



TITLE: ESTATE MANAGEMENT ARRANGEMENTS

Ref: PCC/D/2019/35

EXECUTIVE SUMMARY

Current estate management arrangements have not produced the desired outcomes and driven value from the policing estate, nor at the pace required. Despite investment in 2017, strategic estates management still needs to be more focused and driven harder in order to drive benefits out of the extensive estate owned by the Police and Crime Commissioner.

A variety of factors are identified as contributing to this, within both the Office of the Police and Crime Commissioner and the Force. Some of these relate to insufficient clarity of roles and governance arrangements.

A review and consequent re-design of the intelligent client and estates provider contract management capability has been undertaken and recommendations made for improvement.

PROPOSAL

The intelligent client function is altered, keeping the strategic asset management function under the direction of the Chief Executive on behalf of the Police and Crime Commissioner, and moving the contract relationship management function from the Chief Constable to the direction of the Chief Executive combining the two functions into one.

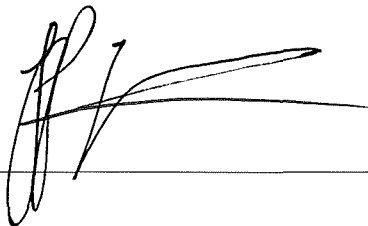
The function should consist of the Contract Relationship Manager post; a Strategic Asset Manager and a coordinating project manager/administrator. This latter post should be created on an interim basis to allow time to assess requirements.

The Strategic Estates Manager and coordinator posts should continue to be funded from savings within the estates revenue costs, supported in the interim from reserves, until they are built into the base budget for the Police and Crime Commissioner. The funding for the Contract Relationship Manager should be transferred from the Chief Constable to the Police and Crime Commissioner.

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

I hereby approve the above proposal.

Signed

A handwritten signature in black ink, consisting of a large, stylized initial 'P' followed by a series of horizontal strokes that trail off to the right.

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

SUPPORTING REPORT

1 Background

Intelligent Client Functionality

- 1.1. All police estate is owned by the Police and Crime Commissioner (PCC).
- 1.2. The police are the users of that estate, and whilst they clearly need to set the operational requirement, they are prohibited by law from providing that estate themselves
- 1.3. To be an effective client, and therefore get from its provider what it needs, policing must:
 - 1.3.1. have clarity of purpose,
 - 1.3.2. have a clear sense of what is realistic,
 - 1.3.3. know when to take advice,
 - 1.3.4. work in tandem with the provider, as a team,
 - 1.3.5. have clear channels of communication,
 - 1.3.6. be responsive to the provider, thereby setting expectations for responsiveness from them,
 - 1.3.7. appreciate good work and service, and demonstrate that appreciation, and
 - 1.3.8. hold the provider to account.
- 1.4. Since Place Partnership took over management of the police estate, a Contract Relationship Manager has been engaged within the Police Business Support central team to address facilities management issues. Currently their role deals with contract management, not larger individual projects. Local business support managers deal with Place Partnership regarding on-the-ground facilities management.
- 1.5. In 2017 a Strategic Estates Manager was engaged by the PCC to coordinate strategic estates projects on behalf of policing. In an attempt to improve the effectiveness of the strategic estates function, a project manager has been seconded from Place Partnership since January 2019.
- 1.6. The disconnect between these two parts of the intelligent client function, coupled with failures in organisation, has not delivered the features outlined above. The provider is not effectively held to account, success is not acknowledged, communication channels are not clear and the clarity of purpose that exists has not been translated into successful action.

Internal Governance of estates matters

- 1.7. Because the estate is owned by the PCC, the funds and decisions relating to spend on buildings is the prerogative of the PCC.

- 1 8 The lack of clarity regarding the coordination of activity contributes to the current problem. On occasion the police appear uncertain as to whether or not they can make a decision concerning any estates issue. Similarly, Place Partnership sometimes take instructions from someone other than the Strategic Asset Manager and Contract Relationship Manager. The intelligent client function needs to own the responsibility for the whole of estates management, leading on estates matters for the PCC as the owner of the estate and hence policing in West Mercia. It is sometimes unclear where some requests or proposals should go to for consideration – those that are borderline between facilities management and strategic asset management, and therefore Police or PCC.
- 1 9 In addition, whilst the line management of the Contract Relationship Manager is clear, the strategic leadership of that individual is not, with no senior leader giving direction. This has created significant difficulties.
- 1.10 Oversight and governance of such decisions can be achieved more simply and cost-effectively, providing the right structure and people are involved in communications.

