

Lincolnshire Police



Options Exploration Project

Custody Service Provision

Business Case

Change Control

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1. Executive Summary

1.1 Introduction and the Strategic Case for Change

- 1.1.1. The Future Services Programme (FSP) was initiated following the decision taken by the Police and Crime Commissioner (PCC) for Lincolnshire in November 2020 not to extend the Strategic Partnership with G4S beyond the 31st March 2022.
- 1.1.1 Within the FSP, the Options Exploration Project (OEP) remit was to explore delivery options for the provision of Custody Services, currently delivered by G4S, to commence from 00:01 on the 1st April 2022.
- 1.1.2 This document presents a full Business Case for the future provision of Lincolnshire Police Custody Services. The model used for this Business Case is the 5-case Business Case model outlined in the HM treasury's Green Book for investment appraisal.
- 1.1.3 The purpose of the Business Case is to enable the FSP Board to make three key decisions based on the justification and recommendations of the OEP. These decisions are summarised in Section 1.5 and are listed on pages 12 and 14.

1.2 Value for Money (The Economic Case)

- 1.2.1 Three options were identified for consideration by Lincolnshire Police in relation to the future provision of the Custody Service. These were:
 - Option 1 – Insourcing
 - Option 2 – Outsourcing
 - Option 3 – Teckal Company
- 1.2.2 Option 3 which would require Lincolnshire Police to set up a Teckal company was ruled out by the Programme Board early in the process as members did not believe that the potential benefits justified the additional statutory requirements and administrative costs for one Service Area. It was agreed that this option may be considered at a later date where appropriate.
- 1.2.3 Following an initial evaluation of both financial and operational data (Business Justification report) the analysis suggested that Option 2 - Outsourcing may represent better value for money (VFM), achieve the objectives for the Project and offer benefits such as reduced costs, risk transfer, and therefore should be explored.
- 1.2.4 On the 9th June 2021, the FSP Board confirmed that the OEP should explore Option 2 - Outsourcing of Custody Services.

1.3 Feasibility (The Commercial Case)

- 1.3.1 Option 2 - Outsourcing - The OEP entered into an open procurement process in September 2021. Suppliers in the market were invited to bid for a standalone contract for the provision of Custody Services for an initial five year term commencing at 00:01 on the 1st April 2022, with the option to extend for a further two years. The specification for the Custody Service provision included the Detention Service with an additional option to provide the Detainee Transport Solution (DTS).
- 1.3.2 The OEP received one bid for the Custody Service provision. The bid has been evaluated based upon the following criteria and weighting agreed by the FSP Board; 70% Quality and 30% Price.
- 1.3.3 The bid has met the minimum requirements against the evaluation criteria.

1.4 Affordability (The Financial Case)

- 1.4.1 The total estimated full cost the combined Detention Service and DTS over the five year period and optional two year extension is £12,461k. This figure includes estimates for pension passthrough, miscellaneous services and contract management but excludes any potential impact for indexation.
- 1.4.2 The preferred option is affordable as it is less expensive than the alternative insourced solution and within the indicative budget.

1.5 Key Decision Points and Recommendations

Decision Point	Question	Recommendation
DP1	<i>Subject to satisfactory due diligence, do you agree to make an award to the Preferred Bidder?</i>	Yes
DP2	<i>If you agree to award to the Preferred Bidder, do you wish to include the Detainee Transport Solution option?</i>	Yes
DP3	<i>Is the Preferred Option affordable?</i>	Yes

1.6 Implementation (The Management Case)

- 1.6.1 The existing management structure and governance arrangements will continue throughout the Project, with the relevant Project controls being in place for risk, benefits, and dependencies. Planning will include contract management and the delivery of a bespoke Mobilisation Plan to ensure readiness.
- 1.6.2 An introduction and background of the OEP is available at **Appendix A**.

2 The Strategic Case

2.1 Introduction

- 2.1.1 Lincolnshire Police have an obligation to provide a Custody Service. The outsourcing of such a provision has been proven to be successful over the last nine years resulting in a professional, effective, and efficient Custody Service in compliance with applicable legislation. This arrangement comes to an end on the 31st March 2022. The provision of this service therefore needs to be replaced from 00:01 on the 1st April 2022, and the outsourcing of such should provide an effective means of achieving this outcome.

