

Budget and Performance Committee – 11 September 2014**Transcript of Item 6 – Policing in Austerity**

John Biggs AM (Chairman): Can I thank our witnesses for coming? We have Stephen Otter, who is a regular here from Her Majesty's Inspectorate of Constabulary (HMIC), who is our main witness; Deputy Commissioner Craig Mackey from the Metropolitan Police Service (MPS); and Lynda McMullan from the Mayor's Office for Policing and Crime (MOPAC).

For anyone who is watching in colour, this is a report from HMIC, responding to austerity. It is an inspection report into the MPS and its preparedness for dealing with the impending doom. Is that right, the impending doom?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes.

John Biggs AM (Chairman): We thought we would start with you, Mr Otter. You can give us an introduction to the work you have been doing, because I think you have been inspecting all the forces in the country.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes.

John Biggs AM (Chairman): This [police force] is your one. You can tell us how well the MPS did with its reductions last year.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes, I am very pleased to do that. This is the last year of our inspection programme looking at the way in which police forces have responded to austerity. It is quite a narrow examination because it is literally just how they responded. We intend in future years to widen our look at efficiency to look at the broader issue of productivity. Just to get the context, this is very much how the police forces make the savings, how they reorganise themselves and how they maintained some kind of effectiveness of policing.

If I deal with the three questions to begin with, if I may? I will just give the headlines because you have the report in front of you. How well is the MPS dealing with the funding reductions? Our report found that it is responding well. It gets 'good' in all three categories. As a proportion of its overall budget the context is whether it is reducing its operating costs by 22% as a percentage and this is --

John Biggs AM (Chairman): Over the timescale?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Over the four-year Spending Review period, and it is the third highest percentage reduction in the country. The average across England and Wales is 17%, remembering, of course, that the MPS is 25% of the overall police budget in England and Wales and over that period the current savings gap is £821 million. The force plans each year have had to use --

John Biggs AM (Chairman): By "current spending gap", you mean as against its budget at the beginning of the four-year period?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): It needs to save £821 million from the original budget that it did have.

John Biggs AM (Chairman): Right, that is about £3.2 billion, in 2011 [to 2014/15].

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes, that is overall budget. The new budgets it needs to have, based on the 22% it needs to save.

John Biggs AM (Chairman): OK. Thank you.

Stephen Knight AM (Deputy Chair): Is that per annum or is that --

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): No, the £821 million is over the whole four-year period, so it is a cumulative amount. I can tell you what the year-on-year amounts are for the next two years. Its plans next year are to save £191 million. No, sorry, this is this year 2014/15, and in 2015/16, which is the last year of the four-year Spending Review period, it is £211.8 million.

The MPS is using reserves. The use of reserves accords to the average use of reserves across England and Wales. We are satisfied that that is a reasonable thing to do in a change programme of the size that it is, and we have assured that the reserves have remained stable throughout the Spending Review period so far; between 9% and 11%. That is just below the median across England and Wales in terms of the percentage of the budget that is held on reserves.

In the first two years the force successfully made 47% of its savings. Those are the savings that it is required to make by the end of the Spending Review period, and this was despite the Olympics and other big pressures. What we have seen - and it is a very different picture this year from previous years' inspections, where we were anxious about the lack of plans - is that we see a very comprehensive set of plans now that demonstrate and clearly articulate how the MPS is going to function with a smaller budget after the Spending Review period. That is the MPS change programme and other things that I am sure Craig will speak about in a minute.

Savings against pay budgets equates to 62% of the overall savings that it is making, and that is in the lower quartile of all forces in England and Wales. It is making less savings from its pay budgets than the average, and therefore making higher levels of savings in its non-pay budgets than other forces. That said - and it is important to say - the costs in the non-pay budget are significantly above the England and Wales averages, in particular in the support costs area, and the MPS is an outlier in just about every single non-pay budget area.

John Biggs AM (Chairman): We have examined that at the previous meeting with you, I think.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes. One would expect the MPS to be prioritising those areas.

John Biggs AM (Chairman): Is it disproportionately higher, even having taken account of the higher support costs?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): It is disproportionately higher, yes. There is something about the rate at which the MPS is making very ambitious plans to reduce its on-costs, if that makes sense. Again, is a higher rate of reduction than other forces are making on its non-staff costs.

John Biggs AM (Chairman): In terms of the profile savings, is it frontloaded, so is it an even profile? Is it 63% on pay so far, or over the entire four-year period?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): I do not know the answer to that.

Craig Mackey (Deputy Commissioner, MPS): A lot of this, particularly the police staff pay was front loaded, so that is why Steve [Otter] assessed us as halfway through, very roughly, in terms of the 47% or 48% spend. A lot of that work was around police staff pay lines, so the staff ones have come there. Rank mix as well has come at the front end.

John Biggs AM (Chairman): OK. A bigger chunk of support costs in the later stages then?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes.

Craig Mackey (Deputy Commissioner, MPS): They are, frankly, the more difficult ones to deliver.

John Biggs AM (Chairman): Indeed, that is probably why they are delayed then?

Craig Mackey (Deputy Commissioner, MPS): Yes, but that is not the ambition, is it?

John Biggs AM (Chairman): Anyway, let's carry on.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): That leads me on then to the risks. I think there are some risks still. Any use of reserves has inherent risks, all forces are taking them and you think it is the right risk to take, but it is risky because you do not know what might need to draw on those reserves, so that is something that always needs to be borne in mind.

Looking forward to 2019/20 we are satisfied the MPS is forecasting and creating plans for the four years after the Spending Review. We are looking to see forces are not just going to the end of this period. The current estimate is cost savings needed of £435 million by 2019/20. That might be changed, I do not know.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): I think double that would be closer.

Craig Mackey (Deputy Commissioner, MPS): I think it is a bit low in fact.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Close to £800 million.

Joanne McCartney AM(?): Can we get some clarity on that?

John Biggs AM (Chairman): Yes. £435 million to go but it is £821 million overall.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): I think the next review period we would look at an additional, probably, £700 million to £800 million.

Joanne McCartney AM: That is from 2016 to 2020?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): That is right, to 2019/20.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): That is the same again.

Craig Mackey (Deputy Commissioner, MPS): Same again, and probably a little bit more if you look at the profile. The next Spending Review is tougher than this one.

John Biggs AM (Chairman): We could wander off in various tangents. Can I just park a question, which perhaps we will come to later. There is a lot of stuff in the press about the imperative of merging forces elsewhere, but the MPS is not going to merge with anyone so it could be that there is a special saving

elsewhere that could not be achieved in London, but we can perhaps explore that later on if necessary. You only came up with one risk which is --

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): I have not finished yet. I am going to find out where I got that £435 million from.

Craig Mackey (Deputy Commissioner, MPS): You can move that figure by just 0.5% and all of a sudden the projections change dramatically.

John Biggs AM (Chairman): OK.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Another risk is that the MPS relies quite heavily on the National and International Capital City and counterterrorism (CT) grants directly from the Government, so it is direct grant funding. They provide together 18.9% of the force's current operating costs. The current forecast is that they would reduce by 6% the end of this Spending Review period. Any greater reduction than that - as you can see - has a very significant effect on the savings that is required to be made.

John Biggs AM (Chairman): By 6% you mean a third of that 18.9% or 6% of 18.9%?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): A 6% reduction in the amount, that equates to 18.9% of the budget.

John Biggs AM (Chairman): OK, sorry.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Does that make sense?

John Biggs AM (Chairman): Yes.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): I do not know the amount. It is £665 million.

John Biggs AM (Chairman): That does not work.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): No, that is the operating cost. I am getting confused, my apologies. It is 18.9% of the force's current operating costs of £665 million. It is not the overall budget.

Craig Mackey (Deputy Commissioner, MPS): If I may, Chair, if you remember from previous committees there are at least three budget lines that the MPS has no control over. They come through central grant. The big ones: National, International and Capital City, which is supposed to recognise those challenges that are unique to London above and beyond everything else; the work around CT, so what we call the Association of Chief Police Officers (ACPO) Terrorism and Allied Matters (TAM) money. There are actually two pots in there. There is some stuff that is about protection and some stuff that is around CT; and the other big one, at close to £90 million, is the Transport for London (TfL) budget.

What that means to us in terms of officers, is that there are just over 5,000 officers on the MPS strength, which you could argue technically are funded somewhere else.

John Biggs AM (Chairman): Right. It is very important - without the meeting getting bogged down - that we understand this because a lazy political environment would say, "Because London is so special and different, you can go on with what everyone else does", and that is not good enough. Do we have any questions on this or should we move on to the other bits of risk?

Joanne McCartney AM: Just for clarity, the CT and National, International and Capital City funding is on a yearly basis so you cannot really plan ahead, can you?

Craig Mackey (Deputy Commissioner, MPS): No, and it does depend a lot on the pressures that are on the central Home Office budget. For the first time this year - and Lynda and I are doing that work at the moment - we have had to bid for the National, International and Capital City money. You all know the tension that creates with London, with some of the boroughs over the challenges of policing central London and the costs being borne, so that is a very important budget we get right.

Stephen Knight AM (Deputy Chair): I want some clarity about whether the reductions that you anticipate in those income streams are included in the figures that you gave us earlier?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Yes.

Craig Mackey (Deputy Commissioner, MPS): They are.

Stephen Knight AM (Deputy Chair): The total, that is what the full --

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): That is the current assumption that has been made.

Stephen Knight AM (Deputy Chair): The assumption for the next Spending Review period of £700 million to £800 million includes an assumption around that --

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Yes.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): A continuation of that type of reduction.

Stephen Knight AM (Deputy Chair): It is not on top of?

