

**Corporate Business and Planning Committee
19 January 2012**

<p>CONTINUOUS IMPROVEMENT TRANSFER OF KNOWLEDGE</p>
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Report of the Chief Constable

PURPOSE OF REPORT

1. The purpose of this report is to update members on the transfer of Continuous Improvement (CI) skills and knowledge from KPMG to enable CI to be delivered internally without the use of consultants.

BACKGROUND

2. Quest/Continuous Improvement (CI) is a programme delivered in partnership with KPMG consultancy support aimed at business performance improvement by the application of 'lean thinking'.
3. The West Midlands Police Continuous Improvement Programme (CIP), which commenced in mid December 2010, is reviewing and making recommendations against a number of work streams falling under the Local Policing remit, with a view to ensuring that Local Policing becomes a leaner, more purposeful, sustainable and affordable system of policing to deliver improved public confidence.
4. The programme has three objectives:
 - Identify and implement cost reduction opportunities in Local Policing
 - Improve operational performance and the customer experience and
 - Build internal capability to roll changes out to other Local Policing Units (LPUs) and initiate other performance improvement projects
5. The programme involves detailed work to review and understand issues and demands and to then use this understanding to develop a business case leading to design and implementation of more streamlined, efficient arrangements. This work has been done with full consultation and engagement with commanders and operational staff working in these LPUs, and the project team includes officers and staff recruited from the LPU subject to the process.

CONTINUOUS IMPROVEMENT PROGRAMME

Phase 1 of Local Policing Strand

6. Phase 1 has been delivered to the pilot LPUs; Solihull and Birmingham South (1 June 2011), incorporating the following four work streams at Local Policing level: Incident Management, Neighbourhood Policing, Crime Management, and Suspect Management. Full evaluation reports have been completed and sustainability assessments have been conducted with both LPU Leadership teams to inform their own action plans to embed and sustain the changes going forward. The early evidence suggests that the revised local policing operating model is functioning well at both LPUs. Phase 1 also included the establishment of a pilot Crime Service Team (CST) at Bournville Lane Police Station and an additional work stream to improve performance and reduce costs in Intelligence work.

Phase 2 of Local Policing Strand

7. Phase 2 started week commencing 22nd August 2011 and the model is now rolling out on Coventry and Birmingham East LPUs following a successful four day CI Academy which was developed and delivered by the CIP team working with colleagues from Learning and Development. This phase runs until mid February 2012. The roll out plan is for three further LPUs to roll out in Phase 3 and the remaining three LPUs in Phase 4.

Organisational Change/Capability Strand

8. In addition to Local Policing, CIP continues with the development of an Organisational Change function aligned with the force's Organisation and Service Development Department (OSD). The force has decided that there needs to be a single vision of organisational change so that it can maximise benefits. It recognises the need for one body that oversees and manages all force change to professionalise, formalise and strengthen the force's approach to the management and delivery of change, risk and benefits realisation. In addition, it will assist the force to make the best use of its resources and provide a structure that ensures that processes, procedures and consultation are appropriately adhered to. Organisational Change will have an overview of all force programmes and projects regardless of where they are being managed. The 'capability' work stream has delivered an established Business Improvement Team (BIT) within OSD, currently all deployed on the CIP working within the Local Policing strand.

Crime Service Team (CST) Strand

9. A project plan is in place to deliver a force level CST by end February 2012, with Birmingham East and Coventry LPUs going live next on 16th January 2012. Three sites are being established to deliver this function (Bournville Lane, Wednesfield and Little Park Street Coventry). The three hubs will be able to take calls from officers across the Force, operating 24/7 with a mix of police officers and police staff making up the establishment.

Intelligence Strand

10. The final stand of CIP is the Intelligence work stream. This work continues on schedule and is working on revised Intelligence, tasking and coordination and briefing processes plus a redeployment of resources to restructure this department. This will entail developing Force Intelligence Units based on LPUs operating early and late shifts, seven days per week and the detailed implementation is being worked through to deliver the revised structure by February 2012.

