

CUMBRIA POLICE AUTHORITY

20 December 2006
Agenda Item No 20

STRATEGIC CHALLENGES AND INTERIM RESOLVE PROGRAMME FINDINGS

Report by the Chief Constable

1. SUMMARY

This report outlines the current position regarding the strategic challenges facing the Constabulary. It describes the Resolve Programme process that has been undertaken to identify and assess the options for tackling the challenges. It introduces the options that the Resolve Programme has identified and the potential impacts.

Changes in the national and local environments have presented new problems, which are serious but not insurmountable. The Constabulary is a successful organisation and can continue its success, by taking a balanced approach to managing risk over the medium term, and by maintaining its focus on protecting communities in Cumbria from harm.

2. RECOMMENDATION

That the Police Authority notes the difficult decisions that are being considered over the coming months, and that a draft organisational change programme will be presented to the Police Authority meeting of 17 January 2007.

3. DETAIL

3.1 The Current Environment

3.1.1 Cumbria Constabulary faces three main challenges:

- a. The threat from serious, organised crime and terrorism is increasing. The Constabulary has limited specialist capacity to deal with cross-border criminality. It has limited resilience to deal with single disproportionate incidents. There are risks from developing criminal networks and dangerous criminals, which are not being managed to the level communities have the right to expect. Major incidents disrupt neighbourhood policing services and performance.
- b. Communities in Cumbria want policing services to provide a greater visible presence and to tackle anti-social behaviour. Neighbourhood policing is strong in Cumbria and there is a local and government expectation that performance will continue to improve.

- c. Government funding levels are expected to fall over the next few years and council tax increases will be capped.

3.1.2 In February 2006, the Constabulary identified amalgamation with Lancashire as the best and most feasible way to address these three challenges and, with the Police Authority, positively pursued this option. In July 2006 the Home Office announced that the amalgamation would not go ahead. A more detailed analysis of the Constabulary's consequent challenges is set out below.

Protective Services

3.1.3 Protective services are the specialist policing functions that tackle serious crime, organised crime, terrorism and critical and major incidents. In September 2005 the Home Office asked all forces to identify how they would close the protective services gap, by meeting the highest standards set in Her Majesty's Inspector of Constabularies' (HMIC) *Closing the Gap*. These standards reflected "excellent" HMIC performance in the Baseline Assessment. They emphasised the importance of substantial dedicated and specialist teams to tackle cross-border crime and terrorism and major incidents. Meeting these standards in Cumbria was expected to cost over £8 million, if Cumbria Constabulary did not amalgamate with Lancashire Constabulary.

3.1.4 Following the cancellation of police amalgamations, in July 2006 the Policing Minister asked that forces work towards "bridging the gap" in protective services, to be assessed against HMIC standards. In the absence of further guidance at the time, this was interpreted locally as meeting at least a "fair" HMIC Baseline Assessment grade. Referring to the current (2006) criteria, this suggested the development of several core dedicated and specialist teams, which estimates suggested would cost in the region of £3m.

3.1.5 In recent weeks, the Home Office have asked forces to "narrow the gap" in protective services. The recently published *National Community Safety Plan 2006-2009 Update* states that the Home Office plans to start work soon on a "shared vision for improvement" on protective services, with the police service. It requires the police service, "to have in place, and to start to implement, a robust programme for strengthening their capability and capacity in the provision of protective services," In 2007/8. HMIC have given a clear indication that they intend to set flexible assessment criteria for protective services, which will reflect the size of forces and the local threat level. There is a continuing emphasis at national level on developing collaborative arrangements for protective services.

3.1.6 Cumbria is one of the safest places in the country, but it is not immune from the development of complex cross-border criminal markets, experienced across the country. Criminal networks exist in Cumbria, primarily related to Class A drugs. If not dismantled, they will grow and may become more dangerous; other parts of the country have seen an increase in violence and gun crime related to criminal gangs. This kind of criminality has a direct and daily impact on our communities, driving up addiction and acquisitive crime. Cumbria is not isolated from the increasing threat of terrorism and domestic extremism. A local counter terrorist capability is needed to protect economically critical sites and prevent the misuse of our open spaces. Effective counter terrorism at local, regional, and national levels relies on roots in

our communities. Cumbria Constabulary has responsibility to protect and insulate communities in Cumbria from the growth of organised crime and terrorism.

