

# Social Justice and Regeneration Committee

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## Contents

	Section		Page
1	Introduction		3
2	Amalgamation: the Police Service Perspective		4
	2.1	Key Background Considerations	4
	2.2	Culture	4
	2.3	Partnership Working	5
	2.4	Operational Service Delivery	5
	2.5	Command	6
	2.6	Strategic Leadership	7
3	Operating Principles		8
4	Management Structures		9
5	Accountability		11
6	An Update on Progress		12
	6.1	General	12
	6.2	National Standards	13
	6.3	Working Assumptions	13

	6.4	Funding	14
	6.5	Consistency	15
	6.6	Closing Comments	16

## **1 Introduction**

1.1 On 3<sup>rd</sup> March 2006 the Home Secretary formally announced his firm intention that the four existing police forces in Wales should amalgamate into one organisation. He added that as the processes leading to amalgamation ran their course there was scope for the National Assembly for Wales to influence the future regional and local accountability mechanisms that would underpin a single police force in Wales.

1.2 Through the Social Justice and Regeneration Committee, the Minister for Social Justice and Regeneration invited written contributions from key stakeholders on the issues that have a bearing on setting revised democratic structures and options for change.

1.3 This paper is the joint response of the four police forces in Wales to that invitation. It takes as given the guidance that is beginning to emerge from the Police Reform Unit at the Home Office and as a premise the view that the structure and operating principles of the new force will also have a bearing on the shape of the mechanisms put in place to hold it to account.

1.4 The paper seeks to build from this assumption and sets out the thinking of the Service on the issues that are considered key influences in relation to the structure of an all-Wales force. It is hoped that this in turn will inform the debate on how the accountability framework within which the Force operates might best be tailored to fit.

1.5 This paper also takes the opportunity provided to update members of the Social Justice and Regeneration Committee on the current position in relation to the reorganisation process itself.

## **2 Amalgamation: the Police Service Perspective**

### **2.1 Key Background Considerations**

2.1.1 Designing a new police force to serve the whole of Wales presents a number of challenges. Clearly the structure of the force will need to take into account a number of important factors to ensure that the new organisation is fit for purpose.

2.1.2 In the context of delivering effective services to the public it is the shared and firmly held belief of the four Chief Constables that the particular circumstances pertaining in Wales require recognition by all concerned that "Wales is different". This difference is profound: it arises from the geography and infrastructure of Wales which have had a major direct impact on the history, culture, politics,

demographics and now the policing of Wales. It will manifest itself in a number of ways during any reorganisation process, some of which are described further in this paper.

2.1.3 Other design influences on the force structure include:

2.1.3.1 The reorganisation is not commencing either with a blank sheet of paper or the anticipated injection of large amounts of additional funding. The new force must as a result be built to a great degree with whatever assets are already in place.

2.1.3.2 Moving large numbers of staff to effect change is neither desirable nor affordable: nor would it be easy in an area that has the geography and poor current transport infrastructure of Wales.

2.1.3.3 There is a need to ensure the effective alignment of the strategic direction of policing set at national level and the service delivery aims set in Basic Command Units (BCU) and Community Safety Partnerships (CSP) to reflect local priorities.

2.1.3.4 A much bigger organisation will also want to be certain that its structure provides leadership that is both visible and resilient at all levels of the operational command function. This is dealt with in more detail below.

## **2.2 Culture**

2.2.1 The Police Service believes that the growing national identity within Wales is a positive influence. It would provide a strong focus for the identity of the new force that could not be matched in any of the regions of England.

2.2.2 However, policing is a business still largely conducted locally and in response to local concerns. These differ in emphasis from one part of Wales to another in part a reflection of cultural differences across the country. It is therefore important that the new arrangements take advantage of a Welsh identity without compromising the strong local affiliation that is a strong feature of police-public relations across much of Wales.

