

## **CUMBRIA POLICE AUTHORITY**

**26 April 2006**  
**Agenda Item No. 4c**

### **POLICE FORCE STRUCTURES**

#### **Report by the Acting Chief Constable**

#### **1. SUMMARY**

This report sets out the Acting Chief Constable's professional advice on proposals to volunteer to amalgamate with Lancashire Constabulary on 1 April 2007. It is based on detailed consideration of the risks and benefits for policing services in Cumbria and assurances from the Home Office as set out in Appendix 1.

#### **2. RECOMMENDATION**

That the Acting Chief Constable's professional advice be used to inform decision making: Based on the case for amalgamation previously reported, assurances received from the government and the potential impacts of delaying amalgamation, it is my considered conclusion that pursuing voluntary amalgamation with Lancashire and in April 2007 is in the best interests of policing in Cumbria.

#### **3. DETAIL**

##### **3.1 Background**

- 3.1.1 Her Majesty's Inspector of Constabulary (HMIC) published Closing the Gap on 16th September 2005. HMIC concluded that the "current 43 force structure is no longer fit for purpose" and that "in the interests of the efficiency and effectiveness of policing it should change". The Home Secretary strongly agreed with HMIC's conclusions and required Chief Officers and Chairs of Police Authorities to provide an option evaluation and business case by 23<sup>rd</sup> December 2005.
- 3.1.2 The Constabulary and Police Authority worked closely together to identify and assess options. On 15th December 2005 the Constabulary presented a detailed and carefully researched business case to the Police Authority, which recommended that Cumbria Constabulary should amalgamate with Lancashire Constabulary or Lancashire Constabulary and Merseyside Police. The Chief Constable subsequently submitted this business case to the Home Office and the Police Authority made a separate submission, informed by the Constabulary's advice.

- 3.1.3 During January 2006, the business cases submitted by forces in the North West and nationwide were scrutinised by the Home Office and HMIC. On the 6th February the Home Secretary advised North West forces that he considers the only practical option for the region is amalgamation of Cumbria and Lancashire, amalgamation of Merseyside and Cheshire, with Greater Manchester Police remaining stand-alone. In coming to his decision he relied strongly upon the professional advice of the Her Majesty's Chief Inspector of Constabulary, Sir Ronnie Flanagan.
- 3.1.4 The Home Secretary asked that by 24 February 2006 Authorities in the North West determine whether they are prepared to undertake voluntary amalgamations. He confirmed that in early March he planned to lay orders before parliament starting a 4-month consultation period for compulsory amalgamations.
- 3.1.5 On 24 February 2006 Cumbria Police Authority and Lancashire Police Authority agreed to volunteer to amalgamate, subject to several reassurances being provided.
- 3.1.6 On 3 March 2006 the Home Secretary began statutory consultation on his intended amalgamation of Merseyside and Cheshire, plus amalgamations of the North East, West Midlands and Wales. On 20 March the Home Secretary invited forces in the East Midlands, Eastern region and South East regions to volunteer for amalgamation with a deadline of 7 April; Norfolk and North Yorkshire volunteered. On 11 April he announced his intention to amalgamate:
- Humberside, North Yorkshire, South Yorkshire and West Yorkshire
  - Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire
  - Cambridgeshire, Norfolk, and Suffolk
  - Bedfordshire, Essex and Hertfordshire
  - Surrey and Sussex.

## **3.2 Restating the Case for Amalgamation with Lancashire**

- 3.2.1 Cumbria Constabulary is a small constabulary with a strong and stable performance, and an excellent relationship with our community; the Constabulary leads the country on citizen focus. It is with regret that changes to this proud organisation are considered, but necessary and unavoidable.
- 3.2.2 Despite strong performance, the Constabulary's faces extremely difficult financial prospects. The annual budget is sustained at manageable levels by top-slicing larger forces and a marginally higher rate of Council Tax that in the rest of the region.
- 3.2.3 The Constabulary has looked closely at capacity and capability in protective services and found that it will not meet new national standards, designed to meet 21<sup>st</sup> century challenges in protecting the public. It is not in a position to provide protective service levels that the public in Cumbria has the right to expect.
- 3.2.4 As previously reported to the Authority, the Constabulary's considered position is that "no change" is not an option if policing services in Cumbria are to be maintained and improved. The Constabulary has identified and reported to the Police Authority a clear protective services gap in Cumbria. Having identified that

gap it is vital to identify the best way to address it and secure efficient and effective police services for communities in Cumbria.

