



# HMIC Inspection of Resource Leverage MPS

July 2008

## **INSPECTION CONTEXT**

In 2007, the Deputy Commissioner for the MPS invited HMIC to conduct an inspection of resource leverage. The MPS volunteered to work with both HMIC and Audit Commission with the aim of delivering added value to the MPS and other police services from more effective joint-working between the inspection and audit services.

Resource Leverage can be described as the way in which organisations maximise their resource capacity and productivity. This is achieved not simply by cutting services or staff but using a full range of approaches including: - accumulating, conserving and concentrating resources, their management and recovery and the development of business learning and skills.

The inspection was conducted between April and June 2008 and built upon previous reviews of the MPS/MPA strategic resource management, in particular HMIC's review of Finance and Resources and the three Audit Commission's Police Use of Resources (PURE) assessments for the period 2004/05 – 2006/07. It will also inform the HMIC approach to resource leverage in other Forces and the development of the joint inspection and assessment processes due to take effect in 2009.

A self-assessment was prepared by the MPS and the information submitted to either HMIC or the Audit Commission has been shared in order to conduct both assessments effectively.

This HMIC inspection report is complimentary to the 2007/08 PURE Assessment Report. Taken together, they provide an over-arching assessment on the MPS/MPA resource leverage.

## Resource Leverage in the MPS

### Executive Summary

**The medium term financial prognosis for the Metropolitan Police Service (MPS) is challenging notwithstanding the levels of efficiency gains which have previously been achieved. The MPS is actively developing its business capability to respond to this challenge and recognises the need to demonstrate that costs can be controlled and that a clear plan exists to optimise the use of resources to close any potential budget gap.**

### The Resource Challenge

With increasingly tighter controls on public spending in the present economic climate the imperative for the MPS to make the most of resources for the public (and changing public need in London) will be strong over the next 3 years (2009-2012). During this inspection the MPS were reviewing and closing the prospective gap in expenditure over this period, however there remains a significant challenge in 2011/12. The latest provisional<sup>1</sup> estimate for that year reveals that the gap could be as high as £132.3m which is 4.77% of the funding envelope. Early scenario planning for the 2009-12 budget has also indicated that the budget gap could increase even further.

### MPS Record on Efficiencies

In previous years the MPS has achieved efficiencies during a period of growth, combined with a widening mission and the delivery of sustained crime reduction. The *known* annual budget gap for 2011/12 is over twice the average the MPS has achieved for the delivery of cashable efficiencies in the last three years. The MPS has also considered financial scenarios including those that could arise through inflationary pressures, different potential planning guidance assumptions from the Mayor or through the potential of the Home Office removing the 'floor'<sup>2</sup> to the National Funding Formula (NFF). Such factors could significantly increase the budget gap.

A budget gap of £132.3m for 2011/12 would present a real challenge but were this gap to increase significantly not only would the scale of the challenge increase but there would inevitably be different implications. The former may be amenable to a combination of efficiencies, increased income generation and re-engineering of major processes without major disruption of services and operational focus. The latter, will additionally have to consider capping growth (planned growth in police officer and staff numbers involving additional expenditure of £97m), changing the mix of police and other staff (reducing police numbers) and revisiting the division of responsibilities centrally and locally in the MPS. The tactics used in either scenario are not mutually exclusive and the latter have been used in the past in delivering the MPS's change programmes. However it is unlikely that the more severe gap could be bridged without significantly impacting the wider service base.

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<sup>1</sup> Budget gap as per memorandum from MPS Director of Finance dated 8 August 2008. The figure is provisional and will continue to be challenged over the summer against the budget principles.

<sup>2</sup> The minimum level to which the NFF can fluctuate to prevent large funding variations. There is also a ceiling setting the highest level.

Whilst the published gap is acknowledged by Management Board members as being evidence based and realistic, the more severe planning gap was not widely acknowledged initially but is now recognised as having significant risk in terms of impact and deliverability. An assessment of the threat and the risks associated with the big budget reductions in the more severe planning scenario will need to be considered in the context of the lead-in times required to achieve such significant budget savings. The accumulation of relatively small cash releasing efficiency savings each year will no longer be enough. The Force is actively engaged in identifying these planning scenarios and their impact to the MPA and mayoralty and this picture will change through negotiation over the coming months. However the sooner the MPS get clarity from the MPA/Mayor and the Home Office on the scale of the budget gap, the sooner they can plan effectively.

### **What can the MPS do?**

Whatever happens, the MPS will have to deal with a budget gap that amounts to a distinct departure from recent years and generate a step change in efficiency. The more that efficiency can be generated by leveraging resources (finding new less resource intensive means of achieving objectives) rather than simply cutting the head count, the more likely it is that the service improvements achieved by the MPS will be sustained.

There are clearly, within the MPS, some innovative and imaginative examples of transformation and re-engineering of business systems that are working or are under construction. These include work within the Transformation Programme in HR. It is also evident in the TP and CO business groups (for example, virtual courts, pathways, public order and premises review) alongside some notable improvements to MPS procurement and budget management processes. Structures that encourage or foster value for money (e.g. the MPS Investment Board and the Productivity Strategy Board) are underway. Important work additionally has commenced within the Resources Directorate to develop a Service Improvement Plan (SIP) with a new resource programme.

The MPS already monitors performance information across the service at varying levels of delivery including high-level corporate health indicators and has extensive data it can draw upon. The MPS has, however, recognised the need to strengthen and mainstream its business planning and performance management framework and processes and has restructured and set in train a significant programme of change to support this objective.

There are therefore, some powerful building blocks already in place for improving resource effectiveness in the medium term. But there is not a corporate/business intelligence process for collectively identifying significant candidate areas of MPS activity with resource leverage potential. Extending the examination of costs and overheads (which has already been undertaken by individual departments) and developing and applying an acknowledged repertoire of resource leverage tactics across business areas may help. So too may a renewed drive to identify and secure financial efficiency gains associated with major projects in the MPS. HMIC recommends that this requirement could be supported by the use of a Business Intelligence process.

### **Understanding costs and overheads**

Benchmarking MPS activities is a potential means of bringing top management's attention collectively to bear on those areas where costs seem to be significantly

different from other police forces (taking account of the different challenges faced by policing the capital) or from other private sector organisations running similar functions<sup>3</sup>. The MPS has already undertaken some benchmarking activities on this basis, as demonstrated in the Transforming HR programme and has also recognised the need to develop its performance framework to embed appropriate benchmarking on a consistent basis across the service. The information will need to be transparent and based on the best available data, drawn from corporate systems that are kept up to date. Data quality will never be perfect but if it suggests significant differences then they should be explored.

Despite initial misgivings, comparing crime performance between Boroughs and between the MPS with other MSF forces is now part of routine management practice. The new economic reality facing the organisation makes it essential that the same rigorous and questioning approach is applied to resource management across the service. External comparisons can be particularly helpful in identifying functions that merit further probing and consideration.

In the absence of nationally available benchmarking data, to their credit, a number of management board members have sought benchmarking support from consultancies or professional organisations. It would be of considerable assistance to the MPS and other Forces if reliable comparative information on the relative costs and staffing of core functions were made available from all Forces/Police authorities. They are not at present and this situation needs to be remedied.

### **Business Intelligence**

To provide an indication of the challenge in some of these key areas, Chart 1 sets out benchmarking comparators for HR, Finance, Corporate Development and Control Room in the form of a 'Business Intelligence' diagnostic. A more detailed commentary and other worked examples are attached at Appendix A. These have been produced by examining relative costs and or staffing levels of the MPS against the MSF<sup>4</sup>, other forces and (where available) some different organisations. The data is high level and approximate, but the purpose is to illustrate the value of considering strategic resource use and overheads in these terms and what might be achievable. Some areas such as HR, Finance and IT have already been benchmarked by the MPS who are using the information to drive change.

- **Human Resources** - The Transforming HR initiative (THR) is ambitious because it aims a) to change the business model on which the HR function operates; and b) to reduce HR staffing from 1.76 per 100 to the CIPD public sector benchmark of 1.25 per 100 (or a ratio of 1:80) by 2011/12. This is a reduction of 40 percent and equivalent to 400 less staff (on baseline staffing levels as at 2008).
- **Finance** – in 2006/7 the cost of the core finance function was £8,106 per £1m gross revenue expenditure - some 10 percent higher than the average, adding

<sup>3</sup> Benchmarking is a recognised characteristic of "World Class Organisations". "Organisations should also benchmark their costs wherever possible to ensure that they are securing value for money" (Audit Commission – World Class Finance Departments – A Discussion Document (2005) para 83. The need for Operational Managers in the public sector to engage in benchmarking has recently been reinforced in "Improving Budgeting: modernising the cycle" (CIPFA – Guidance produced by a Working Group Chaired by Helen Kilpatrick – Director General of Financial and Commercial, Home Office (2008))

<sup>4</sup> Most Similar Forces

over £2.38m to costs. Payroll and pensions administration cost less than the average, while MPA internal audit, accountancy, creditors, debtors and cashiers cost more. The additional cost imposed by these functions is around £3m. Some of the difference is due to higher staff costs - 30 percent higher than average - but there is some evidence that the MPS has more local finance staff and these costs are being reduced as part of a programme of change for Finance and Resource functions across the Force.

- **Corporate Development** - MPS staffing ranks second against its MSF family and is below the upper quartile. The MPS has identified savings amounting to £12.6m, which would place them below the median. However, if economies of scale were possible in this function and staffing was at the lower quartile, then possibly a further £1.5m could be achieved. This assumes that savings are based on staff in post.
- **Control Room** – Compared with the MSF, the MPS staffing is between 22 and 25 percent higher, equivalent to between 485 and 545 more staff with an estimated additional cost of between £19.4m - £21.8m p.a. (excluding overtime).

There will clearly be a number of other areas that may prove worthwhile include management on-costs<sup>5</sup> and the overall service costs per officer as previously identified to the MPS<sup>6</sup>.

Simply producing benchmarking data on a police basis would be inadequate and inhibit opportunity and potential for comparison outside policing but it would be helpful, especially on 'big ticket' operational spends. A process to improve comparability of resource data that avoids unnecessary bureaucracy is essential. Improving the collection of such data, which already occurs, could help if agreement could be achieved on the standard definitions of functions. It should be noted that information of this nature should be regarded much more like business intelligence that improves the relative understanding and knowledge of areas of the business, rather than as an absolute reference point. **There may be good reason why MPS costs differ from others, the point is to identify and analyse them so that they can be explained or, if appropriate, addressed.**

### Resource leverage tactics

The MPS has had some success in leveraging additional resources using a variety of tactics, for example, attracting income from TFL, recovering costs for policing at Heathrow, funding from Borough partnerships and increasing specific grant funding for Counter Terrorism and PCSOs. Resource leveraging activities are, however, varied both in depth and reach within Business Areas. On the one hand a relatively small function such as HR is implementing a transformation programme planned to yield around £15m p.a. of cashable savings by 2011/12 while the aspiration of others with significantly larger budgets appears to be more modest. At the other end of the spectrum, TP are exploiting several opportunities to multiply the effectiveness of resources from securing modest efficiencies and generating increased income through to reforming criminal justice processes – a big cost driver. A serious comparative programme for the MPS will need to ensure that a full range of resource leverage tactics are comprehensively applied to all MPS assets.