2.2.3 Given Wales' relatively poor transport infrastructure it seems likely that regional differences will persist. The Police Service must remain flexible enough to successfully reflect this.

## **2.3 Partnership Working**

2.3.1 At the local level coterminous boundaries between partner agencies are now the norm and any restructuring process will not disturb this.

2.3.2 Above that, no doubt driven to a great degree by the practical consequences of the factors outlined above, it seems that Wales is increasingly becoming a country of regions. The Spatial Plan picks up on

this and seeks to coordinate activity across the length and breadth of Wales in ways that make the most of this diversity.

2.3.3 The Police view is that more emphasis needs to be put on the recognition and development of regional identity because in Wales it has the potential to become a key component in the delivery of effective public services. The Spatial Plan, for instance, currently describes a regional set-up with six parts. The Police Service (and our partner agencies on the Local Criminal Justice Boards who reorganised themselves to reflect police boundaries), however, currently divides Wales into four. The Fire and Rescue Services divide Wales into three, as does the Ambulance Trust and health services. This lack of consistency is becoming a real barrier to progress.

2.3.4 It seems likely at this point that the reorganisation of the Police Service will lead to a single all-Wales Force which will further sub-divide itself internally into two or three regions to facilitate day-to-day leadership, management and service delivery. The Chief Constables note that the current reorganisation of the Police Service is coincident with the Beecham Review of public services in Wales and believe that this fortuitous timing generates an excellent opportunity for further debate across the public services in Wales on how a network of regions across Wales should look. The view in the Police Service is that the adoption of common regional boundaries across the public services in Wales is essential if agencies are to develop the structures that fit best with those of key partners in other services (and the National Assembly for Wales) to provide the most effective platform for collaborative working and the delivery of joined-up services to the public.

## **2.4 Operational Service Delivery**

2.4.1 The structure of an all-Wales Force must enable – and not frustrate - the swift and effective deployment of resources (either routinely or urgently as in cases of critical incidents or other major emergency) across the force area.

2.4.2 In so doing, the structure must take account of the fact that Wales is about 200 miles in length from south coast to north and its extremities are significantly further flung. The Committee will clearly be aware that the population is mainly concentrated in two groups, on the north and south coasts in an east-west pattern. In between is a very large expanse of extremely sparsely populated land, much of it mountainous. This has resulted in a number of distinct communities developing, all clearly and passionately Welsh but historically with little real day-to-day contact having taken place between them. This separation of the population into such distinct communities is quite unlike anything in England, and it is quite literally impossible to change even in the long term: the geography is here to stay.

2.4.3 The situation is exacerbated by the fact that in Wales the fast road and rail links, following the population, also run east-west in both South Wales and North Wales. A fast road or rail connection between the south and north simply does not exist. Nor is there an air link. The result of this is that a car journey between Cardiff in the south and Colwyn Bay in the north takes between four and five hours on narrow winding single carriageway roads. To reach Holyhead from Cardiff or Milford Haven from

Colwyn Bay takes a further hour. This has obvious implications in relation to the deployment of resources, in particular for an emergency service.

2.4.4 For any all-Wales agency, beyond organising itself in ways designed to minimise the impact of difficult geography and poor transport infrastructure it can do nothing further about this in the foreseeable future. It is an issue with which an all-Wales Force will have to cope.

2.4.5 Whilst the recent emergence of Wales as a political unit for the first time in several hundred years is fast becoming a strong and benign unifying influence, our use of the National Intelligence Model has demonstrated that there are two quite separate criminal markets operating in Wales – one in the north and one in the south, with effectively no contact at all between them. The structure of a new Force must reflect the criminal markets as they exist and provide a platform for activity directed against organised criminality, including meaningful joint cross-border collaboration with those forces in England (probably three) with which a new Force would share a boundary.