Craig Mackey (Deputy Commissioner, MPS): No. It is our best estimate at the moment, and it will firm up clearly as we get the next Office for Budget Responsibility (OBR) in the next spending round we will get --

Stephen Knight AM (Deputy Chair): Can I have one other bit of clarity? That was the 62% of the savings was in pay. That was in terms of the MPS savings plan, not what has been delivered to date?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes.

Stephen Knight AM (Deputy Chair): Right. Thank you.

Richard Tracey AM: I just wanted to ask, particularly Stephen Otter and Craig Mackey, their attitude to what were the historic costs of the MPS? Both of you were senior officers in other areas of the country before you

came to do the jobs you are. Surely, there was a view around – and I have heard it from officers from the rest of the country and, indeed, certainly from politicians – that the MPS previously was over-fat and all of this saving was timely. Is that right?

John Biggs AM (Chairman): That is a very good question. When the GLA family was created, the MPS prior to that had been part of a Government department, whereas every other police service was --

Richard Tracey AM: Yes, it was Home Office controlled, was it not, prior to 2000, but even since then I think the view persisted --

John Biggs AM (Chairman): Among police services, yes. So we were fat and bloated but we are less so now.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): The value for money profiles, which you can look at on the HMIC website, puts the MPS as outliers in terms of more costly in nearly all areas, including the cost of a constable on the beat, a police community support officer (PCSO), and the on-costs of information technology (IT) business support. The bit that has never been properly articulated – or worked out and then articulated – is what should the additional costs of policing London reasonably be? There is an acceptance outside of London that, of course, it is different to police London.

John Biggs AM (Chairman): Yes, of course.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): But they do not know what the quantum is and, as a result, that is why the National, International and Capital City funding and CT funding is being examined more carefully, because there is always a tendency just to accept there is an on-cost. But people do not know what it is and if the actual budget is already significantly larger per head of population than the rest of the country, then even without those additional grants then, of course, there needs to be proper questions of that.

Richard Tracey AM: Yes, I accept those additional responsibilities and Craig Mackey has outlined them. I do not think we disagree on that. Surely, in general, the rest of the operation of the MPS was over fat. That was a view that I have heard articulated many times.

Craig Mackey (Deputy Commissioner, MPS): As Steve [Otter] said, when you look at the benchmarking, the benchmarking would support that the costs were out of kilter without a means of being able to explain that.

John Biggs AM (Chairman): I cannot resist saying and I have said it about a thousand times down the years and it has not quite resonated with Government yet, they do not listen to me. Governments spend their lives slugging off local government, whether it is police authorities or local councils being inefficient, but here was a Government department which had never been properly scrutinised or opened up in the way that a local authority would be. That is perhaps a lesson for us on the value of having local accountability. Come on, disagree with me and then we will move on.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): I am not going to disagree but there is just a little point of clarification. While I completely agree with the analysis, some of the comparative data is based on head of population. One of the things we have to keep remembering is the

number of commuters and people visiting London and the policing impact of that. Sometimes we cannot just take some of those comparative figures without thinking it through. It is not quite so straight forward.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes, and every force does that but the MPS has it more --

Lynda McMullan (Director of Police Resources and Performance, MOPAC): The commuting and tourism thing is quite important.

John Biggs AM (Chairman): We do compare ourselves to a peer group but none of that is quite comparable or some of it is more comparable --

Lynda McMullan (Director of Police Resources and Performance, MOPAC): It absolutely is but it --

John Biggs AM (Chairman): Manchester is more comparable than Cambridgeshire, for example.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Yes. We need to dig into the figures a little bit deeper.

John Biggs AM (Chairman): Cautious, yes, OK.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): It is a comparison --

Richard Tracey AM: I started this particular line of questioning, but surely the comparisons between the MPS - the normal operations of the MPS, not the three that Craig Mackey has outlined - the normal operations that are pretty similar to Thames Valley, to Merseyside, to West Midlands, are they not?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Some of the comparisons where it becomes very telling is the proportion of costs between direct costs and frontline policing and some of that back office. That analysis has been really helpful and allows us to get those plans right and where that fat should come out. I think that is absolutely right. Where we need to be more cautious is understanding what that policing requirement is. It is not just per head of population in London because there is such a huge influx, particularly during the day. There is better analysis that we can use and I am sure the analysis will be that there are still things that we can do to be more efficient. I would not argue the point.

Joanne McCartney AM: My point was that one. I have written on your report, Steve, under efficiency, but it is per head of population, not crime. Of course, we are a world city and that level of tourism or whatever does not happen in Birmingham.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): No, absolutely right. But it is meant to ask questions. Are you satisfied that the level of costs has been so much higher? Is it the right level? We have not worked that out yet. That has not --

John Biggs AM (Chairman): OK. But there has been a worrying trend in which some aspects of funding from Government have been moving towards per capita rather than a crime metric, and I imagine across the whole Assembly - regardless of politics - we would kick against that but we need to do it in a way that is thought through. Back to your risks.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): The next one is looking ahead after the Spending Review period. Although the MPS – like other forces – has done a lot of forecasting and has emerging plans, it does not have detailed plans yet. I would not expect it to. 57% of the force's operating costs are currently spent on police officer pay. That is currently a fixed cost based on officer numbers. That is a mayoral commitment. One of the risks here is, as you know, the significant savings that will be required into next year's review period or the next four years after. Whether they call it a Spending Review period we do not know. But that is probably going to put pressure on that police officer pay budget. It is a risk. To find that resource just from elsewhere in the organisation would be very difficult.

Finally, the successful delivery of plans relating to real estate and information and communications technology (ICT) are crucial. They are in the plan. They are set as an absolutely central part of the savings plan and, therefore, the success in those two areas is required, and therefore any failure is a failure. There is a risk of failure of not providing savings if those savings plans do not work.

John Biggs AM (Chairman): Implicit in your risk about some of these savings is a sort of political risk as well. I am not making a party political point, but the fact that the structure here is very different from elsewhere in the country means that the MPS may have expectations placed on it which a police and crime commissioner (PCC) may not, in a different environment, place on their police authority elsewhere.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): I suppose PCCs are placing these sorts of pressures on other forces. They are all political pressures, so I do not think London is any different in that sense.

John Biggs AM (Chairman): OK. Good. Do you have the third bit about cultural change then?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): I thought I was going to pause then but --

John Biggs AM (Chairman): I think we are accumulating information and then we are going to cross-examine it against the MPS's proposals in the next bit of questioning

Lynda McMullan (Director of Police Resources and Performance, MOPAC): One other risk where I think London is slightly different is the changing demographics, particularly out to 2019/20, which we need to be thinking about. London is getting bigger. It is getting younger. The shape is changing and what does that mean for demand for services, so that again is something I am thinking carefully about looking ahead.

Stephen Knight AM (Deputy Chair): I was just going to ask on this issue of London being very different from the rest of the country, whether there are international comparators between, say, New York and other parts of the United States (US) or in Europe that would demonstrate --

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): There are.

John Biggs AM (Chairman): There are but perhaps it is --

Stephen Knight AM (Deputy Chair): Nothing is quite the same as London but --

John Biggs AM (Chairman): I think you are right to answer that question. There are, I am sure, but --

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): There was a piece of work done by the MPS prior to the -- There are some comparators but they are not easy to use. They are just as difficult as the comparators with other police forces. I found it a refreshing change for the Commissioner to say, "We will use a comparison with the other big forces in Britain because they are our neighbours. We have the data" because it raises questions that I can use in thinking about funding and budgeting. I think that is a refreshing change and it is an intelligent use of that comparison with all the caveats. That is a way to operate rather than to seek an international comparison. In Paris they do not even know how much they spend on policing. It is part of the national budget. They do not define it the same way, so it is impossible to make those comparisons.

Stephen Knight AM (Deputy Chair): OK, thank you for that. Right, shall I move on, Chair?

John Biggs AM (Chairman): No, because we are going on to the particular challenges.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): This is a difficult question. The first thing is that we found that the commitment in the top team - the Commissioner and management board - is very strong and it is consistent across management board members. I have been in the MPS before and that is quite a different experience, I think, from my previous times when I was in the MPS. There is a real sense of cohesion; engagement with senior staff and junior staff; strong messages. People know about the MPS change but there is a long way to go to get a sense that people are engaging with a new way of working. There are the changes in the Local Policing Model and the changes in intelligence. As there always is with change, there is a big need for officers and staff to work differently. That will need a programme of change. As you will know - I am doing Craig's bit and Craig can tell you about this - Martin Hewitt [Deputy Assistant Commissioner, MPS] is leading that work.

From our point of view, the signs are that the MPS knows there is a problem, it has allocated resources and leadership commitment to it and it is getting on with the job, but it is a big organisation and it is a big challenge. I would leave it at that.

John Biggs AM (Chairman): OK. If I can ask one final big question before we move on to the other bits then, which is looking at it from your broader remit. You specialise on London but obviously you know what is happening elsewhere.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes.

John Biggs AM (Chairman): The sorts of directions that the MPS are heading in do not set up any big warning lights in terms of achievability of these savings targets?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): No. We might talk about West Midlands later. There are some things in the West Midlands Police, which has been doing it for longer, that are very useful for the MPS to look to, particularly partnership with the private sector and those types of things. I know that is in your minds anyway.

John Biggs AM (Chairman): OK. Shall we move on then to the next question.

Stephen Knight AM (Deputy Chair): This is around delivery of the plan and in particular how you are getting on with achieving the savings that you have planned. I note that for the year 2013/14 budgeted savings were £240 million and achieved savings were £289 million, so you are above target.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Stephen Knight AM (Deputy Chair): But within that of course there are very big differences in terms of where the savings have been achieved. You have overachieved on savings on the pay side and perhaps underachieved on some of the other sides. Do you want to talk us through that?

