delivery, the expected outcomes from our joint capability and capacity improvement, and BTP ambition for increased self-sufficiency.
Investment objective 3: embed innovation and digital skills into BTP	<p>The option is likely to:</p> <ul style="list-style-type: none"> ensure innovation opportunities are identified and introduced into the organisation; identify and transfer digital skills into the organisation. <p>Key Deliverables:</p> <ul style="list-style-type: none"> Target Operating Model and Business Technology Strategy Refresh and Integration Strand to review and validate the current plan to include a supporting embedding timeline Immediate access to Specialised Services Strand

Investment objective 4 : realise the financial and non-financial benefits of change	<p>The option is likely to:</p> <ul style="list-style-type: none"> • increase the likelihood of full benefits being realised; • increase the quantity of benefits with the aim of funding the cost of change <p>Key Deliverables:</p> <ul style="list-style-type: none"> • Target Operating Model and Business Technology Strategy Refresh and Integration Strand • Sourcing Contract Programme/Project Professionals Strand
Investment objective 5: successfully integrate the transformation portfolio and transition change to BAU	<p>The option is likely to:</p> <ul style="list-style-type: none"> • manage the risks associated with implementation of change i.e. is the option inherently more or less risky than the other alternatives; • allow risks to be shared or transferred and the potential impact of risks on the force reduced; • is likely to receive a positive response / interest from potential partners, thus ensuring input from suitably qualified partners <p>Key Deliverable: Skills Transfer Strand -</p> <ul style="list-style-type: none"> • Supplier approach to skills transfer using tested '5Di' framework. This moves through six stages to help build a clear skills transfer plan that is fully-tailored to BTP requirement.

5 THE ECONOMIC CASE

Introduction

5.1 In accordance with the Capital Investment Manual and requirements of HM Treasury's Green Book (A Guide to Investment Appraisal in the Public Sector), the OBC documented a range of options that were considered in response to the potential scope identified within the strategic case for mobilising and implementing the next phase of transformational change:

- Option 1: Internally-led change;
- Option 2: Business change jointly-led with a Strategic Delivery Partner (SDP);
- Option 3: Business Change and Technology Change jointly-led with an Innovation and Integration Partner (IIP)

5.2 Consequently the OBC recommended Option 3 as the preferred way forward to tender to potential suppliers through the preferred commercial option. The detailed delivery partner options development and Analysis is included at Appendix 1.

6 THE COMMERCIAL CASE

Introduction

- 6.1 This section of the FBC outlines the proposed deal in relation to the preferred option outlined in the economic case. This is for the provision of multi-disciplinary consultancy services under a two year contract, subject to annual review, with an option to extend for a 12 months.

Required Services

- 6.2 BTP have a requirement for consultancy expertise to augment their in-house teams and improve its capability and capacity with the objective of accelerating delivery, improving quality, driving innovation and providing assurance. It is planned to draw on support across the following skills areas:
- Programme and project management;
 - Data analysis and insight;
 - Assurance;
 - Business design and architecture;
 - ICT integration;
 - Benefits realisation;
 - Engagement and Change management; and
 - Procurement and outsourcing specialism

Potential for Risk Sharing

- 6.3 This section provides an initial assessment of how the associated risks might be apportioned between a proposed supplier and BTP. The general principle is to ensure that risks should be passed to 'the party best able to manage them', subject to value for money (VFM). The table below outlines the potential allocation of risk:

Risk transfer matrix

Risk Category	Potential allocation		
	Public	Private	Shared
1. Design risk			✓
2. Construction and development risk			✓
3. Transition and implementation risk			✓
4. Availability and performance risk			✓
5. Operating risk	✓		
6. Variability of revenue risks	✓		

7. Termination risks	✓		
8. Technology and obsolescence risks			✓
9. Control risks	✓		
10. Residual value risks	✓		
11. Financing risks	✓		
12. Legislative risks	✓		
13. Other project risks	✓		