## **2.5 Command**

2.5.1 In very simple terms Chief Officers of police have two separate roles: visible strategic leadership of the force (see below) and a personal command responsibility for the most serious incidents - which is a critical part of effective protective services in the shared opinion of both ACPO and HMIC. In any critical operational situation there must clearly be sufficient resilience and mix of skills at Chief Officer to deal with it. The recent Civil Contingencies Act is rightly causing a much needed revolution in thinking and organisation in this regard.

2.5.2 In Wales there is an additional factor – the difficulty posed by the topography and totally inadequate transport infrastructure.

2.5.3 Best practice and emerging national doctrine requires Chief Officers to take personal command on occasion and while many incidents and operations can be commanded remotely others simply cannot. Some examples from the emergency planning field will suffice to illustrate this point:

2.5.3.1 There are two nuclear power stations in Wales. Both are in the north and for obvious reasons in remote locations. A third may be built at Wylfa on Ynys Môn if the government decides to proceed. Nuclear power requires a significant degree of specialist training for Chief Officers and, of course, regular exercising of the commanders. It requires on-site personal command at pre-planned locations into which literally millions of pounds have been invested. The whole cross-governmental plan to deal with a nuclear incident requires police command and leadership, immediately available. Such command will inevitably fail, catastrophically and publicly, if trained and competent police commanders cannot be deployed swiftly. The view of the Police Service is that to attempt to this from several hours travelling distance away is just not viable.

2.5.3.2 The Civil Contingencies Act requires a ‘Local Resilience Forum’, chaired by the local Chief

Constable, and a 'Local Risk Register'. By way of example, in Wales the second highest risk is of sea flooding on the coastal plains in the north and south where in the worst case scenario the risk of loss of life is very high. Robust local plans are required, for which key staff must be trained and exercised. Experience has demonstrated to the Service beyond any possible doubt that joint training is absolutely vital, so that key personnel don't merely know what they are doing, but also know their opposite numbers in other services as people and colleagues.

2.5.3.3 This was very effectively demonstrated by the London emergency services in July last year. The response was textbook, and television screens at the time were full of clearly competent emergency service chiefs saying that they knew what they were doing and it was "just like an exercise". This whole process is predicated on local commanders, fully trained, who know how each other will behave. Perversely perhaps, it is also highly likely that any flooding disaster will take place in weather conditions which inhibit or prohibit long distance travel and the view of the Police Service is that placing key commanders 200 miles from the scene is not sensible.

2.5.3.4 Exactly the same considerations apply to the oil storage depot at Milford Haven in the far west of Wales, the Millennium Stadium in Cardiff, the two Severn crossings and indeed to anything else on our now extensively developed (and published) Local Risk Registers.

2.5.4 This goes right to the heart of the entire reorganisation agenda – the need to provide better protective services. The government has in the view of the Service got emergency planning right, but the effectiveness of the arrangements depends entirely on the resilience and accessibility of the command function. The consequence of that is that for command reasons alone the Welsh ACPO team must be dispersed across the country - in a way which is not thought necessary across most, if not all, of England - to ensure a 24-hour geographical command resilience.

## **2.6 Strategic Leadership**

2.6.1 The Service would argue strongly that Chief Officers are not merely a necessary overhead. Performance management in particular requires active and personal ongoing engagement by Chief Officers – "eyeball leadership" in the vernacular. This cannot be achieved just by memo or video conference. Chief Officers of Police are expected to have a high public profile, and to be accessible. In larger forces this will be more difficult per se, but in Wales, because of our geography, it is an order of magnitude worse. BCU Commanders need, demand and deserve close support, leadership and challenge from Chief Officers.

2.6.2 It has been argued above that Wales is now very much a country of regions. The imminent emergence from the Wales Spatial Plan and the Beecham Review of a number of regional service delivery "hubs" for the entirety of our partner agencies in Wales (almost all of which are now devolved) creates a an amount of work that just cannot be serviced by a single 'local top cop'. A small team at Chief Officer level will be required in each regional area. There are implications for the rank structure that arise from this and they are discussed in more depth below.