2.2 Strategic Objectives

- 2.2.1 The Strategic Objective for the FSP is:
To ensure a positive and smooth transition from the Strategic Partnership with G4S to a new, sustainable operating model for Lincolnshire Police.
- 2.2.2 Delivering a sustainable operating model for the Custody Service Area is essential as Police Custody is a fundamental element of Policing and the Criminal Justice process. The primary purpose of taking an individual into Police Custody is to allow for the prompt and effective investigation of a criminal offence of which they are suspected.
- 2.2.3 The overarching Strategic Objective for Lincolnshire Police is:
Making Lincolnshire Safe - Working together to make Lincolnshire the safest place to live, work and visit.
- 2.2.4 The provision of an efficient and effective Custody Service assists the Force with achieving the above objective as at (2.2.3). A Custody provision allows for prompt and effective investigations which is key to ruling in or out criminal behaviour. Feeding into the broader Criminal Justice System, contributes to Making Lincolnshire Safe.

2.2.5 This in turn **Stops Crime and Anti-Social Behaviour** and in addition **Protects from Harm** the victims and the vulnerable. Many of those detained are vulnerable themselves, and the Custody provision which includes a Liaison & Diversion service **Helps Those in Need** by providing the support and referral they require.

2.3 Scope and Service Requirements

2.3.1 Subject matter experts were consulted to draw up the Statement of Requirements (specification) for the Custody Service provision, utilising the existing agreements and requirements.

2.4 Future Business Needs

2.4.1 The contractor will develop a partnership arrangement to deliver a collaborative approach to service delivery, providing a contract that drives innovation, continuous improvement, and VFM.

2.4.2 They will work with the Force to enable the contract to evolve as changes in legislation, technology, crime, and demand occur, adapting to the needs of detainees and the Force.

2.4.3 Provide a professional and effective Custody Service provision that will be managed and delivered in accordance with the Police and Criminal Evidence Act 1984 (PACE) and the College of Policing Authorised Professional Practice (APP) on the Safer Detention and Handling of Persons in Police detention.

2.4.4 The contractor will also be required to deliver against any other applicable legislation, policies and any other standards that are recommended or imposed by other relevant bodies. Including, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), or any successor bodies and in accordance with Lincolnshire Police policies, as amended from time to time.

2.4.5 The provision of a DTS must be managed and delivered in accordance with the College of Policing guidance on Moving and Transporting Detainees. If there are any changes to legislation or guidance, the contractor will be required to make the relevant adjustments to their delivery.

2.5 Link with Overarching Business Strategies

2.5.1 The continued delivery of a transparent Custody operation that is safe, efficient, and effective supports each of the Force's main priorities and underpins the central objective of 'Making Lincolnshire Safe'.

2.5.2 Subject to a decision to award a contract for the outsourced Custody Service provision, a further review period would ensure that service delivery is appropriate and aligned to Force priorities.

2.6 Strategic Risks

2.6.1 Key Strategic risks were identified in the Custody Business Justification report. These are:

- Employment (recruiting, retaining, welfare, training, disciplining staff etc)
- Financial (capital and revenue)
- Performance (meeting national and other standards)
- Premises
- Legal
- Technological
- Business continuity
- Reputational

2.7 Critical Success Criteria and Expected Benefits

2.7.1 In order for the objectives to be met successfully, the preferred option should deliver the following benefits:

- Price – Achieve VFM for Lincolnshire Police
- Quality of Service – Achieve a high quality and efficient service

2.7.2 Whilst the above benefits are specific and quantifiable, the following will have a positive effect on the Force.

- Transfer of risk – The Force would transfer risk to the successful contractor in relation to the recruitment, training (both initial and refresher) retention of staff, and the daily management and supervision of Detention Officers
- Flexibility – A contract that includes clauses to provide flexibility resulting from changes in policy and law, or temporarily to deal with an emergency or under extenuating circumstances

2.7.3 In addition to the specified benefits, other critical success criteria are five Key Performance Indicators (KPIs) contained in the specification / contract. These are available at **Appendix B**.

