Devon & Cornwall Police and Dorset Police

Summary of full business case for proposed merger

SUMMARY

Version 2.0

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Foreword

Thinking globally, acting locally to protect the people of Cornwall, Devon and Dorset

We believe that the public in Cornwall, Devon and Dorset have a right to feel safe and protected from threats, risk and harm. We are a peninsula and so our ability to call on mutual aid or national resources to support us can be limited by our geography and the travel distances involved.

We have a proud tradition of neighbourhood policing and we wish to retain this commitment and flexibility. However, we know that we need the strength of a merged force to garner sufficient operational resilience to make this a reality.

The current model of policing is increasingly outmoded. Were a review into the optimal structure for policing in England and Wales to be undertaken; the result would not be the 43 territorial police forces we have today.

This is widely recognised. Every force works in close collaboration with one or more of its neighbours, sharing a range of operational, operational support and business support functions. In addition, there are range of regional organised crime and counter-terrorism collaborations, and various other collaborative arrangements in place in relation to estates, fleet, ICT, professional services and more. Similarly, successive Governments have set out their intentions to address the fragmentation, duplication and differential levels of service that can occur in a crowded public sector delivery landscape. This intention is currently formalised as a statutory duty for forces to collaborate in the Policing and Crime Act 2017.

However, as time has progressed, arrangements have strengthened and formalised, and as the relative proportion of collaborative activity increases, the existing governance mechanisms have become less reflective of the way business is delivered; and as a result less fit for purpose.

At the same time, the policing challenge has, and continues to, shift. Criminals exploit cyber and technology spaces, and as a result, the boundaries between forces become less relevant. New offences emerge due to a gap between the criminals' ability to commit crime and forces' ability to prevent and detect such crime. Core police work has become less about crime-fighting and more about preventative safeguarding and intelligence gathering. The ability of policing to materially affect enduring issues, like the impact of mental health, drugs and alcohol is limited by the strength of partnership arrangements, rather than by undertaking proactive policing activity.

In the current environment, we recognise that a single force, with a single vision, a single mission, and a single operating model would better address these issues.

Cornwall, Devon and Dorset share similar operational approaches and culture, and similar challenges including the growth of the region as a 'year round' tourist destination which supports the local economy, which is why we are already working in a successful alliance. However, as the alliance matures and we continue to invest in this approach and refine it further for the benefit of our communities, we recognise that we are close to the limits of what can practically be achieved if we maintain three separate, but closely linked, delivery and governance structures (the two forces and the alliance). The financial challenges across policing and the wider public sector mean that we need to consolidate what works and continually demonstrate value for money in every approach we take.

Following a full review of our alliance we have concluded, with independent professional advice, that the creation of a new force for Cornwall, Devon and Dorset gives us the best opportunity to continue to deliver services effectively and meet the expectation of our communities.

A single approach to leadership in the new force will provide clarity of vision and mission, streamline decision making and ensure that initial financial savings are reinvested in the front line. Longer term we can integrate processes and service delivery, which will in turn release efficiency and productivity savings, which again, will allow for further reinvestment in front line capability.

We are excited by the opportunities that the creation of a new force will bring.

Streamlined governance and decision-making processes will free up our leadership from bureaucracy and allow them to, rightly, spend the majority of their time on activities that materially improve the policing service the public sees every day. Having a single clear vision will allow us to adapt to emerging concerns more rapidly; brigade the work of our partners under a single process; exploit opportunities to prevent future demand; represent the diverse views of our rural, urban and coastal communities; provide longevity to our policing style and model which serves our public well; and ultimately provide our community with better and more sustainable resources and a safer and more protected area.

From our established strong base, we want to further improve public confidence and be known for maintaining and retaining that position. Being best in class at a time of austerity is challenging, and we are certain that a merger is the best way to achieve this.

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Police and Crime Commissioner	*Chief Constable*	*Chief Constable*	*Police and Crime Commissioner*
Devon, Cornwall and the Isles of Scilly		**Dorset**	

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INTRODUCTION

This report provides a summary of the business case assessment of proposals by Devon & Cornwall Police (D&CP) and Dorset Police (DP) to merge and become a single force with a single OPCC.

The approach adopted is in accordance with the HM Treasury 'Green Book' Guidance for Business cases, and therefore consists of five separate elements. The five elements are:

Strategic case	Covering the vision and strategic ambitions for policing across the two force areas and the alignment of that vision and ambition with the structural changes being considered.
Economic case	Identifying and assessing the additional public value that could be generated by the structural changes and quantifying as far as possible the monetary impact of those changes for the public purse.
Commercial case	Exploring the business implications of the preferred option that emerges from the economic case in terms of legal process, HR, estates, ICT and third-party expenditure.
Financial case	Assessing whether the preferred option is affordable and the source of funding for any upfront investment costs required.
Management case	Considering the 'achievability' of the preferred option and looking at the actions that would be required to ensure successful delivery in accordance with best practice.

This report summarises the key findings from each of those cases.

1. STRATEGIC CASE

1.1 Introduction - the current position

1.1.1 History

Devon & Cornwall Police:

On 1 June 1967, following a series of major mergers, Devon and Exeter Police, Cornwall County Constabulary and Plymouth City Police amalgamated to form the Devon and Cornwall Constabulary. This resulted in the creation of the largest police force in England by geographical area.

Over the past 50 years the force has grown considerably to meet growing demands and was graded as 'good' for crime data integrity by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in April 2018. D&CP has the seventh lowest crime rate in England and Wales (per 1000 population), with good levels of public confidence.

Dorset Police:

Initially formed in 1855, Dorset County Constabulary merged with Bournemouth Borough Police to form Dorset and Bournemouth Constabulary on 1 October 1967. On 1 April 1974, the force took over some areas (mainly Christchurch and its surrounding areas) from Hampshire Constabulary and acquired its present name.

DP is one of the highest performing police services in the United Kingdom and was rated 'good' overall by HMICFRS in November 2017. Dorset has the twelfth lowest crime rate in England and Wales (per 1000 population), with good levels of public confidence.

1.1.2 Key organisational information – leadership, governance and the strategic alliance

D&CP and DP have been in a strategic alliance since 2015, deciding to work together because both forces have:

- Similar policing styles, values and priorities
- Similar neighbourhood policing style
- Strong links with communities
- Rural, coastal and urban geographies
- Similarities in culture

The strategic alliance has led to several senior roles in both forces being shared or combined, as set out in the current organisation structures provided Appendix 1 (text in purple refers to areas that are a single service. The director of legal, reputation and risk[1] and director of people and leadership are also fully shared roles between the forces).

The two forces are also involved in the successful regional delivery of services on a four-force basis; for example, the South West Police Procurement Department ("SWPPD"), was launched on 1 April 2012 and is now well established, and embedded in all four forces (see Section 3, Commercial case for more details). There are also other informal collaborative working arrangements, for example with local fire services.

[1] Covering Joint Legal Services (both forces), Information Management (Devon and Cornwall/partly Dorset) and Corporate Communications and Engagement (Devon and Cornwall/Dorset) and Joint Senior Information Risk Owner (SIRO) for both forces

Governance is provided through the two offices of police and crime commissioners (OPCCs), the structures of which are set out in Appendix 2.

1.1.3 Guiding principles

In both developing the strategic alliance to this point, and considering future options, each of the four corporations sole have kept in mind a set of guiding principles to provide assurance; particularly that the respective communities represented by each PCC are adequately served by any proposals, including full merger.

There is common agreement that a merged force offers the best long-term solution for all parties and the guiding principles which all parties agree are that:

- Overall performance has been / will be maintained or improved
- The quality of service to the public has been / will be maintained or improved
- There is an opportunity for greater resilience
- Public safety has been / will be maintained or improved
- There are greater opportunities for innovation
- Cashable savings and efficiencies can be realised

1.2 The wider national context

As recognised in the Policing Vision 2025[2], modern policing faces a range of internal and external pressures; a 'perfect storm' of Comprehensive Spending Review pressures over a prolonged period; local population increases; growing, changing and more complex crime demand; high profile service failures and low public assurance levels.

The Policing Vision 2025 sets out and ambition to *"make transformative change across the whole of policing . . . through working together collaboratively in the public interest".*

The latest Winsor report[3] also identifies a number of areas where improvement is needed, including: significantly improve the pace of change, whilst maintaining public confidence; manage emerging and enduring threats; deal with the gaps that exist between public services as statutory partners retreat into their core areas of delivery, for example in dealing with the vulnerable or those with mental health issues.

The recent funding settlement for police forces and accompanying letter from the minister have made it clear that continued progress on improving productivity is a key requirement. Joint working / collaboration is recognised as one route to deliver against that need.

The Police Act (1996) formalises joint working arrangements between two or more forces or Police Authorities where there is the opportunity to deliver greater efficiency and effectiveness. In 2012 the Home Office provided guidance on their application and HMIC reported on 'Increasing efficiency in the police service - the role of collaboration'. Over the last six years HMIC (now Her Majesty's Inspectorate of Constabulary, Fire and Rescue Service) and the

[2] "Policing Vision 2025" jointly produced by the Association of Police and Crime Commissioners (APPC) and the National Police Chief Constables (NPCC)
[3] 'State of Policing 2016. Part 1: Overview'

Home Office have continued to encourage forces to work more collaboratively at a local level, a regional level and, in some aspects, at a national level.

Reports into perhaps the most mature force alliance between West Mercia and Warwickshire, note that, despite many successes, the process of defining and implementing a single operating model has created some challenges, and there have been questions raised about whether the alliance will need to move to a single chief officer team to achieve fully integrated operations. However, it still remains as *"the most collaborative policing arrangement"* in England and is quoted as evidence of such collaboration bringing efficiency and operational benefits.

In other locations, the progress on collaboration has been mixed, with a number of attempts at alliances and with changing aspirations for the extent of collaboration between Forces. As well as formal alliances, these include example that focus on the "back office" elements for collaboration – such as HR, procurement / commercial services, ICT and elements of finance.

The Home Office is funding force led work in relation to several commercial workstreams such as national purchasing of utilities, shared services, forensics and insurance that are being pursued with the aim of reducing costs. That drive has recently been strengthened by a letter to all Forces from the Minister of State for Policing and Fire Service stating *"I would like to see a delivery plan with clear milestones between now and September 2018 for achieving the National Commercial Board's ambition of reducing procurement and shared service costs by £100m and £20m respectively."*

It is worth noting that no other forces in England are considering taking joint working further to a full merger for operational reasons, in the way considered in this business case. This is therefore a ground-breaking proposition with the ambition is to define the next generation of policing.

1.3 The case for change

1.3.1 The journey to date – the strategic alliance

Every police force and wider public service works in partnership with one or more of its neighbours. Forces also work as regional groups, collaborating on more complex areas of policing such as counter terrorism and organised crime.

In March 2015, D&CP and DP signed a formal agreement to work together to best serve the residents of the three counties. Both forces have worked hard to identify what areas within Cornwall, Devon, and Dorset they can best work on together. This has been a 'bottom-up' approach, with individual business areas developing their own proposals for change through detailed business cases.

Thanks to the hard work of officers and staff, today, around 25% of staff are working in the strategic alliance and there are 38 business cases either under development or being implemented. Of those, 22 business areas are 'live', delivering a three-county service, as summarised in the table below.

Operational Policing	Operational Support	Business Support
•Roads Policing •Dogs •Firearms and ARV •Prevention •ANPR •Integrated Offender Management •Intelligence	•Ops Support and Command •Ops Planning •Alcohol Licensing •Evidential Property	•Finance •People •Information Management (Phase 1) •Information Management (Phase 2) •Business Change •Audit, Insurance and Risk •Fleet Services •Admin Services •Business Support Services •ICT •Corporate Communications and Engagement

Table 1.1: Summary of alliance areas that are already live

There are some areas where the alliance has already successfully changed policing including:

- **High-profile, high-visibility roads policing:** both forces now have the tactical option to run joint-force Allied Wolf roads policing operations. These multi-unit operations have the visibility and resources needed to reinforce safer driving campaigns, to act as a deterrent to driving offences and to disrupt local crime. More than a dozen Allied Wolf operations have now been run.
- **Aerial view and evidence gathering**: the strategic alliance Drones Team provides a rapid aerial view and evidence gathering capability to officers across the three counties. The live aerial view of events has supported missing persons and suspect searches in both forces, along with crime scene investigation work that has already been used in evidence during court proceedings. This specialist team, which was the first of its kind in the country, operates six drones which are available across the three counties.
- **Firearms surrender**: being primarily rural counties, gun ownership per head of population across Cornwall, Devon and Dorset is amongst the highest in the country. Working together in the delivery of a coordinated firearms surrender campaign running across both force areas, 2017 was the most successful year ever in taking unregistered firearms out of circulation.

There have also been successes behind the scenes, including: shared digital/ICT strategy; bringing together several business areas to create an entirely new department solely focused on Prevention; and Alliance Admin Services.

Other successes include the rollout of the two digital storage units and detection dogs.

The total annual benefit impact from the implemented areas is estimated to be £3.6m[4] with total programme benefits reported to rise to £10.9m, **leading to estimated cumulative savings of approximately £100m over the next ten years.**

[4] Source: *strategic alliance benefits report quarter 4, 2017/18*

The current delivery against the seven non-financial benefit areas of the Alliance are assessed in the spider-diagram below, where the shaded area represents what has been delivered to date[5].

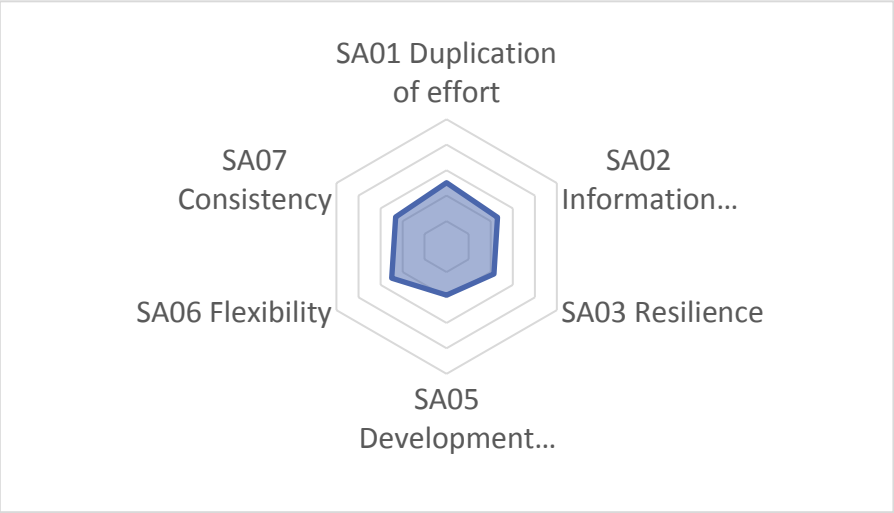

Chart 1.1: summary non-financial benefits from the Strategic Alliance as at March 2017

1.3.2 Merger – the next logical step towards greater collaboration

As set out above, the current strategic alliance has been successful across a number of areas.

However, there is growing concern that the power of coming together is reaching its natural limit and that the alliance may be constrained from doing any more. This potential loss of momentum is happening for a variety of reasons:

- **Decision-making and governance**: as the relative proportion of collaborative activity increases, the existing governance mechanisms have become less reflective of the way business is delivered; and, as a result, less fit for purpose. All four corporations sole are adamant that local policing and a single control room (for example) are too high risk to pursue at the current juncture in terms of public confidence and for local governance to work, in a model of two chief constables and two PCCs and the potential for a three-county delivery model. The complexities and risks associated with such a step make the cost benefit analysis, risk profile and governance challenges too great. **Against the current environment of new and emerging threats, a single force, with a single vision, a single mission, and a single operating model would better address these issues.**
- **The lack of single unified command and control structure supporting a single unified vision**: as more frontline / operational areas such as the control room are explored, all parties recognise that any solution will be sub-optimal without a single unified approach to policing rather than two forces and two PCCs with different priorities, different visions, different financial imperatives and different expectations. All of which mean that expected / accepted operational responses may remain different in each force. This also makes moving to single functions in operational areas such as the control room much less attractive as the opportunity to fully rationalise and streamline processes to a single consistent way of working is not fully achievable. **As a result, the more significant savings from such areas would be helped considerably by a single command and control structure that supports a single vision for policing which is best served by merger.**

[5] These are expected to increase as more areas are allianced and processes are aligned

- **A moment in time**: all parties recognise that there is a narrowing time horizon to the next PCC election in May 2020 but that full implementation of some of the ambitions will inevitably take longer. Those ambitions will also involve significant capital (as well as revenue) expenditure and there is uncertainty whether such commitments should be made unless delivery can be 'locked-in' by a full merger, as they would limit the freedom of operation of potentially two new PCCs and two new chief constables (if the forces remain separate) by two years' time.
- **Experience elsewhere**: lastly, experience from elsewhere, such as West Mercia and Warwickshire, suggests that a successful alliance now appears to be struggling because of the difficulty of establishing a single operating model whilst there are two forces and four corporations sole.

If the decision is made not to merge, despite the compelling reasons set out in this full business case (FBC), the two forces will continue to work together. Whilst it is unlikely that they will 'un-alliance' areas that are already joined, further, **deeper collaboration will always be sub-optimal whilst there are separate direction-setting, governance and command and control structures in place; in other words, whilst there are two separate forces accountable to two separate PCCs.**

1.3.3 Why merge? A vision for the future: the operational case

Whilst the historic driver for the creation of the strategic alliance was financial and the ability to deliver further savings and an efficient service remains important, the key reasons to merge are operational. This is a force-led proposal – not a political one; both chief constables believe that the two forces will be stronger together, both PCCs therefore gave their approval to explore the proposal further. As such, the 'operational case' for merger has been threaded through each element of this FBC and is attached in full as Appendix 3 – The Operational Thread.