- 3.2.5 As previously reported in February, federal or collaborative approaches to closing this gap are not a realistic option:
- a. HMIC has concluded that federal or collaborative approaches would not provide an effective solution to the protective services gap.
  - b. On 1st February Parliament voted against considering alternative proposals to amalgamating forces.
  - c. The Home Secretary is actively pursuing amalgamations across the service.
  - d. The costs of bridging the protective services gap in Cumbria while standing alone is in the region of £8.6m annually plus £1.6m set-up costs. It is unlikely that collaborative approaches would release this level of resources.
  - e. Historic and existing regional collaborative processes have not resulted in any significant resource deployment to deal with issues in Cumbria.
  - f. Complex command and control, with extra tiers of management and bureaucracy.
  - g. Lancashire Constabulary, the most likely partner, does not consider collaboration to be a viable solution.

The framework of a larger constabulary offers the best opportunity to move the policing agenda forward in Cumbria.

- 3.2.6 HMIC and the Home Secretary have concluded that the only viable structure for the North West region is Cumbria and Lancashire, Merseyside and Cheshire, with Greater Manchester Police remaining stand-alone. Statutory consultation has begun for the Home Secretary to amalgamate Merseyside and Cheshire.

- 3.2.7 The Constabulary's business case provided a comprehensive picture of the risks and benefits of amalgamating with Lancashire Constabulary. These are summarised below.

#### **Benefits**

- a. The new constabulary would combine two acknowledged high performing constabularies, with similar policing styles and organisational cultures.
- b. Although many key stakeholders were reluctant to see change this option represented, in their view, the best alternative.
- c. The new constabulary will undoubtedly strengthen the protective services capability available to Cumbria.
- d. Commitment to neighbourhood policing underpins the philosophy of both constabularies and would be capable of moving forward into the new organisation without losing importance or impact.

#### **Risks:**

- a. Residents of Cumbria, when consulted, were reluctant to see change. (However, if change had to occur then the Cumbria/Lancashire option represented the better alternative.)
- b. The business case detailed the significant costs of building the new organisation. (The Home Office would make a significant contribution to these costs.)
- c. It is vital that Cumbria interests are properly represented in the new organisation. (The Home Office has confirmed that a transitional Police Authority with extended membership from Cumbria will be put into place).

3.2.8 Amalgamation of Cumbria and Lancashire Constabularies is expected to yield economies of scale. Cashable efficiency savings would be delivered by joining up management structures and support service infrastructures. Opportunities to implement best practice would also arise from the inception of a new organisation. The Constabulary's business case sets out the following areas in which these savings would be reinvested:

- a. Dedicated major investigations capability
- b. Dedicated surveillance capability
- c. Intelligence and security officers
- d. Serious and organised crime specialists
- e. Witness protection
- f. Automatic number plate recognition (ANPR) standing capability
- g. Dedicated armed response availability
- h. Enhanced police support units for major incidents
- i. Police Search Advisor capabilities.

Both constabularies are confident that the reinvestment in protective services will yield the improvement needed to fulfil the national protective service standards and to protect neighbourhood policing from the impact of major incidents.

### **3.3 Volunteering for Amalgamation with Lancashire on 1 April 2007**

3.3.1 There is clear evidence of a powerful and committed Home Office drive to see structural reform across the service. Provided we are able to secure proper recognition of Cumbrian interests there are significant advantages to being at the vanguard of reform and real disadvantages to either trailing in the wake or being mandated to change.

3.3.2 Resisting the Home Office change proposals may delay the onset of change to 2008. That could offer a short-term protection of existing arrangements in Cumbria, such as local decision-making and police staff jobs. However, this would be in the face of a worsening financial picture, with little or no prospect of significant improvement to protective services. Withdrawing the decision to volunteer and the one-year period of uncertainty that would follow would potentially both destroy staff morale and significantly dent public confidence.

3.3.3 The Constabulary is already experiencing the loss of police staff and difficulty in recruiting because of uncertainty about the future. If the period of uncertainty were extended, staff losses would continue and staff shortages would become apparent, potentially to the point at which business as usual could not be sustained.