2.8 Constraints

2.8.1 Constraints have been categorised under five main themes. These are Time, Cost, Scope, Quality, and Resources.

2.8.2 Time

All arrangements must be in place for the new contractor to commence their contract at 00:01 on the 1st April 2022. Good levels of engagement are required from key stakeholders in Force, the incumbent provider, and the new contractor to achieve activities and timescales that are noted in the Project Plan.

2.8.3 Cost

The solution should offer VFM.

2.8.4 Scope

Due to the legal obligations around service delivery, all elements identified in the Statement of Requirements must be achieved.

2.8.5 Quality

Service delivery must be maintained throughout the transition between contractors and on an ongoing basis from the 1st April 2022.

2.8.6 Resources

Custody must be operating with a fully staffed model for service delivery from 00:01 on the 1st April 2022.

2.9 Dependencies

2.9.1 In accordance with Prince 2 methodology, dependencies are identified and managed throughout the life of the Project as part of governance. The Dependency Register is reviewed on a weekly basis to monitor any activities that are reliant on the completion of other tasks or events in the plan.

3 The Economic Case

3.1 Available Options

3.1.1 The Project Team explored all available options to determine the best VFM proposition to replace the current delivery model. As the existing contract was not extended following a formal decision by the PCC, a 'do nothing' option was not explored. However, the incumbent provider extension proposal was utilised to provide a quantitative benchmark, against which all options were compared.

3.1.2 Three options were identified for consideration by the Force in how to pursue the provision of the Custody Service.

- **Option 1 – Insourcing**
Bring the Custody Service back into the Force, to be directly managed by the Custody Chief Inspector. The Custody Service could transfer into Lincolnshire Police on expiry of the Service Delivery Agreement (SDA). This would involve transferring the employees under the TUPE regulations and setting up internal management arrangements to direct the service
- **Option 2 – Outsourcing**
Procure a new standalone contract for the Custody Service. As there are no existing Public Sector Frameworks that could be utilised for the Custody provision, a full procurement process in line with the Public Procurement Regulations 2015 would be necessary
- **Option 3 – Teckal Company**
Lincolnshire Police would create a company dedicated to the delivery of a Custody Service back to the Force. A Teckal Company would benefit from contracts for works, services, or supply from its controlling Contracting Authority (or Authorities) without having to go through a competitive tender process

3.2 Refining available Options

- 3.2.1 Whilst Option 1 - Insourcing was not dismissed, as referred to earlier, but at a meeting on the 9th June 2021 the Programme Board decided their preferred way forward was to explore Option 2 – Outsourcing. This was based on a Business Justification report which outlined expected benefits in terms of lower costs and risk transfer to the supplier.
- 3.2.2 In the early stages of the Project, Option 3 - a Teckal Company was ruled out by the Programme Board as an option for delivery.
- 3.2.3 The principal advantages of a Teckal company relate to risk transfer when working for third parties and lower costs because staff are not in The Local Government Pension Scheme (LGPS). The first advantage was not relevant, and the second advantage would be offset by the additional statutory requirements and administrative costs. This option has not been explored by the OEP Team.

3.3 Evaluation of Shortlisted Options

Option 1 - Insourcing

3.3.1 Cost

An insourced solution for Custody (excluding the Identification Unit (IDU) and DTS) based on the existing staffing structure was costed as the 'Alternative Option' when the Force was considering an extension of the existing SDA with incumbent provider. This work estimated an internal option would cost about £340,000 (18%) more per year than the current price charged by the incumbent provider (2021 Prices, which, for clarity, is not the price the supplier would have charged in the extension period).

3.3.2 Insourcing Costs

The insourced option costs more due to the pension arrangements (LGPS) in place for Lincolnshire Police staff and because the cost model reflects the potential increase in staff costs in relation to harmonisation of terms and conditions of employment (should Lincolnshire Police decide/be able to progress with harmonisation of terms and conditions). These costs are partly offset by the absence of a profit margin.