<sup>5</sup> The ratio of Sergeants and higher ranks to constables

<sup>6</sup> Annual HMIC Finance and Resources Analysis

During the course of the inspection four areas of developing practice were identified that merit further circulation within the police service. These are detailed in Appendices B to E.

For illustration purposes a number of tactics are categorised on **Chart 2** attached. The chart sets out a range of approaches to resource leverage such as **concentrating** on some of the 'big ticket' issues; **accumulating** resources by attracting income and increases in specific grants; **managing and recovering** expenditure, such as recovering costs for policing; **conserving** through efficiency gains as illustrated in the Medium Term Financial Plan; and finally increasing capacity to leverage resources through improving **knowledge and skills**, such as through business awareness training and development.

Characterising MPS activity in this way suggests that much effort<sup>7</sup> is focused upon **managing and recovery** and **conserving** and to an extent **accumulating resources** while activities in the other areas are not developed or orchestrated to the same degree across the organisation. There is clear scope for: systematically examining major organisational spends, such as call handling where costs seem relatively high; for revisiting national and international capital city functions where some believe, spend significantly exceeds government grant; and also extending the development of resource management skills for which there is real scope. If the MPS is to meet the critical challenge of controlling costs and maximising resources, then the use of acknowledged methodologies, consistently applied is most likely to generate the largest yields. As far as possible, such an approach needs to include all business groups whilst acknowledging that some areas of business (e.g. Specialist Operations) are overwhelmingly resourced by Special Grants.

### Benefits realisation

A number of programmes have been considered by the Investment Board to determine whether financial benefits had been identified and realised. Such benefits had not yet been realised in 20 non-MMP £3m+ projects. This remains an issue even for large projects such as the Metropolitan Information Bureau, which has recently been established and where clear operational benefits have been identified but no financial advantage has been documented. It should be noted that the number of new proposals coming forward to Investment Board has reduced, indicating that the process imposes a discipline on ambitions for growth and development and it may be that the sample of issues developed do not reflect the best cross section of issues where financial benefits could be realised. It is also noted that the Department of Information has an active benefits realisation unit and corporate capability for future projects is also being developed in the Resource Department.

### What else is needed?

Incentives overall also need to be balanced so that performance and the cost of achieving it are looked at together within the same forums. This is not currently the case and necessitates development of information and changes that may take some time and effort to achieve. Work has already started on a review of decision making processes and the development of a consistent scheme of delegation across the Service. The effort and consideration devoted to allocating resources could usefully be balanced by a similar degree of support to leveraging the assets available. Where projects are funded these need to be based upon the application of rigorously

<sup>7</sup> Proposed Service Improvement Programme and major MPS initiatives

prepared and tested business cases followed by post implementation reviews to ensure VFM and productivity improvements have been delivered.

## **Conclusion**

The complex environment in which the MPS operates is widely acknowledged and the need to react quickly to changes, such as that shown in their dynamic response to the changes in mayoralty that prompted a revision of their financial plans.

The MPS, supported by the MPA, now needs to agree a strategic approach to resource management within a clear rationale. Consideration could be given to crystallising the overall approach within the summarised Corporate Plan, with a range of leverage activity that delivers cash releasing efficiencies.

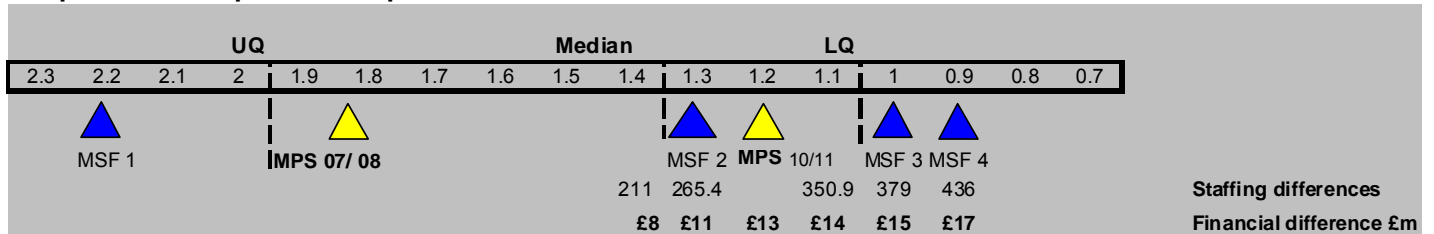
Whilst there will be a number of potential short-term gains (within 12 months), many improvements will take longer (1-3 years) as they may necessitate changes to structures, systems and have people management challenges. The MPA will need to drive the momentum of change to ensure that all gains are realised as quickly as possible and in time to help close any forecasted budget gap.

This work will be testing and will need constructive engagement and support. Given the scale of the issues, the potential and the risks, the MPA need to carefully consider how they will undertake the oversight of resource usage.

## Chart 1 Business Intelligence Diagnostic<sup>8</sup> (An Illustration)

### OVERHEADS

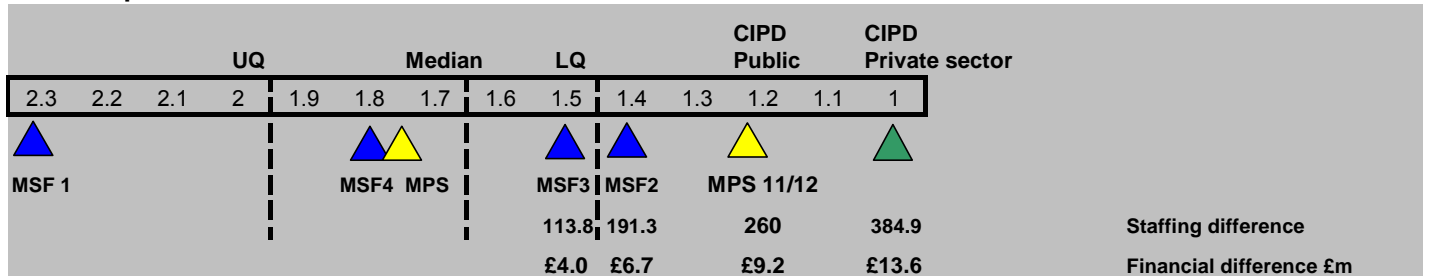
#### Corporate development staff per 100 staff\*



Source: Home office 06/07 ADR MPS updated 07/08

\* HR corp staff inc below & exc Standards & Intel staff & MIB . Est staff costs @ £40k per head

#### HR staff per 100 total staff

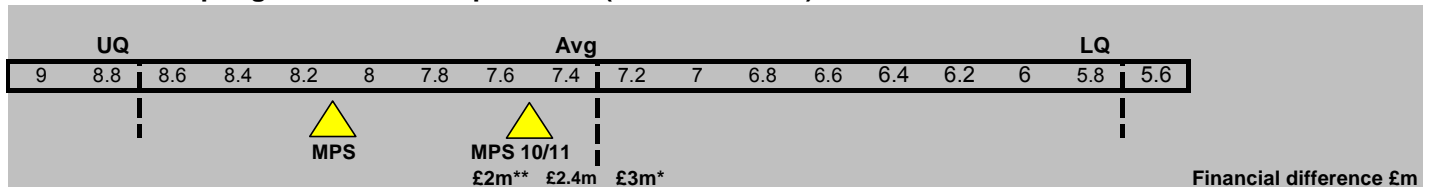


Sources: HO ADR 06/07 with MPS updated as at March 08. CIPD benchmarking. THR presentation May 08

Base data: Total staff = 49,993 inc 885 HR staff within THR scope & including 96 Occ Health as per CIPD definition

Assumption of £35.2k per HR staff

#### Finance costs per gross revenue expenditure (inc Treasurer's)



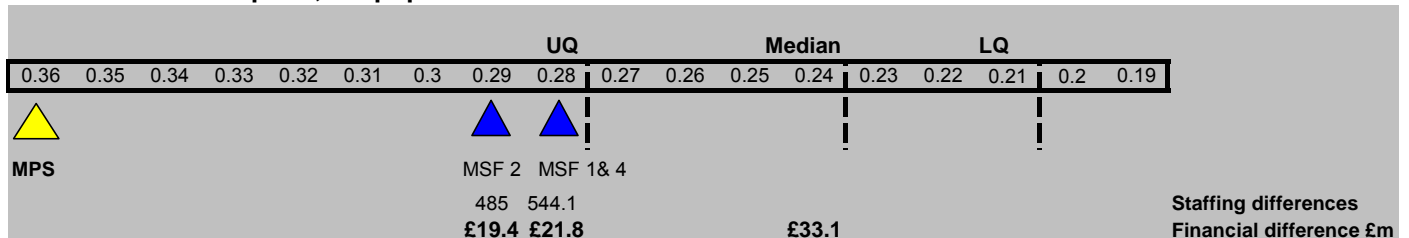
Source: IPF 06/07

\* Difference were functions with higher than avg costs (such as internal audit) reduced to avg for function

\*\*TP proposed rationalisation Finance & Resource functions across Boro's & cuts in other devolved budgets

### OTHER SUPPORT FUNCTIONS

#### Control room staff per 1,000 population\*



Source: Home office 06/07 ADR

<sup>8</sup> An explanation about the business intelligence model is contained in Appendix A.

## 1. CHALLENGE

### 1.1 Has the MPS budget gap been clearly defined?

The MPS has profiled the budget gap over the next three years that is to be met from cash releasing efficiencies. Work on that gap is iterative as revised growth and costs are identified and this is being closely monitored by Management Board. However the budget gap has been profiled there remains a significant challenge ahead in 2011/12 with the latest provisional estimate<sup>9</sup> for that year revealing that the gap could be £132.3m which is 4.77% of the funding envelope. Early scenario planning for the 2009-12 budget has also indicated that with inflationary and budget pressures the budget gap could grow to significantly.

#### Strengths

- The MPS has fully recognised and profiled the extent of the budget gap with work on the gap being iterative as revised growth and costs are identified. Management Board members are actively engaged in the process.
- The 2009-12 'Policing London Corporate Business and Finance Plan' set out the rising budget gap (in the appendices). Work on that gap is iterative as revised growth and costs are identified and this is being closely monitored by Management Board.
- The MPS have identified that the budget gap potentially rise significantly with potential inflationary and budget pressures<sup>10</sup>.
- The MPS reacted promptly to the recent changes in the Mayor's office and secured more certainty over financial planning.
- The MPS and MPA are fully aware of the net reduction in funding over the next three years when taking account of the planned grant settlement and the (GLA) Mayor's element as evidenced in papers to the MPA Finance Committee.

#### Work in Progress

- Since the London Mayoral election, the MPS has accommodated funding for the new Mayoral pledges within its Service Improvement Plan such as the provision of 287 new PCSOs for Safer Transport Teams and an increased focus on tackling youth violence.
- The MPA/MPS have regularly identified budget gaps going forward. The MPS/MPA have now been given a three-year funding framework by Government which places renewed emphasis on the need to drive improvements in productivity and deliver real improvements in the use of resources.

