



**METROPOLITAN
POLICE**

Working together for a safer London

RESOURCES DIRECTORATE

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Your ref:

Our ref: Gallie2909

30 September 2011

David Gallie

Assistant Director of Finance
City Hall
The Queen's Walk
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Dear David

METROPOLITAN POLICE SERVICE (MPS) SHARED SERVICES SUBMISSION

Please find attached the MPS shared service submission, which is in response to your letter dated 5 September 2011 and the Mayor's request for a submission in relation to shared services by 30 September 2011.

As you'll be aware, Rita Dexter from LFEPA, Steve Allen from TfL and I met to ensure a consistent approach to this work. To this end we agreed to:

1. Establish the revenue budget provision for the services included in the *GLA Group – Shared Services & Collaborative Procurement Appendix A* with 2008/09 as the base year.
2. Identify revenue budget savings made on the services included in the *GLA Group – Shared Services & Collaborative Procurement Appendix A* since 2008/09.
3. Identify benchmarking carried out on the services included in the *GLA Group – Shared Services & Collaborative Procurement Appendix A*.
4. Identify the savings dependent on collaboration and shared services, either internally or with external partners (GLA Group or otherwise) included in the *GLA Group - Shared Services & Collaborative Procurement Appendix A*.
5. Develop an implementation plan to share the contract databases held by MPA/MPS, TfL and LFEPA - *Shared Services and Collaborative Procurement Appendix A*.

The MPS is committed to a shared services approach with others, if the business case is compelling, and we recognise the opportunities and challenges of shared services across the GLA Group, nationally and internally as a policing region.

The Policing London Business Plan recognises that collaboration with other police forces, partnerships and shared services are becoming increasingly important. Internal and external shared services programmes have the potential to deliver major benefits in improved

services at less cost for the MPS at a time of increasing fiscal constraints. Longer term options could involve being a strategic provider of services, sharing platforms and infrastructure and outsourcing non-core capabilities (alone or with a partner organisation).

The MPS is expecting to have to reduce its spending (compared to 2010/11 budget) by some £600m by 2014/15 before having regard to the costs arising from the recent disturbances. If we are going to mitigate the impact of these reductions on our performance, we need to consider radically different ways of delivering our services, what services we must continue to deliver and whether the current balance in our policing and business model remains fit for purpose. In developing our 2012-15 Policing Plan we are focusing on reducing our inanimate costs (vehicles, buildings, etc.), undertaking process improvement activity to drive better services and increase value for money, ensure that our business model is as lean as practically possible, benchmarking costs for operational and non-operational management on-costs and sharing services internally and externally.

Developing internal shared services is part of our strategy for delivering a balanced budget in 2014/15. We are committed to driving out savings through our change portfolio and, as a region, our first step is to share our own services. Recent years have already seen a number of change programmes delivered which have provided major savings in support functions through, for example, centralising HR, clustering local Finance and Resources facilities, centralising language services and rationalising catering. The new PeopleServices (HR) model has been in operation for eight months and is on track to deliver c£15m of savings in a full year from 2012-2013 onwards. From an operational perspective, our Territorial Policing Directorate is developing a shared services operating model by structuring the 32 London Boroughs in such a way that some services, eg., custody and joint prosecution teams, will be shared through approximately 12 Operational Support Service Centres.

We are already working with the GLA, including having shared some initial mapping of actual and planned budget reductions on the areas they have identified as candidates for collaboration/shared services. We also routinely share spend information with LFEPA and TfL to identify shared services opportunities. To facilitate improved visibility of current spend, a database tool is being commissioned that will capture and update current spend across the three organisations and enable areas of spend to be prioritised, which will speed up the identification of further opportunities to share services and reduce costs. The database tool is expected to be completed by November 2011.

Discussions are underway with Transport for London (TfL) in relation to the MPS potentially taking a lead on the procurement of non-specialised vehicles and data/contracts are about to be evaluated in order to identify whether a business case exists to proceed further. The MPS leads in each of these areas have engaged with Nick Griffin, the Mayoral adviser on the GLA Group budget and on delivering cost efficiencies, and the MPS Director of Information chairs the GLA ICT Group. We are also working with TfL to share property portfolios and are holding initial talks with LFEPA regarding opportunities to share Occupational Health services.

Of course, the Safer Transport Teams are a very tangible manifestation of our joint working. Both the MPS and London Fire Brigade are joining a pan-central Government procurement exercise for stationery and, in addition, the resource management teams of both organisations are discussing future opportunities for collaboration.

The MPS has done some initial mapping of the actual and planned budget reductions on the areas the GLA have identified as candidates for collaboration/shared services. Good progress has been made. Between 2009/10 and 2014/15 the cumulative impact, based on the 18 categories of shared service agreed with LFEPA and TfL, is expected to be £996m. In addition, within the MPS there are savings in three other areas (Catering, De-layering of Management and Territorial Policing Development) which we would identify as collaboration/shared services, with anticipated budget reductions totalling £387m.

Attached at Annex A are details of base budgets and savings achieved to date and anticipated in the savings areas identified by the GLA. Please note that this work is ongoing and may of course change before the final budget submission on 18 November.

The MPS currently manages 883 contracts worth over £50k, which have a total value of some £3.6bn over the life span of the contracts.

Annex B provides a list of our contract spend with details of where we purchase from (national, regional, national/regional, local or local/regional) and where we have collaborated with other forces or part of the GLA Group. The Comments section also indicates where there is a national framework agreement in place. These attachments demonstrate the MPS's ongoing commitment to shared service approaches that drive efficient policing. Contracts which are mandated by the Home Office are also highlighted as such action can inhibit our ability to participate in other collaboration exercises.

Clearly this is ongoing work, but the Service is making good progress in making significant reductions in support costs in line with both the Mayor's and Commissioner's objectives. The programmes of change in these areas aim to:

- professionalise the functions and ensure consistent standards in service delivery;
- ensure the functions are delivered as economically and efficiently as possible.

This is essential preparation for moving towards testing these services against the market or potential collaboration models.

I hope the information in this return provides a clearer picture of the Service's achievements in reducing business support costs and a firmer basis for discussions on potential collaboration opportunities for the future. Please note we are still collating the information on training and will send this to you next week.

I have spoken to Rita and Steve about how best to maintain momentum on this programme of work and I have agreed to arrange the next meeting of the Steering Group. At that meeting we will decide on the next steps and the secretarial support to take this work forward.

Yours sincerely

Anne McMeel

Director of Resources

cc: Bob Atkins, MPA
Steve Allen, TfL
Rita Dexter, LFEPA
Sue Budden, LFEPA