The vision of the four corporations sole is to create a force that is more connected, providing a local focus and national influence:

> *To improve the safety of the public by changing and enhancing the way in which we deliver policing to all our communities, to ensure they are resilient and connected. Our ambition is to lead the way in defining the next generation of policing which is well supported, responsive, efficient and forward thinking*

The success of the merger will be determined by the following critical success factors. The new force must:

- Be able to offer an outstanding local policing service
- Be more resilient and achieve long term sustainability
- Be able to invest to meet new and emerging threats
- Maximise our overall efficiency and effectiveness
- Define a new culture for a new era for policing

Key operational and business benefits

Five key areas of benefits of merger have been identified.

Figure 1.1: summary of expected improvements in policing for local communities

Improved service to the public	Achieving operational consistency and improving the response to deliver key policing outcomes
More resilient and sustainable police service	Savings re-invested in frontline and technology to keep the public safe. A larger more flexible workforce.
Increased operational efficiency	Cutting bureaucracy and removing inefficiencies in the force and partners. Increased productivity
Increased accountability	Single points of leadership, one vision, one mission, one police and crime plan and clarity of purpose
Increased national influence	More influence, attracting talent and representing our communities at a national level

A new target operating model (TOM) is being developed for the proposed merged force. Whilst some details will continue to be developed during transition, some key aspects of the new model and how it will support twenty-first century policing are already clear.

A single leadership structure within a new policing organisation would halve the number of chief constables and police and crime commissioners and reduce the numbers of chief officers. The new indicative executive team structure is:

- Chief constable
- Deputy chief constable
- Four assistant chief constables covering:
    - Operations
    - Local policing
    - Crime and criminal justice
    - Change
- Three chief officers covering:
    - Finance and resourcing
    - Human resources
    - Legal services

On top of these savings, the new TOM will create additional savings to those already realised or possible from the strategic alliance; those savings will be reinvested in frontline policing.

One vision, one mission and one police and crime plan will provide clarity of purpose and effective leadership into the future. The creation of a new police service, with a single agreed way of working, a single method of delivering policing service and a single set of policing priorities will see the removal of the current structural inhibitors and will lead to a more efficient, effective and resilient service to the public.

In the medium term, a merged force could implement a consistent delivery model encompassing a whole system approach. This would incorporate the end to end processes for effective demand management. A move to single ICT systems, incorporating command and control, crime and intelligence and resource management would allow the concept of single control room capacity to become a reality. This would provide a consistent flow of demand into a single incident resolution and tasking process, seeking to deal with as much demand as possible to point of completion. Thereafter, demand requiring frontline involvement would operate to single, consistent processes. Feedback from strategic alliance functions suggests they would be much more effective and efficient if they were working to one policing executive command structure and that **achieving a holistic approach to demand management will be very challenging if a merger is not achieved.**

Some of the strategic implications of the new TOM are captured in the bullet points below:

- **Force management statements (FMS)**: ensuring that gaps are addressed and synergies exploited.
- **HMICFRS inspections**: The process for working with HMICFRS and co-ordinating lessons learned is currently different in each force and there is still significant replication, despite working together; this will be eliminated.
- **Performance management**: both forces recognise the importance of trying to align the currently different frameworks and to this end have designated cross-force portfolios for the two deputy chief constables (DCC); one - the chief operating officer (COO) - leads on performance on behalf of both chief constables. Whilst this is a major step forward, it is proving to be very challenging as the structures and frameworks are still very different in each force.

- **More efficient decision-making and governance**: the present system of strategic alliance effectively sees three decision making structures across the two police forces; one for each force and a separate one for the strategic alliance areas of business.
- **National, regional and local collaboration**: both forces are committed to working with partners to help make communities safer and have had notable successes. Once established, the new Police Force could increase its commitment both regionally and nationally in line with other similar sized police forces and their current contributions.

The Operational Thread concludes that a merged force will be able to achieve better policing outcomes for local people through areas such as improved visibility, faster response times, greater safeguarding for the most vulnerable and greater contribution to collaborations with partners. These will be delivered through:

- **One vision, one controlling mind and clarity of purpose**
- **Increases in effectiveness and efficiency of decision-making and through a single operating / delivery model**
- **Faster progress on key IT and other infrastructure changes and implementations**
- **An increase in resources**
- **Consistency and standardisation of approach**
- **A more effective use of intelligence and tasking processes, improving crime-fighting capabilities**
- **An enhanced contribution to national and regional policing as well as to local collaborations.**

1.3.4 Public engagement

A substantial programme of engagement has been undertaken in developing this FBC. The key elements include:

- Engagement with staff: a series of leaders' events, presentations, roadshows, workshops and a staff survey open from 20th June 2018
- Engagement with the public (citizens and businesses), with a formal media launch on 28th June and including a public on-line survey, preceded by informal engagement through planned events such as the Devon County Show
- A formal Westminster briefing for MPs on 3rd July
- Formal and informal meetings with local authority officers and members
- Meetings and or exchanges of information with:
    - HMICFRS
    - NPCC
    - The College of Policing
    - The PCPs

The aims of the engagement strategy along with the conclusions from it are summarised below.

To seek the views of staff, the public and stakeholders on the possible merger, including any areas of policing they would like to see investments being made

There was a high level of interest from our key stakeholders and, on balance, the majority of views were supportive. Interactions with all stakeholder groups indicated that they wanted to see improvements in policing services and, particularly, greater investment in local policing.

To promote the engagement as widely as possible to those who live and work in the three counties and raise awareness of the proposal to change

Promotion of the survey was significant and wide-reaching, with media coverage across all major platforms in the two force areas and social media reach (both from the four corporation soles and independent sources such as online media) complementing this traditional media coverage. A large number of events were also attended, allowing the public to both ask questions and have a say.

This resulted in high levels of interest from staff, officers, the public and key stakeholders and has helped to identify key communications issues moving forward, including greater explanation of the ways in which any new force would remain locally connected to its local communities.

To ensure that engagement took place with a proportionally representative cross-section of our communities

The variety of engagement methods employed (face to face, events, meetings, on-line, telephone and email) ensured that a wide range of individuals were engaged with. The telephone surveying was specifically used as a channel to ensure a representative sample of our communities.

1.4 Conclusion

D&CP and DP have been collaborating for some years and have delivered significant benefits – both financial and non-financial. As they themselves recognise, they are now at something of a crossroads; all the evidence suggests that further collaboration makes sense, yet the areas now being considered involve more frontline services where the lack of a single command and control structure and unified vision for the whole geography make delivery much more problematic.

There is also a very real risk that, if the forces remain separate, with new PCCs and / or new chief constables (all of whom could change in the next 26 months), existing savings could be eroded (at worst) or future savings delayed (at best) as decisions are reconsidered.

A full merger has the potential to provide the single vision that could help unlock further future savings as well as cement those delivered to date. It also offers the potential for transformation – creating a new entity that can unlock further innovation; setting the standard for 21st century policing.

The overwhelming majority – including the incumbent leadership and governance teams - see merger as the next logical step. A full merger makes sense strategically with perhaps the most compelling argument being the operational thread and the platform that the new TOM provides for further innovation to support the ambition to define the next generation of policing. **The Operational Thread concludes that a merged force will be able to achieve better policing outcomes for local people through areas such as improved visibility, faster response times, greater safeguarding for the most vulnerable and greater contribution to collaborations with partners.**

2. ECONOMIC CASE

2.1 Introduction

The purpose of the Economic Case is to demonstrate that the change proposed in the Strategic Case will optimise public value.

2.2 Long list

Although conceived in 2014, the strategic alliance can trace its roots to the 2010 Comprehensive Spending Review (CSR), with a need to make financial savings as well as improve the resilience and sustainability of both forces. Since then the trust between the two forces and, in particular between the political and operational leadership, has grown. This has led to a deepening of the collaboration, with many more areas now under consideration than at inception. This focus has not been at the expense of other potential opportunities for savings and resilience with other options having been assessed and pursued as appropriate along the way.

2.3 Short list

2.3.1 Option 1 - status quo – maintain the current strategic alliance programme

This option represents the strategic alliance programme continuing in terms of overseeing existing strategic alliance areas[6], and completing the implementation of strategic alliance areas currently in the implementation phase. It has already delivered quantifiable benefits from these areas of £3.6m per annum.

The table below shows the list of the business areas in the implementation phase and their latest intended implementation date.

Business area	Implementation date
Firearms licensing	November 2018
EPT (enhanced policing team / force support group)	January 2019
Resource management unit	June 2019
Major crime	September 2019

Table 2.1: Business areas in strategic alliance implementation phase

2.3.2 Option 2 – extend the strategic alliance programme without merging

The four corporations sole do not want to commit to widening the strategic alliance scope at this stage. They believe that there are certain business areas which are too high risk to pursue at the current juncture in terms of public confidence and for local governance to work, in a model of two chief constables and two PCCs and the potential for a three-county delivery model.

[6] Operations Command, Prevention, Roads Policing, Dogs, ANPR, Turnaround IOM, Finance, Information Assurance, Fleet, Administration, Operation Planning, Firearms ARV, Business Support Services, People services, ICT, Information Management Phase 2, Business Change, Alcohol Licensing, Evidential Property, Intelligence, Corporate Communications

However, for the purposes of a comparative, an option has been tested based upon delivery of an extended strategic alliance which would encompass the additional business areas shown in the table below.

Business area	Implementation Date
Information management - phase 3	2019/20
Professional standards	2018/19
Victims \ witness care	2019/20

Table 2.2: Business areas that would be progressed under Option 2

2.3.3 Option 3 – merger

This option would align the business areas covered by the status quo and strategic alliance extension option but also see the following business areas aligned:

- Corporate Development
- Criminal Justice
- Estates
- Local Investigations
- Neighbourhood and Response
- Public Protection Unit

It would also involve the amalgamation of two OPCCs supporting a single elected PCC and the creation of a single force leadership team featuring most notably the elimination of one chief constable post and one deputy chief constable post. As a consequence of this, significant programme and governance architecture would be dismantled which has carried a considerable opportunity cost in relation to the time of senior officers and staff required to service it. This is a cost that has been quantified for Options 1 and 2.

2.4 Qualitative appraisal

As per the Strategic Case, there are five key benefit outcomes driving the re-organisation of the service as follows:

- Improved service to the public
- A more resilient and sustainable police service
- Increased operational efficiency
- Increased accountability
- Increased national influence

A set of objectives have been defined as the key to achieving these outcomes and have been adopted as the criteria for qualitatively appraising the ability of each option to deliver the benefit outcomes sought.

A series of expert opinion workshops have been held across the two forces to establish the views of a cross section of officers as to whether the changes and new operating model facilitated by merging would, in their view, lead to an enhancement in the benefit outcomes beyond those achievable through status quo or extending the alliance scope without merging.

The exercises posed a series of questions and resulted in the following average weighted assessment of each option's likely beneficial impact. The scores are analysed below.

Aims	Objectives	Maximum score contribution (%)	Weighted score: Existing state	Weighted score: Merge	Weighted score: Extended Alliance
Improved Service to the Public	Establish operational consistency	7%	2.2	3.8	1.8
	Improving our response to deliver better policing outcomes for local people in terms of:				
	Increased visibility and public confidence	7%	2.1	3.7	2.4
	Improving response times to those in greatest need of our policing service	9%	2.1	4.3	2.6
	Improving public safety across a large urban, rural and coastal force	11%	3.1	5.9	3.9
	Increasing positive outcomes for those victims of crime	9%	2.7	5.2	3.7
	Greater safeguarding and protection for those most vulnerable in our communities	11%	3.4	6.8	5.0
	Sub-total (maximum available)	**52%**	16%	**30%**	19%
A More Resilient & Sustainable Police Service	Savings re-invested in our frontline and technology to keep the public safe	7%	1.3	4.4	2.2
	Establishing a wider resource pool to achieve more resilience and flexibility	5%	0.6	2.8	1.8
	Increasing resources	5%	0.7	2.9	1.6
	Sub-total (maximum available)	**17%**	3%	**10%**	6%
Increased Operational Efficiency	Cutting bureaucracy, removing inefficiencies in the Force and partners	4%	1.1	2.1	1.2
	Standardising procedures such that activities only need to be done once and can be rolled out across all three counties	4%	0.7	2.0	1.4
	Increasing the effectiveness and efficiency of decision making	3%	1.2	1.7	1.1
	Faster progress on key transformational IT programmes and other infrastructure changes and implementation	4%	0.9	2.2	1.1
	A more effective use of intelligence and tasking processes improving our ability to fight crime	3%	1.3	2.0	1.4
	Sub-total (maximum available)	**18%**	5%	**10%**	6%
Increased Accountability	Establishing single points of leadership and accountability	2%	0.5	1.1	0.6
	Establishing one vision, one controlling mind and clarity of purpose	2%	0.5	1.4	0.6
	Producing and implementing one Police and Crime Plan	2%	0.4	1.2	0.5
	Sub-total (maximum available)	**5%**	1%	**4%**	2%
Increased National Influence	Being better able to attract and develop talent	1%	0.4	0.7	0.5
	Representing our communities concerns and requirements at a national level	1%	0.6	0.8	0.6
	Widen and improve access to development opportunities for staff	1%	0.4	0.7	0.5
	Improve staff wellness	2%	0.9	1.0	0.7
	Making an enhanced contribution to regional and national policing	1%	0.4	0.8	0.4
	Greater contribution to a collaborative and partnership approach to crime related problems endemic in our society, (such as drug and alcohol related issues)	1%	0.5	0.8	0.4
	Sub-total (maximum available)	**8%**	3%	**5%**	3%
	Total	**100%**	**28%**	**58%**	**36%**

Table 2.3: Summary of qualitative appraisal

Improved service to the public

It is evident that of the five benefit outcomes being sought, the view of the expert participants is that improving service to the public should be the most important. The scores show that the option which participants believe is most likely to do this is the merger option. A single operating and delivery model will enable a consistent approach to be adopted in relation to understanding and responding to the underlying drivers of demand on the service. The Operational Thread in Appendix 1 describes how, although threats such as 'county line' issues and 'emerging drug markets' are likely to have common sources, their impact may manifest themselves in differing types of incidents across the three counties which can lead to sub-optimal resourcing in terms of the balance between dealing with cause and effect.

A merger will facilitate a single performance management framework that is vital for achieving consistency across the three counties and generating the efficiency and headroom for re-investment in priority areas. Having standard methodologies for data collection; standardised meeting and reporting structures; and reporting against a single set of priorities will, as examples, be key to this.

The headroom to re-invest in frontline officers should increase visibility and the perception of safety and enable quicker response times to incidents. It should allow for investment in new hardware which facilitates more efficient policing e.g. drone, and the technology to respond to fast developing areas of crime types such as cyber.

Sexual offences and domestic abuse are often features of crimes committed against the most vulnerable members of the communities across Cornwall, Devon and Dorset and merging will

enable a consistent approach to investigations and is an important example of how establishing a bigger force will create the scale to support the existence of flexible, specialist resource across all three counties which is not currently achievable.

A more resilient and sustainable police service

The scoring of the expert participants reflects a strong view that only merging can generate the resources and flexibility that will give the service the resilience to deal with the future demands it faces. The impact of significant budget reductions and on-going funding uncertainty, as referenced in the foreword to this business case feeds into the expert opinion that the creation of a bigger pool of officers allows for more deployment options, the sustainability of specialist teams and, overall, an impact greater than the sum of the constituent parts.

Increased operational efficiency

It is interesting to note that across the previous two benefit areas discussed above, the option of extending the strategic alliance further without merging would be expected to deliver some additional benefit, whereas the impact of doing that in this benefit area would appear to be negligible and, for one of the objectives i.e. 'Increasing the effectiveness and efficiency of decision making', would result in a marginally inferior position.

The scores are reflective of a firm consensus that one decision making body rather than the current three i.e. i) Dorset; ii) Devon and Cornwall; iii) strategic alliance, eradicates the potential for disagreement and thus delay across vital programmes such as PRISM (Policing Response Investigations and Safeguarding Model). This is a joint programme across both forces which will provide the basis for unlocking the benefits and headroom cited above. **The move to a single approach to managing demand through, for example, the implementation of the Integrated Service Delivery (ISD) programme (part of the PRISM programme portfolio) will result in better and quicker investigations and resolution through a single, standardised, multi-agency allocation and tasking approach. The expert opinion is that this could not be achieved across two different geographic delivery models and would also preclude a single call handling, command and control and deployment function upon which significant operational and financial benefit depends.**

Increased accountability

Although featuring less importantly as a benefit area than those above, the scoring is **strongly in favour of the merger** being the preferred outcome for increasing accountability.

A new police Force will have one inspection regime, facilitated and implemented through a single governance structure with better, faster decision making processes and single lines of accountability. All of this will ensure that a single Operating Model and the single police and crime plan are supported from a single, lessons learned perspective, increasing the consistency and quality of service delivered to the public. **The strategic alliance and any further extension of it, would sit between two organisations with a method of accountability that is owned by both forces, but arguably, ultimately by neither.**

Increased national influence

The main improvement which stands out from the scoring is the expert opinion that merger will enable the service to make an enhanced contribution to regional and national policy. The merger would create the capacity to contribute and lead on initiatives, research and policy development to a greater extent than it does at present.

This would be seen as an attractive feature for current and prospective workforce members and would be expected to contribute to an improved sense of value and satisfaction which is an important part of sustaining well-being. In the same context, it is notable that expert opinion is that extending the strategic alliance will lead to a lesser outcome than the current position, suggesting that the strain and uncertainty of maintaining the existing arrangements would be worse if the strategic alliance was extended.

