

GLA Group - Shared Services and Collaborative Procurement

Have you (since 30 July 2010) co-operated, outsourced, partnered or shared with others in your service provision, or are you planning to do so before 31 March 2013?

1. Identify the revenue budget provision for the services included in Appendix A with 2008/09 as the base year
2. Identify the revenue budget savings made on the services included in Appendix A since 2008/09

The total budget for the GLA category of shared services was £695.2m in 2008/9. Based on this base budget we show a total cumulative saving of £242.2m by 2014/15 - or an aggregate total of all savings of £995.8m.

Additional, internal shared services are included over the page. These come to a further total of £156.8m in savings over the same period.

▪ **GLA Categories of Shared Services**

Savings that relate to Shared Services

	2008/9 Base Budget £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2014/15 saving as percentage of 2008/9 base budget	Total Savings £m
Communications & Marketing	6.1		-1.19	-1.97	-1.97	-1.97	-1.97	-32.3%	-9.07
Democratic Services ¹	17.2	-0.51	-1.54	-1.54	-1.54	-1.54	-1.54	-9.0%	-8.21
Equalities & Diversity	7.4			-0.41	-0.41	-0.41	-0.41	-5.5%	-1.64
Property	212.1	-10.21	-18.54	-46.73	-62.55	-71.55	-71.55	-33.7%	-281.13
Fleet Management	26.7		-1.40	-7.00	-7.00	-7.00	-7.00	-26.2%	-29.40
Human Resources -Training	43.9		-2.44	-13.61	-25.61	-25.61	-25.61	-58.3%	-92.88
Human Resources - Other	135.9	-5.84	-13.11	-15.94	-19.93	-19.93	-19.93	-14.7%	-94.68
ICT	210.3	-23.85	-26.69	-58.19	-75.12	-78.82	-78.82	-37.5%	-341.49
Procurement Directorate within DoR ²	4.7	-0.36	-0.39	-0.53	-0.54	-0.55	-0.55	-11.7%	-2.92

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Savings that relate to Shared Services

	2008/9 Base Budget £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2014/15 saving as percentage of 2008/9 base budget	Total Savings £m
Procurement led savings from supplies and services ²		-1.80	-9.40	-11.37	-25.68	-26.69	-26.69		-101.63
Finance and Resources	31.0	-3.00	-3.13	-4.07	-6.24	-8.17	-8.17	-26.4%	-32.78
Total GLA Categories of Shared Services	695.3	-45.57	-77.83	-161.36	-226.59	-242.24	-242.24		-995.83

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- Additional Shared Services

	2008/9 Base Budget £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2014/15 saving as percentage of 2008/9 base budget	Total Savings £m
Catering	15.7	0.00	-1.00	-8.60	-10.70	-14.50	-14.50	-92.4%	-49.30
De-layering of Management	NA	0.00	0.00	-5.30	-10.60	-17.40	-27.90	NA	-61.20
Territorial Policing Development	1,460.4	0.00	0.00	-21.80	-52.20	-88.30	-114.40	-7.8%	-276.70
Total Additional Shared Services	1,476.1	0.00	-1.00	-35.70	-73.50	-120.20	-156.80		-387.20
Grand Total	2,171.4	-45.57	-78.83	-197.06	-300.09	-362.44	-399.04		-1,383.03

¹ The total for Democratic Services has been taken from the Statutory Accounts and includes the cost of Democratic Representation & Management costs, Corporate Management costs, Treasury Management costs and the MPA costs.

² The Procurement Directorate savings are shown as savings delivered within the directorate, the Procurement led savings are across the MPS,

The categories listed above are based on the list within Appendix A, please note that Property includes Estate Management, Facilities Management (both general and warehousing), Human Resources includes both Training and General, ICT costs includes website costs. Other activities such as Customer Services, Planning and Performance Management and Shared GLA Network infrastructure are activities where budgets/savings are not readily identifiable.

Internal Audit savings are not identified above as shared service work did not commence until 2011/12. Details for Internal Audit are contained in the tables below.