### **3 Operating Principles**

3.1 The initial operational and organisational principles for a new Force have been agreed by the four existing Chief Constables in Wales.

3.2 The principles include the following on structure and accountability:

3.2.1 There will be local accountability with local command at the BCU level. Services should be devolved as far as is rational to achieve optimum service delivery. Empowerment and local delivery are tenets of this approach;

3.2.2 Above that the command structure at force level will be dispersed – for reasons outlined below. There will be regional command hubs that will each have direct responsibility for a cluster of BCU. The responsibilities of these command hubs will include performance management and overarching responsibility for service delivery at the BCU level;

3.2.3 The regional commander would be at ACPO rank and should be above the current rank of Assistant Chief Constable (ACC). He/she would be the named accountable person for that territorial area – and also a key member of the force Chief Officer strategic team;

3.2.4 The optimum number of regional commands will need to be decided and is currently subject to further research and analysis;

3.2.5 Strategy and policy will be determined and set at the national tier which will include the head of the police service, the deputy head of service and policy heads. These responsibilities will be at ACC or ACO (Assistant Chief Officer, the non-sworn equivalent of an ACC) level;

3.2.6 Specialist Operational Services will form part of the national level structure and will be managed at the centre and delivered regionally/locally in accordance with demand;

3.2.7 The office of the head of the police service and dedicated corporate support team would need to be peripatetic and maximise the use of technology to achieve desired outcomes. There would need to be more than one base, rather than a HQ in the traditional sense;

3.2.8 Specialist back office support functions such as HR, Finance, Corporate/Business Development and ICT should be dispersed around the country as a whole. Strong consideration should be given to locating these in areas of high unemployment and deprivation with the provision that the prerequisite skills base is available in the locality.

### **4 Management Structures**

4.1 This paper has argued that ‘Wales is different’ and has sought to set out why that is so. The conviction of the Police Service in Wales is that this difference will have to be recognised in the structural design of an all-Wales police service and will in turn no doubt impact upon the shape and structure of an all-Wales strategic police authority.

4.2 The Chief Constables in Wales believe that taken together the two issues of critical incident command and visible strategic leadership create an overwhelming case for a dispersed command team, rather than one concentrated in one place in the traditional manner.

4.3 It is clearly equally important that at the same time there is a single-tier powerful strategic direction set by the new Chief Constable if the benefits of reorganisation are to be swiftly and effectively realised.

4.4 In terms of structure this leads to:

BCUs clustered into either two or three regions, in consultation with Welsh Assembly Government. Some protective services and organisational support services will be delivered from regional platforms, with the organised dispersal of many traditional HQ functions around the country.

Chief Officers also dispersed around the country, with sufficient regional resilience to both lead and command on a 24/7 basis and a local chief of police in each area at a rank above that of Assistant Chief Constable.

4.5 This is illustrated in more detail in the table below, which also sets out very briefly the functions performed at each level.

Level	Functions
Strategic command	Strategic Planning
Force Policy	Resource Allocation
Performance Review	Links to Strategic Police Authority
Link to National Assembly for Wales and other key agencies that have an all-Wales focus or, such as with Her Majesty’s Inspectorate of Constabulary, a remit that spans the Police Service as a whole.	
Command	Planning
Performance	Service delivery platform for protective services and support functions
Link to other key agencies - such as the other emergency services - that have a regional remit or operate internal regional management structures.	
Local Command	Local Policing Plan

Link to Community Safety Partnership and other key partner agencies that are organised around or within local authority boundaries.

4.6 All four Chief Constables in Wales are confident that this structure is both necessary and capable of delivering. It can be achieved with fewer chief officers than is currently the case in the existing four forces and at lower cost. The view of the Chief Constables is that Wales cannot be sensibly commanded any other way.

