

Key messages

The Scottish Police Services Authority



Prepared for the Auditor General for Scotland
October 2010

Auditor General for Scotland

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Key messages

1. The Scottish Police Services Authority (SPSA) was established in 2007 as a national organisation to provide a range of support services to Scotland's eight police forces and the Crown Office and Procurator Fiscal Service (COPFS).

2. SPSA's main objective is to improve the efficiency and effectiveness of services which support Scottish policing. It also provides more formal governance arrangements for those services which were already provided on a national basis prior to 2007. SPSA now provides:

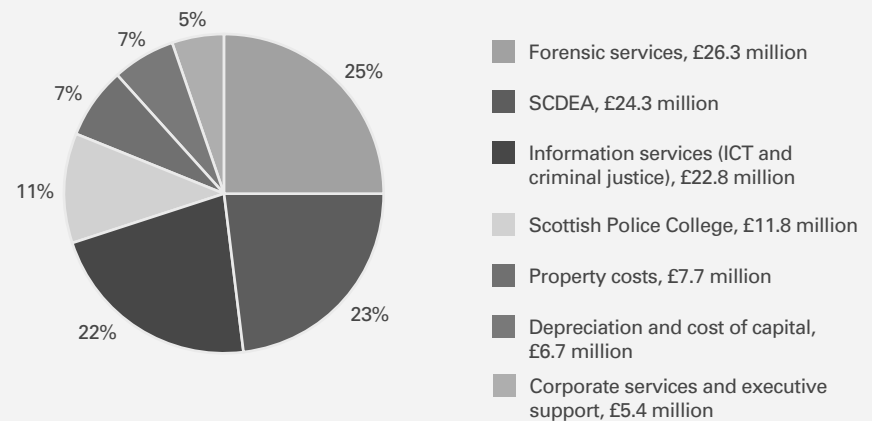
- forensic services such as fingerprint and DNA analysis and other scene of crime services
- criminal justice services. This includes managing national databases such as the criminal history system and the automatic number plate recognition system
- information and communication technology (ICT) services. SPSA provides forces with day-to-day ICT support, and works with the Association of Chief Police Officers in Scotland (ACPOS) and forces to develop national and force-specific ICT systems
- training, learning and other development for new recruits, police officers and staff at the Scottish Police College
- corporate support services for itself and the Scottish Crime and Drug Enforcement Agency (SCDEA).¹

3. Some of the services now provided by SPSA, such as the Scottish Police College, were already centralised, stand-alone services before SPSA's creation.² However, each of the eight

Exhibit 1

SPSA's 2010/11 budget by service area

Most of SPSA's 2010/11 budget is allocated to forensic services, ICT and SCDEA.



Source: Audit Scotland from SPSA information

police forces previously managed forensics and ICT support. Forensics transferred to SPSA in 2007 and ICT transferred in 2008. This staged approach was to allow the transfer of ICT to be informed by the experience of the forensic services.

4. Initially, 886 staff transferred to SPSA on 1 April 2007, a further 303 were seconded to SPSA by forces at that time and 350 ICT staff transferred one year later. SPSA currently employs 1,360 staff (full-time equivalent) and has 340 police officers on secondment from forces.

5. SPSA's budget is set by the Scottish Government, which allocated £105 million to SPSA for 2010/11. The budget for SCDEA is ring-fenced (£24.3 million). A further £2.43 million is allocated for specific projects, for example, in the college and SCDEA. SPSA allocates the rest of its budget across each of its services (Exhibit 1). SPSA charges for some of its services and expects to generate £5.4 million of additional income in 2010/11.

6. This audit provides an assessment of SPSA's development, achievements and future challenges. The findings from this audit are also intended to help other organisations understand better what is involved in developing shared services to improve efficiency. Our main report includes a checklist of questions for the Scottish Government and public bodies to consider when planning future shared service initiatives (Appendix 2 of main report).