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- The table below outlines the budget movements between 2008/09, 2011/12 and where known, 2014/15

Note:

Anticipated figures for 2014/15 are not currently available for the areas marked NA. The 2011/12 budget for democratic services is as per the 2010/11 statutory accounts

	2008/9 Base Budget £m	2011/12 Base Budget £m	Anticipated 2014/15 Base Budget £m
GLA Categories of Shared Services			
Internal Audit	2.4	2.3	2.3
Communications & Marketing	6.1	6.5	6.3
Democratic Services	17.2	15.7	NA
Equalities & Diversity	7.4	4.0	3.9
Property	212.1	200.4	191.5
Fleet Management	26.7	41.1	41.1
Human Resources - Training	43.9	35.4	23.4
Human Resources - Other	135.9	93.7	73.3
ICT	210.3	195.9	167.9
Procurement	4.7	4.9	4.8
Finance and Resources	31.0	29.1	24.1
Additional Shared Services			
Catering	15.7	10.6	4.7
De-layering of Management	NA	NA	NA
Territorial Policing Development	1,460.4	1,326.7	1,286.1

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The tables below analyses the above budgets across subjective expenditure categories

▪ Analysis of 2008/9 Shared Services Base Budgets

Shared Service	Pay and Overtime £m	Non Pay £m	Income £m	Total £m
Internal Audit				2.4
Communications & Marketing	3.7	2.4		6.1
Democratic Services ¹	17.2			17.2
Equalities & Diversity	6.0	1.4		7.4
Property	13.5	224.6	-26.0	212.1
Fleet Management	9.2	20.3	-2.8	26.7
Human Resources - Training	41.4	3.1	-0.6	43.9
Human Resources - Other	109.4	42.7	-16.2	135.9
ICT	45.9	165.2	-0.8	210.3
Procurement	4.1	0.6		4.7
Catering	20.1	9.2	-13.6	15.7
Finance and Resources	31.0			31.0
Territorial Policing Development ²	1,529.0	79.7	-148.3	1,460.4
Total	1,830.5	549.1	-208.3	2,173.7

¹Democratic Services is the actual expenditure as per the Statutory Accounts

²Territorial Policing Income includes income from third parties regarding PCSO funding (Safer Neighborhoods Grant), Transport for London and other partnerships.