Craig Mackey (Deputy Commissioner, MPS): By all means, yes. It is quite deliberate to try to make savings early. It is probably worth going back and just rehearsing the programme so you know where the various bits are. One of the things we know from having the idea and the concept about where you are going to make savings, taking it through a proper governance process, delivering it and getting the money out of the bottom line - which is the real test on this - is 12 to 18 months. You have to do things in the interim to draw the cost out, (1) because it gives you the opportunity to use one-off money to fund the cost of transitions, be that technology or be that exiting people, but (2) also because it allows for any other slippage the programme. We touched on it briefly earlier on. The work around police staff numbers and some of the transformation about that has progressed well. The work around rank mix, the pressure on rank mix this year is about £2 million. That has progressed well when you consider it in terms of the size of the budget.

The two areas that are the most difficult to deliver the savings on, one of them is slightly nuanced. The estates one we are going to be about £10 million adrift this year on what we wanted to save on the running costs around estates. That is about late exit from buildings. Where the estates is making something slightly different is in terms of the capital receipts around estates. They are more than we originally budgeted for. We have been more successful in terms of going to the market around that.

The biggest one, and if there is an area of work that keeps me awake at night it is the one around delivering the technology savings. It is about transforming an organisation, which has very old, very antiquated technology, where there was not a great deal of investment over many years, and trying to bring it up to certainly where the other 42 forces are and probably beyond them. There are some encouraging signs in terms of that, so the technology strategy is absolutely the right thing to do and the right way to go. Transforming how we deliver that technology, bear in mind we started with a benchmark -- offhand I think we were twice the cost of everyone else, were we not?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): I cannot remember the figures but it was quite substantial.

Craig Mackey (Deputy Commissioner, MPS): Per head of the organisation we were spending twice as much on technology as everyone else. That has been the hardest part to do. We have a piece of work that will come out very shortly - the work is being done at the moment - which is around transforming what the technology activity looks like. I can go into detail if you want around that, but that is basically, as we transform the MPS technology, what does the residual organisation look like in terms of who provides the technology, how is it done? You will be aware - and those of you who are on the Police Authority will know - we have had, in that area of the business, one large crime contract in the past that is a very large contract with a major supplier. That comes up at the end of next year and this work is about moving us away from that position to potentially a different model in terms of market and market engagement.

Stephen Knight AM (Deputy Chair): As you know, this Committee has looked at the MPS ICT spending in some detail in the past.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Stephen Knight AM (Deputy Chair): Certainly we have concerns - and we have expressed concerns before - about the deliverability. Clearly it is a huge challenge for you --

Craig Mackey (Deputy Commissioner, MPS): It is huge.

Stephen Knight AM (Deputy Chair): -- to deliver savings in ICT at the same time as trying to catch up.

Craig Mackey (Deputy Commissioner, MPS): Yes, but in your premise you highlight the challenge because there is not a standstill option. Some of this technology will literally fall over. We celebrated 30 years of having a command and control system. That is a tremendous achievement for the company who provided that and for those who have worked on it and kept it going for 30 years. Most other police forces have probably done three or four in that period of time and are on a different iteration of technology. That is the challenge for us. Please do not get me wrong, I am not saying in the past they were all wrong. It is incredibly difficult to land it. I know we have a question later on, on the command and control, but that is a colossal contract. It is a global contract.

Stephen Knight AM (Deputy Chair): As you say, we will come to that in a second but you achieved some savings in 2013/14 on ICT and hit your target on savings on ICT.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Stephen Knight AM (Deputy Chairman): The question is: are those savings likely to be sustainable savings? Next year --

Craig Mackey (Deputy Commissioner, MPS): Those ones are. Sorry, I have cut across you.

Stephen Knight AM (Deputy Chair): The big savings are going to come next year?

Craig Mackey (Deputy Commissioner, MPS): Yes. Realistically, yes, 2015/16 - they are not going to deliver in 2014/15 - 2015/16 and on to 2016/17 we opt for the big ones.

Stephen Knight AM (Deputy Chair): How confident are you that you will deliver? Can you remind us what your total savings target is on ICT?

Craig Mackey (Deputy Commissioner, MPS): It varies. At the moment we are looking at spending about £250 million, of which we are trying to deliver ...

Lynda McMullan (Director of Police Resources and Performance, MOPAC): It is £68 million.

Stephen Knight AM (Deputy Chair): It is £68 million, yes.

Craig Mackey (Deputy Commissioner, MPS): That is over the totality. There is about £51 million to £55 million still to do.

Stephen Knight AM (Deputy Chair): Do you think that is still realistic or not?

Craig Mackey (Deputy Commissioner, MPS): It is realistic as we go into the next Spending Review. I do not think we will deliver all of that by 31 March 2016.

Stephen Knight AM (Deputy Chair): OK. How much down do you think you will be? Can you put a figure on it?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): We are re-profiling in terms of the budget that we publish at the end of this year, but it will slip back. Some of the assumptions were that we could go out to market perhaps a lot earlier than --

Craig Mackey (Deputy Commissioner, MPS): We think we can.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Yes. That is where a huge bulk of the cash of the savings is going to come from.

Stephen Knight AM (Deputy Chair): You are not going to deliver by the end of the Spending Review period on the ICT savings. You will --

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Not the totality.

Craig Mackey (Deputy Commissioner, MPS): Not the totality.

Stephen Knight AM (Deputy Chair): Not the totality of them. You may deliver them later --

Craig Mackey (Deputy Commissioner, MPS): Yes.

Stephen Knight AM (Deputy Chair): -- but not by the end of the period.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Not all of them.

Stephen Knight AM (Deputy Chair): The estate savings?

Craig Mackey (Deputy Commissioner, MPS): More comfortable.

Stephen Knight AM (Deputy Chair): You are more comfortable that you will get there by the end of 2016?

Craig Mackey (Deputy Commissioner, MPS): Yes, far more, yes.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): I think we should just about have caught up.

Stephen Knight AM (Deputy Chair): You are relatively comfortable about the staffing savings?

Craig Mackey (Deputy Commissioner, MPS): Yes.

Stephen Knight AM (Deputy Chair): I suppose that begs the question: in the period up to 2016 what is going to fill that gap of ICT savings, all of that?

Craig Mackey (Deputy Commissioner, MPS): There are a range of things there. Inevitably when you start a change programme there are other areas of savings that you identify that people, when they really do work hard, seem to go, "We could do this differently".

Stephen Knight AM (Deputy Chair): Could you talk us through some of those?

Craig Mackey (Deputy Commissioner, MPS): I can give you some real examples as you get to look. The introduction of the new command and control system, when we started this and when we budgeted this, this was a straight IT replacement programme. It had been running for some time, given the size of the contract, in terms of doing it. Therefore, it is a straight investment of £60 million-plus, in terms of an IT system. We have gone for quite a different approach and it gives us an opportunity to transform how we do that area of work. It is a very labour-intensive piece of the operation at the moment, in terms of what we have in there. We can look at what we do there and there are some very good examples about how we do that. The new technology will allow some release of people.

Stephen Knight AM (Deputy Chair): Forgive me. Does this deliver savings before up until 2016?

Craig Mackey (Deputy Commissioner, MPS): Yes, it will.

Stephen Knight AM (Deputy Chair): OK.

Craig Mackey (Deputy Commissioner, MPS): The other big one is our commercial programme. I think we have spoken before about that. Looking at what we have talked about, there are seven areas of activity around whether we compete them and look to see if they are financially sustainable in the way we deliver them at the moment, and whether there are other options in terms of doing that. The commercial programme is running at a pace at the moment. Probably the areas that will first come to be looked at, as to whether they can be competed, are those transactional services that are fairly standard in most organisations: human resources (HR), finance, those sorts of areas. They potentially offer - depending on the options people want to take - some real potential for savings.

Stephen Knight AM (Deputy Chair): Do you think you will over-deliver on those back office functions?

Craig Mackey (Deputy Commissioner, MPS): Yes.

Stephen Knight AM (Deputy Chair): When you say "commercial activity", are you thinking in terms of outsourcing or just the process of re-engineering within the organisation?

Craig Mackey (Deputy Commissioner, MPS): It ranges across that entire spectrum. If you remember, when we started this programme - probably two years ago - I said to you the first stage of this was bringing an internal shared service together, and people were saying, "That is not much of an achievement, is it?" It is in an organisation the size of the MPS. It was 4,000 people when we started an internal shared service. When we talk to the market most people will talk about a shared service provision that they have run of 200 or 300 people. This was a big operation. We have brought that in. That has helped with some of the first stuff. We have always said we would try to get ourselves to the mean and the average of the public sector, and then the strategy has always been to then say, "Should we subject this to some form of competition?" That can range from internal reform all the way through to looking at other ways of delivering those services.

John Biggs AM (Chairman): The capital spend is a pretty considerable under-spend and that is essentially on the IT?

Craig Mackey (Deputy Commissioner, MPS): Yes.

John Biggs AM (Chairman): I am concerned about this. The principle was you spent a lot of capital on IT, which achieves big revenue savings. You have said there is a substantial delay in that.

Craig Mackey (Deputy Commissioner, MPS): Yes.

John Biggs AM (Chairman): But you are confident you will achieve those savings in the long run, so that provides you with potentially a bit of a cash flow but also a need to achieve short-term savings which you then recover from or speed up other parts of the programme?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Speeding up other parts of the programme.

Craig Mackey (Deputy Commissioner, MPS): Yes.

John Biggs AM (Chairman): You are speeding up other parts of the savings programme.