3.1.7 Any force could be faced with a single disproportionate incident such as a child abduction or a racially motivated murder. Cumbria Constabulary has a duty to take all action within its ability to prevent incidents such as these, for example by monitoring and managing known dangerous offenders. It must also put all the appropriate arrangements in place to ensure that such incidents can be responded to effectively. The Constabulary has an excellent record in responding to serious crimes. However, in order to do this it has been necessary to withdraw significant resources from neighbourhood policing, disrupting day-to-day policing services and performance.

3.1.8 HMIC has assessed Cumbria Constabulary's performance in protective services as "poor". Their assessment, and that of experts within the Constabulary, is that there is a need to improve local specialist teams and other arrangements to meet the threat of cross border crime and single disproportionate incidents in Cumbria.

Neighbourhood Policing

3.1.9 Cumbria Constabulary has secured good and improving neighbourhood policing through hard work and targeted investment over the past three and a half years. While it has secured some of the best satisfaction rates in the country, there is always room for improvement. The recent public consultation survey indicates that people in Cumbria would like to see greater police presence in their communities and, when they call us for help, they would like to be kept better informed about what we're doing. Four of the public's top five priorities for policing in Cumbria relate to neighbourhood policing:

- Catching criminals and bringing them to justice
- Patrolling the streets
- Working in partnership to solve local problems.
- Ensuring neighbourhoods feel safe.

Neighbourhood policing is Cumbria Constabulary's core business and the Constabulary's ambition is to continuously improve it.

3.1.10 Neighbourhood policing is a key element of the National Community Safety Strategy and the Home Office expects all forces to:

- Role out the national neighbourhood-policing model by April 2008.
- Continue to improve on service delivery and customer satisfaction.
- Tackle anti-social behaviour in response to communities' needs.
- Build a culture of respect, through responsive and accountable neighbourhood policing teams working with partners.

The Constabulary has established its own development programme to ensure its local policing teams meet the highest standards of neighbourhood policing and this should help us meet Home Office targets.

Resources

- 3.1.11 The Constabulary's financial prospects have previously been reported to Police Authority, in the Medium Term Financial Forecast. Expected funding levels for 2007/8 are covered in more detail elsewhere on this agenda. Although these suggest slightly less restriction next year than had been forecast, all indications to date are that funding for the following three year period 2008-2011 will fall in real terms. Crime Fighting Fund rules prevent flexibility in police officer numbers, while the Home Office has suggested that the rules will be relaxed it is possible that the new rules will not be available until March 2007.
- 3.1.12 The expectation of falling overall resources, and uncertainty regarding the permitted flexibility in resource use, are a critical limitation to the Constabulary's response to increasing service demands. In practice, they are key determinants of the strategy for the next several years. They will drive the Constabulary to reconfigure its use of resources and will oblige it to acknowledge and manage increased risks.

3.2 The Resolve Programme Approach

- 3.2.1 There are three main strands to explore in establishing the Constabulary's future strategy:

- Improving protective services.
- Maintaining and developing neighbourhood policing.
- Securing an affordable infrastructure.

The Constabulary has an ongoing neighbourhood policing programme, based on national standards, in which Police Authority members are involved. The Constabulary's Resolve Programme has been investigating the best way forward in protective services and infrastructure, without damaging neighbourhood policing.

- 3.2.2 When the Home Office cancelled the amalgamation process, the Constabulary immediately commissioned the Resolve Programme to identify options for improving protective services, and making savings to meet budget shortfalls and reinvesting in protective services:

- Options for improving protective services were investigated by analysing HMIC Baseline Assessment criteria, recent self-assessments, two different HMIC assessments, amalgamation work findings and consulting with the Constabulary's protective services experts.
- People at all levels from across the Constabulary were involved in identifying the widest possible range of options for making efficiency savings. Over two hundred suggestions were put forward. The Resolve Programme carried out an initial assessment of them using internal consultation and desktop research. Those ideas which were strategically unacceptable, unfeasible, impractical or unlikely to succeed were then discounted.

