



REPORT TO: POLICE AND CRIME COMMISSIONER FOR LANCASHIRE

REPORT BY: CHIEF SUPT BILL MCMAHON – HQ OPERATIONS

DATE: 3 SEPTEMBER 2014

TITLE: FUNDING FOR FUTURES PROGRAMME TEAM

EXECUTIVE SUMMARY

There is an essential requirement to create a dedicated team to manage a programme of work to identify further savings to meet the financial challenge facing the PCC and the Chief Constable.

A key part of the Futures Programme will be the make-up of the resources that will be committed to achieving the goals in line with the new Futures Programme Plan. An intrinsic element of any change programme is the need to have dedicated staff who are devoted to the programme and who have the necessary seniority, knowledge, skills and experience in leading discrete elements of the various work-streams. As such, and unlike previous Reviews, it is felt that a permanent, dedicated and centrally funded core group of staff is necessary to drive forward and maintain momentum on this transformational approach to change. It is also felt that the nature of the challenge now faced of finding a further £20m on top of a significantly reduced cost-base (£60m) will require a more fundamental focus on what will inevitably be more complex and challenging options. It is necessary to formally establish a team of staff who can drive forward the next phase of the organisational change.

Previous reviews have been undertaken within a more transient structure of officers and staff and it is not possible to identify the actual costs involved. However, as a comparison, 60 posts were being utilised from January 2013 on a number of review areas with the annual cost for these posts being around £3m. This compares to the new requirement for 20 dedicated posts at an overall cost of £1.1m of which £0.3m is already budgeted. The current proposal moves to a more transparent approach in identifying the investment needed to deliver significant savings going forward. This is initially for a three year period and would allow police staff to apply for roles with some certainty over their duration; this should attract appropriately skilled people for the roles.

The annual additional cost of the proposal is £797k per year for 3 years (£2.391m over the 3 year period). During 2014/15 it is anticipated that this can be contained within the Constabulary budget from a range of initiatives to reduce costs in this year. However the same flexibility is unlikely to be available in the latter years and therefore the future costs will be considered as part of the budget proposals for 2015/16.

RECOMMENDATION

The Police and Crime Commissioner is asked to:-

- (i) note the creation of the Futures Programme Team with the first year costs being contained within the Chief Constables delegated budget
- (ii) agree that future years costs be considered as part of the 2015/16 budget setting process

Decision taken by the Police and Crime Commissioner for Lancashire:

| | | |
|---|------------|-----------|
| Original decision, as set out in the attached report, approved without amendment (please delete as appropriate) | YES | NO |
|---|------------|-----------|

Original decision required to be amended and decision as detailed below:

The reasons for the amended decision are as detailed below:

Police and Crime Commissioner: Comments

DECLARATIONS OF INTEREST

The PCC is asked to consider any personal / prejudicial interests he may have to disclose in relation to the matter under consideration in accordance with the law, the Nolan Principles and the Code of Conduct.

STATEMENT OF COMPLIANCE

The recommendations are made further to legal advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation.

| | |
|--|---|
| Signed: Police and Crime Commissioner Date: | Signed: Chief Officer: Date: |
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| Signed: Chief Constable Date: | Signed: Chief Finance Officer: Date: |
|--|---|

Refers to Decision No



Appendix A

Background

The purpose of this report is to establish funding for a core team to support the Futures Programme.

As in previous years the programme will require the support of a number of resources from across the organisation. Firstly, each review will require (if not already identified):-

- A senior manager to Sponsor the review
- A senior manager to be appointed as the Review Lead
- A Senior Business User to be nominated to be involved in the process
- Portfolio support by a combination of the core Futures team staff including (where appropriate) HR, finance and project management support along with appropriate resources drawn from across the Constabulary and
- A dedicated Single Point of Contact within the department/Division under review

These will be supplemented, where the extent of the review warrants, by a wrap-around team identified from the area of business.

It is imperative that all staff involved in the review and implementation stages:

- Have experience of working in one of the areas subject to review
- Are adept at understanding the pertinent area of the business under review
- Possess good analytical and IT skills
- Possess excellent written and communication skills
- Are seeking personal development opportunities

An induction day for new teams will be held. Review Leads and Business Users will be briefed independently by respective Futures Programme leads. The below reflects the anticipated staffing model that would be required to support the change programme.

