

**Report of the Chief Constable to the Chair and Members
of the Police Authority Executive
28th September 2011**

Executive & Presenting Officer: Mr Dave Pickard, Temporary Deputy Chief Constable

Status: For decision

Plan B Implementation Proposals

1. Purpose

- 1.1 To set out fully costed proposals for the implementation of Plan B that details the savings to be delivered and the timing of the delivery of the transformation of those areas included within the business case.
- 1.2 To update Members on progress in implementing the internal transformation of Scientific Support Services and the Prisoner Handling Teams.

2. Recommendations

- 2.1 It is recommended that Members:
 - 2.1.1 Note the contents of the report.
 - 2.1.2 Approve the target police officer establishment of 1,460 FTEs in line with the Long Term Financial Plan update.
 - 2.1.3 Approve the implementation of Plan B as proposed in the report including:
 - Noting the deletion of 29 police officer posts as set out in the report.
 - Approving the civilianisation of 42 police officer posts as set out in the report.
 - 2.1.4 Approve the deferral of the civilianisation of Prisoner Handling Teams until 2013/14

3. Reasons

3.1 Background to Workforce Modernisation

At their meeting on 26th January 2010, Members considered the report 'Preparing for the Worst' which highlighted the potential for a significant reduction in the number of police staff and police officers in response to the forecast cut in grant funding.

Members resolved to undertake workforce modelling to ensure that there was an appropriate number and mix of officers and staff based on a systematic review of needs and financial constraints and appropriate workforce modernisation.

Workforce modernisation is the process of getting the right people, with the right skills, in the right place, at the right time. In simple terms, in the policing context it is more cost effective to have properly trained civilian staff perform back office functions than warranted officers.

Consequently, Members also resolved to increase the potential scope of Project I from ICT services and Control Room to include virtually all back office functions.

At their meeting on 25th February 2010, Members set out their strategic approach to addressing forecast funding pressures centred on;

- The delivery of Project I
- The civilianisation of back office functions currently undertaken by warranted officers resulting in an overall reduction in the number of officers and the generation of significant cashable efficiencies.
- Critically, whilst the overall numbers of officers would reduce from 2011/12, the front line service will be maintained and improved through collaborative projects and further business process engineering
- Improving scrutiny of all resource issues through the existing MPR process and Police Authority scrutiny functions.

In June 2010 Members approved the creation of a strategic partnership with Steria UK for the provision of Control Room and back office functions. Steria's solution delivered guaranteed savings and was underpinned by the introduction of new technology and working practices and the civilianisation of back office functions undertaken by warranted officers.

Inherent in this proposal were the release of 117 FTE police officers and the TUPE transfer of 472 FTE support staff, 126 of whom would not be required to deliver the transformed services.

Members will recall that the Strategic Partnership Agreement (SPA) signed with Steria included a 'no compulsory redundancy' agreement for transferring staff. At that time, it was envisaged that this commitment would be delivered through Cleveland Police and Steria identifying functions that were largely being performed by police officers, but which did not require warranted powers, that could be transferred to Steria. Steria committed to finding jobs for 56 of the displaced staff and Members resolved to extend the scope of the partnership by identifying 100 FTE additional police roles that could be transferred to Steria who would absorb the work with the remaining 70 displaced members of support staff.

3.2 Wider Scope/Plans B & C

3.2.1 Wider Scope

Consequently, Steria and the Force's other existing business partner Reliance, were asked to explore further areas for potential outsourcing including crime management, neighbourhood safety, events and emergency planning and scientific support. Outline business cases for each area were presented to the Force Executive and Police Authority in February 2011, however a decision was made not to progress the proposals at that stage.

3.2.2 Plan B

As a result of this decision the Force Futures Team were tasked with developing an alternative 'in house' proposal for workforce modernisation and the identification of police officer posts suitable for civilisation or deletion. This became known as 'Plan B'. The terms of reference for this piece of work were to develop an outline civilianisation programme which:

- Identify a minimum of 100 police officer roles which:
 - Provided redeployment opportunities for 70 police staff
 - Released a minimum of 30 police officer posts for deletion
- Met the savings required within the Force Long Term Financial Plan over and above the core contract savings of £1m in 20011/12 and £2.55m each year thereafter.

Plan B proposals and a detailed report were submitted to the Executive for consideration during April 2011.

3.2.3 Plan C

On 15th April, Members agreed to outsource the following functions to Steria:

- Crime Management Units releasing 22 FTE police officers posts for deletion and the TUPE transfer of 3 FTE support staff

- Risk, Resilience & Safety and Events & Emergency Planning units releasing 11 FTE police officer roles for deletion and the TUPE transfer of 7 FTE support staff.

Members also resolved that the following functions would be transformed in house based on an updated model called Plan C:

- Scientific Support Unit releasing 10 FTE police officer roles for deletion and deleting 3 FTE junior staff roles and creating 3 FTE senior staff roles.
- Prisoner Handling Teams releasing 10 FTE police officer roles for deletion and deleting 10 FTE staff roles

Consequently, as Steria’s wider scope proposals have not been implemented in full as envisaged in the SPA, the Authority’s redeployment risk is currently 47.5 staff. Steria is currently recharging the Authority for staff released to the redeployment pool. Once Steria reach their target operating model they will potentially recharge the Authority in respect of the total 47.5 FTE.

