



**To:** Business Coordination Board

**From:** Chief Executive

**Date:** 19 July 2018

## **Bedfordshire, Cambridgeshire and Hertfordshire Collaboration**

### **1. Purpose**

1.1 The purpose of this report is to provide the Business Coordination Board (the “Board”) with an update to Collaboration activity between Bedfordshire, Cambridgeshire and Hertfordshire (BCH).

### **2. Recommendation**

2.1 The Board is recommended to note the contents of this report.

### **3. Executive summary**

3.1 Policing is getting more complex, more regulated, more specialised – this brings cost.

3.2 Cambridgeshire is not a big force (29/43 in net revenue expenditure) and also has the 2<sup>nd</sup> lowest expenditure per head of population – collaboration is essential to Cambridgeshire, the full range of policing functions could not be provided without collaboration.

3.3 Collaboration is an approach, not a series of individual decisions. Single units collaborated in isolation are not efficient. The greatest benefits come when there is synergy across multiple units between police forces.

3.4 It is useful to consider BCH collaboration in two phases, the first phase was largely operational – Joint Protective Services, Eastern Region Specialist Operations Unit, Professional Standards Department, Procurement. This was very successful in terms of the operational provision of specialist functions and also delivered £2.6m budget reductions to Cambridgeshire.

3.5 It was apparent to PCCs and Chief Constables, that without further collaboration of the “enabling functions” that support these units (HR, ICT etc), that there would be

structural inefficiencies within the first phase units and that there were also savings/benefits in further collaboration of the enabling functions themselves.

- 3.6 The second phase collaboration commenced in 2014 and was broadly for these “enabling functions” – HR and L&D, ICT, Information Management, Custody, Criminal Justice, Firearms Licensing, Public Contact. This would mean, for instance, that supervisors would no longer have to access multiple HR systems, staff would carry the same ICT equipment, CJ and custody processes would not be different dependent on which geographic location within BCH.
- 3.7 Whilst savings are not the only driver for collaboration, they are important. Recurrent savings for Cambridgeshire from collaboration is currently £6.151m, although this will increase, as implementation for some of the functions is not yet complete. Total cumulative savings since 2014/15 is £21.716m.
- 3.8 Nationally, policing is transforming and as part of the BCH Strategic Alliance, with the scale that the Alliance brings, Cambridgeshire are well positioned to ensure that the design of the national transformation meets the needs of people in Cambridgeshire.
- 3.9 Within the past two years there have been significant changes in both the management and the governance of collaboration with BCH, that is driving out further benefits. Policing is now a local, regional and national function, but critically the purpose of collaboration is to enable the continued effectiveness of local neighbourhood policing. The greater the benefits of collaboration, whether savings or operational effectiveness, the more effective local policing becomes. The PCC for Cambridgeshire is responsible for holding the Chief Constable to account for leading an efficient and effective police force, the role of the PCC in the approach to collaboration is critical to achieving this.

#### **4. Introduction**

- 4.1 Policing has a long history of collaboration, and it is important to understand the meaning of the term in the policing context. It is best considered as a continuum, with merely sharing good practice or the provision/receipt of Mutual Aid at the informal extreme, to the formal extreme whereby structural changes are undertaken, leading to a single force providing the service/function on behalf of all others. The National Police Air Service (NPAS) is an example of the latter which is a national collaborated function. There are a multitude of variations between these ends of the continuum. For the purposes of this report, the term “structural collaboration” is used to describe the formal arrangements in place between Cambridgeshire and the other forces mentioned. Structural collaboration in this context is where Cambridgeshire are part of a single shared function with other forces and to which resources are contributed proportionately (in most cases this is based upon the relative sizes of the forces concerned).
- 4.2 Historically, looser informal collaboration was the norm until around 10 years ago from which time there has been a significant uplift in the range of functions that have been structurally collaborated, the majority of which have been undertaken at a local level between two or three forces, although there are regional and national collaborations.

4.3 The Police Reform and Social Responsibility Act 2011 and the Policing Protocol Order 2011 lay out a number of duties of PCCs. The Policing Protocol states that PCCs “enter into collaboration agreements with other PCC’s, other policing bodies and partners that improve the efficiency or effectiveness of policing for one or more policing bodies or police forces<sup>1</sup>”. In addition, the Policing and Crime Act 2017 makes provision for collaboration between the emergency services.