4.7 The Service believes that the structure outlined above will allow the challenges set out previously in this document to be met and effectively circumvent any gap that may otherwise open up between the strategic direction for policing set at national level and the requirement for divisional commanders in BCU to provide services that reflect local differences and priorities.

4.8 At the time of writing whether a two-region or three-region structure for the Force will best deliver the desired outcomes is still being considered.

4.9 The adoption of a regional set-up is, however, problematic for the rank structure in its current form at Chief Officer level but the Service believes that this can be addressed through minor changes to the Police Act 1996.

4.10 There are two basic options for change:

4.10.1 enable the force to have more than one Deputy Chief;

4.10.2 insert an additional rank, between the current ranks of Assistant and Deputy Chief Constable, creating a four-rank structure such as exists currently in the Metropolitan Police.

4.11 Representations were made to the Home Secretary on this issue and he has agreed that the circumstances in Wales are different and to use the current Police and Justice Bill as a vehicle to confer upon a strategic police authority in Wales the flexibility to appoint more than one Deputy Chief Constable. However, as we receive more detail on how the Home Office proposes to implement this, it would seem that the Home Secretary will reserve the power to approve such arrangements and the detail of how the additional DCCs may be organised. This is important as the command structures need to be linked to the governance framework agreed by any new Police Authority.

## **5 Accountability**

5.1 The view within the Service is that in addition to having to take account of emerging legal constraints in this area a new police authority would require a structure that reflected the structure and operating principles of the force itself to provide for effective engagement between the two.

5.2 At national level, clearly the Chief Constable of a new force would enjoy a regular dialogue with the members of a strategic police authority. At local level, accepting the concurrent Home Office drive towards greater scrutiny of BCU performance, in a broad sense the restructuring process will leave much unchanged, with Force and Authority continuing to engage formally through the enhanced Community Safety Partnerships (the Police and Justice Bill will bring) and Police Community Consultative Groups and informally in a host of other ways.

5.3 It is at regional level that perhaps the relationship between Force and Authority would need further development.

5.4 It is important to note that the existence of regional command hubs in an all-Wales force would not simply add another tier of bureaucracy and that the role of regional commander would neither confuse nor cut across that of the BCU. The regional element of Force command has its own clear purpose and objectives.

5.5 The regional hubs would provide an opportunity for the most senior elements of the Force command structure to remain highly visible across Wales in spite of the vast geography and poor transport infrastructure. They would provide the means whereby in different parts of Wales the Force could maintain a corporate approach whilst continuing to reflect regional/local cultural diversity in neighbourhood policing. They would provide reassurance to the public that the leaders of the Police Service remain in touch with the public.

5.6 The regional hubs also provide the platform from which protective services and organisational support services can be delivered in an effective and economical way. A regional commander would be responsible for the performance of the cluster of BCU within that part of the Force and would provide a day-to-day link between neighbourhood policing and those engaged in the delivery of protective services.

5.7 A regional commander would also be well placed to provide the focus for dialogue between the Force and the regional sub-structure it would appear likely that a strategic police authority would find it necessary and desirable to put in place. Such an arrangement would enable a strategic police authority to engage effectively with the Force not only at the strategic level but also in relation to the scrutiny of services being delivered at regional and local levels and gauge their impact upon local neighbourhoods.

5.8 The Service believes that complementary regional sub-structures within an all-Wales force and its police authority would provide the necessary clarity in the relationship between the two bodies and that effective engagement in this way would be a vitally important component of future success.

## 6 An Update on Progress

### 6.1 General

6.1.1 As the four forces in Wales work towards a possible reconfiguration and the creation of an all-Wales constabulary the primary issues requiring resolution remain those connected with funding, command and governance and this paper has set out to describe the Service perspective on these in some detail.

6.1.2 Given the importance of these issues both to a smooth transitional period and the longer term effectiveness of an all-Wales force it is therefore with some regret that the Chief Constables must report their disquiet over recent developments in relation to the restructuring process and the impact of those upon progress.