3.3.3 Line Management / Resourcing

The service description for Custody that was considered by the Programme Board on the 26th March 2021 suggested that an in-house operation might remove the four Senior CDO posts, with the responsibility for directing the CDOs falling to the Custody Sergeants. This option would reduce the cost by about £170,000 a year (Note, no estimate had been made of any associated severance costs).

- 3.3.4 If an in-house operation was pursued, including the removal of four Senior CDO posts, the transfer of supervision, administrative and performance management duties to the Custody Sergeants would increase their workload managing the Custody suites. This may result in a slight increase in operational risk as a consequence. Similarly, if the Force were to provide an internal version of a DTS, the training of staff and provision of the vehicle would become the responsibility of the Force. A more likely scenario is that arresting Officers would transport their own detainees resulting in the loss of Officer time and operational cover in some geographical areas at peak times.
- 3.3.5 An insourced service would also require a process to manage the abstraction and backfill of staff which has been a regular issue to manage.
- 3.3.6 **Risk**
Having direct line management control of the Custody Service means all related risks would rest with the Force. While some risks are insurable, most are not, and would have to be managed or mitigated by the Force as part of its standard risk management activities.

Option 2 – Outsourcing

- 3.3.7 The Custody Service could be delivered by an external company under a standalone contract (i.e., not packaged with any other services and only for the benefit of Lincolnshire Police).
- 3.3.8 **Cost**
The cost of a continued outsourced contract could not be known until a competitive procurement process was completed. As a guide to the likely cost of an outsourced service, the Force knew that extending the SDA with the incumbent provider would have resulted in a cost for the Custody Service, excluding DTS, of around £1.95 million at 2020 prices. Uplifting this to 2021 prices gives an estimated cost of £2.01 million.
- 3.3.9 Data is also available from Leicestershire and Northamptonshire's recent procurement process. Although they are larger Forces, they have fewer Custody suites and their requirement for CDOs is lower. The prices they have achieved in their market testing have to be scaled up to reflect Lincolnshire's requirements. This suggests that the Force might secure a contract for less than an insourced option.
- 3.3.10 **Contract Management Costs**
The overall contract performance and relationship management aspects could be undertaken by the Chief Inspector and Inspectors, however there would be a need for some formal contractual management by a nominated Force Contract Manager. Costs have been estimated based on the existing contract management arrangements.
- 3.3.11 **Risk and Liability**
Some of the risks relating to the Custody Service can be transferred to the service provider. These include risks relating to staffing, working practices and performance management.
- 3.3.12 There are some risks that it is not feasible to transfer to a service provider. These are risks that are not controllable by the contractor. If such risks were transferred, the contractor might need to include a large premium in their price to limit their risk exposure and this would not be good VFM for the Force. Risks in this category include:
- Changes in legislation, regulations and policies relating to the Custody Service
 - Changes in Lincolnshire Police's financial position
 - Changes in Lincolnshire Police's governance, such as changes in policy following a change of PCC
- 3.3.13 An outsourced provider also brings three risks for the Force to monitor/manage:
- The risk of the outsourced provider failing to meet the service levels and other contractual obligations

- Reputational risk to Lincolnshire Police
- The financial and operational sustainability of the provider

3.3.14 Finally, whilst an outsourced service provider shares some of the risk of service delivery, the Custody Sergeants have overall control and responsibility for what happens within a Custody suite, and ultimately the Chief Constable retains vicarious liability for the Custody function.

3.4 Evaluation of Options

3.4.1 In financial terms, the above analysis suggests an outsourced provision could cost up to £2m, which is 7% cheaper than an insourced service.

3.4.2 As well as a lower overall cost, the outsourced provision transfers most day-to-day operational risks to the service provider and frees up the Force's resources from many routine tasks relating to staff management and so on.

3.4.3 The Force has experience of managing an externally-provided Custody Service, including the management of associated risks.

3.4.4 The key non-financial benefits of an insourced Custody Service would be the greater level of direct control and flexibility. The return of the CDOs to direct line management by the Force provides the potential for greater flexibility and control of the CDO staff.

3.4.5 Contracts can be constructed with clauses that enable the service to be flexed, whether permanently because of a change in policy, for example, or temporarily to deal with an emergency. Even so, they involve an extra element of friction (and perhaps cost) when compared with the flexibility available to a Manager who has line management direction and control over staff and other resources.

