

PFCC Decision Report

Please ensure all sections below are completed

<p>Report reference number: 010/2019</p> <p>Classification Not protectively marked</p>
<p>Title of report: Single 7 Force Procurement Function</p>
<p>Area of county / stakeholders affected: Whole of Essex plus six other regions within the 7 Force collaboration (Kent, Bedfordshire, Norfolk, Cambridgeshire, Hertfordshire and Suffolk)</p>
<p>Report by: Pippa Brent-Isherwood (Chief Executive and Monitoring Officer)</p> <p>Date of report: 28 January 2019</p> <p>Enquiries to: Pippa Brent-Isherwood (Chief Executive and Monitoring Officer) or Abbey Gough (Interim Deputy Section 151 Officer)</p>

1. Purpose of the report

This report summarises the rationale, approach and timescales for the development and implementation of a single 7 force procurement function and the associated legal framework and governance arrangements.

2. Recommendations

That, along with the six other Commissioners within the 7 Force Strategic Alliance, the Police, Fire and Crime Commissioner for Essex signs up to the Section 22 Agreement (Section 22a) attached at Appendix 1, in order to establish a single 7 force procurement function.

3. Benefits of the proposal

There is a clear drive nationally from the Policing Minister for further collaboration in policing procurement functions with the direction that future funding for policing will be dependent on growth in collaboration, with specific reference to the procurement function. This therefore links the ability of PCCs and PFCCs to consider precept amendments with the need to deliver clear and substantial progress on productivity and efficiency.

A key aspect of the new procurement function is a focus on a more commercial approach to delivery, operational efficiency and greater standardisation and interoperability across the 7 forces. A single function will enable the capture of common business requirements from across the 7 forces, allowing for a strategic overview of common procurement opportunities. This will reduce the level of duplicated effort and ensure opportunities to procure together are maximised. This in turn will ensure benefits relating to economies of scale, joint contracting, procurement of single products rather than multiple variations, and increased efficiencies regarding contract management where appropriate.

As a single 7 force procurement function under one leadership and governance structure (rather than the current three), it will be better placed than the current arrangements to enable and maximise savings, both now and in the future, that can be targeted through strategic and contractual harmonisation, exploiting synergy and aggregation of expenditure for goods and services across core services to the benefit of all the partners in the group.

4. Background and proposal

Under existing arrangements, each of the three preferred partnerships within the 7 Force Alliance (Bedfordshire, Cambridgeshire and Hertfordshire; Kent and Essex; Norfolk and Suffolk) deliver procurement through collaborated units. Within these preferred partnerships, duplication has been addressed, standardisation has begun across shared services, and expenditure on goods and services has been aggregated, demonstrating that successful police service delivery, at reduced cost across traditional boundaries, can be delivered effectively and efficiently.

The 7 Force Strategic Collaboration Programme, commissioned by the 7 Force Alliance, identified procurement as an area of business where the potential for enhanced collaboration across the 7 force footprint is clear. There is a national mandate, delivered from Government to forces, to seek “a broad and deep” collaboration in police procurement and recognition by the 7 forces that wider benefits may be achieved through a more joined up approach to procurement.

In July 2016, the 7 Force Alliance Summit approved a two-stage process to create a single procurement function. This included the initial appointment of a 7 Force Head of Strategic Procurement completed in March 2017, and subsequent development of an option for a single structural collaboration of the wider procurement function. In July 2018, the 7 Force Alliance Summit approved a proposal for a 7 Force Single Procurement Function.

Section 22 Agreement

Historically, a shared vision and informal memorandum of understanding has allowed the 7 forces to achieve joint goals and objectives (i.e. procurement of Athena, Translation Services, Forensic Science etc.). However, in order for the 7 Force Procurement Function to be more effective and to ensure sustainability and longer term confidence in the delivery of a robust approach to joint procurement, formal governance arrangements in the form of a Section 22 Agreement (Section 22a) have been developed.

The content of the S22a has been agreed in principle by the Chief Executives and Chief Finance Officers of the local policing bodies as well as the Chief Constables and Chief Finance Officers of the 7 Forces.

5. Alternative options considered and rejected

The only alternative option available to the proposal is for Essex to revert to a single force procurement function. The option to remain within a collaborated procurement function with Kent only is not available, as confirmation has been received that Kent has signed up to being part of the single 7 Force procurement function going forward.

Reversion to a single force procurement function is not recommended, as this would run counter to the national drive for greater collaboration across police forces and policing bodies, particularly with regard to procurement, which in turn may negatively impact the Commissioner's ability to exercise flexibility as regards the policing precept going forward. Reversion to a single force procurement function would also result in duplicated effort and mitigate against Essex being in a position to benefit from economies of scale, joint contracting and standardisation of products across forces where appropriate. This in turn would leave Essex poorly placed to realise savings through procurement, both now and in the future.

It is also important to note that, if it appears to the Secretary of State that any police functions can more efficiently or effectively be discharged by two or more police forces acting jointly, or that any premises, equipment or other materials or facilities can with advantage be provided jointly for two or more police forces, s/he may, after considering any representations made by the parties concerned, direct those parties to enter into a collaboration agreement under those provisions as may be specified in the direction.