6.1.3 Hitherto, all four Chief Constables in Wales have said publicly from the beginning of the current process that in broad terms they would support the creation of a strategic force in Wales in line with the Home Secretary's stated intention and the four forces have been working closely together from the outset to that end. That support, however, has always been conditional upon the new strategic force being properly funded, the issues of governance and command being satisfactorily resolved and a realistic period of time being allowed for implementation.

6.1.4 These vital considerations were flagged up in the written responses submitted to the Home Secretary in the period leading up to Christmas last year and whilst it is fair to say that the Service perceives there to have been some positive movement on the command and governance issues (as described previously in this document) the same cannot be said in respect of the funding question. In this area whilst there has been some progress on the costs associated with the setting up of a new all-Wales force in a number of critically important areas concerns connected with future-proofing annually recurring costs remain unresolved. These are discussed further below.

6.1.5 The Committee will be aware that the four forces submitted their final Option Appraisal to the Home Office on 23rd December 2005 as requested. No formal response to the document was received for three months until the 22nd March 2006. A delay of this length, given the timescales this process is scheduled to work to, was in itself considered to be unhelpful.

6.1.6 Included with the letter of response from the Home Office was a detailed (and helpful) assessment of the Option Appraisal submitted upon which it is common ground that more work is needed to transform it into a formal business case for amalgamation. This included a summary of the costings as perceived by the Home Office.

6.1.7 In a general sense the comprehensiveness of the response was very welcome, but in one crucial regard it was both a surprise and disappointment: in the Home Office assessment, with little or no explanation at all, the sum of money put forward by the forces as their realistic estimate of the recurring

annual cost of improving protective services capacity to meet national standards across the whole of Wales had been cut by seventy-five per cent. In terms of hard cash the difference between the two figures was no less than £33 million.

## **6.2 National Standards**

6.2.1 Improving the protective services to accepted national standards - standards developed and enforced by Her Majesty's Inspectorate of Constabulary (HMIC) - is the Home Secretary's publicly stated intention. Their achievement has been cited as the primary rationale for change on this scale and is the *raison d'être* for the current restructuring process. The Option Appraisal submitted by the four forces – a comprehensive process that the Committee will recall took three months to complete - reflected this and was predicated entirely upon creating the additional capacity to meet the national standards for the protective services whilst at the same time protecting the standard of local neighbourhood policing delivered by BCU.

6.2.2 The Appraisal received an 'Adequate' rating and this was understandably taken by the Chief Constables to be broad acceptance within the Home Office of the professional judgements expressed within it.

6.2.3 But such was the difference between the two assessments of need that the question was raised with HMIC of whether or not they were based on a common understanding between the Service and Inspectorate of what constituted 'national standards' in relation to the provision of protective services. At the time of writing a dialogue is ongoing between the all-Wales Project Team and HMIC on the development of a shared understanding on standards in the protective services and the level of additional investment required to achieve them in a country with the peculiar features of Wales to which this document has previously referred.

6.2.4 This dialogue with HMIC is welcomed but again, in a process with such restricted timescales the uncertainty and diversion it creates are not. Clearly the Service could not accept any suggestion that the standards of service acceptable in Wales can in any way be lower than elsewhere but to date there is no offer from the Home Office of additional funding to meet the annually recurring costs of improved protective services.

## **6.3 Working Assumptions**

6.3.1 What does seem clear is that the assumptions upon which the Service's Option Appraisal document was predicated are greatly different from those being applied by the Home Office and HMIC. A main thrust of the Option Appraisal was that in Wales, despite the generally accepted wisdom that bigger organizations lead to economies of scale in service provision, the circumstances are such that additional investment (above any savings that could be achieved through gains in efficiency) would be required to achieve protective services that met national standards without adversely affecting local neighbourhood policing. The thrust of messages received from the Home Office and HMIC since the

submission of the Option Appraisal imply non-acceptance of this assertion and a belief that enhanced protective services and improved neighbourhood policing can both be put in place and sustained without the injection of additional resources. Certainly as things stand no additional money is on offer to fund the recurring costs of improved protective services.