Core Change Programme resources

A key part of the Futures Programme will be the make-up of the resources that will be committed to achieving the goals in line with the new Futures Programme Plan. An intrinsic element of any change programme is the need to have dedicated staff who are devoted to the programme and who have the necessary seniority, knowledge, skills and experience in leading discrete elements of the various work-streams. As such, and unlike previous Reviews, it is felt that a permanent, dedicated and centrally funded core group of staff is necessary to drive forward and maintain momentum on this transformational approach to change. It is also felt that the nature of the challenge now faced of finding a further £20m on top of a significantly reduced

cost-base (£60m) will require a more fundamental focus on what will inevitably be more complex and challenging options. This report therefore seeks to formally establish a team of staff who can drive forward the next phase of the organisational change.

Previous reviews have been undertaken within a more transient structure of officers and staff and it is not possible to identify the actual costs involved. However, as a comparison, 60 posts were being utilised from January 2013 on a number of review areas with the annual cost for these posts being around £3m. This compares to the new requirement for 20 dedicated posts at an overall cost of £1.1m of which £0.3m is already budgeted. The current proposal moves to a more transparent approach in identifying the investment needed to deliver significant savings going forward. This is initially for a three year period and would allow police staff to apply for roles with some certainty over their duration; this should attract appropriately skilled people for the roles. The cost outlined in the table later in the report is the maximum commitment, initially costed at police officer rates, although some of the posts may subsequently be filled by police staff.

The following represents the posts that, it is suggested, will form part of the change programme team:

- A) 1 x Supt Early Action
- 3 x C/Insp/Futures / Police staff equivalents
- 1 x Insp/Police staff equivalent
- 1 x Finance Technical Accountant (LC10,TBC)
- 2 x Sgts
- 1 x Analyst (LC7/8,TBC)
- 5 x PC / DC / Police staff (Systems work)(LC6,TBC)

The additional staffing cost of £797k per year (in the below table) will be required over the next 3 years (£2.39m in total) and is directly linked to implementation of the Futures Programme for Lancashire Constabulary.

Implementation costs (temporary/one off costs) are currently being supported via the Transitional Reserve and any achievable one off savings identified by budget holders as a result of the Futures Programme.

| POST | Estimated grade subject to JE | Force average cost per post | Additional Posts Required | |
|---------------------------------|-------------------------------|-----------------------------|---------------------------|------------------|
| | | | FTE | £ |
| Superintendent – Early Action | Supt. | 92,728 | 1 | £ 92,728 |
| Chief Inspector /equivalent | CH Insp | 73,089 | 3 | £ 219,268 |
| Inspector /equivalent | Insp | 68,037 | 1 | £ 68,037 |
| Sergeant | Sgt | 55,108 | 2 | £ 110,217 |
| Systems PC/DC/LC6 Support Staff | PC / LC6 | 45,752 | 5 | £ 228,760 |
| Finance Support | LC10 | 43,655 | 1 | £ 43,655 |
| Analyst | LC7/8 | 34,809 | 1 | £ 34,809 |
| Total | | | 14 | £ 797,473 |

These staff will be in addition to staff already employed within HQ Operations (Corporate Development) in support of the Futures Programme:-

- B) 1 x Supt Corporate Development / Futures Programme
- 1 x Insp
- 1 x Business Analyst (LC8)
- 1 x Programme Support Manager LC 7/8
- 2 x Project Support LC6

These staff are already budgeted for and will be available to assist the core team in evaluation of findings, opportunities and risks prior to agreed implementation.

This core group of staff will continue to lead and drive activity in support of the overall programme. They will be supported, as currently, by seconded staff from the new BCUs who have the relevant experience/skills to contribute to specific elements of the programme (for example Systems work).

Key to this change in structure is a requirement to minimise abstractions from across the organisation and to give clarity to staff who currently perform key roles in supporting the Programme and whose skills will be required in the future. The Futures Programme will focus heavily on engagement and consultation with the new command teams and their staff in driving forward the significant changes that will be required during this transformational period. By creating a core group of staff who are dedicated to the programme, this will allow the work streams to develop whilst still allowing the new Force structure and new BCUs and their command teams to successfully embed themselves.