<sup>9</sup> Budget gap as per memorandum from MPS Director of Finance dated 8 August 2008. The figure is provisional and will continue to be challenged over the summer against the budget principles.

<sup>10</sup> Pressure to restrain the precept are likely to become more intense

## Areas for Improvement

- The MPS is scoping the potential to apportion cuts from business group budgets with an expectation that savings (rising from 8% in 2009/10 to 12.8% in 2011/12) are found. A reduction of this magnitude requires a sustainable and holistic response that needs to acknowledge and plan for the lead in times to achieve such significant savings. This needs to be combined with a comprehensive assessment of the threat, risk and potential impact of the cuts to service.

### 1.2 Has there been a testing estimation of the resource challenge? Is the MPS ambition galvanised in service terms?

**There is a pressing need for the MPS to quantify and assess the strategic financial risks that potentially impact upon the closure of the budget gap. This gap and its associated risks need to be crystallised within the corporate business plan and clearly understood by MB.**

## Strengths

- The Deputy Commissioner recognises the potential need for significant service 're-engineering' beyond 2009/10 if the MPS is to meet its service requirement.
- The MPS has a good track record over the past nine years for the delivery of cashable and non-cash releasing efficiency gains with the Home Office targets of 2% or 3% per annum. The target was exceeded every year with the average cashable efficiency over the last nine years being 1.67%.
- To their credit and over the past three years, the MPS and MPA have been gradually increasing the level of general reserves towards 3% of net revenue expenditure. This objective is near realisation with general reserves including the emergencies contingency fund standing at 2.9% of net revenue expenditure at 31st March 2008 (i.e.; the end of financial year 2007-08).
- The Corporate plan does acknowledge the challenging financial landscape facing the service and refers to some of the financial uncertainties such as Olympics and Counter Terrorism funding.
- The MPS agreed in April 2008 to include an additional corporate objective to "lead and manage our service to ensure the most efficient, effective and economic use of all the resources entrusted to us "in the Budget and business plan. This was reported to the MPA PRR Committee in June 2008.

## Work in Progress

- Work needs to continue to ensure that the level of reserves is linked to the ongoing assessment of financial risk and that both MPS and MPA take into consideration that the level should be arguably targeted at greater than 3% rather than lower when taking into account the potential risks associated with policing in London (e.g.; terrorism).<sup>11</sup>

<sup>11</sup> Police Authorities are required to meet the equivalent of 1% of net revenue expenditure from reserves to finance major incidents before they can seek special grant from the HO – hence the higher need for a higher level of general reserves.

- Budget management and controls have been improving in recent years with sharper lines of accountability and responsibility across the organisation. Subject to MPA assurances as to the process, this should be further enhanced with the planned extension of the scheme of delegation in January 2009.

### **Areas for Improvement**

- The Corporate Business Plan could do more to outline explicitly the financial risks that could impact upon the MPS/MPA ability to close its budget gap. This includes the risk of failing to deliver cash releasing specified efficiency savings, the delivery of new requirements and a failure to achieve anticipated income. For example, should the Home Office remove the 'floor' to the National Funding Formula (NFF), it would result in a loss of £44.5m per annum over three years.
- There is no transparent rationale by which efficiencies and growth items are targeted for inclusion within the Corporate Business Plan. Other than apparently retrospective mapping them against priorities, there is no evidence of any selection criteria being used that includes for example benchmarking, major cost drivers, impact on priorities and ease of implementation.
- There is no readily accessible financial data on the amount actually spent on previously agreed MPS growth items as compared with that allowed within budget statements. This and the absence of consistent record for tracking business benefits indicate an opportunity to improve the rigour in ensuring compliance against the budget for MPS growth items.
- The MPS has advocated the need for additional NICC funding but has not constructed a successful costed business case to support a bid or to define what services and activities should be included in NICC. Business Groups have also not previously engaged in the process effectively. Investing in constructing coherent business case for NICC funding could, with verification, help alleviate the budget pressures.

### **1.3 Is there a shared view of what the MPS and MPA are trying to achieve?**

**Whilst the extent of the budget gap is increasingly grasped, there is not a shared understanding of the associated risks and how it is to be closed.**

### **Strengths**

- There is an acknowledgement within the MPA that resource leverage, productivity and efficiency will require increased focus as evidenced by the inclusion of Continuous Improvement as a cross-cutting theme within the Corporate Business Plan.
- One of the five MPA priorities for 2008-11 is to 'Drive the MPS to make the most effective, efficient and cost-conscious use of all its resources'.

### **Work in Progress**

- The MPS has recently approved the migration of the productivity programme into a new and consolidated Service Improvement Programme (SIP), which will incorporate a new Developing Resource Management Programme. This has the

potential to deliver a sound structural basis to support the delivery of resource leverage.

- Since January 2007, the MPS has held regular Productivity Strategy Board meetings, chaired by the Deputy Commissioner and involving representatives from the Treasury, HO and MPA. This forum potentially provides a mechanism to test the MPS ambition and strategy for resource leverage. Whilst it has acted as a sounding board it has yet to assist in developing strategy.
- Whilst preliminary work has commenced, the headline corporate performance measures for productivity have yet to be finalised and published.
- The practical work changes being undertaken through SIP including the establishment of the Strategy and Improvement Department, the Corporate Governance Programme and the Developing Resource Management programme have the potential to impact on the culture of decision making within the MPS.

### Areas for Improvement

- There is no published MPS ambition or model that will enable the achievement of greater resource leverage and business groups are therefore constructing their own approaches. The absence of an ambition for developing resource use has also meant that it has not yet been integrated within the current MPS vision, mission and values.
- There are no explicit plans within the SIP to develop the MPS culture into one that creatively pursues the measurable productivity and efficiency improvements necessary to meet the anticipated fiscal challenge.
- The MPA declared priorities and methods of delivery makes no explicit reference to improving resource leverage. Whilst one of the five priorities refers to the MPA driving "... the MPS to make the most cost effective, efficient and cost conscious use of all its resources ..", this could usefully include other key types of resource leverage activity such as accumulating resources and the development of learning and skills.
- A number of senior and middle managers interviewed were unclear on the scale of the resource challenge and the strategy by which it is to be addressed. A number of OCU Commanders had begun to identify local efficiencies but they were generally not familiar with good practice or lessons learnt in other areas.

## 2. APPROACH TAKEN

### 2.1 Analysis of what the MPS is doing? Is it cutbacks or leveraging?

**There is evidence of resource leverage in the MPS. The force has concentrated efforts on the achievement of efficiencies and improving internal systems of control with improving efforts to attract income. There has been limited work to develop learning and business skills. There has been some explanation of potential seams for improved productivity in some business groups and departments but the initiatives are not consistently applied or sufficiently comprehensive to assist in closing the resource gap.**

## Strengths

- Management Board recently (7/05/08) agreed to migrate the Productivity Programme to the new Service Improvement Programme (SIP) within which a new Developing Resource Management Programme with specialist external consultancy support would be positioned to develop MPS capability.
- Following external benchmarking, the MPS is restructuring its HR and F&R support for Boroughs through centralisation, brigading and redefining the functions and thereby conserving resources.
- Procurement Services routinely undertake benchmarking activity to health check and identify opportunities for wider collaboration and improvement, for example, pay rates and margins for temporary staff, with TfL, GLA, functional bodies and Thames Valley Police.
- There are numerous examples of efficiencies achieved by Boroughs to the value of £16.2m in 2008/09 (or 1.3% of the TP budget allocation) and these are shared at the TP Efficiency and Productivity Group.
- The MPS has embarked on a number of significant corporate ICT projects, included within the three-year efficiency plan, intended to deliver potential savings – NSPIS Custody and Case Preparation (£61m over three years), ANPR improvements (£29m) and Corporate Data Warehouse (£5m).
- There are a number of examples of major resource leverage work in TPHQ and the HR Directorate whereby resources have been attracted and conserved and which demonstrate lateral thinking and creativity. This includes work on Safer Transport Teams, Diamond Districts, Virtual Courts, Project Herald (Appendix 'B'), Streamlining Case Files under DGSP<sup>12</sup> (Appendix 'C'), Integrated Prosecution Teams (Appendix 'D') and Transforming HR (Appendix E) exploratory work to quantify the social benefits from 24-hour neighbourhood policing in Hammersmith and Fulham.
- In SCD, the Crime Academy (SCD20) has attracted £590k of income through offering the opportunity for Forces both nationally and internationally to attend crime training courses. Whilst some places are sold on an individual basis some bespoke training is delivered and charged (for example, an exhibits course for HMRC). In addition, Forensic Services (SCD4) reviewed the criteria for DNA submissions resulting in costs being reduced by £2m in 2007/8.

## Work in Progress

- The MPS has identified a range of service development projects and initiatives to support its priorities for 2008-11 that has been incorporated within the new SIP. The business benefits and potential efficiencies arising from many of these have yet to be fully costed.
- The approach and support for LAA negotiations shows great promise in the leveraging of partnership assets and funds for Borough community safety priorities. This includes the provision of guidance to Boroughs on the subject, links to their strategic assessments and has resulted in 21 of the 32 London

<sup>12</sup> Director's Guidance Streamlined Process

Boroughs selecting serious violence and 12 Boroughs selecting perception of anti-social behaviour as LAA indicators for 2008-2011.

- The MPS business planning process primarily concentrates upon the growth and efficiency element (i.e. the 3%) but does not meaningfully scrutinise the baseline budget allocation (i.e. the 97%) to inform the budget settlement. This is because there is paucity of data that routinely tests costs and productivity and due to constraints upon headline police numbers that inhibit any adjustment. Some individual initiatives such as those for criminal justice and THR however do scrutinise the baseline whilst other work has been initiated by TP to quantify costs, productivity, impact and performance of policing overheads. This has triggered activity in other business groups.

### Areas for Improvement

- An analysis of the current and proposed cash releasing efficiency initiatives set out in the proposed MPS Service Improvement Programme<sup>13</sup> (see **Chart 2**) indicates that the focus is predominately upon managing and recovery and conserving. There is scope for the MPS to focus more activity in some other key areas. These include:
  - Accumulating resources through attracting income
  - Improving learning and skills (i.e. resource management training and development) and
  - Concentrating on major goals and spends.

This indicates a number of potentially missed opportunities for the MPS in using a full repertoire of resource leverage.

- To help maximise the use of resources the MPS should select and provide senior managers with appropriate skills, awareness and focus that encourages a culture of creativity, innovation and productivity (Business Awareness).
- The proposed Developing Resource Management Programme could consider the attention given to mainstreaming productivity. This is noticeably absent at present. The current focus upon governance and financial initiatives is important but could be complemented by work streams for developing resource leverage skills, costing performance and productivity and the engagement of partnerships.
- Benchmarking techniques across the MPS and the MSF/MSBCU groups to increase efficiency and productivity do not routinely form part of normal business. Opportunities to improve may therefore be missed.
- The achievement of cashable benefits that flow from meeting corporate (or local) objectives such as reductions in crime (and a consequentially reduced investigative workload) and sickness are potentially significant and yet have rarely been transparently 'realised' through the budget process as either cash releasing efficiency gains or as non-cashable gains which have been diverted towards other business activities and integrated within business plans<sup>14</sup>.