6.3.2 Further dialogue is taking place with senior Home Office officials to explore how the two sets of assumptions might be reconciled. Whilst this engagement is welcome, the qualification expressed in the previous paragraph is true here also.

## **6.4 Funding**

6.4.1 This section sets out the areas in which unanswered questions that relate to the funding of a new all-Wales police service are causing uncertainty and grave concern:

### **6.4.1.1 Funding Formula**

6.4.1.1.1 The formula used by the Home Secretary to apportion Police Grant between forces is to change. The Service anticipates that the formula change will be to the advantage of metropolitan areas and disadvantage those areas where the population is sparse. An all-Wales force would be the most sparsely populated force in England and Wales and there is a fear that the budget of an all-Wales force could be substantially less than the sum of those for its current constituent parts as a consequence.

6.4.1.1.2 To add to the uncertainty it has been confirmed by the Home Office that the revision of the funding formula will be carried out this summer, for implementation in 2008. Implementation of the new funding regime would therefore occur after the proposed new force has actually come into being. For those charged with the creation of an all-Wales force not knowing the future funding position at the design stage represents a real headache.

### **6.4.1.2 Council Tax Equalisation**

6.4.1.2.1 The Committee will be aware that currently each existing Authority sets its own precept and that there is significant variation in the level of precept across Wales. The creation of one force would lead to the setting of a common precept across Wales. This would lead to an increase of the Council Tax in South Wales, which currently has by some margin much the lowest rate and a corresponding drop in the Council Tax in Dyfed Powys, Gwent and North Wales areas.

6.4.1.2.2 There has been suggestion that this equalisation should be phased in over a number of years to ease the pressure on those who live in the current South Wales Police area, but whilst this may on the face of it sound a reasonable way to proceed it is not without practical difficulty. Presumably limits would need to be put in place on how much Council Tax could vary each year. Then, a decision would need to be made on whether a rise agreed for equalisation purposes included or was separate to any precept rise caused by inflation or other new demand. The latter scenario could lead to sharp rises in

Council Tax in the South Wales area whilst the former could lead to an equalisation process that created a very substantial drop in the amount of funding raised in this way. At the time of writing this submission, we are still no clearer than we were in December as to how this matter is to be resolved. Our projections indicate that if a phased approach to precept convergence was adopted over five years, this could result in a financial loss of approximately £ 30 million per annum.

#### 6.4.1.3 Neighbourhood Policing

6.4.1.3.1 All forces are currently pursuing the implementation of the national Neighbourhood Policing Project which will see the introduction of neighbourhood policing teams into communities across the country. The Government has set deadlines for implementation of the Project and has made significant grant funding available, mainly to fund the great majority (up to 75%) of the cost of the introduction of large numbers of Police Community Support Officers (PCSO).

6.4.1.3.2 This process started last year and at the time of writing the four current forces in Wales expect to have recruited in excess of one thousand PCSO by the time the grant funding ceases in 2008. The Home Office has confirmed that at this time the grant funding will be consolidated into the base budget of the Force(s) but in all probability at a rate that absorbs no more than 66 % of the overall cost leaving a major shortfall.

#### 6.4.1.4 Efficiency Targets

6.4.1.4.1 The four forces have always accepted that the creation of a single force offers opportunities to deliver efficiency savings and these were included in the Option Appraisal submitted to the Home Secretary in December. It is of great concern that the Home Office anticipates that forces should also deliver significant efficiency savings over and above this as this may represent double counting between the restructuring process and other sources of efficiency gain.

