



RESPONSE BY THE PCC TO HMIC INSPECTIONS OF CLEVELAND POLICE

INSPECTION DETAILS

Title of Inspection

Private Sector Partnering in the Police Service - A Practical Guide to Major Business Partnering, Custody Partnering and Consultancy Support

Date Inspection Published

July 2013

Type of Inspection:

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| <input type="checkbox"/> | Cleveland Specific | <input checked="" type="checkbox"/> | National |
| <input type="checkbox"/> | Follow Up | <input type="checkbox"/> | Thematic |
| <input checked="" type="checkbox"/> | Partner Inspection | | |

Is Cleveland Police quoted in the Report?

- Yes No

FORCE RESPONSE TO THE REPORT

Police forces in England and Wales have contracted with the private sector for several decades. However, this activity has increased over the last two years as the service responds to the budget reductions required by the 2010 spending review, with more forces agreeing high value, long-term contracts. Her Majesty's Inspectorate of Constabulary (HMIC) has reported on this increase in police/private sector partnering in three publications: Adapting to Austerity (2011), Increasing Efficiency in the Police Service (2012); and Adapting to Austerity: One Year On (2012). These found that:

- private/public partnerships can help forces develop new and more efficient approaches to providing services, but the service was not yet fully exploiting the benefits, and there are also associated risks (Increasing Efficiency in the Police Service); and
- there is a lack of good quality, comparative information on the potential benefits from different private or public sector collaborations (Adapting to Austerity).

As a result, HMIC identified a pressing need to share good quality, comparative information on the potential benefits of different private/public sector initiatives.

The National Audit Office (NAO) has produced numerous reports examining arrangements between the public and private sector in providing public services. These range from in-depth examinations of specific private finance initiative (PFI) contracts to wider reviews looking at thematic issues such as financing and tendering. The NAO also has a role in scrutinising the value for money of the grants that central government makes to the police service – for example, the NAO published a report looking at police procurement in March 2013.

This report described the various types of collaboration forces entered into, including with private sector providers, and made recommendations for how further savings could be achieved.

In summer 2012, the NAO and HMIC committed to working together to produce a practical guide on procuring and managing private sector partnerships. The guide is based on good practice and areas of learning identified in the police forces visited. It was informed by their wider expertise in policing, commissioning and private finance. HMIC & NAO reviewed a selection of private sector partnerships already in place in forces. They focused on three delivery models:

1. Major business partnering, where the force contracts a private sector partner to provide a significant area of policing (for example, by outsourcing business support services). These contracts are typically high value and medium term (up to ten years).
2. Custody partnering, where the force contracts a private sector partner to provide either services (for example, detainee management, catering and cleaning), buildings or both, including through PFI contracts. PFI contracts are typically long term (between 25 and 30 years).
3. Consultancy support, where forces purchase skills and expertise to help a transformation and can include contractually committed levels of savings. Contracts are short term (typically one to twelve months).

They chose these types of delivery models because they judged them to have high potential for the realisation of savings and supporting transformation. They also viewed them as the most likely arrangements to provide useful and transferable lessons for other stakeholders.

FORCE RESPONSE TO SUGGESTIONS FOR FURTHER ACTION

<i>Improving Private Sector Engagement</i>	
1	Improving supplier engagement could have several positive outcomes. We were told ideally that it would need to be coordinated by a lead party. However, it need not be overly directive or centralist and should involve forces, PCCs and private sector partners.
2	Improved engagement could achieve the following outcomes: <ul style="list-style-type: none"> ▪ Potential partners will better understand forces' and PCC requirements; and forces and PCCs will understand which commercial delivery models could be taken from private to public and what gains would be possible. ▪ Different commercial models could provide greater flexibility. For example, using shorter contracts with the latest approach to technology, such as cloud-based transaction pricing where users can access application software and databases by subscription or on a pay-per-use basis. Forces will need to weigh the implications of storing data on a cloud provider's server against reduced costs. ▪ Exploring issues that would build or maintain public confidence, such as how to maintain or improve transparency and accountability. ▪ Give tailored guidance and feedback from projects to enable PCCs and forces to identify and disseminate lessons learned.

3	The Cabinet Office is developing and is due to publish 'model contracts' for ICT services for the public sector. If adopted by the policing sector, these could provide a positive first step towards achieving some of these outcomes. This could include reducing duplication and improve forces' and PCC's ability to take advantage of pre-existing frameworks set up by other forces. They could help to standardise services and reduce procurement costs. However, where the anticipated complexity of providing some services is high, it may be necessary for a bespoke contract to be put in place.
<i>Building the Sector's Skills & Capabilities</i>	
4	Forces and private sector partners said they wanted to build on existing expertise and develop commercial leadership skills. This would help the policing sector to become a more 'intelligent client'. They said that the College of Policing could help the service to build skills, knowledge and expertise. The College may want to look to both the skills development and talent management of those with subject knowledge in these areas. It should develop the evidence base, effective practice, case studies and further guidance.
5	These suggestions could help build on existing knowledge and partnering activity and make improvements locally and nationally. Police leaders and PCCs will also need to show a willingness to share lessons across the sector. Together with a central coordination lead, this will help them both act as intelligent clients in a rapidly changing landscape.

The Force will consider the findings in the development of Orbis+ particularly when taking collaborative opportunities forward. Both Steria and Tascor are engaged in Orbis+.

Force Response Provided By: Deputy Chief Constable Iain Spittal

PCC RESPONSE TO INSPECTION

Comment by the PCC:

Cleveland Police has been involved in private sector partnerships since 2005, with private finance initiative (PFI) contracts (who built and run a small number of operational and police training buildings and provide custody and bail management) and the outsourcing of many business and police support services.

Through dedicated and regular scrutiny of contracts, including challenging adherence to contract conditions and key performance indicator measures by the PCC and Force, coupled with continued partner communication and engagement, levels of expectation are consistently being met and if areas for improvement are highlighted, immediate corrective action is sought.

As indicated by the Deputy Chief Constable (in the Force's response to the suggestions for further action), the findings of the HMIC report will provide opportunities to further develop and strengthen our private partner business relationships in the years to come.

The PCC will monitor the implementation of recommendations via quarterly updates of the Risk, Audit & Inspection Monitoring Board.