<sup>13</sup> Delivering a VFM Policing Service report – MPS MB

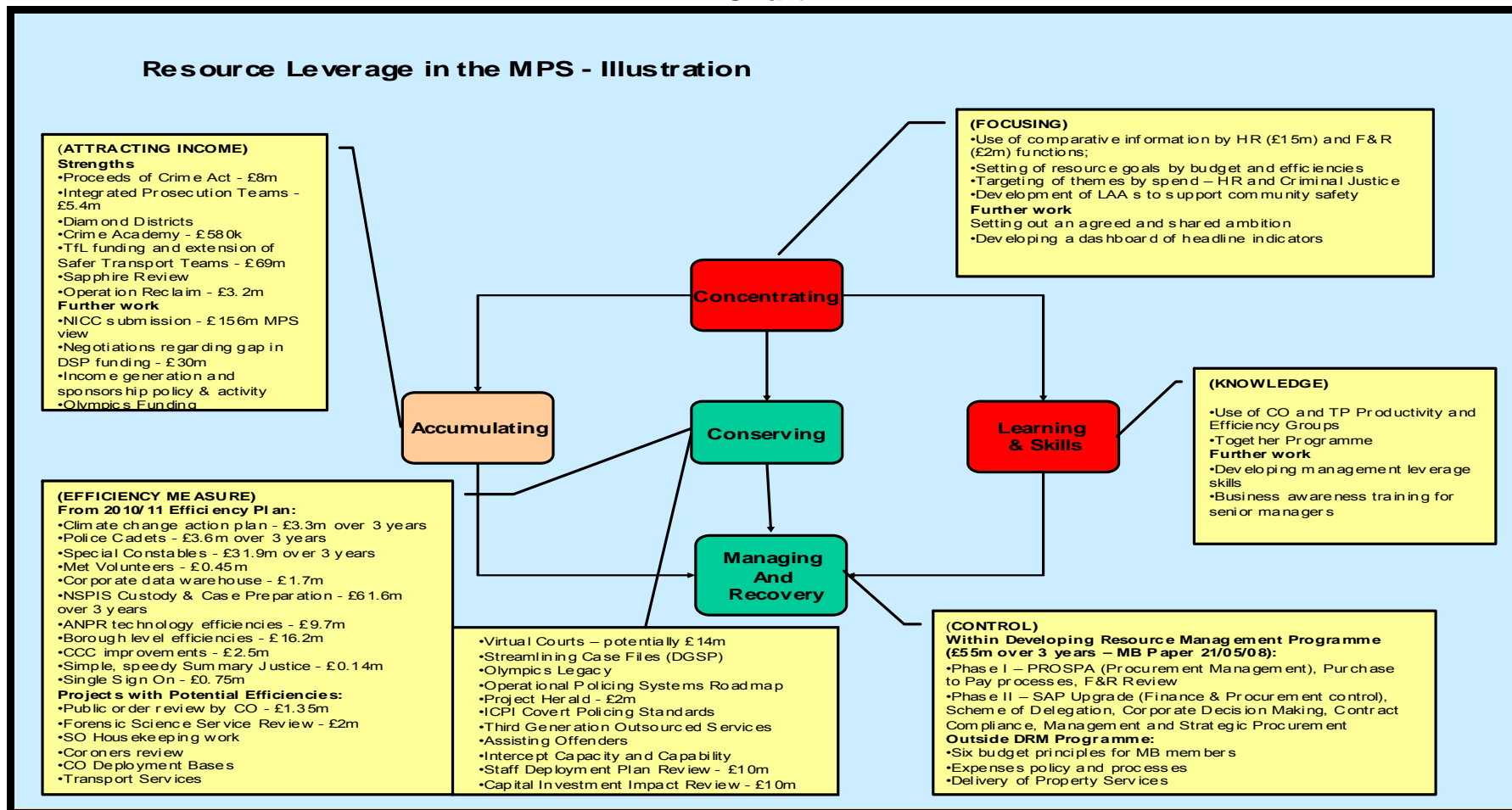
<sup>14</sup> The Improving Budgeting: Modernising the Cycle Guidance (CIPFA 2008) suggests that “to robustly demonstrate the whole efficiency picture organisations need to find a way to capture and record all savings – cashable and non-cashable – and link these to the budget. The most practical way to do this may be to create a memorandum facility to record non-cashable

- There is a need to effectively track and demonstrate the realisation of declared business benefits from corporate projects as there is no evidence that any of the benefits specified (financial or operational) from the 20 non-MMP £3m+ cases, approved by the Investment Board have been proven and reflected in the budget process.

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savings. This would separate such savings clearly from cash budgets but nevertheless highlight them clearly for decision makers within the overall framework of the budget.” (Page 11)

Chart 2



<sup>15</sup> Developed from Harvard Business Review Extract 'Competing for the Future'

- Notwithstanding its inclusion within the MMP, there are no cash releasing efficiency savings shown within the MPS three-year efficiency plan for the establishment of the new MIB. This major project is ongoing and involves the brigading of the intelligence functions from the TP, SCD, SO and CO business groups. However SCD have recently embarked on work to improve the performance and governance arrangements for rape and sexual offences and are cognisant that cash releasing efficiencies now needs to be a key element.

### 3. POTENTIAL

#### 3.1 What are the issues arising from benchmarking?

**Benchmarking with industry and force comparators has been used within the HR, DoI and F&R business groups, prompting organisational change in HR and F&R. Outside these areas and within business groups, benchmarking is rarely used as a consistently applied management tool. There appears to be scope for improved productivity for property services, contact management and in the staff mix for business support, criminal justice and custody. There is no overall MPS 'Business Intelligence' product of headline productivity regularly available to Management Board.**

#### **Strengths**

- Use has been made of external (industry) CIPD and IPF benchmarking data on the HR and F&R functions as a catalyst for organisational change and the conservation of resources. With the Transforming HR project (Appendix E), the MPS anticipates moving from above the CIPD and MSF median to below with cash releasing savings potentially reaching £15m per annum by 2011. For F&R, there are TP plans to reduce the local F & R function and make budget reductions amounting to some £2m.
- The DoI has commissioned external (industry and within the police service) benchmarking work. This will provide a useful comparator to assess not only the productivity of DoI but also the deployment of technology across the MPS compared to other forces.
- The MPS used benchmarking against industry standard for CCC, which resulted in a 91% level of customer satisfaction.
- The MPS has conducted a benchmarking exercise through benchmarking with NYPD. This work identified officer numbers were broadly similar, although the MPS has a national responsibility for CT while NYPD does not. This exercise was a useful step towards comparison with other policing organisations outside the MSF.

#### **Work in Progress**

- There is a declared intent from Management Board for the MPS to use external comparators (benchmarking) to inform efficiency and productivity work in the immediate future. This obviously needs to be translated into clear, robust action notwithstanding all the complexities.

## Areas for Improvement

- There is an absence of an overall MPS 'Business Intelligence' diagnostic of headline indicators that benchmark MPS costs relative to the MSF, other HO Forces average or other public or private sector organisations for both support and operational functions (see example at **Chart 1**). The data is high level but the purpose is to illustrate the value of considering resource use and overheads in these terms and what might be achievable. Whilst not a perfect science, this form of high-level benchmarking could provide reassurance on comparative costs and an indication of potential areas of cash releasing savings.
- The costs for premises related expenses per FTE for the MPS in 2007/08 are £4,136, which is almost twice the MSF average (£2,197) and 68% greater than the average for Home Counties Forces<sup>16</sup>. It should be noted that the high level of London costs have to be considered and the indicator selected allows for this to some extent by using appropriate comparators. The scope for rationalisation is exemplified by the CO business group plans to move from 80 operational bases to approximately six core multi-functional sites.
- The MPS corporate development staff appear to be costly when compared to the MSF median.
- Control room costs, when benchmarked against the MSF, appear to be significantly higher. Performance in this area of work is mixed with only 33% of calls resolved on first contact (compared with an average of 49% for all forces), a high level of staff sickness (15% against an average of 10%) and yet a high level of customer satisfaction (91% against an average of 90%) MPS report a recent increase to 93%. These issues are currently being considered within TP and with ongoing work designed to reduce costs and to maximise performance.

### 3.2 What is the MPS record in achieving resource leverage?

**There are many creative examples of resource leverage within the MPS that include some work prompted from external benchmarking, innovative collaborative work with partners and improved systems of financial control. However, this work is not mainstreamed and there remains significant scope for the MPS to extend the range of its resource leverage effort.**

#### Strengths

- The MPS has previously achieved the Home Office efficiency target in each of the previous nine years with a combination of cashable and non cashable efficiencies and in 2007/8 achieved cashable efficiencies of £57.8m.
- The latest Service Improvement Programme incorporates a diverse range of significant cash releasing efficiency savings that are projected to achieve £280.8m over three years (to 2010/11) which is £29m short of the 9.3% cumulative target (£309.8m) required by the Home Office.

<sup>16</sup> Appendix A sets out an alternative approach using premises costs per £000per £m GRE

- There is some evidence that external benchmarking for the HR (releasing £15m per annum by 2011) and F&R (potentially £3m per annum albeit the efficiency plan only shows £2m) has assisted in assessing the potential for efficiency improvements.
- The work within TPHQ on Diamond Districts, Integrated Prosecution Teams, Streamlining Case Files (DGSP), Project Herald and exploratory work to quantify the social benefit from 24-hour neighbourhood policing in Hammersmith and Fulham show considerable promise as collaborative ventures, many of which are included within the MPS MTFP.
- There are numerous examples of how TP has leveraged (accumulating) additional resources from partners to fund additional PCSOs and police officers. Under the PCSO Scheme an additional 326 PCSOs across 18 London Boroughs are funded for two years (the Safer Transport Scheme) through TfL. There are also 199 PCSOs, 21 PSs and 16 PCs and 103 other posts funded by other public bodies. Plans are also underway in 19 Boroughs to fund an additional 145 police officers. This approximately equates to an additional £144m per annum in attracted income for PCSOs and £6.75m per annum for police officers.
- A Resource Allocation Model (RAF) is utilised by TP for the disbursement (post-settlement) of resources/staffing to Boroughs. It takes account of need, demand, customer access, capital city and security and the Commissioner's judgement and is reviewed every three years. The next review is due in 2008. Neighbourhood Policing is not included in the model.
- There is some evidence of reducing waste and minimising financial risk as evidenced by the SO 'Good Housekeeping' guide. There is no comparable publication for other business units.
- Good work has been progressed in Contract Management that routinely involves contact with other forces with Project PROSPA, P2P and Category Management leading to £35m savings by 2009/10.
- Following a detailed review of the resourcing of events against risk, the CO business group has greatly reduced the aid commitment for significant MPS events by a total of 10,617 staff days (amounting to about £1.35m) for public order and ceremonial 'aid' commitments in 2007/08 compared with 2006/07. One example relates to policing for the Trooping the Colour that was reduced by 75%, achieving non-cash releasing efficiency savings of over £300k. Another example is the consolidation of 'silver' commanders for football matches in London so that on any match day there is now just one silver commander rather than one for each of the seven matches that could be ongoing in any one day, however at present this is also a non cashable efficiency.
- There is a transparent process for the determination and realisation of cash releasing efficiency savings and growth items at business group level and above with each being required to generate the same proportion relative to their overall budget (e.g.; 91.3m for TP and £26m for SCD in 2009/10).
- As part of its workforce planning, the HR Directorate has developed a three-year deployment plan that details all staff recruitment, postings and

departures against agreed establishments. The document is sophisticated in its design and profiles all monthly changes in staff postings for the MPS. It is linked (not electronically) to the MTFP and is informed by the business planning process.