3.3 Target Police Officer Establishment

The Long Term Financial Plan (LTFP) update, also on today’s agenda for Members’ consideration, provides funding for police officers as set out in the table below.

Police Officers			
Year	Funding in LTFP	Establishment	Funding Gap
	FTE	FTE	£m
2012/13	1,504	1,500	Nil
2013/14	1,457	1,460	Nil
2014/15	1,414	1,460	2.3
2015/16	1,395	1,460	3.3

The view of the Force Executive is that through targeted implementation of Plan B, the police officer establishment could be reduced to 1,460 FTEs in line with available funding in 2013/14 without an adverse impact on frontline effectiveness through workforce modernisation. However, further reductions in officer numbers may start to impact on the frontline and consequently Force performance.

3.4 Leavers Profile

Police officers cannot be made redundant in accordance with organisational funding or business need. Neither could it be estimated with certainty how many officers who reach 30 years pensionable service would choose to retire as this is not mandatory.

Accordingly, at their February 2011 meeting, Members resolved to implement regulation A19 to support delivery of the LTFP. This potentially requires all officers to retire upon accruing the pension entitlement set out in regulation A19(1).

Based on the implementation of regulation A19 together with estimates for other resignations and medical requirements, the Force can now more accurately forecast the number of officers it will have in post in future years.

The updated LTFP provides sufficient funding for the forecast number of officers in post.

This is set out in Appendix A

3.5 Glidepath

As set out above, the proposed target establishment is 1,460 officers. Early implementation of Plan B could reduce the number of established posts to this target by the end of 2011/12. However, as the number of officers remaining on our payroll until retirement exceeds 1,460 FTE until 2013/14, there is no immediate financial benefit in the deletion or civilianisation of posts. In fact civilianisation of a post currently occupied by a police officer would increase overall costs as we would continue to incur the costs of the redeployed police officer and the additional cost of the member of police staff brought in to cover the role.

Therefore, although Plan B could be implemented in its entirety in 2011/12, from an operational perspective it would generate no savings. However, there are two drivers that make a phased implementation of Plan B advantageous:

- The Project I redeployment risk
- Implementation of the target police officer establishment.

3.5.1 Project I Redeployment Risk

As reported above, the Project I redeployment risk was based on 70 staff that were planned to be absorbed into posts created by the 'wider scope' partnership agreement. These have not gone ahead as planned, and the risk currently stands at 47.5 FTE but this is expected to reduce to 46 FTE by the year end as a consequence of retirements. If posts are not found for these staff or alternative arrangements made, Steria will recharge the Authority in respect of their costs of employment. This is discussed further on the LTFP update on today's agenda.

It has been identified that some of these staff have the potential and requisite skills to be employed into posts identified for civilianisation within Plan B. It is, therefore, proposed that 35 Plan B posts are civilianised on the basis of best fit to the skills, grades and experience of individuals in the redeployment pool and, in consultation with Steria, offered to the TUPE staff group. This is cost neutral to the Authority but will enable on the job training and mentoring of

the staff re-engaged into these roles by the police officer incumbents. The LTFP update assumes that the redeployment risk will reduce by 24 FTE as a result of this initiative. Where an advertised role is not filled by a TUPE staff member it will continue to be delivered by a police officer until March 2013.

3.5.2 Implementation of the target Police Officer Establishment

The Force Executive believes that through targeted implementation of workforce modernisation as set out in Plan B, the police officer establishment could be reduced to 1,460 FTEs in line with available funding in 2013/14 without an adverse impact on frontline effectiveness.

Although this would not generate cashable savings in the short term it would have the advantages of:

- Defining the core police officer establishment of the Force, including rank structure and supervisory ratios.
- Defining the core police staff establishment of the Force.
- Generating efficiency savings through enabling officers currently in 'non-core' roles to be temporarily redeployed to more critical frontline activities requiring warranted powers.

As set out above, although in the new 'core' establishment a post may be designated as a police staff post, it may continue to be occupied by a police officer until officer numbers fall to the position where recruitment of a civilian staff member would generate a saving.

3.6 Restricted & Recuperative Officers

The Force Executive will continue to take a robust and proactive approach to ensure that recuperative officers are reintroduced to operational roles at the earliest opportunity. For those officers whom are permanently medically restricted a phased programme of medical retirements will continue where it is financially advantageous to do so. In the interim suitable operational support roles will be identified for permanently restricted officers.

3.7 Transformation of Scientific Support Services/Prisoner Handling Teams

3.7.1 Scientific Support

The implementation of the Plan C proposals for Scientific Support as previously approved by the Authority are almost complete and a glidepath is in place to ensure the release of 10 police officers by the end of 2011/12. To date five officers have been released and the selection process completed for the three new senior police staff posts.

