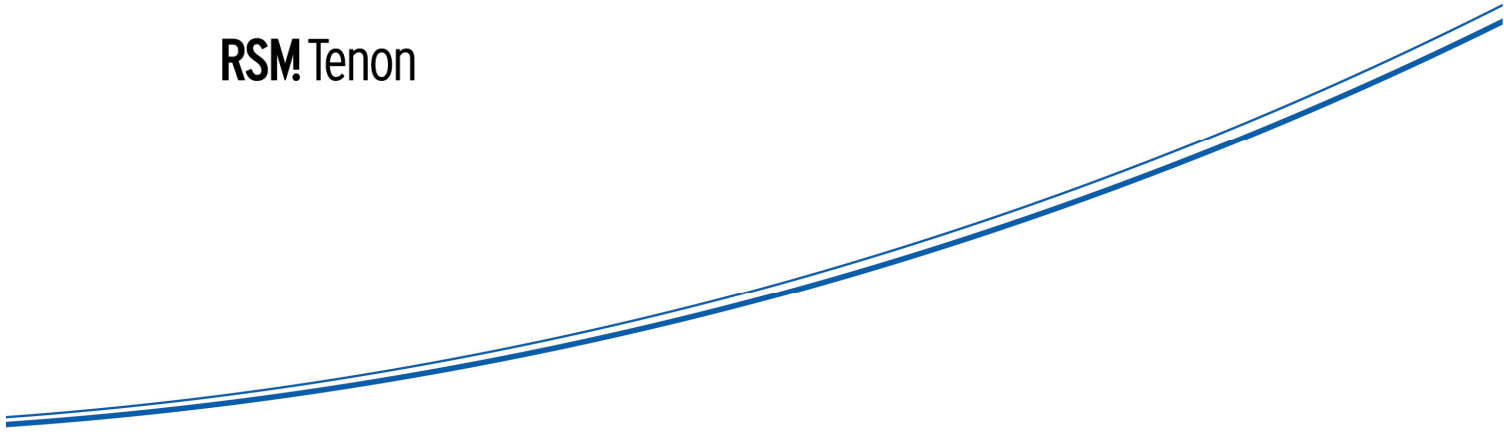


RSM Tenon



LEICESTERSHIRE CONSTABULARY

Benefits Realisation Support – Position Statement

June 2010

Leicestershire Constabulary
Benefits Realisation Support – Position Statement

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1. INTRODUCTION

This paper is intended to set out the position and progress of the corporate savings strategy programme from a benefits realisation perspective, considering the approach, direction of travel, risks and opportunities associated with progress to date.

Our last paper (October 2009) for the Constabulary concluded that:

“Overall, the proposed strategy and supporting approach/plan looked set to facilitate the identification of savings while protecting raising the confidence targets. There are risks and threats with regard to the pressured time line, worst case scenario savings requirement and the appointment of a new Chief in the middle of the process, but based on discussion and evidence of previous approaches to change, it would appear that the Force is equipped with the tools and techniques to cope. The Force has also taken the decision to engage with external support for the benefits realisation element of the savings strategy, injecting an additional degree of check and challenge into the process, along with the independent eyes of a ‘critical friend’. This combination of factors should ensure that there is appropriate level of capacity, capability and willingness in the organisation to take the requirements forward to delivery with the support of the wider staff and stakeholder community”

Since October 2009 the Constabulary has matured with regard to thinking about change approaches, savings targets and organisational structures. As a result, more detailed plans to deliver the required savings have been laid out. A Chief Constable was not appointed at the expected date, but this has not meant the drive for change and improvement has diminished, rather it appears to have added an extra degree of impetus to ensure the quality of services now and in the future does not decline and that the public confidence target should remain an achievable goal.

The paper considers the position as evaluated in October 2009 and follows the main elements of process, governance and risk through to date, in addition to identifying areas for future consideration and offering conclusions on progress thus far.

2. POSITION STATEMENT

2.1. OCTOBER 2009

Leicestershire Police were projecting a budgetary shortfall of £7.8 - £15m by 2011, coupled with the possible loss of non-mainstream funding in the face of challenging conditions for improved confidence targets.

The approach outlined a 'gold' 'silver' and 'bronze' method of categorisation, with the Gold plan aimed at achieving an increase of 8.7% in public confidence and £8m savings by April 2011. Although this was an ambitious plan, it was considered vital to achieve in order to maintain improvement momentum and high performance levels enjoyed in previous years.