3.5 Conclusion

3.5.1 On the basis of the above, the outsourcing option represents better VFM because it would be less expensive than an in-house operation, while delivering a comparable level of service.

4 The Commercial Case

4.1 The Procurement Process

4.1.1 The value of the Custody Service contract means that formal tendering has been used. There are relatively few providers in the marketplace, and it was appropriate, therefore, to use the open procurement procedure.

4.1.2 Prior to commencement of the procurement process, a Commercial Strategy was completed by BlueLight Commercial (BLC) in conjunction with key stakeholders to identify the most appropriate route to market and take account of relevant contract considerations such as, Terms and Conditions, Insurance Levels, and complete relevant assessments in relation to Business Continuity, Information Management, Equality and Social Value, which would inform the development of the tender documentation.

4.1.3 The Custody Service requirement comprises:

- Detention Service - the provision of sufficiently skilled and appropriately qualified staff to manage the safe detention of arrested persons 24/ hours per day, 7 days per week, 365/366 days a year, across the four Custody suites in Lincolnshire
- A DTS - to support the efficient and effective use of Police Officer time in the Boston and South Holland areas, and Coast Neighbourhood Policing Areas. This will provide an escort service from point of arrest to the Custody suite but may also transport vulnerable detainees to their home address on release, transfer of detainees within Lincolnshire and collection or delivery of detainees outside of Lincolnshire

4.1.4 A decision was made by the Project Board to evaluate bids based upon 70% Quality and 30% Price.

4.2 Preferred Bidder

- 4.2.1 At the end of the tender period, one tender was received. This tender was evaluated using a pre-agreed matrix, along with other criteria and methodology set out in the tender documentation. This process was applicable regardless of the number of bids received.
- 4.2.2 As part of the procurement process, separate price and quality assessments have been conducted as identified in the evaluation process.
- 4.2.3 Membership of the Evaluation Team was identified and agreed with key Project stakeholders. Details of the Evaluation Team membership are available at **Appendix C**.
- 4.2.4 The price evaluation determined the cost for delivering the service(s).
- 4.2.5 For the quality assessment, the focus was to assess whether each bidder provided the assurance and confidence to Lincolnshire Police that they would be capable of carrying out the Custody duties to the standard required.
- 4.2.6 The Evaluation Team agreed consensus scores and associated rationale for the bid according to the guidance document and scoring matrix provided by BLC.
- 4.2.7 Following the completion of evaluation, the preferred bidder achieved a score of 79.47%.
- 4.2.8 The evaluation scores reflect that, on average, the bid was assessed as Good (i.e., better than acceptable) in most of its aspects. This, coupled with a tender price that is comparable with the expected cost, means that the bid represents VFM. Therefore, this should be treated as the preferred bidder for the award of the contract. The Contract Summary Report contains further details in **Appendix D**.

4.3 Decision Point 1

DECISION POINT 1
Subject to satisfactory due diligence, do you agree to make an award to the Preferred Bidder?

4.4 Agreed Contract Scope and Management

- 4.4.1 Lincolnshire Police reserved the right to take up all or part of the Custody Service requirement as detailed in the ITT Statement of Requirements. The Evaluation Panel concluded that the proposed DTS should be part of the contract awarded.

4.5 Decision Point 2

DECISION POINT 2
If you agree to award to the Preferred Bidder, do you wish to include the Detainee Transport Solution option?

4.6 Agreed Risk Allocation

- 4.6.1 Risks will be allocated between both parties and will include but are not limited to the following:
- 4.6.2 The preferred bidder will take risks for the service delivery, recruitment, retention of staff, employer liabilities and for volumes increasing or viable usage of transport in relation to their financial bid.
- 4.6.3 The Force has risks for change of law, reputation, and proportionate costs for ill health retirement.