- 3.2.3 This first stage of the Resolve Programme, to September 2006, estimated the dedicated specialist teams required to meet 2006 Baseline Assessment criteria. It estimated that teams costing in the region of £3m were required for "fair" performance and that at least an additional £0.5m investment was required for "good" performance. "Excellent" performance was judged to be outside the Constabulary's current ambition because it required national leadership of aspects of protective services, which exceeds the need in Cumbria. A list of feasible or potential savings ideas was identified for further assessment:

- i. Collaborate with other forces on the provision of protective services.

- ii. Explore opportunities for shared services in support functions.
- iii. Review the way support services are delivered.
- iv. Revise the vehicle fleet.
- v. Free-up capacity in Basic Command Units for redeployment.
- vi. Review executive management arrangements.
- vii. Workforce modernisation by changing the mix of police officers and police staff in the workplace.
- viii. Review whether functions should be centralised or devolved, and opportunities to free-up capacity in Operational Support for redeployment.

3.2.4 Between September 2006 and December 2006 the Resolve Programme has been working to refine the Constabulary's understanding of the investments and other developments required in protective services, and to assess the potential for savings in each of the eight areas along with the associated risk:

- Protective services requirements have been developed and confirmed by wider internal consultation, research with other forces and advice from HMIC protective services experts. The threat in Cumbria has been subject to a risk assessment and the refined list of important protective services investments has been prioritised.
- Savings ideas have been assessed through internal consultation, research with other forces and reference to benchmarking data where available. They have been subject to a risk assessment.

3.2.5 Consultation has been carried out to capture the expertise and advice of those who will be responsible for implementing future changes. It has included a series of workshops with senior managers and professional leads, force-wide written consultation, regular meetings with staff associations and unions, attendance at corporate and local management board meetings and myriad individual stakeholder meetings. The Police Authority was briefed by the Chief Constable on 12 September and 10 November.

3.2.6 The Resolve Programme has used a risk-based methodology to assess the options for making savings and making investments (in protective services). Risk assessments have been carried out in accordance with the Constabulary's 5x5 Assessment Matrix, which has also been adopted by the Police Authority's Strategic Risk Working Group, and is included at Appendix 1 for information. The risks required to make efficiency savings to balance the budget and to invest in protective services have been compared with the risks of not investing in protective services.

3.2.7 The Resolve Programme has been mindful of Office of Government Commerce guidance on *Managing Successful Programmes*. It has sought to define a 2-4 year programme of organisational change and is working towards confirming:

- What the programme will deliver
- How it will do it.
- What benefits to expect.
- Who will be involved.
- How much investment will be required.
- The major tranches of work and their sequencing.

This will enable the Constabulary to make full recommendations to the Police Authority, and move forward on a programme managed basis.

3.3 Resolve Programme Interim Findings

3.3.1 The Resolve Programme's risks assessments and research are near to completion. It is possible at this stage to set out some of the key themes of their findings, in advance of a draft programme in January 2007.

Collaborate with other forces on the provision of protective services

3.3.2 Regional protective services provision is not expected to provide savings to support the budget or new local investment in protective services during the next three years. The police service is not in a position to provide existing protective services jointly to make a saving, rather it is seeking to extend and improve these services. Operational collaboration, through the establishment of joint teams, could theoretically provide an opportunity for economies of scale in future. The Constabulary is participating in the ongoing regional initiatives that are considering the establishment of joint teams. A key risk for Cumbria in any Level 2 joint team is that the resource Cumbria Constabulary contributes is unlikely to be deployed in Cumbria. The National Intelligence Model might be expected to deploy any regional resource to urban areas to solve urban problems. This may not achieve outcomes for communities in Cumbria.