A strategy is a plan of action designed to achieve a particular goal. The use of strategic planning is by no means unfamiliar to Leicestershire Police, and the corporate savings strategy along with its supporting documentation shows a clear goal (savings and confidence), with a methodology for delivery.

The Force advocated a risk based approach that was proportionate and inclusive, designed to target the areas identified as most likely to deliver savings without compromising confidence. The balance between productivity and growth, offset against risk and yield was carefully considered so that those areas which are not currently delivering optimal value for money in terms of cost and quality (and therefore confidence) were those to be considered first. It was vital for the Force to be uncompromising with regard to the progress already delivered in the uplift of public confidence, and this was made more challenging by the Pilkington tragedy and the ensuing media commentary again in the wake of the IPPC report.

In terms of the savings levels identified, there had been a broad range built in of around £7m, which was intended to provide a degree of leeway, accommodating 'worst case scenarios' as well as opportunity for future investment when the new Chief Constable took up post in 2010.

It had also been identified, that in line with the idea of achieving a particular goal, there was prudence in developing savings ideas that if implemented, would impact negatively on public facing services and therefore by association confidence levels. This demonstrated a comforting degree of realism in the approach proposed, and showed a focus on risk management running through the strategy, as each proposal would be considered on a case by case basis rather than assumptions and best guesses.

2.1.1. CORPORATE SAVINGS STRATEGY – RISKS AND CONSIDERATIONS

The proposed strategy was based on a very ambitious time line, which we considered to be the most significant project risk. The inclusive, risk based approach outlined above tends to create a high energy among those involved and notable degree of momentum. The tightness of the time line represented a threat to harnessing that energy and being able to capitalise on the benefits it offers. There was a requirement to have available an appropriate level of resource to sustain such momentum in a constrained time context, and although there were clearly defined governance and support structures outlined, we felt it may also have required the capacity (and willingness) to flex the resource applied to ensure delivery stayed on track and the willingness to contribute was not lost.

There was a discernable pressure to make a number of key decisions over a short period of time, and it was therefore vital that the decision making process was as open, accessible and robust as possible without moving towards overly cumbersome and therefore slow. Such a pressured context required that there was a clear decision making framework, within which were a set of reference points that were easily referred to as a checkpoint and/or method of prioritising decisions. This check and challenge framework would allow decisions to be considered against key drivers and avoiding being instead driven from the 'bottom line', as often decisions have non tangible benefits that may be costly in the long run to lose.

It appeared the basis for such a mechanism was being developed within Leicestershire Police, given the clear governance structure, project support and evaluation criteria being considered for use. It was therefore vital to ensure this was drawn together appropriately and that decision making made was as robust and risk orientated as possible.

The key to realising benefits from a savings strategy such as that outlined was the ability to engage stakeholders and keep that engagement through the often troubled waters of actually *making* the savings. Leicestershire Police have a good track record of developing and maintaining engagement with positive results (examples referenced in supporting literature included the work of the cultural audit, the work of the 'Flanagan Pilot' increasing satisfaction and the implementation of targeted satellite navigation patrolling), and a strong degree of replication would be required to deliver the savings strategy as required.

Linked to the key risk of a pressured time line was the requirement for appropriate capacity and capability to deliver what is actually required within the organisation – this was a key challenge and without the skills and experience to drive through what were likely to be a number of key changes it was likely that the sustainability of the new way would be threatened, as would the level of saving available. This is where external support and challenge could be used to the Force's best advantage, as independent eyes and ears were able to appraise levels of capacity and capability and identify possible mitigations for times where these are not of the required levels.

The final risk considered was that of the new Chief Constable taking up post in early 2010 – according to the time line, the expected appointment would have been post the development of savings proposals and options assessment. The risk lay in the possibility of a new Chief Constable wishing to be as engaged with the savings process as possible, bringing about possible delay or modification requirements, or more wholesale change if the proposals were not acceptable. The window between the expected appointment and roll out of savings projects was small, and there was therefore little capacity for change, if required.