4.7 Agreed Charging Mechanism

- 4.7.1 The various components of the contract have their own charging mechanism. The core Custody element is a fixed charge per year, payable in 12 monthly instalments. The fixed charge is based on the assumption that all posts are members of the contractor's standard pension scheme.
- 4.7.2 The contractor is required to pay the appropriate monthly LGPS Contribution Amount directly to the LGPS for any eligible employees.
- 4.7.3 A separate monthly invoice will be submitted in arrears, for the additional actual cost of the contractor's contributions to the LGPS. This will be calculated as the difference between the LGPS pension contribution rate and the contractor's standard pension rate submitted by the contractor in the Pricing Schedule, multiplied by the employee's pensionable pay.
- 4.7.4 This mechanism protects the contractor against any increase in the LGPS employer's pension rate, with the Force benefiting in any decrease.
- 4.7.5 The contractor's price is on the basis that they are expected to bear financial liability for risks within their control, including but not limited to redundancy and early retirement. A specific arrangement has been put in place for ill-health retirement.
- 4.7.6 The contractor will be liable for a proportion of the pension strain cost, calculated on the basis of the pensionable service accrued during the terms of this contract as a proportion of the total pensionable service (e.g., If an employee is granted ill health retirement with a total pensionable service of 20 years, of which three years have been accrued within this contract, then the bidder will be liable for 3/20th of the pension strain cost).
- 4.7.7 The PCC is to be consulted prior to any decision to grant ill-health retirement.
- 4.7.8 The DTS is based on a usage charge. Different fixed rates will be payable per request, depending on location and whether vehicle arrives within specified time limit.
- 4.7.9 Other miscellaneous items of work to be charged on a usage basis/hourly rate.
- 4.7.10 All charges will be subject to indexation from 2023/24 onwards, which is a weighting of 90% on change in average weekly earnings and 10% on change in consumer price inflation.

4.8 Agreed Personnel Implications

- 4.8.1 Personnel currently assigned to the Custody Service by the incumbent provider would transfer to the new contractor under the TUPE regulations.
- 4.8.2 TUPE is applicable to this procurement and anonymised employee data has been made available to the bidder.
- 4.8.3 The requirement for the successful contractor to become an LGPS Admission Body will be included in the contract documentation.

4.9 Agreed Implementation Timescale

- 4.9.1 A three month implementation period has been accounted for in the procurement timetable, following any award of contract, mandatory standstill period and the signing of contracts by middle of December 2021, with contract commencement from 00:01 on the 1st April 2022.

5 The Financial Case

5.1 Forecast of Preferred Option

- 5.1.1 This financial case sets out the revenue implications of the preferred option, no capital implications are expected.

- 5.1.2 The total estimated full cost of the combined Detention Service and DTS over the five year period and optional two year extension is £12,461k.
- 5.1.3 This figure includes estimates for pension passthrough, miscellaneous services and contract management but excludes any potential impact for indexation.
- 5.1.4 Due to commercial sensitivities, detailed supplementary financial information is held in **Appendix E**.

5.2 Overall affordability - Comparison with the Medium Term Financial Plan

- 5.2.1 Although there is not an explicit budget for the Custody Service post March 2022, based on what the Force currently pays, £1.85m per annum is an indicative budget.
- 5.2.2 The preferred option is affordable as it is less expensive than the alternative insourced solution and within the indicative budget.

5.3 Decision Point 3

DECISION POINT 3
Is the Preferred Option affordable?

6 The Management Case

6.1 Introduction

- 6.1.1 The OEP has been charged with managing the procurement of a Custody Service and this is now 'in flight', with the Project being in Stage 2 of delivery.
- 6.1.2 When decision making has been completed by the FSP Board, the Project Manager will continue to work with BLC and key stakeholders through the remaining aspects of the procurement process and mobilisation.

