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Met Police in outsourcing talks to plug £500m shortfall

By Gill Plimmer and Helen Warrell



The Metropolitan Police is considering one of the biggest police outsourcing plans as it strives to save £500m in an effort to meet government budget cuts.

London's police force is in talks with private sector providers eager to win outsourcing contracts for more than £800m of its back-office services. These

include the impounding of vehicles, human resources and finance capabilities, which could be transferred to private sector companies such as [G4S](#), [Capita](#), [Serco](#) and [Securitas](#).

The force is also planning to sell property, including the New Scotland Yard building in central London to help meet reductions in Treasury funding to all police forces.

The Met confirmed that no final decisions on the outsourcing had been made. However, it is understood to have engaged the market to see how potential savings could be delivered.

The total value of back-office services that could be put out to tender dwarfs the £200m contract between Lincolnshire police and G4S, under which half the force's civilian staff joined the private security company last year. That deal represented the widest spectrum of services offered in a single contract by a British police authority.

Private sector providers are quietly optimistic that the Met's move signals the end of the hiatus in police outsourcing. The issue became highly politicised last year after the West Midlands and Surrey forces dropped a mooted £1.5bn deal after concerns were raised about the inclusion of operational police duties such as carrying out patrols.

The election in November of police commissioners, who have responsibility for procuring services, further stalled progress as they settled into their roles, although a study by the University of Leeds found that fewer than a third of elected commissioners made clear in their manifestos that they opposed outsourcing to the private sector.

The private sector argues that stringent cuts to police budgets mean authorities will have

little alternative if they are going to cut costs and preserve frontline services. The West Midlands, for example, still needs to save £126m by 2015.

Companies argue that much of the political controversy is unwarranted and that the biggest savings come from administrative improvements rather than operational and frontline services. Staff account for about 80 per cent of police expenditure.

Andrew Hill, head of police services at Serco, said: “There are no responsible private sector companies remotely interested in privatising the powers of arrest. The level of risk in that uncontrolled environment means that they wouldn’t contemplate it.”

Nevertheless, he believes that almost all work not performed by warranted officers should be done by the private sector, a market representing £5bn worth of opportunities. “In the context of engaging with the private sector, the real prize for police forces is not just about the back office,” said Mr Hill. “It is about making the entire operation better.”

Paul Pindar, chief executive of Capita, said the outsourcing was important to save frontline jobs. “Would you prefer to take thousands of police officers off frontline duties or would you like us to take a look at back-office functions?” he said. “Do you really need a police officer to look at human resource functions?”

The Met’s austerity plan also contains reforms to the force’s structure, reducing the number of senior officers to lower payroll costs. It needs to do that because the mayor of London has pledged to keep 32,000 officers on the beat, despite the expectation of further Home Office cuts in next month’s departmental spending review.

Private sector providers have already been used to manage administrative functions in the police. In June 2010 Cleveland entered into a 10-year outsourcing arrangement with Steria for the provision of IT, call handling, criminal justice and finance-related services.

Architects to compete for redesign of Scotland Yard’s downsized home

Scotland Yard is on Monday inviting bids from architects round the world to redesign Curtis Green police station in central London which is to become the force’s new headquarters and home to its iconic revolving sign.

The competition comes after the Metropolitan Police announced it would be selling its current New Scotland Yard base, which is now too big for the shrinking back office workforce and requires £50m refurbishment. The force will move to the site of the smaller police station on Victoria Embankment, which has been empty for two years.

This downsizing is part of wider efforts to save £500m of the Met’s £3.6bn

budget by selling off a third of the property estate, which consists of buildings, car parks and boat yards across the capital. The strategy will reduce spending in line with cuts in central government contributions to police forces.

Craig Mackey, deputy commissioner at the Met, described the plan as “the most significant transformation of the police estate in the history of the Metropolitan Police force”.

He said: “The changes proposed will help us to save on running costs and sell properties that are no longer required, allowing us to invest in modern facilities that are fit for our officers, staff and the public.”

In addition to releasing funds to spend on frontline police officers, the estate plan will provide 950 modern police cells to help reduce the time it takes to process people in custody.

Architects have until June 4 to submit their expressions of interest in the project, through a dedicated page on the Royal Institute of British Architects website.

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