There are a range of potential benefits from structural collaboration:

- Resilience – larger specialist teams have greater resilience.
  - The aggregation of demand across a number of forces smooths peaks and troughs of demand.
  - Returns on Investment improve as specialist assets can be “sweated” – this applies as much to equipment as it does to staff training. This also means that purchasing newer, more efficient, assets can be justified in terms of value for money, rather than the continued use of obsolete/inefficient assets.
  - Public Safety – some higher risk police tactics requiring significant training, but crucially also require operational deployments for the staff to be competent and safe in the use of the tactic, smaller forces lack the scale of demand for these specialist tactics to enable that to always happen.
  - Savings/Efficiency – reduced pro rata management on costs from single command/management teams; reduced estates costs; economies of scale; increased purchasing power etc.
- 4.4. Within Bedfordshire, Cambridgeshire and Hertfordshire (BCH) there are a number of longstanding (prior to 2014/15) structurally collaborated units within what has collectively been termed Joint Protective Services (JPS):
- Armed Policing Unit
  - Civil Contingencies Unit
  - Cameras, Tickets and Collisions
  - Dogs Unit
  - Major Crime Unit
  - Operational Planning and Support Unit
  - Roads Policing Unit
  - Scientific Services Unit.
- 4.5 BCH operate model whereby all three forces contribute staff and other resources to a single shared function with shared strategic oversight and day to day leadership of that function is assigned to one of the three forces. The “lead force” for JPS is Bedfordshire. At the time of collaborating the JPS functions, the Professional Standards Department and Procurement were also collaborated within BCH.

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<sup>1</sup> Policing Protocol Order 2011 Sec 17 (h)  
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- 4.6 In addition to the specific BCH functions detailed above, the Eastern Region Specialist Operations Unit (ERSOU) was also established involving, at the time, BCH, Norfolk, Suffolk and some aspects included Essex and more recently Kent. ERSOU is the unit tasked with tackling the threat of organised crime across the Eastern Region and to provide specialist covert policing capability to law enforcement. Much of the unit's work is made up of a number of highly specialised teams working closely together and has embedded partners from Her Majesty's Revenue and Customs, UK Border Force, and the National Crime Agency (NCA) working within it.
- 4.7 From 2014, further functions have been collaborated within BCH. Under the portfolios of "Organisational Support" and "Operational Support". Organisational Support consists of, Human Resources and Learning & Development, ICT and Information Management and includes the existing collaborated Professional Standards Department (PSD) for which Cambridgeshire provides the day to day leadership. Organisational Support consists of Criminal Justice, Custody, Firearms and Explosives Licensing, and for a time the Public Contact senior management team for which Hertfordshire provides the day to day leadership..

## 5. Savings and Benefits from Collaboration

- 5.1 The historic nature of this business case and accounting processes at the time of the collaboration of JPS, ERSOU, Procurement and PSD do not enable the individual savings from each of these collaborated areas to be tracked, however, as reported previously to HMIC, £2.6m was the total Cambridgeshire savings that were removed from the respective budgets as a consequence. As this amount was taken from the budgets, this can be considered to be recurrent saving since that time.
- 5.2 The table below shows the budget reductions made as a result of the collaborated functions listed.

<b>BCH Cost/Savings since 2014/15</b>						
	2014/15	2015/16	2016/17	2017/18	2018/19	<b>Total £'000</b>
Firearms licensing		£27	£86			<b>£113</b>
Information management				£71		<b>£71</b>
ICT		£541	£508	£29	£423	<b>£1,501</b>
CJ phase 1			£21			<b>£21</b>
Custody				£92		<b>£92</b>
ERSOU/JPS etc	£2,600	£358	£305	£355	£735	<b>£4,353</b>
<b>Total recurrent in each year</b>	<b>£2,600</b>	<b>£926</b>	<b>£920</b>	<b>£547</b>	<b>£1,158</b>	<b>£6,151</b>
<b>Total annual cumulative</b>	<b>£2,600</b>	<b>£3,526</b>	<b>£4,446</b>	<b>£4,993</b>	<b>£6,151</b>	
<b>Total savings from 2014/15</b>	<b>£2,600</b>	<b>£6,126</b>	<b>£10,572</b>	<b>£15,565</b>	<b>£21,716</b>	
<b>BCH Change Team costs</b>	<b>-£795</b>	<b>-£1,895</b>	<b>-£1,649</b>	<b>-£1,448</b>	<b>-£561</b>	
<b>Total Cumulative Change Team costs</b>		<b>-£2,690</b>	<b>-£4,339</b>	<b>-£5,787</b>	<b>-£6,348</b>	

Notes						
Individual savings shown are recurrent, ie they have been removed from budget						
ERSOU/JPS etc includes Professional Standards Department and Procurement						
ERSOU/JPS etc savings were made prior to 2014/15 and are shown in 2014/15 as they are recurrent						
The costs for the BCH Change team are not recurrent, hence there is no annual cumulative cost figure shown						
A net figure of total BCH Change Team costs and total savings cannot be shown as this would be a misrepresentation, as the change team have been involved in many more change projects than the collaboration projects itemised here. The cost figures are shown in order to inform, rather than to provide a cost:benefit analysis of the programme.						