Proposed Contract Lengths

6.4 The following contract lengths have been considered:

- 12 months with a review to cancel or extend for 12 months plus a further option to extend for another 12 months; and
- 24 months with an option to extend for 12 months only;

6.5 The primary consideration is to ensure the contract length is sufficient to cover the scope of the requirement. BTP expect that the BTP2021 portfolio will be implemented over three years. On the basis that we expect skills to transfer from a delivery partner over time, it is reasonable to conclude that a minimum of 24 months will be required and that the 'fixed price' should pertain to those services. The advantage of seeking a fixed price is to ensure affordability and predictability, aligning supplier costs to specific outcomes at a pre-agreed rate.

6.6 The second consideration is whether to provide for an ability to extend a contract to deal with potential delays or if the implementation has proved more difficult than originally forecast. It is generally considered good practice to build in a contingency period. The final consideration is whether to provide for specific 'review-clauses' in the contract to cater for changing circumstances.

This FBC recommends **an initial contract length of 12 months with a review option to cancel or extend for 12 months plus a further option to extend for another 12 months**, as best meeting BTPs requirement and providing sufficient contingency and conveying the BTPA aspiration to maximise contract agility through the life of the transformation.

Personnel Implications (including TUPE)

6.7 It is anticipated that the TUPE – Transfer of Undertakings (Protection of Employment) Regulations 1981 – will not apply to this investment as outlined above.

Procurement Strategy and Implementation Timescales

- 6.8 In terms of the procurement strategy, the OBC proposed two options for taking this proposal to market, the principal considerations being speed, competition and value for money. In summary:
- Option 1: OJEU using either the open or restricted procedure (with the option of a competitive dialogue)
 - Option 2: Using an existing Crown Commercial Services (CCS) framework agreement (e.g. Management Consultancy Framework)
- 6.9 Based on BTPs priority need for speed to market and the ubiquitous nature of the requirements, **Option 2 – using an existing CCS framework was approved identified as a preferred option and was the recommended route by the Cabinet Office.** The detailed procurement strategy analysis is included at Appendix 1.
- 6.10 An indicative timeline and activity involved in the award of contract and mobilisation of the Delivery Partner is shown in Table 3 below:

ACTIVITY	DATES & TIMES
CO Approval to Proceed to Contract	3 December 2018
FBC Approval	3 December 2018
Issue intention to award letters/Commencement of stand still period	4 December 2018
Contract Signature Date	18 December 2018
Proposed Award Date of Contract	7 January 2019
Supplier Mobilisation	7- 11 January 2019
First Contract Progress Meeting	7 February 2019

- 6.11 The preferred supplier's first 12 weeks schedule of work is outlined below.

FRS 5 Accountancy Treatment

- 6.12 It is envisaged that the assets underpinning the delivery of service will not be on the balance sheet of the organisation.

7 THE FINANCIAL CASE

Introduction

- 7.1 The purpose of this section is to set out the indicative financial implications of the preferred option (as set out in the economic case section) and the proposed deal (as described in the commercial case section).

Impact on the organisation's income and expenditure account

- 7.2 The anticipated payment stream for the contract over its intended life span is set out in Table 4 below.

Table 4: summary of financial appraisal

	Year 0	Year 1	Year 2	Year 3	Year 4	Total
	£m	£m	£m	£m	£m	£m
Capital	0	0	0			
Revenue	0.44	1.75	1.31			3.5
Total	0.44	1.75	1.31			3.5

Impact on the Balance Sheet

- 7.3 The proposed revenue expenditure will have the following impact:
- Overall Affordability - The proposed cost of the services of a delivery partner is £3.5M over the 3 years of the expected lifetime of the contract. This assumes that the contract is let over a period of three years. The initial value of the 2 year period is estimated to be £2.19m. All costs are revenue and payable monthly as a service charge.
 - Estimated costs are inclusive of VAT and have been included in BTPs budget for 2018/19 and Medium Term Financial Plan (MTFP) for future years.

