



<b>Meeting</b>	<b>SPA People Committee</b>
<b>Date</b>	<b>30 November 2022</b>
<b>Location</b>	<b>Videoconferencing</b>
<b>Title of Paper</b>	<b>Strategic Workforce Plan Update</b>
<b>Presented By</b>	<b>Tom McMahon, Director of Strategy and Analysis</b>
<b>Recommendation to Members</b>	<b>For Discussion</b>
<b>Appendix Attached</b>	<b>Yes - Letter to Criminal Justice Committee</b>

## PURPOSE

The purpose of this report is to provide Members with a bi-annual update on the Strategic Workforce Plan.

## **1. BACKGROUND**

- 1.1 The first iteration of the SWP was presented to the SPA Board on 22 January 2021.
- 1.2 The plan identified a shortfall in resources amounting to £23 million based on current and future demands placed on the organisation which at that time could not be met via efficiencies or restructure.
- 1.3 The plan also identified 8 pieces of work that were required be undertaken to improve the efficiency of the Force and potentially release capacity.
- 1.4 Since publication a number of factors have impacted on the delivery of the plan most notably the lack of additional funds to support its delivery, operational pressures from COVID and COP26, and more recently the unprecedented low numbers of police officers as a result of changes to the pension arrangements. Officer numbers at the end of Q2 will be at their lowest level since the formation of Police Scotland and at 16,570 FTE some 663 FTE below the budgeted position.
- 1.5 Additionally, the Resource Spending Review (RSR) published by Scottish Government on 31 May 2022 sets out the guidance over the funding allocation for the remainder of the current parliament (to FY 26/27) and advises that Police Scotland / Scottish Police Authority should plan for a flat cash settlement over this period.

## **2. FURTHER DETAIL ON THE REPORT TOPIC**

### **HMICS Assurance Review of SWP**

- 2.1 Since the last Bi-annual update HMICS have published its Assurance Review of Strategic Workforce Planning which makes a number of recommendations and highlights a number of areas for development. Members will recall that this was presented to the People Committee by HMICS at the August 2022 meeting. Work is ongoing to develop an action plan to meet these recommendations and areas for development and this will be circulated to members of the Committee on completion and will in any case be presented at the February 2023 People Committee for discussion.

### **Strategic Workforce Planning Update**

- 2.2 As a result of the factors highlighted in the background section of this report much of the detail expressed in the SWP as published

has simply been unachievable. In order to manage any change in the workforce distribution the lack of funds has necessitated a scheme of resource prioritisation to ensure that benefits received from efficiencies and change are directed to the highest priority areas.

- 2.3 In addition, the extraordinarily low numbers of officers has further necessitated an operational assessment of priorities to ensure that the large number of vacancies are managed in order to minimise the impact on both service delivery and the wellbeing of the officers. Projecting forward it seems likely that should sufficient funding be available to maintain officer numbers at budgeted levels it will be late in 2023/24 before these number can be achieved due to capacity issues in the training facilities for new officers. As such it is likely the current prioritisation exercise will require to remain in place for 2 years.
- 2.4 Out with the realms of the original SWP, funding scenario planning has also been undertaken by Finance as a result of the RSR to look at ways of managing the demands placed on policing within a real terms reduction in funding for the next 5 years.
- 2.5 The cumulative impact of all these factors has meant that the original action plans discussed within the published SWP have not progressed as expected. In some areas such as Local Policing and PPU, significant pieces of work have been started to examine new operating models and resource distribution. These pieces of work now supersede most of the action plans generated by the SWP.
- 2.6 Further to that a plan for the production of the refresh of the SWP is currently being developed and will also be brought to the February 2023 meeting of the People Committee. This plan will reflect the changes in the working environment and resource levels taking account of potential future funding positions. A number of key dependencies have been identified that will both assist in the planning process and meet recommendations contained in the HMICS review for interconnected work.
- 2.7 Additionally, an interim update on the workforce will form part of Police Scotland's Strategic Assessment (STRA) which is due for publication in November 2022. This piece of work will highlight how changes in crime, society and the environment will impact on demand and what factors will need to be considered when developing the next full SWP. This is a core publication in assisting the development of the plan and will form a significant element of the plans development. This alignment of the SWP process to the

STRA is designed to improve the link between strategic tasking and co-ordination and workforce planning as recommended by HMICS in their Assurance Review of SWP published in August 2022. A standalone Strategic Assessment of Workforce will be delivered to the February 2023 meeting of the People Committee (private session).