3.3.3 There are other opportunities for collaboration which can support operational effectiveness, for example:

- Operational information and intelligence sharing (e.g. Regional Intelligence Units).
- Coordination of operations.
- Sharing knowledge, experience and best practice.
- Consistent application of best practice, standardising processes.
- Experiential secondment opportunities.
- Specialist/expert advice and support in case of incidents that are rare in Cumbria.
- Mutual aid in case of disproportionate incidents (bilateral or other firmed-up arrangements).
- Standardise processes.

These options offer benefits to Cumbria Constabulary in terms of developing effective protective services, gaining experience and expertise, and securing resilience in case of single disproportionate incidents. Collaboration might hold the potential to support the capacity and capability of protective services in some areas, in which it is not feasible to maintain a fully self-sufficient dedicated protective services capacity.

Explore opportunities for shared services in support functions

3.3.4 Shared back office services are not expected to provide savings to support the budget or investment in protective services during the next three years, because:

- a. Significant upfront investment is required and none is expected from the government.
- b. Implementation is complex and therefore slow, often involving extended procurement, process standardisation between organisations, and implementation of new IT systems.

- c. They require consensus and shared commitment between partners, which is not yet secured.
- d. There are no firm options on the table. The Home Office have suggested that forces may wish to progress local options for personnel and finance shared services if the business case is better than that for the awaited national project.

3.3.5 The experience of other public sector organisations suggests that shared services enable improved support services and efficiencies at the same time. It is government policy to develop shared services. Shared services have the potential to provide a long-term solution to an affordable infrastructure for Cumbria Constabulary, The Constabulary is therefore participating in a regional scoping exercise and is in discussions with other potential partners. The risks associated with shared services include:

- The need to develop appropriate contract/supplier management expertise.
- Potential in some scenarios for relocation of services outside Cumbria.
- Geographical and infrastructural challenges may threaten the effectiveness of support services provided from outside Cumbria.
- Uncertainty as to achievable efficiency savings.

These risks would need to be properly considered as proposals develop.

Review the way support services are delivered

3.3.6 Headquarters support services currently make up 14% of the Constabulary's total delegated budget and 14% of the total pay budget. This is in line with benchmarks identified in research, but some organisations have pushed their management and overhead costs below 10%. The Resolve Programme has identified that minor savings (of 4% or less) can be made by reviewing support services, within tolerable or low levels of risk. Higher levels of saving would cause moderate and major levels of risk, including:

- a) Reduced ability to achieve "fair" levels of performance (particularly given that current performance levels are at this level for a number of support services). Fair performance is seen as the benchmark of minimum acceptable performance.
- b) The difficulty of assessing the full the impact of a service reduction on policing performance until after it has happened.
- c) Where support services cease to carry out an activity, it may simply be displaced to an operational part of the organisation, which is inefficient.
- d) Any reduction in on-site advice to Commanders may affect the speed and quality of decision-making in BCUs.
- e) Reduced capacity to meet Police Authority and Home Office expectations for information.

3.3.7 The Constabulary is considering whether reconfiguring the structure of Headquarters departments is necessary to secure functional integration and flexibility, to support continued improvements in efficiency in future. This might include reviewing the rank and grade structure of headquarters posts, and/or the redeployment of supervisory police officer posts to protective services.

Revise the vehicle fleet

- 3.3.8 There are potential opportunities for reducing the cost of fleet at a relatively low risk, by reducing fleet specification and numbers. The risk associated with reducing vehicle specification is that the vehicle is not fit for purpose. This risk is mitigated by a national fleet procurement contract, by detailed work showing the scope for smaller vehicles in specific functions and by learning from the use of smaller vehicles in other similar forces. The primary risk associated with reducing vehicle numbers is that there isn't a vehicle available when one is needed. While there is a perception among many stakeholders that it may be possible to reduce fleet numbers at tolerable risk, data on demand for vehicles is incomplete and implementation would need to address this uncertainty.
- 3.3.9 A reduction in fleet costs could only be converted into a revenue budget savings if the overall size of the capital programme were controlled. The savings would take three years to achieve. There may be pressure to increase fleet numbers for additional protective services activity and the increase in Police Community Support Officers, which would need to be taken into account.