1 SPSA's early development was hampered by a lack of clarity on how it was to deliver its long-term benefits. This was compounded by poor information about the services transferred, leadership problems and sometimes difficult relationships with its customers.

7. SPSA faced a number of difficulties in its early years. These arose from a lack of clarity about how it should operate; poor information on the services it was to deliver; and an initial

¹ SCDEA is maintained by SPSA, but has operational autonomy. Our review looked at the corporate services SPSA provides to SCDEA, but not SCDEA's service delivery.

² These centralised services were previously referred to as the common police services.

lack of support from its customers and stakeholders. These were compounded by leadership changes.

8. In June 2001, the Scottish Executive Justice Department undertook an initial consultation on reforming the common police services.³ The consultation identified the need for a detailed implementation plan, with clear commitments from all sides to ensure that the expected outcomes were delivered to an agreed timetable.

9. Although the consultation accurately identified many of the key issues likely to affect the development of SPSA, several of the actions identified were not completed. In particular, the Scottish Executive did not develop estimates of the potential costs and savings of setting up SPSA, nor did it develop detailed implementation plans, which had the support of key stakeholders.

10. Despite further consultation in 2005, police forces and police authorities remained concerned that their autonomy for delivering local policing might be undermined. This resulted in difficulties in developing common working practices in advance of SPSA's establishment.

11. It was not clear how SPSA was to deliver centralised services and make savings for the police. Customers and other stakeholders developed different understandings of SPSA's role. Rather than discussing its remit with customers and defining it more clearly, SPSA assumed that it had to meet all its customers' needs and took on tasks that it did not have the funding to deliver.

12. SPSA's initial budget was based on incomplete information. To set the 2007/08 budget of £81.1 million, the Scottish Executive attempted to identify existing levels of expenditure

on each of the services that SPSA would be providing. (See paragraph 23 of the main report for more information.)

13. SPSA believes that some of the funding provided in 2007/08 was insufficient, in particular, the funding for forensic services. Initially SPSA received £2 million for the work it carried out for COPFS, which was the whole of COPFS's budget for forensics work at the time. However, based on an analysis of the volume of work completed for COPFS, SPSA estimates that the value of the forensic services provided to COPFS was around £5 million.

14. The transfer of staff and equipment from the already centralised common police services went relatively smoothly. However, in forensics and ICT, the timescales, the variety of existing arrangements and a lack of information on what staff and equipment forces were transferring all affected the transfer process. (See paragraphs 30 to 32 of the main report for more information.)

15. These transfer difficulties affected SPSA's performance in its early years. The lack of robust information on the volume, types and costs of current levels of service and on the level of demand meant that SPSA was unable to effectively plan, prioritise, monitor and report on service performance.

16. Performance was also affected by high staff turnover and low staff morale and by leadership changes. Within the first two years, the chief executive, the board convenor, and five of the seven senior staff initially appointed all left. The board membership also changed (Exhibit 2). These changes left many key positions unfilled for several months at a critical time in the early development of SPSA.

17. SPSA's customer engagement was poor in the early years, making it difficult for SPSA staff to talk to their customers honestly about what SPSA could and could not provide. (See paragraphs 41 to 43 of the main report for more information.)

18. SPSA's governance arrangements are complex and the board has found its role challenging. The board's membership reflects the local governance arrangements for police and was designed to ensure SPSA would develop to meet the police's needs.

19. However, the board's composition has created tensions. There is a potential conflict between a chief constable or police convenor's statutory responsibility for local policing and their role on the board of a national body, making decisions in the interests of Scotland as a whole. This has proved difficult for some board members and meant that they have not always been able to support the board's decisions publicly. (See paragraph 36 of the main report for more information.)

20. The governance arrangements for SCDEA, as a separate body, have created further challenges for SPSA and the board. At the time of our audit it was not clear how the chief executive could fulfil her accountable officer responsibilities in relation to the economical, efficient and effective use of SCDEA's resources. As a result, SPSA has recently developed arrangements to improve the internal governance of SCDEA. (See paragraphs 38 to 40 of the main report for more information.)