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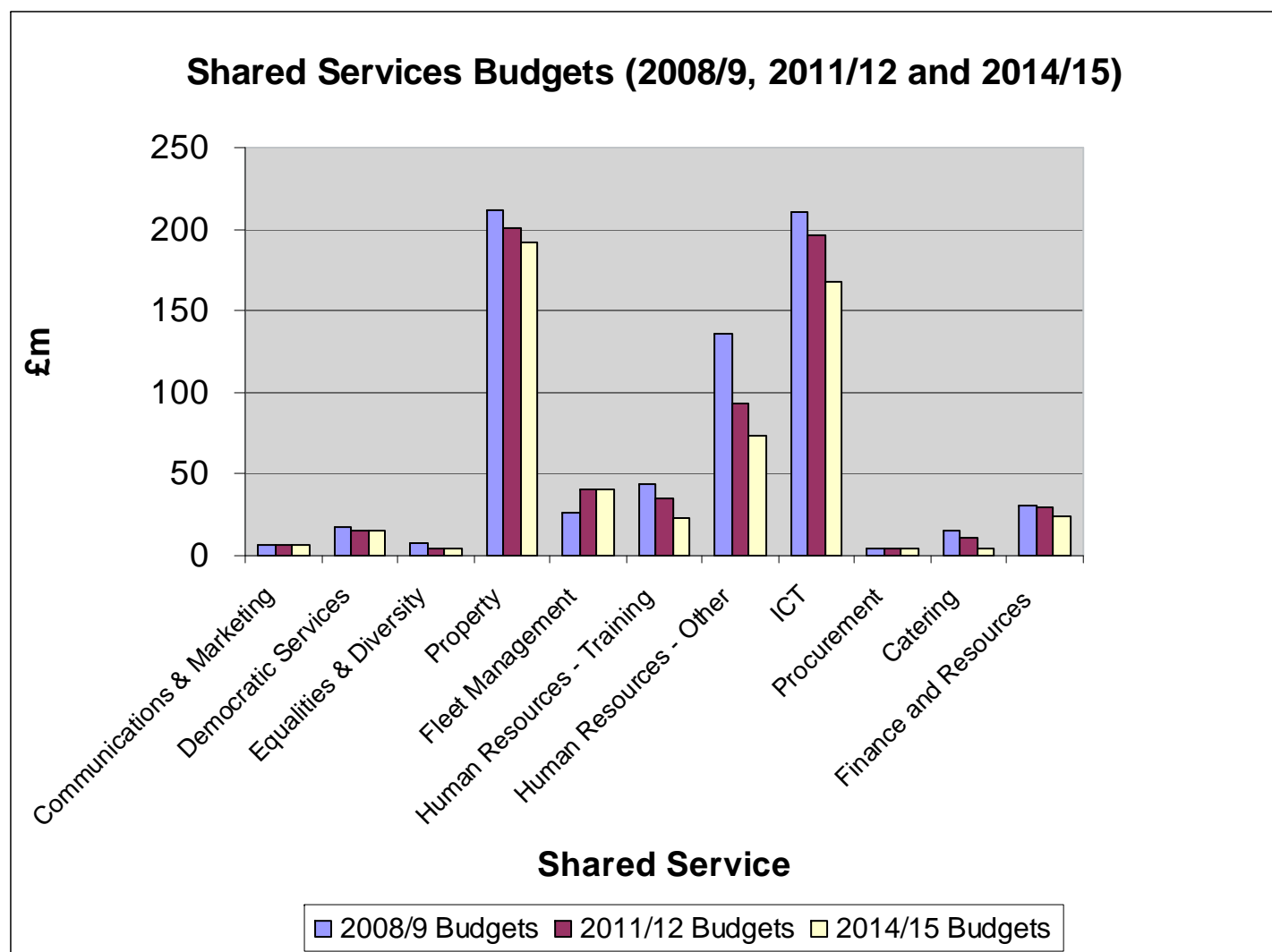
- Analysis of 2011/12 Base budget and anticipated 2014/15 Base

Shared Service	2011/12 Budgets				Anticipated 2014/15 Budgets			
	Pay and Overtime	Non Pay	Income	Total	Pay and Overtime	Non Pay	Income	Total
	£m	£m		£m	£m	£m		£m
Internal Audit				2.3				2.3
Communications & Marketing	3.9	3.2	-0.6	6.5	3.9	3.0	-0.6	6.3
Democratic Services ¹	15.7			15.7				
Equalities & Diversity	3.1	0.9		4.0	3.1	0.8	0.0	3.9
Property	13.9	207.8	-21.3	200.4	11.9	200.9	-21.3	191.5
Fleet Management	9.6	35.5	-4.0	41.1				41.1
Human Resources - Training	35.3	0.1		35.4				23.4
Human Resources - Other	47.8	61.0	-15.1	93.7				73.3
ICT	47.2	157.0	-8.3	195.9	32.8	142.7	-7.5	167.9
Procurement	4.9	0.5	-0.5	4.9	4.8	0.4	-0.4	4.8
Catering	12.9	6.6	-8.9	10.6				4.7
Finance and Resources	29.1			29.1	24.1			24.1
Territorial Policing Development	1,533.7	39.0	-246.0	1,326.7	1,390.1	38.5	-142.5	1,286.1
Total	1,757.1	511.6	-304.7	1,966.3				