- 5.3 The table above shows an ongoing saving per year of £6.151m from the functions shown. This is the figure that has been removed from the budget lines. In the five years of collaboration shown, this accumulates to a total saving of £21.716m. In reality, the figure is higher, given that ERSOU/JPS etc were collaborated prior to 2014/15.
- 5.4 The change team costs in the period shown accumulate to £6.348m. The change team undertook a number of other change projects in addition to the collaboration projects shown above (eg Athena, Mobile/Digital, Enterprise Resource Platform (ERP)), it is for this reason that the figure has not been merely netted off the savings to provide a total net savings figure.
- 6. Business Case forecasts and benefits**
- 6.1 The following business cases were approved in 2015 (with the exception of the Information Management Department that was in 2016).
- 6.2 Firearms Licensing (February 2015) - Total forecast savings specific to Cambridgeshire were forecast to be £174k. These savings were based on adopting a single site model. It was ultimately decided that a two site model would be adopted, forecast savings to Cambridgeshire for this would be £112k. Actual savings removed from budget £113k.
- 6.3 Information Management Department (IMD) (May 16) – Total savings forecast for Cambridgeshire £320k, to date £71k has been removed from the budget. Lower savings were partly due to a change of accommodation arrangements, increased regulatory requirements and also the decision to delay collaboration of some aspects of IMD until Athena is implemented.
- 6.4 ICT (October 15) – total savings forecast for Cambridgeshire was £2.202m to date £1.501m has been removed from the budget. Unsurprisingly, demand on ICT is fast changing, since the business case was approved in 2015 some major change projects have been initiated that has affected the required resourcing levels.
- 6.5 Custody (October 15) – total savings forecast for Cambridgeshire was £278k to date £92k has been removed from the budget. The savings forecast were based upon the

full collaboration of the custody function including the adoption of a new shift pattern. Upon further consideration and staff consultation, the shift pattern was not adopted and only collaboration of the senior management team was implemented.

- 6.6 CJ phase 1 (October 15) – total savings forecast for Cambridgeshire was £14k to date £21k has been removed from the budget.
- 6.7 Public Contact (July 15) – Successful implementation of the preferred option in the business case was dependent upon a number of complex factors. As a result of the complexity and delay in the implementation of Athena, the proposals in the business case for public contact were not implemented. Subsequently there was a shared public contact senior management team for a period of time.
- 6.8 Human Resources (May 15) – forecast savings for Cambridgeshire was £.99m. No savings have been delivered at this time. The savings identified in the business case are dependent on a new ERP system (delayed), and in addition demand on HR services has increased significantly since the FBC was written, requiring a temporary re-investment.

## **7. Tracking savings and benefits**

7.1 Tracking savings against forecast in a business case is a problematic exercise:

- The business cases are approved in principle prior to staff consultation which can take up to three months and on occasion other aspects have not been finalised, eg procurement.
- Implementation can be a long process, both for technical reasons such as ICT complexities, or as this must be undertaken in a very measured way, to ensure that public safety critical services are maintained.
- By the time implementation is complete, the operating environment can have changed significantly in respect of demand, legislative/regulatory changes or other working practices.

7.2 Public Contact is an example of good governance, at the time the business case was approved it was known that there were significant critical dependencies, particularly Athena, but it was considered that it was still a worthwhile project. After approval of the business case, due to changing circumstances particularly in relation to the delay in implementing Athena, it was decided by the BCH PCCs and Chief Constables, that implementation would not proceed. This is an example of a sound project management approach whereby at key points the decision “do we still proceed?” is taken, rather than blindly carrying on as new risks/issues materialise.

7.3 A further example of the difficulties of tracking savings is the HR business case. This was developed on the basis of forecast demand for HR services in the future, given the forecast budget envelope for the three BCH constabularies at the time. Benefits would be driven out by implementation of a new ERP system and changed ways of working. The business case was approved and implemented, but the almost immediate and unexpected changed budgetary position and consequent sharp increased officer recruitment, meant that there was a sharp increase in HR demand.

Savings will not now materialise from HR until the new ERP system is implemented and demand returns to “normal” levels.