2.2. DEVELOPMENT TO DATE

The ensuing period between October 2009 and May/June 2010 has seen extensive development in the processes and governance arrangements around the corporate savings strategy. The profile of the risks with regard to being able to deliver the savings required within the proposed timescales has not diminished; indeed, the pressure has increased given the new targeted figure of £15 million pounds that is currently being worked to. This pressure has been recognised and acted on in that it is now specifically named in the Police Authority and Force's risk registers; however there is still a high probability that savings will be difficult to release, while satisfying both timescale and levels required.

2.2.1. GOVERNANCE AND PROCESS

The Chief Officer's Group (CoG) has received a number of papers and reports between the close of 2009 and early 2010, setting out the proposed changes to the way that policing is organised and delivered within the Leicestershire, and the potential associated savings. These proposals have stayed in line with the approach outlined at October 2009, being evaluated against the Core Objectives and Principles of the organisation, as well as their impact on the confidence target.

A number of different structural models for the Force were put forward and subject to rigorous examination with a focus on the model's ability to deliver high quality service while generating savings and at the same time keeping the Force's reputation intact. The decision was taken to move to a model which used two Basic Command Units (BCU) rather than three, centralising functions where possible to reduce duplication. The two BCUs would be supported by central functions in the shape of Tasking, Delivering Justice and Corporate Services Directorates, underpinned by HR and Finance functions.

This thinking has been firmed and implementation provision been made by April 2010 for the new structure, following the identification of weakness in the previously proposed models. The detailed work around how this new structure will work in practice is still being carried out, with the goal of full implementation beginning in Autumn 2010 as previously planned, creating a significant challenge in terms of time and capacity.

Within this continuing detailed work, there is now increased focus on robust process from the 'Delivering the Change' team and others working on the savings strategy. A change of lead in the team has meant a change in approach, taking the team 'back' to develop further elements that were missing from the work completed thus far, including consistent business cases and strong baseline cost and savings figures to complement detailed implementation plans. These are fundamental to the success of the project, and there would have been little possibility of success without them in place.

The Business Case approach is being used to show risks and interdependencies associated with the particular element of change, supported by the use of the 'people impact form', designed to highlight the effect on staff, whether it is redundancy, redeployment or a change in team as a result of the new working arrangements. This increased focus on process and use of appropriate baseline figures is particularly welcome as there was previously no strong mechanism for developing the 'big picture' associated with the changes proposed, and there was the risk that actions being proposed in one area of the organisation could have an impact through change that there was no way of recognising until it was theoretically 'too late'.

There are now designated single points of contact (SPOC) and Senior Responsible Officers (SRO) for each area of change with clear roles and responsibilities, who meet on a formal basis, working to agreed terms of reference. There is also a Change Board in place, meeting monthly to bring together the SROs and COG. The use of 'change request' forms and agreed process has been increased, these are now received through agreed channels rather than simply appearing or not being completed at all.

The strong perception is that the governance process is becoming clearer as the plans are developed, and the various stakeholders involved are no longer working in effective isolation or silos. This must be preserved as the changes start to be operationalised, as the savings strategy cannot be delivered successfully without such a clear line of accountability and the associated communication.

Throughout the process there has been a notable level of staff engagement and open communications as to the thinking and shape of the proposals on the table, and this has included early engagement with the Unions and Staff Associations. This is a very welcome approach to the proposed changes in the organisation and delivery of policing services and shows clearly there is no shying away from the difficult questions. Such a climate of openness does however bring with it its own risks, but these have been identified and are being managed thus far. These risks take the shape of the possibility of engaged and energised staff wishing to move faster than the set process allows, and therefore acting to inadvertently push a piece of the puzzle out of place. There may also be a degree of disengagement if the feeling grows that the approach is too slow, but again there has been recognition of this possibility and moves developed to channel enthusiasm into defined workstreams and development of detailed plans. There is a fundamental requirement to ensure that the staff and Officers pull together and not apart to successfully deliver what is required, and therefore ensure that the effort being expended is cohesive.

The appointment of the new Chief Constable has been delayed a number of times since the corporate savings strategy was launched, a factor that has had an inevitably negative impact on the process of delivering the plans for savings. We noted in our original paper that the appointment would likely be followed by a desire to reshape elements of the proposed programme of savings, and now that the role has not been filled (the expected date is mid June) the programme has progressed without this reshaping.