## **2.8 National Workstreams**

- 2.8.1 As indicated by the Deputy Chief Officer in the June 2022 meeting of the People Committee, much of the work around the National Workstreams has moved across to a focussed project designed to take these issues forward. This will be led by the newly appointed Deputy Director of People and Development. This work is ongoing and a suitable governance framework in line with the actions highlighted by the SPA People Committee is being developed to ensure that oversight of these areas is maintained.
- 2.8.2 That apart from the two areas have seen significant development in the interim and have progressed through internal governance, those being Modified Duties and Re-rostered Rest Days (although not strictly part of the SWP workstreams this has been adopted due to ongoing volume of these giving concern).

### **Modified Duties**

- 2.8.3 A clear action plan for officers who require a duty modification has now been agreed that involves new processes, changed classifications and extensive review of officers whose requirement for modifications extend beyond 6 months. This will be rolled out over the coming months across the Force with a view to ensuring that the wellbeing of all officers is being suitably managed and they officers are being deployed in a manner that meets their and the organisation's needs. ACC Local Policing West has been appointed as Executive Sponsor for this workstream.
- 2.8.4 The People Partners have worked with Divisions to inform them of the new proposed process. People Partners have also engaged with the Support Superintendents & Line Managers to ensure all officers who are Extended Rehabilitative will have had a review within 12 months, and where required, updated OHU advice sought. This is to be completed by 31st October.
- 2.8.5 People Partners have continued to focus on those divisions with 11% or more officers with duty modifications to continue to work with Divisional SMT's to identify resourcing solutions within, firstly,

the Division, then within the Region. In addition, they will work with Support Superintendents to conduct a review of where officers with duty modifications are currently deployed.

2.8.6 Progress will be reported to the People Committee in due course.

### **Re-Rostered Rest Days**

2.8.7 As reported in the private Section of the August meeting of the People Committee, work to reduce the volume of Re-Rostered Rest Days continues.

2.8.8 A “deep dive” exercise has been undertaken by People Partners to consider the identification of causal factors impacting on the ability of divisions to sustainably reduce their RRRD banks focusing on data from September 2021 to June 2022. Information was also made available to People Partners from analytical work undertaken by the Reward analyst team within P&D with the intention of informing discussions at the Working Practices Review Group that had been undertaken in April 2022, which detailed reasons for days being re-rostered; unscheduled rest days by service bracket; notice periods provided for rest day cancellation; the average number of days between original rest day and the day being re-rostered.

2.8.9 A number of recommendations have been derived from this work that have been agreed internally and are now being progressed.

### **2.9 Resource Spending Review (RSR)**

2.9.1 The work in developing a plan for a refreshed Strategic Workforce Plan has identified a number of key pieces of work that will need to be completed before work can begin in the development of that plan. Fundamental to that is an understanding of the budget that Police Scotland has to work within. Consequently, if a flat cash settlement is agreed as laid out in the RSR significant savings will require to be made to allow the Force to work within that budget, this will include a reduction in the size of the workforce.

2.9.2 Consequently, no plan for a refreshed SWP can be agreed until the budget position for the coming years is understood. Included at Appendix A is a copy of the letter written by the Deputy Chief Officer to the Scottish Government Criminal Justice Committee in that regard.

## **2.10 Summary**

2.10.1 Due to a number of factors and emerging threats the resourcing plans detailed within the published SWP have not progressed as expected but have had to be adapted to meet existing funding levels and the operational priorities of the Force. This has been done within newly developed governance arrangements that consider the force's strategic priorities, operational delivery and officer wellbeing.

2.10.2 Planning however has not stopped and plans both to develop a refreshed SWP, address the HMICS recommendations in terms of workforce planning and to support Finance in considering options should a flat cash funding settlement come to fruition . These plans will be presented in due course to subsequent meeting of the People Committee.

## **3. FINANCIAL IMPLICATIONS**

3.1 There are no financial implications in this report although, as discussed, SWP development must take account of available resources.