2.5 Cost benefit appraisal (CBA)

A cost benefit appraisal of each of the options has been undertaken over a ten-year period.

The key costs under status quo (Option 1) and extension of the strategic alliance (Option 2) are:

- Total implementation costs per the detailed business case (DBC) of each business area
- Cost of the strategic alliance programme office and organisational costs of supporting the programme management and governance

The key benefits under status quo (Option 1) and extension of the strategic alliance (Option 2) are:

- Total quantifiable benefits per the detailed business case (DBC) for each business area

There are further costs and benefits associated with merger option beyond those associated with the additional business areas that merging addresses.

The additional costs are with reference to:

- Redundancy costs arising from the OPCC and leadership changes
- Implementation of a job evaluation framework
- Pay protection under TUPE following job evaluation
- Livery change
- Additional legal advice
- Additional programme management costs
- Costs of achieving further efficiencies in strategic alliance areas e.g. redundancy

The additional benefits are with reference to:

- Leadership cost savings across the forces and OPCCs
- Procurement savings
- Further process savings from the strategic alliance
- Reductions in force supervision costs
- Reduction in the operating cost of the combined estate

The table below shows the totals for each of the cost and benefit elements described above for each option.

		Option		
		1	2	3
		Status Quo	Alliance x	Merger
		Total over 10 years (£'000s)		
Benefit				
	Current Alliance areas	36,408	36,408	36,408
	Alliance areas in implementation	61,159	61,159	61,159
	Further areas to be allianced		3,736	15,576
	Additional benefits from merging			
	Reductions in senior management and governance			12,482
	Procurement savings			4,237
	Additional process savings from Alliance functions			4,420
	Reduction in supervision costs			6,000
	Reduction in Estates operating cost			2,460
	Sub-total			29,598
	Total	97,567	101,303	142,741
Costs				
	Implementation	8,759	8,934	8,077
	Programme team	2,680	2,680	2,170
	Merger			
	Redundancy			528
	Job evaluation framework			1,348
	TUPE pay protection			1,514
	Branding			200
	Legal advice			200
	Additional programme management costs			300
	Alliance savings implementation			367
	Sub-total			4,456
	Total	11,439	11,614	14,704
	Net Benefit	**86,128**	**89,689**	**128,038**

Table 2.4: Cost benefit analysis in real terms

The table below shows a summary of the profiled impact of the costs and benefits in NPV terms over the ten-year period.

		Option		
		1	2	3
		Status Quo	Alliance x	Merger
		NPV over 10 years (£'000s)		
Benefit				
	Current Alliance areas	30,279	30,279	30,279
	Alliance areas in implementation	49,567	49,567	49,567
	Further areas to be allianced		3,029	12,721
	Additional benefits from merging			23,622
	Total	79,846	82,874	116,189
Costs				
	Implementation	7,692	7,837	7,100
	Programme team	2,496	2,496	2,072
	Merger			3,914
	Total	10,188	10,333	13,086
	Net Benefit	**69,658**	**72,542**	**103,103**

Table 2.5: Cost benefit analysis in discounted (NPV) terms

2.6 Risk and optimism bias

The trust and relationships within the political and operational leadership of the four corporations sole, as referred to in Section 2.2 above, have been critical to establishing and sustaining the strategic alliance up to this point. It is likely that, over the next five years, the individuals in these positions may change which could impact on the sustainability of the strategic alliance. The key risk under Options 1 and 2, therefore, is that the existing strategic alliance programme would be reversed at some point in the future.

This would result in savings from implemented strategic alliance business areas and those planned for implementation under Options 1 and 2 being lost.

This risk adjustment has been quantified as follows:

- The benefits have been segmented into two categories; i) savings from 'frontline' areas; and ii) savings from 'non-frontline' areas; as the risk of alliance working in 'frontline' areas being reversed is considered to be greater than for 'non-frontline' areas
- The probability of alliance working being reversed has been assessed and an adjustment factor agreed with S151 officers
- The probability is considered greater under Option 1, than Option 2, as Option 2 would represent further embedding of current strategic alliance areas and progression of new strategic alliance areas which would make reversal more difficult than under Option 1
- The assessed probabilities are as follows:

	Option	
	1	2
	Probability of reversal (%)	
Front line alliance areas	60%	50%
Non-front line alliance areas	30%	25%

Table 2.6: Risk adjustment percentages

The Figures have also been adjusted for optimism bias with the following adjustment factors applied:

Application	Adjustment factor	Basis
Benefits	Reduced by 27%	Programme evaluation reviews
Implementation costs	Increased by 10%	Reasonable estimates in accordance with Treasurers and Directors of finance and resources advice
Programme costs	Increased by 10%	Reasonable estimates in accordance with Treasurers and Directors of finance and resources advice

Table 2.7: Optimism bias adjustments

The table below shows the overall risk and optimism bias adjusted position for each of the three options.

	Option			Option		
	1	2	3	1	2	3
	Status Quo	**Alliance extension**	**Merger**	**Status Quo**	**Alliance extension**	**Merger**
	Total (£'000s)			**NPV (£'000s)**		
Benefits						
Existing Alliance benefits	36,408	36,408	36,408	30,279	30,279	30,279
Anticipated Alliance benefits	61,159	61,159	61,159	49,567	49,567	49,567
Extended Alliance benefits		3,736	15,576		3,029	12,721
Additional benefits from merging			29,598			23,622
Total	97,567	101,303	142,741	79,846	82,874	116,189
Cost						
Implementation	8,759	8,934	8,077	7,692	7,837	7,100
Programme team	2,680	2,680	2,170	2,496	2,496	2,072
Merger			4,456			3,914
Total	11,439	11,614	14,704	10,188	10,333	13,086
Net benefit pre-adjustments	86,128	89,689	128,038	69,658	72,542	103,103
Less:						
Optimism Bias						
Benefits are over-stated	26,343	27,352	38,540	21,558	22,376	31,371
Costs are under-stated	1,144	1,161	1,359	1,019	1,033	1,211
Total	27,487	28,513	39,899	22,577	23,409	32,582
Risks						
Reversal of the Alliance	15,874	14,231	0	12,991	11,642	0
Total	15,874	14,231	0	12,991	11,642	0
Total optimism bias and risks	43,361	42,744	39,899	35,568	35,052	32,582
Total after optimism bias and risk adjustment	**42,767**	**46,945**	**88,139**	**34,090**	**37,490**	**70,521**

Table 2.8: Cost benefit analysis adjusted for risk and optimism bias

On the basis of the table above the merger option is assessed as delivering the largest net quantifiable benefit over the ten-year period.

2.7 Conclusion

It is evident from the CBA and the qualitative appraisal that the merger option will deliver a significant net quantifiable benefit and is considered most likely by expert opinion to deliver the five benefit outcomes targeted by the four corporations sole.

The subsequent sections of this business case focus on the viability, affordability and deliverability of what has emerged through this economic case as the preferred option.

3. COMMERCIAL CASE

The purpose of the commercial case is to demonstrate that the preferred option is viable.

3.1 The legal perspective

Recent legal opinion has advised that merger is, legally, a viable option within the terms of the Police Act 1996. Under Section 32 of the 1996 Act, the Secretary of State has the power to alter the police areas listed in Schedule 1 to the Act. Hence this preferred option should not require any primary legislation. There are some restrictions within Section 32 on how areas are defined, but the specified area of Cornwall, Devon and Dorset meets those conditions. The Secretary of State will only act to change the police areas if either:

(a) they have received a request to make the alterations from the local policing body for each of the areas affected by them, or
(b) it appears to them to be expedient to make the alterations in the interests of efficiency or effectiveness.

In this case, option (a) will apply.

The legal opinion is that the two forces and the police and crime commissioners need to formulate a detailed and convincing case that a single police area will result in more efficient and effective policing for the whole of the proposed police area. This full business case is the final part of that process, building on what was set out in the OBC.

Once the Home Secretary has created a new single police area covering all of Cornwall, Devon and Dorset, the provisions of the 1996 Act and 2011 Act would apply to that area such that they would provide for a single police force, single chief constable and a single police and crime commissioner.

3.2 The commercial perspective

3.2.1 Background and context – the South West Procurement Department

In July 2011 the police authorities of Devon and Cornwall, Dorset, Gloucestershire, and Wiltshire began the process of establishing a regional procurement team to undertake the process of procuring goods, services, or works on their behalf. The South West Police Procurement Department (SWPPD) was launched on 1 April 2012 and is now well established and embedded in all four forces. All procurement staff are employed by D&CP.

The SWPPD undertakes all strategic sourcing for the four forces, fulfilling key roles such as strategic contract management and supplier relationship management. Each force retains responsibility for transactional purchasing, contract implementation and day-to-day supplier management.

The total costs of the SWPPD are shared across the four forces, with a budget outturn for 2017/18 of £1,022,426, of which, Devon & Cornwall contribute £473,383 (46%) and Dorset contribute £199,373 (19.5%)

3.2.2 Merger impact on the SWPPD

As a result of the ongoing activities of the SWPD a large number of contracts have been procured on a collaborative basis under the same commercial terms, not just including D&CP and DP, but also including Gloucestershire and Wiltshire. For example, uniform (with both Forces adopting the national standards), patrol response vehicles, police pension administration services, utilities etc.

The majority of spend areas are already harmonised. The only main area which is still outstanding is ICT, which is discussed as a separate section below.

There is no current intention to review or change the SWPPD operating model, or the services it provides. Merger is therefore not expected to have any impact on the SWPPD service; all forces will continue to realise the benefits of standardisation and aggregation achieved by procuring through the regional model, which is category focussed.

3.2.3 Commercial contracts current position and spend analysis

In 2017/18 a total of 624 suppliers for D&CP and DP combined were paid over £10k. Of these 125 provided goods or services to both forces, resulting in D&CP spending over £10k with about 370 unique suppliers, and DP spending £10k or more with about 125 unique suppliers.

These 624 suppliers accounted for approximately 95.5% of the combined 2017/18 total spend, broken down as follows:

- D&CP £81,893,098
- DP £39,434,146, which includes Private Finance Initiative (PFI) spend of £10,325,170 (D&CP do not have any PFI spend).

D&CP used a total of 2,700 suppliers in 2017/18 with DP using 1,400.

In terms of capital expenditure, in 2017/18, D&CP spent £5,222,803 and DP spent £2,586,875.

3.2.4 Future commercial arrangements

As discussed above, a large proportion of the contracts held by the two forces are with different suppliers. Over time, it is intended to harmonise these, as follows:

- The default position will be to allow each contract to run its natural duration (unless there are service failures that would warrant some form of intervention)
- Contracts from forces will be ‘mapped’ so that end / re-tendering dates are known, and single contracts will then be considered at the procurement stage

However, it is recognised that:

- It may be sensible to retain some contracts as single supplier, for example where it affects operational delivery
- In many instances differing suppliers across the region brings ongoing competition, a more robust supply chain and improves social value

As a result, some contracts will rightly remain multi supplier deals.

3.2.5 Savings delivery

Since the inception of the SWPPD in April 2012, a large number of collaborative sourcing activities have been undertaken which have realised total ongoing annualised savings for the two forces (D&CP and DP) in excess of £10.5m (combined on-going and one-off). These are all cashable savings rather than efficiency and from 2015/16.

The total savings for each force are:

- D&CP total £8.59m (of which £5.7m are ongoing)
- DP total £2m (of which £1.2m are ongoing).

The majority of savings resulting from collaborative procurement activity for the two forces have therefore already been realised; **merger does not present a significant further opportunity to lever aggregation savings.**

However, given that both forces contract individually, albeit through a joint procurement activity, some further commercial benefits may be realised as a result of contracting as a larger single entity. For example, the risk and management cost profile and transaction costs through a single invoice may change for some suppliers, as they will have a single contract with a single customer, rather than two contracts with two customers, enabling them to reduce their costs. That said, it is not anticipated that this will drive any significant further savings – though some are estimated (see below); it is more likely that it will be a point of leverage used when contracts are novated and subsequently re-negotiated or re-tendered.

Procurement Savings included in the Economic Case comprise £529,000, made up as follows:

- **£294,000 from the areas identified above**
- **£235,000 from ICT licenses and contracts (see section 3.3 below).**

3.3 ICT contracts

Over the past two years the two forces have been progressing an ICT convergence strategy, which will ensure effective and efficient policing and support processes. As part of this, IT requirements have been consolidated and aggregated wherever possible and an alliance ICT procurement strategy has been produced.

Some of the notable work already concluded includes a single 'Enterprise' back-office (Enterprise Resource Planning) platform supporting Finance, Payroll, HR, Purchase to Pay, Fleet and Inventory Management. DP are currently also progressing with the implementation of Storm which will ensure both forces operate through a single command and control platform. Scoping work and a business case for a single record management solution to support major business areas including crime, intelligence, custody and case management, is currently being considered as the current solution in D&CP is reaching 'end of life'. The strategic alliance have also implemented Office 365 to enable effective joint working, utilising tools such as Skype for Business.

D&CP currently have an IT Managed Service contract with BT, which provides services composed in 10 service towers

The IT Managed Service Contract (MSC) has an initial term which expires 31/3/2020 and includes 2 x 2 year extension options. Currently the intent is to use the first of these options to extend the contract through to 31/3/2022; this will provide continuity of service provision and IT services during the transition phase. Independent benchmarks of the contract are undertaken regularly and have provided assurances as to the 'value for money' that is achieved through this contract.

Currently, with a small exception of the resourcing tower, DP do not actively use the contract, however both the Official Journal of the European Union (OJEU) and the resultant formal contract made provision for the services to be extended across into Dorset at any point during the contract period.

As part of the contract extension negotiations with BT, we have requested a proposal to extend the customer service desk into Dorset, which is currently under review.

The future of the MSC and how it might be renegotiated are dependent largely on the detailed target operating model for ICT services across the merged force. Further details of the plans for developing this are included in Section 5 (Management Case) as part of the transition planning.

The current spend on ICT, excluding salaries and pensions, has a total cost of £22.3m. From that total spend, **ICT have a savings target of £235,000 which will predominantly be achieved through software licensing and support costs.**

The approach being adopted to ICT licensing harmonisation is as follows: three to six months prior to each commercially off the shelf (COTS) software license and / or support and maintenance renewal date, a review will be undertaken. Within this review the forces will work with the business stakeholder to determine the current and future (as well as can be ascertained) requirement, and determine if this is a D&CP only, DP only or a combined requirement. The service will then action as appropriate, which could be to terminate the agreement, to enable early alignment to a single product (as per ICT convergence strategy) or extend and expand the agreement. If extending the agreement, the service will work with the contracted third-party software reseller to engage with the COTS supplier and negotiate the commercial terms to extend, as well as to ensure that the new terms enable novation to a merged force, and ensure that the new merged force will be legally licensed to use the software from day one of the merger.

The ICT development programme is being heavily shaped by PRISM (Police Response Investigation and Safeguarding Model)**,** which has now taken over the consolidated management of the change programme for the two forces. This is creating changes in the portfolio of transformation work and the associated ICT support.

PRISM is a five-year portfolio of projects and programmes, bringing existing change activity, including the development of the strategic alliance and planned ICT convergence, together with new areas of change. At the core of PRISM is the target operating model that will define how D&CP and DP will operate. PRISM comprises the major change work that will deliver the target operating model.

Section 5 – Management Case – provides more details of how PRISM has been adapted / is evolving, to support the proposed merger, including some (relatively minor) changes to the ICT development programme.

3.4 Contracting authority and governance

Currently the majority of contracts for D&CP are contracted on behalf of the chief constable as the contracting authority, other than for capital asset purchases such as vehicles and buildings where the PCC is the contracting authority. However, in DP all contracts, revenue and capital are contracted on behalf of the PCC. All of the SWPPD forces operate under the regional procurement regulations, which sets out the procurement procedure to be undertaken by value, with the governance provided by the Regional Procurement Board is the mechanism for decision making. Currently there are different schemes of delegation within D&CP and DP, which reflect the differences in who the contracting authority is. A new scheme of delegation will therefore be required for the merged force (see Section 5 – Management Case – for plans to develop this).

A regionally agreed set of terms and conditions have been adopted, so for procurements that have been sourced through open competition by the SWPPD, the contracts will be on the same terms and conditions. Similarly, where the route to market has been through a wider collaborative framework, such as Crown Commercial Services, the order form, incorporating the commercial terms and conditions, will have been aligned for both D&CP and DP**. It therefore is not envisaged that commercial terms and conditions will cause any difficulties for the merged force, and will in effect simplify the opportunity to novate the existing contracts to the new merged force.**

To ensure a seamless transition it is requested that, through the Statutory Instrument enabling the merger, all existing contracts in the two forces / OPCCs are automatically novated to the new contracting authority.

To further provide assurances with respect to novation and therefore continuity of supply, included within the standard terms and conditions, is the following:

- (the “Authority” which expression shall include its successors and assignees)

And within the terms of Crown Commercial Services contracts is the following:

- A change in the legal status of the Customer such that it ceases to be a Contracting Body shall not, subject to Clause 47.4 affect the validity of this Call Off Contract and this Call Off Contract shall be binding on any successor body to the Customer.

It has therefore been concluded that there is no requirement to terminate any contracts either prior to, or after the merger date (directly as a consequence of the decision to merge).

3.5 Supplier engagement

D&CP and DP are intending to write to all of the suppliers that supply goods or services with an annual value of over £10k, highlighting that the two forces are considering a merger and signposting them to the external website merger pages, to help keep them informed. Within this correspondence the intention is to also outline the current intention to novate any formal contracts that have an end date post May 2020 to the new contracting authority, outlining the process, whilst encouraging them to make contact if they have any questions or queries.