21. The Scottish Government Safer Communities Directorate is SPSA's sponsor.⁴ The sponsor supported SPSA in its early years by, for example, negotiating with HM Revenues and Customs about SPSA's VAT status.

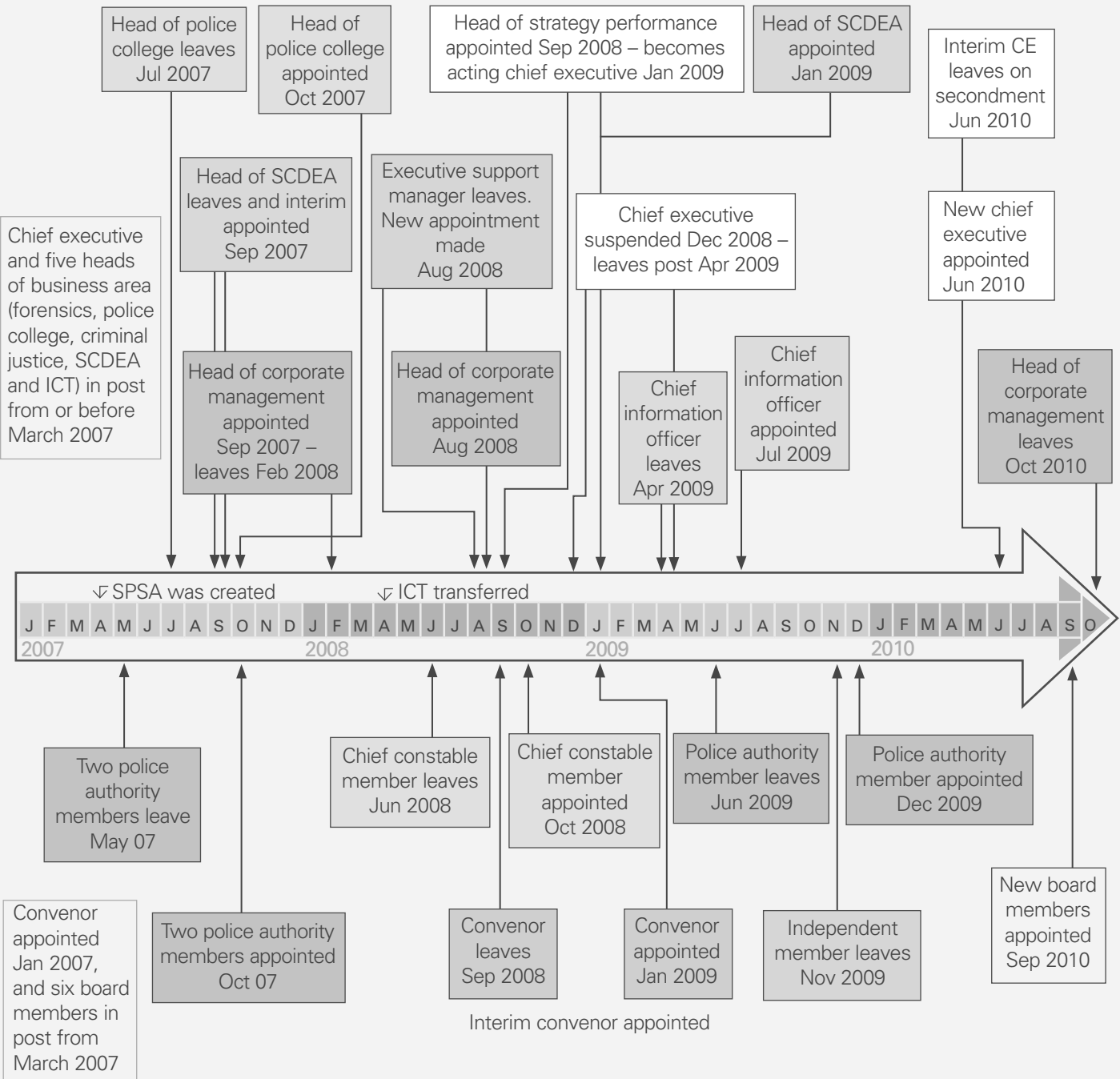
³ Prior to September 2007, the Scottish administration was referred to as the Scottish Executive. It is now called the Scottish Government. When dealing with the earlier period this report refers to the Scottish Executive, but in all other instances to the Scottish Government.