## **8. Operational benefits of collaboration**

- 8.1 Collaboration is not just about fulfilling a statutory duty or making savings, although this is important. The increasingly specialised nature of some policing activity means that specialist resources and training is required, these are expensive and for them to provide value for money they must be used, rather than on “standby” or deployed on other duties. By providing these functions in conjunction with other forces operational viability is maintained, as the resources are deployed, as and when they are required, without any single force having to carry the financial burden. Cambridgeshire is not a large force, in terms of net revenue expenditure it ranks 29<sup>th</sup> of the 43 forces. (CIPFA vfm POA 2017). Furthermore, Cambs has the 2<sup>nd</sup> lowest expenditure per head of population in the country (HMICFRS vfm profile November 2017).
- 8.2 The benefits of collaboration to Cambridgeshire cannot be measured merely by the savings accruing as a result. The operational benefits of collaboration to Cambridgeshire become apparent when considering specific specialist areas of policing:
- 8.3 Major crime – in Peterborough in 2013 a triple murder was investigated by the BCH Major Crime Unit, an investigation of this scale would have severely impacted on the operational effectiveness of the force if Cambridgeshire had not collaborated this function with Bedfordshire and Hertfordshire. The police response is highly specialised Det.Supt Jo Walker from the BCH Major Crime Unit has said: "Whilst many of these crimes go under the radar, they can be resource intensive and extremely sensitive to deal with and our specialist approach to them can make the difference in saving lives. All Senior Investigating Officers (SIOs) within MCU go through specialist training for dealing with Kidnap and Extortion alongside Crime in Action offences. It is recognised as a difficult area of policing and as such requires a joint coordinated response from the various specialist departments."
- 8.4 Serious and Organised Crime – not only do organised crime groups travel across county borders, they are sophisticated in their methods and require specialist, often covert, resources. Any single force cannot tackle this type of criminality alone, to the extent that the collaboration regarding this extends across the eastern region including Kent.
- 8.5 Terrorism – both from an intelligence, immediate response and investigation perspective, a co-ordinated police capability is essential. Part of that response is armed policing. In response to the UK threat level rising to “critical” in May 2017 additional armed officers were deployed to provide a visible presence at crowded places, vulnerable or iconic sites and at events in the region, supporting local policing. Just as local policing relies upon national resources, local resources also support national need, in the past year our local armed policing units have provided substantial support as part of mutual aid to other forces on several occasions.

## **9. The non-financial benefits of collaboration**

- 9.1 The savings to Cambridgeshire of £2.6m from JPS/ERSOU/PSD/Procurement collaboration, was tangible evidence of the savings potential from structural collaboration. However, collaboration of those functions alone, created inherent inefficiencies due to other “enabling” functions remaining separate, specifically, ICT, HR, Information Management and Information Security, Custody, Criminal Justice. This meant that officers and staff in collaborated units had to operate to multiple different policies, procedures, systems and ways of working dependent upon the area they were working within. The second tranche of collaboration of “enabling functions” commenced in 2014, has addressed these inefficiencies.
- 9.2 The national Policing Vision 2025 sets out the plan for policing over the next ten years and states *“It will shape decisions around transformation and how we use our resources to help to keep people safe and provide an effective, accessible and value for money service that can be trusted”* and that this *“can only be delivered by the whole of policing working together collaboratively in the public interest.”* At the core of the vision is the recognition that 43 forces with independent operating practices does not deliver value for money and does not keep people safe.
- 9.3 Through collaboration with Bedfordshire and Hertfordshire, Cambridgeshire are well placed to continue transformation within this national context whilst ensuring our local interests are met. With single BCH functions for HR, JPS and ICT, we have the capacity and scale to influence how these major national change programmes will impact upon Cambridgeshire.

## 10. Role of the PCC

- 10.1 The PCCs play a significant role regarding collaboration, whilst recognising the operational independence of Chief Constables. The PCCs commissioned an independent review of collaboration within BCH. This has resulted in significant changes in the management and governance of collaborated units and will aid the driving out of benefits. Changes that have been initiated include:
- 10.2 Clearer transition of the projects, as they realise their projected benefits, into a “Business as Usual” way of working that become part of the constabularies’ mainstream management.
- 10.3 Changed governance arrangements to reflect the difference between change management and “business as usual” management.
- 10.4 Performance (including demand management) is managed and controlled by the delivery/performance boards and reported via the lead chief constable to PCCs to enable holding to account.
- 10.5 The joint Strategic Alliance Summit meeting of PCCs and Chief Constables has been refocused to a more strategic governance and horizon-scanning role. This ensures that collaboration is in accordance with the agreed legal “Section 22 agreements” (or they are amended as required), changes to business cases and resources (where these exceed delegated decision making powers in the BCH scheme of governance) are formally considered, and that the PCCs provide the strategic direction of collaborated services and for wider collaboration.

**11. Recommendation**

**11.1** The Board is recommended to note the contents of this report.

<b>Source Documents</b>	
<b>Contact Officer</b>	Jim Haylett, Head of Business Development, Office of the Police and Crime Commissioner