Both forces are also very mindful of the local supply base and therefore will pro-actively engage with them, to provide assurances that they will still have the opportunity to compete to supply to the new merged force, even if they are not able to supply across the larger three county geography. DCP and DP will achieve this by ensuring that an appropriate local lotting

strategy is used when procuring, encouraging local SMEs to bid and supply. For example, during 2017/18 there were 205 local suppliers to D&CP who supplied goods or services with an annual value between £2,000 and £10,000, and 73 equivalent locally based suppliers to DP.

3.6 Estates considerations

3.6.1 Overview

An approach to Estates on merger has been agreed by the Alliance Convergence Board (ACB).

The joint estate consists of 211 properties; some sites have multiple properties due to separate developments over the years. These include traditional stations, specialist facilities, shared properties with other partners, and some remaining tenanted police houses. The medium term financial plans of each force contain plans for the estates including disposals where appropriate. The two forces have a single estates department.

Both forces currently look to work in collaboration with other organisations. The most significant is a joint PFI scheme with Dorset and Wiltshire Fire and there are other joint facilities across the three counties. Opportunities to collaborate will be optimised going forwards.

There are two PFI schemes located within the Dorset estate. At the termination date the properties will become the unencumbered freehold property of the Force and there will be a net reduction of approximately £2m in the revenue account. However, this falls outside of the 10-year period being considered in this business case.

The revenue budget of the estates function based on the budgets for 2018/19 is £7.355m for Dorset and £13.729m for Devon and Cornwall, a combined budget of £21.084m.

The capital budget for the estates function based on the budgets for 2018/19 are £731k for Dorset and £2.587m for Devon and Cornwall, a combined budget of £3.318m. The size of the capital programme for Dorset is directly linked to their significant PFI estate which reduces the need for large-scale capital work.

The estate provision will be revisited as operating models are developed.

3.6.2 Specialisms

Police estates have specialisms that offer opportunities for rationalisation of the existing estate. Due to the size of the geographical area careful thought must be given to any potential moves and the indirect costs that may be incurred; for example, centralising the training facilities may achieve significant estate savings but will have an indirect impact on the cost of travel and accommodation for the trainees and may also impact on the take up of courses.

3.6.3 Potential financial impact of changes to the existing estates strategies

As previous stated there is a recognition that plans for development and rationalisation are already in place. The merger is unlikely to require a significant change to that strategy in the short term.

At this stage there are no formal decisions on changes/rationalisations of the estate. The aspiration would be to reduce the overall cost of the estate function by 3% over the 10 year period. This would be achieved through a combination of actions:

- Smarter working
- Greener/ efficiency working
- Review of property storage
- Review of training facilities
- Review of call centres (savings over and above those already identified as part of the strategic alliance business case)

The profile of the savings is:

2018/19 £k	2019/20 £k	2020/21 £K	2021/22 £K	2022/23 £K	2023/24 £K	2024/25 £K	2025/26 £K	2026/27 £K	2027/28 £K
0	0	0	50	100	200	350	500	630	630

Table 3.2: ten-year profile of estates' management savings

At this stage no formal decisions have been made around changes/rationalisations to the estate so no changes to the capital programme have been made. Although it must be borne in mind that any significant changes that result in new buildings will have an impact on the revenue account, developments would only proceed on an invest to save basis that delivered, as a minimum, sufficient savings to cover any borrowing impact.

3.7 Specialist support for the merger and transition

3.7.1 Specialist support

The implementation of the new merged force may require the acquisition of some assistance in transformation management, either because the two forces do not have that expertise internally, or they do not have the capacity to fulfil their operational policing roles and at the same time apply the required effort to manage the merged force changes.

Specific transformation skills may be needed, including:

- Programme and project management
- Communications (internal and external)
- Change Management
- HR / employment advice and support
- Marketing and branding
- Legal

These skills could be acquired through interim short-term employment, or through contracting with transformation service providers. However, these requirements are not fully defined at this stage – see Section 5, Management Case for more details.

3.7.2 Commercial support for other transition activities

A number of elements of transition that may require specific support from commercial services have been considered, including:

- Fleet livery
- Website and externally facing ICT design
- Signage

Whilst these are covered in more detail as a part of the transition plan is Section 5 (Management case) for completeness, an overview is provided below:

Fleet livery

All police livery for strategic alliance vehicles is now generic, with the exception of the individual force crests. There are some local force strap lines in small livery font situated on the rear quarter glass which is expected to evolve to a standardised message post-merger. The price for the crest decals is less than £10 per vehicle and it is anticipated that replacement would occur as part of the regular servicing schedule, meaning that replacement could be done within 12 months without impact on vehicle availability.

From a procurement perspective, a single supplier is already in place across both forces for livery, so no specific procurement activities are required to support the change.

Insurance

The two forces are already insured under a single insurance contract which effectively treats them as a single entity. No commercial input other than novation is anticipated to be needed.

Website

Both forces' external websites are hosted by the same cloud provider. In addition, the website design, development, and ongoing support / maintenance are also provided by a single supplier across both forces.

As a result, no specific procurement activity will be required to appoint a provider for the development or hosting of the merged force website.

Signage

Neither force have a contracted supplier for site signage, due to the very low annual spend. Some sourcing activity will therefore be required to support the change of building signage, the timings for which will be determined by the approaches to estates transition and re-branding more generally. Funding is included in the Financial Case.

3.8 The accounting perspective

Finance officers have considered the impact from any transfer of assets or any liabilities arising from the proposed merger – these are covered in Section 4 – the Financial Case. The use of a statutory transfer scheme will facilitate the transfer of balance sheets from the existing legal entities to the new merged organisation. Any such transfer should be subject to the making up of appropriate accounts to the transfer date supported by due-diligence and auditing of the balances.

Things that can be transferred under a transfer scheme include:

- property and rights and liabilities which could not otherwise be transferred
- property acquired, and right and liabilities arising, after the making of the scheme
- criminal liabilities.

There will be a need for further examination of all existing assets, liabilities and contracts held by the two forces to understand if there are complexities created by the transfer to the new

force, such as restrictions on novation or change control. This may increase the timescales and costs of transfer.

3.9 Conclusion

The Commercial Case concludes that the preferred option – merger – is feasible.

There is no legal impediment to merging the two forces and the management case includes details of the timescale required to ensure that the required Statutory Instrument is in place in time for the 2020 PCC elections. To ensure a smooth transition to the new merged force, it is requested that, through the SI, all existing contracts in the two forces / OPCCs are automatically novated to the new contracting authority.

To further provide assurances with respect to novation and therefore continuity of supply, included within the standard terms and conditions, is the following:

- (the "Authority" which expression shall include its successors and assignees)

And within the terms of Crown Commercial Services contracts is the following:

- A change in the legal status of the Customer such that it ceases to be a Contracting Body shall not, subject to Clause 47.4 affect the validity of this Call Off Contract and this Call Off Contract shall be binding on any successor body to the Customer.

The SWPPD has already delivered substantial savings for both forces and will continue to operate post-merger. Relatively small additional procurement savings of **£529,000** are expected and included in the Economic Case. These are derived from suppliers having a single contract with a single customer, rather than two contracts with two customers, enabling them to reduce their costs (**£296,000**) and a reduction in ICT licensing savings (**£235,000**).

An approach has been agreed to fleet livery, signage and website, with further details provided in the Management Case.

The estates position has also been agreed, with some small-scale revenue savings expected over the ten-year period of this business case. At this stage no formal decisions have been made around changes/rationalisations to the estate; these are expected to flow from the new Target Operating Model as it beds in. As a result, no changes to the capital programme have yet been made.

4. FINANCIAL CASE

4.1 Introduction

The purpose of the Financial Case is to demonstrate the affordability of the preferred option emerging from the Economic Case.

4.2 Baseline

The latest medium term financial strategy (MTFS) for both policing areas were published in February 2018 and cover the four financial years commencing the beginning of April 2018 through to the end of March 2022. These have been reviewed and considered by the OPCC treasurers and forces' directors of finance and resources to represent an accurate financial projection for the two policing areas as at this moment.

The position post 31 March 2022 has been extrapolated to create a ten-year analysis period on the basis of applying indexation at Government's long-term CPI target of 2%. The reality of funding for police beyond 2022 will emerge following the next Comprehensive Spending Review.

The MTFS shows how the gap between funding and expenditure will be met through savings and use of reserves. The table below summarises the annual positions until 31 March 2022 and the aggregated position for both areas representing the baseline for the merged service. By their nature, the MTFS relies on estimates of future costs and funding. They are reviewed annually as part of the budget cycle.

	Period	1	2	3	4		
	Year ending	2018/19	2019/20	2020/21	2021/22		
						£'000s	
						Total	NPV
DEVON AND CORNWALL							
	Baseline Expenditure	(299,800)	(306,700)	(315,700)	(322,400)	(1,244,600)	(1,087,049)
	Alliance Savings	40	1,860	1,860	2,780	6,540	5,526
	Other Savings	3,360	4,640	6,140	6,820	20,960	18,055
	Net Expenditure	(296,400)	(300,200)	(307,700)	(312,800)	(1,217,100)	(1,063,468)
Met by:							
	Government Grant	179,000	179,000	179,000	179,000	716,000	626,410
	Contribution from Reserves	2,900	(2,700)	(100)	(100)	0	159
	Council Tax	114,500	123,900	128,800	133,900	501,100	436,899
	Total Funding	296,400	300,200	307,700	312,800	1,217,100	1,063,468
DORSET							
	Baseline Expenditure	(128,703)	(132,089)	(135,319)	(139,370)	(535,481)	(467,645)
	Alliance Savings	1,296	2,252	2,593	3,187	9,327	8,017
	Other Savings	850	850	2,220	3,592	7,512	6,346
	Net Expenditure	(126,557)	(128,987)	(130,507)	(132,591)	(518,642)	(453,281)
Met by:							
	Government Grant	65,668	65,668	65,668	65,668	262,672	229,805
	Contribution from Reserves	1,042	(138)	(517)	(387)	0	112
	Council Tax	59,847	63,458	65,356	67,312	255,973	223,367
	Total Funding	126,557	128,988	130,507	132,593	518,645	453,284
COMBINED EXPENDITURE							
	Baseline Expenditure	(428,503)	(438,789)	(451,019)	(461,770)	(1,780,081)	(1,554,694)
	Alliance Savings	1,336	4,112	4,453	5,967	15,867	13,543
	Other Savings	4,210	5,490	8,360	10,412	28,472	24,402
	Net Expenditure	(422,957)	(429,187)	(438,207)	(445,391)	(1,735,742)	(1,516,750)
Met by:							
	Government Grant	244,668	244,668	244,668	244,668	978,672	856,215
	Contribution from Reserves	3,942	(2,838)	(617)	(487)	0	271
	Council Tax	174,347	187,358	194,156	201,212	757,073	660,266
	Total Funding	422,957	429,188	438,207	445,393	1,735,745	1,516,752

Table 4.1: MTFS for Devon and Cornwall, and Dorset[7]

As is evident from Table 4.1, the baseline projections that lead to a balanced budget require cash savings to be generated by the strategic alliance programme with an additional £2.8m[8] anticipated in 2019/20. The most significant contributors to this saving figure are the Crime and Criminal Justice and Command and Control areas. **As is noted in the Economic Case, there is a risk that the dependency of these projects upon an agreed aligned operating model will lead to delays, cancellation or reversal.**

4.3 Impact of merger

The creation of a merged service will result in a range of additional costs and cash benefits that need to be applied to the baseline.

[7] It should be noted that Dorset are anticipating realising the cashable savings from reductions in police officers arising from the strategic alliance, while Devon & Cornwall are expecting to reinvest these officer savings. The strategic alliance savings shown are the cashable savings only – Devon and Cornwall anticipate achieving a further £3.2m non cashable savings by 2021/22 in addition to their Figure shown.

[8] £4.112m in 19/20 less £1.336m generated in '18/19

4.3.1 Cost and benefits

Unlike in the Economic Case where both cash and non-cashable costs and benefits are assessed to determine the level of public value generated, the Financial Case is concerned solely with affordability and funding and therefore only considers the cash elements.

The following cash costs are anticipated as a result of merging.

		Period	1	2	3	4	5	6	7	8	9	10
		Year ending	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
	£'000s											
	Total	NPV										
Redundancy	528	500			528							
Job evaluation framework	1,348	965	0	0	186	228	147	157	157	157	157	157
Pay protection following job evaluation	1,514	1,397		837	609	68						
Branding	200	189		200								
Legal advice	200	184		100	100							
Additional programme management costs	300	277		150	150							
Alliance savings implementation	367	321			92	92	92	92				
Total	4,456	3,834	0	1,287	1,665	388	239	249	157	157	157	157

Table 4.2: Cash costs of merging

The following cash benefits are predicted as a result of merging:

		Period	1	2	3	4	5	6	7	8	9	10
		Year ending	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
	£'000s											
	Total	NPV										
Reductions in senior management and governance	12,482	9,856			1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560
Merged estate strategy	2,460	1,856				50	100	200	350	500	630	630
Procurement savings	4,237	3,345			530	530	530	530	530	530	530	530
Additional process savings from Alliance functions	4,420	3,490			553	553	553	553	553	553	553	553
Reduction in supervision costs	6,000	4,738			750	750	750	750	750	750	750	750
Total	29,598	23,285	0	0	3,392	3,442	3,492	3,592	3,742	3,892	4,022	4,022

Table 4.3: Cash benefits of merging

4.3.2 Optimism bias

The impact of applying optimism bias to the cash costs and savings is shown in Table 4.4 below.

		Period	1	2	3	4	5	6	7	8	9	10
		Year ending	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000s											
	Total	NPV										
IMPACT OF MERGER												
Cash savings from Merger	29,598	20,805	0	0	3,392	3,442	3,492	3,592	3,742	3,892	4,022	4,022
Cash costs of Merger - one-off	-3,048	-2,640	0	-1,287	-1,530	-210	-21	0	0	0	0	0
Cash costs of Merger - recurring	-1,408	-1,001	0	0	-135	-177	-218	-249	-157	-157	-157	-157
Net impact: pre - optimism bias	25,142	17,163	0	-1,287	1,727	3,055	3,253	3,343	3,585	3,735	3,865	3,865
Net impact: post - optimism bias	16,705	11,182	0	-1,416	645	2,086	2,286	2,349	2,559	2,668	2,763	2,763

Table 4.4: Cash impact of merger

The same scale of adjustments have been made to these figures as applied to the projections in the economic case. These are set out in Table 4.5 below.

Application	Adjustment factor	Basis
Benefits	Reduced by 27%	Programme evaluation reviews
Implementation costs	Increased by 10%	Reasoned estimate agreed by S151 officers
Programme costs	Increased by 10%	Reasoned estimate agreed by S151 officers

Table 4.5: Optimism bias adjustments

The optimism bias is applied, for this purpose, as a sensitivity test to determine whether the affordability of the proposal would be significantly affected by such an outcome. The table shows that although the net cash benefit per annum would reduce by approximately £1m per annum, **the merger would pay back the upfront costs within the second year of implementation and deliver a total cash benefit over the 10 years of £16m.**

4.3.3 Impact on the MTFS

The following table shows how the merged income and expenditure statements of the two policing areas, represented in Table 4.1, are impacted by the cash costs and benefits considered above.

		Period	1	2	3	4	5	6	7	8	9	10
		Year ending	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000s											
	Total	NPV										
COMBINED EXPENDITURE												
Baseline Expenditure	(4,751,240)	(3,535,642)	(428,503)	(438,789)	(451,019)	(461,770)	(471,005)	(480,426)	(490,034)	(499,835)	(509,831)	(520,028)
Alliance Savings	51,668	37,487	1,336	4,112	4,453	5,967	5,967	5,967	5,967	5,967	5,967	5,967
Other Savings	90,944	66,184	4,210	5,490	8,360	10,412	10,412	10,412	10,412	10,412	10,412	10,412
Net Expenditure	(4,608,628)	(3,431,971)	(422,957)	(429,187)	(438,207)	(445,391)	(454,627)	(464,047)	(473,655)	(483,456)	(493,453)	(503,649)
Met by:												
Government Grant	2,557,360	1,908,548	244,668	244,668	244,668	244,668	249,411	254,748	260,191	265,744	271,408	277,186
Contribution from Reserves	0	271	3,942	(2,838)	(617)	(487)	0	0	0	0	0	0
Council Tax	2,051,272	1,523,154	174,347	187,358	194,156	201,212	205,215	209,299	213,464	217,712	222,045	226,463
Total Funding	4,608,631	3,431,973	422,957	429,188	438,207	445,393	454,627	464,047	473,655	483,456	493,453	503,649
IMPACT OF MERGER												
Cash savings from Merger	29,598	20,805	0	0	3,392	3,442	3,492	3,592	3,742	3,892	4,022	4,022
Cash costs of Merger - one-off	(3,048)	(2,640)	0	(1,287)	(1,530)	(210)	(21)	0	0	0	0	0
Cash costs of Merger - recurring	(1,408)	(1,001)	0	0	(135)	(177)	(218)	(249)	(157)	(157)	(157)	(157)
Net impact	25,142	17,163	0	(1,287)	1,727	3,055	3,253	3,343	3,585	3,735	3,865	3,865
Add:												
Re-investment of benefit	29,598	20,805	0	0	3,392	3,442	3,492	3,592	3,742	3,892	4,022	4,022
REVISED BUDGET REQUIREMENT	(4,613,084)	(3,435,612)	(422,957)	(430,474)	(439,871)	(445,779)	(454,866)	(464,296)	(473,812)	(483,613)	(493,610)	(503,806)
Met by:												
Government Grant	2,557,360	1,908,548	244,668	244,668	244,668	244,668	249,411	254,748	260,191	265,744	271,408	277,186
Contribution from Reserves	0	271	3,942	(2,838)	(617)	(487)	0	0	0	0	0	0
Council tax	2,052,677	1,524,153	174,347	187,357	194,291	201,388	205,433	209,548	213,621	217,869	222,202	226,621
Assuming zero tax base growth on '18/19 position			*174,347*	*181,907*	*185,527*	*189,219*	*192,984*	*196,825*	*200,742*	*204,736*	*208,811*	*212,966*
Tax base growth and surpluses assumed in MTFS			*0*	*5,450*	*8,764*	*12,169*	*12,449*	*12,723*	*12,880*	*13,133*	*13,391*	*13,655*
Funding for one-off costs	3,048	2,640	0	1,287	1,530	210	21	0	0	0	0	0
Total Funding	4,613,084	3,435,612	422,957	430,474	439,871	445,779	454,866	464,296	473,812	483,613	493,610	503,806
Pre-merger council tax requirement	2,051,272	1,523,154	174,347	187,358	194,156	201,212	205,215	209,299	213,464	217,712	222,045	226,463
Post-merger council tax requirement	2,052,677	1,524,153	174,347	187,357	194,291	201,388	205,433	209,548	213,621	217,869	222,202	226,621
Difference	(1,405)	(998)	0	1	(135)	(176)	(218)	(249)	(157)	(157)	(157)	(157)

Table 4.6: Impact of merging on the medium term financial statement

The table splits out the cash costs of merging into those that are one-off, and those that are recurring which largely relate to the results of the job evaluation exercise. The one-off costs amount to c.£3m in total and it is anticipated that these will be funded either through pursuit of specific grant funding, a capitalisation direction, or call on reserves. As the table shows, the impact of merging and re-investing the entirety of the cash benefit that merging delivers, would require the council tax requirement to increase slightly to meet the recurring costs that merging creates.