Summary of issues

- 1.11 The issues to be addressed can therefore be summarised as comprising:
- 1.11.1 Inadequate integration, coordination and use of the intelligent client functionality
 - 1.11.2. Inadequate internal leadership and governance
- 1.12. These issues are inextricably linked and will be dealt with together rather than separately.

2 Proposed Approach

- 2 1 The approach to the management and governance of the policing estate must be grounded in the PCC's Police and Crime Plans and the Chief Constable's vision for policing. These in turn determine the estate assets required.
- 2.2 Knowledge and understanding of the condition, costs and investment needs of the current estate, and clarity of the capital and investment programme also influence the approach to management and governance of the policing estate.
- 2 3 These strategies, principles, objectives and information have been used to develop an overarching Estates Delivery Plan. From this, an estates strategy covering the approach to projects, acquisitions and disposals has been developed and commenced implementation, enabling coordination and governance of change across the policing estate.
- 2 4. Delivery is through providers, currently Place Partnership Ltd, supported by consultants. Such consultants can be instructed directly on behalf of the PCC but are normally engaged by Place Partnership.

2.5. Alongside implementation of the Estates Strategy the intelligent client function, using the Estates Delivery Plan, oversees facilities management of the policing estate, ensuring that facilities management runs effectively and efficiently.

2.6 Whilst this is the theoretical overall approach now, the current split of the intelligent client function between the PCC and Chief Constable is leading to the difficulties outlined above and therefore needs reviewing. In addition, the separation of West Mercia Police from the alliance with Warwickshire Police and the conjoined governance and capability that will cease in October 2019 requires a review of the intelligent client function for West Mercia.

2.7. Both aspects of an intelligent client function – the Strategic Estates Manager and Contract Relationship manager – need timely and adequate policing, financial, procurement, legal and IT advice. Both have to know what the user/tenant actually needs. Significant support from these functions may be needed for individual projects and for the programme as a whole. Additional capacity, resources and investment may be required either on a fixed term or permanent basis. This could be provided either in house (by the Force or OPCC) or through the engagement of external advisors/consultants. This will be assessed once the detailed Estates Programme is known and will be kept under review.

3 Strategic Case

3.1 The Intelligent Client function is required whoever the service provider is and whatever the nature of their contract.

3.2. Strategic estates management needs to be more focused and driven harder in order to drive benefits out of the extensive estate owned by the PCC. A more focused capability, independent of both the provider (Place Partnership) and the user (the Police) is more likely to drive out benefits and maximise the value of the estate. The stronger this capability, the more resource will be required.

3.3. To be an effective client, and therefore get from its provider what it needs, policing must.

3.3.1. have clarity of purpose,

3.3.2 have a clear sense of what is realistic,

3.3.3 know when to take advice,

3.3.4. work in tandem with the provider, as a team,

3.3.5. have clear channels of communication,

3.3.6. be responsive to the provider, thereby setting expectations for responsiveness from them,

3.3.7. appreciate good work and service, and demonstrate that appreciation, and

3.3.8 hold the provider to account

3.4. Since Place Partnership took over management of the police estate, a Contract Relationship Manager has been engaged within the Police Business Support central team to address facilities management issues. Currently their

role deals with contract management, not larger individual projects. Local business support managers deal with Place Partnership regarding on-the-ground facilities management

3.5 In 2017 a Strategic Estates Manager was engaged by the PCC to coordinate strategic estates projects on behalf of policing. The disconnect between these two parts of the intelligent client function, coupled with failures in organisation, has not delivered the features outlined above.

3.6 The in-house capacity and capability to deal with estates project management needs to be aligned with the facilities management capability. This will better coordinate activity, reduce duplication, miscommunication and improve outcomes. The features of an effective intelligent client function need to be more fully developed. To achieve this a clear, distinct intelligent client function, with clearly defined leadership, capability, authority and capacity must be created.

4 Management case

4.1 The issues with the current governance of police estates management are set out in section 2.

4.2. Decision making can be simplified by the PCC acting as a landlord, and the Police acting as a tenant, with Place Partnership acting as the service provider.

4.3 A clear decision route through the intelligent client function to the PCC would make it obvious what can be decided when and by whom. Clear delegations to the intelligent client function would enable more effective day-to-day management of the estate. It would also provide a clearer relationship for the provider, enabling more effective contract management for both sides.

4.4. The strategic asset management aspect of the intelligent client function requires regular access to the PCC. The vast majority of the decisions they will deal with will be politically sensitive or will require a capital investment. Therefore the decision-maker will be the PCC. This approach will enable easier escalation and resolution of issues, and therefore be more effective and efficient.

