

**ORIGINATOR: CHIEF EXECUTIVE**

**DECISION NUMBER: 17 - 2014**

**REASON FOR SUBMISSION: FOR DECISION**

**SUBMITTED TO: POLICE AND CRIME COMMISSIONER**

**SUBJECT: BUSINESS CASES: CONTACT AND CONTROL ROOM AND  
SHARED SERVICES PARTNERSHIP**

**SUMMARY:**

1. At the Collaboration Panel on 30 April 2014 the Police and Crime Commissioner considered business cases upon a joint Contact and Control Room and Shared Services Partnership with his Norfolk counterpart and their respective Chief Constables and other Police and Crime Commissioner and Constabulary Officers.
2. This Decision paper provides the formal opportunity to give effect to the indication by the Police and Crime Commissioner at the meeting upon adoption of the business cases.

**RECOMMENDATION:**

1. It is recommended that the business cases are considered.

**DECISION BY: PCC**

The proposed collaboration with Norfolk in respect of the Contact and Control Room and the Shared Services Partnership is not agreed and no further action should be taken at this present time to collaborate on the provision of a joint Contact and Control Room at a single site and the creation of a shared service partnership.

Signature *Tim Pannone*

Date *22<sup>nd</sup> May 2014*

## 1. INTRODUCTION

- 1.1 On 27 February 2014 the Norfolk and Suffolk Collaboration Panel considered business cases for the development of a joint Norfolk and Suffolk Contact and Control Room and for a Shared Services Partnership. The papers for that meeting of the Collaboration Panel comprise documents considered in the public part of the agenda (Paper NS 14/3) and documents considered in the private part of the agenda (Papers NS 14/5 and NS 14/6). Consideration of the recommendations in relation to both business cases was deferred and in the meantime further information relating to them was requested.
- 1.2 On 30 April 2014 the Norfolk and Suffolk Collaboration Panel met again to consider the two business cases deferred from the February meeting. The documents considered comprised:
- . Paper NS14/14 by the Chief Constables of Norfolk and Suffolk – Summary Position of Contact and Control Room and Shared Services Partnership;
  - . Appendix A – Business Case for Joint Contact and Control Room and Switchboard;
  - . Appendix B – Shared Services Partnership Project Business Case;
  - . Appendix B1 – Shared Services Partnership Project Target Operating Model;
  - . Appendix C – Additional Information for a Joint Contact and Control Room and Switchboard;
  - . Appendix D – Additional Information to Support the Development of a Shared Services Partnership for Norfolk and Suffolk.
- 1.3 All of the documents set out at paragraph 1.2 above are available via the Police and Crime Commissioner's website through the link to the Collaboration Panel.
- 1.4 At the meeting on 30 April 2014 the Police and Crime Commissioner for Suffolk discussed the business cases with his counterpart from Norfolk and the two Chief Constables. As with the meeting on 27 February 2014 views were received from the audience upon the business cases before the detailed debate on the proposals. The minutes of the two meetings will constitute the formal records of what occurred at the Panel meetings. At the conclusion of the discussion and having heard the advice of the Chief Finance Officers, amongst others, the Police and Crime Commissioner for Suffolk advised he would not support progression of the business cases and that he would not agree to enter into collaboration with Norfolk in respect of the joint Contract and Control Room and Shared Services Partnership as set out in the business cases. The rationale is set out at paragraph 5.1 below. Whilst this indication was given at the meeting, this Decision Paper provides the formal opportunity for a decision to be made to that effect in respect of the two business cases.

## **2. LEGAL CONSIDERATIONS**

- 2.1 Under section 1(6) of the Police Reform and Social Responsibility Act 2011 ("the Act") the police and crime commissioner for a police area must secure the maintenance of a police force for that area that is efficient and effective.
- 2.2 The Policing Protocol Order 2011 makes it clear that a police and crime commissioner is responsible for the totality of policing within their force area and for maintaining an efficient and effective police force. A police and crime commissioner may enter into collaboration agreements that improve efficiency effectiveness (and with the agreement of their chief constable where the agreement relates to the functions of the police force). In order for collaboration between forces to go ahead, section 22A of the Police Act 1996 requires that the police and crime commissioner for each policing area must agree. If a police and crime commissioner does not agree, that commissioner's force area may not participate in the collaboration.
- 2.3 Under section 17(1) of the Act the police and crime commissioner for a police area must have regard to the views of people in the area about policing in carrying out their functions.