## **4. PERSONNEL IMPLICATIONS**

4.1 There are no personnel implications in this report.

## **5. LEGAL IMPLICATIONS**

5.1 There are no legal implications in this report.

## **6. REPUTATIONAL IMPLICATIONS**

6.1 There are no reputational implications in this report.

## **7. SOCIAL IMPLICATIONS**

7.1 There are no social implications in this report.

## **8. COMMUNITY IMPACT**

8.1 There are no community implications in this report.

## **9. EQUALITIES IMPLICATIONS**

9.1 There are no equality implications in this report.

## **10. ENVIRONMENT IMPLICATIONS**

10.1 There are no environmental implications in this report.

### **RECOMMENDATIONS**

Members are invited to discuss the information contained within this report.

# **Scottish Police Authority and the Police Service of Scotland**

## **Written submission to the Criminal Justice Committee**

### **Overview**

The Resource Spending Review (RSR) published by the Scottish Government on 31 May 2022 set out the high-level parameters for resource spending to 2026-27. The RSR indicated that the Scottish Police Authority (SPA) and the Police Service of Scotland (PSOS) should plan for a flat-cash settlement over the period of the RSR.

The United Kingdom Office of National Statistics estimates that the Consumer Prices Index (CPI) has risen by 10.1% in the 12 months to July 2022, up from 9.4% in June.

Our initial analysis shows that for policing in Scotland to operate within a flat-cash funding allocation, savings of between £200m and £300m are required over the period, an average of between £50m and £75m per annum, in order to accommodate pay awards and absorb non-pay inflationary pressure.

Such cuts would follow significant reform which has already enabled £200m to be removed from the annual cost base of policing in Scotland compared to legacy arrangements. This has been achieved through significant reductions in chief officer, senior officer and staff numbers, as well as efficiencies and improved working practices.

Pay represents 86% of policing in Scotland's revenue budget. Further, significant, cost reductions can only be delivered through a pay-freeze or by funding cost of living pay awards by reducing the size of the workforce.

By way of illustration, a 1% pay rise across the organisation would cost approximately £11m. £11m is the annual cost of employing 225 officers or staff.

If the 5% pay award of 2022-23 was replicated in 2023-24, this would represent an additional £55m of inflationary pressure which would require a reduction of 1,125 full time equivalent officers and staff members. Over the period of RSR, up to 2026-27, repeated 5% awards would require indicatively accumulated savings of £222m, the equivalent of an average 4,500 headcount reduction based on current salaries.

Additionally, further significant reductions in the number of police buildings would be required in order to save on utilities, non-domestic rates and maintenance costs. Since reform, policing has reduced its building estate by around a third, or 155 buildings. An indicative assessment suggests a further 20% reduction in the estate footprint could be achieved – roughly equivalent to 18 buildings the size of London Road Police Station in Glasgow.



Policing strives to deploy officers and staff in the most effective way, to ensure areas which encounter the greatest demand and carry the greatest risk are prioritised for resource.

However, the Chief Constable and the Chair of the Authority have expressed their concern at the service delivery implications of the RSR.

Providing citizens with the help they need and deserve will be ever more important as the cost of living crisis drives vulnerability and need in communities. Equally, as financial challenges place public services under pressure, community needs can manifest in criticality and displace upon policing, which is so often the service of first and last resort.

As has been consistently demonstrated, responsive, effective, operationally competent policing is a pre-requisite for safety and security; for social cohesion; and for a vibrant and sustainable country.

Should funding allocations follow the parameters of the RSR, this would mean a fundamental reduction in Scottish policing's capacity and capability to respond to the needs of the public we serve.

The implications for community policing; operational effectiveness; our ability to police major events and demonstrations fairly and safely; and to protect people from existing and emerging threats are significant.

## **Transformation of public services**

The RSR calls for a reset across public services with an enhanced focus on delivering savings through innovation; efficiency; improvement in procurement; collaboration; and reducing the public sector workforce.

Policing in Scotland has reset. Policing in Scotland has progressed much of the reform now being asked of the public sector as a whole and in doing so returned £200m annually to the public purse. Policing in Scotland is now on track to deliver total cumulative savings of over £2billion by 2026 compared to legacy arrangements.

The below table illustrates how some of those savings have been achieved, in line with the criteria set out in the RSR.

RSR criteria	Reform action	Progress since legacy arrangements
Reducing public sector workforce	Police staff (2,133 jobs)	26% reduction
	Chief officers	60% reduction
	Senior officers	11% reduction
	Management grades	5% reduction

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Efficiency	Overtime and allowances savings through service wide management changes 155 fewer buildings  We have reduced our 'Tonnage Carbon Dioxide Equivalent Emissions' by 26k tons since 2013	50% reduction  33.7% reduction  39% reduction
Procurement	Significant improvements have been delivered across procurement activity e.g. non-compliant spend reduced from £11.9m in 19-20 to £3.7m in 21-22	31% reduction
Collaboration	Established 64 co-locations and developing a further 22 co-location projects with partners  One example is the North East Integration Project saving £1m each year while improving conditions for 850 officers and staff	21% of entire estate
Innovation	20% fleet is comprised of Ultra Low Emission Vehicles (ULEV). Public sector average is 5%. UK Policing average is 2%	20% is ULEV

The return of £200m to the public purse each year is a significant achievement but remains a challenge as increasingly complex community needs proliferate. Delivering similar levels of additional savings from this baseline while maintaining service is not possible through efficiencies.

## **Response to questions from the Criminal Justice Committee**

### **What assessment you are making of the impact of a possible flat cash settlement to the delivery of services for 2023-24?**

Essentially, there are two options: (1) protect the size of the workforce as far as possible through a pay freeze from 2023-24; or (2) implement self-funded cost of living pay increases resulting in an overall reduction in workforce:

1. A pay freeze would as far as possible protect policing from a headcount reduction. Pay restraint in a high inflation environment will essentially result in people being paid less for the work they are currently doing, presenting a risk in the organisation's ability to retain the workforce in the longer term. As a

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lower paying employer, PSOS would become uncompetitive in the market place which in turn would inhibit the organisation's ability to recruit new talent into the organisation. The Chief Constable has consistently underlined his position that policing is a rewarding but demanding vocation and that officers and staff should be fairly rewarded for their service, particularly during a cost of living crisis. Staff unions and police officer representatives have indicated that they would be unwilling to accept a pay freeze at a time of high inflation and any such proposals would be resisted robustly.

2. Pay awards from our existing pay budget can only be achieved through significant workforce reductions. As a guide, each 1% of pay award to the workforce equates to £11m, the equivalent of 225 officers or staff. So by way of illustration, an annual pay award similar to the 2022-23 5% pay increase would cost an additional £55m in 2023-24 which, in order to be self-funded, would require workforce reductions of 1,125 FTEs. A 5% per annum increase for the next 4 years would require accumulated savings of £222m by 2026-27, the equivalent of an average 4,500 headcount reduction based on current average salaries.

Workforce reductions will have considerable operational implications for the organisation, requiring difficult decisions to be made with regard to strategic workforce planning and how and where operational service delivery reductions will be made. It is highly likely that the critical issue of officer and staff wellbeing will be negatively impacted by either option - lower real terms pay or by a smaller workforce.

### **What contingency plans are in place?**

Current inflation cannot be accommodated within the £176m core non-pay budget without significant and radical action. The organisation's ability to mitigate the impact of a flat-cash settlement is negatively impacted by flat capital and would be further impacted by any reduction in reform funding. The following plans could achieve some savings:

- Aggressively target opportunities to further reduce the police estate as soon as possible to achieve savings on general running costs such as utilities, non-domestic rates and facilities management costs. Early indications suggest planned disposals could be extended to further opportunities which could result in a 20% reduction in the estates footprint.
- The move to a ULEV fleet is the key mechanism for reducing costs and managing pressures within existing budgets. However, this requires continual capital investment to ensure that the ULEV model can be fully implemented. If capital is not adequate to cover the transition to the ULEV model and the associated infrastructure, then the size of the fleet would ultimately have to reduce in line with the funding available.
- Opportunities to enhance technology across policing will be further limited. Programmes such as the national roll out of body worn video would be halted, leaving policing in Scotland further behind other UK services and unable to discharge independent recommendations or contribute to wider justice system improvements.

- Other ICT improvements with revenue costs would be radically restricted.
- Contracts for supplies and services would be reviewed with a stronger weighting on price rather than quality. This would reduce existing capability and may result in wellbeing issues if kit or equipment is considered to be of reduced quality.

Even where policing is not in a position to introduce any new technology, we are still facing significant revenue pressures to maintain existing capability due to the changing nature of ICT costs. As more ICT applications move away from traditional hardware and software models towards online hosted packages, there will be a significant shift between capital and revenue expenditure that will have to be managed.

## **What is the impact on your services?**

A significant reduction in police officers or further reductions in police staff would impact on operational service delivery and mean the withdrawal of some services and delays in responding to requests for help from the public.

The implications for community policing; operational effectiveness; our ability to support major events; and to protect people from existing and emerging threats are significant.

Additionally, the financial pressures on the rest of the public sector and local government are likely to result in a reduction or withdrawal of services from other sectors, with community need displaced onto policing.

A flat-cash settlement would ultimately result in reduced Forensic Services capacity, reduced forensics capabilities and wider negative outcomes for the criminal justice system.

A significantly reduced forensics capacity would result in slower reporting and an enforced cap on the number of cases that could be managed. This would include not being able to accept as many toxicology, drugs and acquisitive cases. These cuts and limits to forensics services would be similar to cuts seen across England and Wales with negative consequential impacts on the wider justice system i.e. the work of police, the Crown Office and Procurator Fiscal Service, courts as well as conviction rates.

The majority of the SPA's budget is pay costs with a small workforce with low staff turnover. Flat-cash would require reductions to the Authority workforce of 10% in 2023-24 and 30% over four years. This would considerably reduce the effectiveness of the Authority and roll back the improvements in oversight and transparency made in recent years.

## **Similarly, what assessment are you are making of the impact of a possible flat cash settlement on your capital spending for 2023-24?**

The Scottish Government published its 5 year capital spending review in February 2021 which indicated flat capital funding of £52.6m (including anticipated capital receipts) per annum for policing in Scotland over the next five years.

This level of funding is significantly short of the £463m capital required to improve conditions and equipment for the wellbeing of officers and staff; enable a better service to be provided to the public; and create time saving efficiencies through the use of newer technologies.

Flat-cash would allow key investments to be progressed, however, the pace of delivery would be limited within the funding available, particularly as spending power has been eroded by high inflation and will now pay for significantly less.

A lower settlement would require prioritisation to meet health and safety needs, legislative requirements and replacement of core equipment, the impact of which is summarised below:

- The existing size of the estate has been unsustainable for a number of years and we have prioritised meeting health and safety requirements and basic repairs. However, overall, our buildings continue to deteriorate and maintaining our existing estate within a flat-cash settlement is not viable, necessitating further rationalisation of the estate.
- The roll out of ULEVs would stall at a maximum of 1400 vehicles (40% of our fleet) because forecast funding would be insufficient to purchase the level of charging infrastructure required to support a fully electric fleet.
- Digital Data and Information Communication Technology projects would be prioritised by the organisation, however this would still be short of the overall requirement.

## **What assessment are you making of the longer-term impact of the possible flat cash settlement out to 2026-27 if the present inflationary cycle continues beyond 2023?**

As outlined, the outlook is extremely challenging and concerning.

Under our reformed model, policing in Scotland has strengthened operational competence and provided direct access to all policing capabilities for every citizen, while reducing its core yearly operating cost by £200m.

Police Scotland's role is to keep people safe, promote the wellbeing of communities, and uphold and enable human rights, all powerfully demonstrated over the last number of years, particularly during the pandemic and COP26. Equally, providing an effective policing response for all our communities across Scotland during intense periods and major events is an essential and challenging imperative.

Operational competence is vital to maintaining the safety, security and wellbeing of our communities; social cohesion; and the legitimacy of policing – all fundamental to building a country where all our citizens can flourish.

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Scotland needs, deserves and values an effective and responsive police service which is appropriately funded.

Reform of policing has been difficult, however much progress has been made. The impact of a flat-cash settlement for policing will threaten the progress to date in this critical public service.