⁴ Sponsors manage the relationship between Scottish Government and non-departmental public bodies (NDPBs).

Exhibit 2
Changes in SPSA personnel

The board and senior management team has changed substantially since 2007.

Changes in SPSA executive and senior management



Changes in SPSA board

Source: Audit Scotland

22. There was regular communication between the sponsor and, separately, the board convenor and chief executive. However, the sponsor did not fully recognise all the difficulties facing SPSA in its first 18 months.

2 SPSA has improved the quality, productivity and efficiency of many of its services. Supporting and developing ICT systems has been challenging and SPSA is not yet able to meet all of its customers' ICT needs.

23. Despite the difficulties SPSA experienced when it was first established, the organisation has improved the service quality, productivity and efficiency of many of its services (Exhibit 3).

24. SPSA is now starting to realise benefits from more interaction between its service areas. In particular, the forensic services now work with criminal justice to use information held in the national criminal history system to reduce the backlog of samples requiring analysis. (See paragraph 50 of the main report for more information.)

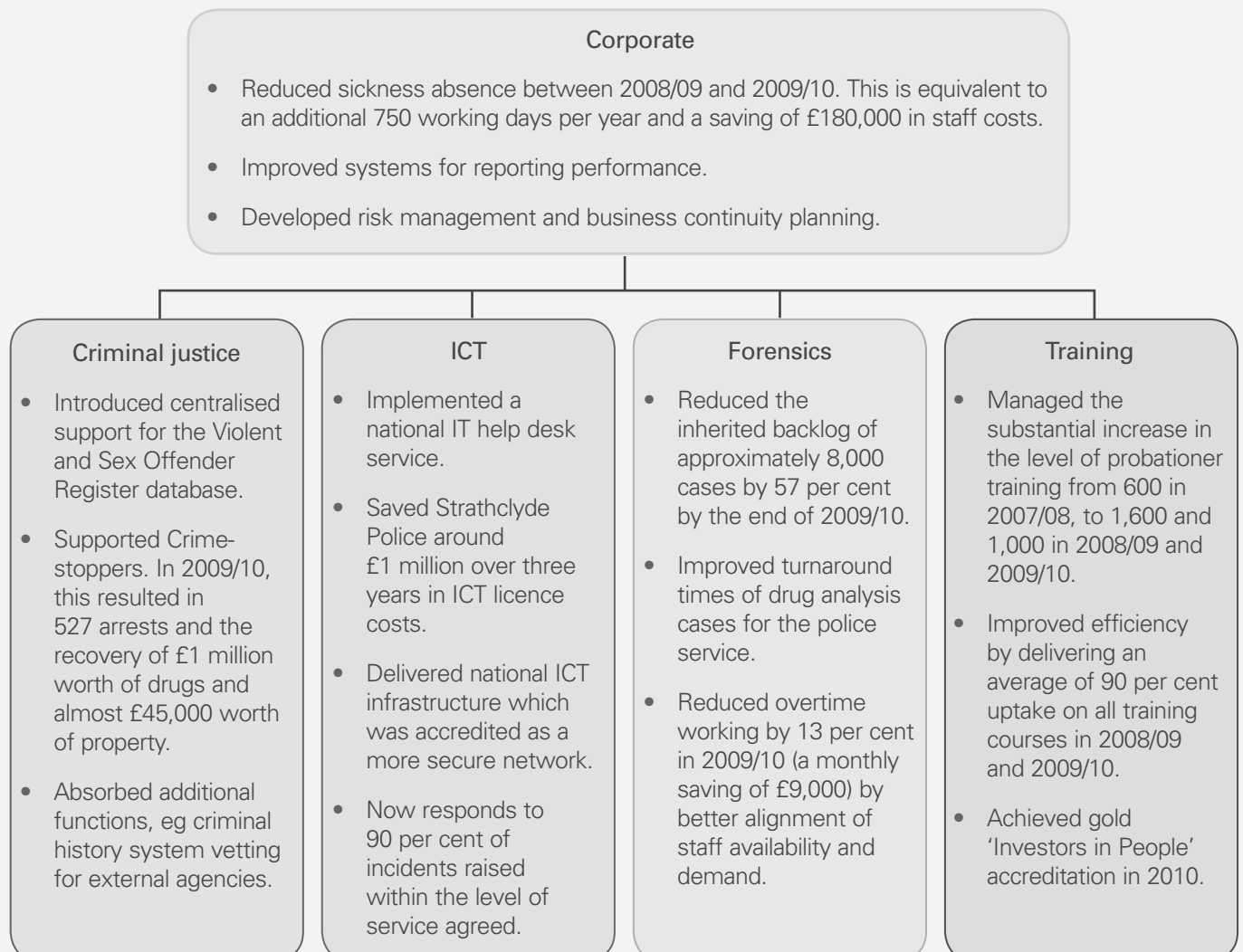
25. The criminal justice business area has continued to deliver against existing requirements while developing additional functions, and now delivers a wider range of services to more users.