### **Work in Progress**

- The MPS with support from the MPA has introduced a bottom-up driven Medium Term Financial Plan (MTFP) and an associated three-year Deployment Plan to support delivery of the Corporate Business ambitions<sup>17</sup>. Whilst the MPS is continually improving the MTFP, it is largely a reactive tool that is used to collate the cost of growth and efficiencies over a three-year period - it does not proactively drive and support resource leverage. It could be improved by enhancing the accuracy of links with the Capital Financial Plan and by introducing a more dynamic link with the three-year deployment plan whereby the costs follow staffing changes automatically.
- SO is working to quantify the gap in DSP grant funding (estimated to be £30m) and, in liaison with the MPA, to negotiate improved terms with the Home Office and thereby attract resources.
- The MPA is currently working on recovering the cost of policing the London City Airport from its operators (estimated to be £2.1m per annum).
- Work is also underway within the Resources Directorate to collate all inspection recommendations (internal and external), to track implementation and to identify potential opportunities for efficiency savings. This will also extend to costing the level of MPS resources required to support each inspection.
- A joint initiative is underway between the MPS and TfL to create a new shared data-centre that would be cheaper to create than going elsewhere and which will, in due course, service the needs of both organisations and conserve resources.
- TP are progressing a project on Virtual Courts that shows great potential to conserve resources. A proto-type is currently being piloted to establish proof of concept and the initiative will potentially avoid the need for police officers to travel to court, reduce cell space, reduce suspects being bailed to return to police stations and improve attrition rates. The project has potential to generate cash releasing efficiencies of £1.3m per annum from 2011/12 with scope for further savings to be realised by criminal justice partners.
- Work has also been initiated by TP to quantify the cost, productivity, impact and performance of policing overheads. This has triggered work within CO, SCD and SO to closely scrutinise their baseline budgets, identify the nature of their impact upon front-line policing services and the potential development of productivity measures to assess value relative to similar units within and without the MPS.

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<sup>17</sup> Given the long term financial commitments for PFI schemes the MPA and MPS will need to consider moving to longer term financial modelling – see CIPFA guidance “Improving Budgeting; Modernising the Cycle” 2008

- There is work underway to decommission the 300 legacy ICT systems although less than five have been decommissioned in the last two years.

#### **Areas for Improvement**

- There is an inconsistent approach taken to income generation and sponsorship across the MPS with a need for a strategy to maximise opportunities with links with the Resources Directorate. The Income Development and Events Unit which leads this work currently sits with HR Directorate which may now be anomalous and there is little awareness of their role in the wider MPS.
- There is a reluctance to make non-cash releasing efficiency savings from business groups cashable (i.e.; by realising a reduction in staff). This arguably stems from a reluctance to reduce headline police numbers (which has evident political support) and the absence of a framework that provides appropriate incentives for OCUs that enables the MPS (through business groups) to harvest cashable savings. This inhibits cross-business group work and highlights the need for improved tracking and transparency of efficiencies - particularly non-cashable gains at OCU level.
- There is no standardised decision-making process in the MPS for the employment of consultancy support that amounted to £11.4m expenditure in 2007/08. Whilst it is recognised that the lack of internal skills and barriers to effective permanent recruitment means the MPS needs to procure consultants in some cases, more cost effective options for the provision of management support should be considered. The use of skills transfer as part of the commission, as used on P2P, should be routinely considered as it has the added benefit that skill transfer could reduce future demand for consultants.
- Whilst the TP RAF disburses resources and staffing to Boroughs post settlement, overall workforce allocation is primarily based upon staffing shortfalls against establishment and takes no account of the National Intelligence Model (NIM) or control strategy priorities.

### **3.3 What is the MPS organisational core capacity in terms of systems and learning?**

**The MPS has established a new Developing Resource Management Programme within its new Service Improvement Programme to coordinate the development of resource management work. Whilst some business groups have established their own approaches, these are inconsistent and lack the range of activity necessary to achieve effective resource leverage. Systems to improve learning are noticeably absent and there is a need to provide standard data sets necessary to benchmark productivity and to cost performance.**

#### **Strengths**

- The TP, DoI and CO business groups have established pan-group forums to develop efficiency and productivity work, informing many 'big-ticket'

efficiencies (virtual courts, consolidated deployments bases for the CO business group, etc) and to become centres of excellence on the subject.

- The Investment Board and Assessment Panel have a robust template system for the submission of business cases incorporating options, risk, cost and benefits that routinely involves lead accountants to calculate the costs thereby improving the quality of financial information contained within submissions.
- Risk management is integrated within the management and delivery of all key MPS programmes thereby ensuring that all key risks are documented and that mitigation plans exist to support their implementation.
- Notwithstanding the absence of integrating financial data, the MPS does have a planning and performance target setting process that could be described as both bottom-up and top-down in its approach. It helpfully incorporates delivery plans at business group level and takes account of targets negotiated under LAAs.
- Following a review of Strategy Modernisation and Performance Directorate, structural changes have been made to create a new 'Strategy and Improvement Department' that sits alongside the Financial Services Department within a single Resources Directorate. This recent change aims to improve synergy between the functions of finance, performance and service improvement work over the current financial year (2008/09) saving £0.9m each year.

### **Work in Progress**

- There has been some good preliminary work undertaken for the Force Tasking and Coordination Group (FTCG) in costing some proactive tactics (e.g. Neon Operations). This now needs to be expanded to cost other tactics against their effectiveness to potentially share across the MPS.
- TP has also commissioned work with the HR Directorate to improve the development and deployment of the MPS staff talent pool. This involves the design of a new development programme for potential leaders that will incorporate business management skills alongside other key skill requirements.

### **Areas for Improvement**

- Whilst budgets are routinely monitored, the MPS has yet to fully integrate costs with performance data within its performance management framework with limited evidence that this occurs at any level. Unit costs are rarely used and the paucity of productivity data significantly impairs its ability to benchmark efficiency, productivity or to set accurate baseline budgets as there is little transparency in the way resources match demand. As a consequence, there is limited focus upon costed performance, productivity and efficiency at routine performance meetings from Performance Board to OCU level performance meetings.
- There is an inconsistent approach taken to improving resource use across the business groups and OCUs. The TP, CO and DoI business groups are

developing small productivity and efficiency groups to drive work in this area, share good practice and identify potential pan-business group initiatives. The same cannot be said for the other groups. This is borne out of the absence of a clear MPS ambition and approach to drive resource leverage. A model or approach to maximise the use of resources with business group champions could help with potential links to the performance review and inspection functions to provide capacity to identify opportunities for development at the business group level.

- The MPS needs to develop a filtering mechanism to help it focus upon those aspects of its business that represent the greatest leverage opportunity. This could include an examination of the primary drivers of demand and costs, through benchmarking key functions, by scrutinising areas of high spend and/or high volume activities. Various tools are available to identify leverage opportunities thereafter (process mapping, stakeholder analysis, etc) but these should be focused on aspects of business that indicate the greatest potential gain.
- Benchmarking functions across the MPS and the MSF/MSBCU groups to drive efficiency and productivity does not generally occur. This may leave the force unsighted on areas of comparatively high cost with opportunities to progress improvements in efficiency and productivity being potentially missed.
- The experience and learning from LAA negotiations needs to be captured and used to inform the future development of BOCU Commanders in terms of leveraging external resources. Links to ongoing 'Capability Reviews' – a Cabinet Office initiative currently being trialled in the MPS (TP Department) intended to improve the quality of leadership of senior management teams – may also prove valuable in this regard.
- There has been very limited training (five places taken up on a Business Awareness Course to date) for members of SMTs in business management skills and this requires energising and refocusing with links to the Leadership Academy.
- Whilst there are some examples of how the learning from workforce modernisation has been identified, these do not appear to have been more widely shared across the MPS to develop organisational learning on the subject.
- A framework for the creation and realisation of efficiency savings at OCU level is required that promotes incentives, transparency and corporacy. The TP model of disbursement within a framework that encourages creativity, innovation and the delivery of cash releasing efficiency savings has some potential in this regard.
- Activity sampling occurs (by HO agreement) in a limited number of sites but lacks credibility. There is no MPS strategy on the capture of activity time (and therefore cost) through integration within mainframe IT systems. The product from activity analysis and costing is rarely used to inform efficiency savings and management decisions.

- There is a need to more accurately track and prove the achievement of efficiency savings (particularly non-cashable) in a more transparent way. The generation of cash releasing efficiency savings occurs at business group and above but rarely below that level and non-cashable savings are hardly tracked at all. This, alongside the tracking of growth, would provide clear opportunities for improved performance and a greater range of financial options for OCUs, Business Groups and the MPS.
- There is no dynamic interface between the HR and Finance IT systems which makes reconciliation difficult, leads to an increased support requirement and introduces unnecessary risk to the process of HR and Finance. This is critical to drive an efficient and effective resource management system.
- Business group plans follow a bespoke template and are often written by junior managers on behalf of their ACPO leads, with limited understanding of financial and business planning techniques. The incorporation of productivity information, the cost of delivering objectives and its integration within annual plans is therefore limited.
- Performance Information Bureau (PIB) does not service all business groups with performance information and has not explored how to integrate finance data with performance. NMIS (termed MetMIS in the MPS) is due to go live in July 2008 and does not incorporate a specific capability to generate unit costs.
- In his annual report for 2007/08, the MPA Director of Internal Audit identified the need to maintain “effective processes for internal control to ensure that process and systems operate effectively and that management information is therefore reliable and accurate.” This forms an essential element of ensuring good resource management as improvements invariably depend upon the availability of accurate data sets.
- There is no common approach to the analysis of the risk of the MPS not delivering its intended efficiency savings and in closing the budget gap over the medium term. There is therefore the need for overall corporate management guidance to define a common approach on this.

### 3.4 What is the impact of MPS and MPA governance arrangements and how is it being pulled together?

**The MPS has recently improved its systems of internal financial control and further enhancements are being progressed. This has led to increased rigor in accountabilities, expenditure and reduced financial risk. There remains scope for the MPA to review its oversight of resource leverage in the MPS.**

#### **Strengths**

- The MPA hold a monthly Finance Committee, a Procurement Oversight Group and an Overtime Scrutiny Group. There is also an MPA Corporate Governance Committee that receives risk management reports from the MPS and other Oversight Groups dealing with IS/IT and Estates.