The timeline for implementation has been adjusted accordingly, with the plans coming before COG in July with a view to implementation commencing in early September, which gives the new Chief time to examine what has been proposed. However, this places a significant pressure on the timeline for delivery of savings by April 2011, while at the same time relieving a degree of pressure on the detailed work with business cases and cost development ongoing. This is an element of the programme that requires active monitoring with appropriate provision for changes should the Chief Constable require them to be made.

2.3. AREAS FOR CONSIDERATION

In order to ensure the aims of the programme can be met and appropriate levels of savings released the following areas should be closely considered/monitored:

The timeline for delivery remains a significant challenge to success, exacerbated by the previous lack of detailed information with regard to the formation of business cases and detailed costing being addressed late in the process.

Baseline costs were estimated in all of the papers we have seen that were submitted to CoG during late 2009 and early 2010, and the costs of implementation are still unclear, threatening the success of the programme given the level of saving required. There are questions remaining over the actual level of saving that can be released from the reduction of staff and Officer posts, related to the number of Officers considered likely to retire to meet the required numbers, and the level of cost associated with these redundancies and retirements. The methodology for capturing such implementation costs also remains unclear, and should be addressed and agreed in the very near future. There remains a gap between the level of identified redundancy and retirement costs and the funds to cover these, and only a portion will be rebalanced through saved salary costs.

Programme tolerances are still being developed and agreed, including the levels of acceptable performance drop as a result of the change, and the tipping point that would trigger a stop of the element of the project that had fallen out of tolerance and a move to an alternative plan. As with having clear and tested costing information, setting out these tolerances is key to keeping the programme moving and being in a position to realise the savings required.

Detailed project plans and Gantt charts are being developed, another crucial part of the programme and project management arrangements required to ensure the successful delivery of such a large scale change project. However, it must be noted that the capacity that is used to develop the detailed plans is therefore not available to actually support the delivery of the plans. Also, although their completion should not be rushed, they are required to be in place to continue to have an open, transparent process and also to allow the plans to be fully tested before implementation begins.

The approach taken so far has not featured and specific demand analysis for service or used any process reengineering to develop delivery forms that support required functions, it should be noted therefore that these options are therefore still available should any part of the current programme appear not to be delivering as required.

Finally, the proposed implementation timeline does not show any plans to formally evaluate progress using some sort of external perspective. With a change project of this nature, it is vital to ensure that the process is evaluated and validated where required, identifying areas of weakness or opportunity that have not been previously seen.

3. CONCLUSION

Progress to date has stuck broadly to the approach initially outlined and considered in the paper of October 2009, but faces significant challenges in delivering the outcomes required, within the timescales allowed.

The project has been subject to delay, which has caused the overall implementation speed to fluctuate, a factor that does not appear to have adversely affected engagement to any great extent. The appointment of the new Chief Constable has been confirmed and any requirement the new Chief has should be able to be reflected in the plans between now and July 2010, subject to any proposed amendments not being too radical in nature.

The depth of cost and spend data associated with the project has not been optimal, and this is a factor that has only recently been addressed through the change of Team Manager and resultant adoption of more robust business case based approaches. This has identified a number of areas where further, urgent work is required to establish clear implementation costs, and project tolerance levels. The use of business cases and development of detailed project plans has also addressed the historic lack of 'big picture' knowledge, but this is a factor that needs sustained engagement, and the correct tools and techniques to remain in place to be successful. There are a high number of variables and dependencies that require good management in order to achieve what is required.

The levels of structural and delivery changes of the nature proposed are radical and will have far reaching effects for the delivery of policing in Leicestershire. The scale of the change makes the cost of implementation difficult to estimate, but this is vital in order to understand the extent to which the required savings have been identified, and what effect the level of cost may have had on service quality, and therefore the confidence target.

The governance and processes supporting this associated with the project have become clearer as the project has developed, and the approaches currently adopted are likely to deliver appropriate levels of challenge and scrutiny. There is however a requirement to put in place provision for formal evaluation of the project post implementation, preferably by an independent group such as a peer arrangement or through the Internal Audit function to ensure impartiality.

Successfully meeting the timetable during Summer/Autumn 2010 for implementation is key to success, as if savings start to be realised by the end of 2010 then the theory has in essence been proved. This remains a challenging achievement; however, it is also of note that in acting now the work is being carried out on the terms of the organisation rather than centralised mandate.