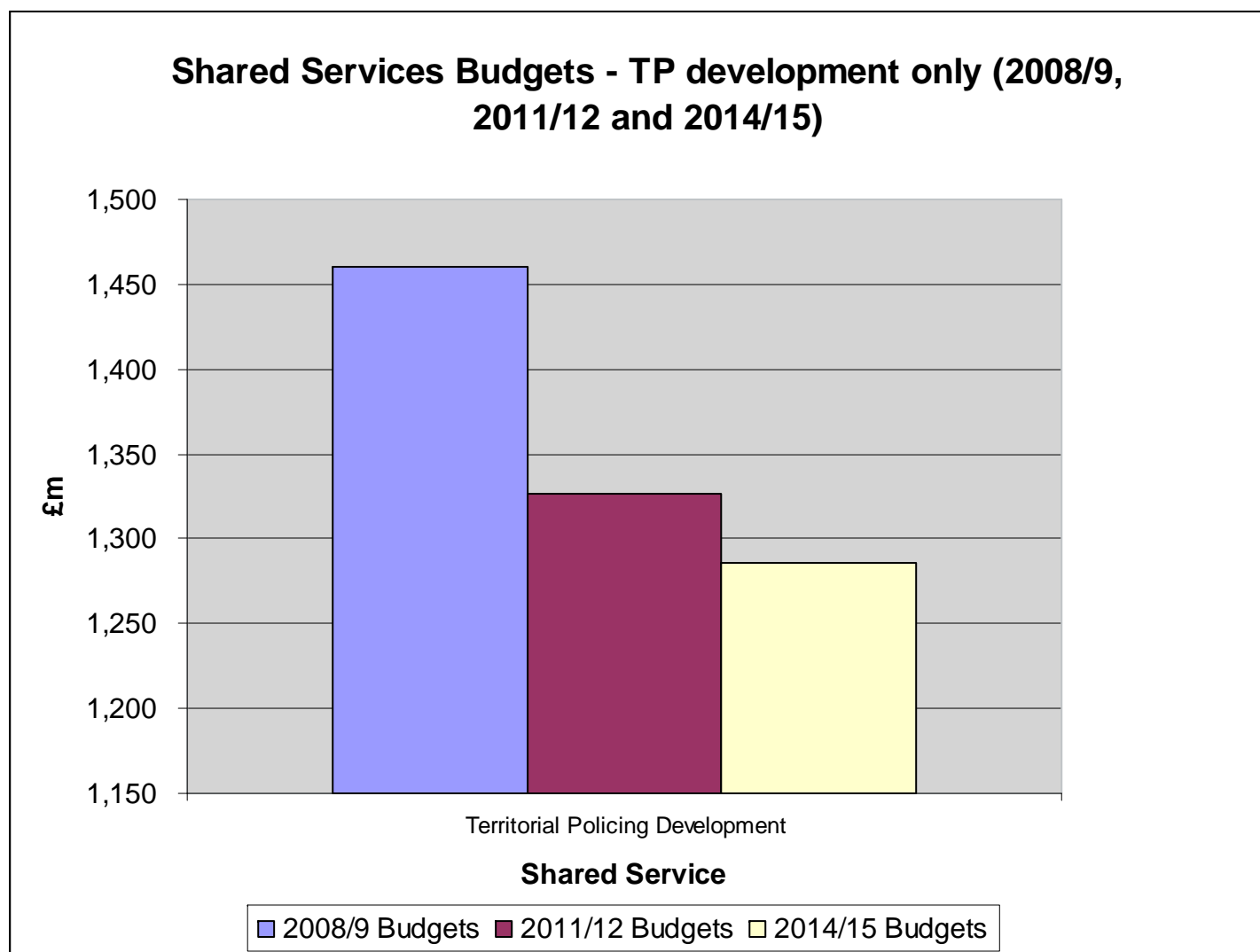
Note: The next phase of work is under development and 2014/15 budgets are subject to change as plans are developed. In some instances a subjective breakdown of the 2014/15 budget is not yet available, hence a total budget only is shown.

