

RECORD OF DECISION

TITLE: Ending of the Strategic Alliance with Warwickshire Police

Ref: PCC/D/2020/08

EXECUTIVE SUMMARY

West Mercia Police, West Mercia Police and Crime Commissioner (PCC), Warwickshire Police and Warwickshire PCC entered a Strategic Policing Alliance in 2012 with the clear intent to enhance the efficiency and effectiveness of policing for the benefit of both force areas. It became increasingly apparent that the structure of governance prescribed within the strategic alliance collaboration agreement was preventing the maximisation of effectiveness, efficiency and benefit realisation, rather than enabling it. These issues manifested in a number of areas within West Mercia Police, limiting the quality of day-to-day services to local communities. The funding of the strategic alliance failed to be reviewed to ensure it was fair and equitable. Analysis showed that the communities of West Mercia were being disadvantaged by the failure to update the funding arrangements.

The PCC has statutory obligations regarding securing police effectiveness and efficiency and keeping collaborations under review. Successive attempts were made to reform the alliance arrangement with Warwickshire over a prolonged period of time, however improvements were not possible to the level required. Consequently in October 2018 12 months' notice of West Mercia's withdrawal from the strategic alliance with Warwickshire was served by the PCC and Chief Constable for West Mercia (Decision Notice 2018/26) in accordance with that agreement, and new, more equitable collaborations were sought with Warwickshire, with effective governance arrangements, in order to improve effectiveness and efficiency.

By the end of the 12 month notice period revised arrangements had not been agreed with Warwickshire and at Warwickshire's request the Home Secretary mandated a further 6 months extension of the strategic alliance collaboration to ensure public safety in Warwickshire was not put at risk. The Home Secretary also appointed a team of independent assessors to advise both parties on further collaboration and agreeing reasonable termination costs.

Following the engagement of the independent team, agreement has now been reached on new collaborative arrangements for four areas, with new governance and funding mechanisms. New Collaboration Agreements have been negotiated, with clear service level agreements and clear governance arrangements.

West Mercia are liable for the reasonable costs of implementing the exit strategy from the strategic alliance collaboration agreement. West Mercia have now

negotiated and agreed with the support of the independent team a full and final settlement with Warwickshire. The sum agreed represents a fair and proportionate financial settlement to discharge any potential liability West Mercia has in relation to the end of the strategic alliance. It has been negotiated that the sum would be paid over 16 months from the date the agreement is signed. The total is within the range estimated at the time of serving notice. The pay-back period for recovering those costs is 18 months, and they can be funded from reserves and efficiencies.

PROPOSAL

That the PCC approves collaborations with Warwickshire in the following terms:

1. That West Mercia Police hosts forensics and transactional services for an 18 month period; and file storage services (ongoing) for Warwickshire.
2. That ICT services are shared with Warwickshire for a maximum of 18 months whilst the two forces stabilise and develop more resilient ICT systems. This will also allow Warwickshire to fully transition to new arrangements. After the 18 month period any remaining shared ICT services shall be hosted by West Mercia.
3. That West Mercia agrees to pay Warwickshire £10.5m over a period of 16 months from the date of the agreement as full and final settlement for all liabilities arising from the implementation of the agreed exit strategy.
4. That the costs of implementing the exit strategy from the strategic alliance collaboration are funded from reserves in the short term, and from efficiencies in the medium term.

APPROVAL OF West Mercia Police and Crime Commissioner

I hereby approve the above proposal.

Signed



PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

SUPPORTING REPORT

The strategic alliance between West Mercia Police and Warwickshire Police had initially delivered benefits for both forces. However, the structure of governance prescribed within the collaboration agreement was preventing the further development of effectiveness, efficiency and benefit realisation, rather than enabling it.

The alliance had ceased to realise the further improvements in effectiveness and efficiency that have been identified. In many aspects the collaboration was no longer providing value for money. These issues manifested in a number of areas within West Mercia Police, including:

- OCC performance
- Public contact
- Criminal Justice performance
- Serious and Organised Crime performance
- HR
- IT
- Corporate Communications
- ASI

The relationship resulted in one Chief Constable having the ability to effectively countermand the lawful direction and control of the other, whether unintentionally or not. Both areas were frustrated by singular or different approaches to what should be joint decisions and actions. This resulted in delay and inactivity while issues were resolved, with consequent reduced efficiency and effectiveness.

In addition, and as was reported to the Alliance Governance Group, there was concern that the alliance funding arrangements were not being kept up to date appropriately, or in line with service consumption, such that West Mercia was subsidising Warwickshire.

Attempts to resolve these issues within the existing alliance framework had taken place over the course of more than 12 months, however it did not prove possible to make sufficient progress to alleviate the issues caused.

Alternative models of collaboration were considered as a means of retaining the benefits realised by the current alliance arrangement, whilst fixing the issues that prevent full effectiveness and efficiency being realised. Warwickshire declined offers of alternative arrangements proposed by West Mercia, and revised arrangements were not put in place by the termination date of the notice period. Warwickshire notified the Home Secretary that public safety in Warwickshire would be put at risk if the collaboration were to end without alternative arrangements. Consequently the Home Secretary mandated a 6 months extension of the original collaboration agreement.

An independent team of experts arranged by the Home Office at the request of the two forces considered both the implementation costs and alternative arrangements and made clear recommendations regarding both. These recommendations have been generally accepted by both forces and Police and Crime Commissioners.

The independent report's recommendations included:

1. That West Mercia Police host forensics, transactional and file storage services for Warwickshire.
2. That ICT services are shared with Warwickshire for a maximum of 12 months whilst the two forces develop more resilient ICT systems, after which any remaining shared ICT services shall be hosted by West Mercia.

18 month collaborations were offered by West Mercia and accepted by Warwickshire following concerns about the certainty of Warwickshire no longer needing services provided from West Mercia within 12 months. The collaborations can cease earlier if required.

FINANCIAL COMMENTS

At the time of termination it was apparent that the inefficiencies within West Mercia that were resulting from the current alliance arrangement are at a significant cost to the public, even though the full costs of withdrawal were unknown at that time. Those costs have now been established as within the range estimated at the time of serving notice, and considerably less than that claimed by Warwickshire. Payment terms have been agreed with Warwickshire over 16 months, spread over two financial years, and they can be funded from reserves and from efficiencies in the medium term. Through the savings and removal of inefficiency and inequality of funding identified at the time of serving notice, those settlement costs will be recouped within 18 months.

LEGAL CONSIDERATIONS

The terms of the Strategic Alliance Collaboration Agreement stipulated that the party serving notice of termination is liable for reasonable costs of implementing an agreed exit strategy. Warwickshire are legally obliged to minimise these costs.

Sections 22A to 23A of the Police Act 1996 as amended require Chief Constables and Police and Crime Commissioners to keep under consideration whether collaborative arrangements may be in the interests of service effectiveness and efficiency. Potential opportunities must be presented to the other body, who have an obligation to consider them. Any collaboration arrangements require agreement and/or consultation between PCC and the Chief Officer of the respective force area. Such arrangements must be kept under review as to their ongoing effectiveness and efficiency.

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 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 a separate Part 2 report.

OFFICER APPROVAL

Chief Executive Officer

Signature *Andy Chapman* Date 30th March 2020