Craig Mackey (Deputy Commissioner, MPS): Also, of course, remember the capital is not fully financed by capital, so there is a revenue support to capital, in a strange way, by slowing some bits down you can potentially make a saving in revenue.

John Biggs AM (Chairman): But if the revenue was intended to be used for capital investment and you were delaying it, there is an opportunity cost in that.

Craig Mackey (Deputy Commissioner, MPS): Yes. I would agree with that.

Joanne McCartney AM: Perhaps to Stephen [Otter] first and then perhaps to Craig as well. It is expanding a little bit on this because with regards to page 10 of your report, Steve, you said,

“The force’s developing digital policing programme is planned to increase productivity and save police officer time, ... and [if] successful provide the foundations for future savings.”

I am just wondering: do we have any estimates yet either from the MPS or similar forces as to what extent productivity will increase or to what extent police officer time will be saved? It seems to me you need to know that before you can factor in your future planning.

Stephen Otter (Her Majesty’s Inspector of Constabulary, HMIC): We do not have sufficient data. We do not have any information about the productivity aspect of police officer time. All we have is the amount of time people spend in roles where they might be productive, so frontline roles. That is why I said right at the beginning that next year - and we are starting to work on this at the moment and we would love to involve yourselves in this - is try to understand what success looks like in terms of a productive officer, because that needs to be the next stage. Frankly, we probably should have done it before this but it is a very difficult subject because different people will give you a different view about what police productivity looks like. In this time of austerity there is an opportunity for us to get into that in some detail. Because there are less officers

available to the public, they need to be more productive in what they do, and that is not all about catching criminals - although a lot of that is - but it is some work that we need to do.

Currently we focus on the percentage. If you are reducing your budget, is the percentage of the workforce on the frontline going down or going up? In the MPS it is going up. That is because in the MPS they are taking more out of their non-frontline areas than their frontline areas. They are taking money out of their frontline but it is going down less quickly than the other areas. We see that as a good sign.

Interestingly in West Midlands Police it is the opposite. In the West Midlands Police their frontline percentage is going down. The reason is that they have one of the lowest on costs in all the police forces prior to the Spending Review period. They started with very little opportunity, unlike the MPS I would say. There is still some opportunity but very little opportunity to get the low hanging fruit from your non-frontline areas. That is why, arguably, the West Midlands is further ahead than other forces - because it had to be - in looking at innovative solutions to recruitment. They have some very good ideas about recruitment and they are working with the private sector. It is in the minds of individuals, like Craig and others, but it is not yet within the strategy of the MPS. It is in the minds of leaders but we have not seen signs it is going to happen yet because the MPS has been able to make savings quite easily.

Joanne McCartney AM: That is one of the unknown areas going forward as to the --

Lynda McMullan (Director of Police Resources and Performance, MOPAC): There are two points here. One is because of the requirement to keep the numbers of officers, the savings that come through those productivity gains are not cashed as such, so it is not a budget financial risk, but we absolutely need to make the benefits from that; and secondly, we would welcome working with HMIC in terms of defining that productivity because that needs to be the next generation of what we look at for cashable savings.

Craig Mackey (Deputy Commissioner, MPS): Just to reassure you as well, you talked about the total technology programme. That is not the whole of the IT programme. You have probably seen the work around pilots with iPads and the work we have done on a particular piece of the court process, and the case file is already out there. We approved the money at the beginning of the year. That is out. That is working with Charing Cross, Hammersmith and Fulham and a number of other places, so those things are coming in.

They offer some real potential. They do offer some real potential. Some of that new technology is quite exciting, for example, the speed you can get it out there by the technology approach we have adopted, but that is a very, very different technology approach to anything we have ever used, so we are all having to learn it.

John Biggs AM (Chairman): There have been one or two false starts on technology.

Craig Mackey (Deputy Commissioner, MPS): Yes, inevitably. I have never worked anywhere where there was not, sadly, around technology.

John Biggs AM (Chairman): I would like to say I have, but anyway.

Richard Tracey AM: Again, this is a question on the historic MPS. It is true, is it not, that the IT previously was totally chaotic. We have heard this from witnesses in the past and clearly there has been a lot of catching up to do and there is a lot more to be done. Is that right?

Craig Mackey (Deputy Commissioner, MPS): Yes. It was of a time and of a place the IT, so it would be wrong for me to say it did not work. It did work. But it was of a generation where you have to spend an awful lot of money interlinking the two and making interfaces and doing things to make the technology work. It had not developed in its latter years in a strategic way. What we are trying to do is to develop it in a strategic way with a vision and a roadmap of what technology can do as an enabler to the way we work. Probably the drive around reducing costs presented an opportunity that has never been there before, in terms of the ability to almost lift the drains and do this, but it is not an easy piece of work.

John Biggs AM (Chairman): We have extensively investigated this IT costing in the past, Richard, and I am sure you remember word-by-word the reports we agreed on that.

Richard Tracey AM: I do. I very well remember. The other bit, though, is the estate. I remember the time I was on the Metropolitan Police Authority (MPA), I felt absolutely frustrated that there were constantly arguments why the old, out-of-date, decrepit MPS estate could not be sold to recoup resources. I can recollect excuses, excuses, excuses and, Jo, I think you were on the MPA.

Joanne McCartney AM: Yes.

Richard Tracey AM: You probably remember the same thing. Surely, that is a real failing in the past.

Craig Mackey (Deputy Commissioner, MPS): Again, it is one of those things and Steve [Otter] picked up the point that, when you look at this nationally, the 42 forces in England and Wales all started from very different positions. If I talk about my position three years ago, I had a completely different financial setup compared to the MPS, so you have to use the opportunities where they are. The MPS estate is an opportunity because it is underutilised. As you say, some of it is very old and some of it quite frankly is just not in the right place.

Richard Tracey AM: Totally, yes. What I could not understand is why judgments were not made at the time.

John Biggs AM (Chairman): I think we can understand that we are on target on that part of the savings. We do not need to spend a lot of time on it now. I think we all recognise in life that some things that are unthinkable, when you do them, they become a bit less unthinkable.

Stephen Knight AM (Deputy Chair): This is around the command and control replacement and the contract with Lockheed Martin. I think you said earlier that the current system is now 30 years old and that most forces have had three iterations in that period, and yet I am told the new contract is a 17-year contract.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Stephen Knight AM (Deputy Chair): Are we in danger of locking us into a 17-year system that may be out of date in 7 or 9 years' time?

Craig Mackey (Deputy Commissioner, MPS): No. There are a couple of very big dependencies around command and control that will come in. During the lifetime of this new command and control there will be an upgrade, replacement - whatever language you want to use - for the radio system, Airwave. That is a huge interdependency on command and control because if you cannot link radio communications and voice traffic with your command and control system, there is probably not a great deal of point having a command and control system. We have to phase them in in the right way.

It also offers the opportunity, particularly with this type of technology - and it is similar to technology being used by colleagues elsewhere in the emergency services - of refreshes and upgrades. But there is a balance in terms of how long you go with these sorts of things and 17 years in terms of this contract is all right. I am quite comfortable with that.

Stephen Knight AM (Deputy Chair): Are there break points within this?

Craig Mackey (Deputy Commissioner, MPS): There will be break points in the contracts at various points, where we can move on both of the contracts; both suppliers and the integrator.

Stephen Knight AM (Deputy Chair): How long are the break points?

Craig Mackey (Deputy Commissioner, MPS): I do not know off the top of my head.

Stephen Knight AM (Deputy Chair): Are we talking every four years or five years or something?

Craig Mackey (Deputy Commissioner, MPS): I would be guessing. If you want I will get that back to you.

John Biggs AM (Chairman): Would Mr Otter accord that that is consistent with good practice?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes.

John Biggs AM (Chairman): The length of contract as well?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes. The work that we have done looking at the way IT has been procured in the past has been the poor contracting, not the length of the contract. It is the contracting into something that then becomes very costly. Getting it right upfront is the critical thing. Now we have a Chief Inspector of Constabulary who is an expert in contracting, Tom Winsor. He worked for White & Case. That is one of the things he is very clear about: the way the public sector has procured has left them with systems that are monolithic and non-moving. Therefore, the key is contract properly at the beginning. It is not the time of the contract.

Stephen Knight AM (Deputy Chair): Is there not an inherent issue with length of contract, though, that something that is good value for money now in 17 years' time may look less good value for money.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): That is true. That is why it needs to be contracted properly.

Stephen Knight AM (Deputy Chair): The longer the contract period the more likely that is going to be the case, is it not, especially in technology when things are so fast in terms of their evolution?

Craig Mackey (Deputy Commissioner, MPS): If I may just come back a bit, I am not sure it is as simple as that because if you make the contracts incredibly short all the market does is price the risk in upfront, so your upfront costs -- If you give no opportunity for return at all --

Stephen Knight AM (Deputy Chair): It has to be a balance, does it not?

Craig Mackey (Deputy Commissioner, MPS): Getting that right is the point Steve [Otter] made, because if you call that wrong, it is really easy to go to the market and say, "I will have something for four years".

Stephen Knight AM (Deputy Chair): On the other hand, you do not want to make it look really good value now and leave all the problems for the latter end when it looks really bad value. You can get the price down now by making it a long contract and, of course, you then end up with it looking really bad value when you are sitting here in 15 years' time.

Craig Mackey (Deputy Commissioner, MPS): I assure you, when we come in front of the Deputy Mayor and the replacement for Lynda [McMullan], one of the first things they will look at is whole-life costs.

Stephen Knight AM (Deputy Chair): But they are not going to be Deputy Mayor in 15 years' time. They are not going to be worried about it, are they? But the MPS should be as an institution, it is going to be here in 15 years' time.

