



RECORD OF DECISION

TITLE: Services to Policing
Ref: PCC/D/2019/01

EXECUTIVE SUMMARY

Support Services to Policing in West Mercia can be made both more effective and more efficient than they are currently, but to do so will require investment. A detailed design and business case has been produced setting out how this can be achieved.

Whilst it is recognised that the cost of implementation of a model standing alone from Warwickshire may be higher, and savings may be less compared to within a collaboration, the imperative to prepare for new arrangements, realise savings and improve Support Services means that pursuing a stand-alone option still provides significantly better value for money than not acting. The proposal can be adapted to a collaborative model should Warwickshire subsequently choose to join.

PROPOSAL

1. Funding for the Services to Policing project has been included in the 2018/19 and 2019/20 revenue budgets and the Medium Term Financial Plan on the assumption that West Mercia will meet 69% of the costs. Requests for additional further funding (above existing budgetary provision) will be considered for each phase individually and are dependent on satisfactory progress being made.
2. Additional funding of £153,100 from the Infrastructure Reserve be approved to meet the costs of the Shadow Director and Heads of Service from May to October 2019 to ensure the successful transition to and establishment of new arrangements.
3. Detailed business cases should be prepared and a comprehensive review of future costs and funding be undertaken during the initiation phase.

It should be noted that the changes to the Services to Policing model are to be implemented in such a way that Warwickshire will be able to join in these arrangements should they subsequently decide to do so.

**APPROVAL OF
West Mercia Police and Crime Commissioner**

Signed



PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

SUPPORTING REPORT

1. Background

- 1.1 In 2017 West Mercia and Warwickshire committed to preparing a business case for the redesign of the support services (Services to Policing). The aim was to improve both effectiveness and efficiency of supporting services' practices that had not been reviewed holistically since the creation of the alliance in 2012.
- 1.2 The business case was presented in September 2018 setting out how £26.9m could be saved by West Mercia over 5 years (with a commensurate proportion for Warwickshire), whilst creating "A leading professional, responsive and business-focused supporting service, making it easier for our officers and staff to do their jobs". Warwickshire declined to support the business case at that stage. Following the serving of notice to end the current collaboration arrangements, Warwickshire again did not agree to the proposals when it was formally offered as a new collaboration under revised governance arrangements.

2. Design

- 2.1 The supporting services design is based on a detailed analysis of how services are provided at present, and how that service can be improved and costs reduced. The design is based on specifying each service through Standard Operating Procedures, and the quantity of service provided through a Service Level Agreement. Applying this approach, and aligning accounting procedures to show where cost occurs, will allow a clear view of the cost of services. This in turn will allow determination, with much greater accuracy, of whether the service provision meets needs and resources. The detailed design is set out in the accompanying Part 2 reports.

3. Implementation

- 3.1 Preparations can be made under the current collaboration arrangements for stand-alone Services to Policing for West Mercia. This will deliver the improvements in efficiency and effectiveness for West Mercia only, following Warwickshire's decision not to pursue this at this time. Preparations will be undertaken in such a way that Warwickshire will be able to join in these arrangements should they subsequently decide to do so.
- 3.2 Whilst it is recognised that the cost of implementation of a stand-alone model may be higher, and savings may be less standing alone compared to within a collaboration, the imperative to prepare for new arrangements, realise savings and improve Services to Policing means that pursuing a stand-alone option still provides significantly better value for money than not acting.

FINANCIAL COMMENTS

- 4.1 The September 2018 business case offered annual revenue saving of £13.32m, delivered over 4 years to FY 22/23, rising to £13.57m over 5 years to FY 23/24 for both forces. This was set against the original £7m revenue target set in Nov 17, and agreed in Apr 18 to be in the £6m-12m range. The West Mercia share of this saving (69%) would have been £9.76m to FY 22/23 and £9.95m to FY 23/24. The cumulative benefit for both forces amounted to £51.8m, and a net cumulative benefit of £35.7m over 5 years to FY 23/24. The West Mercia proportion of these figures would have been £38.06 gross and £26.93m net cumulative benefits.
- 4.2 The Stand Alone option for West Mercia will still produce £9.73m revenue savings to FY 22/23 and £9.94m to FY 23/24, and whilst less than the original collaborative proposal, is a higher figure than the original target for both forces.
- 4.3 The proposal requires investment of £0.73m in 2018-19; £4.49m in 2019-20 and £0.2m in 2020-21. This totals £5.42m over the three years.
- 4.4 The Services to Policing Programme will be undertaken in phases with a Gateway Review at the completion of each phase. Funding will be agreed individually for each phase with funding for the next phase being agreed on satisfactory progress being made at the end of the previous phase. There are seven phases in total with the programme beginning in February 2019 and ending in December 2020. Further work is needed to identify the performance and progress required at the end of each phase. The first phase begins in February 2019 and ends in May 2019.
- 4.5 It should be noted that funding for West Mercia's contribution to the costs of the Services to Policing project has already been included in the 2019/20 budget and this proposal identifies the additional costs of a standalone Service.
- 4.6 This proposal incorporates several projects. These include:
- Estates (Transactional Service Centre)
 - IT Portal for Transactional Services
 - Upgrade to Financial Systems
- These projects will be commenced during the first phase. Each of these projects will be subject to a further detailed Business Case. These Business Cases will clearly identify the revenue and capital costs of each project and the proposed funding arrangements. The PCC will consider these business cases before further approval is given to progress and fund these schemes.
- 4.7 This proposal includes the establishment of the posts of Shadow Director and Heads of Service. It is proposed that these posts be established from May 2019 prior to the termination of the Alliance. During May to September 2019 the post holders will undertake the preparatory work necessary to ensure the successful establishment of the support services for West Mercia and the transition from existing arrangements. The costs of these posts from May to

October are estimated at £153,100. Thereafter they will be funded from base budgets. These costs will be funded from the Infrastructure Reserve.

4.8 During the first phase, costs have been and will continue to be incurred, not least on the internal staff and external consultants currently engaged on the Services to Policing Programme. The total cost of these activities throughout the Services to Policing Programme may need to be borne in its entirety by West Mercia, unless a contribution is agreed with one or more partners. The 2018/19 and 2019/20 revenue budgets currently contain a provision for 69% of these costs. In 2018/19 the additional costs (31%) will be funded from underspends in the 2018/19 Force budget. In 2019/20 the current revenue budgets will be re-profiled should no contributions be available in the short term. Given the uncertainties and risks a comprehensive review of all revenue and capital budgets and costs supporting the Transformation Programme will be undertaken during April and May. It should be noted that additional funding may be required during the later stages of the Services to Policing Programme. The Transformation Director and Chief Finance Officer are currently reviewing the programmes and their budget monitoring and reporting arrangements.

LEGAL CONSIDERATIONS

By virtue of schedule 11, paragraph 14 of the Police Reform and Social Responsibility Act 2011 the Police and Crime Commissioner may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner. That includes: entering into contracts and other agreements (whether legally binding or not) and acquiring and disposing of property (including land).

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Police and Crime Commissioner's website. Any facts and advice that should not be made automatically available on request are not included in Part 1 but instead in the separate Part 2 reports.

OFFICER APPROVAL

Chief Executive Officer

Signature A. Dy. Chapman Date 1st April 2019