26. The Scottish Police College has continued to meet its customers' training needs and improve quality. The college was able to meet increased demand from forces for new recruits and has revamped some of its training courses.

Exhibit 3

SPSA service delivery

SPSA has improved services in a number of areas.



27. Forensic services now offer a fully integrated national 'crime scene through to court' service. Productivity has improved and the service has completed a major strategic review looking at options to rationalise the current estate.

28. Corporate services has established systems and approaches to support SPSA's service delivery. For example, it has improved customer and stakeholder engagement; developed its risk management and business continuity planning; and completed work on a five-year strategic plan.

29. SPSA's ICT services cover three areas of demand from its customers:

- providing day-to-day support and maintenance for ICT systems within forces
- supporting the development and implementation of local projects in individual forces
- supporting the development and implementation of national projects agreed by ACPOS.

30. ICT services transferred a year later than other services so SPSA has had less time to realise the efficiencies and service improvements seen elsewhere. There has been some service improvement in ICT. For example, SPSA has established a 24-hour facility for all forces that deals with 3,000 incidents and service requests a week. It has supported a number of important national projects, including a project to integrate the automatic number plate recognition system with the Scottish intelligence database.

31. However, both the police and COPFS customers have expressed considerable concern that SPSA is not yet meeting all their ICT needs.

32. The difficulties facing SPSA in delivering ICT services arise partly because of the increasing demand for ICT support across the range

of services. SPSA's budget has not increased in line with this rise in demand, and SPSA estimates that if it was to meet all the current ICT demands from forces, it would require an additional 200 staff. In addition, there is no effective mechanism for prioritising demand either between different local projects or between local and national work. As a result, SPSA does not know which projects to prioritise from the many demands made by customers.

33. SPSA's difficulties in meeting its customers ICT needs are beginning to affect forces' and COPFS's own programmes for increasing efficiency and effectiveness. There is increasing concern that core business may be affected. ICT customers have expressed frustration at a lack of information from SPSA on progress and delivery dates for individual projects. They reported that often when SPSA has not met agreed timescales, it was late in notifying them of delays.

34. In November 2009, SPSA and ACPOS identified the need for a full review of ICT services, which was supported by the Scottish Government. After lengthy negotiations on the scope of the review, work began in May 2010. The review group is now identifying and prioritising what needs to be done to meet the current and future ICT needs of Scottish policing. The group is due to report in November 2010.