Consultancy Support

11. Ten KPMG consultants were engaged in supporting the programme during Phase 1; eight on the Local Policing strand, one on the Capability strand and one on the Intelligence strand. At the commencement of Phase 2 this number reduced to four, with three consultants supporting the Local Policing strand and one supporting the development and roll out of the CST.
12. This reduced level of consultant support was retained because the programme's ability to replicate the successes seen at Birmingham South and Solihull on its own was untested. The main vulnerabilities related to development of the LPU resourcing model, and hence the identification of benefits, and the ability to maintain the pace and rigour of the programme. KPMG has also provided value influencing stakeholders to make sure the challenging timeline has been met. Retention of this limited level of consultancy support has mitigated these risks which could potentially have undermined the credibility developed by the programme and has also ensured full self sufficiency for Phase 2 of the roll out.
13. The programme will utilise the full 24 weeks available (until 17th February 2012) to ensure maximum skills transfer and to support preparation to expand the programme to three LPUs. The Programme Manager is reasonably confident to take the programme forward without direct KPMG support utilising members of the BIT and a small number of talented analytical people from the LPUs who have responded well to the challenge of the programme and skills transfer from KPMG. The programme has been successful in developing internal business improvement capability and now has a pool of resources experienced in effectively implementing change.

CI Academy

14. The programme has also developed its own CI academy working with colleagues from Learning and Development. The Academy is structured for delivery over four days at the commencement of a new CI project and phased in two stages during the rollout. The stages mirror the content of the four day Academy. The first stage prepares staff from the rollout LPUs to carry out data collection, dip sampling and activity analysis prior to the commencement of rollout; stage two prepared them for the activity that will take place when rollout on their LPU starts. The Academy has been critiqued by staff from the NPIA and members of BIT have also contributed to the development of NPIA CI national training and readiness self-assessment. WMP is keen to ensure that it can sustain its ability to carry out business improvement tasks of this nature and has also engaged with NPIAs VfM and Learning teams to train our own training team to deliver a localised version of NPIAs 'Introduction to Continuous Improvement.'

Risks and Mitigation

15. A review of the current phase of the programme has identified risks. Staffing resilience is very tight on CIP, particularly around retention of skilled experienced staff. The importance of experience within the team cannot be overstated. As the programme moves from two LPUs to three this experience becomes diluted and therefore presents a risk to the level of support provided to both the LPU LCT and the new members of the team.
16. The programme is recruiting in advance as it moves across the LPUs, but is struggling to retain skills/experience at all ranks, partly due to the demands of the programme. This is particularly an issue at Inspector rank when added to losses because of A19/early retirement.
17. A pre roll out data collection phase, currently being trialled at Sandwell, Birmingham North and Birmingham West and Central, has also been introduced in mitigation. These LPUs have provided a small resource to commence the data collection process and begin some initial LPU based engagement. The benefits of this process are as follows:
 - To provide additional time for the transfer of skills
 - Up front completion of the data collection supports the pace of the programme and
 - Early local engagement reduces the risks associated with LPUs having partial knowledge of the programme as it extends across the force and ensures that accurate messages are delivered and received
18. A handbook detailing the methodology is also being developed.
19. The Business Improvement Team is fully committed to this work for the next 12 months and has very limited/negligible capacity for additional work. Posts within BIT have been consolidated and recruitment has commenced to two vacant posts. The police staff that make up the OSD BIT are starting to accrue significant amounts of time owing as they are consistently working extended hours to complete the required work against programme timescales. There are also issues around seconded staff being 'at risk' in the current climate.

Conclusion

20. The programme is hard, challenging work, particularly in the current context of WMPs CSR challenges, broader issues of police service pensions/pay and conditions and the scale of change and the key risks are currently being managed. Embedding CI is an ongoing process that requires strong leadership to ensure the benefits are realised and that the capability and capacity is sustained.

EQUALITIES IMPLICATIONS

21. An EQIA has been requested around the Continuous Improvement project and its implications for local policing delivery from the Local Policing Department.

FINANCIAL IMPLICATIONS

22. A budget was set in 2010-2011 of £1.5m of which £780,682.28 was spent within the year on the first 2 instalments (including expenses) for works undertaken by KPMG up to 6/4/11. The current budget for 2011-12 is £1,375.6k (£775.6k which was the balance reallocated from 2010-11 plus an additional £600k which has been allocated within 2011-12). Of this total, the spend to date is £805k which covers the third instalment of fees and expenses for KPMG. The budget remaining for 2011-12 is £570.6k with committed expenditure of £755,370 for Phase 2 of the CI Programme.

LEGAL IMPLICATIONS

23. The Police Authority has a general statutory duty to maintain the efficient and effective working of the police force for its area under Section 6 of the Police Act 1996. The Chief Constable has the direction and control of the officers within the Force under Section 10 subject to having regard to the planning directions set by the Home Secretary and more particularly the Police Authority under the Act. These statutory responsibilities are assisted by the policing arrangements and proposals outlined in this report.

RECOMMENDATION

24. That the Committee notes the content of this report.

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Chief Constable

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BACKGROUND DOCUMENTS