3.3.4 Moving swiftly and surely towards carefully managed change will ensure that we retain community confidence and sustain staff morale. Proactivity offers the best opportunity to ensure that Cumbrian interests are properly represented in the change process. As a pathfinder constabulary we would have access to practical support in successfully managing the change. This would provide the best protection that we are able to afford to neighbourhood policing.

3.3.5 An amalgamation Programme Board has been established, with equal representation of the authorities and constabularies from each area, which is operating effectively. Initial scoping of the work for the amalgamation indicates that

the agenda to April 2007 would be challenging, but senior managers from both constabularies have indicated that it is achievable. They are keen to begin work. A joint Programme Office has been established to help ensure the programme is effectively managed and targets achieved. The scoping to date indicates that it may be possible to release efficiencies as early as 2007/8 and, through coordinated working, to see improvements in protective services during that year.

3.3.6 The Home Office has made significant progress in creating a supportive environment in which to amalgamate. Recently updated information is included in Appendix 1.

**Christine Twigg**  
**Acting Chief Constable**

## APPENDIX 1 – HOME OFFICE UPDATE (4 April 2006)

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#### Funding of restructuring

- **We will pay 100% of set up costs ie the reasonable resource/revenue and capital costs of restructuring, net of reasonable savings.**
- The basis of payment will be, broadly, the net costs of restructuring as currently assessed **and now being examined by authorities and the Home Office.** We will further refine these during April/May.
- We will, of course, also require efficiency targets to be met.
- Once merger costs have been recouped through savings or grant, the new strategic authorities will retain savings from restructuring to develop improved services, including additional expenditure on protective service capability.
- We will review the police funding formula for 2008/9, when the new strategic forces will be in place
- We will work with the police community, as we have in the past, to develop a new formula for introduction in 2008/09. All authorities, amalgamated or unchanged, will be treated equally. It is not yet known what the outcome will be.
- Funding is set now until 07/08 and formula will not be reviewed ahead of this
- We envisage allocating capital and revenue grant depending on the nature of the costs. Revenue grant may be used for capital purposes, but capital grant may not be used for revenue purposes. This simply follows existing practice.

#### Amalgamations in Tier 1

- This replaces our initial proposals on funding.
- Lancs/Cumbria agreed to voluntary merger on terms that were previously better than offered to other authorities, but not as good as the latest proposals. We are in contact with them to discuss improved terms.

#### Standalone forces

- The recent budget settlement made it clear that police funding will be sustained and uplifts determined, within those for the Department as a whole in future planning rounds. We expect to see standalone forces demonstrating efficiencies and freeing up resources to focus on key priorities and emerging challenges, in particular the further development of protective services.

### Funding clarification meetings with consultants

- We have asked forces and authorities to submit their queries and requests for meetings in writing to [police.structuresteam@homeoffice.gsi.gov.uk](mailto:police.structuresteam@homeoffice.gsi.gov.uk).
- We have offered meetings with the Home Office finance team and consultants from mid-late April.

### Precept

- We do not intend that police restructuring should, of itself, result in any net increase to council tax: to avoid this, we intend to phase in precept convergence over a transitional period.
- We are committed to implementing precept convergence without placing unreasonable pressure for increases in any existing police authority area. The process of convergence will take several years.
- Precept equalisation will be sensitive to local circumstances and will proceed at a different rate in different areas.

### Voluntary amalgamations

- Authorities can volunteer with caveats. A request to voluntarily merge subject to reaching agreement on a number of points will only bind the relevant authorities if that agreement is actually reached.
- Although a request to merge will have been received for the purposes of making an order under section 32(3)(a), that request is conditional and should be treated as such.
- If negotiations break down and agreement on those points is not reached, the authorities would not be bound to merge under the voluntary procedure.
- To take the amalgamation forward, the Home Office would instead need to instigate a mandatory merger and provide the statutory 4 month objections period
- The specific form of words for authorities to use is:

In accordance with section 32(3)(a) of the Police Act 1996, the [xx] Police Authority requests the Home Secretary, the Rt. Honourable Charles Clarke M.P., to exercise his power to make an order altering police areas under section 32(1) of the Police Act 1996 so as to amalgamate the [xxx and xxx] police areas.