3.7.2 Prisoner Handling Teams

The implementation of the Plan C proposals for Prisoner Handling Teams, as previously approved by the Authority, is underway and the 10 FTE earmarked for deletion has been achieved. Due to the skills required for the civilianised

roles it is deemed unlikely that suitable internal candidates can be identified at this time and, therefore, it would be financially advantageous to delay the civilianisation proposals until 2013/14. In the interim, this will provide the opportunity to release fully fit officers from the unit into front line operational roles who can be backfilled by recuperative and/or restricted officers.

3.8 Proposals

3.8.1 Target Police Officer Establishment

It is proposed that the core establishment for police officers is reduced to 1,460 FTE by 2013/14 through the implementation of Plan B and in line with the LTFP as follows.

Police Officer Established Posts	
	FTE
Baseline	1,727
Project I	(112)
Project I-Base Adj	(20)
Wider Scope	(33)
Plan C	(30)
Post Project I	1,532
Joint Operations Unit	(3)
Sundry	2
Revised Baseline	1,531
Plan B Phase 1	(29)
Plan B Phase 2	(35)
Plan B Phase 3	(7)
Target Establishment	1,460

3.8.2 Plan B Phase 1-Deletion of Posts

It is proposed that 29 FTE police officer posts (Appendix B) are deleted in 2011/12 and incumbent officers deployed to front line activities.

3.8.3 Plan B Phase 2-Civilianisation re. Redeployment Pool

It is proposed that 35 FTE police officer posts (Appendix B) are civilianised in 2011/12 and, in consultation with Steria, offered as suitable alternative employment to the TUPE staff group. Incumbent officers will be deployed to activities requiring warranted powers. Where a role is not filled by a TUPE staff group member, a police officer will remain in post until March 2013.

3.8.4 Plan B Phase 3-Civilianisation of Remaining Posts

It is proposed that the remaining 7 FTE police officer posts (Appendix B) are civilianised by April 2013/14.

3.9 Contractual and Recruitment Issues

3.9.1 Contractual Issues

During recent weeks the SPA with Steria has been renegotiated to agree arrangements for the re-engagement of staff by Cleveland Police so that they can be utilised to reduce the redeployment pool risk and release police officers to roles requiring warranted powers. Changes include:

- Steria employees on the redeployment pool can now be seconded into roles within Cleveland Police.
- Steria employees on the redeployment pool can now be transferred back to the employment of Cleveland Police with a resulting reduction in the redeployment pool risk and charge.
- Steria employees outside the redeployment pool can now be transferred back to the employment of Cleveland Police with a resulting reduction in the redeployment pool risk and charge where that post can be backfilled from the redeployment pool.
- Where Steria employees who transferred from Cleveland Police leave the employment of Steria, the redeployment risk and charge to Cleveland Police reduces accordingly. This may reduce the qualification listed in the point above with regard to back filling from the pool i.e. the Authority gets the benefit of any leavers from the TUPE staff group.

3.9.2 HR Plan

A full recruitment and re-engagement plan and timetable is being prepared which will deliver Phase 2 civilianisation by the end of March 2012. This will be monitored and overseen by the Special Postings Group and the Strategic Financial Planning Group. This plan takes account of all employee legislation and contractual issues alongside diversity and equal opportunity implications.

4. Implications

4.1 Finance

Using the same indicative costs as the LTFF, the full year savings arising from the proposed implementation of Plan B are as follows:

Full Year Savings			
	Total FTE	Saving Per FTE	Total
		£000s	£000s
Deleted Posts	29.00	50	1,450
Civilianised Posts	42.00	15	630
Total	71.00		2,080

This, when taken together with the savings from Project I extended scope and Plan C, exceeds the £2.55m target set for Plan B. However, based on the current forecast of police officer numbers the savings will not be delivered until 2013/14.

Members are asked to note that these are not additional savings as they have been factored into previous LTFFs.

4.2 Diversity & Equal Opportunities

The HR plan takes account of all diversity and equal opportunity implications.

4.3 Human Rights Act

There are no Human Rights Act implications arising from this report.

4.4 Sustainability

This proposal is part of the process to establish sustainable annual and long term financial plans and maintain prudent financial management, whilst protecting the delivery of front line policing services to our communities.

4.5 Risk

The Force Strategic Risk Register includes the following risks:

- SR9 - the deterioration in frontline services as a result of reductions in grant funding as a consequence of the Comprehensive Spending Review. Plan B is part of the structured response to the budget reductions to protect frontline services through deploying a more cost effective workforce mix.
- SR3 - the depletion of suitably trained staff having an adverse impact on service delivery due to various organisational factors e.g. Project I civilianisation and the implementation of Regulation A19 retirements. Plan B and its management by the Special Postings Group is part of the structured response to this risk to ensure that personnel with the

appropriate skill sets/mentoring arrangements are available to fill vacancies.

5. Conclusion

- 5.1 This report provides members with the Force's proposal to meet the financial challenges of the Comprehensive Spending Review whilst protecting the delivery of front line policing services to our communities.

Dave Pickard
Temporary Deputy Chief Constable