Craig Mackey (Deputy Commissioner, MPS): Absolutely, but it is also worried as well because, of course, we have to start thinking about the replacement costs for this one in the same way it talked about the replacement for the radio system, so we have place markers way out ten years in the capital plan about saying, "Look, whoever is running the capital plan in ten years' time you need to be aware this is due".

Stephen Knight AM (Deputy Chair): Given the length of the contract - and you have talked about the reasons for that - can you talk us through the way in which the contract is structured in order to ensure that it is future proofed and that it is going to enable the systems to keep up with changes in technology over that period?

Craig Mackey (Deputy Commissioner, MPS): Command and control technology has evolved to various degrees in how terms of how -- the company doing it is a large multinational company and the refreshes are there as part of the contracting, as part of how we work with it. We also have two contracts. We have a contract for the technology and we have a contract for an integrator. The wider experience about procurement is that if you do not put a scenario where you have someone else in there helping you get the thing delivered, making sure you drive out the savings, and managing how you transform the business, the danger is all you see it as is a technology replacement programme. In my simple language as a non-technologist you do a bit of a, "Pull that one out. Put that one in. We have done it". This is far more than that. It has transformation built into it and, as I said earlier on, it has cost reduction built into it as well. That relationship between the two people you are working with, the contractor who is doing your integration and the people who are doing the supply, you write into those contracts specific terms and conditions that talk about how they are going to deliver and how they are incentivised to deliver. You can see from that that it creates a model of integration that benefits the organisation that is doing the contracting.

Stephen Knight AM (Deputy Chair): If one is flexible enough that if the model of what you need from command and control evolves over that period then it can be adapted without the costs spiralling?

Craig Mackey (Deputy Commissioner, MPS): Yes. It is also where the integrator is working with us. A really good example there, one of the real things is, "How do you want to do command and control in 2021?" Therefore, one of the things we are doing at the moment - and Mr Otter touched on it - in terms of we have done the work and we know what our plans are up to 2016/17. We know the gap going out to 2021. We have some big placeholders, but what is the workaround - in our language - a target operating model. What will the MPS look like in 2021? That is the work we are doing at the moment.

Stephen Knight AM (Deputy Chair): When does this contract start?

Craig Mackey (Deputy Commissioner, MPS): October next year when the old one finishes. The delivery of the technology is October through to about March. To give you an idea, it is six months to put the technology in and roll that out but the work has started now. We have people working on the contracts now. But when does it go live? When could you say, "Well, there it is"?

Stephen Knight AM (Deputy Chair): That would be October 2015, so it is quite soon.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Stephen Knight AM (Deputy Chair): You said earlier that there were going to be some additional savings from this that were not in the original plan that will offset a couple of the IT savings.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Stephen Knight AM (Deputy Chair): Can you put a figure on those?

Craig Mackey (Deputy Commissioner, MPS): I would be doing it off an estimate at the moment. We have moved to the Treasury Green Book process, in terms of how we work through our outline business cases, proper business cases. At the start they tend to be quite large. Usually when you work through the detail they shrink and when you push it again they move, so I would prefer to get to the point where I have a document that says, "This is what I can deliver. This is how I will deliver it". But it could be quite large. The command and control area has about 2,500 people in it. It is a very labour-intensive process at the moment, where we deliver a very high level of service to Londoners, but some of that is because we are using two or three different systems. This will allow us to bring it together so there will be efficiencies on the back of it.

John Biggs AM (Chairman): Are you happy you have your technical client right? It is a cheeky question.

Craig Mackey (Deputy Commissioner, MPS): No, it is not. In fact it is something we were talking about yesterday, was it not?

John Biggs AM (Chairman): It is a really crucial question.

Craig Mackey (Deputy Commissioner, MPS): Yes, I know it is. Yes, but always do more. What we have started to do with technology as well - and we are trying to look at some innovative ways of involving industry and challenging us without getting into one of those very difficult debates about, "I cannot ask you because I am procuring something from you". But we feel we are going to need that as we go forward.

John Biggs AM (Chairman): Indeed, we had witnesses at a previous session on IT who talked about the way in which they could help you to help them to help you to help them.

Craig Mackey (Deputy Commissioner, MPS): Yes, I know.

John Biggs AM (Chairman): Without getting into trouble with the European Union or whatever.

Craig Mackey (Deputy Commissioner, MPS): Yes.

John Biggs AM (Chairman): Yes, OK.

Craig Mackey (Deputy Commissioner, MPS): We are in conversations with some people at the moment about almost: how could we do this at arm's length so that we can get that feedback back in? We have done a lot with the technology sector at the moment. Both of us spoke recently at a closed event with suppliers to talk about, "What can industry do? This is what we are thinking about?" I think we have to all collectively get more mature in that relationship and get over some of those issues.

Joanne McCartney AM: One thing I have found is that the MPS has its pilots and then rolls them out before it has done any evaluation on pilots.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Joanne McCartney AM: With new technology --

John Biggs AM (Chairman): That is what the Government does, I think.

Joanne McCartney AM: You said earlier you have been very successful with the iPads or whatever.

Craig Mackey (Deputy Commissioner, MPS): The iPads, yes.

Joanne McCartney AM: Are you making sure with technology that you actually assess it?

Craig Mackey (Deputy Commissioner, MPS): Yes.

Joanne McCartney AM: It is about that client thing, John, about whether officers can use it before you do the rollout.

Craig Mackey (Deputy Commissioner, MPS): Absolutely. Perhaps at a future meeting we will show you some of what the new technology looks like. One of the things is that - we have done a lot of work on this over the last six to nine months - the new technology is really simple to use, because it looks like what you have on your internet at home. If you can access an internet page you can now do an e-statement. You can do an online Crime Reporting Information System (CRIS) report. You can fill in what is called an MG3¹. It will not mean much to people but it is a crucial part of the court process and it is a really, really simple thing to do. The evaluation is quite important about it.

One of the things we are looking at, as the person most of these things ultimately come through, we are talking with the technology team about bringing in groups of officers from outside the MPS to come and evaluate it to say, "What does it look like? How does it work?" They will be used to more proprietary systems and other suppliers. They may give us a bit of feedback to say, "I make it up in system delivered by X company. This works far better than yours". Some of the early feedback from those who have seen it, so the e-statement provision, we have other forces that want to buy that off us. But that is a separate debate.

Joanne McCartney AM: I am going to move now to how you manage future funding. I appreciate it is quite an early stage and it does not have as detailed plans as other forces, but perhaps, Steve, I could start with you. Your report says that the MPS has started to develop financial plans and forecasts based on a range of sensible

¹ Report to Crown Prosecutor for Charging Decision

assumptions, but then it goes on to say that they are yet to develop any detail really in them. How well prepared do you think the MPS is for that next spending round?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): We would say the MPS is as prepared as other forces. We would not expect them to have detailed plans. Where some forces perhaps have more detail is where they have entered into a long-term development programme with a private sector supplier. For example, you are going to have to have a fairly long-term plan around this new command and control system. We expect to see that as part of the whole change programme. The MPS is in as good a position as other forces. We have found that police forces on the whole, and with very few exceptions, have responded well to austerity. They have had a positive programme of change. Where people have done less well is where they have not seen it as a whole system change. They have picked off pieces, bits and pieces, and there are a few forces where that is the case and you will have seen that in our report.

The MPS is in a good position. It still has significant amounts of money to save if you look at its non-frontline costs. The big challenge is how it works through the legacy, the layering and fragmented arrangements that it has, and quickly is able to deliver something that is coherent and highly efficient. That is easy for me to say. It is a huge organisation. It is the biggest employer in London and all those sorts of things. It is a massive task. But this is the moment. Austerity is the big opportunity for London.

Joanne McCartney AM: Craig, do you feel well prepared?

Craig Mackey (Deputy Commissioner, MPS): In terms of the size of the challenge, yes. We are learning as we go along. The most difficult bit is the last part of the risks you asked Stephen [Otter], the bit around culture and getting that understanding in the organisation. If we look back and reflect and what you learn from it, is it is how you get that mix between what I would call top down drive around change and budget versus bottom up ideas, and how do you mix the two? It is always a challenge in a programme of this size. I absolutely echo that it has to be the whole organisation. It has to be everyone in terms of doing it.

There are two or three big areas that we have touched on that we are looking at that deliver the best for the next cycle. First of all, it has been getting real clarity about the size of the challenge. As I say, from HMI's figures to our own assessment there is quite a move - double - and we do understand that those figures can move quite dramatically depending on both budget settlements and pressures that come on other budgets. That work we are doing now and the language we use is the 'target operating model' but, if you like, the blueprint or the vision. We have the MPS to a position in 2016 where we are clear about how services are delivered. We have an idea of some of the costs around it. What can we therefore do over the next cycle around those costs? As Stephen says, the pressure will still be on back-office and on pay-function lines because I am not sure, if I am really honest, that we have those yet as tight as we can and there is potential to go further with those. Also, there is the work around commercial, because that will drive a different pattern of behaviour as we look at some of our costs. Steve touched on the work that colleagues in the West Midlands are doing. It is absolutely clear that there is the potential to do things quite differently and some real savings around some of those sorts of areas of businesses.

However, none of those decisions will be easy because we are getting to the stage now in the budget where literally, in the nicest way, for any politician, we can say, "There are the two options. Both of them are pretty horrible". If you say, "I do not want to do X and I am never going to touch this", then you have to touch that. If you look over the totality of the whole thing, if you say we started with £800 million over the first term and £800 million over the second, it is £1.6 billion. I accept there is always some slack in the budget but, gosh, that would be quite some slack. It is going to be quite difficult as we get into that later stage. I think the last

term - so 2018/19 and those sorts of ones - are the ones where I think it will start to get really, really challenging for people.