### 6.5 Consistency

6.5.1 A review of the reorganisation process outside Wales has raised questions in relation to consistency of approach which Service representatives in Wales will be raising with Home Office officials in an effort to achieve clarity and equality. The Surrey and Sussex forces, for instance, have been given until 2008 to merge where an all-Wales is scheduled to be created on 1<sup>st</sup> April 2007. Clearly an additional lead in period of this length would allow for better planning and more measured implementation. The issue of an extended implementation date in Wales has been raised with Home Office officials who responded that there was a wish not to put the date back a year as they were keen to realize the benefits of a merger as quickly as possible and avoid prolong the period of uncertainty. Why the situation should be different in Surrey/Sussex, where only two forces are to merge, is not clear. Given all the unanswered questions about finance in particular, but also the challenge of merging any four organisations, a 2007 timescale is far too short.

6.5.2 Also, across England and Wales there are regional differences in the response of the Home Office to Option Appraisals. In the East Midlands region, for instance, the cost of computer desk-top replacement as part of a programme of IT harmonization has been allowed in full: in Wales it has not.

6.5.3 Of all the proposed reorganisations Wales has been assessed by the Home Office to have the lowest net set-up costs of any comparable merger, but at the same time has been allocated what is believed to be the highest savings target. The rationale behind this decision-making has as yet not been made available and is not understood within the Service.

## **6.6 Closing Comments**

6.6.1 The examples given above are not an exhaustive list. They describe only briefly the major concerns of the Service in each of the areas referred to and more detail can be made available to the Committee should it be required when the Chief Constables appear to give evidence. Each point described is, however, considered within the Service to be an issue of serious concern in its own right and in financial terms, when taken together, the sums involved add up to a potential funding gap for an all-Wales force that runs into tens of millions of pounds. In fact, based upon some very broad assumptions, we have projected that an All Wales force would face a deficit of over £62 million per annum by 2011. Such a deficit would inevitably lead to cuts in front line policing.

6.6.2 In his recent budget statement the Chancellor of the Exchequer announced that the Home Office would receive only flat rate increases during the currency of the next Comprehensive Spending Review period. Against this background the view of the Chief Constables in Wales is that the factors listed above would result in a general financial outlook for a new all-Wales force that could present a real threat that the Service would have to face reductions in its costs that were so significant as to make it not viable financially.

6.6.3 In an effort to resolve the situation dialogue continues with the Home Office and HMIC but before the reorganisation process can proceed further the Service really does need clear and unambiguous answers to what it considers to be fundamental questions. The detailed planning required to deliver a single effective police service within Wales cannot be taken further without clarity on the standards of service aspired to and certainty that sufficient funding is in place to deliver it.

6.6.4 The very short timescales to which the Service is working serve only to exacerbate the problem: to implement such large scale change would be challenging enough within the time frame envisaged where the answers to all the questions were known. In Wales the Service is far from that happy situation and in a nutshell it is felt that there need to be put in place quickly clear 'rules of engagement' and the necessary finance to support them. It seems absolutely inevitable to those charged with creating a new Service that there would have to be substantially more money placed on the table for Wales if this process is to succeed in its aim to deliver a more effective Police Service.

6.6.5 There is a fear that if a single police service in Wales does not receive sufficient support from the

outset it will inevitably lead to a situation where the requirement to apply the lowest common denominator as the service standard will create a situation where the public of Wales receive a less effective service than they current enjoy – in both the protective services and local neighbourhood policing - in some communities for an increase in cost above what they are paying now.

6.6.6 The Service believes that the four Police Authorities are equally if not more concerned: they have a duty to consult which they cannot undertake in the current circumstances for a lack of detailed information to put before the public.

6.6.7 At the time of writing the Chairs of the four police authorities were scheduled to meet personally with the Home Secretary on 11<sup>th</sup> May 2006. This meeting is now being rearranged and is critical.

6.6.8 It is the view of the Chief Constables that the financial considerations in particular are so fundamental to success that they must be resolved quickly and with certainty prior to the end of the period allowed in the process for formal objection.