¹Democratic services budget taken as being the total provided in the 2010/11 statutory accounts, future budgets will depend upon MOPC arrangements

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- Analysis of Shared Services Establishment change between 2008/09 and 2011/12

The table below outlines the number of officers and staff associated with the budgets identified above

Shared Service	2008/09				2011/12				Change
	Police Officers	Police Staff	PCSO's & Traffic Wardens	Total	Police Officers	Police Staff	PCSO's & Traffic Wardens	Total	
Internal Audit		39		39		34		34	-5
Communications & Marketing	1	73		74		68		68	-6
Democratic Services	NA	NA	NA	NA	NA	NA	NA	NA	NA
Equalities & Diversity	32	51		83	12	41		53	-30
Property		250		250		242		242	-8
Fleet Management		209		209		193		193	-16
Human Resources - Training	589	321		910	367	294		661	-249
Human Resources - Other	283	917		1,200	151	777		928	-272
ICT ¹	76	826		902	42	999		1,041	+139
Procurement		57		57		76		76	+19
Catering		620		620		425		425	-195
Finance and Resources ²		792		792		704		704	-88
Territorial Policing Development	21,044	5,789	4,476	31,309	20,637	5,492	3,750	29,879	-1,430
Total	22,025	9,944	4,476	36,445	21,209	9,345	3,750	34,304	-2,140

Total reductions from the 2008/9 base of 5.9% of which 3.6% from police staff and PCSOs

The impact on establishment for 2014/15 is currently ongoing.

¹ Whilst the ICT establishment has increased a lean process has been undertaken and establishment will decrease to 859 by 2014/15.

² The 2012-15 Policing London Business Plan will include an additional reduction of 121 police staff posts from 2012/13 onwards.

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3. Identify benchmarking carried out on the services included below

Service	Benchmarking	Date conducted	Outcome
Internal Audit	Cost of service & number of actual audit days compared with that delivered by Deloitte in 2010/11	November 2010	The MPA Directorate of Audit, Risk and Assurance have been appointed as Internal Auditors to the GLA Group under a Shared Services agreement
Communications and Marketing	-	-	-
Customer Services	-	-	-
Democratic Services	-	-	-
Equalities and Diversity	-	-	-
Estates Management	Professional corporate real estate services		
	Benchmarked professional service fees against average tender prices and other public frameworks, including Government Procurement Service (GPS) and TfL	July 2011	The benchmarking demonstrated the value delivered from the current contracts and supported the development of a long term strategy. Professional service rates were reduced by an average of 20% by tendering through the GPS framework, which could result in up to £700k cost avoidance in fees over 3 years
	Improved Inspector Services		
	Benchmarked against Local	January 2011	The existing contract was

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Service	Benchmarking	Date conducted	Outcome
	Authority Building Control (LABC) Departments and similar TfL and GPS frameworks		extended as rates were found to be competitive
Facilities Management (FM) - general	Building Cost Information Service (BCIS).	Ongoing	Existing contract rates in the region of indices benchmark.
	GLA/TfL - Benchmarking exercise planned as part of wider collaboration strategy. Spend information shared.	Programmed for late 2011	Benchmarking results used to <ul style="list-style-type: none"> ▪ Inform long term FM strategy and quantify value being delivered through existing contracts ▪ Improve supplier performance
	Government Property Unit (GPU) - sharing management information and market intelligence/ benchmarking data.	Ongoing	To increase commercial transparency through to improve performance and achieve greater VfM.
	Cabinet office 'State of the Estate Report' - cost per square metre.	Ongoing	To inform long term strategy and quantify value being delivered through existing contracts
	National Police Improvement Agency - sharing management information and market intelligence with a view to providing FM benchmarks pan-police force in due.	Ongoing	As above