Free-up capacity in Basic Command Units for redeployment

- 3.3.10 Findings to date indicate that it may be possible to release a small number of police officers from some BCU roles to redeploy into protective services, following the deployment of Police Community Support Officers. This could be achieved with minimum disruption to services and no long term effect in performance. As the numbers of officers redeployed increases, so does the risk – work to date suggests that risk reaches catastrophic levels at a redeployment of around 90 officers or more, due to the impact on the provision of response services. The Constabulary is considering whether to pursue of options to secure greater flexibility in operational resource deployment, including a review of the local policing team structure structure, shift patterns and reviewing allocation of resources between Basic Command Units.

Review executive management arrangements

- 3.3.11 The Constabulary has discounted the potential for savings from executive management costs because:
- It was judged inappropriate to reduce leadership and management strength during a period of unprecedented challenge and change.
 - It was judged unacceptably high risk to threaten chief officer engagement with the national agenda, given its potential for significant impact on policing in Cumbria.

If a reconfiguration of support functions were pursued, this might revisit some elements of executive support arrangements.

- 3.3.12 The following ideas were discounted from further assessment because of the level of risk identified in the work to date:
- a. Replacing superintending rank posts and chief inspector and inspector posts with constable posts (i.e. essentially deleting the post).
 - b. Changing the mix of chief superintendents, superintendents and chief inspectors.

These options were also judged to cause a reduction in leadership and management in a time of change, as well as less resilience in the necessary operational command structure and significant welfare issues for the officers in these ranks. They would lead to a risk of significant disruption to service provision and damage to performance.

Workforce modernisation

3.3.13 Significant opportunities for workforce modernisation and civilianisation efficiencies have been identified during the Resolve Programme's work. The risk of civilianisation/modernisation has to date been judged tolerable where small numbers of posts are involved, with increasing risks as options became more aggressive. Key considerations will include:

- a) Restrictions on changes to police officer numbers under current Crime Fighting Fund rules.
- b) Forces have previously carried out modernisation in an environment of increasing resources and its effectiveness in current circumstances is uncertain.
- c) An overly ambitious change in workforce mix could reduce the Constabulary's operational flexibility, particularly in case of local or national emergency.
- d) A reduction in non-operational police officer posts could reduce the Constabulary's ability to efficiently manage officers with restricted duties and/or disabilities.

3.3.14 The Constabulary has expressed an interest to the Home Office for workforce modernisation demonstrator site status, for community policing or volume crime investigation. If the Constabulary were selected as one of the 10 demonstrator sites, additional flexibility may be available on police officer numbers.

Operational Reconfiguration

3.3.15 The potential savings areas from operational reconfiguration being assessed are reviewing the approach to roads policing, reassessing the dog section and reconsidering the approach to business continuity in communications processes. All of these options represent significant change and could lead to a moderate or major risk to the Constabulary: services and performance might be disrupted.

Developing Protective Services

3.3.16 Advice from HMIC is that protective services should be risk and community outcome driven. It advises that the focus of developing protective services should be to protect and insulate the community from cross-border criminal threats and to minimise the disruption to everyday policing caused by single disproportionate incidents. The Constabulary has assessed which areas of protective services it must invest in as a priority to protect communities in Cumbria. It has identified eight priority levels, the estimated costs identified to date for all investments at all priority levels are £3.6m. Each level of investment also incurs training costs. Technological and forensics activity may also increase.

- 3.3.17 The suggested initial investment in additional protective services teams includes a maximum of 68 posts in central teams. There is very little opportunity to find space for these teams in the existing estate. The Constabulary is considering whether it would be appropriate to develop a business case for extending the estate.
- 3.3.18 Development of protective services does not rely solely on additional resources. It is vital that effective processes and structures are put into place as soon as possible, which will include:
- a) A clear protective services strategy with supporting plans as appropriate, based on analysis of risk and demand.
 - b) Establishing collaborative or contingency plans where dedicated capacity has not been secured (or if there is a lead-in time before it will be in place).
 - c) Developing effective performance management arrangements.
 - d) Working with BCUs to access community intelligence, and feeding back protective services results to BCUs and communities.
 - e) Establishing effective relationships with regional and national projects and teams.