6. Police and Crime Plan

The governance arrangements enable and support PCCs / PFCCs and CCs to continue to deliver their respective Police and Crime Plans and fulfil their local responsibilities.

This approach also aligns with both the Policing Vision 2025 and the National Commercial Board's proposal to create a future commercial operating model for policing.

7. Police operational implications

A detailed plan will be developed to support the new function transitioning into a business as usual steady state. This will be overseen by the Strategic Procurement Governance Board (as detailed in section 13 below).

8. Financial implications

The proposed arrangements for sharing the costs and savings associated with the proposed single 7 force procurement function are set out in section 17 of the Section 22a attached at Appendix 1.

The Section 22 Agreement attached at Appendix 1 also includes the Contract Standing Order schedule. It is important to note that individual forces will continue to be accountable for their own procurement spend. Importantly, OPCCs / OPFCCs will retain responsibility for the signing off of their own contracts (reserved matters). Up to a value

of £1m, the Lead Force OPCC / OPFCC will sign on behalf of all participating policing bodies in each respective contract. For contracts above £1m in value, all participating policing bodies will be required to complete under Seal.

9. Legal implications

Under the Police Act 1996 and the Policing and Crime Act 2017, Chief Constables and Commissioners may enter into collaboration agreements in respect of various functions. In reaching a conclusion about whether or not a collaboration agreement is, or would be, in the interests of efficiency or effectiveness of the Essex police force, the Commissioner must consider:

- existing collaboration agreements, and other arrangements for co-operation, to which Essex Police is already a party;
- the desirability of police forces taking a consistent approach in making such agreements, and
- the opportunities available to Essex Police and the other police forces within the 7 Force Strategic Alliance to make such agreements.

Collaboration agreements may be varied or determined by a subsequent agreement.

The work completed to achieve the Section 22a attached at Appendix 1 includes the development of a harmonised set of Financial Regulations, Schemes of Delegation and Consent and Contract Standing Orders (CSOs) and updated governance arrangements. This brings the function under a single governance structure, direction and control and provides the required legal framework for forces to collaborate.

10. Staffing implications

The associated proposals relating to staff and the establishment are set out in Section 20 of the Section 22a attached at Appendix 1.

The staff consultation period commenced on 5 December 2018 and ended on 16 January 2019. The principles applied to the change management approach seek to minimise the impact on existing staff, retain existing knowledge and experience and provide maximum opportunity. The consultation elicited extensive feedback on the proposals and management is now taking time to give due consideration to the comments and alternative proposals received. The indicative timescale for commencement of the single 7 Force Procurement Function is April 2019 however this is subject to the outcomes of the staff consultation.

11. Equality and Diversity implications

The associated staff consultation and restructuring process is being managed in accordance with the requirements set out within equality and diversity legislation, including the Equality Act 2010.

12. Risks

The liabilities associated with the proposal are set out in Section 15 of the Section 22a attached at Appendix 1.

The key risks of signing up to a single 7 force procurement function are either that the collaboration does not achieve the anticipated level of savings and efficiencies, and / or that collaborated processes result in the procurement of goods and services that are less fit for Essex's purposes than under the current arrangements. Monitoring of both these risks will be undertaken through the Strategic Procurement Governance Board (SPGB) (see section 13 below).

The risks associated with not signing up to a single 7 force procurement function – including the risk that the Secretary of State may direct the Commissioner and / or the Chief Constable to enter into either this or an alternative collaboration agreement – are set out in Section 5 above.

13. Governance Boards

A new Strategic Procurement Governance Board (SPGB) has been established. The Board is chaired by a nominated PCC / PFCC, and as a body it will set the strategic direction of the 7 Force Procurement Function on behalf of all OPCCs / OPFCCs and Chief Constables. Membership of the Board consists of a nominated Chief Executive of the OPCCs / OPFCCs and representatives of the Chief Constables of each force.

The Board is not a decision making group on behalf of the corporations sole. It provides oversight to ensure that the agreed process of the 7F Procurement Service is adhered to by all partner forces and holds the service and partners to account.

The 7 Force Strategic Procurement Governance Board reports into and takes direction from the 7 Force Alliance Summit.

14. Background papers

Appendix 1 - Police Force and Policing Body Collaborative Service Agreement for the Provision of a 7 Force Single Procurement Function

Report Approval

The report will be signed off by the OPFCC Chief Executive and Treasurer prior to review and sign off by the PFCC / DPFCC.

Chief Executive / M.O.

Sign: 

Print: P Grant-Sherwood

Date: 28 January 2019

Chief Finance Officer / Treasurer

Sign: 

Print: ABBEN S. GUN

Date: 28.1.01.2019

Publication

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

.....
.....

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet? YES
NO

2. Of Appendix? YES
NO

If 'YES', please provide details of required redaction:

.....
.....

Date redaction carried out:

Treasurer / Chief Executive Sign Off – for Redactions only

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

Sign:

Print:

Chief Executive/Treasurer

Decision and Final Sign Off

I agree the recommendations to this report:

Sign: 

Print: R. C. HIRST

PFCC/Deputy PFCC

Date signed: 28/1/19

I do not agree the recommendations to this report because:

.....
.....
.....

Sign:

Print:

PFCC/Deputy PFCC

Date signed:

