

**Efficiency and Effectiveness Review Programme
Overtime Review**

Report Submitted to Finance, Planning and Best Value Committee
17th January 2002

MPA

Metropolitan Police Authority

1. Management Summary

1. The MPS overspent its police overtime budget in the last financial year by approximately £20m. This was the second year in succession of growth in overtime spend, and forecasts for the current financial year show it continuing to grow.
2. The MPS needs overtime in order to cope with the peaks and troughs of policing demands. However, the benefits of overtime can only be realised if it is kept under control.
3. We propose a management control model with components that, if implemented, can help ensure that overtime in the MPS meets three fundamental criteria. It must be:
 - a. *Efficient* – used only when essential, on activities that cannot be performed in core time
 - b. *Effective* – that, once deployed, overtime resources get the desired results
 - c. *Economical* – that it is paid at the lowest possible rate
4. **Efficient** use of overtime concentrates on maximising the value of core time; on process improvements to reduce inefficient use of overtime, in the context of processing prisoners, for example; on management control and attention; and on the information support structures required to enable managers to take control.
5. **Effective** use of overtime focuses on the value obtained from policing operations and enquiries, particularly proactive operations, and the appropriateness of risk assessment and planning, drawing in particular on examples from aid abstraction.
6. **Economical** use of overtime can be made by reducing the rates at which overtime is paid through both regulatory changes and improved management of resources, including resources required for aid.
7. All three areas of the model have been constructed from research across Specialist Operations, the Boroughs, TPHQ and other central units.
8. The options we have explored and their associated savings/costs are split into those that require regulatory changes and those that do not. We have made recommendations only on those issues that do not require changes to national regulations. In the current climate of police reform, we believe it would be inappropriate to go further at this stage (though the MPA may wish to revisit a number of these regulatory issues later in 2002 when the national picture has become clearer). However, we have highlighted a small number of recommendations around allowances and their administration that could be implemented within the existing framework of national regulations.
9. Aside from regulatory changes, however, the cornerstone of any major reduction in overtime expenditure is improved management attention and scrutiny. We have seen some excellent examples of managers who have got this right in the MPS, and have reaped the rewards in terms of reductions in overtime spend; however, we have also seen examples where management has been rather less tight.
10. The potential savings opportunities we have identified range from c.£14.8-£20.5m for those recommendations not requiring regulatory changes to c.£0-£32m for those requiring regulatory reform. It should be noted that, if made, changes requiring regulatory reform

would impact on those not requiring regulatory reform, thus lowering slightly the final savings range from £0-32m. It should also be noted that the above outlined savings ranges are gross figures, and not inclusive of costs involved in implementing these changes.

11. The systems, skills-base and cultural change required to elicit maximum improvement in the use of overtime will require time, strong leadership and commitment. Effective project and journey management will, as ever, be critical to the successful delivery of such change.

2. Introduction

1. The MPS spent c.£95m on police overtime (excluding additional officer allowances) during 2000-01 against a budget of c.£75m. The growth in spend has accelerated markedly over the last few years and projections for spend this year are even higher. Whilst the circumstances under which overtime is paid and the rates are dictated by National Police Regulations, there is nevertheless considerable scope for individual managers to influence the amount of money spent on overtime. In the MPS, the distribution of expenditure varies considerably between units and individual officers. Full details of the variation between units are included in Attachment 1.
2. The Efficiency and Effectiveness Project Board has engaged Accenture to undertake a review to determine how the management and control of overtime could be improved without undermining operational effectiveness. As requested, the review concentrates on police overtime except where otherwise stated. In fact, the management model we propose will apply equally to civilian overtime, although the regulations governing the latter are slightly less complex than for police. It should also be noted that no attempt has been made to quantify potential benefits of civilian improvement opportunities.
3. It is difficult to envisage the MPS existing without overtime. Given the structure, organisation and priorities of the force, overtime is essential to meeting the policing demands in the capital. In fact, overtime can be both an efficient and effective method of resourcing in an environment where demand comes in peaks and troughs and where staff may need to be incentivised to meet such peaks. A ban on all overtime would therefore be counter-productive.
4. However, these advantages of overtime can only be realised if it is used appropriately and managed carefully. There are two pre-requisites for achieving this: firstly, *core* time must be used as a priority, and, secondly, overtime must only be used to remunerate those roles for which it is appropriate.
5. Once these criteria are satisfied, it is essential that overtime is used (i) efficiently, (ii) effectively and (iii) economically. These requirements can only be met themselves if an adequate control regime is in place, characterised by: a robust performance management framework which encapsulates an evaluation of this control; appropriate IT and financial systems with processes providing accurate and timely management information; and enforcement by a high level of management attention and commitment rooted in appropriately aligned budgets and responsibilities.
6. Our research has revealed evidence of the above essential practice in the MPS; with the management and control of overtime improving as a result. However, this only applies in certain parts of the organisation. *In other words, the MPS knows how to manage and control overtime – but it is not doing so consistently across the organisation.*
7. The review is based on a combination of qualitative and quantitative analysis. We have conducted research in a large number of OCUs - across SO, boroughs and central TP - including interviews with a range of internal and external stakeholders (a full list of interviewees is in Attachment 2). We would like to place on record an acknowledgement of the helpfulness and openness that we have encountered from all sections of the force and our gratitude for both assistance to date and offers to help in the future. We have nevertheless encountered a great

many problems collecting quantitative data from around the organisation. As our report details, there is a major shortage of electronic data relating to overtime in the force, which is not only a major problem when conducting reviews such as this (and identifying figures for savings opportunities), but, crucially, is inhibiting many managers from doing their jobs effectively in relation to budget management. In an attempt to counter this we have employed a range of primary research techniques including surveys and widespread manual sampling of paper records. The extent to which facts and figures relating to overtime are unavailable to management has been highlighted recently by requests we have received from MPS personnel, with responsibility for analysing overtime, asking us to share our data!

8. Finally, it should be noted that the review started in the same week as the terrorist attack on the World Trade Center, a coincidence that has had a number of consequences for our review. As mentioned above, it has made the task of data collection more difficult, since the systems and individuals most able to generate data for us are the very same that have been in such demand for information relating to Operation Calm. It has also, to some extent, changed the nature and terms of the debate around overtime and budget management in general. On the positive side it has raised the profile of overtime, prompting many people to take a closer look at overtime in their own unit; the review has therefore been as relevant as ever. On the challenges side, however, there have inevitably been more people within the MPS reviewing overtime themselves and 'joining up' with them all has not always been possible.
9. Our data and analyses apply generally to a pre-September 11th world, unless otherwise stated in the report. However, it is in times of exceptional policing demands that the risks of 'losing control' of overtime are greatest, and the need for control measures along the lines that we suggest are themselves highest.

3. Efficient use of core time and overtime

What do we mean by 'efficient'?

10. Efficient overtime is that which is deemed absolutely essential, based on the hypothesis that overtime should not be spent on activities that could be performed in core time.

Summary of current practice

11. Our research has revealed many examples of what we would term an unacceptable use of overtime. We have also, however, uncovered examples of good practice where the level of unacceptable overtime has been reduced through certain repeatable measures. There are a number of dimensions to the problem:

Core time not being effectively used

12. Since new overtime management regimes have been put in place in Serious Crime Group (South), Hammersmith CID and SO7 Serious and Organised Crime, overtime expenditure has been reduced by 75%, 58% and 27% respectively. Senior managers in these units have said that this has been achieved with little discernible impact on performance. The inference can therefore be made, and has been confirmed by some of the managers, that core time was not previously being effectively used. The measures taken are described below, but a key theme has been working 'smarter', including asking testing questions of staff about whether overtime really is essential.

Process improvements to reduce inefficient use of overtime

13. The pie charts in Attachment 1 show the activities on which overtime is spent. From both data and interviews we identified two of these activities as candidates for process improvements to reduce the pressure on core time and consequently reduce the demand for overtime, namely court attendance and prisoner processing.
14. The amount of overtime spend on **courts** is relatively small at £1.8m, but the issue is an important one to boroughs as it represents a key portion of their core and overtime resource that is largely out of their control. Adding to the frustration is the small amount of time officers actually spend giving evidence (between 9% and 14% according to a recent National Trials Issues Group report)¹. The main reason for officers attending courts on overtime is the inability of trial dates to accommodate officers' rostered work patterns. The root causes differ between Magistrate and Crown Courts, with BOCUs in particular able to exert a greater influence over the scheduling activities of Magistrate Courts, and therefore bearing a greater degree of responsibility in such cases. Crown Court protocols tend to be less flexible, as Attachment 5 details.
15. There is considerable variation in the average spend per officer on Magistrate Court overtime across the boroughs, and our research has begun to uncover some best practice in this area centring on the relationship between a BOCU CJU Manager and the Magistrate Court staff and also the devolution of court aid budget to the CJU. The new Greater London Magistrate Courts Association is determined to tackle the issue of joined-up working with the police and the climate for change would seem to be improving. There are nevertheless measures that boroughs can take to reduce overtime. Included in our recommendations is a proposal to examine ways to improve the utilisation of officer time while on duty. Examples of this might include computer connections from courts into the MPS network to enable them to undertake paperwork, or the use of pagers allowing officers to be 'on call' whilst continuing with operations.
16. **Prisoner processing** represents a larger target, however, consuming c.£10m of borough overtime in FY00. Attachment 4 describes in detail the current situation, the methodology and analysis we have employed. Guided by qualitative material from interviews initially, we concentrated our efforts on mechanisms for potentially reducing key blockages in the system; these included the 'dead' time officers spend waiting for third parties, and the broader efficiencies allegedly represented by dedicated custody arrest support teams (CASTs).
17. Our findings offer evidence that whilst 'appropriate adult' schemes represent an important efficiency gain, the benefits of CASTs are not so universal. Whilst in certain situations and environments they can realise substantial benefits, any attempt to implement them forcewide, could actually *increase* overall prisoner processing costs. We recommend that an evaluation, based on the draught ready reckoner proposed in Attachment 4, be conducted before any CAST implementation.

Management control and attention is the cornerstone of any improvement

¹ Police Review vol. 109 no. 5646

18. Process improvements can only go so far in reducing levels of unacceptable overtime. The most important factor by far, and raised in almost every interview we have conducted, is management attention and supervision. Not only does improved supervision generate substantial savings in and of itself, it can have the effect of magnifying other efficiency savings, for example, in the processing of prisoners.
19. Previous reviews of overtime in the Met have highlighted the role of management at every level as being central to good overtime management, and have drawn attention to the deficiencies that exist in places (see recent reports by MPA Internal Audit and MPS Inspectorate). Indeed, in their report of February 2001 (based on a project spanning back to August 1999), IA conclude: *“In our opinion, there are a number of weaknesses in the system used to authorise and pay overtime to police officers. In particular, there are inadequate and ineffective standards of supervision of duty and overtime documentation [...] There are also inadequate controls over the processing of overtime.”* This confirms the conclusion we made in the introduction, that the Met *know* how to manage overtime – they are just not doing so consistently.
20. The aforementioned reductions in overtime spend in particular OCUs have been achieved by management employing very similar methods to one another. These are detailed in our recommendations below and in Attachment 3, but centre on holding officers and other managers to account for overtime spend, authorisation according to a strict policy of acceptable use and closer supervision of the recording of overtime. This is particularly important in CID units.
21. We believe that by extending such good practice across comparable units in the Met there are substantial savings to be made. Quantifying them is difficult and ‘intelligent extrapolation’ is required. We have presented potential savings in the form of ranges, which have been validated with relevant managers where possible. The logic behind the savings estimates below is detailed in Attachment 3.
22. In many of the instances of good practice of which we have seen evidence the drive to reduce overtime has been self-initiated, with the primary motivation being a professional or ‘moral’ one. Consensus among interviewees, and evidence from other industries, is very much that less conscientious managers will only make similar efforts to improve when they are in turn driven by their own managers and are truly held to account. Attention should therefore be given to fine tuning systems of sanction and reward to incentivised good budgetary management. Examples of this might include linking financial performance to appraisals and promotions, requiring OCU managers who overspend budgets by a certain percentage to justify the reasons to the MPA, *etc.*
23. Effective leadership is an integral part of controlling overtime expenditure. The systemic behavioural changes required to control overtime will occur to a far greater extent once officers with proven records in both operational competence *and* budgetary management are promoted ahead of, for example, less fiscally proficient counterparts. Interviews with senior officers and finance managers suggest there is currently insufficient emphasis on this area.
24. Our research has shown that challenging overtime expenditure can be a lonely business, because saying ‘no’ is difficult when individual officers might stand to lose out. It is essential that managers can have confidence in the support of the organisation when challenging overtime.

25. Overall, many senior managers have highlighted the importance of greater scrutiny from the MPA and the difference it is already making; however, all expressed the need for it to be sustained beyond the current budgetary challenges.

Information support enablers

26. Managers cannot be expected to exert tight control of their overtime expenditure without access to accurate and timely management information. In all the examples of good practice we have seen, management information has been the key enabler. However, given some of their current recording arrangements, IT systems and financial management structures, however, this is impossible in some units.
27. In our view, it is unacceptable that some of the highest spending units do not use the standard overtime management and recording tool, CARM. They cannot therefore produce MI at all in some cases without extensive manual labour, nor in other units in a format enabling inter-unit comparisons in others (see Attachment 7, our SO case study, for more detail on this). Whilst the suitability of CARM as a long term solution is not certain, in the short to medium-term it is essential that all units should use it.
28. It is also unacceptable that overtime is recorded, authorised and processed in different ways around the force, particularly given previous recommendations from Internal Audit. This is in part a symptom of a lack of ownership of overtime management at the centre of the organisation.

Reducing the pressure on core time through changes in operational policy

29. There is another slightly more radical way to reduce the level of unacceptable overtime - through reducing the pressure on officers' core hours. Several interviewees in both boroughs and SO complained that they were struggling to cope with demand levels and were frustrated by having to pursue certain non-priority crimes that rarely resulted in a conviction, which they viewed as a waste of core time and a contributor to overtime. Particular frustration existed in relation to so-called 'victimless' crimes, such as credit card fraud, deception, making off without payment, shoplifting etc.
30. Some boroughs have adopted local policies to help reduce this pressure on core time. In Hackney, for example, they have introduced a policy of screening deception cases through a scoring mechanism that helps determine whether or not they investigate it. Scores are attributed based on victim and offender profiles, victim numbers and value stolen/obtained. Since it is not possible to calculate an average amount of time spent investigating such cases it is not possible to quantify savings. However, in spite of an increase in the number of allegations, they investigated nearly 500 fewer offences in the first year of the scheme than in the previous year.
31. The nature of this type of crime is such that investigations are time consuming due to complexity, due to the number of statements to be taken (e.g. bank staff, members of the public etc.) and due to the creation of exhibit lists. Removing the burden of investigating these crime types has allowed CID officers to concentrate on case work in core time, and has allowed the DCI "to manage resources more effectively and focus them towards priority crime". He claims it has also been a major factor in getting CID overtime down from a £120k annual overspend to its budgeted level this year².

² Figures from Hackney borough

32. An independent assessment of the Lambeth cannabis arrest policy pilot is due to be published shortly. However, information from the borough suggests that with any arrest / warning usually consuming two officers, a total of four hours of officer time is saved with every incident. Meanwhile, the recent relaxation of the law on cannabis possession is estimated to save over 74,000 police officer hours per year³.

³ Evening Standard 24/10/01 (figures not validated here)

Recommendations on the efficient use of overtime

Process improvements to reduce inefficient use of overtime - courts (see Attachment 5)

1. Boroughs should take measures to reduce court overtime including:
 - Devolve courts aid budget to CJU manager
 - All OCUs should improve quality of MG10 completion to ensure courts have up-to-date records of officers' dates to avoid
 - Borough CJUs should establish closer links with Magistrates Courts
 - Better duties management of court abstractions to reduce time worked as overtime
2. The MPS should examine methods of maximising officer time while on duty, including exploiting the use of technology to reduce 'dead time' in court
3. Commissioner should address issue of officers attending Crown Courts and police involvement in setting trial dates with judiciary and Home Office

Process improvements to reduce inefficient use of overtime – prisoner processing (see Attachment 4)

1. All boroughs should implement and maintain an appropriate adults scheme
2. All boroughs should work to reduce the % of planned overtime on prisoner processing to less than 10% through better supervision, applying particularly to CID officers whose broader supervision is addressed in Attachment 3
3. MPS should NOT implement custody arrest support teams (CASTs) force-wide and should instead apply our evaluation guide to identify where it would be cost effective.
4. As part of its Information Strategy implementation, the MPS should consider a systematic re-evaluation of current custody systems to eliminate the widespread inefficiencies of non-cooperative information systems and reduce excessive burden of paperwork.
5. Boroughs must place greater emphasis on cooperation between uniform beat and sector teams in the handover of prisoners between shifts.

Improvements of systems and processes involved in management control and attention are the cornerstone of any improvement in efficiency of overtime use

1. As a matter of urgency, managers on all OCUs should work to increase the level of supervision and scrutiny of overtime at all ranks. The following practices should be adopted:
 - Publish and enforce an acceptable use policy for overtime each OCU (and explain to staff the reasons behind it)
 - 'Intrusive' management and greater questioning of essentiality/non-essentiality of O/T, encouraging people to work 'smarter'
 - Closer supervision to ensure planned/casual overtime authorised and recorded correctly

- Clearly defined and enforced authorisation processes, escalating to SMT levels in short term and in longer term when individual managers overspend without justification; decisions should be based on both operational and financial considerations
 - Overtime to be authorised *before* it is worked (not retrospectively), with start and finish times authorised and monitored (part-hours included)
 - Dip sampling of overtime records to ensure compliance
 - Overtime clerks to alert managers and refuse to process any records received without proper authorisation
 - Transparent, timely and accurate management information with provision of clear audit trails and accountability structures should be available and reviewed on a weekly and monthly basis
 - Clear channels of accountability need to be defined, with regular reporting on the operational and financial status of operations
 - Overtime should be a SMT priority and a regular agenda item
 - FRM/SRM should be a permanent SMT member on every OCU
 - Meetings to review a balanced scorecard considering budgetary as well as operational performance, including duty state auditing etc. , as a means of holding managers to account
 - Monitoring of officers earning high levels of overtime pay relative to their peers
2. Thought should be given to fine tuning systems of incentives and sanctions for managers, including incorporating budget management into the appraisal and promotion process.
 3. All managers should have the explicit support of their senior managers when challenging overtime expenditure within an OCU

Information support enablers

1. Short-term improvements to CARM are essential
 - CARM should be rolled out to all non-participating units based on business case of 01/11/01
 - A SQL server database for CARM should be implemented and placed on upgraded NT server to enable production of *forcewide* MI on overtime and duties that could be published on the intranet, as per CARM team business case of 06/11/01
 - Consideration should be given to a pilot of a self-service model of CARM in SO units
 - Immediate consideration should be given to activity analysis and time/expense recording tools as medium term alternatives to CARM as part of KISSMET information strategy
2. Ownership of overtime management should be assigned to a central unit (e.g. in P or F department) with responsibility for setting up and maintaining standardised systems and processes and to support local overtime management

Reducing the pressure on core time through changes in operational policy

1. OCUs should consider setting local policy to prioritise certain offence types in order to maximise value of officers' core time (e.g. a scoring system to screen crimes 'in' and 'out'), whilst the Met as a whole should consider such policy declarations at force level and/or monitor and give support (if appropriate) to local managers

4. Effective use of overtime

What do we mean by 'effective'?

33. Once we are confident that overtime is appropriate and an acceptable means of resourcing certain policing activity, it essential we know what we are getting for our investment – i.e. whether the expenditure on policing is ensuring sufficient results (in terms of outputs and outcomes).
34. Monitoring of the effectiveness of overtime needs to encompass the processes before and after the overtime is incurred, extending from initial risk assessment through to post-operation evaluation and knowledge capture.

Summary of current practice

35. The MPS invests a great deal of money on overtime, but finds it difficult to make clear and consistent judgements on the return on that investment. In spite of some individual examples of good practice in the monitoring of individual proactive operations, for example, we were not able to assess claims of value for money given a lack of information about inputs, outputs and outcomes. This manifests itself in a number of areas:

Proactive policing, 'enquiries' and productivity

36. Most boroughs set aside a proportion of their devolved overtime budget for proactive operations. This ranges, in the examples we have seen, from around £20k to £80k. Meanwhile, until recently Territorial Policing HQ have held a contingency fund from which boroughs are able to bid for proactive operations (a budget of c.£2.8m in 2001/02). All bids have to be submitted on standard Proactive Tasking Forms (PATs), which provide scope for bidders to record proposed costs and outcomes in advance and actual costs / outcomes after the event.
37. The robustness of the pre- and post- operation evaluations of PATs appears to vary widely across the force, however. Costing information is not always included, although some boroughs (e.g. Sutton and Bexley) try to make it easier for managers by including a 'ready reckoner' tool for officer costs in their standard management information release. Debriefs do not always take into account a value for money judgement of any operation. In part this relates to the potential difficulties of measuring policing inputs, outputs and outcomes on anything but an individual basis – how can you make a value judgement about the relative benefits of widely differing crimes, their offenders and their victims? This is clearly an area that requires more work, starting in the first instance with work on alternative policing input measures to police numbers.
38. In the short term, however, senior management need to decide whether proactive policing dependent upon overtime is sustainable in the current climate of overspend. The central TP budget has already been frozen, we understand, and several boroughs have frozen theirs. Such a step clearly comes with a risk attached, given the assumption that proactive policing can reduce crime over time. It is also one of the few areas where *any* sort of business case is required for overtime resources, and in that sense its loss would be regretted by several managers we spoke to.
39. The same problem of assessing effectiveness exists when attempting to assess 'Enquiries', a recording category on CARM that, as Attachment 1 shows, constitutes a large percentage of CID overtime in the boroughs. With current recording practices, it is almost impossible to identify the activities on which this overtime has been spent and consequently whether it has been

effective (see MPS Inspectorate Outturn report for more on Enquiries activity codes in CARM). This leaves scope for ineffective (and indeed inessential / unacceptable) overtime to be worked without very close supervision.

40. This lack of robustness in post-operation evaluation inevitably means there is often a failure to learn from past practice, good and bad, and that when the knowledge in people's heads moves on with them, newcomers are left to learn by making the same mistakes. Such a lack of knowledge management is a structural handicap to effective overtime management.

Planning and risk management

41. It is at the stage of operation planning that such knowledge is essential to enable the most accurate risk assessments to be made based on past practice. This issue is crystallised in the MPS by the issue of aid abstractions.
42. The subject of aid is dealt with fully in Attachment 6 and is clearly a controversial area, one in which the sense of a centre/borough split is particularly acute. One accusation from the boroughs is that risk assessments made by the centre include an unnecessary 'comfort blanket' figure; boroughs are in turn accused of not managing their duties (cost) effectively in response to central demands for resources.
43. We deal with the second issue later in the report. We also made a decision to avoid exploring in depth the methodologies of risk assessment employed by gold commanders and CO11 Planning. This is in part because a review of this dimension of aid abstraction is currently being undertaken by TPHQ, but also because the decisions made are necessarily made with operational objectives in mind, something we are not best placed to comment on. What we can say from our research, however, is that there could almost certainly be improvements made in the way in which knowledge is managed across events and operations and in the recording and monitoring of policing inputs, outputs and outcomes.
44. There is also potentially a structural impediment to effective use of resourcing on public order aid, and indeed other types of aid such as POLSA search officers, relating to the misalignment of budgets and responsibilities. Whether or not a 'comfort blanket' exists in making risk assessments (not just in terms of overall officer numbers, but when they are required to start and finish duty), experience (and intuition) tells us that when one party 'spends' a resource and another 'pays' for that resource, end-to-end costs tend to be higher than when one party is spending its own budget.
45. There is apparent evidence that this has existed in relation to armed hospital guards provided by SO16 for activity on boroughs. Previously, we have been told, a borough manager (usually Supt Ops) could request a guard for an individual hospitalised on the borough, having conducted their own risk assessment, and SO16 would pay the officers' overtime. There was a sense in some quarters that the misalignment of budgets was prompting requests of guards when not absolutely necessary. To counter this, authorisation from an ACPO officer became mandatory for all guard events after 24 hours. Prior to this move, from pay periods two to eight, the average monthly overtime bill to SO16 was over £96k; in pay period nine it was less than £14k.
46. It is clear from our work that escalation of authority is a key factor in overtime reduction. One hypothesis mentioned to us in explanation is that senior officers are better placed to make judgements on risk assessment with confidence, based both on professional experience and the security of a more senior position. As one manager told us in relation to working smarter in

SO1(4), cutting back on one's comfort zone in decision-making is both possible and acceptable ("we need to be in the business of risk management").

47. This logic could well be applied again to the aid arena, where the start and finish times of officers can have considerable overtime implications due to regulations about the start of the working day (e.g. a minimum of four hours overtime plus one hour travelling time at a rate of double time must be paid to an officer working as little as fifteen minutes before the official start of the working day, if the previous day was a rest day or public holiday). This is dealt with in more detail in Attachment 6, but summary recommendations are included below.
48. In addition to increased supervision and escalating the level of authorisation, possibilities exist for more radical restructuring to align budgets and responsibility to boost the effectiveness of overtime. This is discussed in more detail in Attachment 6 in the context of aid, although summary recommendations are included below.
49. The misalignment problem is also addressed in Attachment 7 on SO, an area of the organisation where some realignment of budgets and responsibility is desirable.

Recommendations on effective use of overtime

Proactive policing, 'enquiries' and productivity

1. MPS should ensure that all major operations, including proactive operations, are subject to post-operational evaluation studies within a framework of cost effectiveness as well as achievement of operational objectives, in addition to ensuring the current business case process is adhered to. This should also facilitate the evaluation of proactive operations as a whole in order to be better placed to assess the return on investment of overtime
2. The MPS should design more appropriate measures of operational policing, in terms of inputs, outputs and outcomes, to assist in business case development and evaluation
3. *Given the lack of robust information on the outcomes of proactive policing, and given the fact that it is often the first budget to be frozen, Project Board might wish to consider a reduction in this dimension of the overtime budget for next year*

Planning and risk management

1. Managers need to have access to the information they need to make informed decisions about risk, including access to potential costs, and should be confident of the support of senior managers when using professional judgement in risk assessment.
2. The MPS should consider options to improve the provision of public order and POLSA aid including a realignment of budget and responsibility with central budgets being used to 'purchase' borough officers; boosting supply of trained officers and holding decision makers to account for the cost as well as operational implications of decisions
3. The MPS should consider a number of options for reducing spend incurred at the start of the working day, including:
 - Revising the current practice of home station parade for specific public order events
 - The provision of appropriate information to public order commanders to enable them to cost the effects of their decisions in real time – both in the planning of events and upon deployment
 - Replacing operational feeding with refresher allowances
 - Replacing operational feeding with packed lunches and receipted expenses

5. Economical use of overtime

What do we mean by economical?

50. Once the tests of efficiency and effectiveness have been passed, a third criteria needs to be met to ensure best practice overtime management - is overtime being paid at the lowest possible rate?

Summary of current practice

51. This is certainly not always the case in the MPS, or the police service as a whole. Rules around the rates at which overtime is paid are fixed by police regulations and relate primarily to the notice periods that officers are given (see Attachment 8 on Terms and Conditions for full details). In the light of current police reform work, however, we have proposed a number of changes to terms and conditions that could make the payment of overtime more economical. Even within existing regulations however, there is still considerable scope for managers and OCUs to control the rate at which overtime is paid by virtue of the notice period and planned/casual overtime distinction. We have again chosen to focus on aid abstractions to demonstrate the latter point, before moving on to terms and conditions.

Aid abstractions – improved duties management

52. The analysis in the aid Attachment 6 shows the extent of variation in rates at which different boroughs have supplied aid to the centre. Our research shows that this can be influenced to a significant degree by the practice in borough duties/ops offices. The easiest option when resourcing an aid request can sometimes be to recall officers from rest days, particularly if short notice has been given to the borough in the first place. This inevitably leads to payments to officers at double time. We have seen evidence of good practice across the force (e.g. Paddington, Bexley, Hackney) that places so-called 'less than eights' officers at the bottom of the list, who are only recalled at last resort. Indeed, of the 17 of duties offices that responded to our survey, 10 required SMT authorisation before any such rest days were cancelled. However, there are other OCUs who do not have protocols in place for resourcing aid, and for whom cancelling weekly leave is nearer a first resort. We estimate significant savings can be made on boroughs by tightening up on the one area of aid abstraction that they can influence. The devolution of aid overtime budgets to duties/ops office managers is another example of good practice in this regard.

Aid abstractions – improved notice from centre to BOCUs

53. A borough's ability to minimise the rate at which overtime is paid to officers on aid can be heavily influenced by the notice period received for the aid from CO11 Resourcing at the centre. In many cases, this notice period reflects the notice given to the MPS as a whole; after all, the Public Order Act requires only six days notice to be given to the police about a planned demonstration, which is instantly 'less than eight' and heavily reduces a borough's ability to avoid cancelling weekly leaves (even to backfill for core officers who have been sent on aid, itself an example of good practice). Although the MPS needs to police every demo, even those for which they receive less than the minimum notice, a change to legislation would certainly of benefit.

54. Notice periods are not recorded electronically, so, data collection is difficult. However, our manual sampling has shown that 7 out of 48 events requiring borough resources for aid were received by CO11 with more than 15 days notice but the boroughs were notified with less than eight days notice. This means that the opportunities for boroughs to supply aid, or backfill for officers on aid, at anything less than double time is severely reduced. In Attachment 6 on aid

we estimate the potential savings that could be made by speeding up the turnaround of notifications.

55. This is something CO11 acknowledge to be an issue, and they will need the support of the organisation (in IT provision for instance) to help them meet the demand for the fastest possible notification turnarounds. The need to incentivise the centre to maximise the notice given to boroughs and other supplying OCU is tackled in our proposals for reform in the attachment.

National notice periods

56. The whole notice periods debate is conducted within the rules laid down by National Police Regulations. With decisions on notice periods and other regulatory changes resting with the Police Negotiating Board and the Government, it is not appropriate for us to make recommendations on this issue at this stage. However, we have outlined some costed alternatives to current terms and conditions that the MPS might wish to revisit later this year in the light of any decisions from the PNB. For instance, Attachment 8 explains in detail our calculations of the potential savings of tightening the notice period thresholds from fifteen and eight days, to eight and five days. In the units that use CARM alone, this would amount to over £11m annually. It is also a proposal that has met with broadly favourable responses from our interviewees.
57. Notice periods that affect overtime payment rates are very unusual across industries, however, and many comparable organisations such as the London Ambulance Service and the NYPD pay overtime at standard rates. In Attachment 8 we have mapped out some options, drawing on benchmarks from comparable organisations, that would improve the economics of overtime payment in the MPS.

Removing duties from overtime regime

58. We believe that there are certain roles within the MPS for which overtime is not an appropriate means of remuneration. One unit in the MPS, SO14(2) within Royalty Protection, does not pay overtime to its constables and sergeants for the majority of their work, and instead pays an allowance deemed more appropriate (Special Escort Allowance under Police Regulation 61). Not only can this have benefits for staff, but it can increase control and forecasting ability and prove more cost effective in units who overtime spend is among the most difficult to control. We believe there are several other roles and units within the MPS for which alternative means of remuneration would be more appropriate (see Appendix 7).

Allowances

59. One final change in terms and conditions that we would see as essential is the replacing of allowances with receipted expenses. We have not examined allowances in general, only the principal one relating to overtime – refreshment / subsistence allowance (see Attachment 9 for more details). We estimate the MPS could save £2.2m through the requirement that expense payments only be made upon presentation of receipts. A number of boroughs within the Met have already proposed such an arrangement we understand, whilst the National Crime Squad are intending to make a similar move. We have been assured that these changes could be implemented using existing forms, systems and processes.

Shift systems

60. During our research we have heard many accounts of how different shift patterns can impact on overtime expenditure. A range of options have been suggested as potential means of reducing overtime: from a return to the four shift system, to flexible twelve hour days, to standard five shift systems with spare shifts split and working late turn. It was not felt appropriated or

feasible to consider these issues in depth as part of the Overtime Review. We know from the Work Scheduling Unit at Merseyside Police that a pilot of the 'Ottawa' system resulted in a 14% reduction in overtime; meanwhile, as Attachment 10 shows, we conducted a brief comparison of the Hackney shift pattern with near neighbours to test its supposed advantages, which generated promising results requiring further testing. Given the relevance to overtime, we are recommending that the planned review of shift patters in Tranche 2 be brought forward to the start of the tranche.

Recommendations on economical use of overtime

Aid abstractions - improved duties management

1. OCUs should consider the following in relation to duties:

- Devolve local aid budgets to ops/duties office managers and hold them accountable for it
- Put in place duties/ops offices protocol dictating the order in which officers are supplied for aid to minimise costs – with cancelled weekly leaves as last resort
- Duties/ops offices should maintain a decision log spreadsheet of aid requests and their responses with justification
- Escalate authorisation to cancel less-than-8s to SMT member

AND/OR

1. Implement aforementioned aid resource purchasing arrangement

Aid abstractions - improved notice from centre to BOCUs

1. Work should be undertaken to help CO11 increase notice periods, including:

- CO11 should be bound by an SLA with boroughs regarding the speed with which requests for aid resources are processed – thereby maximising the boroughs' chances of supplying aid at lower rates
- CO11 should be included in the CARM roll out programme
- CO11 should be supported in their attempt to replace MSS with OTIS email messaging
- The MPS might raise with central government the problems caused by minimum six day notice period under Public Order Act
- Notice period fields should be completed when all event details are entered into POSMIS

Removing duties from overtime regime

1. Overtime should be substituted with an appropriate allowance, calculated and graded on a given set of criteria such as level of risk, responsibility, skills, disruption and overtime hours worked in the following units:
 - SO12(a), SO14, SO16, SO17
 - Consideration should also be given to its implementation in SO7, SO10 and 11 and the TSG

Shift system

1. The review of shift systems in Tranche 2 should be brought forward to the beginning of the programme and should include an evaluation of the impact of various shift systems on overtime based on current MPS and national good practice– including flexible shifts patterns, split shift systems etc.

Allowances

1. Replace Travel and Subsistence Allowance with receipted expenses
2. Examine other allowances, overtime-related or otherwise, with a view to replacing with receipted expenses

6. Summary of financial implications

FOCUS AREA	SUMMARY of QUANTIFIED RECOMMENDATIONS	INDICATIVE SAVINGS	REGULATION CHANGE
Management Attention	Extension of best practice to non-CID borough units	£1.75m	N
	Extension of best practices to all Borough CID units	£2.3m	N
	Extension of best practices to selective central TP units	£0.5m	N
	Extension of best practices to all SO units	£3.5m-£5.25m	N
	Improved recording of casual overtime	£2.25m	N
Sub-Total of Potential Savings		£10.3m - £12.05m	
Prisoner Processing ⁴	Implementation of appropriate adult scheme	£0.7m	N
	Reduction in level of planned overtime in prisoner processing	£0.5m	N
Sub-Total of Potential Savings		£1.2m	
Aid	Reduction in Aid overtime at start of working day	£0.3-£0.5m	N
	Improve notice periods	£0.15m	N
	Improve duties management	£0.3m - £0.75m	N
	Reduction in POLSA overtime	£0.2m	N
Sub-Total of Potential Savings		£0.95-£1.6m	
Terms & Conditions ⁵	Extension of Regulation 61 Allowance to selected units	£0 -£3.3m	N
	Associated savings in administration of overtime	£0.12m	N
	Flat rate overtime payments at Time	£32m	Y
	Public Holiday rate at Time	£7m	Y
	Public Holiday Rate at Time & a half	£3.8m	Y
	Change in notice periods	£11m	Y
Sub-Total of Potential Savings⁶		£0m - £35.42m	
Allowances	Replacement of subsistence allowance with receipt/self-certification	£2.2m	N
Sub-Total Savings NOT Requiring Regulatory Changes			£14.8m - £20.5m
Sub-Total Savings Requiring Regulatory Changes			£0m-£32m

⁴ In addition to these proposals, refraining from a blanket implementation of CASTs forcewide could save up to £5m depending on the extent of current proposals

⁵ Note the inclusion of potential savings relating to changes in the rate of payment for overtime is for indicative purposes only; we are not making recommendations but identifying areas the MPS might wish to revisit in the light of the current work by the Police Negotiating Board in this area.