- We would aim to make an amalgamation order for a Tier 2 voluntary merger in mid-June so the Home Office would have until that time to satisfy any caveats attached to a request for a voluntary merger submitted on 7/4.

### Timetable

#### Tiers 2 and 3

For an April 2008 merger:

Action	Date
Announce intention to lay orders (beginning statutory 4-month objection period)	Early April 2006
Lay the orders	By end Oct 2006
Shadow Police Authority in place	Early December 2006
Shadow Chief Constable in place	Mid-Feb 2007

DCCs and ACCs in place	Early April 2007
Strategic Authority and Force formally take over and precursor authorities and forces disestablished	1 April 2008

- The aim is that the new Chief and shadow authority focus will be solely on merger. The existing Chiefs will remain responsible for the precursor forces.
- During the transitional period if there are Chief Officer vacancies these will be filled through temporary promotion.

### Protective services

- Where forces and authorities do not accept HMIC's findings as to the level of protective services investment required for them to reach an acceptable standard, we will facilitate engagement with HMIC to discuss the findings
- HMIC are developing national standards on protective services

### Governance and accountability

- **Key message: we will be flexible as far as we can – if authorities need extra members for a transitional period after amalgamation, or if they have other difficulties, they should let us know and we will accommodate if possible**
- We will consider cases for police authorities larger than 23 members during a transitional amalgamation period of two years. After this, we expect that most police authorities will have no more than 23 members (exceptions to this would be in areas where more are needed to ensure that all higher level local authorities are represented).
- Relating to appointments of Police Authority Members which are due to expire after an amalgamation Order is made, but before the precursor authority is abolished: Our current intention is to extend precursor members' appointments to the date of abolition of the precursor authority through the terms of the amalgamation order.

### HR

#### Forthcoming

- April PNB meeting: aim to reach agreements on Chief Officer appointments, rank structure, transfer arrangements and severance
- Home Office HR group working on a list of those HR issues to be dealt with at a national level and those to be dealt with locally with a time line showing the target resolution date for those issues to be handled nationally
- HO Restructuring Human Resources Working Group are developing a Human Resources framework for police staff. This will include severance issues. The aim is to have the framework ready by the end of April.

#### Severance

- HO is discussing severance issues with both CPOSA in respect of senior officers in PNB and with the trade union side in the Police Staff Council in respect of police staff. Our discussions in PSC are informed by the principles that:
  - We must seek to retain valued talent in this process. Wherever possible, HR policies should aim to minimise compulsory redundancies. If there are redundancies, help should be given to staff to find suitable alternative employment.

- Those who cannot find a suitable place in the new structures, should be supported in a way which enables them to leave with dignity, and helped to find suitable employment elsewhere if they wish.
- As far as senior police staff are concerned we will repeal the 1965 Police (Compensation) Regulations and replace them with a flexible and modern system of compensation. The severance arrangement will ensure that those who wish to leave will be able to do so with financial security and dignity. We will do everything possible to minimise the need for redundancy. We are working with CPOSA to ensure the arrangements are fair and reasonable and to tailor them to the requirements of the current cadre of Chief Officers.

### Outplacement

- HO is looking further at management of outplacement and likely costs of this scheme

### **Transitional arrangements – who is in charge?**

- The precursor chief constables will remain responsible for the direction and control of the precursor forces up to the point on which they are abolished (1 April 2007 or 2008) – and the precursor PAs will retain their responsibilities in relation to the precursor forces.
- The chief constable of the strategic force will (in the period between his/her appointment and the go live date) be responsible for planning the new force (preparing long term direction, policing plan & budget for 1<sup>st</sup> year of operation, bringing together those practices and procedures which must be standardised from day 1) with the 'shadow' strategic PA.
- To give the strategic chief constable direction and control of the precursor forces as soon as he/she is appointed would effectively bring forward the amalgamation date and distract the new CC from preparing for merger.