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Facilities Management - Warehousing	-	-	-
Facilities Management - Mail Screening services	Benchmarked against other Government contracts	November 2010	To determine contract extension option. Average market rates were found to be slightly more competitive than existing contract rates and decision was taken to go to market.
Facilities Management - Reprographics	MPS have provided benchmarking information to TfL/GLA Group	August 2011	Awaiting outcome of benchmarking exercise from TfL
Facilities Management - Energy	MPS/Government Procurement Service/London Energy Project developing benchmarking model to assess value at risk, aggregation benefits and overall purchasing strategy. Benchmarks include futures market, other central purchasing bodies, previous buying strategies and utility exchange markets	Ongoing	To demonstrate benefits of purchasing aggregation, cost avoidance and value at risk
Facilities Management - Events Management (deployment of signs and cones)	Benchmarked against other suppliers standard rates	October 2010	Existing contract extended - MPS contract rates found to be significantly less than market rates
Facilities Management - Construction Works	Collaborative work with Improvement and Efficiency South East (IESE) on 1st and 2nd generation major project framework rates eg profit and	Ongoing	Benchmarking results used to inform development of Construction Category Plan

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	overheads, staff rates, trade packages		
Facilities Management - Professional Services	<p>Benchmarking of consultants fees against MPS rates and GPS Professional Services Framework.</p> <p>The MPS have also been working with the North London Strategic Alliance (NLSA)/Haringey Borough Council in respect of construction related consultancy services which present benchmarking opportunities</p>	Ongoing	As a collaborative measure, to bring supply chain flexibility, to bring benchmarking opportunities and to inform future strategy
Fleet Management (including maintenance)	Undertaken as part of the benchmarking of 3rd generation outsourced contracts programme	Report to MPS Governance Board 23 August 2011	The benchmarking of the MPS 3rd generation outsourcing contract for vehicle fleet demonstrates that the MPS is getting value for money compared to the current market and this market intelligence will be used, and the associated learning from it, in preparing the strategy and route to market for these services.
Human Resources - Training	A model to benchmark specialist police training is being developed as part of the MPS Training Modernisation Programme.	-	-

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Human Resources - General	Undertaken as part of the Transforming HR (THR) programme to inform the ratio of HR practitioners to employees	2007	The THR programme has delivered an improved ratio of HR practitioners to employees of 1:78, exceeding the Pan-European benchmark of 1:61 and annual savings of £15m
ICT	Key contract marketing testing via competition		
	Mobile telephony framework	2010	Collaborative tender with (primarily) other forces resulted in a saving of £3.6m over the duration of the contract
	Radio hardware framework	2011	Collaborative tender process with other forces & emergency services. Estimated savings in the region of £1.5 - £2m nationally
	Corporate print management solution	2010	MPA/S contract savings of £23.2m over 3 years
	'In contract' benchmarking by an external supplier		
	ICT Outsource Contract - Gen2+	2010	Cap Gemini's current service provision was benchmarked against market trends in addition to benchmarking their extension proposal, resulting in £20M-£40M over remaining term of Contract.
	Real Time Communication (RTC) project	2010	Benchmarking proved that the technical solution proposed on RTC Tranche 1 by Capgemini / BT was consistent with other similar deployments and

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			represented Value for Money.
	Messaging Programme	2010	Benchmarking was used to compare the technical and commercial aspects of a new Messaging as a Service solution proposed by Capgemini against other similar solutions in the market. Saving benefit of c£2.5M identified.
	OGC - Sprint II	2011	In-house benchmarking of hardware costs comparing SCC prices through the mandated Sprint II Framework with current costs identified 7% to 10% savings opportunity
Payroll (including pensions)	Undertaken as part of the benchmarking of 3rd generation outsourced contracts programme	Report to MPA Resources & Productivity Sub-committee on 14 January 2010 and the MPA Finance & Resources Committee on 21 January 2010	The benchmarking exercise demonstrated savings of 9.3% being delivered and recommended that the MPA extend the contract to 31 March 2016. This recommendation was accepted and the contract was extended by 3 years
Procurement	Procurement Services undertake benchmarking to support contract negotiations and inform future tender strategies. Examples of such activity are provided throughout this table. -		
Planning	-	-	-

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Performance Management	Benchmarking against Durham & Manchester police forces will support the MPS internal review of the performance management function.	Planned for Oct 2011	TBC
Websites	-	-	-
Shared GLA Network Infrastructure	-	-	-
Finance and Resources	CIPFA Police Financial Services Benchmarking	Latest report 2010/11	-

The HMIC Scorecard benchmarks the MPS against all police forces and our most similar police forces on performance, offences and costs per full time employee (FTE). This information assists in the identification of areas of high spend and enables us to ensure we are addressing them through our change programmes. For example, whilst property costs have been highlighted as high we are able to demonstrate that they are being addressed through the MPS Corporate Real Estate workstream of the Developing Resource Management programme.