The action of merging has a further impact on council tax as it creates the need to harmonise the precept rates between the two policing areas. The impact of this is examined in the section below.

4.3.4 Council tax harmonisation

The respective police and crime commissioners for Devon & Cornwall and Dorset are precepting authorities. The four corporations sole across both police force areas have recognised the legal requirements and importance of council tax equalisation to the merger and have engaged early in discussions, including with Home Office and MHCLG colleagues. The difference in the band D council tax in 2018/19 is £18.30 (Dorset £206.58, Devon and Cornwall £188.28); a relatively small cash amount compared to some council tax harmonisation proposals but nevertheless a real impact on local council taxpayers. Analysis shows that 60% of the properties are within bands A to C, so that the majority of council taxpayers will in fact see a lower increase.

This business case contains three examples of council tax equalisation models. All show the potential to equalise within a short timescale (within the term of the next PCC and potentially earlier), none show a reduction in funding that would affect officer numbers, and all have been modelled across a range of potential referendum increases to show robustness. All models would require an appropriate alternative notional amount (ANA) from MHCLG, to be approved by a resolution of the House of Commons. We believe these models demonstrate that equalisation is achievable on a basis that would be acceptable to the four corporations sole.

The three options for equalisation which have been considered are explained below. The models have been produced showing the impact over one to four years and using example referendum levels of 3%, £5, £10 and £12. The differing referendum limits have been used to show the viability of the models depending on the prevailing limits. All models indicate the potential impact on officer numbers.

All models have been compiled using a static 2018/19 council tax base due to the uncertainty of future council tax base increases and the complexity this would add to the council tax models. Although the medium term financial plans for 2018/19 assume year on year increases (2% in Devon and Cornwall and 1% in Dorset), these increases are unlikely to continue for the 10-year period assumed in this business case. **It is also considered that any increase in the council tax base is an indicator of increased population and therefore it has been assumed that the council tax base increase will contribute to the increased service provision to the higher levels of population.**

<u>Precept breakeven</u>

This model proposes a council tax level that achieves an overall precept level at the same level as the precept generated by the individual forces if they were to remain separate.

Based on a one-year equalisation this would require Devon and Cornwall to increase the council tax above the referendum limit by approximately £6 with Dorset reducing their council tax levels by approximately £13. This option would be subject to the approval of an appropriate ANA.

This option has been considered carefully by the corporations sole. This model is considered to be the minimum requirement to ensure that the new force is not financially worse off as a consequence of merging. It does not recognise the initial, one-off, costs of implementing the merger which, as highlighted in the Section above, total approximately £3m. It has been included as the baseline in the business plan.

This model does not provide additional funding through precept for officers or equivalents.

Equalise up partially

This model looks at the lower taxing force (Devon and Cornwall) increasing their council tax levels by a small amount more than in the model above and the higher taxing force (Dorset) reducing by less. This would generate a small increase in the overall level of total precept. The model in shows Devon and Cornwall increasing by £9 and Dorset reducing by £10. **This would generate an ongoing increase in the overall funding to the merged force of between £3.5m and £4m per annum. The impact of the £3 differential from the breakeven model equates to an increase in officer numbers of 110.**

The fact this model increases the overall precept has been considered in detail. Central funding for policing has significant structural weaknesses – it is based on historical data, and it is widely inconsistent across the country. South West forces receive significantly less than the national average, and indeed Dorset receives the lowest funding of any force in England and Wales per head of population. In the past, individual forces have been able to use council tax increases to make up for the unequal and inequitable allocation of funds but the introduction of referendum limits has prevented them doing so. Given their legal role with regards policing, it could be said that controls designed for local authorities are not compatible with PCCs statutory accountabilities to the public nor the 24 hour, 365 day service that police forces provide.

The merger, and any future mergers for other forces, provide an opportunity to partially redress this. All the models presented show an increase above referendum limits for Devon and Cornwall. Therefore, crucially, it would also allow a PCC to offer the public 'more for more' – increased officer numbers and improved services in exchange for additional funding.

The impact of this model would be to provide additional funds through the precept for an increase of 110 in the establishment of officers or equivalent

Single Year ANA with no Cash Reduction for Dorset

This model has been developed using three different scenarios (all requiring an appropriate ANA to be agreed):

- Model 1 - single year ANA leading to a breakeven precept
- Model 2 - single year ANA leading to an ongoing precept increase of less than £1m
- Model 3 - single year ANA leading to an ongoing precept increase of more than £1m

The model shows the lower taxing force increase the council tax levels in one year and the higher taxing force reducing their council tax levels over more than one year which allows for an increase in funding in year one which then reduces over time to the final ongoing revenue impact depending on the scenario above. This model would provide the merged force with time to make the necessary reductions to the business. It is inevitable that an element of the reductions planned will occur over a period of time and not all happen on day one.

The three options shown are relatively self-explanatory:

- Single year ANA leading to a breakeven precept – an increase in the council tax level (compared to the referendum levels) of £6 for Devon and Cornwall and a reduction of £13 for Dorset. The reduction for Dorset if achieved over two years and would result in an estimated one off increase in precept of £1.8m. **The ongoing impact to precept would be a breakeven situation with no funds available from the precept for additional officers or equivalent**

- Single year ANA leading to an ongoing precept increase of less than £1m – an increase in the council tax level (compared to the referendum levels) of £7 for Devon and Cornwall and a reduction of £12 for Dorset. The reduction for Dorset if achieved over two years and would result in a one off increase in precept of £2.3m. **The ongoing impact to precept would be a small increase of £650k per annum, equal to 20 officers or equivalent**
- Single year ANA leading to an ongoing precept increase of more than £1m – an increase in the council tax level (compared to the referendum levels) of £9 for Devon and Cornwall and a reduction of £9 for Dorset. The reduction for Dorset if achieved over two years and would result in a one off increase in precept of £4m. **The ongoing impact to precept would be an increase of £3m, equal to 90 officers or equivalent**

The corporation soles have considered these models and feel that the impact for the council tax payer is relatively **modest** and therefore included them in the business case.

Summary

Model	D&C Change	Dorset Change	Summary and Impact
Precept breakeven	+ £6	- £13	Precept breakeven; minimal position that does not account for costs of merger. **No change in establishment.**
Equalise up partially	+ £9	- £10	Small increase in precept; partially redresses merger costs. **Small (circa 110) increase in establishment compared to breakeven.**
Single year ANA 1	+ £6	- £13	Precept breakeven, achieved with a small one-off increase of £1.8m. Small offset in merger costs, **no ongoing change in establishment.**
Single year ANA 2	+ £7	- £12	Small (£650k) increase in precept, achieved with a one-off increase of £2.3m. **Modest offset in merger costs, 20 change in establishment.**
Single year ANA 3	+ £9	- £9	Modest (£3m, or 0.7% of NRE) increase in precept, achieved with a one-off increase of £4m. **Significant offset in merger costs, 90 change in establishment.**

Table 4.7: Summary of council tax harmonisation options

The potential impact on merged force establishment has been included on the advice of Home Office officials and **is in addition to any additional numbers achievable through merger savings.** Council tax precept is a critical contribution to force budgets, and the corporations sole have deliberated these options and the potential impact on the policing services that might be delivered across Cornwall, Devon and Dorset having lost a large number of officers and police staff.

It is recognised, however, that in the absence of clear plans to reform the funding formula, a future precepting authority might choose to be more bullish in their precept setting in order to

provide a realistic opportunity to change the system and improve services to the public. We, note, however, that the guidance from the Home Office and Ministry for Housing, Communities and Local Government is that such options are not acceptable.

The table below provides of the modelling described above and shows how the precepts reconcile to what would otherwise be generated under the same referendum limit assumptions if the two Police areas did not merge.

		Period	1	2	3	4	5	6	7	8	9	10
		Year ending	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28
	£'000s											
	Total	NPV										
MTFS baseline (pre-harmonisation) position												
Council tax income assuming constant '18/19 tax base (From Table [13])	1,948,063	1,610,542	174,347	181,907	185,527	189,219	192,984	196,825	200,742	204,736	208,811	212,966
Assuming 3% ref limit	2,021,606	1,666,980	174,347	181,907	187,346	192,948	198,717	204,658	210,778	217,080	223,571	230,255
Assuming £5 ref limit	1,970,308	1,627,813	174,347	181,907	186,318	190,729	195,140	199,551	203,962	208,373	212,785	217,196
Assuming £10 ref limit	2,129,108	1,750,082	174,347	181,907	190,729	199,551	208,373	217,196	226,018	234,840	243,662	252,484
Assuming £12 ref limit	2,192,627	1,798,990	174,347	181,907	192,494	203,080	213,667	224,253	234,840	245,427	256,013	266,600
Council tax harmonisation options												
Option 1 - precept breakeven (3% ref limit) - 1 year harmon	2,021,622	1,666,993	174,347	181,907	187,346	192,950	198,719	204,661	210,780	217,082	223,573	230,258
Option 1 - precept breakeven (3% ref limit) - 2 year harmon	2,021,618	1,666,989	174,347	181,907	187,346	192,942	198,719	204,661	210,781	217,083	223,574	230,258
Option 1 - precept breakeven (3% ref limit) - 3 year harmon	2,021,631	1,666,998	174,347	181,907	187,346	192,945	198,706	204,666	210,785	217,088	223,578	230,263
Option 1 - precept breakeven (3% ref limit) - 4 year harmon	2,021,689	1,667,043	174,347	181,907	187,346	192,949	198,717	204,659	210,797	217,100	223,591	230,276
Option 1 - precept breakeven (£5 ref limit) - 1 year harmon	1,970,352	1,627,848	174,347	181,907	186,318	190,735	195,146	199,558	203,969	208,380	212,791	217,202
Option 1 - precept breakeven (£5 ref limit) - 2 year harmon	1,970,622	1,628,057	174,347	181,907	186,318	190,741	195,191	199,602	204,013	208,424	212,835	217,246
Option 1 - precept breakeven (£5 ref limit) - 3 year harmon	1,970,257	1,627,775	174,347	181,907	186,318	190,735	195,140	199,540	203,951	208,362	212,773	217,184
Option 1 - precept breakeven (£5 ref limit) - 4 year harmon	1,970,704	1,628,116	174,347	181,907	186,318	190,749	195,170	199,590	204,039	208,450	212,861	217,272
Option 1 - precept breakeven (£10 ref limit) - 1 year harmon	2,129,151	1,750,117	174,347	181,907	190,729	199,558	208,380	217,202	226,024	234,846	243,668	252,491
Option 1 - precept breakeven (£10 ref limit) - 2 year harmon	2,129,421	1,750,326	174,347	181,907	190,729	199,563	208,424	217,246	226,068	234,890	243,713	252,535
Option 1 - precept breakeven (£10 ref limit) - 3 year harmon	2,129,056	1,750,044	174,347	181,907	190,729	199,557	208,374	217,184	226,006	234,829	243,651	252,473
Option 1 - precept breakeven (£10 ref limit) - 4 year harmon	2,129,503	1,750,386	174,347	181,907	190,729	199,571	208,403	217,235	226,095	234,917	243,739	252,561
Option 1 - precept breakeven (£12 ref limit) - 1 year harmon	2,192,671	1,799,025	174,347	181,907	192,494	203,086	213,673	224,260	234,846	245,433	256,019	266,606
Option 1 - precept breakeven (£12 ref limit) - 2 year harmon	2,192,941	1,799,234	174,347	181,907	192,494	203,092	213,717	224,304	234,890	245,477	256,064	266,650
Option 1 - precept breakeven (£12 ref limit) - 3 year harmon	2,192,576	1,798,952	174,347	181,907	192,494	203,086	213,667	224,242	234,829	245,415	256,002	266,588
Option 1 - precept breakeven (£12 ref limit) - 4 year harmon	2,193,023	1,799,294	174,347	181,907	192,494	203,100	213,696	224,292	234,917	245,503	256,090	266,677
Post harmonisation impact on council tax income												
Option 1 - precept breakeven (3% ref limit) - 1 year harmon	16	13	0	0	0	2	2	2	2	2	2	3
Option 1 - precept breakeven (3% ref limit) - 2 year harmon	12	9	0	0	0	(5)	3	3	3	3	3	3
Option 1 - precept breakeven (3% ref limit) - 3 year harmon	25	17	0	0	0	(3)	(11)	7	7	8	8	8
Option 1 - precept breakeven (3% ref limit) - 4 year harmon	83	62	0	0	0	2	0	1	19	20	21	21
Option 1 - precept breakeven (£5 ref limit) - 1 year harmon	44	34	0	0	0	6	6	6	6	6	6	6
Option 1 - precept breakeven (£5 ref limit) - 2 year harmon	314	244	0	0	0	12	50	50	50	50	50	50
Option 1 - precept breakeven (£5 ref limit) - 3 year harmon	(51)	(38)	0	0	0	5	0	(11)	(11)	(11)	(11)	(11)
Option 1 - precept breakeven (£5 ref limit) - 4 year harmon	396	303	0	0	0	20	29	39	77	77	77	77
Option 1 - precept breakeven (£10 ref limit) - 1 year harmon	44	34	0	0	0	6	6	6	6	6	6	6
Option 1 - precept breakeven (£10 ref limit) - 2 year harmon	314	244	0	0	0	12	50	50	50	50	50	50
Option 1 - precept breakeven (£10 ref limit) - 3 year harmon	(51)	(38)	0	0	0	5	0	(11)	(11)	(11)	(11)	(11)
Option 1 - precept breakeven (£10 ref limit) - 4 year harmon	396	303	0	0	0	20	29	39	77	77	77	77
Option 1 - precept breakeven (£12 ref limit) - 1 year harmon	44	34	0	0	0	6	6	6	6	6	6	6
Option 1 - precept breakeven (£12 ref limit) - 2 year harmon	314	244	0	0	0	12	50	50	50	50	50	50
Option 1 - precept breakeven (£12 ref limit) - 3 year harmon	(51)	(38)	0	0	0	5	0	(11)	(11)	(11)	(11)	(11)
Option 1 - precept breakeven (£12 ref limit) - 4 year harmon	396	303	0	0	0	20	29	39	77	77	77	77

Table 4.8: Council tax harmonisation impact

4.3.5 Balance sheet impacts (including pensions, reserves and capital programme)

4.3.5.1 Pensions

Police staff in DCP, DP and OPCC staff are members of Local Government Pensions with two separate administering bodies. Should the decision be taken to merge the two forces into one new organisation, then a decision will be needed as to which administering body the new organisation would be a member of. In principle this decision will follow the location of the headquarters of the new force, for example; if the new force headquarters is in Exeter then the TUPEd staff would become members of the Peninsula administering body. Discussions have been held with the actuaries who represent both the Dorset and Devon & Cornwall administering bodies and they are undertaking initial work to calculate what a combined rate would be. **It is not anticipated there will be any change in the total net liability arising from the merger.**

There is one aspect for which the Secretary of State's Ministry of Housing, Communities and Local Government approval will be required and this is to seek approval to transfer both current contributors, current pensioners and deferred pensioners from their existing administrative fund to the new. The legislation as currently drafted would only make the transfer for the current pensioners. The advantage of doing a complete transfer is that it would minimise the whole life liability as the consequence of leaving pensioners and deferred pensioners in the host scheme would trigger a valuation based on Treasury discount rather than market rate leading to an increased liability in order to mitigate any future potential risk on the residual fund.

An engagement plan is in place to work with the staff associations to ensure full engagement and understanding.

4.3.5.2 Reserves

The Reserves held by each OPCC are classified as either usable i.e. can be applied to new activity and investment; or unusable which mainly reflect timing differences in the recognition of income and expenditure between accounting rules and council tax regulations, plus uncrystallised gains/losses.