### **3. FINANCIAL CONSIDERATIONS**

- 3.1 Suffolk Police and Crime Commissioner's and Norfolk Police and Crime Commissioner's Medium Term Financial Plans (MTFP) 2014-15 to 2017-18 identified requirements to identify savings over the MTFP period of £16.4m for Suffolk and £20.3m for Norfolk respectively. The Suffolk MTFP includes a number of savings initiatives which have been developed in response to the Comprehensive Spending Reviews (CSR) 1 and 2, which confirmed further reductions in Home Office funding in future years.
- 3.2 Approval of the Chief Constables' recommendations to establish a joint Contact and Control Room at PHQ in Wymondham, and create a Shared Services Partnership in Suffolk, would result in recurring savings of £1.558m for Suffolk, comprising £632k for the Contact and Control Room and £926k for the Shared Services Partnership.
- 3.3 Approval of Option 2 for the Contact and Control Room (retaining the existing sites) would contribute recurring revenue savings of £100k for Suffolk, and implementation of the 'do minimum' for a Shared Services Partnership (implement Enterprise Resource Planning (ERP) as previously approved) will contribute recurring revenue savings for Suffolk of £725k.
- 3.4 A decision not to approve the business cases would result in further recurring savings of £733k having to be made in the latter part of the Suffolk Police and Crime Commissioner's medium term financial planning period.

#### **4. OTHER IMPLICATIONS AND RISKS**

- 4.1 At the meeting of the Collaboration Panel on 30 April 2014 the Police and Crime Commissioner's Chief Finance Officer gave advice to the meeting on behalf of the Chief Finance Officers of the two Police and Crime Commissioners and the two Chief Constables. He advised firstly that they had checked the financial aspects of the business cases and they were satisfied that they were sufficiently robust to satisfactorily assist in decision making. However secondly, there were further points they wished to comment upon in order to discharge their role as set out in the CIPFA statement on the role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (March, 2014) and the Financial Management Code of Practice published by the Home Office in October 2013. They had responsibility to ensure that they were able to provide unfettered strategic financial advice to the Police and Crime Commissioner and Chief Constable that there were appropriate financial systems in place and further that the joint financial department for both constabularies was adequately staffed, trained and resourced. They considered that there were a number of risks should the business cases be adopted, particularly with regard to the Shared Services Partnership. The implementation of the Enterprise Resource Planning (ERP) system would bring significant change and would transform the way services were delivered. Their conclusion was that ERP should be implemented as planned and embedded before further change was pursued. It was a step too far to introduce a Target Operating Model within a shared services partnership simultaneously with the ERP and that it would put at risk the key financial systems required for the functioning of the two Constabularies. For example if financial systems failed it could result in staff and creditors not being paid. Their concerted view therefore was that ERP should be put in place and then further opportunities for savings and efficiencies should be examined. With regard to the Contact and Control Room the concerns relating to the Shared Services Partnership would also apply in deciding to progress the business case. The timing, the impact upon the capacity and capability of the Constabularies to deliver the change, and the high level of risk needed to be taken into account.
- 4.2 The Police and Crime Commissioner's Risk Register dated 1 March 2014 is impacted upon at Risk No 1 where managing the additional demands of successfully identifying and delivering further cuts in expenditure would be challenging is identified as a risk relating to Strategic Financial Planning. The Action Plan still remained relevant, where amongst other things, the Police and Crime Commissioner will consider proposals to help address funding reductions through further collaboration with Norfolk and other initiatives at the Collaboration Panel. The Action Plan would require some modification in the light of the decision in respect of the two business cases.
- 4.3 In order to gauge opinion upon the proposals in the business cases the Police and Crime Commissioner had attempted to attract views by various means. As a result he had received views from the workforce via meetings and written communications. Views of external stakeholders and views through an on-line survey conducted via the website had also been obtained.



## **5. POLICE AND CRIME COMMISSIONER'S RATIONALE**

- 5.1 The Police and Crime Commissioner's rationale for his decision and given after considering the business cases, hearing the debate at the Collaboration Panel meeting on 30 April 2014, listening to the many and various views expressed to him and all the circumstances relating to the matter was to the following effect:

He would not be going ahead with the joint Contact and Control Room with Norfolk. It was without doubt the most significant decision that he had ever had to make, but he was absolutely sure that it was the right decision for Suffolk.