8 THE MANAGEMENT CASE

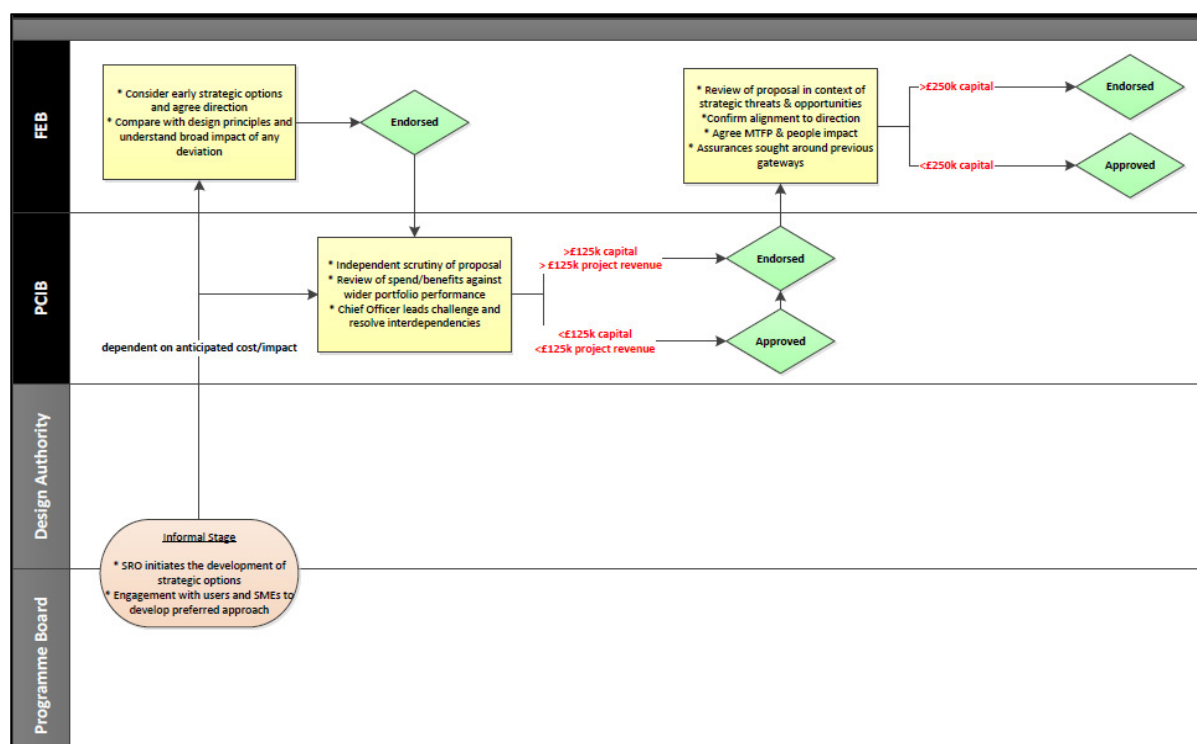
Programme and Project Management Arrangements

- 8.1 The transformation portfolio is forecast to contain 10 strategic programmes and approximately 80 projects. All programmes and projects will be run in accordance with Prince 2 and MSP methodologies, exploiting agile delivery methods where appropriate. This is a significant increase in both volume of change and frequency of delivery from the current position. For ease of understanding the 10 major programmes of work, that include a number of dependant projects, are listed below:

- Strengthening Network Policing Programme
- Crime and Safeguarding
- Digital Policing
- Specialist Operations
- Strategic Centre
- Improving Business Infrastructure
- Transforming Business Support
- Scotland Devolution
- People Strategy Programme
- Infrastructure Policing Programme

Governance arrangements

- 8.2 To deliver effective Portfolio management the Force will adopt the governance model illustrated below. The new Portfolio Change and Investment Board is the pivotal forum where Business Cases and Detailed Designs are formally signed off, and where benefits management will be tracked. This body is where the portfolio is managed and monitored against milestones, exceptions reported and remedial actions commissioned and tracked and will provide the appropriate financial controls for portfolio affordability and spend. The Force Executive Board (FEB) will provide a layer of SME challenge to emerging blueprint designs to test for strategic alignment, integration and achievability. It will own BTP wide design principles if appropriate.