- The development of resourcing considerations by the Commissioner at MB and the engagement by the Deputy Commissioner as chair of the Productivity Board and Investment Board clearly demonstrates a commitment by the MPS leadership to continue to improve the use of resources.
- A Scheme of Delegation has been introduced to Business Group level with further layers to OCU Commanders to be implemented by January 2009. This will regulate authority levels for fiscal decisions, improve accountability and reduce financial risk. It has also been underpinned by budgetary compliance objectives within all PDRs for OCU Commanders.
- The MPS has introduced six budget principles that are to be followed by all members of Management Board. They are intended to promote improved accountability, efficiency and to minimise financial risk across the MPS. These incorporate the Scheme of Delegation, corporate governance, financial compliance and continuous improvement.
- The MPA planning cycle has recently been aligned to the planning year (i.e.; April-March) thereby promoting synergy between the business planning processes.
- The MPA undertakes a scrutiny role via budget scrutiny meetings, overview groups and the finance/PPR committees.

### **Work in Progress**

- The MPA are engaged with the Home Office on the level of DSP Grant funding received and on funding for policing of London City Airport.
- Work is currently being progressed with the MPA on a review of MPA Standing Orders, Financial Regulations and Contract Regulations which apply to the MPS. This is with a view to reconsidering the governance arrangements for financial matters (and thereby increase accountability and minimise financial risk) where such opportunities exist.
- The MPA are actively scrutinising the outcomes achieved from the C3i Programme albeit this is work in progress.

### **Areas for Improvement**

- There is a need for increased transparency regarding the financial aspects of the business planning process, both within the narrative in the Corporate Business Plan, the Executive Summary and specifically the nature of the budget gap over the medium term, the financial risks and what efficiency activity is required to close it.
- Whilst the MPA sit on the Productivity Strategy Board, the degree of intrusive scrutiny of productivity work in the MPS has been limited and appears confined only to the latest budget scrutiny review process. However, if a full resource scrutiny were to be undertaken by the MPA, it would require additional staff with financial expertise to assist.
- Notwithstanding the recent budget scrutiny exercises, which are a welcome development, the absence of productivity data to help validate the baseline

element of budgets indicates a need for further work and more rigorous challenge by the MPA in its future Budget Scrutiny Review processes. This could, for example, include an examination of productivity data benchmarked against the MSF or private/public sector comparison.

- In the absence of nationally available benchmarking data, a number of business users have sought benchmarking support from consultancies. Work is also being undertaken by ACPO, CIPFA and HMIC, supported by the MPS to develop a consistent financial reporting structure to facilitate benchmarking. It would be of considerable assistance to the MPS and other Forces if standards were set by the Home Office for financial data, mirroring those for National Crime Recording Standards (NCRS) to enable Forces to readily make comparisons on a consistent basis.

### 3.5 What potential prospect exists?

**The MPS has shown that it can leverage significant gains from benchmarking and its collaborative work with key partners. The range of this work must be extended and driven from the top by an agreed ambition, strategy and productivity indicators. The machinery to support this work exists and a framework for delivery needs to be developed that will mainstream the approach across the MPS.**

#### Strengths

- The MPS has demonstrated capacity to innovate through various creative examples of resource leverage, most of which are incorporated within its three year efficiency plan and the emergent Developing Resource Management programme.
- The creation of a single Resources Directorate and a Developing Resource Management programme alongside an intention to access consultancy expertise represents a building block to support the delivery of improved resource leverage in the MPS.
- The ongoing work to enhance corporate governance, procurement processes and other financially oriented initiatives represents essential components towards mainstreaming enhanced resource leverage.

#### Work in Progress

- Encouraging development work has been started to maintain a MTFP and to link a Deployment Plan on a similar three-year horizon. This will help the MPS quantify the required cash releasing efficiency savings against its budget gap whilst also taking account of its growth requirement. This growth and efficiency has been linked to MPS priorities and the MTFP process is becoming more dynamic and transparent.
- The MPS is developing the business support function by bringing together the Inspection, Liaison and Audit Unit (ILAU), Risk Management and Quality Assurance Teams within Finance Services.

## Areas for Improvement

- There remains a need to agree and communicate an MPS/MPA direction for achieving improved resource leverage. The absence of an ambition for resources has also meant that it has not been integrated within the current MPS vision, mission and values. It could include the intention of developing the MPS culture into one where creativity, innovation and improving productivity become 'de rigueur' (as with TP where there are several good examples and as with the MPS modernisation programme). This would be assisted by a corporate programme that has the aim of mainstreaming such thinking and practice.
- The introduction of PDR budgetary objectives for OCU Command teams is a positive step but consideration could be given to this being focused to include the identification and delivery of cash releasing efficiencies in addition to staying within budget.
- Crucially, there is a need to finalise the MPS top-level productivity and benchmarking measures and to integrate financial information with that for performance. This needs to specifically include costed performance against priorities, productivity indicators and benchmarking data (internally and externally).
- All business groups would benefit from integrating leverage and productivity work with their inspection and performance review capability and in the creation of a forum for sharing developing practise as is developing within the TP and CO Business Groups. These could advise and scrutinise the leverage and productivity work of OCUs and Branches and help identify 'big ticket' savings. This will need to include the development of an approach to filter and identify potential leverage themes worthy of further investigation.
- The selection and development of senior leaders in the MPS needs to acknowledge the importance of maximising resource use.

## 4. RECOMMENDATIONS

HMIC makes the following recommendations:-

**1) The MPS supported by the MPA should set out an agreed and shared ambition for resource leverage in the medium term. (MPS/MPA)**

**2) The MPS should progressively develop 'Business Intelligence' indicators that benchmark MPS costs. (MPS)**

**3) Reliable benchmarking information facilitated by the Home Office would be of assistance to the MPS and other Forces when making comparisons on costs and overheads. (HO)**

**4) To help maximise the use of resources the MPS should provide senior managers with appropriate resource management skills and awareness training. (MPS)**

**5) The MPA should review its oversight and expectation in the way the MPS applies resource leverage. (MPA)**

## Appendix A

**How to read the Business Intelligence Diagnostic**

The diagnostics present MPS with other forces on a comparable basis, such as staff per 1000 population or costs per gross revenue expenditure. They are drawn from a variety of sources. Their purpose is to identify areas for further investigation and they make no judgement of whether differences are good or bad. They are a management tool.

To get some idea of scale of the differences between the MPS and others, the impact of reducing staff or costs to MSF levels or other levels such as the median, average or lower quartiles is shown. For example, for the corporate development function were staff numbers reduced to MSF 4 levels of 0.9 staff per 100, then the impact would be a reduction at the MPS of 436 staff or £17m assuming staff costs of £40,000 per head.

We have also tried to calibrate how far the MPS's position would alter, were the savings and efficiencies set out in Appendix 4 of the MPS Plan implemented. This is inevitably a rough estimate and is based on staff actually in post, rather than budgeted savings which usually include staff vacancies as a saving.

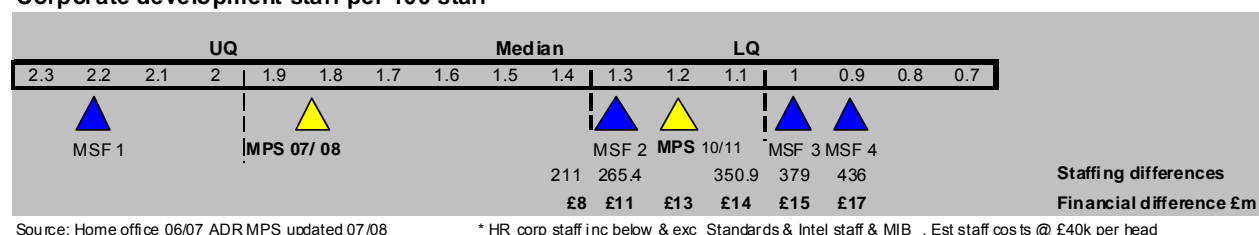
Where relevant we have shown other benchmarks, such as the CIPD (Chartered Institute of Personnel & Development) on the HR data as green triangles. It is also worth highlighting that the CIPD definition of functions is somewhat broader than that assumed by the Transforming HR project. However these benchmarks are indicative only and as with the THR project, should be used accordingly

## 'Business Intelligence' diagnostic

### HMIC worked examples of areas which could be included in the diagnostic (for illustration)

#### CORPORATE DEVELOPMENT

##### Corporate development staff per 100 staff\*



These staff are predominantly employed in the collation of statistics, research and policy development and analysis, strategic planning as well as inspection and other similar performance monitoring functions. They also carry out tasks related to the above.

- Corporate Development - MPS staffing ranks second against its MSF family and is below the upper quartile. The MPS has identified savings amounting to £12.5 million which would place them below the median. However were economies of scale possible in this function and staffing were at the lower quartile, then possibly a further £1.5m could be achieved.

Key points from the Business Intelligence Diagnostic are:

- MPS staffing at 1.84 per 100 staff (inc PCSOs) ranks second among the MSFs, and is below the upper quartile (UQ) and 33 percent higher than the median (1.39) for all Forces.
- There are around 864 Corporate development staff of which 234 (about 25 percent) are police officers, distributed among the Business Groups as follows:

##### Corporate development function

	Staff	Officers	Total	%age total
TP	167	134	301	35%
CO	52	28	80	9%
SCD*	101	27	128	15%
SMPD	150	19	169	20%
Diversity/Cit	23	9	32	4%
Foc				
DoI	100	9	109	13%
Other	36	8	44	5%
<b>Total</b>	<b>630</b>	<b>234</b>	<b>864</b>	<b>100%</b>

SCD data amended due to miscoding & excs Standards & Intel & MIB








- MPS 3 year budget and business plan suggests that spending in this area be reduced by £12.6m by 2010/11, distributed as follows:

<b><u>£m total savings to 10/11</u></b>	
TP	-7.35
CO	-1.48
OS	-2.33
SMPD	-1.46
	<u><u>-12.62</u></u>

- Assuming that these represent savings of staff in post, this would bring MPS staffing down to 1.2 - below the median. Should staffing be reduced to the lower quartile (LQ) then approximately a further £1.5m could be saved.
- There may also be scope in Department of Information (DoI) and although most of these staff come under DoI 2 (according to MetHR) which is concerned with information management, possibly including MOPI.

## HUMAN RESOURCES (updated)

### HR staff per 100 total staff

	UQ				Median			LQ			CIPD Public	CIPD Private sector			
	2.3	2.2	2.1	2	1.9	1.8	1.7	1.6	1.5	1.4	1.3	1.2	1.1	1	
															
MSF 1						MSF4	MPS		MSF3	MSF2		MPS 11/12			
									113.8	191.3		260		384.9	Staffing difference
									£4.0	£6.7		£9.2		£13.6	Financial difference £m

Sources: HO ADR 06/07 with MPS updated as at March 08. CIPD benchmarking. THR presentation May 08

Base data: Total staff = 49,993 inc 885 HR staff within THR scope & including 96 Occ Health as per CIPD definition

Assumption of £35.2k per HR staff

HO definition includes staff who are predominantly employed in Human resources including career development and management, equal opportunities and diversity, and recruitment including associated administrative support. Training of police officers is defined separately.