### **Managing the objections period**

- The affected Police Authorities, local authorities and chief constables have until the close of the 4-month objections period to submit any objections to the proposal.
- It is entirely a matter for these bodies to determine how they compile their objections. In order to do this they may choose to engage and consult with local stakeholders including local communities.
- Any such consultation by the Police Authority is entirely extra-statutory; the 1996 Act places no requirement on the Authority to undertake any wider consultation before deciding whether to submit objections, and, if it so decides, the nature of those objections.
- Accordingly, it is not a matter for the Home Secretary to issue guidance to Police Authorities on the nature of any consultation process they choose to embark upon; such issues are sensibly a matter for local determination.
- All objections received by the Home Secretary by the 2 July deadline from the Chief Constables, Police Authorities or Local Authorities, will be fully considered before any decision to lay a draft amalgamation order is taken.
- Can police authorities and chief constables commence the planning for restructuring during the statutory 4 month period for submitting objections to the Home Secretary's proposals?

While the Home Secretary will want to consider carefully any objections received before taking a final decision on a particular merger, it is open to the affected police authorities and chief constables to commence the planning for the proposed merger in advance of that final decision. Indeed, the Home Office would positively encourage police authorities and chief

constables to engage in such planning in order that rapid progress can be made towards establishing the strategic police authority and force should an amalgamation order be made. Any discussions between police authorities, chief constables and the Home Office during the currency of the 4 month period for submitting objections is without prejudice to any decision by the authorities and chief constables concerned to submit objections to the Home Secretary's proposals and will not detract from the consideration accorded to any such objections by the Home Office.

### **Programme management support for forces/authorities**

- We have a dedicated team of 4 regional liaison officers in the Home Office to help with the initial stages of implementation. This is the main help available in 06/07.
- We will, however, pay reasonable restructuring costs, net of savings, for 06/07 to forces amalgamating in 07/08 who have bid for these in their business case. This can include start up costs
- We are willing to discuss with forces amalgamating in 08/09 the possibility of rephasing from 07/08 the restructuring costs for which they have bid in their business case
- We are considering what kind of workshops it would be helpful to provide centrally for forces and authorities. One possibility would be a workshop on setting up and scoping your restructuring implementation programme in the most cost-effective way.
- Please let us know if you are interested and what would be helpful to you
- The Home Office will produce a strategic-level benefits realisation plan as part of planning for implementation. Forces and authorities will be responsible for benefits realisation at strategic force level and will be able to draw on this to inform their own implementation planning.

### **Vision for police reform**

- We are developing a short publication setting out the vision for police reform, to draw together the strands of police reform including restructuring and set priorities for way forward

### **Impact on neighbourhood policing and rural areas**

- The Neighbourhood Policing manifesto commitment will guarantee a level of coverage in every area, urban and rural.
- An announcement in the Budget 2006 provides additional funding to bring PCSO recruitment to 16,000 by April 2007, and to ensure that Neighbourhood Policing will have been introduced to every area by that date.
- By April 2007, local communities will:
  - see increased numbers of PCSOs patrolling their streets, addressing anti-social behaviour issues and building relationships with local people;
  - have a clear understanding of how their local force will be policing the local community, and know how to contact their neighbourhood team
  - have had the opportunity to tell their local force about the issues which are causing them most concern and help shape the local response to those issues
- The Government is committed to ensuring that, when Neighbourhood Policing is fully rolled out, every community in England and Wales will benefit from dedicated, accessible and visible neighbourhood policing teams led by police officers but involving special constables, community support officers, volunteers, wardens and others too.

- A quality of service commitment (for national delivery by Nov 2006) will set national standards for every contact with the public

**We are still working on the following questions (this list is not exhaustive):**

- Detailed mechanics of precept equalisation in each area – this is being taken forward through the tripartite Finance Working Group, which is chaired by the Head of Police Finance here at the HO, and has on it representatives from ACPO, APA, HM Treasury, ODPM, Welsh Assembly Govt, LGA, MPS and MPA and they will discuss the parameters within which this should be worked out nationally and locally.
- Whether the new strategic forces and authorities can be created mid-year or only on 1<sup>st</sup> April 2007/8
- Detailed severance arrangements
- List of HR issues to be resolved at national, and at local level, and timeframes for this to be achieved
- How we can reduce the burden of inspections
- How we can best facilitate the sharing of good practice between forces and authorities preparing for amalgamation
- Sequencing and prioritisation of Home Office police reform projects
- What are the issues (if any) around OJEC procurements in the new forces?