



THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST: For PCC approval.

Title: Private Sector Contracted Services – Human Resources, Business Support, Finance, Estates, Learning & Development, Control Room and ICT – Decision on Option to Extend - PART A.

Executive Summary:

Sopra Steria provides Cleveland Police with a range of services including HR, Business Support, Finance, Estates, Learning and Development, Control Room and ICT. Staff in those services are employed by Sopra Steria under the terms of an outsourced contract, which commenced in 2010 and has a contract end date of 2020. Under the terms of the contract, the arrangement can be extended. If that is to happen, it must be decided upon by a date in 2018.

The Police & Crime Commissioner is the contracting body and it is therefore a matter for the PCC, in consultation with the Force, to determine whether to extend the contract at this stage.

The PCC has received a full and detailed proposal from Cleveland Police setting out the options that that Force consider appropriate for future service provision in respect of these functions. Based upon a full and detailed consideration of that proposal, the PCC has made the decision not to extend this contract past its planned end point in 2020.

The remaining contract time period will be known as 'due diligence'. This means we can assess how to collaborate, operate and perform more effectively in the future and plan our operational delivery when the contract comes to an end in 2020.

Significantly, this period of due diligence will examine how the services delivered by Sopra Steria can be returned and delivered 'in-house' by Cleveland Police. The Force's proposals are for the due diligence and business change process to be undertaken as a programme of work to be known as 'Project Fusion'. It is anticipated that the future service provision model will realise savings of c£8 million over the five year period 2020-2025.

The PCC is satisfied that the strategic partnership with Sopra Steria has succeeded in saving in the region of £70million over its contractual lifespan – and wishes to acknowledge the positive partnership with Sopra Steria, which reflected the Government's focus at its inception in 2010, introducing private sector service provision into public services. However, as an organisation Cleveland Police has evolved significantly since the decision was made to outsource services. Today, public policy and the PCC's Police & Crime Plan favour collaboration between Blue Light services wherever possible and the PCC agrees with the Chief Constable that there must be innovative solutions to make further savings and deliver the best possible policing service to the people of Cleveland.

The Force's Proposal documentation – entitled 'Make or Buy' – and the business case in respect of 'Project Fusion' form the background to this decision but are not being published at this time, on the basis that they contain information which is commercially sensitive (and therefore confidential) and which is subject to consultation in due course with employee representation. They are attached to Part B of this Decision Record and will be published once those two conditions are considered by the Chief Constable to have been discharged.

A full Communications Plan has been approved in conjunction with this Decision Record Form which will ensure that all stakeholders are kept fully informed as this decision is carried into effect and Project Fusion gets underway.

Decision:

1. That the proposal to decline the option to extend the strategic contract with Sopra Steria, be approved.
2. That the proposal for Project Fusion to undertake the subsequent process of due diligence and service transformation, be approved.
3. That the necessary communications be commenced in line with the Communications Plan.

OPCC Lead Officer: Simon Dennis & Michael Porter

Contractor Details (if applicable): Sopra Steria

Implications:

Has consideration been taken of the following:	Yes	No
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(If yes please provide further details below)

Decision Required – Supporting Information

Financial Implications: (Must include comments of the PCC's Chief Finance Officer where the decision has financial implications)

On behalf of the PCC I have scrutinised the financial proposals from the Force in terms of the proposed structures that the Force would seek implement, through project Fusion and the return of the services currently provided by Sopra Steria. I have also reviewed the areas where there are some unknowns to the Force to ensure that reasonable contingencies have been included. I am happy that the Force has a range of contingencies/estimates within their financial proposal, which they will need to firm up over the coming months as part of a due diligence piece of work to ensure that the services can be fully transitioned back to the Force and to be delivered from day 1 after transfer, that should be sufficient to support the services as they are currently being delivered.

I am therefore content that the proposals set out by the Force should save around £1.5m to £2.0m per annum on a recurring basis from 2021/22 providing that they are implemented in line with their current business case.

In the meantime however there will be additional costs that the Force will need to incur to ensure that appropriate plans are in place for the transfer to take place – these costs will need to be incorporated into the Long Term Financial Plan – the expected costs of this transition work in 2018/19 are expected to be absorbed within the current years' budget, however in 2019/20 additional funds of circa £500k are expected to be required over and above those already included within the current LTFP. During 2020/21 the services would transfer back on the 30th September 2020 (so at the mid-point of the financial year) and therefore the expected transition costs in this year are forecast to be covered by the part year savings and therefore there should be sufficient funds within the current LTFP to accommodate this.

It is important to recognise that the financial modelling of the services is subject to due diligence and therefore the actual costs will need to be kept under close scrutiny and the Force will need to report back on progress around this. It is also important to recognise that within the proposals from the Force that there are no proposals to significantly change the way the services are delivered.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

The supporting material provided to the PCC and the statutory officers by Cleveland Police, includes provision for specialist legal advice throughout the course of the process of due diligence and Project Fusion. The PCC places assurance on that being the case.

Having considered such material as has been provided at the time of being asked to express this view, the Chief Executive is satisfied that this Decision Record does not record a decision which would (or would be likely to) give rise to a contravention of the law.

Equality and Diversity Implications

There are no EDHR consequences arising directly from this decision. The specialist advice referred to above, will cater for compliance in respect of the process downstream of this decision.

Human Rights Implications

There are no EDHR consequences arising directly from this decision. The specialist advice referred to above, will cater for compliance in respect of the process downstream of this decision.

Sustainability Implications

None directly arise.


Risk Management Implications

The supporting material contains a thorough risk management analysis and plan, upon which the PCC places reliance.

OFFICER APPROVAL

Monitoring Officer

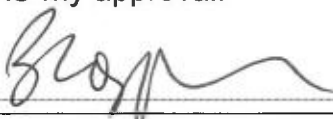
I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed 

Date 12 September 2018

Police and Crime Commissioner:

The above request HAS my approval.

Signed 

Date 12/9/18