In terms of specific staffing, one of the recommendations from the OR 3 review of Corporate Development recommended combining the role of Superintendent Corporate Development with that of the Futures Programme. This has effectively rationalised two posts into one however the work emanating from Corporate Development still requires close oversight given the increase in workload emanating from mainly external drivers – for example, a large number of HMIC inspections over the next 12 months will significantly impact on the Constabulary; the recent Home Secretary letter regarding Stop and Search will require further review of this tactic across the Constabulary; ensuring existing policies remain current and appropriate will continue to require close attention at a strategic level. The post will clearly also have a very close oversight of the Futures Programme and the development and delivery of the work streams. The Superintendent Early Action will lead strategic engagement with key partner agencies across Lancashire, identifying and developing options where appropriate to work more closely in order to reduce demand and problem solve in terms of Early Action. The above posts also include 3 Chief Inspector roles/Police Staff equivalents which will specifically support the Futures Programme. Given the breadth of the programme, three Chief Inspectors have been required to support the Programme in the previous ORs and have been instrumental in engaging with senior managers across the Constabulary in order to develop and deliver on the plans that have, so far, secured £52m savings with a further £8m identified. Given the challenge in the foreseeable future, these posts will continue to be necessary to ensure that the Programme remains on track, that there is effective engagement at a senior level with Commanders and their staff across the headquarters and territorial divisions and that targets remain on track to realise the necessary savings from each of the identified work streams.

Finally, this proposal represents an overall reduction in the numbers of staff previously employed to support the SE Programme. It also allows staff to be employed in roles over the

period of the funding thereby giving them a level of employment security over that period of time.

It should also be remembered that throughout the previous Reviews and for this next stage of the Futures Programme, the Constabulary has not resorted to securing the services of external Management Consultants to guide the work of the Programme and Constabulary staff. Given the average cost of £10,000 per week for two consultants (reduced rate), this in itself has ensured significant savings over the lifetime of the Reviews. The continued use of Constabulary staff to drive change across the organisation is therefore seen as a very cost effective way of successfully identifying the necessary £80m savings that are currently required (£60m of which has already been identified).

SUMMARY

There are four noteworthy principles behind this request:

Consistency.

As described above, under the SE programme, a significant number of staff were seconded to HQ in order to identify and implement the changes necessary to secure the necessary budget reductions. At that time territorial divisions had a larger pool of officers and staff from which to draw, and staff were changed on a rotational basis. The approach proposed in this paper, namely the Futures Programme, reflects the fact that there are now significantly fewer staff and officers to draw upon, following the implementation of the SE plans on 1st April 2014, and divisions are less able to offer flexibility in secondments. Equally, as the Futures Programme tries to find an extra £20m, having already identified around £60m, it is more difficult to do so, resulting in arguably a greater need for consistency of approach by, and staff in, the team.

Reduction

The numbers proposed in the team represent a significant reduction on the level of resource that was committed to the SE programme. That is right and proper notwithstanding the argument that the task is arguably more difficult given the already severely reduced budget position. Detailed work planning, including extensive staff engagement, necessitates this level of resource, and previous experience has shown us just how much work is required going forward through feasibility studies, business case submission and solution design.

Organisational Memory

It is not too bold a claim to state that the Constabulary is going through the most significant period of change in its history and should we fail to adopt this approach we risk losing the corporate memory associated with that change. If we do that, there is a significant risk that implementation is not seen through. That, in turn, risks a budget that is not balanced: an unacceptable outcome for the Commissioner, the Chief Constable and most importantly, for the public. This proposal means that for an identifiable period the organisation has staff focused on the programme, the outcome of which will be a leaner, more efficient and no less effective policing service for Lancashire, delivering against the Commissioner's Police and Crime Plan priorities.

Transparency

The reality is that we have spent more per annum during the life of the SE programme than the £797k asked for in this paper. Having demonstrated the operational requirement for a level of resource to deliver to date, a balanced budget (as a direct result of that investment in change) it is felt appropriate that the necessary funding going forward be sourced through the Transitional Reserve. Equally that delivery has required a level of seniority and rank to handle difficult negotiation and relationships as leaders encourage true and sustainable change. This paper allows us, collectively, to accurately, openly and transparently reflect the cost of the programme, whilst delivering the savings required in a clearly auditable and accountable manner.

Proposal to fund the cost of the team

The annual additional cost of the proposal is £797k per year for 3 years (£2.391m over the 3 year period). During 2014/15 it is anticipated that this can be contained within the Constabulary budget from a range of initiatives to reduce costs in this year. However the same flexibility is unlikely to be available in the latter years and therefore the future costs will be considered as part of the budget proposals for 2015/16.