Nottinghamshire Police and Crime Commissioner
Notice of Decision

Nottinghamshire
POLICE & CRIME COMMISSIONER

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For Decision or Information	For Decision
Date received*:	25.09.20
Ref*:	2020.059

*to be inserted by Office of PCC

TITLE: Mint Commercial Services LLP

EXECUTIVE SUMMARY:

This report has been prepared further to the Decision Notice 19.2020 to obtain approval for Mint Commercial Services Limited Liability Partnership (LLP) to commence trading on 1 October 2020.

Mint CS LLP will provide best value for money to the Forces and other customers through an increased ability to grow and generate income from wider public sector clients. This exploration has been driven by Mint CS LLP's potential to deliver even greater benefit to the public sector than EMSCU currently does, as well as national drivers such as the push for commercialisation within the public sector.

INFORMATION IN SUPPORT OF DECISION: (e.g report or business case)

The East Midlands Strategic Commercial Unit (EMSCU) is a collaboration between the Nottinghamshire and Northamptonshire Police and Fire Forces (referred to as 'the Forces' throughout this document) and the Nottinghamshire Police and Crime Commissioner and the Northamptonshire Police, Fire and Crime Commissioner (referred to collectively in this document as 'the Commissioners' or 'PCCs'), and exists to support the Forces and Commissioners in their procurement of goods and services.

This collaboration was formalised using a Section 22A Collaboration Agreement, and as such EMSCU does not exist as a separate legal entity.

On 20th July 2018, the EMSCU Board agreed the recommendation of an Outline Business Case and requested a Full Business Case be brought to a future Board.

Following the EMSCU Board's decision to proceed to the Full Business Case stage, Mutual Ventures were commissioned by EMSCU in March 2019 to develop a Full Business Case for the creation of NewCo.

The Full Business Case was presented to the EMSCU Board on 14th June 2019, and it was subsequently agreed by the EMSCU Board to proceed to the Business Planning stage.

The Business Planning stage is a continuation of the activities carried out in the Full Business Case stage. The business planning work has been undertaken by a combination of EMSCU Board members, the Head of Finance from Northamptonshire Police, representatives from East Midlands

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Police Legal Service (EMPLS), the EMSCU team and Mutual Ventures.

The Business Plan (Annex 1) is the penultimate stage of a wider Transition Process, with the final stage being an Implementation project.

Following a successful implementation project, which has been supported by the EMSCU team, both Forces, Fire Service and the Commissioners, in conjunction with Mutual Ventures, Mint Commercial Service LLP is now in a position to commence trading on 1 October 2020.

FINANCIAL INFORMATION

OPTION 2.1 - NEW MODEL - High-Likelihood New Services

This shows the expenditure and income forecasts under the new proposed model. A prudent approach has been taken and as such the income forecasts include only those that are highly likely to be achieved.

	EMSCU 2020/21 £'000	Mint 2020/21 £'000	Mint 2021/22 £'000	Mint 2022/23 £'000	Mint 2023/24 £'000
Current Budget	*695*	552	745	688	704
Current Income Generation	*(507)*	(531)	(1,178)	(1,133)	(1,193)
	188	**21**	**(433)**	**(445)**	**(488)**
New Services					
New Income Generation	*(9)*	(123)	(550)	(1,020)	(1,170)
Additional Resources - Fixed	-	220	399	401	416
Additional Resources - Variable	-	-	185	314	343
Additional Resources - Expenses	-	-	7	9	9
Implementation	*147*				
Net additional income	***138***	**98**	**41**	**(295)**	**(401)**
Contributions from Notts/Northants	*(150)*	(150)	(250)	(150)	(150)
(Profit) / Loss available for members	***177***	**(32)**	**(642)**	**(890)**	**(1,039)**
Includes revenue saving PER FORCE:	-	-	***(25)***	***(75)***	***(75)***

Signature: [redacted] Date: 28th September 2020

Chief Finance Officer

Is any of the supporting information classified as non public or confidential information?**	Yes	X	No	
If yes, please state under which category number from the guidance**	1, 2, 3, 4 and 5			

DECISION:

The decisions for consideration are:

1. PFCC to agree to the approval of the final Business Plan v1.5 (Annex 1) which has been updated during the implementation phase to ensure the most efficient and effective delivery model is in place for the new entity.
2. Pensions – Approval for the proposed LGPS approach of Mint LLP to have Admitted Body

Status within the Nottinghamshire LGPS Pension Fund. The Commissioners shall share the cost of underwriting the pension scheme (i.e. act as the guarantors).

3. Financial Model and Working Capital – Approval of Version 5 of the Financial Model (Annex 2) together with the recommendation for each Commissioner to loan working capital of £200k. In addition approval that each Force/Commissioner pays in advance their annual contribution (pro-rata) on the go-live date to act as working capital for Mint CS LLP. It should be noted that the EMSCU 19/20 final figures may not align to the end point outlined with the Business Plan and the updated Financial Model at Annex 2. Following the commencement of Mint CS LLP trading, the financial leads shall undertake the disaggregation of the accounts. It may be possible that a difference of approximately £100k in the forecast may occur. In effect if the figures are different then future profit forecasts may be affected, but not in a material way over the next 18 months.

4. Procurement – Approve a Single Tender Agreement (STA) to award the initial service delivery contract TO Mint CS for commercial services to the Force and Fire Service with duration of 18 months (Annex 3)

5. Business Transfer Agreement (BTA) – Approval for the transfer of the current EMSCU business to Mint CS LLP this includes the novation of the relevant contracts, Income Frameworks and Dynamic Purchasing Systems. In addition, Mint CS LLP shall pay each Force/Commissioner a sum of £10k for the use of premises, associated facilities management, and other tools and equipment necessary for the delivery of the service (Annex 4)

6. Members Agreement – In establishing Mint CS LLP the Commissioners are recommended to enter into a Members Agreement (Annex 5). The Members agreement is a contract made between the members of the LLP to establish a fair relationship between them and to protect their investment. In addition, the agreement sets out how profits or losses will be shared; how the LLP shall be run and regulate how decisions are to be made.

7. Recruitment: Approval of the recruitment/appointment of the new positions listed below.

   Chair – Jonathan Collins (Fixed Term Contract following Interviews on 3 April 2020)

   Managing Director – TBC (Permanent Post following Interview on 23 September 2020)

Annex 3 - Service Delivery Contract

Mint CS LLP Contract Schedule Notts v9.1 F

Annex 5 – Member Agreement

EMSCU Membership Deed 24th September

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OFFICER APPROVAL

I have been consulted about the proposal and confirm that the appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signature: Ken Dennis Date: 28/9/20
Chief Executive

DECLARATION:

I confirm that I do not have any disclosable pecuniary interests in this decision and I take the decision in compliance with the Code of Conduct for the Nottinghamshire Office of the Police and Crime Commissioner. Any interests are indicated below:

The above request has my approval.

Signature: Date: 28/9/2020
Nottinghamshire Police and Crime Commissioner

** See guidance on non public information