3 SPSA has achieved its efficiency targets and made £5.3 million of savings in the three years since it was set up. However, there is potential for even more savings if SPSA and its customers work together to realise these.

35. SPSA has delivered the efficiency targets expected of it and made £5.3 million of savings in the three years since it was set up.

- In 2007/08, SPSA set its own efficiency target and achieved savings of £1.93 million.

- In 2008/09, the Scottish Government set a target of £1.45 million, which SPSA exceeded by one per cent.
- In 2009/10, SPSA reported a saving of £1.91 million against a target of £1.67 million.

36. Like many other public sector bodies, SPSA does not have baseline information on the quality of the services prior to 2007 and their costs. This means it is not possible to measure whether the savings reported have affected service quality or productivity.

37. Investments made by SPSA to improve its services can have widespread benefits. For example, if SPSA improves how forensic evidence is presented in court, this may reduce the time spent on a trial, thereby generating savings for the police, COPFS and the Scottish Court Service. (See the case study at paragraph 75 of the main report.)

38. Other potential savings arising from SPSA activity can only be realised in partnership with its customers. For example, there are currently more than 1,400 ICT applications in use across the eight forces. If forces used more of the same business processes, then standard ICT solutions could be used which would realise efficiency savings for both the forces and SPSA.

39. Although SPSA was established to deliver long-term savings across the justice sector, there are no systems in place to measure the extent of savings achieved.

40. The Scottish Government has traditionally set efficiency targets for individual organisations rather than for the criminal justice sector as a whole. This means that individual organisations consider their savings in isolation and limits the incentive for organisations to work together to reduce costs across the sector.

4 There are significant challenges ahead, which SPSA will need to meet with less money. It needs to act quickly to improve organisational support and focus budgets on its priorities.

41. The current economic climate is focusing attention on the need for all public bodies to deliver their services with less money. Police forces are increasingly looking to SPSA to help them deliver these efficiencies.

42. SPSA's new strategic plan for 2010-15 emphasises its commitment to working in partnership with its customers to improve services. This plan will be reviewed annually and supported by five-year strategies for each of SPSA's business areas and an overall annual plan for SPSA. It is important that all business units finalise their plans and proceed with implementing them as soon as possible. This will ensure the business units are clear about what is required to take SPSA forward as a more efficient and effective organisation.

43. SPSA acknowledges that there is still room for improvement. SPSA needs to give greater emphasis to a number of important areas and ensure that:

- it communicates regularly with its customers across all of its service areas
- its strategic, financial and workforce plans are linked and staff development is designed to help SPSA achieve its goals. In particular, SPSA needs to develop further leadership, management and customer service skills across the organisation and significantly improve its ICT capability and capacity
- it gets better financial and performance information across all its service areas, including

a better understanding of unit costs and the factors influencing them. This would support a more integrated approach across SPSA to identifying organisation-wide efficiency savings and help deliver a sustainable long-term efficiencies programme

- its budget is aligned with its priorities. This may mean significant reductions in some areas of spend. For instance, police forces are already implementing recruitment freezes, reducing the demand for Scottish Police College services. SPSA will need to determine if it should move funding away from the probationer training programme to support other business unit priorities or allow the college to use the funding to support other training priorities and, potentially, income-generating initiatives.

44. In addition, SPSA will have to manage a number of important developments and risks over the next few years. These include the planned restructure of the forensic services; progressing contract consolidation in ICT to deliver efficiencies; administering the ICT agency agreement; and developing the Gartcosh crime campus.⁵ (See paragraphs 83 to 88 of the main report for more information.)

45. The board has an important role to play in supporting SPSA to meet the challenges ahead. There is potential for the SPSA board to become more effective by carrying out regular and independent reviews of the board's performance and that of its subcommittees; and challenging and scrutinising SPSA's performance.