Joanne McCartney AM: In the past with regards to outsourcing, the Mayor has said that anything that requires a warrant card - and you have been very firm on this - will not be outsourced.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Joanne McCartney AM: Then there are other areas - for example, custody - where it seems to be quite a grey area. I do not know whether you have a view as to whether custody is something that should not be outsourced.

Craig Mackey (Deputy Commissioner, MPS): Custody is not at the moment one of those ones that we are considering at all.

Joanne McCartney AM: I hope it never becomes one.

Craig Mackey (Deputy Commissioner, MPS): No, we are not considering it. We have talked around criminal justice. We are talking about the preparation, so literally from the point that a charge decision is made to something arriving at court, is there a different or better way of doing that? It is the preparation of the file and the admin. There are about 2,500 people involved in that. We are just very careful to look at whether we could do that differently.

Joanne McCartney AM: OK, but we are not talking about outsourcing custody provision.

Darren Johnson AM: It seems to me now with the budget pressures and reductions as they are, I cannot see any candidates keen to go into the next mayoral election --

John Biggs AM (Chairman): You are stealing the next question, Darren.

Joanne McCartney AM: It is not your question, yes.

Darren Johnson AM: OK.

John Biggs AM (Chairman): We will go on to that and then we will come back again.

Joanne McCartney AM: Perhaps I can ask, then. Steve, your report talks about the fact that the number of police officers needed to police London beyond 2016 will almost certainly need to be reviewed to meet future savings challenges. I was going to ask MOPAC and the MPS. In your planning at the minute for the future beyond 2016, ie beyond this mayoralty, are your presumptions that 32,000 will still be maintained in police officer numbers?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): The issue of 32,000 is an issue for the next Mayor. That is something to be decided. With what the plans are at the moment, we absolutely need to get the budgets closed for 2015/16, which we think we have done. We are quite some way to closing 2016/17. However, as Craig [Mackey] said, what we need to be doing is working up the revised target operating model for that next period.

This is about options, so, as you have set out, there are a number of strands to this. One is how we actually make the back office as efficient as possible, which should not be contentious. That is largely where a lot of the savings have come from. It is absolutely right that there is still more to come from that and that clearly needs to be driven quite hard.

There is the whole question about productivity of the front line, which is probably the next stage. For 2016/17 onwards, what does that actually look like? How do we get more from individuals on the front line and what does that then mean in terms of that overall target operating model? We may even still then need to think about where some of the priority of services should sit subsequent to that.

Those are the pieces of the jigsaw we need to put together for the future, but that is where a lot of the thinking is. I do not think those decisions can really be taken until probably 2016/17 onwards.

Joanne McCartney AM: In terms of forward planning, you are going to have to make some presumptions or assumptions --

Lynda McMullan (Director of Police Resources and Performance, MOPAC): We are certainly making assumptions about --

Joanne McCartney AM: -- particularly as police officer pay is 50% of your budget.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): -- what those options could be and what that looks like. We do not have some of that detail about exactly how much more we can push out in some of these areas. We need to get some of that final planning in place.

Joanne McCartney AM: Of course, we also know that 32,000 has not been doable for this term, either, because police officer numbers have been below that for some time and are not going to reach that until next year.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): We have budgeted for 32,000, though.

Craig Mackey (Deputy Commissioner, MPS): Sorry, I would not say "not doable". I would say it is eminently doable. It is 31,200 and something.

Joanne McCartney AM: Being below that 32,000 has meant that you have been able to save a few million. I think £14 million was the last count.

Craig Mackey (Deputy Commissioner, MPS): Yes, but it is another debate that we have had a couple of times already.

Joanne McCartney AM: I appreciate that partly it is a political debate, but it seems to me that there must be some better way of doing this than - and I am a politician, so I am as guilty as the next person - that you do not just get the spikes in numbers at election times.

Craig Mackey (Deputy Commissioner, MPS): As Lynda [McMullan] said, that is why we are doing the work. We can present the options in terms of how much further we can go. What other bits of the budget is there the ability to move in within the MPS? As both colleagues have said, I am not sure we have got there yet

on what I call indirect costs. Remember where we started on this. I remember at one of my very first appearances before this Committee, we were spending £1 of every £3 on indirect costs. A benchmark ought to be somewhere around 15% or 20%. We have to keep pushing at those sorts of costs because I think that is what you would expect us to do and I am sure that is what the people of London would expect us to do. We are in that stage now of doing that modelling about what the next four to five years could look like and where the flexibility is and, quite frankly, where people will have to make those trade-offs.

Joanne McCartney AM: OK. There is another thing I want to ask you and I will start with Steve, if I can. Your report says,

“The number of police officers needed to police London ... will almost certainly need to be reviewed.”

It is the use of that word ‘needed’,

“The number of police officers needed to police London ... will ... need to be reviewed.”

It seems to me a strange choice of word because, if it is needed, why should it be reviewed downwards? Do you see what I mean? It is the use of that ‘needed’.

Stephen Otter (Her Majesty’s Inspector of Constabulary, HMIC): Yes. The future numbers that are needed to police London should be reviewed.

Joanne McCartney AM: They might be needed to meet the budget cuts.

Stephen Otter (Her Majesty’s Inspector of Constabulary, HMIC): No. I must read the words, then, if you are going to be pedantic about the words.

Joanne McCartney AM: It is on page 10,

“The number of police officers needed to police London beyond 2016 will almost certainly need to be reviewed to meet future savings challenges.”

That, to me, is a requirement.

Stephen Otter (Her Majesty’s Inspector of Constabulary, HMIC): Yes. There is a demand and there is a threat that needs to be met in terms of the challenge of policing London.

Joanne McCartney AM: Part of the threat is the cuts, yes.

Stephen Otter (Her Majesty’s Inspector of Constabulary, HMIC): The numbers of police officers that are needed to achieve an outcome that the public would see as a success, we think, needs to be part of any review of a big operating model for an organisation.

Police officer numbers, we can say because we are independent-minded and not part of the political arguments, tend to be used as a proxy for what people think the public want. It is completely understandable when you do not have another set of information that you can easily use. That is the point we are making about productivity --

John Biggs AM (Chairman): That is why this Committee is, ever so helpfully and in a non-partisan fashion, trying to help nudge people towards a different metric because we know which way the wind is blowing.

Joanne McCartney AM: Can I ask Craig? Obviously, it is a political 32,000. You are a professional. You must have a view about what is needed and perhaps you would like to tell it to me now. What is the case that the MPS is going to make to the next Mayor as to how you sell what is actually needed and as to the political rhetoric about this.

Craig Mackey (Deputy Commissioner, MPS): That is part of the work we are doing now. We are down into the detail now of some of the design principles. There is a debate about whether you build an MPS that can cope with every capability and threat it currently faces or do you build an MPS that is different and that cannot do that? I will make it up: anything about 25% above exceptional, do we say at that point, "The MPS says it needs help from other forces"? There are a whole range of options that you need to look at before you get to that number about where we end up.

The other thing that is important that goes to one of the earlier questions, and is really a debate for this Assembly and others is how much of these national commitments will the MPS continue to have and to do, and how many will we take on, not by default but because we are 25% of England and Wales policing?

John Biggs AM (Chairman): This is probably the most interesting question today, but I understand Mr Otter has to leave by 11.30am at the latest. We have a question about West Midlands policing as well to pop up. If we are going to pile in on this, we need to do so very quickly and ruthlessly.

Darren Johnson AM: Do you believe we are heading into a more sophisticated discussion on this now in terms of public understanding and political commitments and that it will not simply be a Dutch auction anymore on officer numbers and will be more about effectiveness and getting the right balance between uniformed officers and civilian staff?

Craig Mackey (Deputy Commissioner, MPS): I hope, and I think collectively we all hope, that we are. Also - and it is something I have touched on before other Committees here - I hope we have a debate about the whole capabilities of the MPS. We tend to focus on those uniformed people that are on boroughs as if there is some sort of big wall between Greenwich and Southwark or wherever it might be. Actually, we have a huge capability in the MPS that at times never gets looked at. Most people never talk to us about a third of our resources.

Darren Johnson AM: If we stick to arbitrary numbers on uniformed officers, it greatly restricts the amount that can be spent on civilian staff and can often result in uniformed officers doing roles for much more money that could actually be done by civilian staff. We would get ourselves into a terrible mess.

Craig Mackey (Deputy Commissioner, MPS): You could end up there, yes. The test for us is trying to make sure we do not, at all times. It is getting that balance right. There will always be a number in London that, given the challenges of London, we are going to need of uniformed officers and capability. What we are trying to do is put a real figure to that.

Darren Johnson AM: Will that also be a real figure in terms of the overall resources of the MPS in terms of both uniformed officers and civilian staff? They are all part of delivering productivity.

Craig Mackey (Deputy Commissioner, MPS): Absolutely, the totality of the MPS. At the moment, we have a range of people who are part of that enterprise delivering for London and it is trying to get the totality of that absolutely right. On your point, we have to get the balance right. This is not about trying to build an organisation that is unbalanced. That is in no one's interests.

Darren Johnson AM: That is very welcome. Thank you.

John Biggs AM (Chairman): OK. Can I ask a stupid question, just for the record? If there is another £800 million of savings to be achieved, unless there is another source of funding which reduces that, it is fairly inconceivable that at the end of the term of whoever the next Mayor is, you will be able to sustain 31,000 or whatever officers. Is that a fair supposition?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): In writing our report, we think the pressure on those numbers is inevitable with the savings that would have to be made. When we move on to talk about the West Midlands Police, they have had a very different approach to trying to understand demand and how they should go about providing a service to the public. No, I would not say 'very different'. It is not. They have had longer to develop a better understanding of demand and prevention.