Programme Roles and Responsibilities

- 8.3 The **Sponsor** with executive oversight of the portfolio will be the Director of Strategy and Change who will provide, on behalf of BTP Chief Officers;
- overall direction and leadership for the delivery and implementation of the portfolio;
 - personal accountability for the success of the portfolio; and responsibility for enabling the organisation to exploit the new environment resulting from change and realise the expected benefits;
- 8.4 Programme SROs are Chief Officers /or senior managers with responsibility to deliver an individual programme or major project in the portfolio. They have individual accountability for delivery and ensuring the realisation of benefits within the scope of their mandate. SROs will provide leadership and direction to programme and project teams.
- 8.5 The **Head of PMO** is responsible for leading and managing the portfolio (and driving governance) through to delivery of the agreed outcomes/objectives and realisation of benefits. The role has primary responsibility for successful delivery of the new capabilities and establishing governance. They are accountable to the portfolio Sponsor and supports individual programme and project SROs in discharging their functions. The Head of PMO is responsible for ensuring that the portfolio is managed effectively, benefits are tracked, and change is delivered sustainably and executed professionally. They are the head of profession for programme and project managers across BTP.

- 8.6 **Senior Users** are those responsible for the day to day of services into which change is being delivered. They are the primary customer of the programme deliverables and ultimately responsible for owning and realising the benefits of programmes and projects.
- 8.7 **Design and Delivery Lead** – accountable to the Head of PMO, is responsible for the overall portfolio plan, benefits and efficiency management, and will act as the Delivery Partner Contract Manager (as per the plan at Appendix 3). The design and delivery lead will own the key products that support the FEB strategic options review supporting SROs and ensuring that the portfolio is integrated effectively and prioritised. This role will also support the Head of PMO in the professional development of programme and project managers, and own the subject matter experts who will co-ordinate thematic activity across the portfolio (e.g. HR, finance and commercial expertise).
- 8.8 **Business Change Lead** - accountable to the Head of PMO, is responsible for setting up and leading a business change network/practitioner group and defining the business change management methodology for the organisation. The role will be the primary point of contact for advising on the change management framework and alignment with BTP project management approach to facilitate benefit realisation. Furthermore support Business Change Managers in their role to communicate the impact of the change to staff and generate buy-in from stakeholders; and regularly report on the impact of change. Also provide a high level “due diligence” capability in order to assess the impact of business re-design proposals on people, processes, technology and information systems in order to strategically manage risks, benefits and optimising the cost of change.
- 8.9 **Business (engagement) Change Managers**, working in close partnership with the Head of PMO, Business Change Lead and accountable to SROs, are primarily benefits focussed and are responsible for defining the benefits; assessing progress towards realisation; achieving measured improvements; and monitoring performance. The need to define and realise benefits in terms of measured improvements in business means that the Business Change Manager must be ‘business-side’ (i.e. from the operational policing) in order to provide the bridge between the programme and business operations.
- 8.10 **Programme and Project Managers** are the single focus for day-to-day management of a programme or project. This person has the authority to run the project on behalf of the Programme/Project Board within the constraints laid down by the Programme/Project Board.
- 8.11 The **Portfolio Management Office** is the BTP2021 management hub and standards custodian for the portfolio and its external facing reporting. It is also responsible for gateway reviews and assurance activity, such as project closure report, post implementation reviews or deep dives on behalf of the portfolio leadership and/or sponsoring groups.