⁶ Clearly there is an element of double counting here. If all the non-regulatory changes were made the level of overtime would fall and the amount saved from regulatory changes would fall. However, modeling this is complex and would require more work if changes in overtime rates, for instance, were deemed likely. Some overlap between management attention savings and notice period savings would also apply.

Summary of Costs

FOCUS AREA	SUMMARY of QUANTIFIED RECOMMENDATIONS	INDICATIVE COSTS	REGULATION CHANGE
Information Support	CARM should be rolled out to all non-participating units based on business case of 01/11/01	£48k - £71k	N
	A SQL server database for CARM should be implemented and placed on upgraded NT server to enable production of <i>forcewide</i> MI on overtime and duties that could be published on the intranet, as per CARM team business case of 06/11/01	£10k	N
TOTAL COSTS			£58 - £81k

7. Making it happen

Taken together, our recommendations will involve an extensive programme of change for the MPS affecting the organisation's systems, skills base and culture. Such changes are complex and time consuming, and cannot be achieved without significant levels of investment and a degree of realism about what can be achieved by when.

The next stage is for the MPS to develop the recommendations contained in this report into a detailed action plan for implementation. However, to provide an initial steer for this process, we have included a high level map of an implementation programme here.

We recommend a phased approach to implementing the changes, concentrating first on getting the foundations in place in 2001/02, and developing these in 2002/03 with a series of pilots around the non-regulatory changes. The programme reflects the series of iterative changes around systems and processes we think necessary. Work on terms and conditions should be delayed until reform of the national framework facilitates it, by which time changes derived from process improvements and supervision and scrutiny would have taken effect. There will also be challenges in any change programme that will impact on the pockets of staff, strengthening the case for a phased implementation.

Resources for the change programme will include budgets for enhancing systems, management time for training and system changes, and dedicated staff time (either from within the MPS or external or both) for development work on the recommendations. At this stage we have not quantified the likely level of resourcing required (except in relation to the CARM rollout); project board should therefore understand that the forecasted costs would be in excess of those described on the previous page, and that a detailed assessment of the resources required should be included by the MPS in their action plan

Therefore, rather than propose detailed estimates of resourcing at this stage, we feel it would be more useful to sketch out a high level map of an implementation programme:

RECOMMENDATION	2001/02	2002/03	2003/04
Efficient Use of Overtime			
Improvements to information systems (e.g. CARM) and standardising of processes	◆-----◆		
Skills training (e.g. CBTs, workshops)	◆-----◆		
Further system development, skills training and streamlining of paper records etc.		◆-----◆	
Implement support processes (e.g. rewards and sanctions) enabling mgt control improvements		◆-----◆	
Policy changes on priority crimes etc.		◆-----◆	
Evaluation of CAST pilots	◆-----◆		
Appropriate adult schemes and further CAST implementation		◆-----◆	
Implement court process improvements		◆-----◆	
Effective Use of Overtime			
Develop business case model and metrics		◆-----◆	
Pilot business case model and metrics in six Pathfinder boroughs		◆-----◆	
Develop methodology for aid budget realignment		◆-----◆	
Pilot realignment of aid budget in Pathfinder sites		◆-----◆	
Rollout of aid budget changes			◆-----◆
Rollout of business case metrics and methodology			◆-----◆
Management information available to all public order commanders		◆-----◆	
Change aid arrangements at start of working day		◆-----◆	
Economical Use of Overtime			
Begin negotiations on terms and conditions		◆-----◆	
Buy out SO units and implement other T&C changes			◆-----◆
Receipting of subsistence allowances		◆-----◆	
Aid abstractions - duties management		◆-----◆	
Aid abstractions - work to improve notice periods		◆-----◆	
Shift system review		◆-----◆	
Implementation of shift system recommendations			◆-----◆

The nature of the phased implementation and resourcing requirements will have a significant impact on the level of savings in 2002/03. The figures we have quoted in Section 6 are full year gross figures. Much work will be required to test the assumptions behind them and to scale back savings according to what is achievable in 02/03 and what resources are required. Finally, before this draft report is approved by the MPS Management Board and the MPA Finance, Planning and Best Value Committee, further work will be required on the implementation plan. In its current form it reflects our judgements on what is possible when; Project Board will need to take a view on which recommendations it wishes to pursue and over what timescales.

Schedule of Attachments

ATTACHMENT	CONTENT
1	Overtime growth and spend
2	Interview Log
3	Management attention and supervision
4	Improving prisoner Processing
5	Minimising police time at courts
6	Aid Abstractions
7	Specific Considerations for SO
8	Terms and Conditions
9	Refreshment / subsistence allowances
10	Shift systems