Demand management is part of this. It is not just about inputs. What is the MPS currently doing that it could do differently that would stop that demand happening in the first place? There is a very good prevention strategy that the MPS and MOPAC own together. We can see it as a great strength that there is this combined effort to think about prevention. It is not just about the numbers of officers. What can we do to prevent crimes happening in the first place?

If you look at digital crime, there is no doubt that piling in loads of uniformed officers is not the way to deal with online fraud, for example. Trying to solve today's solutions with people who are designed to patrol streets and deal with a different, physical type of crime is not the right way to go about it. There is a need to think about these things differently.

John Biggs AM (Chairman): All right. That is very helpful. For the record, we can remind ourselves that one of the strengths of the London model is that a Mayor could find resources from elsewhere to help meet shortfalls in the Government grant, but let us not dwell on that now.

Richard Tracey AM: As you have been pre-warned, we want to talk about what you have written about the West Midlands Police. You considered the West Midlands along with several other forces as comparators with the MPS, although actually I think I heard all three of you saying, "No, the MPS is not the same as other forces". Nevertheless, the evidence from your writings is that you do seem to consider some comparisons. Indeed, you rated five comparator forces as 'outstanding' in value-for-money terms but the MPS only 'good'. What does the MPS have to do to get from 'good' to 'outstanding'?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): There was only one force that is in the peer group that we have rated as 'outstanding' and that is the West Midlands Police. We do accept that it is right to compare but wrong to compare in a sense that you can be absolutely sure that one is the same as the other.

I will be brief because I do need to go, I am afraid. There are a few things as headlines that the West Midlands are doing well. Let me be clear. They are doing well in some of these areas when the MPS is actually doing quite well in other areas. Let us be clear about that.

However, in this regard, they are a force that has provided evidence to us of rigorously scrutinising its budget and aligning resources to priorities with priority-based budgeting across all areas of business. It is seeing its whole business as one opportunity to provide a more efficient service, whereas the MPS tends to – and you have heard Craig [Mackey] say – at the moment, see things in silos.

There is a comprehensive approach to demand assessment and demand management. What that is driving is genuinely integrated approaches with partner organisations. There is a real here-and-now sense around opportunities to prevent crime, not everywhere, but it was very impressive where they have got to around reducing demand and preventing crime.

They are in discussion about the introduction of what they call an ‘innovation integration partnership’ with a private sector partner. The plans for that look very good and we were very impressed by it. That is allowing them to make forecasts of the sort of resourcing they need to 2020. They actually have a much longer view than a lot of forces have and it is a lot to do with the amount of time they are spending on their planning.

There are two things together with the West Midlands. Again, it is not perfect, but it is better than we have seen elsewhere. They are very clear about what is happening today, where the resources are, what they are doing and whether they are doing what they require them to do and at the same time thinking long-term about how they are organising their business and how they are arranging their resources into the future, knowing that they have a 22% target as well to reduce. Bear in mind, as I say, their ability just to take opportunities from the online costs are less than the MPS’s. Their actual officer numbers are going down and their proportion on the front line has actually been reduced.

Craig Mackey (Deputy Commissioner, MPS): The front line is going down.

Richard Tracey AM: Is there any chance whatsoever that the MPS could predict beyond 2020? As you have said, the West Midlands have gone beyond 2020 and the MPS only to 2016.

Stephen Otter (Her Majesty’s Inspector of Constabulary, HMIC): Not in everything. No organisation can predict what is happening. What they are doing is they are assessing their situation now and forecasting across to 2020. They are in a very difficult political environment, as you know. That does make a difference to the way they are able to plan. If you were to ask me what has driven that perhaps more intensive approach to finding savings across their business, it is that the challenge for them was immediately very great. There is something about being faced with that and having to find very innovative and make very brave decisions early and they have done it very well.

Richard Tracey AM: You obviously think that it is a real benchmark at the West Midlands. How do you think the MPS’s performance over the spending period has compared to these other similar forces? Is it possible to say?

Stephen Otter (Her Majesty’s Inspector of Constabulary, HMIC): It depends what you use as a performance measure. If you use crime reduction, the MPS has performed better than other forces over the Spending Review period. No, over the Spending Review period it has performed less well, but in the last two years it is better. The other forces are showing increases in crime and the MPS is showing reductions.

In terms of crime levels, it depends whether you accept that crime levels should be as high as they are in London compared to the West Midlands, but they are much higher still in London than, say, in Birmingham.

That is a very difficult comparison. There are lots of factors there and we would urge you not to make a direct comparison with that.

In terms of outcomes from criminal investigation, the MPS is not doing as well as other forces in its group. That is just a summary and we would expect the Commissioner - and certainly the commitment from the Commissioner is - to continue to have an ambition to bring crime levels down to what other large cities have. That is a courageous thing to do.

Richard Tracey AM: Can I just turn to Craig Mackey and to Lynda McMullan?

John Biggs AM (Chairman): Actually, we will let you go, but on the "brave decisions" that they have made, can you point us to those? Do not read them out but can we have some in front of us?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): For West Midlands?

John Biggs AM (Chairman): Yes.

Craig Mackey (Deputy Commissioner, MPS): Cutting frontline officers.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): The brave decision is that they have decided to look at demand and threat and make a purely, I suppose you would say business decision, to create resources that actually are aligned and designed to deal with that specifically and that are not necessarily what maybe the public or the politicians would say.

Also, some of the work they are doing on recruitment is in the report. We were very impressed about getting community members on panels to recruit - these are police constables (PCs) - and thinking more broadly about the types of people they need to police a modern Birmingham. They have had to think about these things in a way that perhaps the MPS, I know, is starting to think about these things and certainly the relationship with MOPAC is a good thing in challenging the MPS to do more, but they are not doing it yet whereas the West Midlands are.

John Biggs AM (Chairman): We can access that report, obviously.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes.

John Biggs AM (Chairman): I read that the good people of Solihull are complaining that they were under-policed as a result of these changes. I read also that Warwickshire has essentially been absorbed into West Midlands without anyone noticing.

Craig Mackey (Deputy Commissioner, MPS): West Mercia, and I do not think 'absorbed' is the phrase, Chair, that they would use. It is collaboration.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Warwickshire and West Mercia are being run as a single force with two police and crime commissioners and two chief constables, quite successfully, I have to say.

John Biggs AM (Chairman): Yes. OK.

Richard Tracey AM: Two commissioners and two chief constables?

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Yes, because by law they have to have two. It is the one thing you cannot change unless you change the law.

Richard Tracey AM: Is that right?

John Biggs AM (Chairman): Mergers, I think.

Darren Johnson AM: Are they both part-time?

Richard Tracey AM: There was a final question. Thank you. I know you have to go.

John Biggs AM (Chairman): Thank you very much.

Stephen Otter (Her Majesty's Inspector of Constabulary, HMIC): Thank you.

Richard Tracey AM: A question to Craig Mackey and Lynda McMullan: can you give us some examples of how you have learned from other forces in terms of funding reductions?

Craig Mackey (Deputy Commissioner, MPS): Gosh. A whole variety of ways. I will talk about forces and other parts of both the public and the private sectors. First of all, in terms of funding reductions, we have had for a number of years, since the work around austerity and responding to the changing financial situation started through the College of Policing, groups of, usually, deputy chief constables and others, who have come together to share good practice. There is an opportunity to say, "You have done this and that". Like many forces, we have been out and looked. We have looked at some of the work colleagues have done in the South West forces. We have looked in the East Midlands. We have also spoken quite a bit to the West Midlands in terms of the work around it. Of the forces in our family, both the West Midlands and Greater Manchester are probably the most comparable with us. West Yorkshire is comparable in terms of the family of forces but, again, was in a different place in its Spending Review.

Steve [Otter] touched on priority-based budgeting. We ran priority-based budgeting this year for the first time. The experience from other colleagues is it takes about two to three years to get that to a point where it really starts to bite and people both understand the concepts behind it and also come equipped to answer the difficult questions. Lynda, you did a few, did you not, this year?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Yes.

Craig Mackey (Deputy Commissioner, MPS): It is fair to say that they were of varying quality as we have learned the process. That is a real example of where you have learned, you pick something up and you say, "Actually, this will work in our scenario. This is how it will look in the MPS. This is how we will roll it out". There are a number of those where we have looked and have learned.

In both the private and other parts of the public sector, clearly, by meeting with both key people and key industries, there is a constant exchange of ideas around this. Also, with our change programme, I think you are aware that we have worked now with two different groups from the big four consultancy firms and, again, that is part of knowledge transfer and saying, "Part of the reason you work with us is we want to equip our own

people to do this themselves". It is getting that knowledge transfer right and we are into the second iteration of that now.

Richard Tracey AM: All right. Do you have the same consultants that the West Midlands apparently used?

Craig Mackey (Deputy Commissioner, MPS): We do at the moment. Sorry, no.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): They have Accenture.

Craig Mackey (Deputy Commissioner, MPS): I think it is public, is it not? It has been awarded, has it not?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Has it? It is in the report.

Craig Mackey (Deputy Commissioner, MPS): Accenture is doing their partnership work but PwC did some of the early work with them. We have worked with PwC and Deloitte over the period of this.

Richard Tracey AM: Lynda, do you have anything to add?

Lynda McMullan (Director of Police Resources and Performance, MOPAC): No, that is a really good summary. I would just add that a lot of the public sector is perhaps a couple of years ahead of where police forces generally are and that is a really rich source we can go to.