4.5 The PCC is better placed to co-commission with partners, negotiate or arrange for more co-location of partnership functions, both within and outside the policing estate.

4.6 Line management of this function is possible within the police. However this would not enable the police to concentrate on operational requirements. Nor would it enable the PCC to act as the landlord and set the strategic direction for the estate they own. It would also separate this function from the PCC, inhibiting efficiency and effectiveness.

4.7 The contract relationship management function does not require such close access to the PCC. The function is more closely related to the day-to-day

running of policing. They may therefore be managed within the police, more so than the strategic asset management function. This would avoid the PCC being involved in day-to-day operational matters, and inadvertently being drawn into an emergency response which required the urgent repair of police premises. This is the current situation, which has not proved effective. The line management of the functions is split and conflicting direction can be given regarding a single property. This approach has not enabled clear communication, information sharing and joint planning between the two halves of the function, and has therefore inhibited effectiveness and efficiency.

4.8 The recommended approach is best placed to realise the desired benefits of clear lines of responsibility and accountability resulting in faster and more effective implementation of the Delivery Plan.

4.9 The recommended option will require:

4.9.1. the recruitment of a new Strategic Estates Manager to lead the function and drive the Delivery Plan,

4.9.2. retention of the seconded project manager whilst the support requirement is assessed, and

4.9.3. transfer of the Contract Relationship Manager from the employ of the Chief Constable to the Police and Crime Commissioner. No change to the Job Description beyond a change in line management is proposed, and the terms and conditions would be the same. Consequently, whilst the post-holder would have to go through TUPE and Management of Change processes, no additional dis-benefits have been identified.

5 Financial case

5.1. The improvements to the intelligent client functionality are needed irrespective of whether this function sits within the Police or transfers to the PCC. Either way the costs would remain broadly similar. The economic benefits of moving the estates function to the PCC arise from more efficient and directed strategic planning and implementation of projects, as set out above.

5.2. The proposed impact on overall budgets is not significant. The proposal's overall cost envelope increases by only 31% of the Contract Relationship Manager post when compared with current total cost. This is because that post is currently shared across West Mercia and Warwickshire and in future will be dedicated to West Mercia only. There is sufficient work across the West Mercia Estate to justify this increase, and the current capacity for the 2 forces is not sufficient given that volume of work.

6 Economic case

6.1 Spend on Estates falls into three broad categories.

- Capital-funded new projects
- Revenue-sourced fees to Place Partnership for ongoing maintenance
- Internal Intelligent Client function costs

- 6.2. Spending on capital projects is significant, and is set out within the Capital Program. There is potential that if that capital is not spent on time and in accordance with plans then money and other services are put at risk and delayed.
- 6.3. An effective and efficient intelligent client function, released from internal restrictions within the Police and frictions across policing, should provide a more economical approach than the current arrangement.

7 Commercial case

- 7.1. As stated above, moving the intelligent client function wholly to the PCC should release restrictions and reduce frictions created by the current arrangements.
- 7.2. Placing the policing estates function under the PCC would provide greater clarity about who is responsible for the estate, its planning and upkeep.
- 7.3. Better value for money should be obtained from the policing estate. As stated above, currently its use is not as efficient or effective as it could be and greater value could be obtained for the public by more quickly dealing with estate issues and opportunities as they arise.
- 7.4. It is also anticipated that improved working environments for officers and staff would better demonstrate that they are valued, increase job satisfaction and subsequently encourage increased productivity.
- 7.5. Indicators of success would include:
- 7.5.1. more timely identification and resolution of estates issues,
 - 7.5.2. greater clarity and more timely provision of estates information,
 - 7.5.3. increased customer satisfaction with Place Partnership through clearer instruction and contract management;
 - 7.5.4. increased savings and more efficient use of estate
 - 7.5.5. better working environments for officers and staff

FINANCIAL COMMENTS

The Strategic Estates Manager and coordinator posts should continue to be funded from savings within the estates revenue costs, supported in the interim from reserves, until they are built into the base budget for the Police and Crime Commissioner. The funding for the Contract Relationship Manager should be transferred from the Chief Constable to the Police and Crime Commissioner. That post is currently shared across West Mercia and Warwickshire and under these proposals will be dedicated to West Mercia full time. Consequently the proposal requires an increase in funding of 31% of the Contract Relationship Manager post cost.

This approach leads to a small overall change in cost but with the predicted benefits identified.

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 report

OFFICER APPROVAL

Chief Executive Officer

Signature *Asse Chappard* Date 9th October 2019