6.2 Objectives of Oversight and Management Arrangements

- 6.2.1 The OEP is accountable to its Project Board and the wider Programme.
- 6.2.2 To provide assurance, the Project is on track, and delivering against its objectives and key milestones. Reporting takes place monthly at both levels including a review of the agreed Project Plan.
- 6.2.3 Subject to the approval of this Business Case and Contract Award, the mobilisation of the contractor will be governed under the same Project structure, with additional input from SMEs and focus on ensuring any Force obligations are successfully met.
- 6.2.4 To ensure a seamless transition and provide a fully operational service, in line with the commencement date for the contract, the contractor will provide a bespoke Mobilisation Plan and will work with the Force to ensure a seamless transition. It will include, but is not limited to the following:
- Communications Plan
 - Consultation with Staff and Staff Associations
 - TUPE
 - Recruitment Plan
 - Vetting
 - Training
 - Business Continuity

6.3 Project and Change Management

- 6.3.1 The OEP Project Manager will continue to monitor and manage delivery of the Project and its objectives. This will see the completion of Stage 2 (Tender Process) and delivery of Stage 3 (Implementation).

- 6.3.2 The existing Project Plan will be updated to incorporate the bespoke Mobilisation Plan. Along with specific tasks and owners, it will also show key milestones leading up to go live and whilst the service is embedded.
- 6.3.3 Project meetings take place on a weekly basis to review delivery. This means that any issues can be identified and addressed quickly so as not to cause delays.
- 6.3.4 At the end of each stage, an End Stage Review will take place to make sure the Project is delivering against the key milestones and agreed objectives. At this point, the Project Board will be required to approve continuation into the next stage of the Project.
- 6.3.5 The Project will continue as part of the FSP.

6.4 Exit & Transition

- 6.4.1 Within the FSP, the Exit & Transition Project is responsible for ensuring that all Service Areas successfully migrate at the end of the current contract. This Project holds Service Migration Group (SMG) meetings on a regular basis. SMG meetings are attended by the Force and the incumbent provider to work through an agreed set of tasks for resolution.

6.5 Change Management

- 6.5.1 The Force Change Portfolio meetings take place monthly and are chaired by the Continuous Improvement Manager. The core function of the Change Portfolio meeting is to provide monitoring and governance of the Force's commissioned Programmes and Projects, identify significant risks, issues and interdependencies, drive benefit realisation and promote learning and improvement of change management.
- 6.5.2 OEP reporting extends beyond the FSP to the Force Change Portfolio meeting.

6.6 Benefits Realisation

- 6.6.1 The benefits identified in Section 3.7 have been recorded in a Benefits Register which can be seen at **Appendix F**.
- 6.6.2 For each benefit, a description has been captured along with plans for measurement, frequency of reporting and expected realisation dates. As planning continues more specific information will include data sources and baseline measures. Importantly each benefit is allocated an owner who is accountable for benefit realisation.
- 6.6.3 The ongoing monitoring of benefits will require benefit owners to provide updates about recent work completed towards the delivery of their benefit(s) and planned activities over the next period. The reporting of benefits will be supplied to the OEP Board and then in a higher level to the Programme Board using a Red, Amber, Green (RAG) status.
- 6.6.4 For any benefits that are due to be realised after the end of the Project or Programme, monitoring and management will be transferred to the Continuous Improvement Manager or alternative lead as agreed as part of Project closure.

6.7 Risk Management

- 6.7.1 The OEP maintains a Risk Register which currently includes risks that may impact the Project delivering against its objectives. The Register is reviewed on a regular basis each week and where appropriate mitigation activities are implemented.
- 6.7.2 Subject to the approval of this Business Case and Contract Award, the Project Manager, Custody SME, and Custody Chief Inspector will work together to develop a comprehensive record of operational risks during the mobilisation period. It will be the responsibility of the Project Manager to manage and maintain the updated Register until Project closure. A copy of the latest Risk Register is available at **Appendix G**.

6.8 Contract Management

- 6.8.1 Dedicated management is essential for this high-risk critical service and responsibility for this will fall to the designated Contract Manager assigned by Lincolnshire Police. This will continue during transition and throughout the life of the contract.