3.4 Resolve Programme – Potential Impacts

- 3.4.1 The increased emphasis on local tailoring, in national protective services standards, gives Cumbria Constabulary more opportunity to respond flexibly and proportionately to local threats. It will be necessary to deploy additional resources into protective services, but these will not be in the order of magnitude suggested in 2005, when the Home Office set an extremely high fixed national benchmark. The additional resources will need to be supported by effective operational partnerships and rigorous processes.
- 3.4.2 The challenge presented by falling resources has not reduced. Current forecasts indicate savings of over £3m are needed between 2008 and 2011. Around 90% of the Constabulary's budget relates to employee costs, because this is a people based service. It is inevitable that savings on the scale required will impact on staff related budgets. A number of the options being considered could lead to a reduction in the number of police staff or police officers. In some scenarios, in which funding rules are not relaxed, budget requirements could cause a reduction in both. Changes to staffing might be expected to cause public and partner concern, low staff morale and a performance dip. It is important that communications and consultation properly address stakeholder's needs as the change programme proceeds.
- 3.4.3 The risk-based approach taken by the Resolve Programme is helping the Constabulary to weigh up and compare the steps needed to meet future challenges. The research and consultation to date will support the prompt initiation of an organisational change programme early in 2007, following the Police Authority meeting of 17 January. The Constabulary has the opportunity to prepare in advance for the change in its financial circumstances, in fifteen month's time. Resolve Programme findings to date show the ways in which this can be achieved. All of the changes cause additional risks to services and performance, and it will be vital to take proper action to manage them. By moving forward in a planned and measured way, without delay, the Constabulary will be best placed to mitigate the impact of reducing resources. Although uncertainty will continue to exist on some particulars,

such as Crime Fighting Fund rules, by January there will be sufficient information to recommend a start to the change programme.

Michael Baxter QPM
Chief Constable

APPENDIX 1 5x5 Risk Assessment Matrix

Likelihood Score	Description				
5	Almost certain	Will undoubtedly happen, possibly frequently	Over 90%	Annual	Imminent / near miss
4	Likely	Will probably happen, but not a persistent issue	Up to 90%	3 year	Has happened in the past
3	Possible	May happen occasionally	Up to 65%	10 year	Has happened elsewhere
2	Unlikely	Not expected to happen, but is possible	Up to 20%	25 year	Not known in this activity
1	Remote	Very unlikely this will ever happen	Less than 5%	100 year	Force majeure

Impact Score	Description					
		IMPACT ON SERVICE OBJECTIVES	FINANCIAL IMPACT	IMPACT ON PEOPLE	DURATION OF IMPACT	IMPACT ON REPUTATION
5	Catastrophic	Unable to function, inability to fulfill obligations	Severe financial loss (> £)	Death	In excess of two years (Days) to recover pre event position	Highly damaging, severe loss of public confidence
4	Major	Significant impact on service provision	Major financial loss	Extensive injury, major permanent harm	Between 1 year - 2 years (Days) to recover to pre event position	Major adverse publicity, major loss of confidence
3	Moderate	Service objectives partially achievable	Significant financial loss	medical treatment required, semi-permanent harm up to 1 year	Between six months to 1 year (half -1 Day) to recover to pre event position	Some adverse publicity, legal implications
2	Minor	Minor impact on service objectives	Moderate financial loss	First aid treatment, non-permanent harm up to 1 month	2 to 6 months (Hours) to recover	Some public embarrassment, no damage to reputation
1	Negligible	Minimal impact, no service disruption	Minimal financial loss (< £)	No obvious harm/injury	Minimal - up to 2 months (Hours) to recover	No interest to the press, internal only

Risk	Impact				
Likelihood	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Remote (1)	1	2	3	4	5

Key

Risk Management Action Level	Tolerable	Low Priority	Activity necessary in current year	High Priority
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