

Decision No 2012/06



REPORT TO: POLICE AND CRIME COMMISSIONER FOR LANCASHIRE

REPORT BY: ALAN BROWN, HEAD OF MANAGEMENT ACCOUNTS,

DATE: 14 DECEMBER 2012

TITLE: HOLMES 3 UPGRADE

EXECUTIVE SUMMARY

All UK Forces (together with some partner agencies) use the current HOLMES2 system for the investigation and management of their most serious crimes and disasters. The framework agreement for the system expired in September 2011 and cannot be extended, which means no further upgrades can be made other than those driven by legislation, statutory or emergency changes. However support and maintenance of the system is available until September 2014.

A national procurement process has now commenced to procure a HOLMES 3 system and it is intended that a new contract be awarded in Summer 2013. In order for the procurement exercise to be completed on time the Association of Chief police Officers has written to all Chief Constables and Police and Crime Commissioners asking for support for the project and to confirm that they are willing to provide funding.

Recommendation

The Police and Crime Commissioner is asked to;

- Support the HOLMES 3 project and provisionally approve one off capital funding of £0.530m and ongoing revenue funding of £0.090m per annum (for 6 years)
- Note that the funding requirements will form part of the 2013/14 budget setting process

Background

All UK Forces (together with some partner agencies) use the current HOLMES2 system for the investigation and management of their most serious crimes and disasters. The framework agreement for the system expired in September 2011 and cannot be extended, which means no further upgrades can be made other than those driven by legislation, statutory or emergency changes.

Holmes is a critical system for the management of serious and major incidents both locally and nationally. The requirement to retain the Holmes system is critical to ensure that Lancashire's operational resilience and effectiveness around serious cases and major incidents is maintained. Whilst support and maintenance of the system is available until September 2014 a longer term solution is required.

A national procurement process has now commenced to procure a HOLMES 3 system and it is intended that a new contract be awarded in Summer 2013. In order for the procurement exercise to be completed on time the Association of Chief police Officers has written to all Chief Constables and Police and Crime Commissioners asking for support for the project and to confirm that they are willing to provide funding.

Following initial market engagement, the contract value for the new HOLMES 3 service has been estimated at between £40-60m over an anticipated 6 year contract lifecycle which has the flexibility of having two 12 month extensions if required. Detailed costs will become apparent as the procurement phase progresses but indicative figures, at individual force level, have been provided.

Forces that have been expressed an interest in the HOLMES 3 system have been asked to confirm by 21

December 2012 whether they would like to contribute capital to this project in exchange for reduced service charges and which funding option they would prefer.

Costs and Funding

Central funding is not available and therefore all Chief Constables and Police and Crime Commissioners have been contacted to establish whether they are willing to contribute to the cost of the system. Two options have been presented for consideration;

- Provide capital funding upfront for a reduced annual service charge.
- No capital investment therefore full service charge with costs recovered over 6 years

Option 1 – Provide capital funding upfront for a reduced annual service charge.

Current indications are that, at national level, capital funding of £10M is required. Lancashire's share of this is £530k. Currently there is no provision within the capital programme to support the HOLMES 3 system and therefore this cost will need to be built into the 2014/15 capital programme. In addition to this, revenue funding of £90k per annum (based on an average) would be required from 2015/16 for 6 financial years. The total cost of the project over 6 years is therefore £1.070m.

Option 2 – No capital investment therefore full service charge with costs recovered over 6 years.

This option would require the full cost of the system to be recovered from revenue over a 6 year period and would not require any capital contribution. The total cost of this approach, over the lifetime of the contract, is broadly similar but places greater pressure on the revenue budget than Option 1 at a time when revenue budgets are already under significant pressure from funding reductions. Based on an average, the revenue contribution for 6 years would be £0.175m

The preferred option is to provide upfront capital funding and receive a lower annual service charge as this will place less pressure on revenue budgets at a time when we existing funding pressures on revenue are challenging.

At this stage the Police and Crime Commissioner is only being asked to confirm that they support the development of the system and which funding model is preferable. The capital and revenue implications will be taken forward as part of the budget setting process for 2013/14.

Decision taken by the Police and Crime Commissioner for Lancashire:

Original decision, as set out in the attached report, approved without amendment (please delete as appropriate)	YES	NO
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Original decision required to be amended and decision as detailed below:

The reasons for the amended decision are as detailed below:

Police and Crime Commissioner: Comments

DECLARATIONS OF INTEREST

The PCC is asked to consider any personal / prejudicial interests he may have to disclose in relation to the matter under consideration in accordance with the law, the Nolan Principles and the Code of Conduct.

STATEMENT OF COMPLIANCE

The recommendations are made further to legal advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation.

<p>Signed:</p> <p>Police and Crime Commissioner</p> <p>Date:</p>	<p>Signed:</p> <p>Chief Officer:</p> <p>Date:</p>
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