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4. Savings dependent on collaboration or shared services

GLA category	Savings planned?	Related project or programme
Audit	Y - Shared services model (GLA)	MPA/GLA shared service agreement
Communications and Marketing	-	-
Customer Services	Y - Internal shared services model	Professional Service Provider
Democratic Services	-	-
Equalities and Diversity	-	-
Estates Management	Y - Internal shared services model	Corporate Real Estate
Facilities Management - warehousing	Y - Internal shared services model	Delivery of Property Services
Facilities Management - general	Y - Internal shared services model	<ul style="list-style-type: none"> ▪ Delivery of Property Services ▪ TfL are also developing options for collaboration with the GLA Group
Fleet Management	TBC	<ul style="list-style-type: none"> ▪ Home Office mandated contract ▪ MPS is exploring options to parallel run GLA requirements
Human Resources - Training	Y - Internal shared services model	Training Modernisation Programme
Human Resources - General	Y - Internal shared services model	Transforming HR (complete)
ICT	Y (savings TBC)	For stationery and ICT consumables categories, the MPS and LFB have joined the collaborative Central Government procurement initiative run by the Cabinet Office. Contracts will be available from August 2011. Central Government are forecasting savings in excess 20% but these will be confirmed upon award of contract.
Payroll and Pensions administration	Y - outsourced model with Logica	<ul style="list-style-type: none"> ▪ 3G Outsourced Contracts ▪ TfL is also seeking to develop comparable cost data to identify opportunities within the GLA group

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GLA category	Savings planned?	Related project or programme
Procurement	Y	<ul style="list-style-type: none"> ▪ MPS is the lead buyer for the GLA for vehicles. ▪ Other categories will be identified and prioritised after pan-GLA data analysis of spend information is completed in November 2011 (further details can be found at point 7). ▪ Also see reference to links to Cabinet Office initiative in ICT section above.
Planning and Performance Management	Y	Corporate Performance Review
Websites	-	-
Shared GLA Network Infrastructure	TBC	The Next Generation Network project (NGN) intends to provide a network services contract for functional bodies funded by the GLA.
Finance and Resources	Y - Internal shared services model	The Finance and Resource Management (FRM) projects 1 and 2 are delivering an internal shared service capability to deliver professional & efficient FRM functions to the MPS. Savings are described in the first table in this document

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5. Develop an implementation plan to share the contract databases held by MPA/MPS, TfL and LFEPA

The MPA/S, TfL and LFEPA routinely share spend information to identify shared services opportunities. To support this existing way of working and facilitate improved visibility of current spend, a database tool will be developed following a Compete4 tender process to appoint an external support provider to perform this data refresh in October 2011. TfL are coordinating this on behalf of the GLA and are in the process of evaluating the tenders received to date. A supplier will be appointed shortly and work will commence in October as planned. The database 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. It is anticipated that the database will be completed, and therefore we will be able to analyse contract information across the GLA family, in November 2011.

Appendix A

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Appendix A

1. Audit
2. Communications and Marketing
3. Customer Services
4. Democratic Services
5. Equalities and Diversity
6. Estates Management
7. Facilities Management - warehousing
8. Facilities Management - general
9. Fleet Management
10. Human Resources - Training
11. Human Resources - General
12. ICT
13. Payroll
14. Procurement
15. Planning and Performance Management
16. Websites
17. Shared GLA Network Infrastructure
18. Finance and Resources