The other interesting parts are going to places like the Greater Manchester Police, because in Manchester they are thinking about integration across different bits of the public sector as well, which is probably a little bit in the future for us in terms of how we land some absolutely real savings but is stuff that we really need to start thinking about. They have done an awful lot of really good work in Manchester about that.

Richard Tracey AM: The Home Secretary has talked about integration fairly recently. Are you ready for the sorts of things she has come up with?

John Biggs AM (Chairman): It is the old chestnut of merging all the 'blue light' services.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): That is more for 'blue lights' or emergency services.

Craig Mackey (Deputy Commissioner, MPS): That was 'blue lights', yes.

Richard Tracey AM: Just one other question that intrigues me. I was at a meeting in my own locality yesterday when the Deputy Mayor suggested that perhaps there may be greater receipts than £250 million from the sale of the Scotland Yard building. Is that your view? Lynda, I suppose, is the person to ask from MOPAC.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): That would be very welcome, I have to say.

Richard Tracey AM: I daresay, but he seemed to be pretty confident, I think.

John Biggs AM (Chairman): Make an offer, Richard.

Lynda McMullan (Director of Police Resources and Performance, MOPAC): Yes. We will see you at the end of the meeting. With all these things, there will be a very small market for something like this and it is how much people are prepared to offer and how much they want it. Absolutely, we are very optimistic about receipts.

Joanne McCartney AM: Do we want me to pick up shared services with emergency services? Theresa May [Home Secretary] has only last week said that the next spending round will be difficult and said that it is inevitable that there will have to be some mergers in emergency services. Last time we asked about this, there was talk about what you were doing, particularly with the ambulance service. Is there further scope you are looking at? Did your eyes light up when you saw a turf-grab on your behalf or not?

Craig Mackey (Deputy Commissioner, MPS): No, it is not a turf-grab at all. It has actually progressed quite a lot in terms of the work around it. We have been working with both fire and colleagues at ambulance and we started off with four key areas we were looking at.

There is the issue of control rooms, for which there is some history of those previously being done elsewhere. I think the public is quite surprised that if you ring 999, first of all, you get an operator who is not a member of the emergency services, but is actually a supplier who then routes you to one of the three emergency services. I think they think we are actually more joined up than we are in terms of that. There is some real potential around some of those sorts of things. On the back of that, it brings in the whole thing around technology and whether we can do technology together.

There is estates and facilities management. At the moment, we often manage and service buildings in a completely different way, sometimes across the road from each other and certainly within the same borough or same locality. As we have reported before, one of the areas we have made some considerable progress and savings on is how we do our facilities management. The contract has been done in such a way that others can join it across London. We have an integrator there now for facilities management, which has delivered some big savings in terms of the work.

Then there is leadership development. Colleagues in the fire service have done some quite exciting work on how they do leadership development programmes and whether that is something we could piggyback and be part of.

Then there is the work around commercial and procurement. Of course, we are often all going to the market collectively together for a range of things to look at how we can do it in a different way.

We have had some quick wins, everything from how we are training on joint resilience we have done together, through to simple things like safer neighbourhood bases and moving into fire facilities and those sorts of things. There are some real quick wins coming out of that. We are not sitting there discussing a merger and when it would take place but actually we are seeing some opportunities to deliver real savings that will also improve the service to the people of London. That is the focus. The three chiefs will meet about every three months on that and there are working groups driving the particular strands of work underneath it.

Joanne McCartney AM: You have not had any guidance coming out of the Home Office at all?

Craig Mackey (Deputy Commissioner, MPS): No, not in those formal terms in that way. Having been involved in these elsewhere with two joint emergency service control rooms, my experience is that it is better

when it is driven by the people who are actually doing it and just literally getting together and saying, "What could work? What are the opportunities? How do we make this work?"

John Biggs AM (Chairman): That is always a dangerous issue at party conference time because it is an easy thing for Home Secretaries to promise but rather harder to deliver on in reality.

Joanne McCartney AM: No doubt we will be coming back to this, though, yes.

Craig Mackey (Deputy Commissioner, MPS): I can only speak from personal experience. There are huge business benefits, if you could do it, huge business benefits for the person on the other end of the phone who is in whatever form of distress they might be in. Particularly when you get to areas, probably not so much inside London, but when you get to some more rural areas where you might be really struggling to have reasonable coverage of any one of these services, there are some real opportunities in this.

Stephen Knight AM (Deputy Chair): Interestingly, I also sit on the Fire Authority and so this issue --

John Biggs AM (Chairman): At the moment.

Stephen Knight AM (Deputy Chair): At the moment until it changes, certainly. I was interested because earlier we were talking about the new command and control system. Has the framing of this contract taken into account the possible merger of control systems across emergency services? Clearly, if each of the three emergency services - and I could include four with the Coastguard - have their separate contracts and it is going to be quite difficult to merge.

Craig Mackey (Deputy Commissioner, MPS): Certainly, this system does that in other parts of the world, so it could deliver for other emergency services, absolutely.

Stephen Knight AM (Deputy Chair): As long as they haven't equally signed 17-year contracts?

Craig Mackey (Deputy Commissioner, MPS): No, but there are ways, as you well know, of coalescing and bringing together points where you can work together. A call card, without getting too technical, looks the same whichever one of the services you are. The assets that then get presented in terms of some of the deployment risks, with the exception of colleagues in ambulance who do much more triaging - and, in fairness to them, I would say that requires a higher levels of skills - the actual service and the process looks remarkably similar.

Joanne McCartney AM: Coming on to volunteers, then, I have met my borough's volunteers and they are wonderful.

Craig Mackey (Deputy Commissioner, MPS): They are good.

Joanne McCartney AM: They do a great job. I just wondered whether you could let us know how many volunteers excluding special constables you currently have.

Craig Mackey (Deputy Commissioner, MPS): There are 1,400.

Joanne McCartney AM: Not now, but perhaps we could write to you and if you could just say in what areas they are used. It would be very helpful.

Craig Mackey (Deputy Commissioner, MPS): Yes. In simple terms, everything from front counters, closed-circuit television (CCTV) examination, quality call-backs, all the way to roleplaying in some of our training.

Joanne McCartney AM: I have been down to the Antique Squad and you have people from the galleries out as well with antiquities.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Joanne McCartney AM: There are obviously benefits to using volunteers because it frees up police time and you can get more done, but there are also risks. A couple of them that we have identified are that if they are doing the same duties as police officers, you could be in breach of employment law, potentially, and if you are doing that and staff find that jobs are being lost in the workforce, it could really damage the morale and the goodwill of your existing staff and officers. Have you actually done any assessment of those benefits and risks and what is your take on that?

Craig Mackey (Deputy Commissioner, MPS): Yes, we do and we do it for each post because we are very conscious of making sure it is not seen as a creep, so it is usually about providing additional capacity that we would not ordinarily provide. Just a technical point, it cannot be for police officers because police officers are not employees, but absolutely for police staff.

We are alive to the issue when people say that actually we are creating or doing something different here. Having met the volunteers who are doing the work around CCTV the other week after they were recognised in a national award, I think anyone who meets them is just completely overawed by (1) the enthusiasm, (2) the life skills and (3) the commitment they bring to London. As you say, as volunteers, they are doing it for entirely altruistic and proper reasons. A lot of those issues evaporate away when they come into play. However, we are absolutely alive to it and there are no plans to say, "Here is a key bit of the organisation that we need capability and capacity in. I tell you what. We will get rid of the people who are doing it fulltime and are remunerated for it and we will replace them with volunteers". That is not what we see this as. This is about additionality.

Joanne McCartney AM: I am glad you have been able to give me the figures because a few years when I asked that, I was told, "They are held by all the boroughs and we do not really know how many we have". Have you actually a system?

Craig Mackey (Deputy Commissioner, MPS): We are trying to collate it into the centre so that we have transparency on it. Given the fact that, in the nicest way, you have limited compellability around volunteers, the number will change a bit, but it is at 1,400.

Joanne McCartney AM: Given that they are a valuable resource, are you doing anything to ensure that they have proper training in professionalism, as best you can, in that volunteering role?

Craig Mackey (Deputy Commissioner, MPS): Yes. Depending on the unit they go into or the team - and, as I say, I will speak for the ones I have most recently seen around CCTV - there is a proper induction programme and parts of the training around it in terms of coming in. The event I was at when I met them was around reward and recognition. They have been put forward for a national award and have actually been

recognised for it. They have won a very prestigious national award in relation to the work they did and that is a key part of it. It is also an opportunity to say thank you.

Joanne McCartney AM: It would be useful as well if we could have some details on specials following the meeting.

Craig Mackey (Deputy Commissioner, MPS): Yes.

Joanne McCartney AM: John, that would be useful.

John Biggs AM (Chairman): Very helpful. I think that is about it, then. Are we all happy? We did not say anything about the British Transport Police, did we? It is like a foreign country, is it not? We were looking at efficiencies. Do we ever do anything with them?

Craig Mackey (Deputy Commissioner, MPS): Yes, we do a lot with colleagues from the British Transport Police and the City of London [Police]. Operationally, it is an absolutely seamless operation in terms of doing that. We meet together as command teams and we do look at a number of opportunities, everything from the provision of custody services through to how we can do things differently. There is a long, established history of the ability of the three organisations to flex specialist resource.

John Biggs AM (Chairman): I am aware of that at a high level, but in terms of your bottom line is there anything that pops out of that?

Craig Mackey (Deputy Commissioner, MPS): Not directly. One of the challenges of course with the BTP is that it has a very different funding stream. It is not a Home Office funding stream.

John Biggs AM (Chairman): Yes, OK. Thank you very, very much for coming.