As noted from Table 4.6 in Section 4.3.2 above, a merger option is likely to result in a net cash cost requirement of £1.3m in 2019/20 to cover merger planning and implementation demands but then deliver a continuing net cash surplus in subsequent years.

The current forecast usable reserves for the next 2 years are set out in Table 4.9 below:

	Devon & Cornwall	Dorset	Combined	Devon & Cornwall	Dorset	Combined
	Forecast			Forecast		
	31/03/2019			31/03/2020		
Earmarked Reserves	£m	£m	£m	£m	£m	£m
Budget management fund	0.5	0	0.5	0.5	0	0.5
Capital financing reserve	19.4	0.2	19.6	15.2	0.2	15.4
Estates development	1.0		1.0	0.7		0.7
ESN - capital reserve	2.3		2.3	2.3		2.3
Major Operations reserve		0.7	0.7		0.7	0.7
Merger related capital reserve			0.0			0.0
Police & Crime Plan	0.6	0.4	1.0	0.5	0	0.5
Programmes & projects	0.4		0.4			0.0
Strategic Alliance/ workforce change	7.8	0.9	8.7	2.6	0.5	3.1
Total earmarked reserves	**32.0**	**2.2**	**34.2**	**21.8**	**1.4**	**23.2**
General Fund Balance	11.7	3.9	15.6	11.7	4.1	15.8
Total Usable Revenue Reserves	**43.7**	**6.2**	**49.9**	**33.5**	**5.5**	**39.0**
Capital Receipts Reserve	**2.7**	**0.3**	**3.0**	**3.1**	**0.6**	**3.7**
Capital Grants unapplied			**0.0**			**0.0**
Total Usable Reserves	**46.4**	**6.4**	**52.8**	**36.6**	**6.1**	**42.7**

Table 4.9: Reserves position over the next two years

The table shows that should there be a need to fund the in-year cost of merging from reserves, sufficient coverage exists to do so within the projected General Fund Balance which is estimated to be £15.6m at the end of the current financial year, and £15.8m at the end of the 2019/20 financial year. The cash cost of merging would represent c.8% of the general reserve balance.

4.3.5.3 Capital programme

The proposed capital programme for each force, covering the 2019/20 MTFS is shown below. The programmes for both forces have been consistently costed and profiled. Neither force has included any costs relating to ESN or for Common Contact Centre in either the proposed programme or financing at this stage. Each will be considered as appropriate during the course of the 2019/20 MTFS, once further information is available.

	D&C					Dorset				
	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
ICT Infrastructure	2,542	2,073	2,524	2,165	1,823	623	2,955	1,440	840	1,410
ICT Convergence	561	403	350	0	0	481	776	158	58	58
PRISM Transformational Programme	3,693	4,474	2,774	982	898	3,186	1,882	386	490	356
National ICT Programme	60	640	600	500	465	0	330	260	130	120
Transport	3,003	1,653	2,058	2,058	2,058	942	1,541	991	921	951
Major Building Schemes	9,200	23,000	9,722	0	0	0	1,650	0	0	0
Minor Building Works	5,963	4,059	3,780	1,130	3,830	940	1,090	670	680	890
Capital Equipment	677	130	130	1,030	130	123	1,318	115	515	115
Total Proposed Programme	**25,699**	**36,432**	**21,938**	**7,865**	**9,204**	**6,296**	**11,541**	**4,020**	**3,634**	**3,900**

Table 4.10: Capital programme summary

It is intended that the above programme will be financed through a combination of capital receipts, borrowing, capital grant, use of reserves and direct revenue financing. The proposed financing is shown below

	D&C					Dorset				
	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
Capital Receipts	3,983	4,677	11,177	2,341	2,200	1,636	5,123	2,064	1,567	1,765
Borrowing	7,200	16,983	5,000	0	0	3,919	5,511	1,361	1,301	1,541
Capital Grant	1,882	1,104	1,468	1,468	1,468	413	412	300	455	325
Revenue financing reserves	9,386	10,063	1,000	2,256	2,636	0	0	0	0	0
Direct Revenue Contributions / Revenue Reserves	3,248	3,605	3,293	1,800	2,900	327	496	295	311	269
Total Proposed Funding	**25,699**	**36,432**	**21,938**	**7,865**	**9,204**	**6,296**	**11,541**	**4,020**	**3,634**	**3,900**

Table 4.11: Capital programme financing

The proposed capital programme and financing arrangements are necessarily subject to internal governance, in particular the 2019/20 budget process and agreement of Treasury Management Strategies.

4.4 Conclusion

The MTFS for both police areas highlights the continued financial pressures they are operating under and the continued need to make significant year on year savings in order to achieve a balanced budget. **The Economic Case set out the financial risk of not progressing with the merger in terms of the potential regression of the partnerships and the cost that could re-introduce.** The merger will lock those savings in and generate additional cash savings of £3.4m which can be re-invested to improve the resilience and quality of the service. There are one-off implementation costs of c.£3m which will need to be funded either through pursuit of specific grant funding, a capitalisation direction, or call on reserves. In the event that it is the latter, the funding required would represent c.8% of the general reserve balance. There are also on-going additional costs totalling £0.16m which merging would incur but these

represent c.4% of the savings achievable**. In merging the two areas, the council tax rates will need to be equalised and options have been put forward which preserve the income that would otherwise be generated as separate areas and minimise the impact on council tax payers.**

Overall, on the basis of the figures presented and scenarios considered, proceeding with the merger is considered affordable.

5. MANAGEMENT CASE

5.1 Implementation - approach and governance

This section of the business case addresses the 'achievability' of the proposed option. Its purpose therefore, is to set out the actions that would be required to ensure the successful delivery of the preferred option – merger - in accordance with best practice.

5.2 Implementation - approach and governance

5.2.1 Overview

D&CP and DP have considerable experience of working together to deliver projects and programmes at scale, using a blend of methodologies including PRINCE 2 (for projects) and MSP (for programmes). Results from a staff engagement survey conducted in D&CP and DP in October 2017 in collaboration with the Policing Research Unit (based in Durham University Business School), have indicated that, in terms of the strategic alliance to date:

> *"**. . . the changes have been managed well and have not had the negative impact on police officer and staff motivation and attitudes that could have been expected . . .** Generally, the results indicate **a level of similarity, or a slightly more positive situation**, for the average scores for those working in the strategic alliance compared to those working in the forces."*

This suggests a level of skill and maturity in the way in which the PPM and change has been approached.

A centralised, joint (alliance) department (strategic alliance business change) brings together portfolio, programme, project and PMO expertise.

5.2.2 Programme for merger

A programme has been established to co-ordinate and manage the activities required for successful merger. A Programme Definition Document (PDD) has been agreed and summary details of roles, responsibilities and governance arrangements included in the PDD are provided below for ease of reference.

The governance structure for the programme is shown in the figure and table below; full details of the terms of reference for the bodies shown are provided in Appendices 5.3 to 5.5.

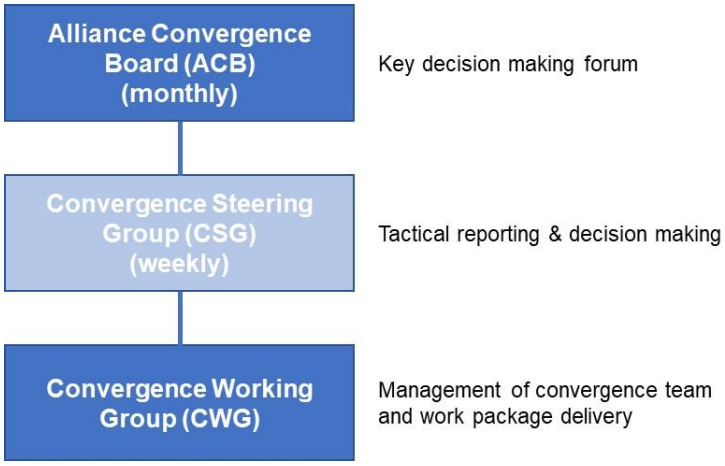

Figure 5.1: governance structure for the merger programme

Body	Attendees	Role
ACB	Chief constable of Devon and Cornwall (SRO) Chief constable of Dorset Police and crime commissioner Devon and Cornwall (Chair) Police and crime commissioner Dorset (Programme Sponsor) Deputy Chief constable Devon and Cornwall Deputy Chief constable Dorset Other ACCs/Directors/ACOs from both forces Director of Legal, Reputation and Risk Chief Executive OPCC Devon and Cornwall Chief Executive OPCC Dorset (Deputy SRO) Treasurer OPCC Devon and Cornwall Treasurer OPCC Dorset Convergence Programme Director Communication Manager (Devon and Cornwall or Dorset)	Decision Maker Decision Maker Decision Maker Decision Maker **REMAINDER**: advice and support
CSG	Chief constable Devon & Cornwall (as SRO) Chief constable Dorset PCC Devon & Cornwall PCC Dorset (as Programme Sponsor) Chief Executive OPCC Devon & Cornwall Chief Executive OPCC Dorset (as Deputy SRO) Finance Director Devon & Cornwall Treasurers OPCC Devon & Cornwall and Dorset Convergence Programme Director/Delivery Manager strategic alliance Head Corporate Communications Legal representative Other members only as and when required including external representation	Commissioning and oversight of delivery of work packages to deliver merger
CWG	Convergence Programme Director Convergence Team Manager Convergence team members Work product leads/representatives i.e. legal, finance and people	Day to day management of convergence delivery

Table 5.1: governance meeting attendees

Key roles within the programme are described in the Table below, with further details in the PDD.

Role	Individual	Main responsibilities
Senior Responsible Owner (SRO)	CC Shaun Sawyer	Ultimately accountable for the Programme on behalf of the four corporations sole. Chair of the Convergence Steering Group (CSG) and reporting to the Alliance Convergence Board (ACB).
Deputy SRO	CE Simon Bullock	Deputy to the SRO, providing leadership and accountability in SRO's absence
Programme Sponsor	PCC Martyn Underhill	Sponsor on behalf of the two PCCs, responsible for monitoring the overall success of programme delivery and applying the necessary scrutiny and assurance.
Chair, ACB	PCC Alison Hernandez	Regularly chairing meeting of the ACB
Programme Director	ACC Sharon Taylor	Responsible for the successful delivery of the Programme Plan on behalf of the SRO. Chair of the CWG.
Convergence Delivery Manager	C/I Neil McMurray Supported by Jasmine Davey	Critical support to the Director and is responsible for planning, organising, resourcing and controlling all delivery activity.

Table 5.2: key merger roles and responsibilities

Other programme roles are provided in the PDD.

Through the governance arrangements described above, the programme is responsible for merger planning and delivery, particularly production and delivery of the FBC to meet Home Office timescales.

Transition planning is dealt with in the next section.

5.3 Transition plan

A Transition Plan has been developed and signed off by the ACB. This builds on and extends the arrangements put in place for the merger programme. Key details from the plan are provided in the sections below.

5.3.1 Governance and leadership

The governance arrangements and key leadership roles are as set out above for merger.

5.3.2 Implementation phasing

Implementation has been divided into three main phases:

- **Phase 1 – FBC completion** – (September 2017 to October 2018): this comprises planning and development of the OBC and FBC. This phase will be complete once the FBC is submitted to the Home Office (October 2018).

- Phase 2 will begin immediately on FBC submission and continue until May 2019; it is made up of three parts:

    - **Phase 2a - pre-preparation** (October to December 2018): further development of the Transition Plan in parallel with consideration of the FBC by Home Office and ministers. This will provide the four corporations sole with the information necessary to make a final go/no go decision. Once the decision from Home Secretary is received, it will be communicated to the staff, stakeholders and the public. The Alliance Convergence Board will then decide whether to commence Phase 2b, either to prepare for transition or consider and prepare contingency plans to allow transition to an alternative arrangement if a merger bid is not successful.

    - **Phase 2b - preparation** (December 2018 to May 2019): this phase will focus on completing the further detailed work necessary to populate the final Transition Plan, which will also provide the four corporations sole with a detailed understanding of the transitional / shadow governance arrangements. Individual actions under each work stream will be outlined in individual plans. This includes providing support to the Home Office and Government Legal Service to ensure the Statutory Instrument (SI) is drafted to time and is able to fulfil its' purpose

    - **Phase 2c – shadow governance arrangements** (May 19 – May 20): it is intended that this phase will begin after the laying of the Statutory Instrument in 2019. The recruitment process for the Chief Constable designate of the new Force will take place in May 2019, although the appointment will not be confirmed until the completion of the Statutory Instrument, which is likely to take place in June 2019. This will ensure adequate time for development of the shadow arrangements and to allow decisions and appointments to be made in good time for day one. All the experience from private and public-sector mergers points to the need for clear leadership and accountability from as early on as possible in the transition process. It has been agreed that the selection of a Chief Constable designate should follow established guidance and legal advice. For example: the College of Police 'Guidance for the Appointment of Chief Officers' principles of merit, fairness and openness; and the Police Reform and Social Responsibility Act 2011 requirement for PCC(s) to appoint the Chief Constable. It has also been agreed that the designate role should not extend beyond 12 months after the creation of the new merged force, allowing the incoming PCC to choose their own Chief Constable. A legal framework would be drawn up to ensure clear delineations between force leadership roles, and to ensure no overlaps in governance.

- **Phase 3 – implementation** running concurrently with phase 2c, but beyond May 2020 (concluding date of this phase to be confirmed). This phase will focus on ensuring a single force is in place for May 2020. The key areas for consideration will include the Minimum Viable Product (MVP), ensuring legal and effective delivery of services from day one (see below for more details). In addition, it is acknowledged that not everything will be ready or complete when the new force takes effect and this phase will also ensure that these elements are properly prioritised and implemented; hence the need for this phase to continue beyond May 2020.

5.3.3 Key milestones

The following table describes the key milestones for the Transition Plan.

Key milestone	Date due
Final decision of four corporations sole	25 September 2018
FBC submission to Home Office	By 12 October 2018
Expected decision from Home Secretary	Dec 18
Drafting instructions for Statutory Instrument	January-March 2019
Drafting Order for Statutory Instrument	March-August 2019
Shadow Governance arrangements come into effect	May 2019
S32 Order put into Parliamentary Table	August-September 2019
S32 Order SI laid in Parliament	7 November 2019
PCC elections	7 May 2020
New force comes into effect	7 May 2020

Table 5.3: Key milestones for the transition plan

5.4 'Minimum viable product' and critical path analysis

The new force must be operationally 'safe' and organisationally 'legal' from day one; to ensure that happens, an analysis has been undertaken to identify the minimum that has to be in place – the 'minimum viable product' or MVP. This is shown schematically below.

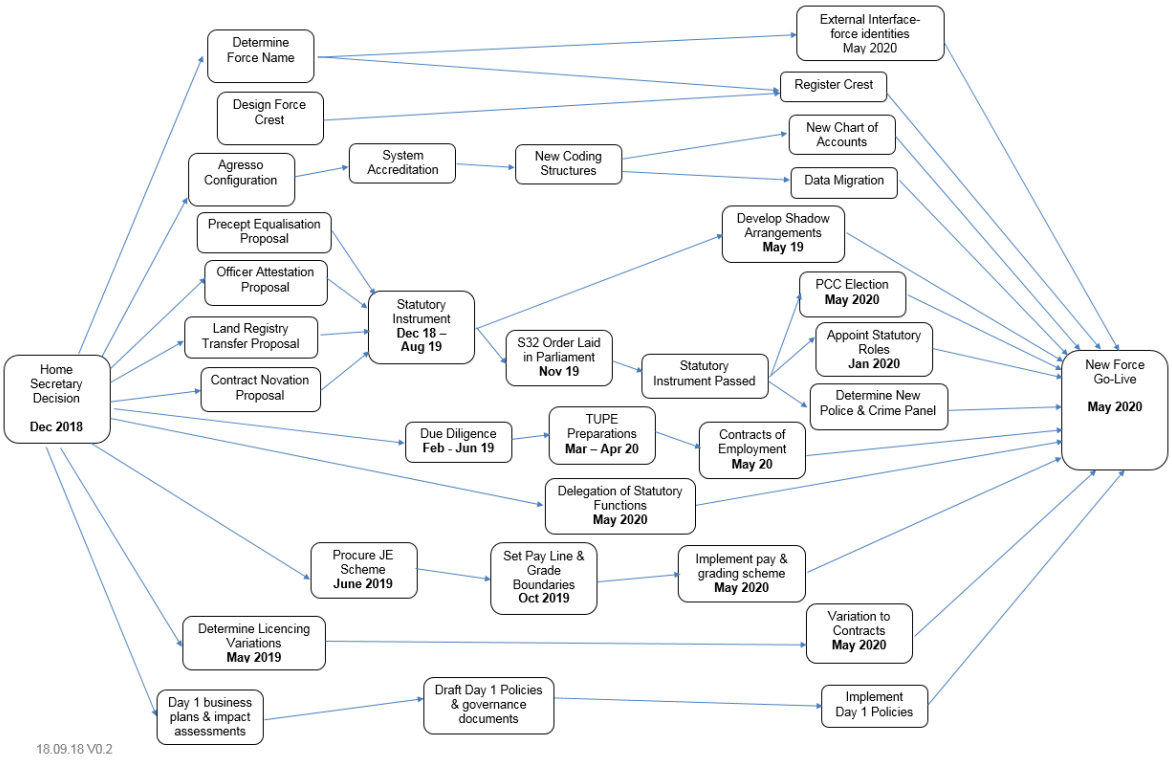

Figure 5.2: summary of dependency analysis to deliver the MVP

This analysis has been used to inform the more detailed considerations undertaken by each of the workstreams and which follow in the next section; whilst the intention is to deliver beyond the MVP for day one, the MVP provides a clear understanding of the foundation upon which anything more will be delivered.