Arrangements for business change management

- 8.12 To meet the scale of change management involved in implementing this business case a significant amount of work is required to drive change. This takes account of the

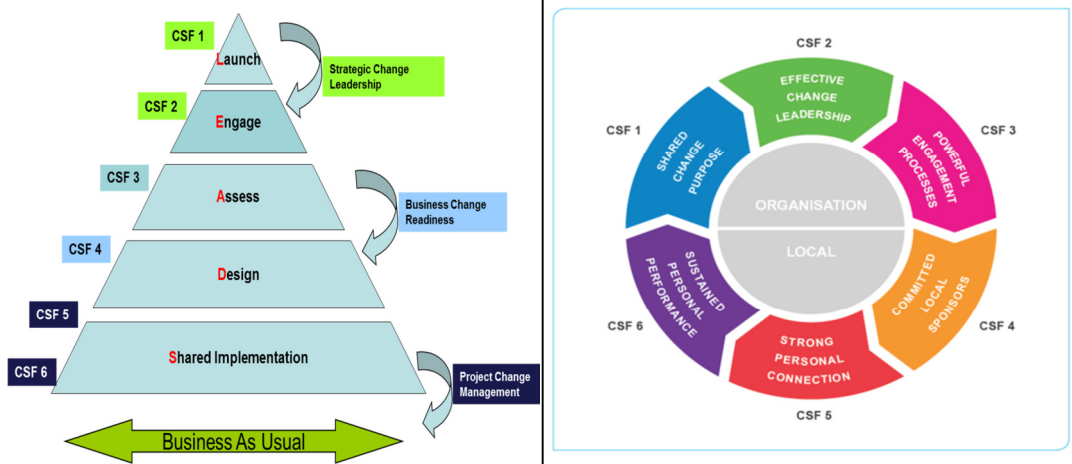
complexities involved in redesigning services, moving personnel and supporting cultural change, whilst managing “business as usual” during the transition.

8.13 Our approach to business change management is set out in the BTP Business Change Plan. The key components of that strategy are:

- clear business leader ownership of change;
- a proactive change network across all levels of the organisation to champion change;
- organised and frequent tracking of the impact of change to target intervention;
- comprehensive stakeholder mapping and engagement; and,
- a communication plan that exploits multiple channels and methods of delivery.

8.14 The plan is built around the BTP change model set out in Figure 31 below and will be co-ordinated by the transformation portfolio function:

Change Model



Arrangements for benefits realisation

8.15 The BTP Benefits Management Guidance recently endorsed by DfT GIAA and the BTPA will ensure that identification of benefits and management throughout the life of the programme is integral to ensuring that the benefits are realised and the strategic objectives of the programme are delivered. The benefits realisation approach will pull together all of the detail from each benefit identified in this business case to give an overview of the collective set of benefits for the BTP portfolio. The Transformation Portfolio function will provide a centralised point to track and monitor what needs to be done, when and by whom, to ensure the successful realisation of the programme/project benefits. A benefits realisation plan will be completed by individual project/benefit managers but will be the responsibility of each programme or project SRO. A key feature of a benefits realisation plan will include a regular review period and a governance structure for managing the collective set of benefits that not only covers the lifetime of the project or programme but during the realisation phase post project as well. It will provide

the control mechanism to provide continual feedback against progress towards strategic goals, through the measures in the benefits realisation plan.

Outline arrangement for risk management

- 8.16 Risk management will be executed in accordance with the BTP risk management strategy. The risk management process consists of four management processes (identify, assess, plan, and implement and monitor), and uses the BTP risk register format.

Gateway review arrangements and external review

- 8.17 The Gateway Review arrangements, which involve the examination of programmes and projects at key decision points in their lifecycle, will be agreed and planned with the Portfolio Management Office and the wider BTP assurance function.

Appendix 1 Delivery Partner Options Development and Analysis and Procurement Strategy and Implementation Timescales

Appendix 2 Contract Award Recommendation Report

Appendix 3 Contract Management Plan