Policing is not just about finance. He was responsible for the totality of policing in Suffolk. He was presented with business cases to support the recommendation that the two control rooms be combined and that a shared service partnership be created. Whilst he appreciated the financial case may add up, he felt the risk was too great. Suffolk worked very closely with Norfolk and he applauded the successful collaboration that already existed between the two counties. Significant savings had already been achieved. He remained committed to collaboration, existing and new, with Norfolk, other PCCs and partners. The outcomes of the debate about the control room and the shared service partnership should not undermine this valuable work.

One of his key roles was to ensure an efficient and effective police force for Suffolk and a huge part of this is public confidence. If the public do not feel confident in the service they receive, no matter how efficient the Constabulary is not effective.

Over the past few months he has thought long and hard about the future of the Contact and Control Room and the development of a Shared Service Partnership. It has rarely been out of his thoughts. He has met with many partners, staff, officers and members of the public to gauge opinion.

In making his decision to keep the control room in Suffolk one of his main concerns related to the level of risk and the timing. His Chief Finance Officer (CFO) had spoken for the CFOs for both Constabularies and the Norfolk PCC, he had presented a compelling case against proceeding with the shared service partnership at this current time. The recommendation of the CFOs was to concentrate on delivering the benefits of Enterprise Resource Planning (ERP) over the next 18 months. The advice was that the risk was too great and it would be foolhardy for him to ignore such advice.

Various major transformational ICT based projects were currently being implemented, including ERP and STORM. ERP in particular will impact across human resources, payroll and financial services. It will present considerable opportunities to transform business and is expected to make significant savings. He felt that all efforts and resources should be focused upon ensuring successful implementation and that it is fully embedded. He was simply not convinced that the ICT capacity and capability would be able to deliver the magnitude of change that would be necessary for the Contact and

Control Room and Shared Services Partnership on top of ERP and our other projects. This had helped his decision making.

He firmly and truly believed that the Constabularies needed to take stock and put all their energies into making the current transformation projects work. ERP needed to be bedded in and it ascertained exactly what savings could be delivered first. ERP was as high a risk that he was prepared to take at this point. He believed that the capacity to deliver change programmes of such significant scale could not be diluted. STORM which was implemented in the Suffolk Control Room in November 2013 needed to be embedded. The roll-out of Athena is also expected; it is vital that these systems are working effectively before anything else is contemplated.

Ways needed to be found to help bridge the funding gap. He asked to see all the options and wanted to be absolutely sure that no stone was left unturned. Moving the Contact and Control Room had got to be the last resort. Having reflected at length, he was not convinced that point had been reached. If the Control Room is moved once it's gone it's gone.

Going forward, he wanted a cast iron assurance that every penny that could be saved within the Constabulary has been saved. All possibilities needed to be exhausted before he considered the Contact and Control Room again. Given that the introduction of ERP will impact across most of the Constabulary's back office functions the same reservations extended to the shared service partnership. He needed to see ERP fully embedded. Public confidence is paramount and he was not prepared to undermine this.

He was under no illusion. There will be difficult decisions ahead if savings are to be achieved and things will have to change. There was no choice – all areas of the police service in Suffolk will be affected but this is the price to be paid to retain the Contact and Control Room.

He was confident that the Chief Constable and he could now work together to identify every possible saving and to continue to deliver the best levels of services for the people of Suffolk.

<b>ORIGINATOR CHECKLIST (MUST BE COMPLETED)</b>	<b>PLEASE STATE 'YES' OR 'NO'</b>
Has legal advice been sought on this submission?	Yes – the originator is a Solicitor and The Monitoring Officer
Has the PCC's Chief Finance Officer been consulted?	Yes – their opinion is included within the paper
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Equality issues have been considered in the production of the business cases and papers for the Collaboration Panel meetings
Have human resource implications been considered?	Yes – ditto
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes
Has communications advice been sought on areas of likely media interest and how they might be managed?	Yes
In relation to the above, have all relevant issues been highlighted in the 'other implications and risks' section of the submission?	Yes

**APPROVAL TO SUBMIT TO THE DECISION-MAKER** (this approval is required only for submissions to the PCC).

**Chief Executive**

I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the (add decision-maker's title e.g. the PCC).

**Signature:**

**Date** 22 May 2014