The HO definitions of the HR & training function aligns with the Chartered Institute of Personnel & Development (CIPD) definition except that CIPD includes Occupational Health and Payroll. We have included Occupational Health, but not payroll. The CIPD ratio of 1: 82 (or 1.2 HR staff per 100 staff) is based on large public sector organisations (>1,000 employees) predominantly based on colleges of higher education, local government, housing and some government departments. The equivalent figure for large private sector organisations is 1:104 (or 0.96 staff per 100 staff).

Some notes of caution. First, the THR initiative is limited to a number of mainstream functions within HR. Second, that the types of industries from which comparisons are drawn and the mix of staff (e.g. mix of professional/managerial vs. clerical/manual), can have a significant impact on the HR staffing per employees. Third, investment in some HR functions such as appraisal systems and leadership initiatives should be as a result of clear policy decisions, which ideally, must be viewed separately from “pay and rations” transactional functions. Fourth, the figures used here related to a baseline of staffing at the end of 2008 and are based on staff numbers only.

Key points from the ‘Business Intelligence’ diagnostic are:

- Only a handful of relatively small Forces have HR ratios at the CIPD Public sector benchmark.
- MPS ranks third in its MSF and sits at 1.76 HR staff per 100 staff – 7 percent higher than the median of 1.66.
- The Transforming HR initiative (THR) is ambitious because it aims to change the business model on which the HR function operates. As a result, THR aims to reduce staffing from 785 HR staff as at March 08 to 539 by 2011/12 – a reduction of 246. This compares with a reduction of 260 on the Business Intelligence Diagnostic and this would yield savings of about £9m (assuming £35.2k per head)

Recent briefings show that total staffing is projected to reach around 54,000 by 2011, excluding Special Constables (Source: Director of Resources Briefing Note to Kit Malthouse, 19 May 2008). Were this to occur, then HR headcount would need to increase and the savings target would need to be reduced.



**Table 1: Finance costs: £ per £GREm (06/07)**

	Met		Difference
	Police	Avg	£'000
Police Authority	103	315	-684
Internal Audit	624	397	<b>733</b>
	<u>727</u>	<u>712</u>	<u>48</u>
Accountancy	4,489	3,963	<b>1,697</b>
Payroll	1,017	1,294	-894
Creditors	974	596	] <b>1,662</b>
Debtors/cashiers	444	307	
Pensions	455	496	-132
	<u>7,379</u>	<u>6,656</u>	<u>2,333</u>
<b>Core functions</b>	<u><u>8,106</u></u>	<u><u>7,368</u></u>	<u><u>2,382</u></u>

The key points are:

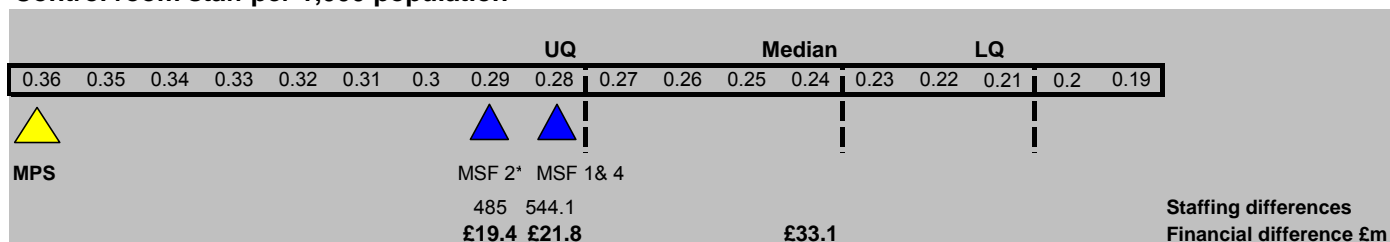
- The total cost of the finance function at the Met Police is £8,106 vs £7,368 - some 10 percent higher than the average adding £2.38m to costs
- Most of the difference is due the MPS finance function, which is responsible for £2.33m of the net additional cost.
- The MPA accounts for the remaining £48k with a significantly higher internal audit costs – an additional £733k (58 percent more), off set by lower Treasurer's costs.
- Not all costs are higher than the average:
  - Payroll costs at £1,107 are 20 percent lower than the average – saving the MPS nearly £900k.
  - Pensions administration at £455 are almost 10 percent lower than the average.

These are two functions where the MPS has exploited possible economies of scale and gained from competitive tendering - resulting in a total £1m savings.

- Three functions have higher than average costs:
  - within the MPS - accountancy, creditors & debtors/cashiers and
  - within the MPA – internal audit.
- Accountancy costs at £4,489k are 13 percent higher than the average, adding £1.7m
- Higher Creditors, debtors/cashier costs also add £1.7m to costs.
- Higher costs are in part due to staff costs for this function – whether centrally or locally based – being some 30 percent more than in other Forces

## CONTROL ROOM

### Control room staff per 1,000 population\*



Source: Home office 06/07 ADR

Data for MSF 3 not included due to inaccuracies. MSF 2 data amended

Definition includes staff predominantly employed as Control room staff in either force or area control rooms including officers employed as telephonists. CAD Controllers and those officers/staff in supporting roles should be included. Staff who are predominantly employed in dealing with front office enquiries from the public are not included.

- The Business Intelligence Diagnostic shows that MPS staffing at 0.36 per 1,000 population (36 per 100,000 population) is about 45 percent higher than the median.
- Comparison with the Most Similar Forces however, shows MPS staffing is between 22 and 25 percent higher, equivalent to between 485 and 545 more staff with an estimated additional cost of between £19.4m - £21.8m (excluding overtime)
- A recent Benchmarking report shows that Customer satisfaction (%age measured in the Call centre) for the MPS is 91 percent compared to 90 percent at other forces. The MPS report this has recently increased to 93%. While first contact resolution rate - a key indicator - is 33 percent compared to 49 percent at other Forces.
- The table below shows that there are 2,685 staff in this function. Two thirds are coded to CO 10 - the main call handling and dispatch centres. TP employs a further 735 staff – about 60 percent are officers - and accounts for most of the remainder.

### Control room breakdown by business groups

	Officers	Staff	Totals	%age total
TP	461	273	735	27%
CO 10	239	1,545	1,784	66%
Other CO	33	113	147	5%
SCD 15	4	16	20	1%
<b>Totals</b>	<b>737</b>	<b>1,948</b>	<b>2,685</b>	<b>100%</b>

Source: Met HR (3/08)

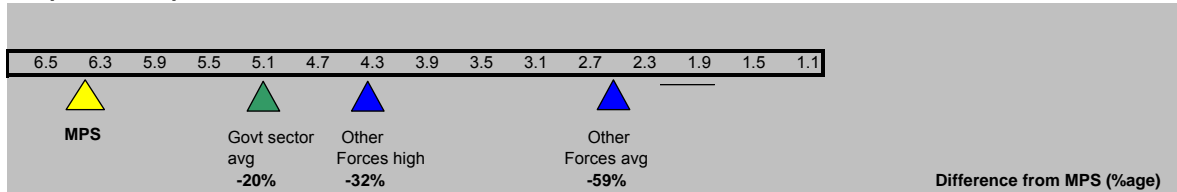
- Different Forces clearly have different arrangements for managing calls effectively. At least one MSF organises call handling and dispatch centrally with neighbourhood, non emergency calls managed locally.
- In this Force (MSF 2) central dispatch includes a fast time intelligence / risk assessment for response officers before they reach the scene. At the MPS, the dispatch role is managed partly at the centre and partly on the Boroughs.

- No doubt, both ways – the dispatch function either entirely centrally or entirely locally managed - can be made to work. There is clearly some scope for improving the cost effectiveness by looking at the system as a whole - especially now that the control room function has come under one Business Group (TP) while previously it was managed between two: OS/CO and TP.

**‘Business Intelligence’ diagnostic - other worked examples for illustration purposes ; (not included in Chart 1)**

**INFORMATION TECHNOLOGY**

IT spend £'000 per staff



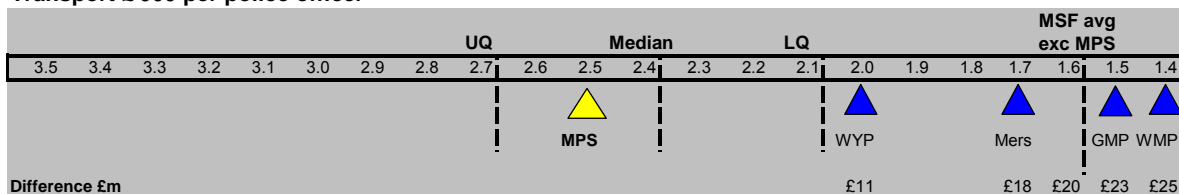
Source: Gartner 06/07 data?, published 11/07 (NPIA)

Note: European/MiddleEast/Africa (EMEA) avg exc due to volatility of exchange rates & unknown business sectors

- This benchmarking information was commissioned by the MPS. from Gartner's. We have not included the EMEA figures provided because it was unclear which sectors were covered and because changes in exchange rates can make comparisons difficult.
- The chart suggests a relatively high level of spend. The government sector average is 20 percent lower than the MPS, while forces with a high level of IT spend are, nevertheless, some 32 percent lower.
- Some in the industry argue that insufficient is spent on IT in many police forces, nevertheless the level of difference requires further investigation. In particular the level of improved efficiency provided by this significant investment needs to be made clear to Management Board and the MPA.

**TRANSPORT**

Transport £'000 per police officer

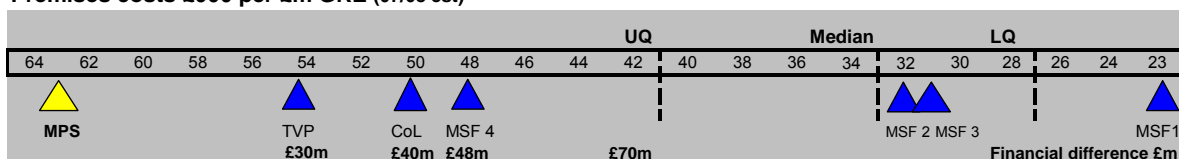


Source: CIPFA 07/08 estimates

- The MPS spends about £2,500 per officer on transport related expenditure, which includes the cost of free travel and air and marine costs among others.
- The average for the MSF excluding the MPS, is £1,600 per officer. And although there are likely to be good reasons for differences, the financial gap – amounting to £20m per annum – makes it worthwhile investigating further

**PREMISES**

Premises costs £000 per £m GRE (07/08 est)



Source: CIPFA estimates

- As expected, MPS premises costs are higher than most, including the City of London.

- There are undoubtedly a range of good reasons for these differences, but the scale of the differences suggests that further investigation of the reasons is worthwhile.

### **STAFF MIX ISSUES (Criminal Justice/Custody)**

The Criminal Justice and Custody functions have been aggregated because staffing figures suggest an overlap between these two functions, which would make Force comparisons between the separate functions unreliable. It also makes it difficult to assess productivity.