- 6.8.2 There are three elements of future contract management. These are:
- Contract and Performance Review
 - Monitoring Performance
 - Management Information and Reporting Requirements
- 6.8.3 Both parties (the successful contractor and Lincolnshire Police) are responsible for identifying a dedicated Contract Manager.
- 6.8.4 The successful provider's dedicated Contract Manager within their structure will be required to ensure that staffing levels and service delivery requirements are maintained across all aspects of Custody:
- Attend Monthly Contract Management meetings with Lincolnshire Police
 - Submit Management Information in a mutually agreed format and at the frequencies to be agreed at commencement of contract
 - Provide Annual Service Reports on each anniversary of the contract award
 - Deliver against the Key Performance Indicator Framework shown which will be reviewed monthly
 - Be subject to Service Credits where Performance Indicators are not met
- 6.8.5 The objective of the performance monitoring is to achieve the following throughout the duration of the contract:
- Meet the Authorised Professional Practice (APP), The Police and Criminal Evidence (PACE) Act and other requirements as outlined in the Service Specification and the governance requirements of Lincolnshire Police
 - Achieve continuous improvement in the management of overall performance, quality, price, delivery, and customer service
 - Take proactive action at all levels of the Organisation to support a reduction in reoffending

6.9 Post-Project Evaluation

- 6.9.1 At the end of the Project a full assessment will be undertaken, and the findings will be summarised in the form a Project Closure Report. The purpose of this document will be to seek formal approval to close the Project. It will contain a record of the Project's performance against the agreed objectives and products for delivery, along with other key data including benefits and risks.
- 6.9.2 If there are any outstanding actions and or recommendations necessary beyond Project closure, these will be noted in the Closure Report and an owner will be assigned for each task. The responsibility for any monitoring would be transferred to the FSP or an alternative resource as agreed, potentially the Continuous Improvement Manager.
- 6.9.3 At the end of the Project, the Lessons Learned Log will be organised and developed into a separate Lessons Learned Report. It will provide a summary of any lessons and significant successes that have been captured throughout the life of the Project. The purpose of this document will be to highlight information for review as part of Project closure, but also to aid the planning and design of future Projects. The report will be shared with the Continuous Improvement Manager.

6.10 Contingency Plans

- 6.10.1 Three key risks have been identified relating to the OEP. Whilst mitigation activities have been explored for each risk, due to the critical nature of the Custody Service provision, it has been necessary to explore contingency arrangements should the need arise.

6.10.2 Risk 12a - A lack of acceptable Tender submissions for Custody. May lead to the inability of outsourcing the Service Area.

Contingency arrangements include two options:

- A) *Explore a contract extension with the current supplier beyond the 31st March 2022.*
The existing SDA has provision to do this.

B) Return the Custody Service to an in-house solution on the 1st April 2022.

This will be considered as part of the Force Design Project within the FSP.

This solution would have the consequence of increasing the Force's estimated expenditure in 2022 and beyond, and this would need to be addressed in the budget process.

6.10.3 Risk 10 - High numbers of G4S staff leave at the end of the contract or early in the new provider's contract. Results in resource vacancies leading to gaps in service.

The ongoing contingency planning for this risk will depend on whether a contract has been awarded.

A) If the contract has been awarded to the preferred contractor, responsibility for this risk and any contingency arrangements would be transferred from the Force to the new contractor.

The contractor would have a recruitment profile in place to manage vacancies.

B) In the scenario that a contract has not been awarded, the Force would need to consider using alternative Force resources to backfill vacancies.

A vacancy management protocol is in place so that FSP is aware of any leavers.

6.10.4 Risk 9 - Failure to have a solid mobilisation plan for the Custody Service Area. May lead to delays in operational readiness for the end of the current contract on the 31st March 2022.

The preferred bidder has been required to include a detailed Mobilisation Plan as part of their bid. If the contract is awarded, key stakeholders from the Force will work with the preferred contractor to identify risks and to develop mitigation activities. The Mobilisation Plan will be reviewed on a regular basis to ensure that delivery progresses and any issues with plans can be identified and addressed quickly.

7 Appendices

7.1 Appendix A: Introduction (*Official Sensitive*)

7.2 Appendix B: Key Performance Indicators



Appendix B - Key
Performance Indicator

7.3 Appendix C: Custody Evaluation Teams (*Official Sensitive*)

7.4 Appendix D: Contract Summary Report (*Official Sensitive*)

7.5 Appendix E: Additional Financial Information (*Official Sensitive*)

7.6 Appendix F: Benefit Register (*Official Sensitive*)

7.7 Appendix G: Risk Register (*Official Sensitive*)

End.