5 It is difficult for SPSA, the police and other criminal justice bodies to agree national service delivery priorities.

46. For SPSA to move forward quickly, it needs to work with its customers to prioritise its workload. This is particularly challenging as SPSA provides services to many different customers, including individual forces, COPFS and ACPOS, all of whom have their own priorities. Currently there is no effective mechanism to limit levels of demand or agree criteria which would enable SPSA to prioritise its work.

47. Demands for SPSA's services from the police are made either through ACPOS or by forces themselves. ACPOS leads and coordinates the direction and development of the police service in Scotland through ten business areas. ACPOS also has a business change programme board, which provides strategic direction, identifies priorities and manages major ICT projects to support operational and organisational developments in policing in Scotland.

48. The ACPOS business change board and many of the individual business areas separately identify projects needing SPSA support across the full range of services that SPSA provides. These requests are in addition to the service demands made by individual forces. However, the separate business areas are not always fully aware of the staff and time needed to deliver the projects requested or how requests might affect other SPSA services.

49. There is currently no mechanism for ACPOS and SPSA to agree priorities which include all the different service areas provided by SPSA. Recognising the need for this, SPSA, the Scottish Government, the Scottish Police Authorities Conveners Forum and ACPOS have agreed in principle to set up a customer commissioning and monitoring group to help develop service priorities. This group could have a key role in agreeing and prioritising the needs of customers

⁵ The agency agreement allows SPSA to buy ICT goods and services on behalf of forces without forces ultimately having to pay VAT.

for SPSA services. However, it is not yet clear how the group will operate in practice to overcome the difficulties identified or reconcile decisions made with existing governance arrangements for policing in Scotland, which are designed to support local policing needs.

50. The newly established Scottish Policing Board (SPB) also has an important role to play in agreeing strategic priorities for Scottish policing. Many of these will have an impact on SPSA. Membership of the SPB includes the Scottish Government, police authorities and joint boards, chief constables and the Convention of Scottish Local Authorities (COSLA).⁶ However, SPSA is not a member of the SPB although it may be invited to attend individual meetings. This means SPSA does not always have the opportunity to provide informed input to discussions on the practical implications of adopting different strategic priorities.

51. The Scottish Government, and increasingly the Scottish Policing Board, have an important role to play in supporting SPSA to set its priorities for the services it delivers which will, in turn, support national and local priorities for Scottish policing.

Recommendations

Scottish Government should:

- ensure that lessons learned from the experience of SPSA in developing shared services are fully reflected in any guidance and shared across the public sector
- review the composition and membership of the SPSA board
- review how it sets savings targets to encourage criminal justice bodies to work together to deliver savings across the justice sector
- invite SPSA to be a full member of the Scottish Policing Board.

Scottish Government should work with SPSA, the police and other criminal justice bodies to develop:

- effective mechanisms for prioritising key national projects
- systems to measure performance and efficiency savings across the justice sector.

SPSA, the police and other criminal justice bodies should work together (through the commissioning and monitoring group or some other agreed mechanism) to develop:

- criteria for identifying priority areas for SPSA to deliver
- an agreed approach for commissioning new projects, which ensures that different delivery options are fully evaluated and the expected benefits, timescales and cost implications are clearly identified.

SPSA should:

- clearly identify priorities in its work programme and align its funding to deliver these priorities
- engage more effectively with customers and provide clear and precise information on the progress, costs and expected timescales for the services being delivered, in particular in relation to ICT services
- speed up plans to improve its financial management systems, so that the board and staff have relevant and accurate cost information to enable them to prioritise service delivery and maximise the value for money achieved
- develop further leadership, management and customer service skills across the organisation to support delivery of its strategic priorities
- use workforce planning to improve the capability and capacity of SPSA staff involved in ICT work.

SPSA's board should:

- act cohesively and take collective responsibility for the decisions made by the board
- offer appropriate support and challenge to SPSA.

⁶ COSLA's involvement reflects the relationship between central and local government as defined by the concordat and the role of local authorities in resourcing police authorities and joint boards.

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