Constitutionally, the necessary legislative changes will have to take place in time (see key milestones) and the necessary appointments made for the new chief constable and police and crime commissioner.

The merger team have identified the following minimum requirements for day 1.

5.4.1 Statutory Instrument

As shown above, the key critical path activities for the creation of the new force are the drafting, laying and approval (via the negative procedure, assuming that the order is not 'prayed against') of the Statutory Instrument. This will:

- Establish the new force and geographic boundary
- Ensure transfer of any property and land
- Ensure novation of all contracts

5.4.2 Legal requirements - roles

Police force

- Chief Constable - CC (Section 2 Police Reform and Social Responsibility Act - PRSRA - 2011)
- At least one deputy chief constable (s39 PRSRA)
- At least one assistant chief constable (s40 PRSRA)
- Rank of constable (s50A Police Act 1996) – this could be fulfilled by any of the above-mentioned officers
- Chief Finance Officer – the person accountable for the force's financial affairs (Schedule 2 s4(1) PRSRA and s151 Local Government Act 1972)
- Data Protection Officer (General Data Protection Regulation – GDPR - and s69 Data Protection Act – DPA - 2018)

OPCC

- PCC (s1 PRSRA 2011)
- Chief Executive (Schedule 1 PRSRA)
- Chief Finance Officer (Schedule 1 PRSRA and s151 LGA 1972)
- Data Protection Officer (GDPR and s69 DPA 2018)

Police and crime panel (PCP)

Although not a "responsibility" of either the force or PCC, arrangements will need to be in place for the new PCP for day one.

Other roles

Other key roles to policing, such as an authorising officer, appropriate authority, SIRO etc. have not been included in the MVP, because technically these roles could be carried out on day one by the chief constable, with roles then being re-allocated as necessary. (In all likelihood, these roles will also have been identified / filled by day one).

5.4.3 Documents

It is difficult to state which documents would be legally necessary on day one, as opposed to what would be desirable - with the exception of the required Statutory Instrument (SI) and transitional provisions.

The below list is therefore an initial view of what is likely to be necessary to allow the force and OPCC to function effectively (this list will be reviewed and added to as detailed plans are developed):

- Certificate/warrant for registered coat of arms for the force (assuming that this is used as branding from day one)
- Delegated and designated authority documents for both chief constable and PCC to allow officers and staff to carry out certain functions on their behalf (Police Reform Act 2002, PCA 2017 and Section18 PRSRA)
- Police and crime plan must be issued within the financial year of the PCC in which each ordinary election is held ("ordinary" is every fourth year since 2012) (s5 and s50 PRSA)
- S22A collaboration agreements, contracts (internal and external), MoUs, land registry for ownership of buildings, ISAs

5.4.4 Other considerations

Other key requirements for day 1 are:

- Branding: agreement of the new force name (to be considered only if this business case is approved) and the design and registration of a new crest
- Accounting: establishing the coding structures and new chart of accounts (including system changes)
- People: covering due diligence, TUPE transfer and development of policies (see section 5.5.6 below for more details)
- Commercial: ensure the differences between the forces schemes of delegation are harmonised for the merger.

5.4.5 Conclusion on MVP

As indicated above, detailed planning will continue during the 'pre-preparation' phase (2a). The next section sets out the transition work streams, each of which builds on the foundation of the MVP set out in this section.

5.5 Transition workstreams

5.5.1 Communications and branding

The key branding elements required for day one are the name of the new force and the design and registration of any new crest.

As indicated elsewhere in this document, it is not envisaged that a major 'big bang' rebranding exercise be undertaken. Instead, a pragmatic approach will be taken, some key elements of which are included below:

- Uniform: already using national standards for both forces
- Fleet livery: all police livery for strategic alliance vehicles is now generic, with the exception of the individual force crests. There are some local force strap lines in small livery font situated on the rear quarter glass which is expected to evolve to a standardised message post-merger. Re-branding will be done over a 12-month period as vehicles present for servicing, thus minimising disruption through non-availability of vehicles
- Change to: decisions on branding of the website and other related ICT issues will be made as part of the Transition Plan in Phase 2
- Signage: the Financial Case includes budget for changing signage at buildings to the new force name (and crest).

5.5.2 Partnerships and stakeholders

The stakeholder mapping and engagement undertaken during the FBC development will be refreshed during phase 2a (pre-preparation) to enable engagement and communications to begin as soon as a decision is made.

Alongside this a full partnership audit (referred to in the Operational Thread) will be undertaken to explore how best to renew and increase the commitment of the merged force to delivery of joint outcomes and objectives with partners locally, regionally and nationally. This will be done during phase 2b (preparation), once the decision on the FBC has been made.

5.5.3 ICT

As discussed in the commercial case, D&CP and DP ICT department has been operating as a converged organisation under the strategic alliance since April 2017 and good progress has been made.

The principles of the convergence strategy remain unchanged and the department is now reviewing the next iteration of convergence and how to enhance this further.

As stated, the department currently operates with a dual delivery model, where in D&CP a large proportion of the delivery of ICT services is outsourced whereas the delivery model for

DP is conducted using “in-house” staff. The initial outsource contract term expires in 2020 and D&CP have decided to extend the contract for an initial 2 years. This allows the department to review what a new Target Operating Model for ICT would look like. In conjunction with the contract extension, options are being considered to extend the outsourced ICT service desk in to DP. The merger will allow the organisation to consider a single target operating model for ICT in the period to 2022, be that: wholly outsourced, wholly insourced or a hybrid approach. A single decision structure, a single view on outsourcing and a single investment strategy are key enablers for this, all derived from being a single force.

A merged force would accelerate the planned convergence, including:

- Key infrastructure platforms, eliminating over time slightly differing configurations for each force to account for business areas not yet aligned
- A single brand to unlock further capability for convergence. For example, a single force would allow for true single computer domain with single software deployments and single logon capability, simplifying and speeding up the experience for users
- Delivering the digitalisation programme more efficiently due to presence of: single Operating Models; fully converged infrastructure; single solutions and systems; single investment strategy and capability; single governance process

Through the merging of the two forces it is expected that the ICT should be able to make an additional saving through contracting, application rationalisation and simplification of approximately **£235,000** (included in the figures stated in the Commercial and Economic Cases).

As already highlighted, the merger, if agreed, may alter the timings of the convergence plan. Based on the agreed Minimum Viable Product, ICT will assess the requirements needed to meet the MVP and produce a service transition plan to achieve the outcomes required.

5.5.4 Legal

The primary legal considerations have been threaded through other aspects of this document, primarily:

- The commercial case – exploring how merger might be given legal effect
- The management case:
    - Appointment of new chief constable (Section 5.3.2 above)
    - Consideration of the legal requirements for day 1

5.5.5 Finance

Much of the financial impact of the FBC has been included in the Financial Case.

In addition, Finance will be responsible for ensuring that the new codes and chart of accounts are prepared, with agreed opening balances (see below) derived from the closing accounts for the two existing forces.

A due diligence exercise will also be commissioned to ensure the new accounting position at day one is externally assured.

5.5.6 People

To ensure appropriate early preparations are undertaken, a paper setting out the issues and an initial outline work programme for the key 'people' tasks has been developed and approved by ACB. An extract of the key work programme tasks is set out below. Much of the detail for this programme is still in development, but its extent demonstrates that, despite the advances and successful foundations that are already in place, there is no complacency and clear support exists from the four corporations sole to invest in this vital preparatory work.

Work product	Current position
Set overall people vision, linked to the existing joint people mission and common organisational values	Both forces are committed to becoming the 'lead employer' in policing. A clear definition setting out what 'lead employer' will mean for the new merged force has been drafted and will be submitted to the strategic alliance convergence board for approval as the future 'people vision'.
Determine future employment framework	Strategic alliance convergence board has already approved a paper detailing the key principles that will shape the future employment framework. The key features are set out in Section 2 of this report.
Determine future organisational structure	This will be determined by the four corporations sole and led by the merger SRO.
Identify future demand of new force, identify required staffing numbers, skills, locations, likely attrition and overall financial envelope in order to set resourcing requirement.	This is a specific work-stream of the PRISM Board and is being led by named ACC's from both forces.
Development of workforce supply plans to cover succession, retention, training, recruitment.	A common workforce planning model has been adopted across both forces. Workforce supply plans are already in place that cover both forces. These plans will be updated in accordance with the agreed process set out in the workforce planning model, once the demand activity has been completed.

Review of employment policies for new organisation – identify priority employment policies required by day one; between day one and 100 and day 100+	Work has already commenced across the two forces to identify all employment policies, procedures and supporting processes. Whilst the aim is to ensure all policies are reviewed ahead of day one, the existing prioritisation process will be revisited as part of merger planning process to ensure that they are appropriately categorised as being needed for day one, between day one and day 100, and day 100+ of the new force. This will enable any eventual slippage to be restricted to non-critical areas.
Development of terms and conditions for new organisation	Work has already commenced on prioritising the development of new terms and conditions. A 5x5 scoring matrix designed to identify impact in terms of cost and difficulty of implementation has been devised. The intention is that the resultant score will enable a RAG prioritisation to take place. A high-level steering group with representatives of finance, legal and the business will contribute to the population of the framework. Consultation will then take place with staff representatives on the basis of 'packages' of terms and conditions.
Selection of job evaluation scheme	Work has already commenced on identifying a suitable job evaluation scheme. Given a nationally agreed job evaluation scheme is already available to policing, this will form part of the groups initial considerations, together with the outcomes of a nationally commissioned review of job evaluation schemes currently being operated within policing. Once a detailed specification has been developed, this will be shared with staff representatives prior to a procurement exercise being undertaken. Given regional interest in this work, the lead for this work has already held meetings with other forces and will ensure that they remain updated. Any solution will eventually form part of a framework agreement to ensure the opportunity exists for adoption of a regional JE solution.
Determination of pay line for new organisation	This work will follow from identification of the job evaluation system and will be shaped by the key principles set out above

Development of arrangements for TUPE	The majority of documentation and materials developed for the strategic alliance can be adapted for the purposes of merger. Work will be undertaken to re-word and amend existing templates and presentations where this is required.
Completion of due diligence exercise	Experience from the strategic alliance has shown that the timescales for this exercise will be largely dependent on the accuracy of the people data already held on the Agresso system, in terms of identifying the substantive employees and their accompanying terms and conditions. Work is currently being undertaken as part of the PRISM Workforce Demand workstream to complete a detailed data cleanse of Agresso, but current known restrictions and limitations with the existing implementation of the system are likely to be a complicating factor and will need to be addressed ahead of the merger. The processes, procedures and templates that are required for this work are well established as a result of the strategic alliance, but will require adaptation to ensure their relevance for merger.
Application of management of change arrangements	Comprehensive management of change arrangements were developed for the strategic alliance and a significant updating of this material was recently completed. As part of preparing for merger it will be necessary to revisit this work to ensure its continued relevance and to ensure that the new force has its own long-term processes in place ready to deal with future restructuring post day one.
Completion of culture planning and development of leadership planning to prepare managers for merger.	A significant programme of culture and leadership development is being created to build upon the work already implemented by the HR Specialist Lead for Organisational Development. An ACC has now been appointed to act as culture lead for the merger and the PRISM programme, he is being supported by the Organisational Development Lead and will be responsible for progressing this area of work. It should

	be noted that it is viewed as critical that this work is resourced over a five-year period in order to appropriately cover pre and post-merger issues.
Development of Agresso to fully support all HR requirements relating to the new force and to facilitate the smooth transfer of staff, including the need to maintain multiple instances of terms and conditions. In addition, identify any other IT alignment requirements in respect of employee data needed for TUPE/Payroll purposes post-merger.	Initial indications from ICT is that four staff will be required for this work, in addition to external consultant support to ensure optimal configuration of Agresso and support from BT to deal with relevant infrastructure work.
Engagement and communication programme to ensure regular updates on progress toward merger for staff and their representatives.	This work will be led by ACC Taylor as overall merger programme manager, with support from the HR Change Team and the Specialist HR lead for Employee Involvement and Engagement.
Formal trade union and staff association consultation and negotiation arrangements in respect of the 'people' aspects of merger, including determination of the future partnership and recognition arrangement.	To be developed as part of the overall merger programme and led by the Director of People.
Equality Impact Assessment / Equality and Diversity Strategy	This work will be led by Corporate Development.
People metrics and key performance management indicators	A comprehensive range of metrics and performance indicators already exist and are set out in the relevant detailed delivery strategies and quarterly performance packs. These strategies and packs will be revisited as part of the merger programme, to ensure they remain relevant and reflect the priorities of the new force.
Appointments process in support of implementing change, including Executive appointments, identification of any critical to fill posts and any management of change appointments.	The corporations sole will determine the approach to be taken in respect of executive appointments. All remaining appointment processes will be reviewed as part of the merger programme to ensure they reflect the requirements of the newly merged organisation.

Development of overall People transformation implementation plan, setting out how all HR elements will be delivered and identification of resources required to undertake and support this work, including appointment of external specialist support as required.	Leads for all 'People' work packages have been asked for their initial assessment of resource requirements. These will now be considered by the Director of people and a costed implementation plan developed.

The goal is to have all of the 'people' work-stream activity listed above completed ahead of day one of the newly merged organisation. However, the Forces are realistic and sensitive to the extent of the challenge that this would involve. Having undertaken extensive research, it is recognised that it is sensible to set a fallback position that makes clear what will need to be in place for day one; what should be put in place within the first 100 days and what can form part of the long-term future development of the newly merged force. A detailed People Transformation Implementation Plan is being produced for this purpose, together with an assessment of the resources required to undertake and support this work, including appointment of external specialist support as required.

5.5.7 Business support

The Business Support requirements are referenced within the Transition Plan and will be dealt with as a defined workstream with appropriate timescales.

5.5.8 Business management

As for Business Support above, the Business Management requirements are referenced within the Transition Plan and will be dealt with as a defined workstream with appropriate timescales.

5.5.9 Operating model

Detailed consideration of the future Target Operating Model is considered in Appendix 1 Operational Thread (and appendices) and the strategic case.

5.5.10 Shadow arrangements

As stated above, it is intended that the Chief Constable appointment for the new Force will be confirmed in June 2019 to provide adequate time for development of the shadow arrangements and to allow decisions and appointments to be made in good time for day one. All the experience from private and public-sector mergers points to the need for clear leadership and accountability from as early on as possible in the transition process.

5.6 Links to existing programmes

5.6.1 The strategic alliance

Following the announcement that a proposed merger was going to be investigated, work has continued with some aspects of the alliance programme. However, it has had an impact on what can continue to be delivered in order to realise significant savings and savings still to be realised, some of which are within the MTFS. The alliance is an effective way to align departments before a potential merger and is not just a financial consideration as it assists in enabling the business to perform as a merged or allied force/s.

Some areas are now paused and momentum has slowed down pending the decision of the proposed merger. If there is no merger an assessment will be made to determine what that means for the programme moving forward, the impact on those live alliance departments and those continuing through the governance. Whilst the live business areas are fit for purpose under the alliance, in the event of a successful merger bid, they will be reassessed accordingly.

The current status of the programme is as follows:

- A total of 22 business areas are now live with twelve PIRs having been completed with ten pending.

- Firearms Licensing; Major Crime; Tactical Firearms Team (TFT) (previously known as SFO); Resource Management Unit (RMU); Collisions & Tickets Section (CaTS)/Central Ticket Office (CT); Force Support Group (FSG)/Enhanced Policing Team (EPT); Custody (not estates); Command Control and Public Contact (CCPC)[9] are continued to be implemented as scheduled.

- Professional Standards Department (PSD); Victims & Witnesses, Custody (estates), Information Management Phase 3 and Serious & Organised Crime have been paused until a merger decision has been made.

- Corporate Development; Core Criminal Justice and Estates have been remitted for development as a merger product rather than continue as separate DBCs in the alliance programme.

There are a number of interdependencies between business areas whether they are live, pending, paused or continuing.

5.6.2 PRISM

D&CP and DP have already instigated a transformational programme of change, entitled the Policing Response Investigation and Safeguarding Model (PRISM).

PRISM is developing nine projects reviewing services to victims and witnesses, lead employer model, digitalisation, workforce planning, Integrated Services Design (ISD), demand management, contact management, prevention and partnership development and the ongoing strategic alliance. The developing the Operational Thread for this FBC has taken into account the six PRISM principles which govern change management through Cornwall, Devon and Dorset.

As a part of developing this FBC, the projects within each of these programmes has been reviewed to assess:

- Their contribution to the merger

- Their contribution to merger benefits

[9] The CCPC DBC is not being progressed in the alliance programme at present as it has been 'subcontracted' out to the PRISM ISD programme until recently. The 999/despatch side is now going to be developed under a continuing subcontracting arrangement from the alliance programme to the Contact Programme under PRISM.

- Impact if not continued.

In summary, many of the projects are critical to merger as they will underpin the ambition to move to a fully integrated single operating model underpinned by technology. Whilst a number can continue should merger not happen, most will not be able to maximise possible benefits because of the need to be able to maintain two sets of processes / operating procedures and supporting infrastructure, to support two separate visions and police and crime plans.

The benefits themselves are included in the economic case; either as a part of the baseline (where already included in the MTFS) or as a part of the merger itself.

The detailed timing of delivery of these projects will be assessed during phase two of the merger programme (transition) to ensure that timings and dependencies reflect the day one (and beyond) requirements of merger.