'Business Intelligence' recently gathered centrally tries to focus on the mix of police officers and police staff however we have found these figures unreliable so we were not able to proceed. Consequently, we limit ourselves to an overview assessment of the savings proposed in criminal justice processes.

TP clearly recognises that there are significant savings in these areas. Two initiatives are included in the Policing plan worth around £20m:

- Improvement to criminal justice and volume crime processes - £5.4m in 08/09 rising to £7.2m by 10/11
- Change delivery to forensic medical care and custody services - £3.2m in 09-10 rising to £12.7m by 10/11

We understand that the former is, in the main, based on savings which may accrue as a result of TP paying the CPS to carry out some CJU functions, in particular those where inefficiencies are generated as a result of separate staffing for a single process.

This is a creative solution to what has been a long standing problem, causing poor relations between the CPS and MPS staff and not infrequently resulting in cracked and ineffective trials. Test sites have shown promising results. Care will need to be taken to avoid perverse incentives.

We have not been able to assess this proposal in detail, but our initial assessment is that the changes required would be significant, requiring changes in the staff mix and significant improvements in productivity. This would certainly be possible where aborted work was avoided. A clear joint plan will be required and this will have to be carefully monitored if the savings are to be realised.

## Appendix 'B'

## DEVELOPING PRACTICE

**TITLE: Project Herald**

**PROBLEM:** In May 2004, the Service Improvement Review into Custody Capacity (SIRCC) formally acknowledged and highlighted the increasing difficulties being encountered within the MPS, through a lack of cell availability. It was anticipated that by 2010 the MPS would need to process 300,000 detainees per year. In 2006 the Force arrested 313,000 people and, with the advent of statutory charging and other increases in the numbers of prisoners bailed to return to police stations at a later date, actually dealt with 494,000 detainee transactions.

Physical numbers of cells is only a part of the issue. Numbers of interview rooms and consultation rooms to facilitate the investigative process are also significantly impacting on prisoner processing capability, particularly at times of peak demand. Capacity is also reduced through delays during custody processes, for example waiting for Forensic Medical Examiners, solicitors, or appropriate adults to attend. At peak times, a key delay is caused through custody officer's incapacity to deal with multiple demands. These inefficiencies have a contributory effect on the amount of time a detainee spends in custody and therefore on the ability to manage risk.

**SOLUTION:** Project Herald is one strand of a program of proposed Criminal Justice reform. In considering the end-to-end process that commences with report of crime and ends with case disposal at court, any efficiency and safety improvements will have a far wider impact. For example, improvements in custody processes that increase data quality will provide benefits for other projects where transfer of accurate information is critical such as Integrated Prosecution Teams and Virtual Courts.

Project Herald has three strands:

- ▶ Improving custody forensic medical provision through the introduction of nurses forming a team-based approach involving doctors and nurses.
- ▶ Developing a forensic evidence strategy at the point of arrival at a custody suite.
- ▶ Utilising DDOs to do much of the custody computer inputting thereby enabling the custody officer to better manage and supervise the custody suite.

**OUTCOME(S):**

- ▶ Improving supervision of the Criminal Justice process at the early stages leading to greater data quality
- ▶ Speedier medical assessment and forensic medical recovery
- ▶ Providing improved care for all detainees
- ▶ Reduction in overtime costs / detention times due to delays in waiting for FMEs to attend custody
- ▶ Improving services to victims and witnesses
- ▶ Meeting strategic objectives and demonstrating best value by making better use of resources
- ▶ Increasing cell availability due to timely processing of detainees
- ▶ Improving accuracy and quality of data
- ▶ Potential savings estimated to be £2m pa;

**FORCE CONTACT:** Detective Superintendent David Imroth - 0207 161 2948

## Appendix 'C'

## DEVELOPING PRACTICE

**TITLE: Proportionate approach to summary justice, Director's Guidance to Streamlined Process (DGSP)**

**PROBLEM:** An inappropriate approach to high volume and low level summary offences in Magistrate Courts leading Nationally to:

- ▶ Disproportionate case file build
- ▶ Inefficient use of police staff / officer time
- ▶ Inadequate use of court time

**SOLUTION:**

Improvements in summary justice were evident whilst CJSSS was being rolled out across England and Wales however the high level of bureaucracy that remained was not sustainable and unnecessary with a high number of defendants pleading guilty.

The Director's Guidance Quick Process (DGQP) was developed by the police and CPS during 2006/7. Originally intended for use in Conditional Cautioning, it was adapted for the CJSSS process and involved the preparation of a summary of evidence as the prosecution case. There were two pilot sites (London and Gloucestershire).

The initial evaluation showed that DGQP worked well particularly where good cross-agency training had been given, this, coupled with early robust supervision of case work by police, ensured the file build was sufficient for the court to manage the case, the defence to enter a plea and the prosecution to prosecute.

Building on the success of DGQP and recommendation 10 of Sir Ronnie Flanagan's Interim Report on Policing DGSP was devised introducing a much simplified file build procedure for the first hearing and includes:

- ▶ The development of a process to be used by the police and CPS to build a Police Report in anticipated guilty cases
- ▶ The development of a process to be used by the police and CPS to build a First Hearing file in anticipated not guilty plea cases
- ▶ Guidance on evidence, which will be served upon the defence, court and Probation as AI/PSD.

The MPS has embraced DGSP and recognised the potential benefits for its staff, the public and the CJS. Along with CJS partner agencies, through the London Criminal Justice Board, the MPS have developed a delivery model for the implementation of DGSP by the end of 2008.

**OUTCOME(S):**

- ▶ A reduction in police officer and administrative staff time taken to prepare a prosecution file between 60 – 120mins per case releasing valuable officer time for front line duties.
- ▶ Little or no detrimental impact on the guilty plea rate at first hearing.
- ▶ Little or no increase in the number of adjournments before trial.
- ▶ Efficiency savings yet to be quantified.

**FORCE CONTACT:** Inspector Lee Higgins Tel: 07789 921997

## Appendix 'D'

## DEVELOPING PRACTICE

**TITLE: Integrated Prosecution Teams (IPTs)**

**PROBLEM:** To create a more efficient and effective criminal justice system between the MPS and CPS and improve the quality of case file content.

**SOLUTION:**

The MPS and CPS designed the Integrated Prosecution Team in order to achieve improvements in efficiency, effectiveness and the quality of information. CPS and MPS form a joint prosecution team under the IPT banner, working as one unit on MPS accommodation. To achieve the improvements the design of the corporate model included:

- ▶ A single case file, where ownership of the file would transfer between the two organisations during the prosecution process.
- ▶ CPS manage the case file from receipt after charge through to completion at court. CPS request directly all update material and carry out all remedial work.
- ▶ MPS CJU staff, displaced by the CPS, transfer their case file skills to the pre charge process and perform the new role of Case Builder in the Case Progression Unit. The Case Builder reduces the administrative burden on police officers.
- ▶ Introduction of a MPS Quality Assurance team to act as a conduit for all case files transferred to the CPS and to ensure quality of information.
- ▶ Introduction of an omni competent MPS Post Prosecution Team to manage all post prosecution actions with resilience and ensure compliance with the Bichard report.

MPS and CPS designed a corporate model for London. A 27-week implementation structure was designed to deliver the structural and business changes to each BOCU. Ahead of the implementation to a BOCU the MPS and CPS conducted a review of BOCU performance to identify local practices that may impact on IPT business change and to remedy any case file backlogs that exist. Delivery is managed through a Local Implementation Team consisting of local CPS and MPS Managers and chaired by the LCJB IPT delivery team.

In April and May 2007 the MPS and CPS London transferred three units at Tower Hamlets, Hackney and Waltham Forest to IPTs in order to pilot the new business processes. In September 2007 project governance was transferred to the London Criminal Justice Board. Evaluation of the three pilot sites was completed in January 2008 where each pilot achieved business as usual status. Authorisation by the MPA to deliver IPTs to all London BOCUs by March 2010.

**OUTCOME(S):** The impact of change has resulted in positive performance trends for CPS following business as usual status. MPS to generate staff efficiency savings as a result of the MPS staffing model for IPTs. CPS London to generate financial savings from the transfer of staff from leased London accommodation into MPS BOCU accommodation. Estimated efficiency savings £5.4m pa.

**FORCE CONTACT:** Inspector Jon Butterwick, 020 7796 8656

## Appendix 'E'

## DEVELOPING PRACTICE

**TITLE: Transforming HR****PROBLEM:**

Whilst effective and much better placed than previously to deliver a quality service, the current MPS HR organisation is not the most economic model. Primarily this is due to the fact that the current HR operating model is:

- Costly to operate with a current estimated run cost of £36m per annum
- Resource intensive compared to more contemporary other public sector HR functions
- Not able to provide the most consistent level or quality of service to the rest of the organisation.

As a result, the structure is not seen as having the capacity and capability required to cope with the future demands associated with a growing organisation.

**SOLUTION:**

Transforming HR is a key MPS Modernisation Programme that supports the organisation in enabling the provision of citizen-focused policing services to the people of London. The Transforming HR Programme supports the corporate objectives of managing increasing demands on Business Support functions through efficiency in order to release money for front line objectives. In addition, the programme is in line with the Government's 2008-09 strategic policing priority centring on effective resource management to achieve significant cashable improvements in efficiency and productivity.

The THR model aims to streamline and, where possible, automate standard transactional and informational activities, whilst also enabling increased professionalism and focus on high value strategic activities and 'high touch' interaction with HR's customers i.e. all staff across the MPS and external recruits seeking employment with the MPS.

The key elements within this model, and the areas where most HR staff will operate, are:

- Strategy Centre – Central team with expertise in core HR areas. Responsible for development of HR programmes and policies.
- Business Partners & Strategic HR Advisors – HR staff based in OCUs responsible for local HR delivery. The Business Partners define the requirements for HR programmes.
- HR Service Centre – The Service Centre (SC) will be responsible for delivering all transactional and informational services across the MPS.

It should also be noted that Training, Payroll, and Pension Services have been determined to be outside of the scope of the Transforming HR Programme. However Training Administration is in scope.

**OUTCOME(S):****Financial Benefits**

The financial elements of the business case are summarised below:

- Through a planned FTE reduction from 966 to 686 for an interim period, with a further reduction in HR staff to 539 by FY 2011/12, saving of £15m can be achieved.

- The programme aims to deliver a step change in the HR spend per head from the current rate of £813 per MPS employee to £480 per MPS employee.
- The amount of time and money spent on transaction services will also be significantly reduced from £21m to £6.9m. This represents a sizeable efficiency saving and demonstrates the improved focus of the transformed HR Service organisation.

**Service Quality Benefits**

In addition to the financial benefits, significant service quality benefits are expected.

These can be categorised as follows:

- Reduced HR Staff Effort (informational and transactional activity)
- Improved Data Quality & Security
- Improved Access to HR Information
- 24/7 service
- Faster Advice / Support
- Improved Quality of Advice / Support
- Improved Compliance with HR policy
- Improved Monitoring & Learning
- Greater management intervention & dependency
- Enhanced line manager capability

**FORCE CONTACT:** Claire Hunt, Business Partnerships Director Tel 0207 161 0555