5.6.3 Wider national programmes

Delivery of benefits of merger set out in this business case are not directly dependent on any of the wider police programme portfolio. However, the merger programme will ensure that any other dependencies (such as resources, implementation dates) etc. are managed to ensure successful delivery of both merger and the external project(s).

5.7 Risk and issue management

The appetite for risk is set by the chief officers in D&CP and DP. These are set, taking into account the wider context of policing, and also the general regulatory environment to include the known position of the Home Office, HMICFRS, the College Policing, and Independent Office of Police Complaints. It also takes account of the respective Police and Crime Plans and also the culture and values that exist in policing and the forces in particular.

Risk appetite takes into account the differing requirements at strategic, tactical and operational levels.

To manage risk at all levels a joint risk and assurance board (RAB) has been created. Its objectives specifically include *'To drive the programme for the alignment of risk management and the implementation of a risk and assurance framework' and 'To embed a consistent approach to the provision of risk and assurance information that supports effective strategic decision making by the corporations sole.'* An early decision of RAB was that the ISO 31000:2018 standard for risk management would be adopted as the basis for risk management across the both forces moving forward.

There is a draft joint risk management strategy and policy, and from this base the joint risk management arrangements will be made, this will include a more detailed assessment and review of risk appetite across each business area and each level of the four corporations sole.

Risk is monitored at the strategic level by the chief officers teams, focusing on those risk that if materialised would undermine the delivery of the police and crime plans or damage the force reputation.

At an operational level risks are managed and monitored by department and command leads.

The effectiveness of these controls are tested as part of the audit plan and performance management meetings across both forces.

Our risk management arrangements are also subject to scrutiny by the independent audit committee.

Risk appetites in each business area:

Operational policing by its very nature is inherently risky, and whilst these values ensure they police by consent wherever possible and within the law there will be occasions when the use of physical force is necessary to secure observance of law or to restore order.

The current framework of training, policy, procedure, Health and Safety, risk identification and monitoring supported by dynamic risk assessments in operational situations where more formal assessment is inappropriate all help to mitigate risk where it arises.

Ultimately the appetite for risk brings with it the potential consequence of financial and reputational impact. Whilst reputational risk can only be mitigated within the bounds of the corporate risk appetite strategy and culture the financial cost of risk is managed through the risk financing strategy and subsequent insurance arrangements.

To this end D&CP and DP have, as part of the strategic alliance, implemented a single insurance policy. For liability insurance the financial exposure is for the first £350,000 on each and every claim, up to an annual aggregate stop loss limit of £2,600,000. For motor claims the exposure is lower at £300,000 on each and every claim, up to an annual aggregate stop loss limit of £885,355.

This financial risk appetite is subject to continuous monitoring and review in conjunction with our insurance brokers. The forces are generally considered by their insurers to be low risk forces in comparison with their other blue light customers.

The investment (treasury management) risk appetite is contained within the treasury management policy and strategy and is subject to annual review.

Reputational risk is very important to the strategic alliance and as such the appetite in this regard is comparatively low. The forces share an appointed Director for legal and reputational risk with responsibility that spans both.

It is a requirement of policing to uphold the law and as such there is **no** appetite for breaching the law by either force, whether that is at a strategic or operational level.

Data security – There would be significant financial loss and reputational damage due to breach of data or technological disruption caused by internal/external attack. Therefore there is **no/very low** tolerance for the loss or otherwise unauthorised or accidental disclosure of force or other sensitive data. This is monitored by the Joint Information Board.

At a time of transformation change and limited financial resources, there is **no/ very low** appetite for failure to deliver high-priority projects on time, to budget and to the expected quality.

A programme risk log will be maintained to capture all programme related risks. This will be presented to the ACB on a monthly basis. Individual work package risks and issues will be maintained by each work package lead and will be available if required.

Programme risks will be escalated to the corporate risk registers of each force if and when required.

The Risk and Issues Registers are therefore 'live' documents and are reviewed/updated on a regular basis.

5.8 Benefits management

5.8.1 Benefits strategy and approach

A benefits strategy for merger has been agreed by the ACB. This describes the:

- Approach to benefits management from identification through to realisation
- High-level benefits planned to be realised
- Governance arrangements for benefits management
- Roles, responsibilities and levels of accountability of those involved in benefits planning or the realisation of benefits
- Deliverables required to enable change, deliver the outcomes and realise the benefits

The key objectives of benefits management for the proposed merger is to:

- Provide ongoing alignment and clear links between the deliverables, the business change and ultimately the aim of the convergence programme
- Ensure that benefits are identified, defined and clearly linked to the convergence programme outcomes
- Ensure that the desired benefits are achievable and verifiable
- Ensure there is a full understanding of the roles and responsibilities in the realisation of benefits, and commitment to undertaking those activities
- Actively drive the process of realising benefits
- Provide a plan that serves as a continuing focus for the delivery of the convergence programme and the necessary changes that need to occur

The identified benefits, outcomes and some early indications of the activities which will need to be undertaken to achieve them have been identified by work package leads to inform the business case.

The relationship between these changes, the capability and the benefits are shown in the pyramid below.

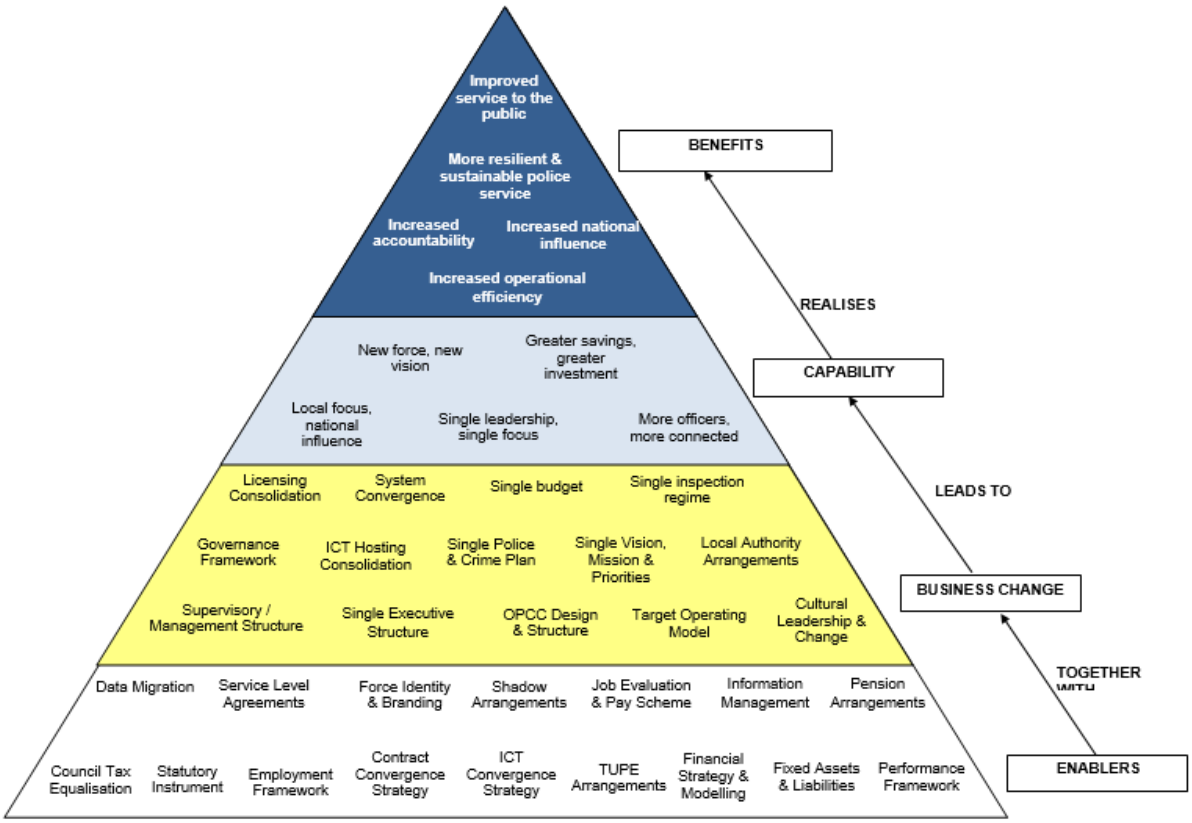

Figure 5.5: Benefits pyramid

5.8.2 Realisation and monitoring

Progress of the realisation of benefits for the programme will be monitored and tracked on a quarterly basis formally reported in a quarterly benefits report submitted to the strategic alliance convergence board or its successor. Where benefits realised fall short of plans, exception reports will be produced to establish the reasons for the shortfall and any required actions to address technical design or business change aspects of a particular business area.

Realisation of the full set of benefits may not happen for some time after the change has been implemented. Therefore, management of the benefits will become the responsibility of the relevant business area following programme closure, to ensure that they will be realised.

In addition to the tracking and monitoring of each benefit, the programme will undertake formal benefit reviews at the discretion of the SRO or at key points of the programme (such as end of phase) to ensure that benefits realisation is still on track and assess the continuing validity, achievability and optimisation of the benefits.

5.9 Equality impact assessment and health and safety assessment

The completed assessments have been included as Appendices 5.14 and 5.15 respectively. There are no issues that affect the deliverability of merger.

5.10 Conclusion

The merger of two police forces into a single new constabulary is a major change programme that will require dedicated resource and effort. D&CP and DP have the experience and

expertise to successfully deliver such a change from working together on large-scale change and transformation portfolios and programmes of the kind that merger represents.

The timetable for delivering the new arrangements in time for the next PCC elections is challenging. Whilst further detailed planning is required to establish a firmer set of programme milestones, the main issues with respect to implementation have been identified (including the possible need for some external support in specialist areas). If the approach set out in this section of the business case is adopted in accordance with the proposed timescale, implementation on time appears feasible.

As indicated in the preceding section, attention to mitigation of key risks such as stakeholder management, will be required throughout the implementation process.

Overall the management case suggests that merger of the two forces is achievable in the timescales required to meet the deadline of the next PCC elections in May 2020.

Appendix 1 – Current leadership structure of the two forces

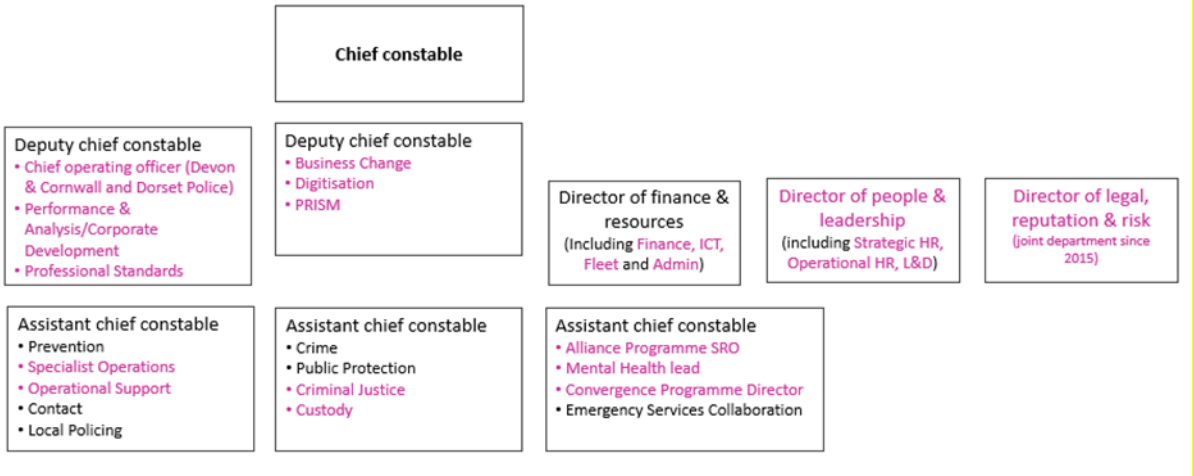

Figure A1.1: Summary Chief Officer team for Devon & Cornwall Police

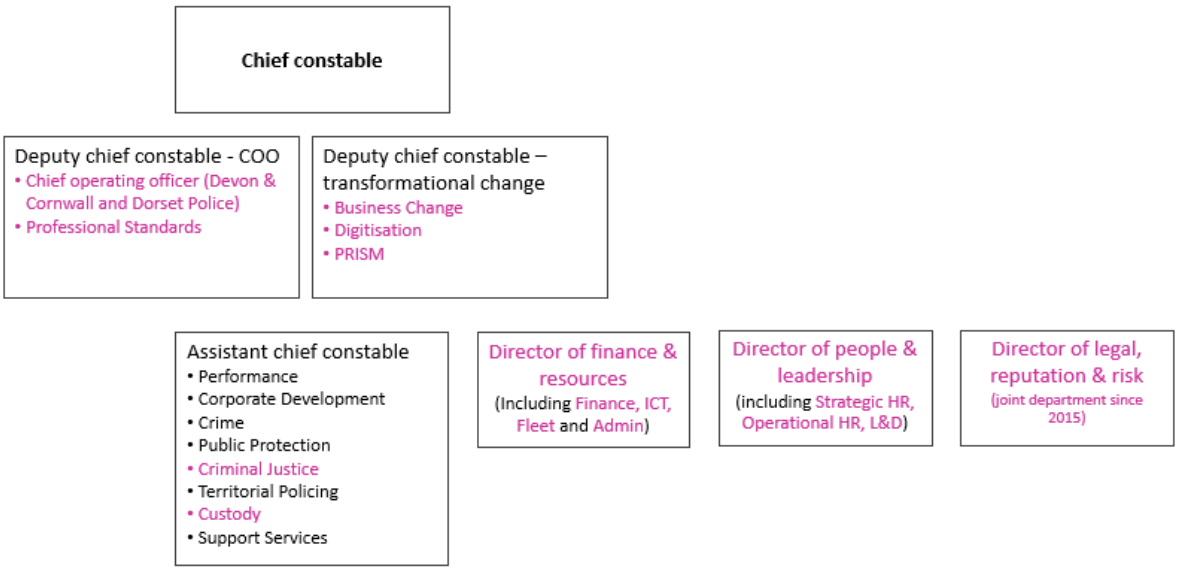

Figure A1.2: Summary Chief Officer team for Dorset Police

Appendix 2 – Current structure of the two OPCCs

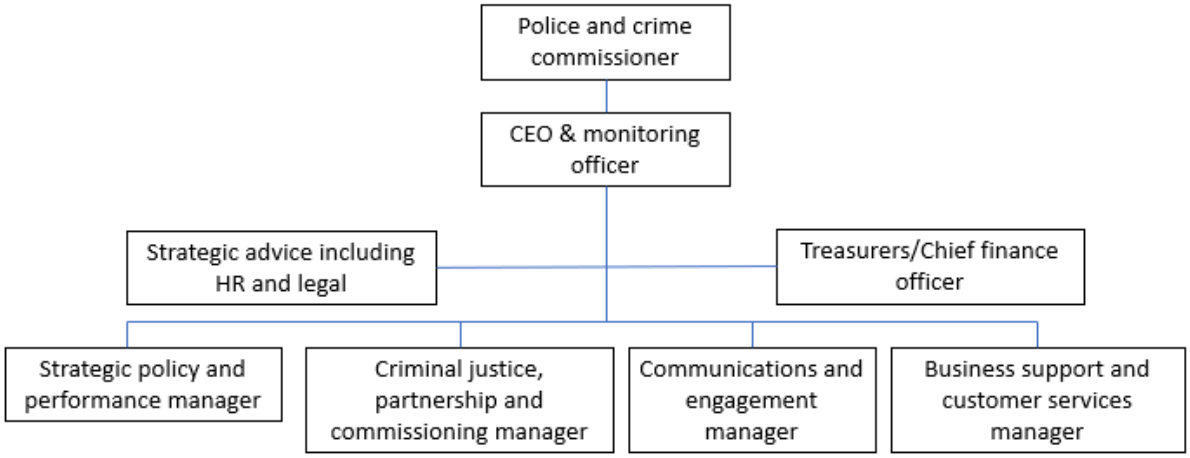

Figure A2.1: OPCC for Devon & Cornwall Police (c25 employed staff)

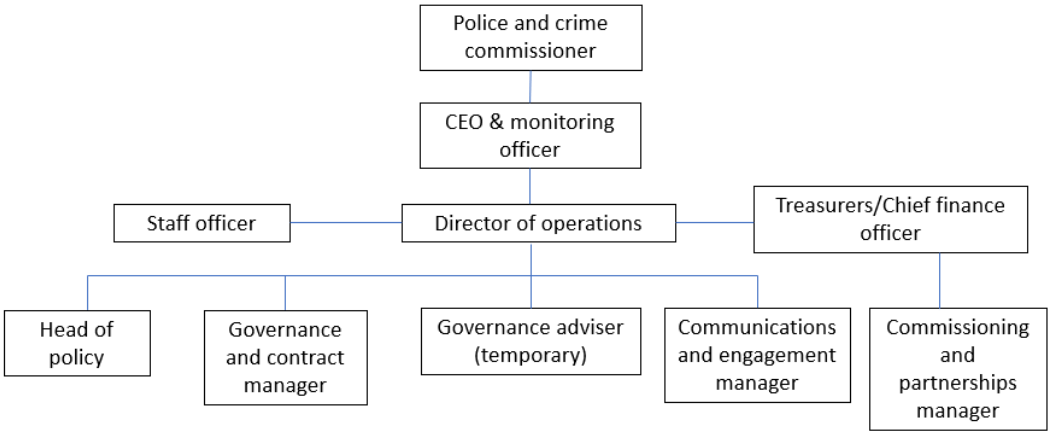

Figure A2.2: OPCC for Dorset Police (c20 employed staff)